

Kootenai County, Idaho



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2009
Daniel J. English ~ Auditor



KOOTENAI COUNTY, IDAHO

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2009

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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Chief Deputy Clerk

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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, 2009

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Introductory Section

During the course of the 2009 fiscal year, the Federal Courts relocated their operations to the north end of Coeur d'Alene. This opened the former location at 205 N. 4th Street in Coeur d'Alene to be declared as surplus property and be offered to local entities for their use. Fortunately Kootenai County was the ultimate recipient of the facility which will be used to house the Juvenile Justice activities of the county.





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, 2008

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 stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

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 18, 2010

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, 2009. 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 Seneaqueuten was the designated county seat. The county seat was relocated to Rathdrum in 1881 and finally settled in its current location in Coeur d'Alene in 1908. Kootenai County is named after the Kootenai Indian tribe whose name means "water people".

Kootenai County is located in northern Idaho, an area known as the Panhandle. The County is 1,310 square miles and has a population 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 service helps people get around Kootenai County easily. One of this year's highlights has been the opening of the Salvation Army Coeur d'Alene Ray & Joan Kroc Corps Community Center. The facility is 123,000 square feet on 12 acres with employment of 170 to 180 employees, and opened to the public on May 11, 2009.

The population growth rate in Kootenai County continues to surpass the slower State-wide population increase of 1.4%. The regional economic picture has been retracting in recent months with several sectors experiencing significant losses, however, the longer term prospects indicate slowing increasing activities and hopefully lower unemployment. Projections indicate that Idaho is still adjusting to the new economic realities with major revenue streams being deeply impacted which will translate into less State support for all local governments.

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2009 as an ongoing commitment to conservative budgeting processes has lessened the impact of the recent economic down turn. 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 2009 general election ballot measure for a jail expansion, which was a significantly smaller proposal than what was put before the voters in the prior year, failed. The Board is now evaluating other alternatives to address this pressing need in light of the expiration of the local option sales tax legislation.

Major Initiatives

The major accomplishments and events of the County during 2009 included continued facilities improvement. Several goals were met during fiscal year 2009. These include:

1. One of the most significant occurrences during the fiscal year was the 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 was completed and opened for operation on January 19, 2009.
2. The current landfill capacity is close to 80% utilized and at the current usage rate will close some time in 2013. The current landfill location has been reengineered to provide additional capacity, and the first phase of the expansion was initiated this year that will extend the useful life of the location to 2030.
3. Law Enforcement sworn officer compensation was also addressed again this year with anniversary wage adjustments and indexing of the step system.
4. A limited number of new positions were added during the year to address the needs created by the planned court expansion. Five new positions were created which address the staffing requirements for the new Juvenile Justice Center which will be housed in the old Federal Court Building which was donated to the County.

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 2010. These include:

1. 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.
2. 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.
3. Continuing planning and development of the airport to accommodate additional economic development and growth.
4. Continuing long-range planning and development of the existing landfill location to maximize the potential life of the existing site.
5. 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.

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 \$868,108 was recognized in fiscal year 2009; reported on page 31 in the Government-Wide Statement of Activities. Of this amount, \$368,547 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, 2009, 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.

AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kootenai County for its comprehensive annual financial report for the fiscal year ending September 30, 2008. 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 fifteen consecutive years (fiscal years 1994-2008). 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



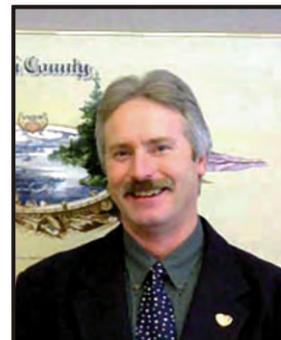
Rich Piazza
Commissioner District #3



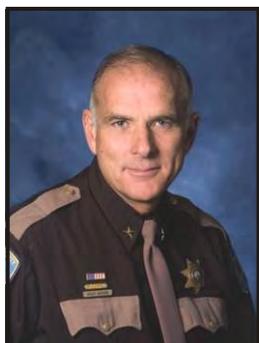
Daniel J. English
County Clerk



Tom Malzahn
County Treasurer



Mike McDowell
County Assessor



Rocky Watson
County Sheriff



Barry McHugh
County Prosecutor



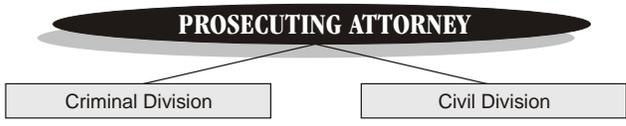
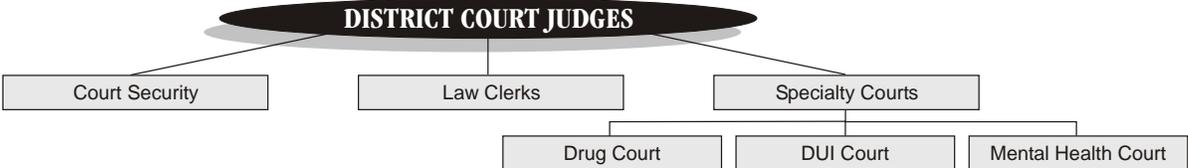
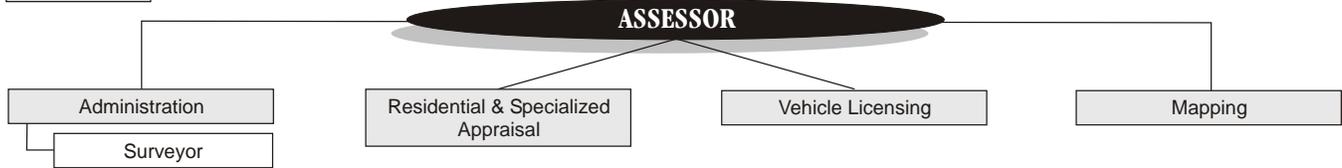
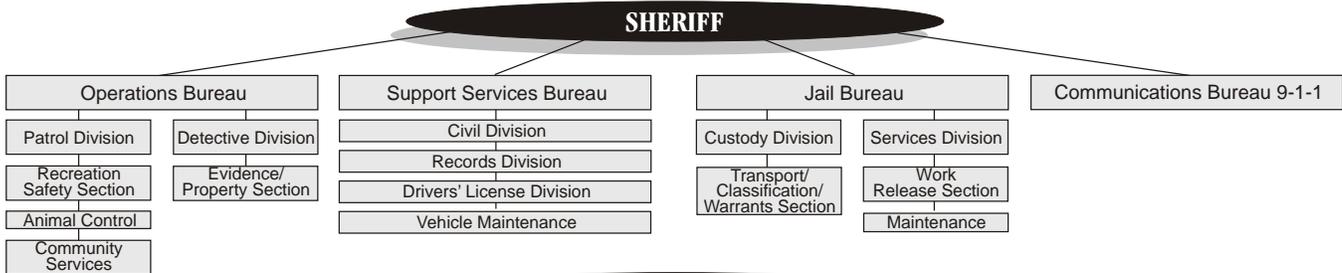
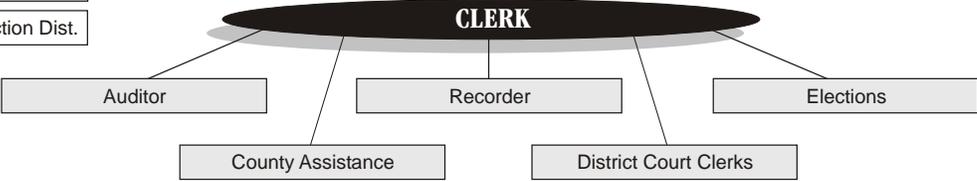
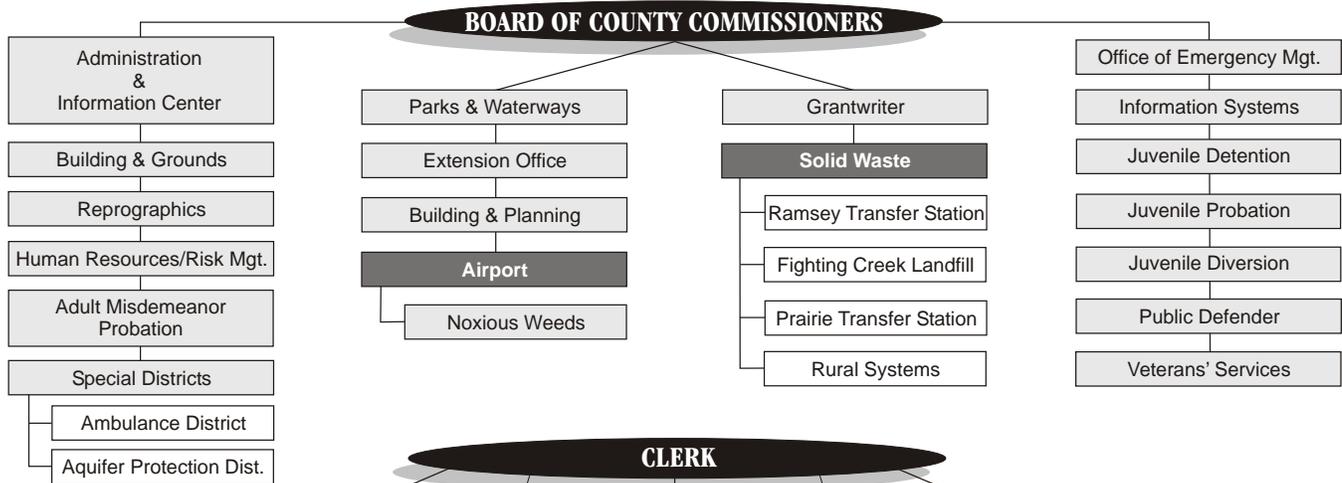
Dr. Robert West
County Coroner

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
Robert Caldwell
Penny Friedlander

KOOTENAI COUNTY, IDAHO ORGANIZATIONAL CHART October 2009

VOTERS



CORONER

TREASURER

LEGEND

ELECTED OFFICIAL	Department	Division	Sub Department
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Designed for the Kootenai County Comprehensive Annual Financial Report

Financial Section

In 1911, Congress approved the new Federal Judicial District and allocated \$100,000 for a new courthouse. On February 5, 1912 the site of the Federal Building was acquired for \$13,200.



Photo courtesy of Museum of North Idaho



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2009, 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the County's discretely presented component units – North Idaho Fair & Rodeo as of and for the year ended December 31, 2008, and Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2009 – which are included in the County's 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. The prior year comparative information included with the basic financial statements was derived from the County's 2008 financial statements and, in our report dated March 30, 2009, we expressed unqualified opinions on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit and the reports of the other auditors provide a reasonable basis for our opinions. In our opinion, based on our audit 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, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2009, and the respective changes in financial position and the cash flows where applicable thereof for the year then ended, and the respective financial position of the County's discretely presented component units – North Idaho Fair & Rodeo as of December 31, 2008, and Kootenai County Emergency Medical Services System as of September 30, 2009 – and the respective changes in their financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2010, on our consideration of the County's internal control over financial reporting and 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 considered in assessing the results of our audit.

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 are 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.

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

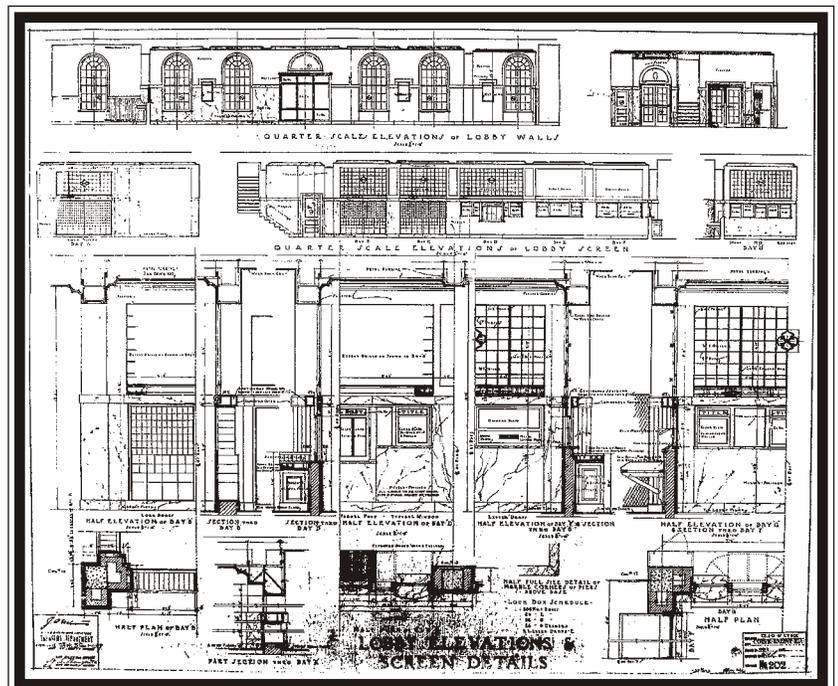
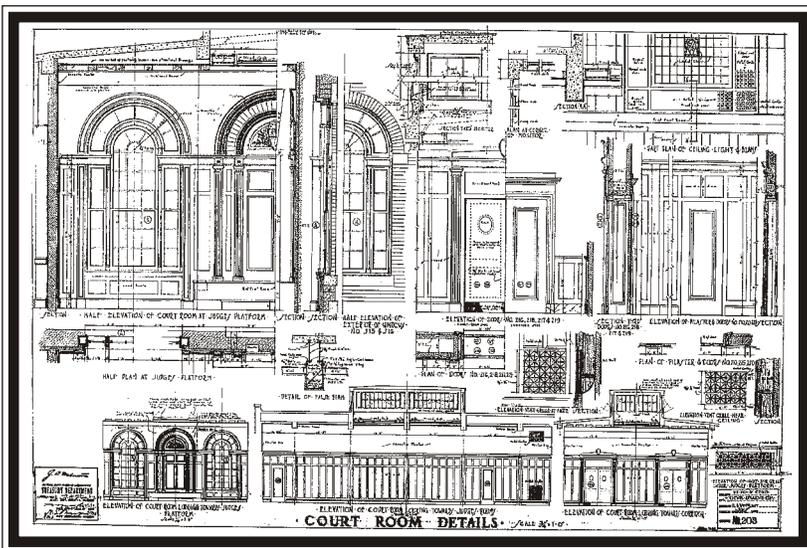


Spokane, Washington
March 18, 2010

Management's Discussion and Analysis

Construction began in the fall of 1927 and was completed by the end of 1928. The Federal building housed not only the Federal Courts, but also the Post Office, U.S. Forestry Service, the Bureau of Entomology, and the Federal Land Office.

Original construction drawings.





KOOTENAI COUNTY
Management's Discussion and Analysis
For the Year Ended September 30, 2009
(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, 2009. 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 2009 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 \$119,879 thousand. Of this amount, \$31,111 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 \$24,149 thousand, which represents an 8.5% increase over the prior year and represents 39.8% of the total Governmental activity expenditures. This increase is attributable to state revenues coming in ahead of revised projections, and a 5% operating budget holdback that was implemented in February of the fiscal year.

The County maintained its policy of fiscal discipline by continuing to control expenditures. Operating expenditures were under budget by \$2,886 thousand or 4% compared to the 2009 budget due to decreased service expenditures. Additionally, capital expenditures were under budget compared to budget. The residual appropriations for the incomplete major computer projects will carry over into Fiscal Year 2010.

The County continues to maintain a very low level of debt that significantly strengthens its balance sheet position. Debt decreased by 12.5% over the prior year to \$595 thousand at September 30, 2009.

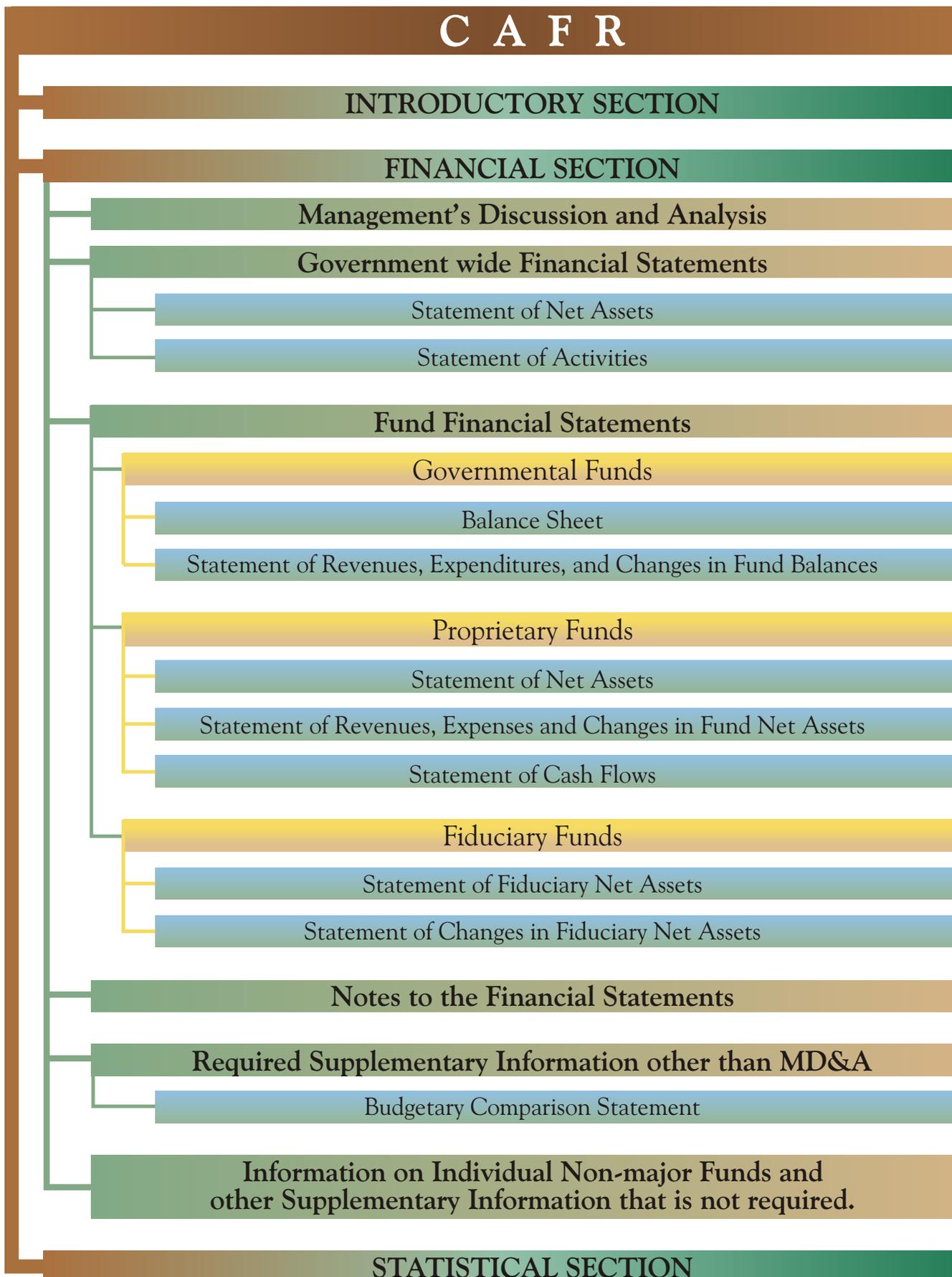
Net justice activities were on target for the fiscal year coming in \$202 thousand less than the amount planned for program expenditures. Personnel costs were under budget this year as greater control was exerted over overtime and temporary personnel costs.

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 property tax collected for other government agencies
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus; except agency funds do not have measurement focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; excludes capital assets and long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term	All assets held in a trustee or agency capacity for 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 this report.

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

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

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

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

Government-wide Financial Analysis

Table 1 summarizes the Kootenai County's net assets for 2008 and 2009:

	Kootenai County's Net Assets (amounts in 000)						
	Governmental Activities		Business-type Activities		Total		Total % Change
	2008	2009	2008	2009	2008	2009	2008-2009
Current and other assets	\$ 68,636	\$ 73,839	\$ 24,204	\$ 21,828	\$ 92,840	\$ 95,667	3.0%
Capital assets	47,429	50,153	22,970	28,681	70,399	78,834	12.0%
Total assets	116,065	123,992	47,174	50,509	163,239	174,501	6.9%
Long-term debt outstanding	685	594	-	-	685	594	-13.3%
Other liabilities	43,133	45,607	6,302	8,421	49,435	54,028	9.3%
Total liabilities	43,818	46,201	6,302	8,421	50,120	54,622	9.0%
Net assets							
Invested in capital assets, net of related debt	46,749	49,558	22,970	28,681	69,719	78,239	12.2%
Restricted	3,256	4,083	8,826	6,445	12,082	10,528	-12.9%
Unrestricted	22,242	24,150	9,076	6,962	31,318	31,112	-0.7%
Total net assets	\$ 72,247	\$ 77,791	\$ 40,872	\$ 42,088	\$ 113,119	\$ 119,879	6.0%

The required treatment of property taxes has had a significant impact upon the county financial statements, increasing both the current assets and related current liabilities for the subsequent year's property tax. In this instance the 2009 balances are increased by \$37,249 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 Government's assets exceeded liabilities by \$119,879 thousand (\$77,791 thousand in governmental activities and \$42,088 in business activities) as of September 30, 2009. By far, the largest portion of the County's net assets \$78,240 thousand, 65%, 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, \$10,528 thousand or 9% represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, \$31,112 thousand or 26% 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.

