

# KOOTENAI COUNTY IDAHO



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended September 30, 2010**  
**Clifford T. Hayes ~ Auditor**





# **KOOTENAI COUNTY, IDAHO**

## **Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2010**

**Clifford T. Hayes  
County Auditor**

**Prepared by the Office of the County Auditor**

**KOOTENAI COUNTY, IDAHO**  
**Office of the County Auditor**

**David R. McDowell**  
**Finance Director**

**Pat Raffee**  
**Chief Deputy Clerk**

**ACKNOWLEDGMENTS:**

**Staff Accountants**

**Willeen Corey**  
**Kim Stevenson**  
**Keith Taylor**  
**Randi Bain**

**Accounting Staff**

**Judy Poole**  
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**Kathy Pagano**  
**Julina Hildreth**  
**Chenyi Olson**  
**Vinita Buchanan**  
**Lori Shaw**

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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# Introductory Section

## Stimulus Success

### **Kootenai County puts millions in federal relief funds to work.**

While it may be difficult for many Americans to believe, we've turned the corner on the country's worst economic meltdown in generations. Economists say the recession is officially over.

We may not be entirely out of the woods, but the fiscal forecast is better today than it was six months ago, and indications are the trend will continue across the U.S.

Locally, there's also optimism, fueled in part by millions of dollars in federal funds distributed to Kootenai County as part of the historic, albeit controversial, \$787 billion stimulus funding package signed into law by President Obama in February 2009.



It's called the American Recovery and Reinvestment Act (ARRA) and it has made a difference at the local level, county officials say, by helping to provide tax relief, create jobs and support the environment.

Among other things, ARRA funds were used to purchase new buses for the region's thriving transit system, replace deteriorating roofs at several Kootenai County buildings and fund a gas-to-energy system at the county landfill.

Across the country, competition for the federal funds was off the charts as cities and counties worked feverishly to secure their piece of the massive stimulus pie.

Kootenai County not only outpaced similar-sized communities in grant awards, it put those funds to work in rapid-fire fashion.

"We were one of the first entities to expend at least 84 percent of the money," says Colleen Allison, Kootenai County's grant administrator. "And that's very important when funding allocation is reviewed by the government. On the grant-funding report card, we got an 'A'."

Disclaimer: "This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warrant, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."



# 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, 2009

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.

President

A stylized, handwritten signature in black ink.

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

**CLIFFORD T. HAYES**  
AUDITOR  
ELECTIONS  
CLERK OF THE  
DISTRICT COURT  
COUNTY ASSISTANCE  
RECORDER

March 18, 2011

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, 2010. 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 LarsonAllen LLP, (formerly LeMaster & Daniels, PLLC) was selected to perform the audit with the approval of the Board of County Commissioners. LarsonAllen, LLP 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 "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 139,000. 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 282,000 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 Comprehensive Annual Financial Report - FY 2010

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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 two solid waste transfer stations and a 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, Stateline Stadium and Speedway, and the Cataldo Mission, Idaho's oldest building. These attractions, recreation, and tourism are important elements of the local economy. Other important industries include health care, professional services, light manufacturing, construction, education, trades, and government. Major employers include Kootenai Medical Center, Center Partners, Hagadone Hospitality Corporation, North Idaho College, Coeur d'Alene Tribe and Casino, 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. Kootenai County's local economy continues to benefit from federal stimulus grants funded by the American Recovery and Reinvestment Act (ARRA). County ARRA grants in excess of \$2 million are providing local jobs within the community while reducing future operating costs of county facilities. Projects include the purchase of 13 new buses expanding routes and citizen access to CityLink services, a new gas-to-energy collection system at the solid waste landfill, multiple energy efficiency projects in county buildings including the jail, and area Firesmart programs, protecting residential home and businesses from the threat of wild land fire.

The population growth rate in Kootenai County continues to surpass the slower State-wide population increase of 1.2%. The regional economic picture has stabilized in certain sectors in 2010 after retracting throughout 2009. The construction market within the county remains stagnate as indicated by building permit applications and the related valuations which remain at 2009 levels. However, hospitality, light industry, and retail markets show signs of growth over the prior year. Unemployment within the county remains high at 10.2% largely due to the slower construction market. 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 2010 as an ongoing commitment to conservative budgeting processes has lessened the impact of the economic down turn over the last several years. 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 with the predominate solution being to ship inmates to surrounding facilities with available capacity - at a great cost to taxpayers.