Table 2, shows the changes in net assets for 2008 and 2009:

Changes in Kootenai County's Net Assets
as of September 30, 2008 and 2009
(amounts in 000)

	Governmental Activities		Business-type Activities		Total		Percentage Change 2008-2009
	2008	2009	2008	2009	2008	2009	
Revenues							
Program revenues							
Charges for services	\$ 16,999	\$ 16,728	\$ 11,195	\$ 9,947	\$ 28,194	\$ 26,675	-5.4%
Federal grants	2,850	4,988	-	-	2,850	4,988	75.0%
State grants	1,688	1,730	-	-	1,688	1,730	2.5%
General revenues							
Property taxes	35,421	38,203	-	-	35,421	38,203	7.9%
Other	3,366	4,045	1,216	490	4,582	4,535	-1.0%
Total revenues	60,324	65,694	12,411	10,437	72,735	76,131	4.7%
Expenses							
General government	23,408	22,982	-	-	23,408	22,982	-1.8%
Public works	2,497	2,465	-	-	2,497	2,465	-1.3%
Public safety	30,030	30,455	-	-	30,030	30,455	1.4%
Sanitation weed control	324	787	-	-	324	787	58.8%
Health and welfare	3,312	2,966	-	-	3,312	2,966	-10.4%
Culture and recreation	844	944	-	-	844	944	11.8%
Interest on long term debt	37	32	-	-	37	32	-13.5%
Solid waste			7,923	8,901	7,923	8,901	12.3%
Total expenses	60,452	60,631	7,923	8,901	68,375	69,532	1.7%
Excess before special items and transfers	(128)	5,063	4,488	1,536	4,360	6,599	51.4%
Gain on sale of assets	(116)	(41)	50	59	(66)	18	0.0%
Transfers In (out)	557	522	(557)	(378)	0	144	0.0%
Increase (decrease) net assets	\$ 313	\$ 5,544	\$ 3,981	\$ 1,217	\$ 4,294	\$ 6,761	57.5%

Governmental Activities

Charges for services program revenues decreased overall by \$1,519 thousand, or 5.4% for the current year. Charges for services are the County's second largest sources of program revenue next to property tax revenue, accounting for \$16,728 thousand or 25.5% of total governmental revenues. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

The County's grant revenues from Federal and State sources made up \$6,718 thousand or 10.2% of total governmental revenues. The major recipients of intergovernmental program revenues were Public Transportation, 9-1-1 Emergency Communications system, Coeur d'Alene Airport and Justice Services.

Property tax revenues in the governmental funds account for \$38,203 thousand of the \$65,694 thousand total revenues for governmental activities, or 58.2% of total revenues, and the general government property tax revenues increased by \$2,782 thousand or 7.8% from the prior year. The increase in property tax collections resulted from allowable tax authority increases that were utilized and collected during the fiscal year.

The Sheriff's Jail program accounted for \$9,198 thousand of the \$60,631 thousand total expenses for governmental activities, or 15.2%. The next largest program was Sheriff's Patrol, accounting for \$5,701 thousand and representing 9.4% of total governmental expenses.

Revenue from Federal grants increased dramatically by \$2,138 thousand to \$4,988 thousand as the county continues to administer significant Airport Improvement Projects, Homeland Security grants, and Federal Transportation Administration grants. Most of this year's increase is attributable to 9-1-1 system enhancements to facilitate improved radio communications between emergency service agencies within the County. State grant revenue increased from the prior year by \$478 thousand due to increased Waterways Construction projects, and Office of Emergency Management grant activities.

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
	2008	2009	2008-2009	2008	2009	2008-2009
General government	\$ 23,408	\$ 22,982	-1.8%	\$ 13,460	\$ 13,480	0.1%
Public works	2,497	2,465	-1.3%	1,647	1,584	-3.8%
Public safety	30,030	30,455	1.4%	19,754	18,533	-6.2%
Sanitation (Weed control)	324	787	142.9%	295	300	1.7%
Health and welfare	3,312	2,966	-10.4%	3,312	2,966	-10.4%
Culture and recreation	844	944	11.8%	411	290	-29.4%
Other	37	32	-13.5%	37	32	-13.5%
Total	\$ 60,452	\$ 60,631	0.3%	\$ 38,916	\$ 37,185	-4.4%

The general governments total cost of services increased by \$179 thousand, or 0.3% compared to the prior year. This moderate increase in total costs is realized due to mid-year budget adjustments which reduced the planned increases over the prior year. Net cost of services for General Government decreased \$1,731 thousand or 4.4% due to increased grant revenues which helped to offset the effects of a slower economy.

Public Safety cost of services of \$30,455 thousand make up 50.2% of the total cost of services which is the largest portion of County expenditure classifications. Public Safety net cost of services decreased \$1,221 thousand from the prior year due to the receipt of significant grants that more than offset the increased costs incurred in other public safety programs.

These governmental activities are funded by property taxes and intergovernmental revenues. Also, charges for services, operating grant programs, and capital grant revenues of \$23,446 thousand (38.6% of the total costs of services) are used to fund the County's general government expenses. Combined operational and capital grant/project revenues increased \$2,181 thousand to \$6,718 in 2009 as a result of additional funding from the State Bureau of Homeland Security which funnels Federal Homeland Security funding to local agencies, and was expanded to cover interoperability needs for national, state and local emergency service providers.

Figure 1: Program Revenues and Expenses - Governmental Activities

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

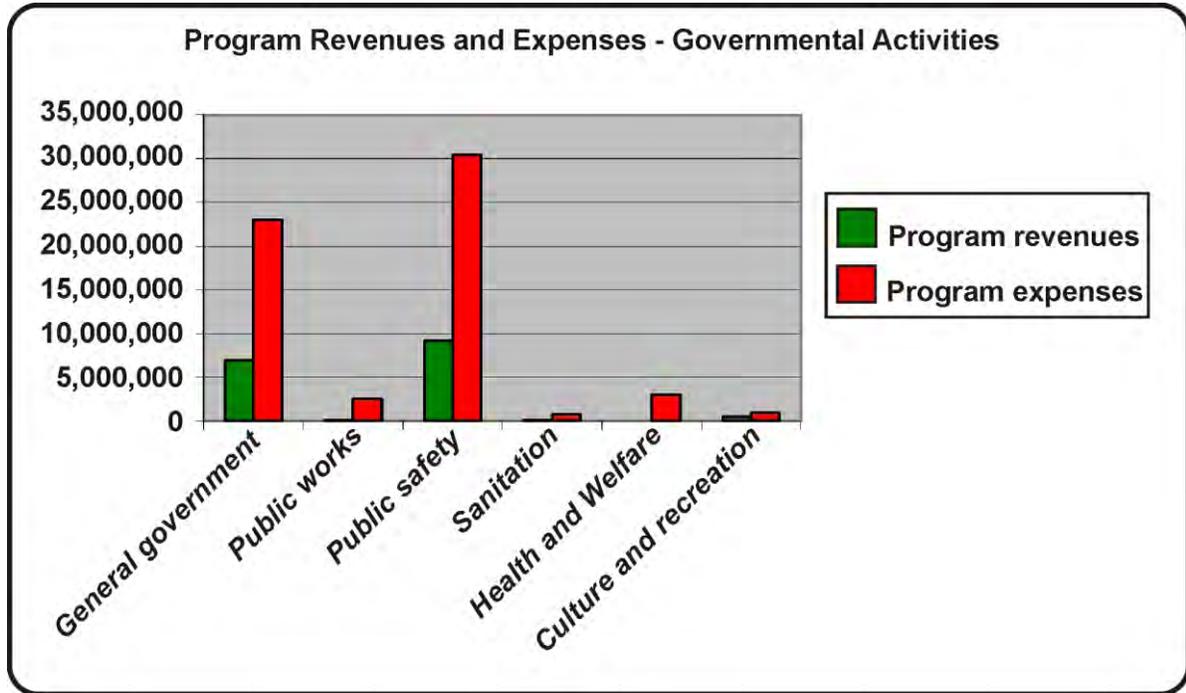
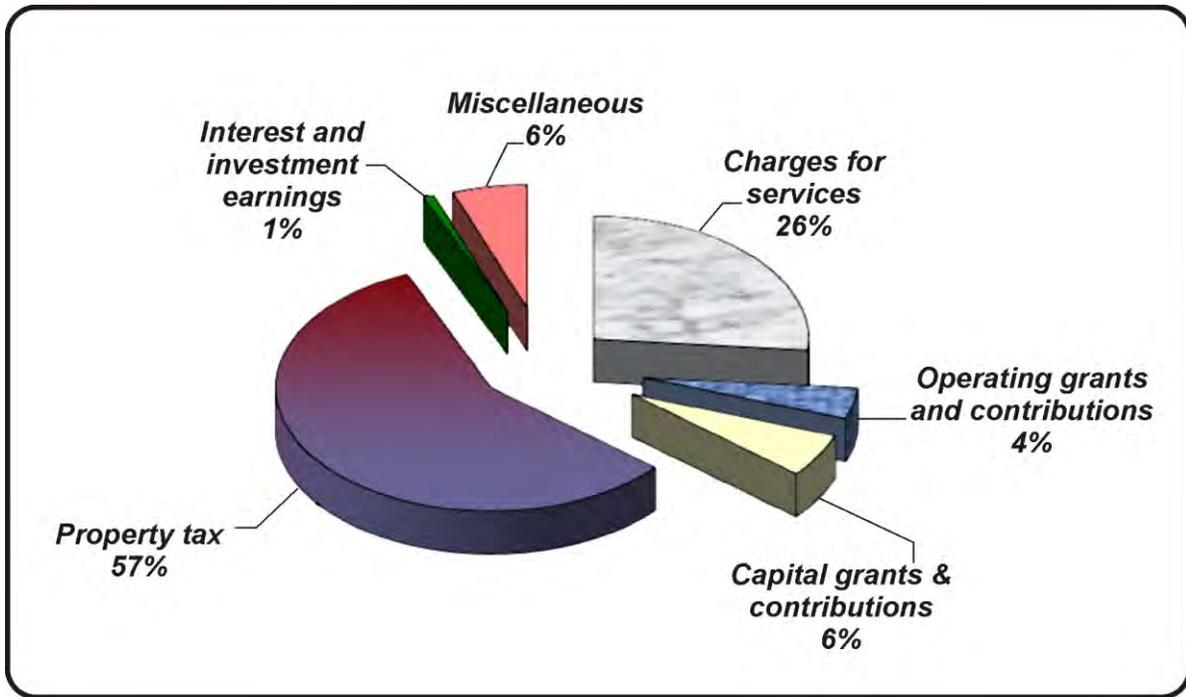


Figure 1A: Revenues by Source-Government Activities

The figure below breaks out Kootenai County revenue for fiscal year 2009 as a percentage by category. See the related dollar value of each category on the Statement of Activities on pages 30 and 31.



Business-Type Activities

The net assets for business-type activities increased by \$1,217 thousand during 2009, accounting for an 18.0% overall change in the primary government net assets. The Business-type major revenue source is charges for services of \$9,947 thousand for 2009. (See figure 2)

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

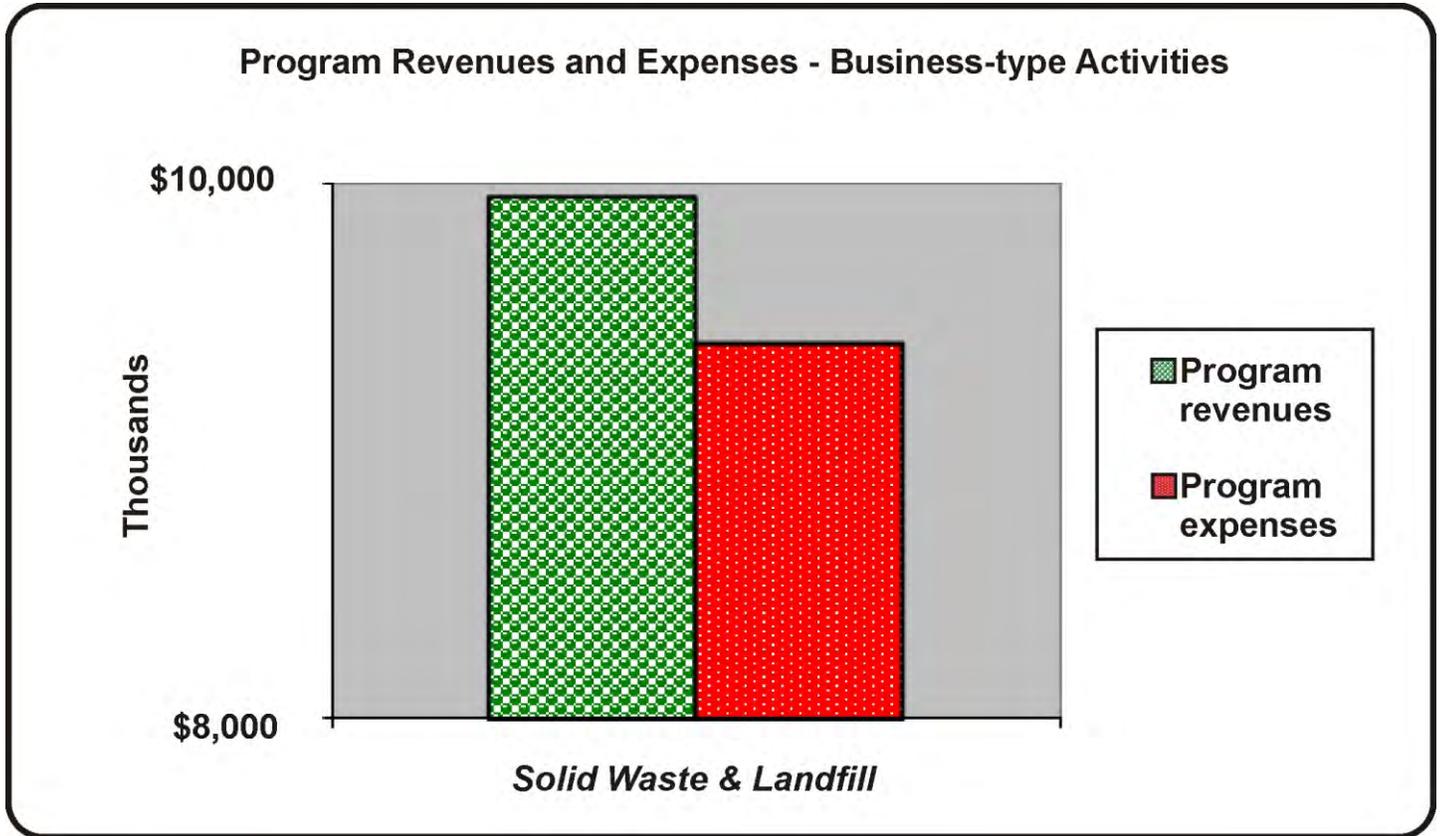
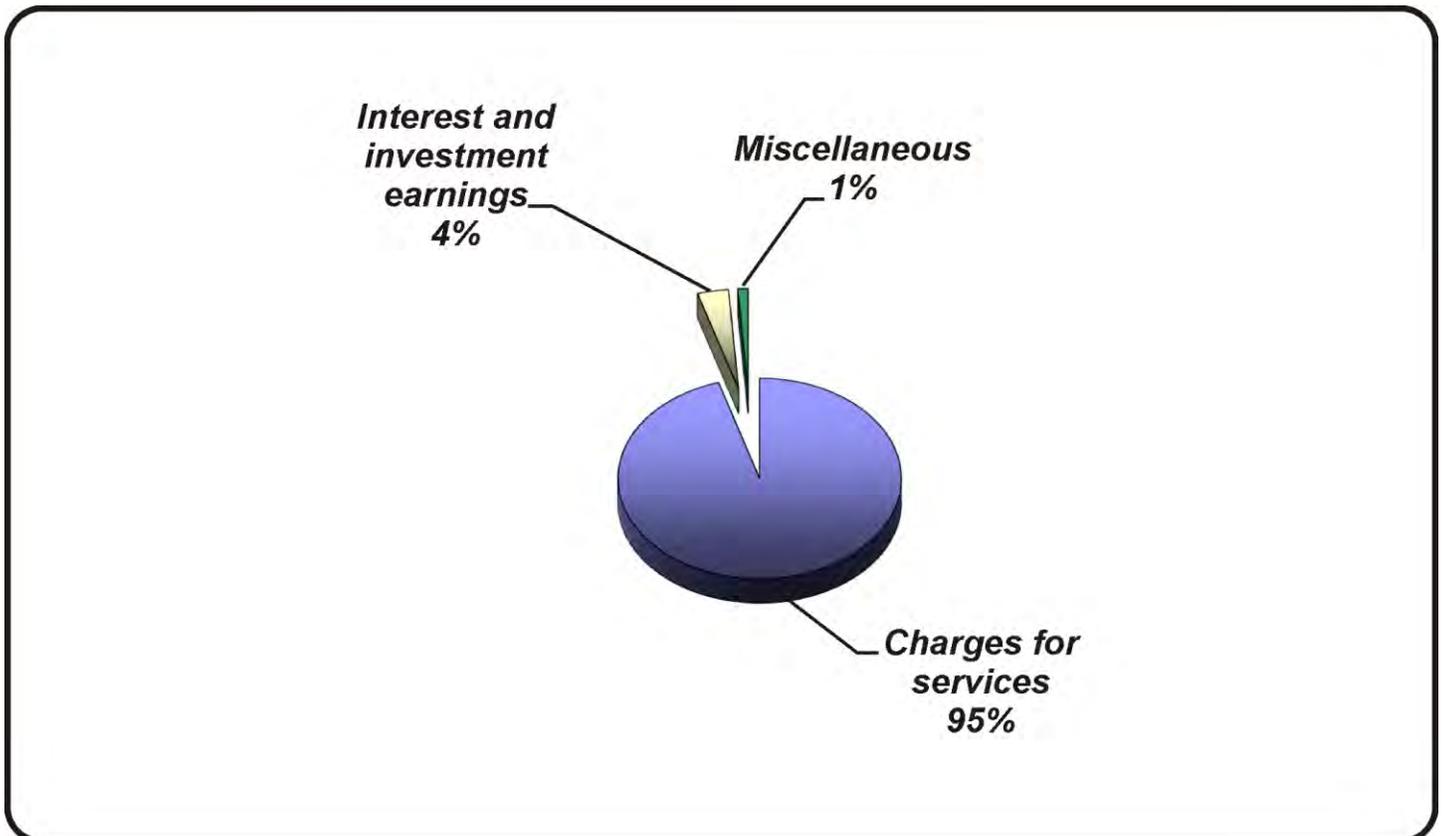


Figure 3: Revenues by Source - Business-type Activities



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 2009. The first project was the completion of the Prairie Transfer station located near the City of Post Falls which had a completed capital development cost of \$12,800 thousand. The second major capital construction project is an expansion of the Fighting Creek Landfill to increase the overall capacity of the current location and thusly the useful life by and estimated fifteen to twenty years. The accumulated resources in the Solid Waste Fund are established to fund the ongoing capital needs of the operation with the goal to eliminate the need for any future capital financing costs for these planned 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, 2009, the County's governmental funds reported a combined ending fund balance of \$28,233 thousand, an increase of \$2,735 thousand in comparison with the prior year. Approximately 85.4% of this total or \$24,150 thousand constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved, approximately 14.6% or \$4,083 thousand, and is committed for a variety of restricted purposes.

The General Fund is the primary operating fund of the County. At the end of 2009, unreserved fund balance was \$21,759 thousand, while total fund balance was \$25,770 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 \$49,707 thousand. Unreserved fund balance represents 43.8% of total General Fund expenditures, while total fund balance represents 51.8% of that same amount.

The County's General Fund balance has increased by \$1,085 thousand or 4.4% during fiscal year 2009. A key factor in this increase was the under expenditure of budgeted amounts. Additionally, intergovernmental revenues were revised down dramatically mid-year in expectation of short falls in state revenues, but the actual revenues outpaced the revised estimates by \$413 thousand or 6.7%.

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, 2009, were \$6,962 thousand. Unrestricted net assets decreased by \$2,114 thousand. This was planned decrease in the net assets which was utilized to fund the capital activities of the Solid Waste Department during the fiscal year.

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 decrease in expenditures of \$364 thousand. The majority of the decrease in the budget occurred from reductions in the personnel and capital budgets.

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, 2009, amounts to \$78,835 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 \$8,437 (a 5.7% increase for governmental activities and a 24.9% increase for business type activities).

Table: 4

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2009	2008	2009	2008	2009	2008-2009
Land	\$ 5,207	\$ 5,207	\$ 1,294	\$ 1,294	\$ 6,501	\$ 6,501	0.0%
Buildings	21,903	22,981	322	294	22,225	23,275	4.7%
Improvements other than Buildings	14,046	12,283	7,552	19,327	21,598	31,610	46.4%
Machinery and Equipment	5,223	4,497	2,979	3,468	8,202	7,965	-2.9%
Construction in Progress	1,050	5,184	10,822	4,300	11,872	9,484	-20.1%
Total	\$ 47,429	\$ 50,152	\$ 22,969	\$ 28,683	\$ 70,398	\$ 78,835	12.0%

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

- ◆ The Federal Government donated the former Federal Courthouse Building in Coeur d'Alene to the County. The 4th Street Court Complex has a value of \$2,079 thousand and are currently planned to house juvenile justice courts and related activities.
- ◆ Parks and Waterways added three new vault toilets totaling \$66 thousand which will serve the parks system.
- ◆ Current fiscal year expenditures for ongoing improvements to the infrastructure at the Airport are \$953 thousand. Of that cost, \$756 thousand is attributable to the relocation of an access road including the installation of fencing and a gate, \$89 thousand for additions to Taxiway N including fencing, and \$107 thousand on a new service road and the relocation of runway lighting and utilities essential for ongoing development and commercial growth.
- ◆ Information Systems Department incurred costs for Software of \$78 thousand. \$3 thousand for continued additions to the County's new Financial and Human Resource software, \$66 thousand for the Spillman Software (the County's Public Safety software) and \$9 thousand for Manton (the County's Property tax and Assessment software).
- ◆ The Sheriffs Department purchased seven new fully equipped patrol vehicles, which includes a radio, radar patrol system, light bar and mobile data computer; for a total expenditure of \$320 thousand.
- ◆ The Solid Waste Department had additional construction for the new Prairie Transfer Station totaling \$2,734 thousand. The Solid Waste department capital asset replacement plan called for equipment and vehicle replacements in the amount of \$744 thousand, with the most significant purchase being a Landfill Compactor for \$677 thousand.

Additional information on Kootenai County's capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2009.

Long-Term Debt – At September 30, 2009, the County had total general obligation debt outstanding of \$595 thousand. The County's long-term debt decreased by \$84 thousand or 12.5% during fiscal year 2009, 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
	2008	2009	2008-2009
Equipment leases	\$ 110	\$ 78	-29.1%
Facility leases	570	517	-9.3%
Total	\$ 680	\$ 595	-12.5%

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 growth has slowed dramatically over the last two years, and is now more in line with the State and Federal economy as a whole. Under current projections and trends, economic activity will continue to be slow over the coming year, but will expand at a higher rate than State and National levels as local economic factors improve which has been happening over the last two quarters of the fiscal year.

While population growth had been steady around 2.2% for each of the previous two years, this year the increase was only 1.2% state-wide. The most recent population estimate for Kootenai County dated July 2008 is 137,475. Construction starts started to regain a little ground during the year for both commercial and residential building, but remain significantly lower than prior years. Residential building permits leveled off in 2009 more in line the previous year. Assessed value for all property types in Kootenai County decreased slightly from the prior year and now stands at a net taxable value of \$16.0 billion dollars this fiscal year.

The run up of property values over the last half decade has had a challenging impact on the affordability of the area for new businesses and employees. The individuals moving into the area use to have a distinct economic advantage from the sale of higher cost residences which has disappeared in recent years. The employment base still has 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 extremely slow growth. The County's unemployment rate is 10.6% compared with a state-wide average of 9.1% and a national rate of 10.0% for the same time period.

Investment earnings have decreased substantially with the decreasing federal funds rate over 2009. 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 2010 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

When the building was put to bid, the initial winner was general contractor W. D. Lovell of Minneapolis with a bid of \$190,000. When the work began in August of 1927, L. L. Welch of Welch and Fritz of San Diego was the general contractor. Cost were estimated at \$266,000 in October of 1927. It took fifteen months to complete the building.



Photo courtesy of Museum of North Idaho



KOOTENAI COUNTY, IDAHO
Statement of Net Assets
September 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	North Idaho Fair & Rodeo Dec. 31, 2008	KCEMSS Sept. 30, 2009
ASSETS					
Cash in bank and investments	\$ 31,632,575	\$ 14,732,606	\$ 46,365,181	\$ 264,161	\$ 1,920,208
Taxes current	37,248,963		37,248,963	-	-
Taxes delinquent-receivable	2,108,626	248,431	2,357,057	-	-
Accounts receivable, (net)	1,927,417	604,002	2,531,419	3,719	578,141
Interest receivable	39,920	15,228	55,148	-	-
Grants receivable	810,848	-	810,848	-	-
Inventories and prepaid expenses	70,542	-	70,542	-	10,454
Restricted assets:					
Cash held for closure and postclosure	-	6,227,537	6,227,537	-	-
Capital Assets:					
Land	5,207,049	1,293,975	6,501,024	-	403,990
Depreciable assets, (net)	39,690,283	23,087,145	62,777,428	1,914,700	1,482,566
Non-Depreciable other assets	71,503	-	71,503	-	113,278
Construction in progress	5,184,111	4,300,376	9,484,487	-	-
Total Assets	\$ 123,991,837	\$ 50,509,300	\$ 174,501,137	\$ 2,182,580	\$ 4,508,637
LIABILITIES					
Accounts payable	\$ 2,168,492	\$ 2,023,882	\$ 4,192,374	\$ 1,252	\$ 66,459
Payroll and related liabilities	2,161,714	111,795	2,273,509	8,632	-
Interest payable	3,389	-	3,389	-	-
Unearned property tax revenues	37,248,963	-	37,248,963	-	-
Other accrued liabilities	-	248,431	248,431	13,570	13,445
Deferred grant revenues	13,466	-	13,466	-	-
Non-current liabilities:					
Due within one year	218,218	6,297	224,515	-	-
Due in more than one year	4,386,765	190,365	4,577,530	-	-
Landfill closure liability	-	5,840,000	5,840,000	-	-
Total Liabilities	46,201,007	8,421,170	54,622,177	23,454	79,904
NET ASSETS					
Invested in capital assets, net of related debt	49,558,007	28,681,497	78,239,504	1,914,700	1,999,834
Restricted for:					
Sheriff Snowmobile	836	-	836	-	-
Juvenile justice services	177,212	-	177,212	-	-
Court interlock	41,362	-	41,362	-	-
Capital purchases	718,729	-	718,729	-	-
Replacement Reserve	613,180	-	613,180	-	-
Capital appropriations carryover	847,531	604,762	1,452,293	-	-
Landfill closure	-	5,840,000	5,840,000	-	-
Other Purposes	1,684,376	-	1,684,376	-	-
Unrestricted :					
Governmental type activities	24,149,597	-	24,149,597	-	-
Business type activities	-	6,961,871	6,961,871	244,426	2,428,899
Total Net Assets	77,790,830	42,088,130	119,878,960	2,159,126	4,428,733
Total Liabilities and Net Assets	\$ 123,991,837	\$ 50,509,300	\$ 174,501,137	\$ 2,182,580	\$ 4,508,637

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, 2009

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions
Primary government:				
Governmental activities:				
General government	\$ 22,978,325	\$ 6,976,175	\$ 2,013,427	\$ 512,998
Public works	2,470,775	58,932	-	821,733
Public safety	30,492,467	9,202,172	558,060	2,160,814
Sanitation	786,841	5,997	481,005	-
Health and welfare	2,966,057	-	-	-
Culture and recreation	944,033	484,478	14,470	155,243
Interest on long-term debt	32,481	-	-	-
Total governmental activities	60,670,977	16,727,754	3,066,962	3,650,788
Business-type activities:				
Solid waste and landfill	8,901,154	10,006,333	-	-
Total business-type activities	8,901,154	10,006,333	-	-
Total primary government	\$ 69,572,131	\$ 26,734,087	\$ 3,066,962	\$ 3,650,788
Component units:				
County fair	\$ 1,042,881	\$ 755,286	-	-
KCEMSS	5,201,998	3,325,188	-	-
Total component units	\$ 6,244,879	\$ 4,080,474	-	-

General revenues:

Taxes:

Property taxes, levied for general purposes

Miscellaneous

Interest and investment earnings

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.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total	Component Units	
			North Idaho Fair & Rodeo	KCEMSS
\$ (13,475,725)	\$ -	\$ (13,475,725)	-	-
(1,590,110)	-	(1,590,110)	-	-
(18,571,419)	-	(18,571,419)	-	-
(299,839)	-	(299,839)	-	-
(2,966,057)	-	(2,966,057)	-	-
(289,842)	-	(289,842)	-	-
(32,481)	-	(32,481)	-	-
(37,225,473)	-	(37,225,473)	-	-
-	1,105,179	1,105,179	-	-
-	1,105,179	1,105,179	-	-
(37,225,473)	1,105,179	(36,120,294)	-	-
			\$ (287,595)	\$ -
			-	(1,876,810)
			(287,595)	(1,876,810)
38,203,184	-	38,203,184	100,000	1,889,355
3,544,833	120,493	3,665,326	154,612	157,473
499,561	368,547	868,108	28,279	34,324
521,541	(377,500)	144,041	-	-
42,769,119	111,540	42,880,659	282,891	2,081,152
5,543,646	1,216,719	6,760,365	(4,704)	204,342
72,247,184	40,871,411	113,118,595	2,163,830	4,224,391
\$ 77,790,830	\$ 42,088,130	\$ 119,878,960	\$ 2,159,126	\$ 4,428,733

KOOTENAI COUNTY, IDAHO
Balance Sheet
Governmental Funds
September 30, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash in bank and investments	\$ 26,522,310	\$ 3,783,790	\$ 30,306,100
Taxes current	37,248,963	-	37,248,963
Taxes delinquent-receivable	1,640,611	468,015	2,108,626
Accounts receivable, (net)	1,903,966	21,504	1,925,470
Interest receivable	39,847	73	39,920
Grants receivable	112,440	698,408	810,848
Prepays	28,164	42,377	70,541
Due from other funds	92,538	-	92,538
Total Assets	\$ 67,588,839	\$ 5,014,167	\$ 72,603,006
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 685,152	\$ 919,591	\$ 1,604,743
Payroll and related liabilities	1,964,595	196,455	2,161,050
Deferred revenues	479,433	22,848	502,281
Deferred grant revenues	3,907	9,559	13,466
Unearned property taxes	37,248,963	-	-
Deferred property taxes	1,436,430	383,040	39,068,433
Due to other funds	-	92,538	92,538
Total Liabilities	41,818,480	1,624,031	43,442,511
Fund Balances:			
Reserved for:			
Juvenile justice services	177,212	-	177,212
Court interlock	-	41,362	41,362
Capital purchases	718,729	-	718,729
Replacement reserve	613,180	-	613,180
Sheriff snowmobile	-	836	836
Property tax relief	-	-	-
Capital appropriations carryover	817,831	29,700	847,531
Other purposes	1,684,376	-	1,684,376
Unreserved:			
General Fund	21,759,031	-	21,759,031
Special Revenue Funds	-	3,318,238	3,318,238
Total Fund Balances	25,770,359	3,390,136	29,160,495
Total Liabilities and Fund Balances	\$ 67,588,839	\$ 5,014,167	\$ 72,603,006

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, 2009

Total governmental fund balances (page 32)	\$	29,160,495
Amounts reported for governmental activities in the statement of net assets (page 29) are different because:		
Some long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		502,279
The County's delinquent property tax revenue will be collected after year-end but is not available soon enough to pay for the current period's expenditures and therefore is deferred in the funds.		1,819,470
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:		50,152,947
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(3,389)
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.		764,011
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	594,939	
Compensated Absences	4,010,044	
Total	(4,604,983)	(4,604,983)
Total Net Assets of Governmental Activities as shown on the Statement of Net Assets:	\$	77,790,830

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, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 29,386,802	\$ 8,227,793	\$ 37,614,595
Licenses and permits	1,291,471	140,681	1,432,152
Intergovernmental	10,563,217	3,326,019	13,889,236
Interest	498,080	1,481	499,561
Fines and forfeitures	359,606	996,805	1,356,411
Charges for services	5,798,555	1,027,872	6,826,427
Miscellaneous	2,680,193	846,598	3,526,791
Total Revenues	50,577,924	14,567,249	65,145,173
Expenditures			
Current:			
General government	18,452,383	3,781,046	22,233,429
Public works	-	745,549	745,549
Public safety	25,048,892	4,066,098	29,114,990
Sanitation	-	777,747	777,747
Health & welfare	336,961	2,641,650	2,978,611
Culture and recreation	-	737,559	737,559
Debt Service:			
Principal retirement	85,243	-	85,243
Interest expense	32,491	-	32,491
Capital Outlay:			
Capital expenditures	2,688,582	249,095	2,937,677
Construction in progress	3,063,030	1,078,134	4,141,164
Total Expenditures	49,707,582	14,076,878	63,784,460
Excess of Revenues Over Expenditures	870,342	490,371	1,360,713
Other Financing Sources (Uses)			
Proceeds insurance	5,860	12,183	18,043
Transfers In	5,159,365	312,689	5,472,054
Transfers (out)	(4,950,513)	-	(4,950,513)
Total Other Financing Sources (Uses)	214,712	324,872	539,584
Net Change in Fund Balances	1,085,054	815,243	1,900,297
Fund Balances Beginning of Year	24,685,305	2,574,893	27,260,198
Fund Balances End of Year	\$ 25,770,359	\$ 3,390,136	\$ 29,160,495

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, 2009

Net change in fund balances - total governmental funds (page 34)	\$ 1,900,297
Amounts reported for governmental activities in the statement of activities (pages 30 and 31) are different because:	
Some governmental fund revenues are deferred because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected. Because of the availability criterion under the modified accrual basis of accounting the following delinquent property tax has been deferred.	588,588
Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(58,723)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (\$7,078,841 - \$4,262,481)	2,816,360
Loss on disposal of Capital Assets	(40,770)
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.	85,243
Miscellaneous transactions involving capital assets such as sales (gain/loss) and donations are reported in the statement of activities but only proceeds from sales are reported in the government funds.	(51,846)
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.	(305,737)
Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to individual funds. The net revenue of the internal service fund is reported with governmental activities.	<u>610,234</u>
Total Change in Net Assets of Governmental Activities as shown on the Statement of Activities	<u>\$ 5,543,646</u>

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

KOOTENAI COUNTY, IDAHO
Statement of Net Assets
Proprietary Funds
September 30, 2009 and 2008

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2009	2008	2009	2008
Assets				
Current Assets:				
Cash and cash equivalents	\$ 14,732,606	\$ 17,067,503	\$ 1,326,475	\$ 665,128
Taxes delinquent-receivable	248,431	350,487	-	-
Accounts receivable, (net)	604,002	974,355	1,947	48,871
Interest receivable	15,228	104,887	-	-
Total Current Assets	<u>15,600,267</u>	<u>18,497,232</u>	<u>1,328,422</u>	<u>713,999</u>
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	6,227,537	5,706,565	-	-
Capital Assets:				
Land	1,293,975	1,293,975	-	-
Depreciable capital assets, (net)	23,087,145	10,853,380	-	-
Construction in progress	4,300,376	10,822,503	-	-
Total Noncurrent Assets	<u>34,909,033</u>	<u>28,676,423</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 50,509,300</u>	<u>\$ 47,173,655</u>	<u>\$ 1,328,422</u>	<u>\$ 713,999</u>
Liabilities				
Current Liabilities:				
Accounts payable	\$ 2,023,882	\$ 609,845	\$ 167,990	\$ 119,906
Payroll and other related liabilities	111,795	101,300	396,421	502
Other accrued liabilities	248,431	31,141	-	439,814
Total Current Liabilities	<u>2,384,108</u>	<u>742,286</u>	<u>564,411</u>	<u>560,222</u>
Long-Term Liabilities:				
Due within one year	6,247	5,350	-	-
Due in more than one year	190,765	184,608	-	-
Landfill closure liability	5,840,000	5,370,000	-	-
Total Long-Term Liabilities	<u>6,037,062</u>	<u>5,559,958</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>8,421,170</u>	<u>6,302,244</u>	<u>564,411</u>	<u>560,222</u>
Net Assets				
Invested in capital assets (deficit), net of related debt	28,681,497	22,969,858	-	-
Restricted for:				
Landfill closure	5,840,000	5,370,000	-	-
Capital appropriations carryover	604,762	3,455,849	-	-
Unrestricted	6,961,871	9,075,704	764,011	153,777
Total Net Assets	<u>42,088,130</u>	<u>40,871,411</u>	<u>764,011</u>	<u>153,777</u>
Total Liabilities and Net Assets	<u>\$ 50,509,300</u>	<u>\$ 47,173,655</u>	<u>\$ 1,328,422</u>	<u>\$ 713,999</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, 2009 and 2008

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2009	2008	2009	2008
Operating Revenues				
Charges for services	\$ 9,947,133	\$ 11,195,084	\$ 6,151,926	\$ 5,519,435
Miscellaneous	120,493	143,026	-	-
Total Operating Revenues	10,067,626	11,338,110	6,151,926	5,519,435
Operating Expenses				
Personal services	3,071,435	2,328,634	12,346	11,936
Professional services	1,948,826	1,881,081	5,626,259	5,212,586
Utilities	125,331	88,512	-	-
Materials and supplies	895,405	875,612	-	-
Maintenance and repairs	383,324	265,131	-	-
Other services and expenses	268,548	174,837	-	1,350
Depreciation and amortization	1,738,285	1,807,210	-	-
Landfill closure and post closure expense (note 9)	470,000	501,000	-	-
Total Operating Expenses	8,901,154	7,922,017	5,638,605	5,225,872
Operating Income	1,166,472	3,416,093	513,321	293,563
Non-Operating Revenues				
Intergovernmental revenues	-	-	96,913	91,540
Interest and investment revenue	368,547	1,073,332	-	-
Miscellaneous revenue	-	-	-	-
Gain on sale of assets	59,200	50,350	-	-
Total Non-Operating Revenues	427,747	1,123,682	96,913	91,540
Income before Contributions and Transfers	1,594,219	4,539,775	610,234	385,103
Transfers In	133,901	-	-	-
Transfers (out)	(511,401)	(556,616)	-	-
Change in Net Assets	1,216,719	3,983,159	610,234	385,103
Net Assets Beginning of Year (deficit)	40,871,411	36,888,252	153,777	(231,326)
Net Assets End of Year	\$ 42,088,130	\$ 40,871,411	\$ 764,011	\$ 153,777

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, 2009 and 2008

	Business-type Activities - Enterprise Fund Solid Waste		Governmental Activities Internal Service Fund Health Insurance	
	2009	2008	2009	2008
Cash Flows from Operating Activities				
Cash received from customers	\$ 10,419,542	\$ 11,052,026	\$ 6,198,850	\$ 5,475,833
Other cash receipts	120,493	143,026	-	-
Cash payments to employees	(2,836,546)	(2,267,435)	(12,346)	(11,936)
Cash payments for goods and services	(2,207,397)	(3,095,907)	(5,622,070)	(5,177,582)
Internal activity - payments from other funds	89,659	38,537	-	-
Net cash provided by operating activities	5,585,751	5,870,247	564,434	286,315
Cash Flows from Noncapital Financing Activities				
Intergovernmental revenues	-	-	96,913	91,540
Transfers out	(377,500)	(556,616)	-	-
Net cash provided (used) by noncapital financing activities	(377,500)	(556,616)	96,913	91,540
Cash Flows from Capital and Related Financing Activities				
Payments for capital acquisitions	(7,449,923)	(11,480,891)	-	-
Proceeds from sale of capital assets	59,200	50,350	-	-
Net cash used by capital and related financing activities	(7,390,723)	(11,430,541)	-	-
Cash Flows from Investing Activities				
Interest on investments	368,547	1,073,332	-	-
Net cash provided by investing activities	368,547	1,073,332	-	-
Net increase (decrease) in Cash and Cash Equivalents	(1,813,925)	(5,043,578)	661,347	377,855
Cash and Cash Equivalents Beginning of Year	22,774,068	27,817,646	665,128	287,273
Cash and Cash Equivalents End of Year	\$ 20,960,143	\$ 22,774,068	\$ 1,326,475	\$ 665,128
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$ 1,166,472	\$ 3,416,093	\$ 513,321	\$ 293,563
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>				
Depreciation	1,738,285	1,807,210	-	-
Loss on disposal of asset	-	-	-	-
<i>(Increase) Decrease in Assets:</i>				
Accounts receivable	472,409	(145,765)	46,924	(43,602)
Interest receivable	89,659	38,537	-	-
Inventories and prepaid expenses	-	2,707	-	-
<i>Increase (Decrease) in Liabilities:</i>				
Accounts payable	1,414,037	189,266	4,189	36,354
Accrued payroll	10,495	43,047	-	-
Payable accruals	-	-	-	-
Compensated absences payable	224,394	18,152	-	-
Landfill closure/postclosure liability	470,000	501,000	-	-
Net Cash Provided by Operating Activities	\$ 5,585,751	\$ 5,870,247	\$ 564,434	\$ 286,315

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, 2009

	Private-Purpose Trust Funds	Agency Funds
Assets		
Cash in bank and investments	\$ 6,099,049	\$ 2,241,687
Receivables:		
Taxes delinquent	24,999	5,446,566
Accounts receivable, (net)	-	-
Total Assets	6,124,048	\$ 7,688,253
Liabilities		
Accounts payable	2,136	\$ -
Deferred property taxes	667,899	3,293,585
Due in more than one year	8,214	-
Due to other individuals	2,817,285	-
Due to other governments	2,549,876	4,394,668
Total Liabilities	6,045,410	\$ 7,688,253
Net Assets		
Held in trust for other purposes	\$ 78,638	

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, 2009

	Private-Purpose Trust Funds
	2009
Additions	
Trust receipts	\$ 836
Total Additions	836
Deductions	
Trust Withdrawals	156,671
Total Deductions	156,671
Increase in Net Assets	(155,835)
Net Assets Beginning of Year	234,473
Net Assets End of Year	\$ 78,638

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

Notes to the Financial Statement

On December 16, 1977 the Coeur d'Alene Federal Building was listed in the National Register of Historic Places.





NOTES TO THE FINANCIAL STATEMENTS

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KOOTENAI COUNTY, IDAHO
Notes to the Financial Statements
September 30, 2009

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*. This statement establishes new financial reporting requirements for state and local governments, public colleges, and universities throughout the United States. It requires new information and restructures 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 Statement of Net Assets, Statement of Activities, and 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 decrease in net assets of \$4,704 for the fiscal year ending December 31, 2008. As of September 30, 2009, KCEMSS reported an increase in net assets of \$204,342 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.

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 fund:

The General Fund is the County's primary operating fund. It accounts for services that include general government, public safety and correction, and liability 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 - Special revenue funds account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.
3. Capital Project Funds - Capital project funds account for financial resources used for the acquisition or construction of major capital assets (other than those financed by proprietary funds).

Certain amounts in the 2008 CAFR were reclassified to conform with the 2009 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 disposal activities and an internal service fund to account for self-insured health services.

1. Enterprise Funds - Enterprise funds account for operations that meet one of two criteria. (1) The activity runs in a manner similar to private business enterprises. Moreover, the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges. (2) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
2. Internal Service Funds - Internal service funds account for activities provided to other funds, departments or agencies of the primary government on a cost reimbursement basis. Kootenai County utilizes an internal service fund 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 report transactions using the flow of economic resources measurement focus and 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 use the accrual basis of accounting; however, do not have a measurement focus. Kootenai County uses agency funds to account for taxes collected by the County on behalf of other governments and maintains approximately 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 maturities of three months or less from date of acquisition. Cash in bank, cash equivalents are generally considered short-term, highly liquid investments for both the County, as well as for its Component Units (North Idaho Fair & Rodeo and Kootenai County Emergency Medical Services System), and are reported at fair value at September 30, 2009.

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

The Code limits investments to the following types:

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

The County's cash in bank, cash equivalents, and investment balances of substantially all funds, including the Proprietary Fund, are pooled invested by the County Treasurer in certificates of deposit, United States Treasury Securities, and United States Obligations 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 equivalents. Cash and investment balances for the Proprietary Fund represent their allocated share of pooled cash and investments of the County and can be drawn down on demand.

D-2. Receivables and payables:

Due from/to other funds consist of receivables and payables for activities between funds of the County. **See footnote 15** for interfund activity schedule.

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

Property tax revenues are recognized when received in the period for which the taxes are levied. Property taxes are accrued as assets receivable and deferred revenue on the Balance Sheet when the County has an enforceable legal claim to the taxes which occurs in September prior to year end when the Board of County Commissioners adopts the subsequent fiscal year budget. The County's assessment date is January 1, and property taxes, levied by the second Monday of September on a market value basis, are billed to the taxpayers in November. Half of the real, personal, and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Other property taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered in the real property assessment roll as delinquent on the first day of January of the succeeding year.