### ***Major Initiatives***

The major accomplishments and events of the County during 2010 included continued facilities improvement. Several goals were met during fiscal year 2010. These include:

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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1. Kootenai County Board of Commissioners signed a 20 year contract with Kootenai Electric Cooperative to produce electrical energy from landfill gas being generated by the Fighting Creek Landfill. This project was made possible by a \$205,000 Renewable Energy Enterprise Zone Grant secured by the Solid Waste Department and Clean Renewable Energy Bonds in the amount of \$7 million secured by Kootenai Electric Cooperative.
2. The current landfill capacity is around 82% utilized and at the current usage rate will close some time in 2014. However, the current landfill location has been re-engineered to provide additional capacity with the first of three planned expansion phases nearing completion this year that will extend the useful life of the location to 2030. New solid waste initiatives such as single point recycling have been implemented aimed to further extend the landfill's useful life.
3. The County Commissioners signed a contract with an outside firm to be the sole supplier of health care services for inmates at the Kootenai County Jail. The contractor will provide all medical and dental care for inmates at the Jail facility. Outsourcing these services reduces both the risk exposure and the overhead expenditures for the county to maintain these services internally.
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 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 which was originally scheduled to close in 2014, but has now been extended through 2032.
5. Ongoing evaluation of the compensation system for the County to assure that competitive compensation rates are in place to reduce turnover costs and secure high quality employees.
6. Establishing ordinances and codes that encompass guidelines developed in the County's Comprehensive Report.
7. Developing new methods for communicating county business, processes and information to our citizens.

## ***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 \$626,520 was recognized in fiscal year 2010; reported on page 31 in the Government-Wide Statement of Activities. Of this amount, \$193,156 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, 2010, 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.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

## ***Risk Management***

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

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

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

## **AWARDS & ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kootenai County for its comprehensive annual financial report for the fiscal year ending September 30, 2009. 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 sixteen consecutive years (fiscal years 1994-2009). 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,



Clifford T. Hayes

Kootenai County Auditor

**Elected Officials and Judges in Fiscal Year 2010**



Todd Tondee  
Commissioner District #1



Rick Currie  
Commissioner District #2



Rich Piazza  
Commissioner District #3



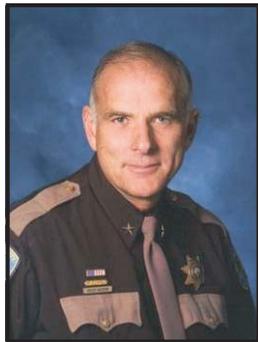
Daniel J. English  
County Clerk



Tom Malzahn  
County Treasurer



Mike McDowell  
County Assessor



Rocky Watson  
County Sheriff



Barry McHugh  
County Prosecutor



Dr. Robert West  
County Coroner

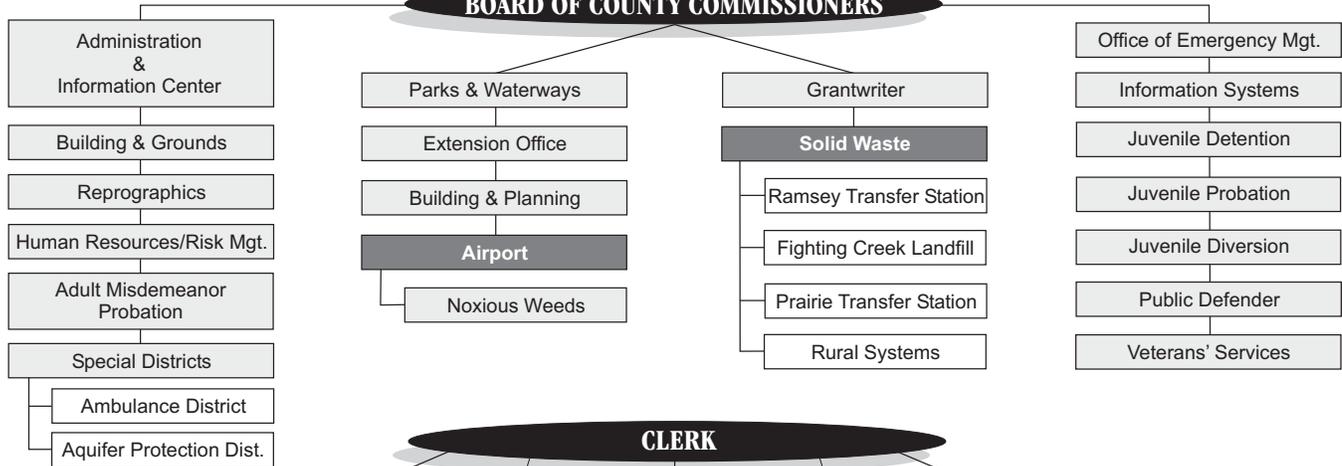
**District Judge  
District Judge  
District Judge  
District Judge  
Magistrate Judge  
Magistrate Judge  
Magistrate Judge  
Magistrate Judge  
Magistrate Judge  
Magistrate Judge**

**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**

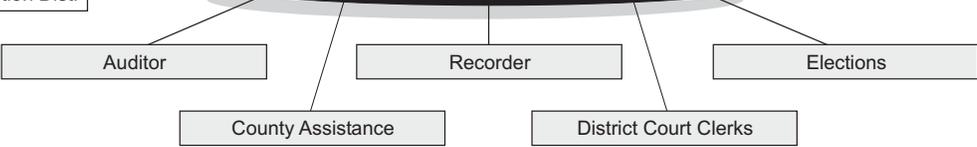
**KOOTENAI COUNTY, IDAHO  
ORGANIZATIONAL CHART  
October 2009**