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.

D-5. Long-term obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Long-term liabilities to be repaid or financed by proprietary fund operations are accounted for in the proprietary fund. (See footnote 7)

D-6. Prepayments and deferrals:

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

D-7. Capitalization of interest:

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

D-8. Fund equity:

The difference between 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 footnote 16-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 the effect of interfund activity has been eliminated from the government-wide financial statements.

D-10. Comparative data/reclassifications:

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended September 30, 2008, from which the summarized information was derived.

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

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

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

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

The governmental fund balance includes reconciliations between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government -wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including capital leases payable, are not due and payable in the current period and therefore are not reported in the funds." The details of the \$4,604,983 difference are as follows:

Capital Leases - current balances as of 9/30/09

Equipment leases	\$	78,342	
Facility leases		<u>516,597</u>	
Total Capital leases	\$		<u>594,939</u>
Compensated absences			<u>4,010,044</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$		<u><u>4,604,983</u></u>

Another element of that reconciliation explains the "Internal service funds are used by management to charge the cost of certain activities, such as self-funded 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 \$764,011 difference are as follows.

Net assets of the internal service fund	\$	1,328,422	
Less: Internal payables		<u>(564,411)</u>	
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$		<u><u>764,011</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net 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 \$2,816,360 difference are as follows:

Capital outlay	\$ 7,078,841
Depreciation expense	<u>(4,262,481)</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>\$ 2,816,360</u>

Property taxes in the amount of \$588,588 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 \$85,243 exceeded proceeds.

Loss on the disposal of Capital Assets in the amount of (\$44,522) exceeded gains of, \$3,752 by (\$40,770).

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 \$(305,737) difference are as follows:

Compensated absences	\$ (306,609)
Change in accrued Interest	<u>872</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>\$ (305,737)</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 \$610,234 difference are as follows:

Revenues:	
Intergovernmental	\$ 96,913
Charges for Services	<u>6,151,926</u>
Total Revenues	6,248,839
Less expenditures:	<u>(5,638,605)</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>\$ 610,234</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.

NOTE 3: DEPOSITS AND INVESTMENTS

As of September 30, 2009, Kootenai County had the following investments:

Investment Type (amounts are in thousands)	9/30/2009 (Fair Value)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 19,039	1.03
State of Idaho Local Government Investment Pool	29,842	0.07
Certificates of Deposits	10,050	0.20
Total fair value of investments:	\$ 58,931	
Portfolio weighted average maturity		0.40

The (State of Idaho) Local Government Investment Pool (LGIP) is managed and sponsored by the State of Idaho Treasurer's Office (STO). This Joint Powers Investment Pool is established as a cooperative endeavor to offer local government entities of the State of Idaho to aggregate funds for investment purposes. The pooling is intended to improve efficiency and increase higher investment yields. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping financial institution. The STO must operate and invest the funds of the pool for the benefit of its participants. The LGIP is not registered with the Securities and Exchange Commission or any other regulatory body. The 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, and the State of Idaho's reported weighted average maturity of investments for the LGIP as of September 30, 2009, was 50 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, 2009, the following issuer had more than 5% in concentration of Kootenai County's total investment portfolio:

Investment Institution	Portfolio %
State of Idaho Local Government Investment Pool	50.7%
Federal Home Loan Bank	13.7%
US Bank	10.2%

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, 2009, \$14,933 of Kootenai County's bank balance of \$60,933,447, 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 \$1,939,531 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 no exposure to custodial credit risk because none of the North Idaho Fair & Rodeo's bank balance of \$288,101 was uninsured or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the North Idaho Fair & Rodeo's name.

Custodial credit risk - investments. 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 \$19,019,831, 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 yearend 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	Proprietary Funds	Total
Receivables:				
Interest	\$ 39,847	\$ 73	\$ 15,228	\$ 55,148
Accounts Receivable	1,903,966	21,504	639,002	2,564,472
Taxes	38,889,574	468,015	248,431	39,606,020
Grants Receivable	112,440	698,408	-	810,848
Gross receivables	40,945,827	1,188,000	902,661	43,036,488
Less: allowance for doubtful accounts	-	-	(35,000)	(35,000)
Net total receivables	\$ 40,945,827	\$ 1,188,000	\$ 867,661	\$ 43,001,488

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, 2009, the various components of deferred revenue and unearned revenue reported in Kootenai County's governmental funds were as reported:

	Unavailable	Unearned
Subsequent property taxes receivable - earned and available in FY 2010	\$ -	\$ 37,248,963
Delinquent property taxes receivable (general fund)	1,436,428	-
Delinquent property taxes receivable (other governmental funds)	383,040	-
Intergovernmental services not yet performed (general fund)	479,433	-
Special Revenue program services not yet performed (other governmental funds)	22,848	-
Grant draw downs prior to meeting all eligibility requirements	-	13,466
Total deferred and unearned revenue for governmental funds	\$ 2,321,749	\$ 37,262,429

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year Ended September 30, 2009 was as follows:

GOVERNMENTAL ACTIVITIES	Balance 9/30/08	Additions	Deletions/Transfers	Balance 9/30/09
Capital assets, not being depreciated:				
Other Assets	\$ 71,503	\$ -	\$ -	\$ 71,503
Land	5,207,049	-	-	5,207,049
Construction in progress	1,049,526	4,134,585	-	5,184,111
Total capital assets, not being depreciated	6,328,078	4,134,585	-	10,462,663
Capital assets, being depreciated:				
Buildings	36,770,807	2,145,315	-	38,916,122
Improvements other than buildings	26,559,281	-	-	26,559,281
Machinery and equipment	20,878,727	793,750	(397,977)	21,274,500
Total capital assets, being depreciated	84,208,815	2,939,065	(397,977)	86,749,903
Less accumulated depreciation for:				
Buildings	(14,867,210)	(1,067,455)	-	(15,934,665)
Improvements other than buildings	(12,513,694)	(1,762,286)	-	(14,275,980)
Machinery and equipment	(15,726,804)	(1,432,740)	310,569	(16,848,975)
Total accumulated depreciation	(43,107,708)	(4,262,481)	310,569	(47,059,620)
Total capital assets, being depreciated, net:	41,101,107	(1,323,416)	(87,408)	39,690,283
Government activities capital assets, net:	\$ 47,429,185	\$ 2,811,169	\$ (87,408)	\$ 50,152,946
BUSINESS-TYPE ACTIVITIES	Balance 9/30/08	Additions	Deletions/Transfers	Balance 9/30/09
Capital assets, not being depreciated:				
Land	\$ 1,293,975	\$ -	\$ -	\$ 1,293,975
Construction in progress	10,822,503	3,877,995	(10,400,122)	4,300,376
Total capital assets, not being depreciated	12,116,478	3,877,995	(10,400,122)	5,594,351
Capital assets, being depreciated:				
Buildings	612,858	-	-	612,858
Improvements other than buildings	20,910,718	13,227,917	-	34,138,635
Machinery and equipment	9,115,888	744,132	(417,789)	9,442,231
Total capital assets, being depreciated	30,639,464	13,972,049	(417,789)	44,193,724
Less accumulated depreciation for:				
Buildings	(291,091)	(28,124)	-	(319,215)
Improvements other than buildings	(13,359,027)	(1,452,522)	-	(14,811,549)
Machinery and equipment	(6,135,964)	(257,639)	417,789	(5,975,814)
Total accumulated depreciation	(19,786,082)	(1,738,285)	417,789	(21,106,578)
Total capital assets, being depreciated, net:	10,853,381	12,233,764	-	23,087,145
Business-type activities capital assets, net:	\$ 22,969,859	\$ 16,111,759	\$ (10,400,122)	\$ 28,681,496

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

Governmental Activities:	
General Government	\$ 1,027,473
Public Works	1,721,662
Public Safety	1,327,039
Sanitation Weeds	7,156
Health and Welfare	688
Culture and Recreation	178,463
Capital Project	-
Total governmental activities current year depreciation expense	\$ 4,262,481
Business-type activity:	
Solid Waste	\$ 1,738,285
Total business-type activities current year depreciation expense	\$ 1,738,285

The above is a summary of general government and solid waste capital assets and related accumulated depreciation as of September 30, 2009.

The additions to Construction in Progress, \$4,134,585, for fiscal year 2009 including, the following projects:

- Loch Haven Park project costs are \$300.
- Construction costs for the third year of project AIP 27 are \$89,442. This project involves construction of new taxi lanes and fencing.
- Airport Infrastructure Improvements, including the relocation of utilities and runway lighting, are \$107,398.
- First year project cost of \$756,104 for AIP 30 which entails the relocating of an access road along with fencing and gate installation.
- Project costs associated with an upgrade to Information Systems' server room for fiscal year 2009 are \$145,051.
- Construction costs for increased usefulness of 911 communications are \$2,799,144 for the year.
- Waterways Dock project costs for fiscal year 2009 are \$124,894.
- Beginning costs for a project at the Criminal Justice Facility are \$68,488.
- Costs associated with improvements to the newly acquired 4th Street Juvenile Court complex of \$7,136.
- Fiscal year 2009 demolition and rebuild costs for the old Worley Building total \$36,628.

Buildings increased by \$2,145,315 which includes the acquisition of the 4th Street Court Complex to benefit the Juvenile Justice Departments, and for the completion of three vault toilets for the Parks Department of \$66,315.

There is no change in Improvements Other Than Buildings for the fiscal year 2009.

Additions for Machinery and Equipment of \$793,750 includes fourteen sheriff vehicles, mobile data units and safety equipment for those vehicles, three county vehicles, a skid steer loader and upgrades to previously acquired software systems (Spillman, Manatron and New World). Disposals for Machinery and Equipment with historical costs of \$397,977, and related depreciation of \$310,569 includes fifteen vehicles and vehicle accessories, one snowmobile, a skid steer that was traded in for the new one and obsolete office and computer equipment.

The Solid Waste Enterprise Fund capital expenditures during fiscal year 2009 totaled \$17,850,044. This includes:

- Construction in Progress increase of \$3,877,995 for ongoing projects at Fighting Creek Landfill, Gas and Leachate Development and the New East Cell Development.
- There is no change for Solid Waste Buildings for fiscal year 2009.
- Improvements Other than Buildings' increase of \$13,227,917 are attributed to Maintenance Shop improvements of \$25,968 as well as improvements to the Staging Area for \$67,450, along with various other improvements at Ramsey Transfer Station totaling \$108,730. Improvements at Prairie Transfer Station totaled \$13,025,769 this included paving and landscaping projects for the newest transfer station.

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- Machinery and Equipment disposals totaling \$417,789 include a Compactor and a Transfer trailer as well as obsolete computers, all 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, 2009, was as follows:

	Balance 10/1/08	Additions	Deletions	Balance 9/30/09
KCEMSS Component Unit Activity				
Capital assets, not being depreciated:				
Land	\$ -	\$ 403,990	\$ -	\$ 403,990
Total capital assets, not being depreciated	-	403,990	-	403,990
Capital assets, being depreciated:				
Building	-	475,061	-	475,061
Machinery and equipment	394,666	65,500	-	460,166
Vehicles	1,694,061	366,121	(106,783)	1,953,399
Total capital assets, being depreciated	2,088,727	906,682	(106,783)	2,888,626
Less accumulated depreciation for:				
Building	-	(1,429)	-	(1,429)
Machinery and equipment	(126,479)	(71,817)	-	(198,296)
Vehicles	(1,075,744)	(237,374)	106,783	(1,206,335)
Total accumulated depreciation	(1,202,223)	(310,620)	106,783	(1,406,060)
Total capital assets, being depreciated, net	886,504	596,062	-	1,482,566
KCEMSS activity capital assets, net	\$ 886,504	\$ 1,000,052	\$ -	\$ 1,886,556

Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2008 was as follows:

	Balance 12/31/07	Additions	Deletions	Balance 12/31/08
North Idaho Fair Component Unit Activity				
Capital Assets, not being depreciated:				
Construction in Progress	\$ 68,267	\$ -	\$ (68,267)	\$ -
Total capital assets, not being depreciated	68,267	-	(68,267)	-
Capital assets, being depreciated:				
Machinery and Equipment	291,394	74,162	-	365,556
Buildings	2,292,142	340,532	68,267	2,700,941
Total capital assets, being depreciated	2,583,536	414,694	68,267	3,066,497
Less accumulated depreciation for:				
Machinery and Equipment	(185,594)	(41,751)	-	(227,345)
Buildings	(842,613)	(81,839)	-	(924,452)
Total accumulated depreciation	(1,028,207)	(123,590)	-	(1,151,797)
Total capital assets, being depreciated, net	1,555,329	291,104	68,267	1,914,700
North Idaho Fair activity capital assets, net	\$ 1,623,596	\$ 291,104	\$ -	\$ 1,914,700

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, 2009.

Fiscal Year Ending September 30,	Governmental Activities
2010	\$ 222,723
2011	222,723
2012	222,723
2013	222,723
2014	206,059
2015 - 2019	780,339
Total Minimum Payments Required	\$ 1,877,290

The total expenditure for operating leases during the fiscal year ending September 30, 2009, totaled \$227,702.

6-B. Capital Leases:

Under capital lease arrangements, County assets' historical costs total \$1,157,865. County leases include land totaling \$554,479, and buildings and equipment totaling \$603,386. 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 lease as of September 30, 2009:

	(Historical Cost) Governmental Activities	(Less) Accumulated Depreciation	Net of Depreciation
Asset:			
Land	\$ 554,479	\$ -	\$ 554,479
Buildings and Improvements	331,576	(69,007)	262,569
Machinery, Equipment, and Other	271,810	(271,810)	-
Total Capital Leases	\$ 1,157,865	\$ (340,817)	\$ 817,048

The future minimum lease obligations of governmental activities fulfilling capital lease commitments for the next 8 years, as of September 30, 2009, were as follows:

Fiscal Year Ending September 30	Governmental Activities
2010	\$ 117,724
2011	127,528
2012	77,724
2013	77,724
2014	77,724
2015-2017	222,692
Total Minimum Lease Payments	701,116
Less: Amount Representing Interest	(106,177)
Present Value of Minimum Lease Payments	\$ 594,939

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, 2009, the following changes occurred with liabilities reported in the general long-term obligations:

	Balance 10/1/2008	Additions	Reductions	Balance 9/30/2009	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
<i>Bonds and notes payable:</i>					
Capital leases	\$ 680,182	\$ -	\$ 85,243	\$ 594,939	\$ 90,079
<i>Other Liabilities:</i>					
Compensated Absences	3,703,434	421,010	114,400	4,010,044	128,139
Governmental activities long-term liabilities	\$ 4,383,616	\$ 421,010	\$ 199,643	\$ 4,604,983	\$ 218,218
BUSINESS-TYPE ACTIVITIES					
Compensated Absences	\$ 189,958	\$ 19,506	\$ 12,402	197,062	6,297
Business-type activities long-term liabilities	\$ 189,958	\$ 19,506	\$ 12,402	\$ 197,062	\$ 6,297

At September 30, 2009, total compensated absences payable by the County is \$4,207,106. Of this amount, \$4,010,044 arises from governmental activity operations, and \$197,062 is attributable to business activity operations. 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, 2009, 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, 2009.

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 2008-2009 an increase of \$470,000 in closure and post-closure liability and costs has been recognized for the period ending September 30, 2009.

A total of \$5,840,000 has been recognized for closure and post-closure liability as of the balance sheet date. This figure is based on 77% 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 \$7,127,142, less a reduction for actual closure expenses incurred of \$1,286,879. The remainder of the estimated closure and post-closure costs of \$2,125,135 will be recognized, on a pro-rata basis, as the remaining usable landfill space in the current cell is filled. The Fighting Creek Landfill is expected to close some time in 2014.

Funds totaling \$5,840,000 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. Anticipated future inflation costs and any additional costs arising from changes in post-closure requirements may need to be covered by charges to future landfill users, taxpayers, or both. Additionally, the current Fighting Creek landfill site is being expanded into additional cells which will extend the overall life of the landfill site an estimated 25 to 30 years. It is probable that this will have an impact on the timing of closure and post closure costs.

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 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 2008-09 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 \$100,000 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, 2009, the County had twenty-one (21) outstanding claims. The County risk manager and legal staff maintain the position that the County bears little or no loss liability, based upon the strength of the claims and prior experience. Settlements paid did not exceed the County's reserves set aside for self-insurance. Accordingly, no liability for losses has been reported on the balance sheet, as was the case in the prior year.

NOTE 11: PENSION PLAN

The Public Employee Retirement System of Idaho (the System) administers The Public Employee Retirement Fund Base Plan (PERSI). A cost sharing multiple-employer public retirement system created by the Idaho State Legislature and the retirement board, appointed by the Governor, manages and establishes funding policies for the System. It is a defined benefit plan requiring that both the member and the employer contribute. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports are available from PERSI upon request.

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

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 775 employees actively contributing to PERSI as of September 30, 2009. Total contributions required and paid were \$3,141,983, \$ 3,003,880, and \$2,771,640, for the three years ending September 30, 2009, 2008, and 2007 respectively.

NOTE 12: CLASSIFICATION OF FUNDS

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

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

NOTE 13: 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, 2009.

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 footnote 1(A) for more information.*

NOTE 14: 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 15: INTERNAL BALANCES AND INTERFUND TRANSFERS

The composition of internal balances as of September 30, 2009 is as follows:

Receivable Fund	(Payable) Funds
<hr/>	
<u>Major Funds:</u>	
General Fund	\$ 92,538
<u>Non-Major Special Revenue Funds:</u>	
Indigent Fund	(92,538))
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.

Interfund transfers:

		Transfer In			
		General Govt Funds	Other Govt Funds	Enterprise Funds	Total
Transfer out	General Governmental Funds	\$ (268,573)	\$ 268,573	\$ -	\$ -
	Enterprise Funds	467,285	44,116	-	511,401
	Fiduciary Funds	10,140	-	133,901	144,041
	Total	\$ 208,852	\$ 312,689	\$ 133,901	\$ 655,442

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 \$511,401. Administrative, accounting, and legal services are provided by other departments for the Solid Waste Enterprise fund.

NOTE 16: FUND EQUITY

16-A. Deficit Fund Equity:

At September 30, 2009, the following individual fund has a deficit fund balance included in the non-major special revenue funds: Indigent Fund \$92,905. The deficit in the fund will be resolved by increasing tax revenue over the annual expenditures.

16-B. Net Assets Restricted Proprietary Fund:

At September 30, 2009 Proprietary Funds had the following Restricted Net Asset balance:

	<u>Proprietary Fund</u>
Landfill Closure/Post Closure	\$ 5,840,000
Capital Appropriations carryover	604,762
Total Restricted Net Assets	\$ 6,444,762

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.

16-C. Restrictions of Fund Equity:

Restrictions of fund equity represent amounts that are legally segregated and cannot be appropriated in subsequent years, other than for the stated purpose or restriction.

16-D. Restricted Fund Equity Balances:

At September 30, 2009 the following fund equity balances were restricted:

Fund Equity Balances Restricted for:	General	Special Revenue	Trusts	Total
Juvenile Justice Services	\$ 177,212	\$ -	\$ -	\$ 177,212
Court Interlock	-	41,362	-	41,362
Capital purchases	718,729	-	-	718,729
Replacement reserve	613,180	-	-	613,180
Capital appropriations carryover	817,831	29,700	-	847,531
Other purposes	1,684,376	-	-	1,684,376
Sheriff Snowmobile	-	836	-	836
Trusts	-	-	78,638	78,638
Total restricted fund balances	\$ 4,011,328	\$ 71,898	\$ 78,638	\$ 4,161,864

Required Supplementary Information

Original staff of the new Federal District Court



Photo courtesy of Museum of North Idaho



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, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 29,406,800	\$ 29,406,800	\$ 29,386,802	\$ (19,998)
Licenses and permits	1,141,440	1,141,440	1,291,471	150,031
Intergovernmental	7,602,246	10,092,983	10,563,217	470,234
Interest	1,630,000	1,630,000	498,080	(1,131,920)
Fines and forfeitures	183,000	242,000	359,606	117,606
Charges for services	6,348,742	6,112,593	5,798,555	(314,038)
Miscellaneous	228,190	243,837	2,680,193	2,436,356
<i>Total Revenues</i>	46,540,418	48,869,653	50,577,924	1,708,271
Expenditures				
Current:				
General government				
Assessor	1,626,571	1,626,545	1,573,495	53,050
Building & Grounds	596,632	580,259	587,208	(6,949)
County Clerk	3,882,515	3,876,694	3,701,394	175,300
Cooperative Extension	156,158	157,037	164,820	(7,783)
County Auto Shop	230,325	229,045	217,335	11,710
County Commissioner	721,278	709,360	667,181	42,179
County Grant Writer	61,958	61,819	60,892	927
General Accounts	1,529,641	1,311,919	1,039,921	271,998
Office of Emergency Management	488,071	600,104	715,579	(115,475)
Human Resources	233,161	231,814	273,798	(41,984)
Information Services	1,712,238	1,670,642	1,788,670	(118,028)
Legal Services	529,000	527,484	480,301	47,183
Liability Insurance	678,160	678,160	625,446	52,714
Planning & Zoning	2,189,089	2,177,927	1,659,573	518,354
Prosecuting Attorney	2,067,367	2,073,318	2,031,285	42,033
Public Defender	1,965,491	1,968,886	1,942,702	26,184
Reprographics/Mail Room	270,759	269,078	264,953	4,125
Treasurer	556,771	573,856	561,644	12,212
Veterans Services	107,418	106,377	96,186	10,191

(Continued)

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, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Public safety				
9-1-1	\$ 2,951,971	\$ 2,946,137	\$ 2,374,925	\$ 571,212
Adult Misdemeanor Probation	664,507	672,749	572,977	99,772
Coroner	266,808	285,208	284,548	660
Justice - General Accounts	590,000	587,995	255,045	332,950
Juvenile Detention Center	2,522,015	2,512,517	2,323,165	189,352
Juvenile Diversion	303,955	303,924	292,110	11,814
Juvenile Probation	1,307,987	1,381,451	1,349,872	31,579
Sheriff	17,888,144	17,885,380	17,596,250	289,130
Health & welfare				
County Assistance	305,000	336,961	336,961	-
Debit service:				
Principal retirement	261,535	261,535	85,243	176,292
Interest expense	-	-	32,491	(32,491)
Capital outlay:				
Capital expenditures	942,137	1,553,347	2,688,582	(1,135,235)
Construction in progress	558,791	3,093,129	3,063,030	30,099
Total Expenditures	48,165,453	51,250,657	49,707,582	1,543,075
Excess of Revenues Over (Under) Expenditures	(1,625,035)	(2,381,004)	870,342	3,251,346
Other Financing Sources (Uses)				
Proceeds insurance	-	-	5,860	5,860
Planned Fund Balance Utilization	1,162,750	1,918,719	-	(1,918,719)
Transfers In	5,149,225	5,149,225	5,159,365	10,140
Transfers (out)	(4,686,940)	(4,686,940)	(4,950,513)	(263,573)
Total Other Financing Sources (Uses)	1,625,035	2,381,004	214,712	(2,166,292)
Revenues and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	\$ -	\$ -	1,085,054	
Reconciling Items				
Changes Affected by Accrued Revenue			-	
Changes Affected by Accrued Expenditures			-	
Fund Balances Beginning of Year			24,685,305	
Fund Balances End of Year			\$ 25,770,359	

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, 2009

Basis of Budgetary Accounting

The County's legal budget is prepared on the modified accrual basis of accounting. Appropriations are made for the fiscal year, and lapse at the close of the year. The Budget and Actual schedules are prepared on the budgetary basis and vary from Generally Accepted Accounting 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 claim presented after that day comes out of the subsequent year's budget.

Any unexpended appropriations for incomplete capital improvements carry forward into the subsequent year's budget.

Stewardship, Compliance, and Accountability

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

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

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

The budget that is adopted 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 unanticipated revenue, grants, or donations from federal, state or local governments or private sources, provided that there shall be no increase in anticipated property taxes. Budget increases can only occur after advertising the proposed change, holding a public hearing, and a subsequent resolution of the Board of County Commissioners.

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

Kootenai County Comprehensive Annual Financial Report - FY 2009

For the year ending September 30, 2009, there was one supplemental adjustment to reduce the fiscal year budget by 5% resulting in a decrease to the budget of \$477,148. This adjustment was in response to probable reductions in anticipated revenues.

Kootenai County Board of County Commissioners approved seven unexpended appropriations of projects totaling \$4,270,186 to be carried over from fiscal year 2008 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 10/1/2008	Appropriation FY 2009	Expenditures FY 2009	Carryforward Balance 9/30/2009
Prairie Solid Waste Transfer Station	\$ 12,810,000	\$ 10,292,125	\$ 2,517,875	\$ 216,503	\$ 2,734,378	\$ -
Fighting Creek Gas & Leachate System	1,000,000	62,026	937,974	(785,762)	47,450	104,762
Fighting Creek East Landfill Development	135,000	42,540	92,460	3,893,302	3,985,762	-
Land Acquisition- Solid Waste	-	-	-	500,000	-	500,000
Property Tax Software System	829,727	272,762	556,965	(63,434)	29,531	464,000
Financial Accounting Software System	1,014,671	960,463	54,208	(24,208)	26,169	3,831
Loch Haven Park Development	30,000	-	30,000	-	300	29,700
Planning and Zoning Master Plan	-	-	-	350,000	-	350,000
Sheriff Detectives (4 Ford Fusions)	80,704	-	80,704	(4,634)	76,070	-
Total Carryforward			\$ 4,270,186			\$ 1,452,293

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, 2009

	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget (Over) Under
Board of County Commissioners	\$ 52,672,099	\$ 45,951,245	\$ 6,720,854
County Clerk	\$ 5,965,700	\$ 5,797,126	\$ 168,574
Administrative District Judge	\$ 1,934,696	\$ 1,882,925	\$ 51,771
Treasurer	\$ 580,494	\$ 568,282	\$ 12,212
County Assessor	\$ 3,764,648	\$ 3,661,739	\$ 102,909
Coroner	\$ 285,208	\$ 284,548	\$ 660
County Sheriff	\$ 18,914,008	\$ 18,648,060	\$ 265,948
Prosecuting Attorney	\$ 2,073,318	\$ 2,031,295	\$ 42,023



Supplementary Information

Some of the original Post Office employees.



Photo courtesy of Museum of North Idaho



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

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

Centennial Trail Fund - accounts for maintenance, improvements, and capital expansion of the Idaho Centennial Trail. Funding is primarily provided by various Federal, State, and Local grants and public donations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-major Capital Projects Funds
Capital Projects Funds

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

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

Combining Financial Statements

Another major milestone of fiscal year 2009 was the January opening of the Prairie Transfer Station. With approximately 40,000 square feet of enclosed space, it can process up to 2000 tons per day.





KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2009

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Assets			
Cash and cash equivalents	\$ 3,768,155	\$ 15,635	\$ 3,783,790
Taxes delinquent-receivable	468,015	-	468,015
Accounts receivable (net)	21,504	-	21,504
Interest receivable	73	-	73
Grants receivable	3,818	694,590	698,408
Prepays	42,377	-	42,377
Total Assets	\$ 4,303,942	\$ 710,225	\$ 5,014,167
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 209,414	\$ 710,177	\$ 919,591
Payroll and related liabilities	196,455	-	196,455
Deferred revenues	22,848	-	22,848
Deferred grant revenues	9,511	48	9,559
Deferred property taxes	383,040	-	383,040
Due to other funds	92,538	-	92,538
Leases payable-long term	-	-	-
Total Liabilities	913,806	710,225	1,624,031
Fund Balances:			
Reserved for:			
Court Interlock	41,362	-	41,362
Park Development	29,700	-	29,700
Sheriff Snowmobile	836	-	836
Unreserved & Undesignated:			
Special Revenue Funds	3,318,238	-	3,318,238
Capital Projects Funds	-	-	-
Total Fund Balances	3,390,136	-	3,390,136
Total Liabilities and Fund Balances	\$ 4,303,942	\$ 710,225	\$ 5,014,167

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Non-major Special Revenue Funds
September 30, 2009

	Centennial Trail Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
Assets					
Cash and cash equivalents	\$ 62,313	\$ 978	\$ 98,296	\$ 77,117	\$ 128,824
Taxes delinquent-receivable	-	-	28,949	4,791	16,822
Accounts receivable (net)	-	-	8,672	-	-
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	319
Prepays	-	-	1,132	-	-
Total Assets	\$ 62,313	\$ 978	\$ 137,049	\$ 81,908	\$ 145,965
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 2,140	\$ 933	\$ 83,125	\$ -	\$ 4,199
Payroll and related liabilities	-	-	20,314	-	5,748
Deferred revenues	-	-	2,848	-	199
Deferred grant revenues	-	-	-	-	3,980
Deferred property taxes	-	-	26,073	4,164	14,716
Due to other funds	-	-	-	-	-
Leases payable-long term	-	-	-	-	-
Total Liabilities	2,140	933	132,360	4,164	28,842
Fund Balances:					
Reserved for:					
Court interlock	-	-	-	-	-
Park Development	-	-	-	-	-
Sheriff Snowmobile	-	-	-	-	-
Unreserved & Undesignated:					
Special Revenue Funds	60,173	45	4,689	77,744	117,123
Total Fund Balances	60,173	45	4,689	77,744	117,123
Total Liabilities and Fund Balances	\$ 62,313	\$ 978	\$ 137,049	\$ 81,908	\$ 145,965

See accompanying Independent Auditors' Report

continued

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Non-major Special Revenue Funds
September 30, 2009

	Health District Special Revenue	Historical Society Special Revenue	Parks & Rec Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
Assets					
Cash and cash equivalents	\$ 33,170	\$ 9,813	\$ 200,961	\$ 137,154	\$ 272,656
Taxes delinquent-receivable	35,724	1,134	12,595	-	-
Accounts receivable (net)	-	-	-	-	-
Interest receivable	-	-	-	-	-
Grants receivable	-	3,000	-	-	-
Prepays	-	-	-	-	-
Total Assets	\$ 68,894	\$ 13,947	\$ 213,556	\$ 137,154	\$ 272,656
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ 3,000	\$ 14,642	\$ 1,767	\$ 26,966
Payroll and related liabilities	-	-	6,637	169	14,585
Deferred revenues	-	-	-	-	-
Deferred grant revenues	-	-	-	-	-
Deferred property taxes	31,157	1,030	11,086	-	-
Due to other funds	-	-	-	-	-
Leases payable-long term	-	-	-	-	-
Total Liabilities	31,157	4,030	32,365	1,936	41,551
Fund Balances:					
Reserved for:					
Court interlock	-	-	-	-	-
Park Development	-	-	29,700	-	-
Sheriff Snowmobile	-	-	-	836	-
Unreserved & Undesignated:					
Special Revenue Funds	37,737	9,917	151,491	134,382	231,105
Total Fund Balances	37,737	9,917	181,191	135,218	231,105
Total Liabilities and Fund Balances	\$ 68,894	\$ 13,947	\$ 213,556	\$ 137,154	\$ 272,656

See accompanying Independent Auditors' Report

continued

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Non-major Special Revenue Funds
September 30, 2009

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans Special Revenue	District Court Special Revenue
Assets				
Cash and cash equivalents	\$ 83,278	\$ 100	\$ 8,247	\$ 1,360,616
Taxes delinquent-receivable	-	79,298	-	47,954
Accounts receivable (net)	-	-	-	-
Interest receivable	73	-	-	-
Grants receivable	-	-	499	-
Prepays	-	-	33,285	7,960
Total Assets	\$ 83,351	\$ 79,398	\$ 42,031	\$ 1,416,530
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 117	\$ 36,500	\$ 27,760
Payroll and related liabilities	-	10,495	-	52,905
Deferred revenues	-	-	-	19,801
Deferred grant revenues	-	-	5,531	-
Deferred property taxes	-	69,153	-	41,952
Due to other funds	-	92,538	-	-
Leases payable-long term	-	-	-	-
Total Liabilities	-	172,303	42,031	142,418
Fund Balances:				
Reserved for other purposes				
Court interlock	-	-	-	41,362
Park Development	-	-	-	-
Sheriff Snowmobile	-	-	-	-
Unreserved & Undesignated: Special Revenue Funds	83,351	(92,905)	-	1,232,750
Total Fund Balances (deficit)	83,351	(92,905)	-	1,274,112
Total Liabilities and Fund Balances	\$ 83,351	\$ 79,398	\$ 42,031	\$ 1,416,530

See accompanying Independent Auditors' Report

continued

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Non-major Special Revenue Funds
September 30, 2009

	Revaluation Special Revenue	KCEMSS Special Revenue	Aquifer Protection Special Revenue	Total Nonmajor Special Revenue Funds
Assets				
Cash and cash equivalents	\$ 626,771	\$ 230,450	\$ 437,411	\$ 3,768,155
Taxes delinquent-receivable	114,387	96,445	29,916	468,015
Accounts receivable (net)	-	12,832	-	21,504
Interest receivable	-	-	-	73
Grants receivable	-	-	-	3,818
Prepays	-	-	-	42,377
Total Assets	\$ 741,158	\$ 339,727	\$ 467,327	\$ 4,303,942
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 8,265	\$ -	\$ -	\$ 209,414
Payroll and related liabilities	85,602	-	-	196,455
Deferred revenues	-	-	-	22,848
Deferred grant revenues	-	-	-	9,511
Deferred property taxes	99,687	84,131	(109)	383,040
Due to other funds	-	-	-	92,538
Leases payable-long term	-	-	-	-
Total Liabilities	193,554	84,131	(109)	913,806
Fund Balances:				
Reserved for other purposes				
Court interlock	-	-	-	41,362
Park Development	-	-	-	29,700
Sheriff Snowmobile	-	-	-	836
Unreserved & Undesignated: Special Revenue Funds	547,604	255,596	467,436	3,318,238
Total Fund Balances	547,604	255,596	467,436	3,390,136
Total Liabilities and Fund Balances	\$ 741,158	\$ 339,727	\$ 467,327	\$ 4,303,942

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
 Combining Balance Sheet
 Non-major Capital Projects Funds
 September 30, 2009

	General Construction Capital Projects	Total Non-major Capital Project Funds
Assets		
Cash and cash equivalents	\$ 15,635	\$ 15,635
Grants receivable	694,590	694,590
Total Assets	\$ 710,225	\$ 710,225
 Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 710,177	\$ 710,177
Deferred grant revenues	48	48
Total Liabilities	710,225	710,225
 Fund Balances:		
Unreserved & Undesignated: Capital Projects Funds	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	\$ 710,225	\$ 710,225

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, 2009

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues			
Taxes	\$ 8,227,793	\$ -	\$ 8,227,793
Licenses and permits	140,681	-	140,681
Intergovernmental	2,367,495	958,524	3,326,019
Interest	1,481	-	1,481
Fines and forfeitures	996,805	-	996,805
Charges for services	1,027,872	-	1,027,872
Miscellaneous	784,061	62,537	846,598
<i>Total Revenues</i>	13,546,188	1,021,061	14,567,249
Expenditures			
Current:			
General government	3,781,046	-	3,781,046
Public works	741,316	4,233	745,549
Public safety	4,066,098	-	4,066,098
Sanitation	777,747	-	777,747
Health & welfare	2,641,650	-	2,641,650
Culture and recreation	736,490	1,069	737,559
Debt service:			
Interest expense	-	-	-
Capital Outlay:			
Capital expenditures	201,595	47,500	249,095
Construction in progress	109,875	968,259	1,078,134
<i>Total Expenditures</i>	13,055,817	1,021,061	14,076,878
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	490,371	-	490,371
Other Financing Sources			
Proceeds from Insurance	12,183	-	12,183
Transfers In	51,616	261,073	312,689
Transfers (out)	-	-	-
<i>Total Other Financing Sources</i>	63,799	261,073	324,872
<i>Net Change in Fund Balances</i>	554,170	261,073	815,243
<i>Fund Balances Beginning of Year (deficit)</i>	2,835,966	(261,073)	2,574,893
<i>Fund Balances End of Year</i>	\$ 3,390,136	\$ -	\$ 3,390,136

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended September 30, 2009

	Centennial Trail Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
Revenues					
Taxes	\$ -	\$ -	\$ 360,425	\$ 98,504	\$ 301,501
Licenses and permits	-	-	-	-	-
Intergovernmental	-	4,595	-	-	485,904
Interest	-	-	-	-	-
Fines and forfeitures	-	-	356	-	-
Charges for services	15,000	-	58,576	-	1,098
Miscellaneous	-	-	462,897	-	1,344
<i>Total Revenues</i>	<u>15,000</u>	<u>4,595</u>	<u>882,254</u>	<u>98,504</u>	<u>789,847</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	741,316	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	777,747
Health & welfare	-	-	-	-	-
Culture and recreation	14,013	6,209	-	100,000	-
Capital Outlay:					
Capital expenditures	-	-	55,308	-	-
Construction in progress	-	-	94,132	-	-
<i>Total Expenditures</i>	<u>14,013</u>	<u>6,209</u>	<u>890,756</u>	<u>100,000</u>	<u>777,747</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>987</u>	<u>(1,614)</u>	<u>(8,502)</u>	<u>(1,496)</u>	<u>12,100</u>
Other Financing Sources					
Proceeds from Insurance	-	-	10,753	-	-
Transfers in	7,500	-	-	-	-
<i>Total Other Financing Sources</i>	<u>7,500</u>	<u>-</u>	<u>10,753</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>8,487</u>	<u>(1,614)</u>	<u>2,251</u>	<u>(1,496)</u>	<u>12,100</u>
<i>Fund Balances Beginning of Year</i>	<u>51,686</u>	<u>1,659</u>	<u>2,438</u>	<u>79,240</u>	<u>105,023</u>
<i>Fund Balances End of Year</i>	<u>\$ 60,173</u>	<u>\$ 45</u>	<u>\$ 4,689</u>	<u>\$ 77,744</u>	<u>\$ 117,123</u>

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, 2009

	Health District Special Revenue	Historical Society Special Revenue	Parks & Rec. Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
Revenues					
Taxes	\$ 644,714	\$ 14,743	\$ 213,770	\$ -	\$ -
Licenses and permits	-	-	-	104,092	-
Intergovernmental	-	3,000	11,470	30,900	726,605
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	67,041	-	-
Miscellaneous	-	-	2,680	7,096	(14,258)
<i>Total Revenues</i>	644,714	17,743	294,961	142,088	712,347
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	25,007	318,908
Sanitation	-	-	-	-	-
Health & welfare	691,622	-	-	-	-
Culture and recreation	-	18,000	253,056	121,204	224,008
Capital Outlay:					
Capital expenditures	-	-	-	79,420	19,914
Construction in progress	-	-	300	-	15,443
<i>Total Expenditures</i>	691,622	18,000	253,356	225,631	578,273
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(46,908)	(257)	41,605	(83,543)	134,074
Other Financing Sources					
Proceeds from Insurance	-	-	-	-	-
Transfers in	44,116	-	-	-	-
<i>Total Other Financing Sources</i>	44,116	-	-	-	-
<i>Net Change in Fund Balances</i>	(2,792)	(257)	41,605	(83,543)	134,074
<i>Fund Balances Beginning of Year</i>	40,529	10,174	139,586	218,761	97,031
<i>Fund Balances End of Year</i>	\$ 37,737	\$ 9,917	\$ 181,191	\$ 135,218	\$ 231,105

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, 2009

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans. Special Revenue	District Court Special Revenue
Revenues				
Taxes	\$ -	\$ 1,392,312	\$ -	\$ 826,305
Licenses and permits	-	-	-	-
Intergovernmental	-	-	1,020,398	23,516
Interest	1,481	-	-	-
Fines and forfeitures	-	-	-	996,449
Charges for services	-	-	672,403	212,954
Miscellaneous	-	324,131	-	171
<i>Total Revenues</i>	1,481	1,716,443	1,692,801	2,059,395
Expenditures				
Current:				
General government	-	-	1,692,801	-
Public works	-	-	-	-
Public safety	-	-	-	1,835,972
Sanitation	-	-	-	-
Health & welfare	-	1,751,949	-	-
Culture and recreation	-	-	-	-
Capital Outlay:				
Capital expenditures	-	-	-	46,953
Construction in progress	-	-	-	-
<i>Total Expenditures</i>	-	1,751,949	1,692,801	1,882,925
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	1,481	(35,506)	-	176,470
Other Financing Sources				
Proceeds from Insurance	-	-	-	-
Transfers in	-	-	-	-
<i>Total Other Financing Sources</i>	-	-	-	-
<i>Net Change in Fund Balances</i>	1,481	(35,506)	-	176,470
<i>Fund Balances Beginning of Year (deficit)</i>	81,870	(57,399)	-	1,097,642
<i>Fund Balances End of Year (deficit)</i>	\$ 83,351	\$ (92,905)	\$ -	\$ 1,274,112

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, 2009

	Revaluation Special Revenue	Kootenai Emergency Management Special Revenue	Aquifer Protection District Special Revenue	Total Non-major Special Revenue Funds
Revenues				
Taxes	\$ 2,082,049	\$ 1,756,139	\$ 537,331	\$ 8,227,793
Licenses and permits	-	36,589	-	140,681
Intergovernmental	-	61,107	-	2,367,495
Interest	-	-	-	1,481
Fines and forfeitures	-	-	-	996,805
Charges for services	800	-	-	1,027,872
Miscellaneous	-	-	-	784,061
<i>Total Revenues</i>	2,082,849	1,853,835	537,331	13,546,188
Expenditures				
Current:				
General government	2,088,245	-	-	3,781,046
Public works	-	-	-	741,316
Public safety	-	1,886,211	-	4,066,098
Sanitation	-	-	-	777,747
Health & welfare	-	-	198,079	2,641,650
Culture and recreation	-	-	-	736,490
Capital Outlay:				
Capital expenditures	-	-	-	201,595
Construction in progress	-	-	-	109,875
<i>Total Expenditures</i>	2,088,245	1,886,211	198,079	13,055,817
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(5,396)	(32,376)	339,252	490,371
Other Financing Sources				
Proceeds from Insurance	1,430	-	-	12,183
Transfers in	-	-	-	51,616
<i>Total Other Financing Sources</i>	1,430	-	-	63,799
<i>Net Change in Fund Balances</i>	(3,966)	(32,376)	339,252	554,170
<i>Fund Balances Beginning of Year</i>	551,570	287,972	128,184	2,835,966
<i>Fund Balances End of Year (deficit)</i>	\$ 547,604	\$ 255,596	\$ 467,436	\$ 3,390,136

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, 2009

	General Construction Capital Projects	Total Non-major Capital Projects Funds
Revenues		
Intergovernmental	\$ 958,524	\$ 958,524
Miscellaneous	62,537	62,537
<i>Total Revenues</i>	1,021,061	1,021,061
Expenditures		
Current:		
Public Works	4,233	4,233
Culture and recreation	1,069	1,069
Capital Outlay:		
Capital expenditures	47,500	47,500
Construction in progress	968,259	968,259
<i>Total Expenditures</i>	1,021,061	1,021,061
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-
Other Financing Sources		
Transfers In	261,073	261,073
<i>Total Other Financing Sources</i>	261,073	261,073
<i>Net Change in Fund Balances</i>	261,073	261,073
<i>Fund Balances Beginning of Year (deficit)</i>	(261,073)	(261,073)
Fund Balances End of Year	\$ -	\$ -

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, 2009

	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	\$ -	\$ -	\$ -	\$ 6,200	\$ 4,595	\$ (1,605)
Charges for services	10,000	15,000	5,000	-	-	-
<i>Total Revenues</i>	10,000	15,000	5,000	6,200	4,595	(1,605)
Expenditures						
Current:						
Culture and recreation	15,000	14,013	987	7,500	6,209	1,291
<i>Total Expenditures</i>	15,000	14,013	987	7,500	6,209	1,291
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(5,000)	987	5,987	(1,300)	(1,614)	(314)
Other Financing Sources						
Transfers In	5,000	7,500	2,500	1,300	-	(1,300)
<i>Total Other Financing Sources</i>	5,000	7,500	2,500	1,300	-	(1,300)
<i>Net Change in Fund Balances</i>	-	8,487	8,487	-	(1,614)	(1,614)
<i>Fund Balances Beginning of Year</i>	51,686	51,686	-	1,659	1,659	-
<i>Fund Balances End of Year (decrease)</i>	\$ 51,686	\$ 60,173	\$ 8,487	\$ 1,659	\$ 45	\$ (1,614)