**VOTERS**

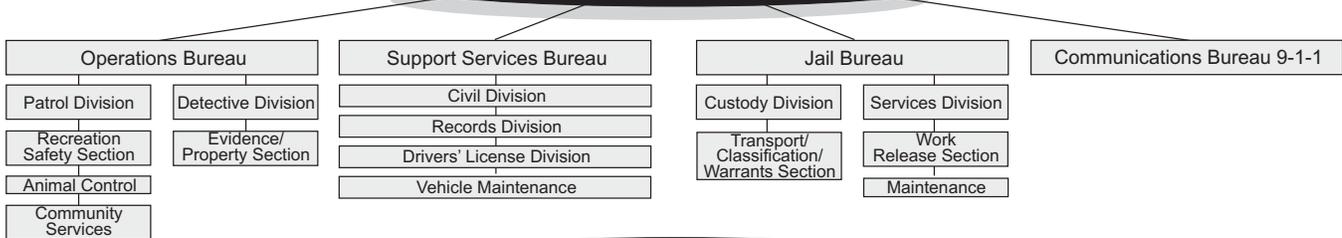
**BOARD OF COUNTY COMMISSIONERS**



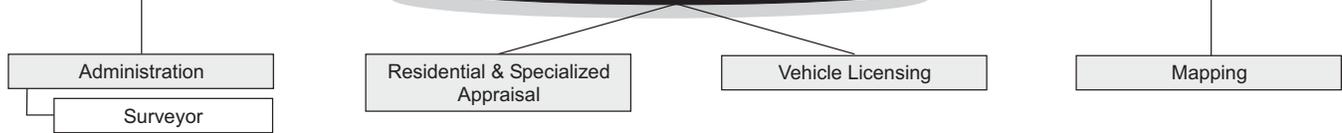
**CLERK**



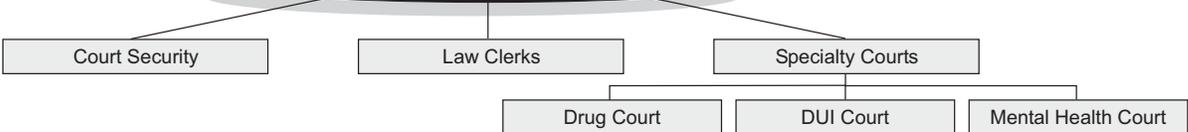
**SHERIFF**



**ASSESSOR**



**DISTRICT COURT JUDGES**



**PROSECUTING ATTORNEY**



**CORONER**

**TREASURER**

**LEGEND**

- ELECTED OFFICIAL** (Oval)
- Department (Light Gray Box)
- Division (Dark Gray Box)
- Sub Department (White Box)

Designed for the Kootenai County Comprehensive Annual Financial Report

# Financial Section

## Wanting to Work: Transit Funds Offer Employment Hope

Fourteen-year-old Laiken Wilkening wanted to start earning her own spending money for the typical teenage girl must-haves: clothes, music downloads, cell phone upgrades and more clothes.

So, despite her young age and a stingy job market, she set out to find work.

### *Mission accomplished.*

Laiken landed a job at the Boulder Beach Gift Shop at Silverwood Theme Park. It was the perfect gig. Decent pay, good hours and a carnival-like atmosphere surrounded by kids her age.



Only trouble was, Laiken had no driver's license. And the trip to Silverwood was a 25-minute haul from her Coeur d'Alene home. Laiken's parents agreed to provide a lifeline to her paycheck, shuttling their daughter 35 miles roundtrip to work five days a week.

"It's definitely been an inconvenience for them," she says.

While Laiken was fortunate enough to have a personal free taxi service, others aren't so lucky.

"Some of my friends wanted a job, but couldn't get to work," she says.

It's a familiar scenario for wanna-be theme park workers of all ages, says Silverwood spokeswoman Nancy Digiannmarco.

"We hear it all the time," Digiannmarco says. "People, young and older, who want to work, but lack of transportation gets in the way. They either have no license, no car, or limited means to get to work."

That may soon change for prospective Silverwood employees.





**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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County), as of and for the year ended September 30, 2010, 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, 2009, and Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2010 - 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 proprietary fund financial statements was derived from the County's 2009 proprietary fund financial statements, which were audited by LeMaster & Daniels PLLC (whose practice became part of LarsonAllen LLP effective November 1, 2010), whose report dated March 18, 2010, expressed unqualified opinions on those proprietary fund 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, 2010, and the respective changes in financial position and the cash flows where applicable thereof for the year then ended, and the

## Kootenai County Comprehensive Annual Financial Report - FY 2010

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respective financial position of the County's discretely presented component units - North Idaho Fair & Rodeo as of December 31, 2009, and Kootenai County Emergency Medical Services System as of September 30, 2010 - 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, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and Required Supplementary Budgetary Comparison on pages 11 through 25 and pages 67 through 73, 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 supplementary 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.

*Larson Allen LLP*

LarsonAllen LLP

Spokane, Washington  
March 18, 2011

# Management's Discussion and Analysis

## Free Ride

CityLink the region's free bus service, covering Kootenai County and northern Benewah County recently received a \$1.29 million ARRA grant distributed through the Federal Transportation Administration.