See accompanying Independent Auditors' Report

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, 2009

	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	\$ 356,217	\$ 360,425	\$ 4,208	\$ 100,000	\$ 98,504	\$ (1,496)
Fines and forfeitures	-	356	356	-	-	-
Charges for services	52,000	58,576	6,576	-	-	-
Miscellaneous	590,500	462,897	(127,603)	-	-	-
<i>Total Revenues</i>	998,717	882,254	(116,463)	100,000	98,504	(1,496)
Expenditures						
Current:						
Public works	740,776	741,316	(540)	-	-	-
Culture and recreation	-	-	-	100,000	100,000	-
Debt Service:						
Principal Retirement	60,000	-	60,000	-	-	-
Interest expense	-	-	-	-	-	-
Capital outlay:						
Capital expenditures	-	55,308	(55,308)	-	-	-
Construction in progress	60,000	94,132	(34,132)	-	-	-
<i>Total Expenditures</i>	860,776	890,756	(29,980)	100,000	100,000	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	137,941	(8,502)	(146,443)	-	(1,496)	(1,496)
Other Financing Sources						
Proceeds insurance	-	10,753	10,753	-	-	-
<i>Total Other Financing Sources</i>	-	10,753	10,753	-	-	-
<i>Net Change in Fund Balances</i>	137,941	2,251	(135,690)	-	(1,496)	(1,496)
<i>Fund Balances Beginning of Year</i>	2,438	2,438	-	79,240	79,240	-
<i>Fund Balances End of Year (decrease)</i>	\$ 140,379	\$ 4,689	\$ (135,690)	\$ 79,240	\$ 77,744	\$ (1,496)

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, 2009

	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	\$ 303,070	\$ 301,501	\$ (1,569)	\$ 647,507	\$ 644,714	\$ (2,793)
Intergovernmental	468,933	485,904	16,971	-	-	-
Charges for services	-	1,098	1,098	-	-	-
Miscellaneous	5,100	1,344	(3,756)	-	-	-
<i>Total Revenues</i>	777,103	789,847	12,744	647,507	644,714	(2,793)
Expenditures						
Current:						
Sanitation	772,509	777,747	(5,238)	-	-	-
Health & welfare	-	-	-	691,623	691,622	1
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
<i>Total Expenditures</i>	772,509	777,747	(5,238)	691,623	691,622	1
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	4,594	12,100	7,506	(44,116)	(46,908)	(2,792)
Other Financing Sources						
Transfers In	-	-	-	44,116	44,116	-
<i>Total Other Financing Sources</i>	-	-	-	44,116	44,116	-
<i>Net Change in Fund Balances</i>	4,594	12,100	7,506	-	(2,792)	(2,792)
<i>Fund Balances Beginning of Year</i>	105,023	105,023	-	40,529	40,529	-
<i>Fund Balances End of Year (decrease)</i>	\$ 109,617	\$ 117,123	\$ 7,506	\$ 40,529	\$ 37,737	\$ (2,792)

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, 2009

	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	\$ 14,743	\$ (257)	\$ 215,076	\$ 213,770	\$ (1,306)
Intergovernmental	-	-	-	-	11,470	11,470
Licenses and permits	3,000	3,000	-	-	-	-
Charges for Services	-	-	-	-	67,041	67,041
Miscellaneous	-	-	-	30,000	2,680	(27,320)
<i>Total Revenues</i>	18,000	17,743	(257)	245,076	294,961	49,885
Expenditures						
Current:						
Culture and recreation	18,000	18,000	-	244,318	253,056	(8,738)
Capital outlay:						
Construction in Progress	-	-	-	-	300	(300)
<i>Total Expenditures</i>	18,000	18,000	-	244,318	253,356	(9,038)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(257)	(257)	758	41,605	40,847
Other Financing Sources						
Transfers In	-	-	-	-	-	-
<i>Total Other Financing Sources</i>	-	-	-	-	-	-
<i>Net Change in Fund Balances</i>	-	(257)	(257)	758	41,605	40,847
<i>Fund Balances Beginning of Year</i>	10,174	10,174	-	139,586	139,586	-
<i>Fund Balances End of Year (decrease)</i>	\$ 10,174	\$ 9,917	\$ (257)	\$ 140,344	\$ 181,191	\$ 40,847

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, 2009

	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	\$ 112,800	\$ 104,092	\$ (8,708)	\$ -	\$ -	\$ -
Intergovernmental	30,901	30,900	(1)	624,662	726,605	101,943
Miscellaneous	-	7,096	7,096	6,607	(14,258)	(20,865)
<i>Total Revenues</i>	143,701	142,088	(1,613)	631,269	712,347	81,078
Expenditures						
Current:						
Public Safety	4,500	25,007	(20,507)	313,305	318,908	(5,603)
Culture and recreation	146,162	121,204	24,958	215,494	224,008	(8,514)
Capital outlay:						
Capital expenditures	126,879	79,420	47,459	13,214	19,914	(6,700)
Construction in progress	-	-	-	75,000	15,443	59,557
<i>Total Expenditures</i>	277,541	225,631	51,910	617,013	578,273	38,740
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(133,840)	(83,543)	50,297	14,256	134,074	119,818
Other Financing Sources						
Transfer in	134,982	-	(134,982)	-	-	-
Transfer (out)	-	-	-	(12,864)	-	12,864
<i>Total Other Financing Sources</i>	134,982	-	(134,982)	(12,864)	-	12,864
<i>Net Change in Fund Balances</i>	1,142	(83,543)	(84,685)	1,392	134,074	132,682
<i>Fund Balances Beginning of Year</i>	218,761	218,761	-	97,031	97,031	-
<i>Fund Balances End of Year (decrease)</i>	\$ 219,903	\$ 135,218	\$ (84,685)	\$ 98,423	\$ 231,105	\$ 132,682

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, 2009

	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	\$ -	\$ -	\$ -	\$ 1,393,656	\$ 1,392,312	\$ (1,344)
Intergovernmental	7,000	-	(7,000)	-	-	-
Miscellaneous	7,000	1,481	(5,519)	407,455	324,131	(83,324)
<i>Total Revenues</i>	14,000	1,481	(12,519)	1,801,111	1,716,443	(84,668)
Expenditures						
Current:						
Culture and recreation	16,000	-	16,000	-	-	-
Health & welfare	-	-	-	1,745,222	1,751,949	(6,727)
<i>Total Expenditures</i>	16,000	-	16,000	1,745,222	1,751,949	(6,727)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(2,000)	1,481	3,481	55,889	(35,506)	(91,395)
Other Financing Sources						
Transfers in	2,000	-	(2,000)	-	-	-
<i>Total Other Financing Sources</i>	2,000	-	(2,000)	-	-	-
<i>Net Change in Fund Balances</i>	-	1,481	1,481	55,889	(35,506)	(91,395)
<i>Fund Balances Beginning of Year (deficit)</i>	81,870	81,870	-	(57,399)	(57,399)	-
<i>Fund Balances End of Year (deficit)</i>	\$ 81,870	\$ 83,351	\$ 1,481	\$ (1,510)	\$ (92,905)	\$ (91,395)

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, 2009

	FTA Public Transportation Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budge Over (Under)
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,009,147	1,020,398	11,251
Charges for services	683,654	672,403	(11,251)
<i>Total Revenues</i>	1,692,801	1,692,801	-
Expenditures			
Current:			
General government	1,692,801	1,692,801	-
Capital outlay:			
Capital expenditures	-	-	-
<i>Total Expenditures</i>	1,692,801	1,692,801	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report

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, 2009

	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	\$ 826,922	\$ 826,305	\$ (617)	\$ 2,089,516	\$ 2,082,049	\$ (7,467)
Intergovernmental	50,000	23,516	(26,484)	-	-	-
Fines and Forfeitures	110,780	996,449	885,669	-	-	-
Charges for services	145,800	212,954	67,154	1,400	800	(600)
Miscellaneous	2,000	171	(1,829)	-	-	-
<i>Total Revenues</i>	1,135,502	2,059,395	923,893	2,090,916	2,082,849	(8,067)
Expenditures						
Current:						
General government	-	-	-	2,138,104	2,088,245	49,859
Public Safety	1,934,696	1,835,972	98,724	-	-	-
Capital outlay:						
Capital expenditures	-	46,953	(46,953)	-	-	-
<i>Total Expenditures</i>	1,934,696	1,882,925	51,771	2,138,104	2,088,245	49,859
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(799,194)	176,470	975,664	(47,188)	(5,396)	41,792
Other Financing Sources						
Proceeds from Insurance	-	-	-	-	1,430	1,430
Transfers In	110,000	-	(110,000)	50,000	-	(50,000)
<i>Total Other Financing Sources</i>	110,000	-	(110,000)	50,000	1,430	(48,570)
<i>Net Change in Fund Balances</i>	(689,194)	176,470	865,664	2,812	(3,966)	(6,778)
Fund Balances Beginning of Year	1,097,642	1,097,642	-	551,570	551,570	-
<i>Fund Balances End of Year (decrease)</i>	\$ 408,448	\$ 1,274,112	\$ 865,664	\$ 554,382	\$ 547,604	\$ (6,778)

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, 2009

	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	\$ 1,736,368	\$ 1,756,139	\$ 19,771	\$ 248,550	\$ 537,331	\$ 288,781
Licenses and permits	40,000	36,589	(3,411)	-	-	-
Intergovernmental	45,000	61,107	16,107	-	-	-
<i>Total Revenues</i>	1,821,368	1,853,835	32,467	248,550	537,331	288,781
Expenditures						
Current:						
Public Safety	1,821,368	1,886,211	(64,843)	-	-	-
Health & welfare	-	-	-	248,550	198,079	50,471
<i>Total Expenditures</i>	1,821,368	1,886,211	(64,843)	248,550	198,079	50,471
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(32,376)	(32,376)	-	339,252	339,252
Other Financing Sources						
Transfers In	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
<i>Total Other Financing Sources</i>	-	-	-	-	-	-
<i>Net Change in Fund Balances</i>	-	(32,376)	(32,376)	-	339,252	339,252
<i>Fund Balances Beginning of Year</i>	287,972	287,972	-	128,184	128,184	-
<i>Fund Balances End of Year (decrease)</i>	\$ 287,972	\$ 255,596	\$ (32,376)	\$ 128,184	\$ 467,436	\$ 339,252

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, 2009

	General Construction Capital Project Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 958,527	\$ 958,524	\$ (3)
Miscellaneous	62,537	62,537	-
<i>Total Revenues</i>	1,021,064	1,021,061	(3)
Expenditures			
Current:			
Public Works	-	4,233	(4,233)
Culture and recreation	-	1,069	(1,069)
Capital outlay:			
Capital expenditures	62,204	47,500	14,704
Construction in progress	958,860	968,259	(9,399)
<i>Total Expenditures</i>	1,021,064	1,021,061	3
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-
Other Financing Sources			
Transfers In	-	261,073	261,073
<i>Total Other Financing Sources</i>	-	261,073	261,073
<i>Net Change in Fund Balances</i>	-	261,073	261,073
<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— These funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the primary government and its other governmental units, on a cost reimbursement basis.

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

KOOTENAI COUNTY, IDAHO
Statement of Net Assets
Health Insurance Internal Service Fund
September 30, 2009 (with comparative totals for 2008)

	Governmental-type Activity	
	2009	2008
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,326,475	\$ 665,128
Accounts receivable (net)	1,947	48,871
Total Current Assets	1,328,422	713,999
Total Assets	\$ 1,328,422	\$ 713,999
Liabilities		
Current Liabilities:		
Accounts payable	\$ 167,990	\$ 119,906
Payable accruals	396,421	440,316
Total Current Liabilities	564,411	560,222
Total Liabilities	564,411	560,222
Net Assets		
Unrestricted	764,011	153,777
Total Net Assets	764,011	153,777
Total Liabilities and Net Assets	\$ 1,328,422	\$ 713,999

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, 2009 (with comparative totals for 2008)

	Governmental-type activity	
	2009	2008
Operating Revenues		
Charges for services	\$ 6,151,926	\$ 5,519,435
Total Operating Revenues	6,151,926	5,519,435
Operating Expenses		
Personal services	12,346	11,936
Professional services	5,626,259	5,212,586
Other services and expenses	-	1,350
Total Operating Expenses	5,638,605	5,225,872
Operating Income	513,321	293,563
Non-Operating Revenues		
Intergovernmental revenues	96,913	91,540
Total Non-Operating Revenues	96,913	91,540
Change in Net Assets	610,234	385,103
Net Assets Beginning of Year (deficit)	153,777	(231,326)
Net Assets End of Year	\$ 764,011	\$ 153,777

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Statement of Cash Flow
Health Insurance Internal Service Fund
For the Year Ended September 30, 2009 (with comparative totals for 2008)

	Internal Service Fund Health Insurance	
	2009	2008
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 6,198,850	\$ 5,475,833
Cash Payments to Employees	(12,346)	(11,936)
Cash Payments for Goods and Services	(5,622,070)	(5,177,582)
Net Cash Provided by Operating Activities	564,434	286,315
Cash Flows from Noncapital Financing Activities		
Intergovernmental Revenues	96,913	91,540
Net Cash provided by noncapital financing activities	96,913	91,540
Net Increase in Cash and Cash Equivalents	661,347	377,855
Cash and Cash Equivalents Beginning of Year	665,128	287,273
Cash and Cash Equivalents End of Year	\$ 1,326,475	\$ 665,128
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 513,321	\$ 293,563
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>		
<i>(Increase) Decrease in Assets:</i>		
Accounts Receivable	46,924	(43,602)
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable	4,189	36,354
Net Cash Provided by Operating Activities	\$ 564,434	\$ 286,315

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 - accounts 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 - accounts 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 - accounts 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
 September 30, 2009
 With Comparative Totals for September 30, 2008

	Agency Funds			
	State of Idaho	Cities	Highway Districts	School Districts
Assets				
Cash in bank and investments	\$ 1,655,299	\$ 195,093	\$ 38,418	\$ 143,115
Receivables:				
Taxes delinquent	59,867	1,525,795	520,636	1,394,076
Total Assets	\$ 1,715,166	\$ 1,720,888	\$ 559,054	\$ 1,537,191
Liabilities				
Due to agency activity	\$ 1,715,166	\$ 1,720,888	\$ 559,054	\$ 1,537,191
Total Liabilities	1,715,166	1,720,888	559,054	1,537,191
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, 2009
With Comparative Totals for September 30, 2008

	Agency Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
Assets				
Cash in bank and investments	\$ 69,211	\$ 11,334	\$ 4,937	\$ 65,117
Receivables:				
Taxes delinquent	652,153	111,712	83,982	609,591
Total Assets	\$ 721,364	\$ 123,046	\$ 88,919	\$ 674,708
Liabilities				
Due to agency activity	\$ 721,364	\$ 123,046	\$ 88,919	\$ 674,708
Total Liabilities	721,364	123,046	88,919	674,708
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, 2009
With Comparative Totals for September 30, 2008

	Agency Funds		Totals	
	Public Hospital	Urban Renewal Districts	2009	2008
Assets				
Cash in bank and investments	\$ -	\$ 59,163	\$ 2,241,687	\$ 2,204,879
Receivables:				
Taxes delinquent	-	488,754	5,446,566	4,787,665
Total Assets	\$ -	\$ 547,917	\$ 7,688,253	\$ 6,992,544
Liabilities				
Due to agency activity	\$ -	\$ 547,917	\$ 7,688,253	\$ 6,992,544
Total Liabilities	-	547,917	7,688,253	6,992,544
Net Assets				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2009
With Comparative Totals for September 30, 2008

	Private Purpose Trust Funds	
	2009	2008
Assets		
Cash in bank and investments	\$ 6,099,049	\$ 6,485,101
Receivables:		
Taxes delinquent	24,999	-
Total Assets	\$ 6,124,048	\$ 6,485,101
Liabilities		
Accounts payable	\$ 2,136	\$ 33,077
Deferred property taxes	667,899	736,166
Due in more than one year	8,214	8,214
Due to other individuals	2,817,285	3,671,809
Due to other governments	2,549,876	1,801,362
Total Liabilities	6,045,410	6,250,628
Net Assets		
Held in trust for other purposes	\$ 78,638	\$ 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, 2009

	Agency Funds			Balance 9/30/09
	Balance 10/1/08	Additions	Deletions	
<i>State of Idaho</i>				
Assets				
Cash in bank and investments	\$ 1,753,676	\$ 14,359,948	\$ 14,458,325	\$ 1,655,299
Receivables:				
Taxes delinquent	58,290	37,999	36,422	59,867
Total Assets	1,811,966	14,397,947	14,494,747	1,715,166
Liabilities				
Due to agency activity	1,811,966	27,508,148	27,604,948	1,715,166
Total Liabilities	\$ 1,811,966	\$ 27,508,148	\$ 27,604,948	\$ 1,715,166
<i>Cities</i>				
Assets				
Cash in bank and investments	\$ 234,130	\$ 32,385,161	\$ 32,424,198	\$ 195,093
Receivables:				
Taxes delinquent	1,458,315	2,380,845	2,313,365	1,525,795
Total Assets	1,692,445	34,766,006	34,737,563	1,720,888
Liabilities				
Due to agency activity	1,692,445	39,739,021	39,710,578	1,720,888
Total Liabilities	\$ 1,692,445	\$ 39,739,021	\$ 39,710,578	\$ 1,720,888
<i>Highway Districts</i>				
Assets				
Cash in bank and investments	\$ 25,986	\$ 7,128,828	\$ 7,116,396	\$ 38,418
Receivables:				
Taxes delinquent	371,732	1,502,508	1,353,604	520,636
Total Assets	397,718	8,631,336	8,470,000	559,054
Liabilities				
Due to agency activity	397,718	31,334,181	31,172,845	559,054
Total Liabilities	\$ 397,718	\$ 31,334,181	\$ 31,172,845	\$ 559,054
<i>School Districts</i>				
Assets				
Cash in bank and investments	\$ 103,943	\$ 24,395,317	\$ 24,356,145	\$ 143,115
Receivables:				
Taxes delinquent	1,300,357	2,187,749	2,094,030	1,394,076
Total Assets	1,404,300	26,583,066	26,450,175	1,537,191
Liabilities				
Due to agency activity	1,404,300	97,488,666	97,355,775	1,537,191
Total Liabilities	\$ 1,404,300	\$ 97,488,666	\$ 97,355,775	\$ 1,537,191

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, 2009

	Agency Funds			
	Balance 10/1/08	Additions	Deletions	Balance 9/30/09
Fire Districts				
Assets				
Cash in bank and investments	\$ 46,888	\$ 11,836,216	\$ 11,813,893	\$ 69,211
Receivables:				
Taxes delinquent	578,132	1,017,136	943,115	652,153
Total Assets	625,020	12,853,352	12,757,008	721,364
Liabilities				
Due to agency activity	625,020	47,421,233	47,324,889	721,364
Total Liabilities	\$ 625,020	\$ 47,421,233	\$ 47,324,889	\$ 721,364
Public Library				
Assets				
Cash in bank and investments	\$ 6,770	\$ 1,921,346	\$ 1,916,782	\$ 11,334
Receivables:				
Taxes delinquent	88,064	165,030	141,382	111,712
Total Assets	94,834	2,086,376	2,058,164	123,046
Liabilities				
Due to agency activity	94,834	7,689,020	7,660,808	123,046
Total Liabilities	\$ 94,834	\$ 7,689,020	\$ 7,660,808	\$ 123,046
Water & Sewer Districts				
Assets				
Cash in bank and investments	\$ 2,890	\$ 228,414	\$ 226,367	\$ 4,937
Receivables:				
Taxes delinquent	27,785	71,268	15,071	83,982
Total Assets	30,675	299,682	241,438	88,919
Liabilities				
Due to agency activity	30,675	955,207	896,963	88,919
Total Liabilities	\$ 30,675	\$ 955,207	\$ 896,963	\$ 88,919
North Idaho College				
Assets				
Cash in bank and investments	\$ 36,605	\$ 12,179,024	\$ 12,150,512	\$ 65,117
Receivables:				
Taxes delinquent	446,109	878,088	714,606	609,591
Total Assets	482,714	13,057,112	12,865,118	674,708
Liabilities				
Due to agency activity	482,714	48,702,988	48,510,994	674,708
Total Liabilities	\$ 482,714	\$ 48,702,988	\$ 48,510,994	\$ 674,708

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, 2009

	Agency Funds			
	Balance 10/1/08	Additions	Deletions	Balance 9/30/09
<i>Kootenai County Public Hospital</i>				
Assets				
Receivables:				
Accounts receivable, (net)	\$ -	\$ 3,144	\$ 3,144	\$ -
Total Assets	-	3,144	3,144	-
Liabilities				
Due to agency activity	-	3,144	3,144	-
Total Liabilities	\$ -	\$ 3,144	\$ 3,144	\$ -
<i>Urban Renewal Districts</i>				
Assets				
Cash in bank and investments	\$ (6,009)	\$ 9,414,218	\$ 9,349,046	\$ 59,163
Receivables:				
Taxes delinquent	458,881	613,679	583,806	488,754
Total Assets	452,872	10,027,897	9,932,852	547,917
Liabilities				
Due to agency activity	452,872	36,546,321	36,451,276	547,917
Total Liabilities	\$ 452,872	\$ 36,546,321	\$ 36,451,276	\$ 547,917
<i>Total Agency Activity</i>				
Total Assets	\$ 6,992,544			\$ 7,688,253
Total Liabilities	\$ 6,992,544			\$ 7,688,253
Private Purpose Trust Funds				
	Balance 10/1/08	Additions	Deletions	Balance 9/30/09
Assets				
Cash in bank and investments	\$ 6,485,101	\$ 204,235,478	\$ 204,621,530	\$ 6,099,049
Receivables:				
Taxes delinquent	-	24,999	-	24,999
Total Assets	6,485,101	204,260,477	204,621,530	6,124,048
Liabilities				
Accounts payable	33,077	3,810,775	3,841,716	2,136
Deferred property taxes	736,166	188,314,144	188,382,411	667,899
Due in more than one year	8,214	-	-	8,214
Due to individuals	3,671,809	16,739,291	17,593,815	2,817,285
Due to other governments	1,801,362	663,308	(85,206)	2,549,876
Total Liabilities	\$ 6,250,628	\$ 209,527,518	\$ 209,732,736	\$ 6,045,410
Net Assets End of Year	\$ 234,473			\$ 78,638

See accompanying Independent Auditors' Report

Statistical Section

The Transfer Station was designed and built to be user friendly with the future growth of the County in mind. A plastic liner is under the facility to protect the aquifer. It also has huge skylights to minimize the use of lighting.