The money is expected to go a long way toward helping people like Laiken and her friends hitch a ride to work because it paved the way for the purchase of 13 new buses, seven 33-passenger, and six 16-passenger which hit the road in November 2010.

Eight of those new buses replaced aging vehicles, which chalk up more than 150,000 miles per year each, says John Austin of Panhandle Area Council, the county's public transportation administrator.

The other five buses are additions to the fleet and may allow the popular 5-year-old bus service to expand its routes.



Austin says because the FTA grant did not require local matching funds, CityLink has some financial flexibility to expand routes.

Areas being looked at include Silverwood and the Workforce Training Center at the Riverbend Commerce Park west of Post Falls, which offers classes to hundreds of local students.

Expanding services will undoubtedly fuel ridership growth for what Austin says is the nation's fastest growing transit system. The numbers are impressive and they continue to grow. Fast.

Since CityLink began operation in 2005, ridership has skyrocketed from 8,000 riders a month to 56,000. Annual ridership now exceeds 600,000.

"They say if you build it, they will come," Austin says. "We're building it and they're coming."



## **KOOTENAI COUNTY Management's Discussion and Analysis For the Year Ended September 30, 2010 (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, 2010. 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 2010 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 \$125,260 thousand. Of this amount, \$36,646 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 \$24,431 thousand, which represents a 1.2% increase over the prior year and represents 40% of the total Governmental activity outlay. The increase is primarily attributable to conservative spending and higher than projected revenue for this year.

The County maintained its policy of fiscal discipline by continuing to control costs. Operating outlays were under budget by \$2,572 thousand or 4% compared to the 2010 budget due to decreased personnel and service expenses. Additionally, capital outlays were under budget compared to budget. The residual appropriations for incomplete major computer projects will carry over into Fiscal Year 2011.

The county continues to maintain a very low level of debt that significantly strengthens its balance sheet position. Debt decreased by 12.6% over the prior year to \$508 thousand at September 30, 2010.

Net justice activities were under the budget target for the fiscal year coming in \$1,203 thousand less than the amount planned for program expenses. Personnel costs were significantly under budget again this year.

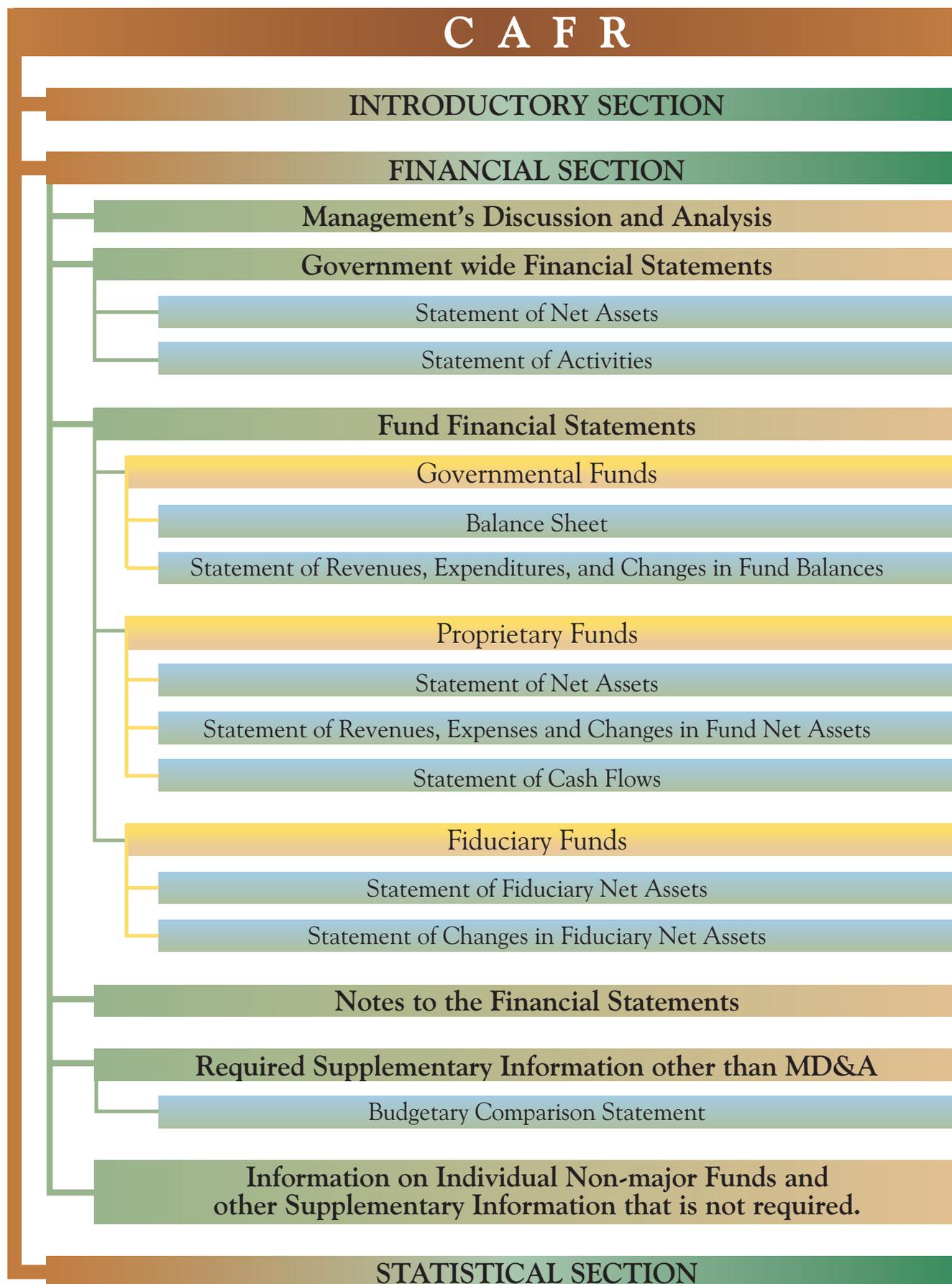
### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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



# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

### Statement of Net Assets and Statement of Activities

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

The change in net assets is important because it tells the reader whether 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.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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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 Waterways, District Court, Noxious Weeds, Revaluation, and Liability Insurance.

*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.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

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

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

## Government-wide Financial Analysis

Table 1 summarizes the Kootenai County's net assets for 2009 and 2010:

	Kootenai County's Net Assets (amounts in 000)						
	Governmental Activities		Business-type Activities		Total		Total % Change
	2009	2010	2009	2010	2009	2010	
Current and other assets	\$ 73,839	\$ 78,103	\$ 21,828	\$ 21,988	\$ 95,667	\$ 100,091	4.6%
Capital assets	50,153	50,745	28,681	28,905	78,834	79,650	1.0%
Total assets	123,992	128,848	50,509	50,893	174,501	179,741	3.0%
Long-term debt outstanding	594	508	-	-	594	508	-14.5%
Other liabilities	45,607	46,933	8,421	7,040	54,028	53,973	-0.1%
Total liabilities	46,201	47,441	8,421	7,040	54,622	54,481	-0.3%
Net assets							
Invested in capital assets, net of related debt	49,558	50,237	28,681	28,905	78,239	79,142	1.2%
Restricted	4,083	6,739	6,445	2,733	10,528	9,472	-10.0%
Unrestricted	24,150	24,431	6,962	12,215	31,112	36,646	17.8%
<b>Total net assets</b>	<b>\$ 77,791</b>	<b>\$ 81,407</b>	<b>\$ 42,088</b>	<b>\$ 43,853</b>	<b>\$ 119,879</b>	<b>\$ 125,260</b>	<b>4.5%</b>

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 2010 balances are increased by \$38,052 thousand. As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In this case, the Primary Governments assets exceeded liabilities by \$125,260 thousand (\$81,407 thousand in governmental activities and \$43,853 in business activities) as of September 30, 2010. By far, the largest portion of the County's net assets \$79,142 thousand, 63.1%, 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, \$9,472 thousand or 7.5% represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, \$36,646 thousand or 29.3% may be used to meet the county's ongoing obligations to citizens and creditors.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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 2009 and 2010:

	Changes in Kootenai County's Net Assets as of September 30, 2009 and 2010 (amounts in 000)						
	Governmental Activities		Business-type Activities		Total		Percentage Change
	2009	2010	2009	2010	2009	2010	2009-2010
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 16,728	\$ 16,967	\$ 9,947	\$ 10,593	\$ 26,675	\$ 27,560	3.3%
Federal grants	4,988	4,052	-	-	4,988	4,052	-18.8%
State grants	1,730	323	-	-	1,730	323	-81.3%
General revenues							
Property taxes	38,203	41,574	-	-	38,203	41,574	8.8%
Other	4,045	1,218	490	457	4,535	1,675	-63.1%
<b>Total revenues</b>	<b>65,694</b>	<b>64,134</b>	<b>10,437</b>	<b>11,050</b>	<b>76,131</b>	<b>75,184</b>	<b>-1.2%</b>
<b>Expenses</b>							
General government	22,982	21,622	-	-	22,982	21,622	-5.9%
Public works	2,465	2,032	-	-	2,465	2,032	-17.6%
Public safety	30,455	31,174	-	-	30,455	31,174	2.4%
Sanitation weed control	787	446	-	-	787	446	-43.3%
Health and welfare	2,966	4,929	-	-	2,966	4,929	66.2%
Culture and recreation	944	796	-	-	944	796	-15.7%
Interest on long term debt	32	30	-	-	32	30	-6.3%
Solid waste	-	-	8,901	8,778	8,901	8,778	-1.4%
<b>Total expenses</b>	<b>60,631</b>	<b>61,029</b>	<b>8,901</b>	<b>8,778</b>	<b>69,532</b>	<b>69,807</b>	<b>0.4%</b>
Excess before special items and transfers	5,063	3,105	1,536	2,272	6,599	5,377	-18.5%
Gain (loss) on sale of assets	(41)	(11)	59	15	18	4	0.0%
Transfers In (out)	522	522	(378)	(522)	144	-	0.0%
<b>Increase net assets</b>	<b>\$ 5,544</b>	<b>\$ 3,616</b>	<b>\$ 1,217</b>	<b>\$ 1,765</b>	<b>\$ 6,761</b>	<b>\$ 5,381</b>	<b>-20.4%</b>