The main building is large enough to utilize inmate labor to separate recyclables from the waste stream.





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.

Schedules that are presented for eight years are a result of accrual basis information that was not available for fiscal years prior to 2002. Kootenai County was required to implement GASB 34 for Fiscal Year 2002 which established accrual based reporting for governmental entities. Those statements include: the schedules of Net Assets by Component; Changes in Net Assets; and, Governmental Activities Tax Revenue by Source.

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 Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>Fiscal Year</u>							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt	\$ 29,841	\$ 31,012	\$ 32,657	\$ 35,833	\$ 44,717	\$ 47,604	\$ 46,749	\$ 49,558
Restricted	5,057	364	4,475	13,407	7,398	1,562	3,256	4,083
Unrestricted	7,601	8,035	10,650	14,879	18,788	22,769	22,242	24,149
Total governmental activities net assets	\$ 42,499	\$ 39,411	\$ 47,782	\$ 64,119	\$ 70,903	\$ 71,935	\$ 72,247	\$ 77,790
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	\$ 28,681
Restricted	2,912	3,249	3,938	3,707	15,955	15,772	8,826	6,445
Unrestricted	17,461	18,561	20,702	22,821	13,924	7,820	9,076	6,962
Total business-type activities net assets	\$ 21,810	\$ 24,640	\$ 26,523	\$ 29,878	\$ 33,013	\$ 36,888	\$ 40,872	\$ 42,088
Primary government								
Invested in capital assets, net of related debt	\$ 31,278	\$ 33,842	\$ 34,540	\$ 39,183	\$ 47,851	\$ 60,900	\$ 69,719	\$ 78,239
Restricted	7,969	3,613	8,413	17,114	23,353	17,334	12,082	10,528
Unrestricted	25,062	26,596	31,352	37,700	32,712	30,589	31,318	31,111
Total primary government net assets	\$ 64,309	\$ 64,051	\$ 74,305	\$ 93,997	\$ 103,916	\$ 108,823	\$ 113,119	\$ 119,878

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

	<u>Fiscal Year</u>							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental activities:								
General government	\$ 19,115	\$ 22,652	\$ 22,805	\$ 22,099	\$ 24,302	\$ 25,878	\$ 23,408	\$ 22,978
Public works	932	1,550	1,759	2,015	2,246	2,292	2,459	2,470
Public safety	19,902	18,029	18,421	21,565	23,289	26,488	30,030	30,492
Sanitation weed control	282	231	297	333	538	577	324	787
Health and welfare	2,168	2,095	2,614	2,940	2,912	2,660	3,312	2,966
Culture and recreation	214	867	959	966	1,100	1,085	844	944
Capital projects	131	28	64	73	9	47	38	-
Interest on long-term debt	793	754	640	519	169	55	37	32
Total governmental activities expenses	43,537	46,206	47,559	50,510	54,565	59,082	60,452	60,669
Business-type activities:								
Solid waste and landfill	6,162	5,076	6,509	5,898	7,377	7,379	7,922	8,901
Total business-type activities expenses	6,162	5,076	6,509	5,898	7,377	7,379	7,922	8,901
Total primary government expenses	\$ 49,699	\$ 51,282	\$ 54,068	\$ 56,408	\$ 61,942	\$ 66,461	\$ 68,374	\$ 69,570
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 8,887	\$ 8,627	\$ 9,481	\$ 11,154	\$ 12,247	\$ 12,679	\$ 7,526	\$ 6,976
Public safety	5,269	6,670	7,946	8,495	9,897	10,491	8,998	9,202
Culture and recreation	455	474	518	536	476	656	429	484
Other activities	47	61	57	62	59	65	46	65
Operating grants and contributions	1,275	1,841	2,987	2,483	1,842	2,842	3,639	3,067
Capital grants and contributions	2,423	2,082	1,829	3,615	4,996	1,144	898	3,650
Total governmental activities program revenues	18,356	19,755	22,818	26,345	29,517	27,877	21,536	23,444
Business-type activities:								
Charges for services:								
Solid waste and landfill	7,493	7,774	8,363	9,034	9,801	10,300	11,195	10,006
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	10,006
Total primary government program revenues	\$ 25,849	\$ 27,535	\$ 31,188	\$ 35,379	\$ 39,318	\$ 38,177	\$ 32,731	\$ 33,450

continued

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

	<u>Fiscal Year</u>							
	2002	2003	2004	2005	2006	2007	2008	2009
Net (expense)/revenue								
Governmental activities	\$ (25,181)	\$ (26,451)	\$ (24,741)	\$ (24,165)	\$ (25,048)	\$ (31,205)	\$ (38,915)	\$ (37,225)
Business-type activities	1,330	2,704	1,860	3,135	2,424	2,921	3,273	1,105
Total primary government net (expense)/revenue	\$ (23,851)	\$ (23,747)	\$ (22,881)	\$ (21,030)	\$ (22,624)	\$ (28,284)	\$ (35,642)	\$ 36,120
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	\$ 38,203
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	3,545
Interest and investment earnings	627	417	335	756	1,475	1,917	1,747	500
Gain (Loss) on sale of assets/property	-	-	-	-	-	-	(116)	-
Transfers	638	(770)	(712)	519	519	519	556	521
Total governmental activities	29,782	23,364	33,112	40,900	31,832	32,236	39,228	42,769
Business-type activities:								
Interest and investment earnings	497	406	381	587	1,160	1,427	1,073	368
Miscellaneous	9	138	124	70	70	45	143	120
Gain (Loss) on sale of assets/property	-	-	-	77	(1)	-	50	-
Transfers	(399)	(419)	(482)	(519)	(519)	(519)	(556)	(377)
Total business-type activities	107	125	23	215	710	953	710	111
Total primary government	\$ 29,889	\$ 23,489	\$ 33,135	\$ 41,115	\$ 32,542	\$ 33,189	\$ 39,938	\$ 42,880
Change in Net Assets								
Governmental activities	\$ 4,600	\$ (3,088)	\$ 8,371	\$ 16,735	\$ 6,784	\$ 1,031	\$ 313	\$ 5,544
Business-type activities	1,437	2,830	1,883	3,350	3,134	3,874	3,983	1,216
Total primary government	\$ 6,037	\$ (258)	\$ 10,254	\$ 20,085	\$ 9,918	\$ 4,905	\$ 4,296	\$ 6,760

KOOTENAI COUNTY, IDAHO
Governmental Activities Tax Revenue By Source
Last Eight 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
2009	38,203	-	38,203

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>									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Reserved	\$ -	\$ 465	\$ 261	\$ 256	\$ 237	\$ 1,666	\$ 2,382	\$ 3,576	\$ 3,136	\$ 4,011
Unreserved	5,096	6,078	7,153	8,004	9,855	13,833	18,443	20,207	21,549	21,759
Total general fund	\$ 5,096	\$ 6,543	\$ 7,414	\$ 8,260	\$ 10,092	\$ 15,499	\$ 20,825	\$ 23,783	\$ 24,685	\$ 25,770
All other governmental funds										
Reserved	\$ 8,016	\$ 1,731	\$ 4,796	\$ 109	\$ 4,239	\$ 11,741	\$ 4,083	\$ 62	\$ 120	\$ 72
Unreserved, reported in:										
Special revenue funds	970	2,154	729	385	1,002	1,239	1,504	2,954	2,716	3,318
Capital projects funds	-	846	(281)	(183)	(208)	(193)	(226)	(224)	(261)	-
Jail tax payment fund	-	-	-	(171)	-	-	-	-	-	-
Total all other governmental funds	\$ 8,986	\$ 4,731	\$ 5,244	\$ 140	\$ 5,033	\$ 12,787	\$ 5,361	\$ 2,792	\$ 2,575	\$ 3,390

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>									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 21,651	\$ 27,728	\$ 27,762	\$ 22,926	\$ 32,335	\$ 38,659	\$ 28,786	\$ 28,307	\$ 35,484	\$ 37,615
Licenses and permits	1,141	1,144	1,183	1,250	1,323	1,413	1,376	1,433	1,489	1,432
Intergovernmental	7,878	8,660	8,935	9,182	10,916	12,693	14,420	11,485	11,265	13,889
Interest	19	24	627	417	335	756	1,475	1,917	1,747	500
Fines and forfeitures	973	989	908	1,026	989	1,000	1,057	1,297	1,305	1,356
Charges for services	5,821	6,368	7,331	8,297	9,590	7,112	8,247	8,384	7,360	6,826
Miscellaneous	1,950	2,360	574	583	935	965	1,037	2,026	1,638	3,527
Total revenues	39,433	47,273	47,320	43,681	56,423	62,598	56,398	54,849	60,288	65,145
Expenditures										
General government	20,077	15,011	16,512	21,338	21,878	19,528	21,410	22,511	22,620	22,233
Public works	-	-	1,215	602	586	612	642	680	711	746
Public safety	13,154	17,881	18,627	17,058	17,115	18,877	20,414	22,391	29,073	29,115
Sanitation weed control	186	216	-	223	291	283	490	550	293	778
Health & welfare	1,976	1,921	2,168	2,092	2,609	2,713	2,665	2,598	3,305	2,979
Culture and recreation	506	836	214	773	880	793	914	893	715	737
Capital projects	37	63	130	28	64	73	9	47	9	-
Debt Service:										
Principal retirement	2,123	3,188	1,412	1,580	1,700	1,747	5,592	596	84	85
Interest expense	-	-	730	690	588	480	160	59	37	32
Capital Outlay:										
Capital expenditures	1,532	1,010	6,594	1,595	943	926	2,047	3,688	2,254	2,938
Construction in progress	3,796	10,513	-	1,305	2,563	4,337	4,681	975	1,068	4,141
Total expenditures	43,387	50,639	47,602	47,284	49,217	50,369	59,024	54,988	60,169	63,784
Excess of revenues over (under) expenditures	(3,954)	(3,366)	(282)	(3,603)	7,206	12,229	(2,626)	(139)	119	1,361
Other financing sources (uses)										
Proceeds notes payable	9,500	-	-	-	-	-	-	-	-	-
Proceeds capital leases	499	24	969	21	48	-	-	-	-	-
Proceeds on asset disposal	-	-	54	89	224	-	-	-	-	-
Proceeds insurance	-	-	5	5	8	13	7	9	9	18
Transfers in	2,625	5,293	5,227	6,524	4,954	4,930	11,433	9,837	5,114	5,472
Transfers out	(2,358)	(4,758)	(4,589)	(7,294)	(5,666)	(4,410)	(10,914)	(9,318)	(4,557)	(4,951)
Total other financing sources (uses)	10,266	559	1,666	(655)	(432)	533	526	528	566	539
Net change in fund balances	\$ 6,312	\$ (2,807)	\$ 1,384	\$ (4,258)	\$ 6,774	\$ 12,762	\$ (2,100)	\$ 389	\$ 685	\$ 1,900
 Debt service as a percentage of non-capital expenditures	5.9%	8.9%	5.5%	5.4%	5.3%	5.2%	12.4%	1.3%	0.2%	0.2%

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
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
2009	37,614	-	36,614

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	
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%	1.96
2008	18,493,390,148	3,115,620,726	15,388,869,422	(1,336,295,510)	-8.00%	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 2008 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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County Direct Rates										
County Direct Rate	3.92	3.42	3.14	3.66	3.48	2.47	1.84	1.96	2.21	2.52
City Rates										
Athol	3.83	4.13	3.62	3.93	3.60	3.07	2.50	2.09	2.40	2.77
Coeur d'Alene	5.53	5.62	5.67	5.70	5.56	5.10	4.21	3.99	4.51	4.92
Dalton Gardens	0.49	0.51	0.53	0.54	0.52	0.43	0.31	0.30	3.53	0.44
Fernan	2.10	2.06	2.08	1.79	1.39	1.11	0.90	0.82	1.00	1.20
Harrison	4.28	3.53	3.72	3.79	3.77	3.26	2.17	1.65	1.77	2.09
Hauser Lake	0.46	0.46	0.45	0.56	0.58	0.48	0.34	0.33	0.34	0.42
Hayden	1.14	1.18	1.15	1.14	1.09	0.93	0.76	0.72	0.82	0.95
Hayden Lake	0.76	0.77	0.79	0.74	0.71	0.57	0.40	0.36	0.39	0.47
Huetter	-	-	5.91	5.91	6.17	5.34	4.45	3.21	3.36	3.56
Post Falls	5.28	5.34	5.33	5.47	5.35	4.64	4.05	3.87	4.56	4.96
Rathdrum	4.68	3.27	4.01	4.17	4.20	3.84	3.54	3.43	3.68	4.03
Spirit Lake	5.48	5.70	5.62	5.76	5.16	4.73	3.46	3.37	3.49	4.17
Worley	3.81	2.81	2.70	2.83	2.90	2.41	1.81	1.95	2.47	3.11
School District Rates^a										
Coeur d'Alene # 271	6.39	6.23	6.26	6.51	6.29	5.23	1.12	1.14	1.17	1.11
Lakeland Joint #272	5.66	5.60	5.10	5.66	5.92	4.76	1.60	1.33	1.85	2.10
Post Falls # 273	5.85	6.08	6.18	6.43	6.28	5.61	2.23	2.08	2.29	2.36
Kootenai # 274	3.85	3.64	4.01	5.36	5.51	5.03	1.40	1.11	1.09	0.99
Kellogg Joint #391	8.45	8.78	8.18	7.76	8.61	7.48	4.45	3.64	5.08	6.12
Plummer-Worley Joint #44	3.34	3.03	3.25	3.36	3.36	2.67	0.04	0.05	0.06	0.06
Highway District Rates										
Post Falls # 1	0.66	0.65	0.60	0.58	0.57	0.47	0.36	0.31	0.31	0.38
Lakes # 2	0.91	0.90	0.88	0.84	0.78	0.59	0.45	0.42	0.47	0.55
Eastside # 3	0.61	0.61	0.63	0.63	0.61	0.48	0.33	0.52	0.56	0.40
Worley # 4	1.30	1.30	1.31	1.26	1.19	0.95	0.67	0.62	0.68	0.75

continued

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

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fire District Rates										
Athol	-	-	-	-	-	-	-	-	-	-
Bayview	-	-	-	-	-	-	-	-	-	-
Eastside	1.32	1.32	1.34	1.31	1.22	0.85	0.60	0.56	0.50	0.53
Hauser Lake	0.81	0.82	0.83	1.20	1.22	0.98	0.74	0.72	0.77	0.96
Northern Lakes	1.22	1.26	1.25	1.24	1.18	0.95	0.75	0.71	0.81	0.96
KC Fire & Rescue	-	1.67	1.69	2.13	2.06	1.72	1.34	1.27	1.40	1.66
Kootenai Fire #1	1.87	-	-	-	-	-	-	-	-	-
Mica Kidd Island	0.96	0.91	0.88	0.78	0.72	0.55	0.34	0.33	0.36	0.40
Post Falls	1.50	-	-	-	-	-	-	-	-	-
Rathdrum	0.95	-	-	-	-	-	-	-	-	-
Shoshone County #2	1.94	2.10	2.33	2.37	2.39	2.07	1.43	1.20	1.19	1.38
Spirit Lake	1.18	1.23	1.23	1.22	1.18	0.97	0.74	0.72	0.73	0.80
St. Maries	0.92	0.92	0.96	0.97	0.99	0.95	0.80	0.77	0.68	0.75
Timberlake	1.38	1.37	2.21	2.16	1.38	1.09	0.81	0.68	0.82	0.91
Worley	1.04	1.03	1.04	1.00	0.92	0.77	0.52	0.48	0.68	0.57
Water/Sewer District Rates										
Cataldo Water	0.58	0.59	0.66	0.38	0.69	0.58	0.44	0.38	0.37	0.42
Cleland Bay Sewer	0.56	0.54	0.54	0.51	0.48	0.43	0.24	0.23	0.25	0.26
Hayden Lake Sewer	0.08	0.08	0.07	0.07	0.07	0.05	0.03	0.03	0.03	0.04
Kidd Island Bay Sewer	0.86	0.85	0.74	0.65	0.56	0.40	0.35	0.33	0.34	0.36
Kingston-Cataldo Sewer	0.68	0.70	0.76	0.78	0.79	0.66	0.51	0.46	0.48	0.52
Kootenai Water #1	1.79	1.73	1.79	1.80	1.69	1.35	0.78	0.72	0.95	1.19
Other Special District Rates										
Kootenai										
Consolidated Library	0.30	0.30	0.28	0.27	0.29	0.23	0.17	0.16	0.17	0.20
KCEMSS	0.13	0.15	0.33	0.33	0.16	0.14	0.10	0.10	0.10	0.13
North Idaho College	0.94	0.77	0.77	0.77	0.74	0.71	0.53	0.51	0.73	0.83
Flood Control #17	0.35	0.35	0.36	0.45	0.67	0.53	0.35	0.30	0.32	0.37

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, 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
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
2009	0.002517338	0.033080036	0.002075446	0.012734394	0.008922918	0.002783615	0.106249230

Tax Year 2009	Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts	13	4	6	10	6	15
Average tax rate per district	0.002544618	0.000518862	0.002122399	0.000892292	0.000463936	0.007083282
Minimum levy rate	0.000420914	0.000376705	0.000058398	0.000527117	0.000039794	0.000125077
Maximum levy rate	0.004955054	0.000749252	0.006116721	0.001664223	0.001189861	0.011929067

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.

2009 Levies as of 9/30/09.

KOOTENAI COUNTY, IDAHO
Principal Property Taxpayers, Current Year and Nine Years Ago
September 30, 2009

Taxpayer	2009 ¹			2000		
	Net Taxes Due	Rank	Percentage of Net Taxes Due	Net Taxes Due	Rank	Percentage of Net Taxes Due
Rathdrum Power, LLC	\$ 1,396,868	1	3.75%	\$ 227,288	3	1.02%
Avista Corporation (formerly Washington Water Power)	1,313,337	2	3.53%	561,924	1	2.52%
Hagadone Hospitality Co., Duane B. Hagadone	1,300,809	3	3.49%	218,524	4	0.98%
Verizon Northwest, Inc. (formerly GTE)	781,927	4	2.10%	362,359	2	1.62%
Kimball International Market Inc., Flexcel Inc.	373,567	5	1.00%	143,508	5	0.64%
Gas Transmission Northwest Co.	329,244	6	0.88%	-	-	-
Discovery CDA Investors, LLC	274,372	7	0.74%	-	-	-
Idaho Forest Group, LLC	263,596	8	0.71%	-	-	-
Riverstone Center	260,351	9	0.70%	-	-	-
Stephen F Meyer, ETUX	253,687	10	0.68%	77,558	11	0.35%
North Idaho Surgical Hospital Bldg, LLC	229,019	11	0.61%	-	-	-
Norton Aero, LTD	216,755	12	0.58%	-	-	-
Stimson Lumber Company	212,806	13	0.57%	143,343	6	0.64%
Silver Lake Mall, LLC	210,059	14	0.56%	-	-	-
Pointe LLC (The)	194,919	15	0.52%	-	-	-
Puryear Family LPT	-	-	-	36,914	15	-
PG & E Gas Transmission, NW	-	-	-	139,509	7	0.63%
Crown Pacific Inland Lumber, Ltd.	-	-	-	79,696	10	0.36%
Inland Empire Paper Company	-	-	-	79,985	9	0.36%
CDA Factory Outlets, Ltd Partnership	-	-	-	42,347	13	0.19%
Kootenai Cable, Inc.	-	-	-	39,781	14	0.18%
Price Development Company LPT	-	-	-	101,895	8	0.46%
Burlington No & Santa Fe RR	-	-	-	57,342	12	0.26%
Sub Total	7,611,316		20.43%	2,311,972		10.19%
All Other Taxpayers	29,637,647		79.57%	20,008,699		89.81%
Total Net Taxes Due to Kootenai County	\$ 37,248,963		100.00%	\$ 22,320,671		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, 2009.

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
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%	1,248,837	22,236,530	99.63%
2002	20,662,654	19,448,102	94.12%	1,121,940	20,567,161	99.55%
2003	20,230,349	19,062,164	94.23%	1,074,088	20,112,867	99.53%
2004	24,961,652	23,500,153	94.15%	1,299,037	24,647,227	99.35%
2005	26,229,791	25,576,366	97.51%	625,901	25,780,424	99.90%
2006	24,838,197	24,101,083	97.53%	523,458	24,971,856	99.53%
2007	28,253,969	27,301,289	96.63%	1,076,859	27,491,311	100.44%
2008	33,073,659	31,508,794	95.27%	614,960	32,123,754	97.13%
2009	35,315,162	34,007,744	96.30%	186,493 ¹	34,194,237	96.83%

¹ Tax collections as of December 20, 2009.

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>
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
2009	15,960,248	404,418	481,025	2,133,204	14,712,487	2.52

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 2008 Tax Year

<u>District</u>	<u>Foregone Amount</u>
Kootenai County	\$ 2,214,780
City of Athol	10,923
City of Coeur d'Alene	1,763,934
City of Fernan Lake	7,136
City of Harrison	2
City of Hayden	20
City of Post Falls	253,569
City of Rathdrum	77,357
City of Spirit Lake	18,499
East Side Fire	73,564
Kootenai County Fire & Rescue	59,803
Twin Lakes-Rathdrum Flood Control #17	15,992
Lakes Highway # 2	827,791
Post Falls Highway # 1	825,360
Worley Highway # 4	12,301
Hayden Lake Rec Water/Sewer	8,582
Kidd Island Bay Sewer	2,403
Kootenai County Water #1	69

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 2009

Assessed Valuations:	
Assessed Value	\$ 16,974,409,604
Add Back Homestead Exemptions	3,037,577,102
Total Assessed Value	\$ 20,011,986,706

Legal Debt Margin	
Debt Limitation*: 2% of assessed market value	\$ 400,239,734
Less: Debt applicable to limitation:	
Solid Waste Refunding Bonds, Series 1993 ¹	-
Legal Debt Margin	\$ 400,239,734

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$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	\$400,239,734
Total net debt applicable to limit	2,425,000	1,655,000	845,000	-	-	-	-	-	-	-
Legal debt margin	\$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	\$400,239,734
Total net debt applicable to the limit as a percentage of debt limit	1.88%	1.23%	0.60%	0.00%	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, IDAHO
Schedule of Direct and Overlapping Debt
September 30, 2009

Number of Issues	Jurisdiction	Net Debt Outstanding	Earliest Issue Date (Month/Year)	Oldest Maturity Date (Month/Year)
Direct Debt:				
2	Kootenai County	\$ 594,939	Sep/00	May/17
Direct Debt		594,939		
Overlapping Debt:				
4	City of Coeur d'Alene	7,759,820	Dec/00	Sep/25
1	City of Harrison	44,655	Jan/77	Jan/17
8	City of Post Falls	8,847,704	Apr/93	Mar/27
1	City of Rathdrum	531,728	Jan/88	Mar/11
1	City of Spirit Lake	714,000	Aug/04	Feb/24
1	Coeur d'Alene SD #271	3,628,925	Oct/97	Aug/12
4	Lakeland SD #272	21,095,000	Dec/03	Aug/25
3	Post Falls SD #273	19,965,000	Dec/98	Aug/18
10	Kootenai Joint SD #274	1,125,000	Feb/04	Aug/12
2	Kellogg Joint SD #391	1,900,000	Mar/06	Sep/26
1	Kootenai Consolidated Library	3,145,000	Oct/05	Oct/25
1	Flood Control District #17	189,280	Feb/05	May/20
1	Kootenai County Fire & Rescue	245,000	Sep/00	Sep/10
1	Bayview Water/Sewer District	1,200,827	Nov/03	Dec/21
2	Green Ferry Water/Sewer District	105,905	Jul/77	Jun/18
1	Hayden Lake Recreational Sewer District	60,000	Dec/00	Dec/11
1	Kidd Island Bay Lots Sewer District	164,468	Apr/93	Apr/12
1	Kootenai County Water District #1	9,106	Feb/82	Feb/12
1	North Kootenai Water District	1,350,000	Aug/99	Aug/18
Overlapping Debt		<u>72,081,418</u>		
Total Overlapping & Underlying Debt		<u><u>\$72,676,357</u></u>		

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
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	3.0%	1,466,465	2.6%
2007	134,442	2.2%	1,499,402	2.2%
2008	137,457	2.3%	1,523,816	1.6%
2009	139,390 ¹	1.4%	1,545,801 ¹	1.4%

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		
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	29,356	29,920	97.4%	3,832,000	3.8%
2007	30,719	31,804	96.2%	4,123,000	3.0%
2008	31,079	32,133	96.7%	4,273,000	4.8%
2009	N/A ²	N/A ²	N/A ²	N/A ²	8.1%

Year	School Enrollment ^{(a) 3}	Regular High School Diplomas ^{(a) 4}	Median Age		
			Year	Kootenai County	State of Idaho
2000	20,022	1,153	1990 Census	35.7	31.5
2001	20,315	1,238	2000	36.1	33.2
2002	20,351	1,156	2001	36.4	33.4
2003	20,667	1,192	2002	36.6	33.5
2004	21,153	1,239	2003	36.8	33.8
2005	21,707	1,358	2004	37.0	34.2
2006	22,260	1,348	2005	36.9	34.6
2007	22,783	1,531	2006	37.1	34.2
2008	23,381	1,500	2007	37.4	34.3
2009	22,844	1,378	2008	38.3	34.3

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, 2009.

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 Annual average is calculated as the sum of the unemployment rate each month of the calendar year divided by 12.

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

Employer	2009			2000		
	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	3.43 - 3.62%	1,300 - 1,399	1	2.82 - 3.04%
Coeur d'Alene School District	1,300 - 1,399	2	2.48 - 2.67%	1,200 - 1,299	2	2.61 - 2.82%
Coeur d'Alene Resort (Hagadone Hospitality)	1,100 - 1,199	3	2.10 - 2.29%	800 - 899	3	1.74 - 1.95
Coeur d'Alene Tribe	900 - 999	4	1.72 - 1.90%	-	-	-
North Idaho College	900 - 999	5	1.72 - 1.90%	700 - 799	4	1.52 - 1.74%
Kootenai County	700 - 799	6	1.33 - 1.52%	600 - 699	5	1.30 - 1.52%
Post Falls School District	600 - 699	7	1.14 - 1.33%	500 - 599	6	1.09 - 1.30%
Lakeland School District	500 - 599	8	0.95 - 1.14%	500 - 599	7	1.09 - 1.30%
Wal-Mart	500 - 599	9	0.95 - 1.14%	-	-	-
Center Partners (CDA)	400 - 499	10	0.76 - 0.95%	-	-	-
Paycheck Connection LLC	-	-	-	400 - 499	8	0.87 - 1.09%
Coldwater Creek Inc	-	-	-	300 - 399	9	0.65 - 0.87%
City of Coeur d'Alene	-	-	-	300 - 399	10	0.65 - 0.87%
Kootenai County Non-Farm Payroll Employment Total ¹	52,456 ²			46,000		
Average employment size of the 10 largest employers	920			710		

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	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<i>(1) Data as of June 30th</i>											
Commercial Banks	47	1,749	\$ 1,537	\$ 1,611	\$ 1,435	\$ 1,302	\$ 1,271	\$ 1,002	\$ 923	\$ 880	\$ 847
FDIC Savings Banks	3	63	76	83	137	170	142	127	106	69	60
Subtotal FDIC- Insured Institutions	50	1,812	1,613	1,694	1,572	1,472	1,413	1,129	1,029	949	907
<i>(2) Data as of December 31st</i>											
Credit Unions	1	9	8	8	9	9	10	23	22	23	20
Total	51	\$ 1,821	\$ 1,621	\$ 1,702	\$ 1,581	\$ 1,481	\$ 1,423	\$ 1,152	\$ 1,051	\$ 972	\$ 927

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function										
General Government	227.4	269.3	249.5	270.6	275.6	280	282.4	301.9	296.2	304.35
Public Safety										
Sheriff	96	100.9	97.9	103.9	99.9	99.9	111.4	112.4	117.3	115.9
Jail	78.3	82.9	92.9	98.9	108.9	113.9	115.9	123.9	123.9	126.4
Justice	55	58.5	62.7	64.1	64.6	66.6	69.1	67.1	76.4	77.1
Public Health	32	32	31	34.5	35.5	35.5	36.5	37	36	39.85
Building	12	12	12.5	12.5	11	12	18	20	20	22
Public Works										
Airport	6.5	6.5	7	7	7	7.1	7.6	7.6	7.6	7.6
Solid Waste										
Transfer Station	35.5	36.5	36.6	37	39	44	43	50.5	69	70.33
Noxious Weed Control	2.3	2	3	3	2	2	2.6	2.6	2.6	3.6
Health & Welfare										
County Assistance	8	8	7	7	7	7	7	7	7	7
Culture & Recreation										
Snowmobile	0	0	0.5	1	1	0	0	0.5	2	1
Parks & Recreation	3	3	1	2.1	3	3	3.5	3.25	3	3.25
Waterways	3.5	3.5	5	5.5	3.5	3	3.5	3.25	3	3.25
Marine Deputy ¹	1.5	2	2	2	2	0.6	1	1	1	1.5
Total	561	617.1	608.6	649.1	660	674.6	701.5	738	765	783.13

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Physical arrests	6,369	5,926	5,904	6,727	7,288	7,382	8,032	8,627	9,207	8,673
District Court Caseloads										
Felonies	790	713	695	825	928	1,003	981	930	1,925	1,836
Misdemeanors	8,278	7,030	7,154	8,370	8,492	7,540	8,770	12,672	12,308	11,801
Infractions	16,447	15,930	16,021	17,726	19,295	16,948	17,674	22,075	21,247	20,366
Refuse Collection										
Landfilled refuse ¹	105	111	113	119	136	138	140	138	130	123
Refuse collected ¹	130	139	144	150	168	182	195	191	183	157
Recyclables collected ¹	11.5	11.1	11.1	12.1	12.9	21.1	22	23	19	22
Parks and Waterways										
Improved facilities	23	23	23	24	24	24	24	24	24	24
Airport										
Hangars ²	59	61	66	68	72	74	82	90	93	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
2000	309	\$ 49,985,661	39	\$ 5,022,672
2001	314	54,604,525	39	20,118,138
2002	384	68,390,040	87	16,937,617
2003	469	89,862,245	54	8,674,813
2004	498	114,339,369	40	7,251,883
2005	541	120,616,808	38	6,447,755
2006	404	98,374,385	52	9,904,072
2007	327	100,885,223	73	35,171,069
2008	217	70,192,691	46	20,580,311
2009	144	44,440,496	32	8,111,906

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government:										
Land	\$ 1,476	\$ 1,523	\$ 1,523	\$ 1,894	\$ 1,931	\$ 1,931	\$ 1,931	\$ 2,327	\$ 2,336	\$ 3,023
Buildings	14,195	14,195	14,409	14,663	14,454	14,454	14,489	15,365	13,944	16,317
Improvements	-	-	-	-	3	33	42	41	60	60
Machinery and equipment	5,815	6,317	6,813	7,000	7,305	7,585	8,260	8,991	9,771	9,975
Public works:										
Land	676	676	986	1,819	1,819	1,828	1,828	1,828	1,828	1,828
Buildings	-	-	256	502	502	562	562	562	562	562
Improvements	8,786	11,244	13,396	13,219	13,222	17,440	17,445	20,470	25,239	25,239
Machinery and equipment	767	1,460	1,624	1,625	1,660	1,707	1,748	1,752	1,817	1,840
Public safety:										
Land	65	65	65	65	65	65	107	107	107	107
Buildings	7,144	9,140	9,090	20,184	20,213	20,213	20,223	20,552	22,718	21,667
Improvements	-	-	-	13	13	22	37	44	51	51
Machinery and equipment	5,366	5,508	5,606	5,954	6,108	6,313	7,112	8,680	8,704	8,879
Sanitation:										
Land	735	450	450	986	1,275	1,275	1,275	1,294	1,294	1,294
Buildings	183	183	183	183	572	572	572	572	632	632
Improvements	16,049	16,049	18,247	18,720	19,826	20,435	20,644	20,911	20,911	34,147
Machinery and equipment	5,104	5,362	5,447	6,215	6,535	6,855	7,330	8,075	9,179	9,521
Health & welfare:										
Machinery and equipment	35	35	33	35	35	32	30	31	29	32
Culture and recreation:										
Land	85	85	85	250	249	249	249	249	249	249
Buildings	2,995	3,005	3,212 ¹	228	239	239	251	239	272	351
Improvements	-	134	140	136	585	591	611	1,201	1,201	1,201
Machinery and equipment	1,343	1,053	956 ¹	993	1,044	1,029	1,198	477	517	542
Capital projects:										
Construction in progress	5,531	11,210	11,298	1,588	3,684	3,157	7,641	5,789	11,872	9,484
Total Capital Assets	\$ 76,350	\$ 87,694	\$ 93,819	\$ 96,272	\$ 101,339	\$ 106,587	\$ 113,585	\$ 119,557	\$ 133,293	\$ 147,001

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.

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety:										
Kootenai County Sheriff										
Sheriff Office	1	1	1	1	1	1	1	1	1	1
Patrol Units	57	57	57	57	58	58	58	58	56	58
Public Safety Buildings	1	2	2	3	3	3	3	3	3	3
Sanitation:										
Ramsey Transfer Station										
Trash Rolloff Bins	15	15	15	20	34	34	37	36	36	21
Loaders	3	3	3	3	3	3	3	3	5	3
Tractor Trucks	5	5	5	6	6	5	6	6	6	3
Transfer Trailers	13	15	17	18	20	21	25	31	34	25
Prairie Transfer Station										
Trash Rolloff Bins	-	-	-	-	-	-	-	-	-	15
Loaders	-	-	-	-	-	-	-	-	-	2
Tractor Trucks	-	-	-	-	-	-	-	-	-	3
Transfer Trailers	-	-	-	-	-	-	-	-	-	8
Fighting Creek Landfill										
Heavy Machinery & Equipment	8	8	8	8	8	9	9	13	17	18
Culture and Recreation:										
Waterways/ Park & Recreation										
Pumpouts	10	10	10	10	10	10	10	10	9	9
Vault Toilets										
Wood	6	7	7	7	7	7	7	7	7	7
Concrete	1	2	2	3	3	3	4	3	3	6

Sources: Various County Departments

SINGLE AUDIT SECTION

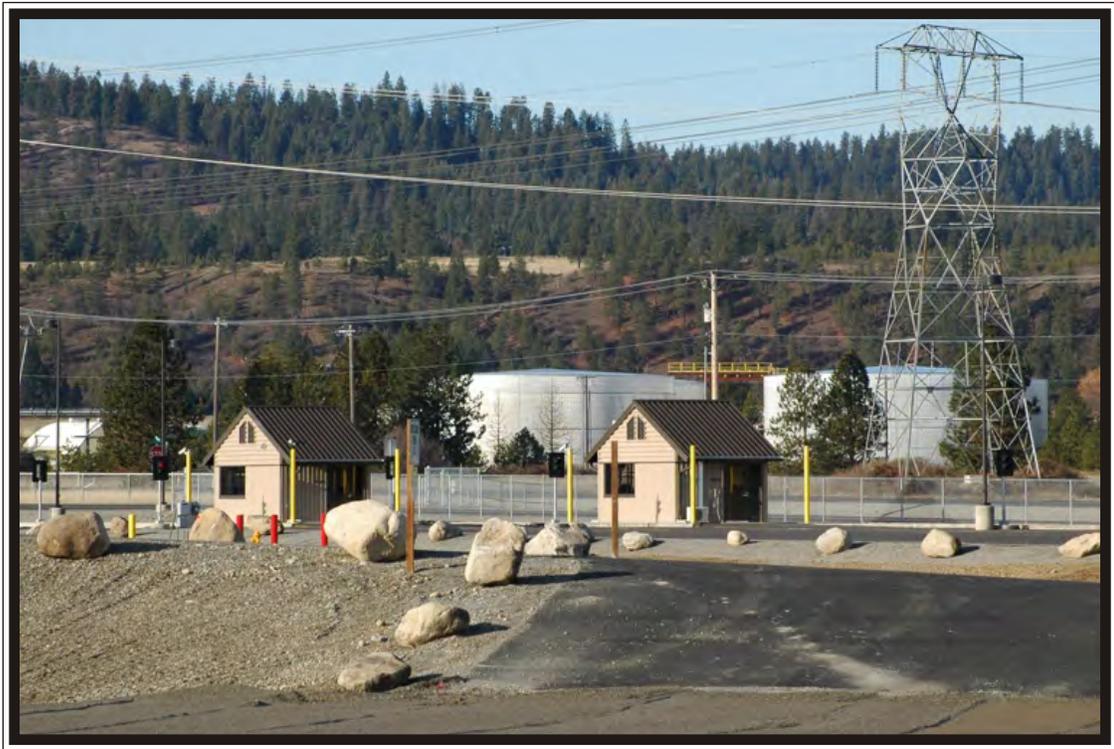
The site includes a separate building to remove CFC's from refrigeration units protecting the ozone. There is also a separate building to accept hazardous waste from private households.





AUDITOR'S SECTION

The facility has a huge recycling area to accept items such as wood, cardboard, brush, asphalt, metal, aluminum, plastics, paper, textiles, used oil (which is used to heat some of the buildings), and electronics like computers and televisions.





**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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2009, which collectively comprise Kootenai County's basic financial statements and have issued our report thereon dated March 18, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of North Idaho Fair & Rodeo and Kootenai County Emergency Medical Services System, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors

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 opinions 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 and Other Matters

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

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

LeMaster & Daniels PLLC

Spokane, Washington
March 18, 2010

**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 each of its major federal programs for the year ended September 30, 2009. 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 each 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, 2009.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance. A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material

weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance 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 is not intended to be and should not be used by anyone other than these specified parties.

LeMaster & Daniels PLLC

Spokane, Washington
March 18, 2010

KOOTENAI COUNTY, IDAHO

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2009

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 None Reported

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:

CFDA Numbers

Name of Federal Program or Cluster

97.078

Homeland Security - Interoperable Communications

97.067

Homeland Security - Training, Equipment, Exercise, Citizens Corp., MIM/NRP, and Regional Collaboration

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, 2009**

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, 2009**

Section III – Federal Award Findings and Questioned Costs

No matters were reported.



Auditees' Section

Roughly 25 of the available 67 acres was used for the entire facility. Future plans include a 30,000 square foot Materials Recovery Facility for separating commingled recyclables to further reduce the impact on the County's landfill at Fighting Creek extending it's expected closure date.





KOOTENAI COUNTY, IDAHO
Schedule of Expenditures of Federal Awards
As of September 30, 2009

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Identifying Number	Pass-Through Award amount	2008-2009 expenditures
<u>U. S. DEPARTMENT of AGRICULTURE</u>				
Passed through Idaho State Superintendent of Public Instruction:				
School Lunch Program	10.555	2009IN109947	variable	\$ 42,170.46
School Breakfast Program	10.553	2009IN109947	variable	27,681.24
				<u>69,851.70</u>
<u>U. S. DEPARTMENT of INTERIOR</u>				
Passed thru Bureau of Land Management				
Wildland Urban Interface Community & Rural Fire Assistance	15.228	DLA070403.L07AC13635,L08AC13956	62,000.00	17,197.87
Passed thru Idaho Department of Lands				
Wildland Urban Interface Community & Rural Fire Assistance	15.228	LEPC & ID Dept of Lands MOU #IDL 07SFAP-05	203,000.00	85,293.66
Passed thru Idaho State Historical Society				
Certified Local Government Program	15.912		3,000.00	3,000.00
				<u>105,491.53</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Passed Through Idaho State Police				
BJAG Pre Trial Services Project 2007	16.738	16BJAG1K	162,800.00	4,079.31
BJAG Pre Trial Services Project 2008	16.738	16BJAG1K	162,800.00	62,771.67
Passed through Idaho Department of Juvenile Corrections:				
JABG Juvenile Accountability Block Grant	16.523	06-JA11-03	24,378.00	13,077.62
JABG Juvenile Accountability Block Grant	16.523	07-JA11-03	24,285.00	1,543.82
Passed through Idaho Department of Health and Welfare:				
Domestic Violence/Victim Grant	16.575	KC233600	15,000.00	10,932.38
Domestic Violence/Victim Grant	16.575	VC002500	26,000.00	5,565.07
Passed through Idaho Department of Juvenile Corrections				
IJOS Equipment Project Award	16.540	06-JJ99-13	12,954.00	12,808.00
Passed through City of Coeur D Alene, Kootenai County - Subgrantee				
2006 Byrne Justice Assistance Grant	16.738	2006-DJ-BX-0248	22,463.00	22,436.00
2007 Byrne Justice Assistance Grant	16.738	2007-DJ-BX-0720	34,046.00	30,983.00
				<u>164,196.87</u>
<u>U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
Passed through Idaho Department of Health and Welfare:				
Domestic Violence Grant	93.575	KC233600	11,000.00	8,096.19
				<u>8,096.19</u>
<u>U.S. DEPARTMENT OF TRANSPROTATION</u>				
Direct Programs:				
Airport Improvement Program	20.106	3-16-0010-028 & 3-16-0010-030	1,594,470.00	819,889.00
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-x080-01 & ID-90-X098	2,009,864.00	964,715.02
Passed thru Idaho Department of Transportation				
Traffic Enforcement Mobilization FY2009	20.601	K8-2009-01-00-00	variable	14,191.00
Traffic Enforcement Mobilization FY2009	20.205	A009(935)	variable	2,803.00
Traffic Enforcement Mobilization FY2009	20.600	AL-2009-01-00-00, OP-2009-01-00-00, PT-2009-01-00-00	variable	8,446.69
				<u>1,810,044.71</u>

continued

KOOTENAI COUNTY, IDAHO
Schedule of Expenditures of Federal Awards
As of September 30, 2009

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Identifying Number	Pass-Through Award amount	2008-2009 expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State of Idaho Military Division:				
EMPG 2007 Amendment	97.042	2007-EM-E7-00	13,009.36	13,009.36
EMPG 2008	97.042	2008-EM-E8-0035	77,646.11	33,646.11
EMPG 2009	97.042	2009-EP-E9-0037	79,208.18	77,157.22
Homeland Security - Training	97.067	2006-GE-T5-0030	33,365.84	246.66
Homeland Security - Equipment	97.067	2006-GE-T6-0030	240,300.72	240,269.24
Homeland Security-Exercise	97.067	2006-GE-T6-0030	7,798.90	7,798.90
Homeland Security - Citizens Corp	97.067	2006-GE-T6-0030	24,612.46	15,771.29
Homeland Security - NIM/NRP	97.067	2006-GE-T6-0030	28,893.61	24,769.43
Homeland Security - Equipment	97.067	2007-GE-T7-0014	142,836.78	142,836.78
Homeland Security-Exercise	97.067	2007-GE-T7-0014	10,000.00	85.05
Homeland Security - Regional Collaboration	97.067	2007-GE-T7-0014	205.78	100.00
Homeland Security - Training	97.067	2007-GE-T7-0014	12,500.00	385.06
Homeland Security - Citizens Corp	97.067	2007-GE-T7-0014	12,719.35	512.09
Homeland Security - NIM/NRP	97.067	2007-GE-T7-0014	340.91	259.60
Homeland Security - Equipment	97.067	2008-GE-T-85-0044	150,911.61	129,891.90
Homeland Security - Interoperable Communications	97.078	2007-GS-H7-0016	2,028,110.00	2,028,110.00
Passed through State Department of Parks & Rec				
Clean Vessel Grant Act	15.616	GCV8-1-28-1	35,625.00	7,065.00
Clean Vessel Grant Act	15.616	GCV8-1-28-2	6,263.00	5,469.79
Boater Safety Financial Assistance	97.012	RBS formula Grant	103,054.04	103,054.04
				<u>2,830,437.52</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 4,988,118.52</u>

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2009

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, 2009

Findings from the Year Ended September 30, 2008

All matters have been resolved.

KOOTENAI COUNTY, IDAHO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2009

Findings from the Year Ended September 30, 2007, and Prior

All matters have been resolved.