## Governmental Activities

Charges for services program revenues increase overall by \$885 thousand, or 3.3% for the current year, with most of the increase attributable to the solid waste operations. Charges for services are the County's second largest sources of program revenue next to property tax revenue, accounting for \$16,967 thousand or 26.5% 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 \$4,375 thousand or 6.8% 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 \$41,574 thousand of the \$64,134 thousand total revenues for governmental activities, or 64.8% of total revenues, and the general government property tax revenues increased by \$3,371 thousand or 8.8% 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.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

The Sheriff's Jail program accounted for \$9,184 thousand of the \$61,029 thousand total expenses for governmental activities, or 15.1 %. The next largest program was Sheriff's Patrol, accounting for \$6,319 thousand and representing 10.4% of total governmental expenses.

Revenue from Federal grants has decreased by \$936 thousand to \$4,052 thousand as the county continues to administer significant Airport Improvement Projects (although a decrease from prior years), Homeland Security grants, and Federal Transportation Administration grants. Most of this year's decrease is attributable to the near completion of 9-1-1 system enhancements to facilitate improved radio communications between emergency service agencies within the County. State grant revenue decreased from the prior year by \$1,407 thousand due to the decrease of available funds for our primary state activities including Waterways Construction projects, Justice Fund grants and Office of Emergency Management grant activities.

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

Net Cost of Kootenai County's Governmental Activities  
as of September 30, 2009 and 2010  
(amounts in 000)

	Total Cost of Services		Percentage Change	Net Cost of Service		Percentage Change
	2009	2010	2009-2010	2009	2010	2009-2010
General government	\$ 22,982	\$ 21,622	-5.9%	\$ 13,480	\$ 11,632	-13.7%
Public works	2,465	2,032	-17.6%	1,584	1,416	-10.6%
Public safety	30,455	31,174	2.4%	18,533	21,097	13.8%
Sanitation weed control	787	446	-43.3%	300	273	-9.0%
Health and welfare	2,966	4,929	66.2%	2,966	4,929	66.2%
Culture and recreation	944	796	-15.7%	290	310	6.9%
Other	32	30	-6.3%	32	30	-6.3%
<b>Total</b>	<b>\$ 60,631</b>	<b>\$ 61,029</b>	<b>0.7%</b>	<b>\$ 37,185</b>	<b>\$ 39,687</b>	<b>6.7%</b>

The general government's total cost of services has decreased by \$1,360 thousand, or 5.9% compared to the prior year. This significant decrease in total costs reflects the planned budget decreases over the prior year. Net cost of services for General Government decreased by \$1,848 thousand or 13.7% due to decreased grant activities, which reflects the effects of a slower economy and increasingly stiffer granting environment.

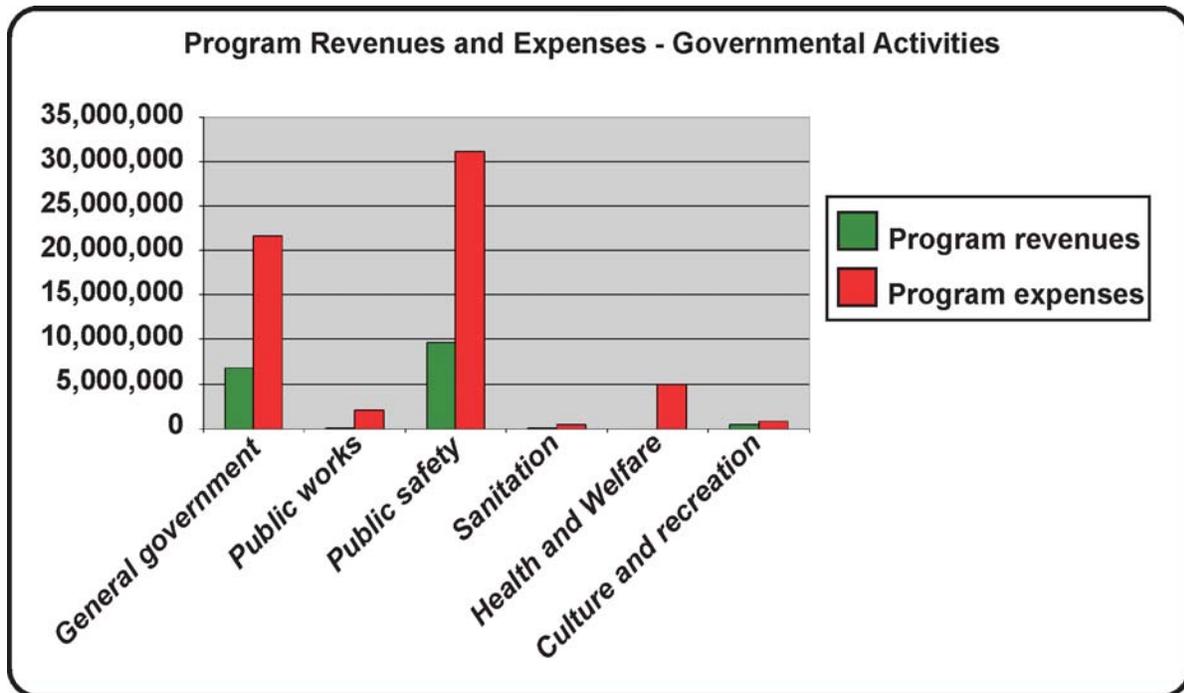
Public Safety cost of services of \$31,174 thousand make up 51% of the total cost of services which is the largest portion of County expenditure classifications. Public Safety net cost of services increased \$2,564 thousand from the prior year due to fewer grants available to help offset the increased costs incurred in 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 totaling \$21,342 thousand (34.9% of the total costs of services) are used to fund the County's general government expenses. Combined operational and capital grant/project revenues decreased \$2,343 thousand to \$4,375 in 2010 with most of the change attributable to the reduction of capital grant activities in the reporting year.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

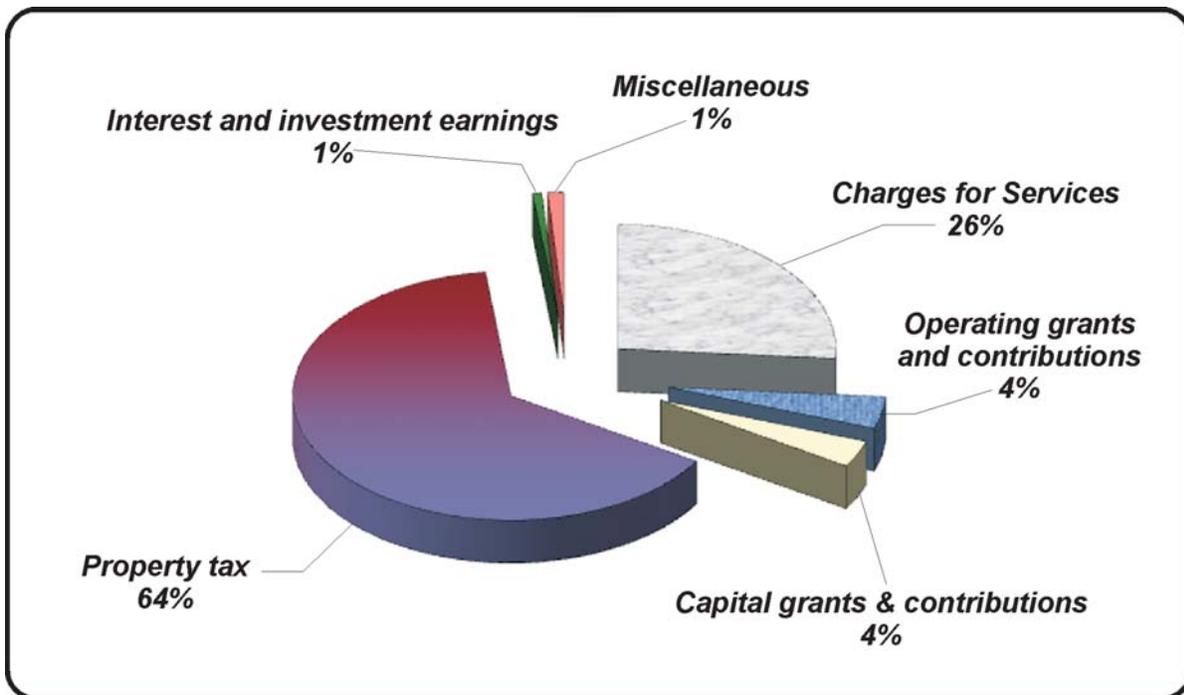
**Figure 1: Program Revenues and Expenses - Governmental Activities**

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 2010 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 \$1,765 thousand during 2010, accounting for a 29.9% overall change in the primary government net assets. The Business-type major revenue source is charges for services of \$10,593 thousand for 2010. (See figure 2)

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

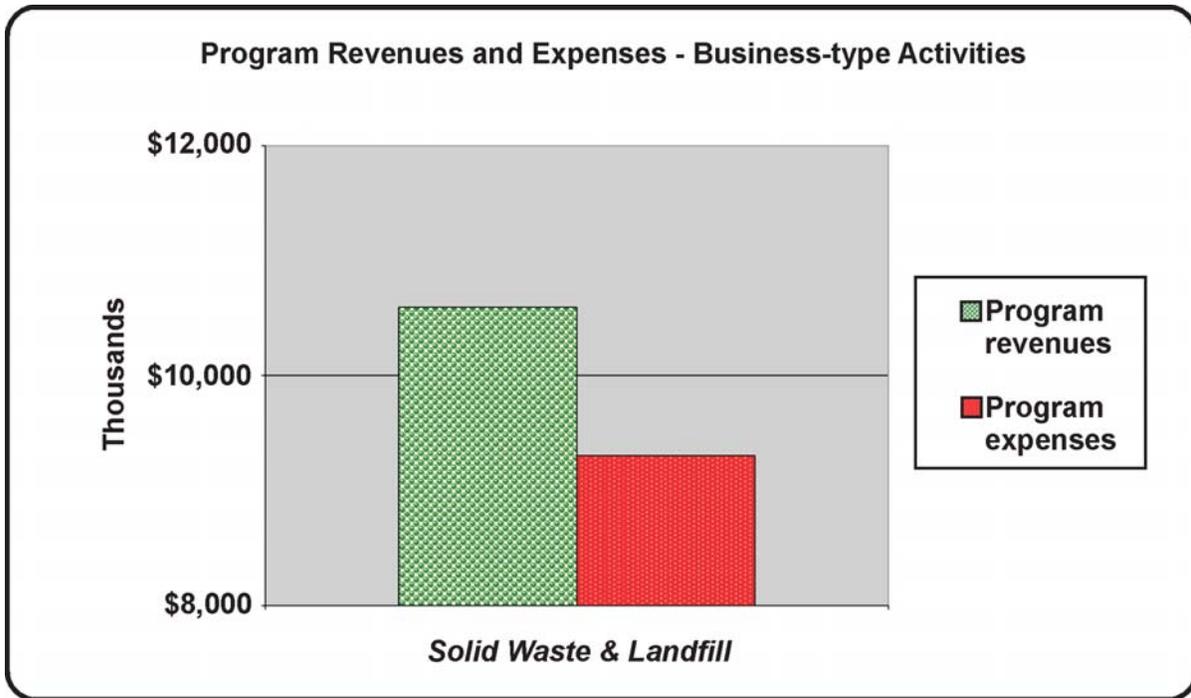
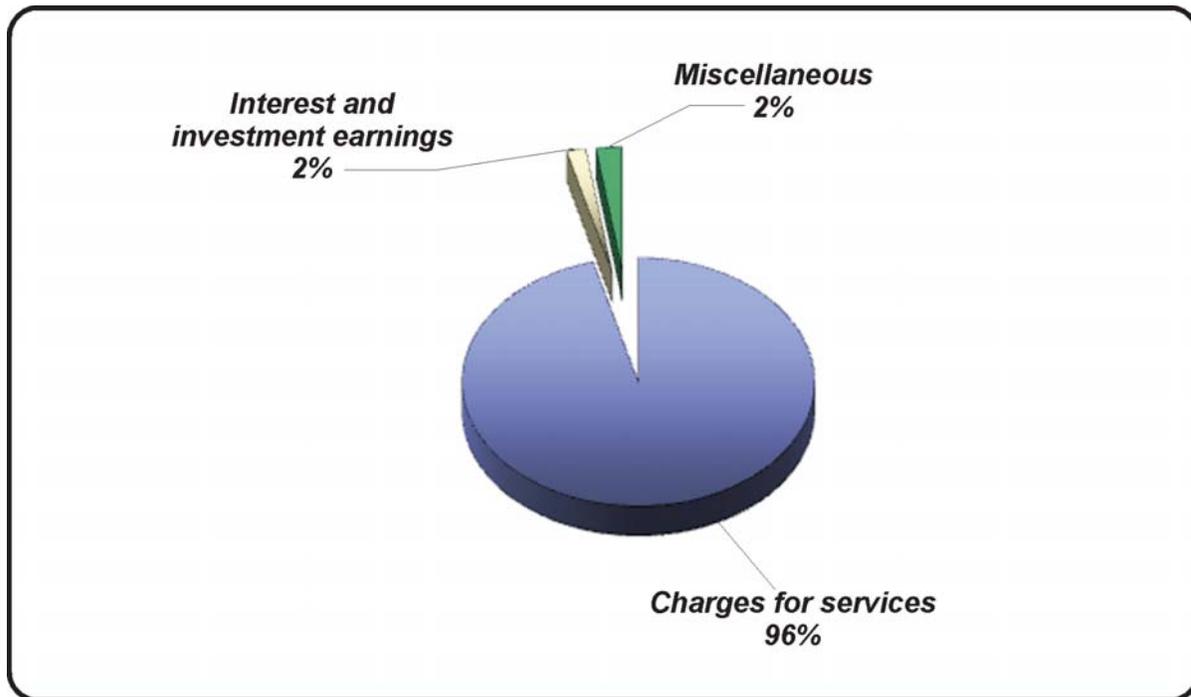


Figure 3: Revenues by Source - Business-type Activities



# Kootenai County Comprehensive Annual Financial Report - FY 2010

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The accumulated net assets of the Business-Type Activities - Solid Waste Enterprise Fund will provide the funding necessary for planned capital activities. There were two significant Solid Waste capital projects in fiscal year 2010. 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 was an expansion of the Fighting Creek Landfill to increase the overall capacity of the current location and thusly the useful life by an estimated fifteen to twenty years. The accumulated resources in the Solid Waste Fund will fund the ongoing capital needs of the operation with the goal to eliminate 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, 2010, the County's governmental funds reported a combined ending fund balance of \$31,716 thousand, an increase of \$2,555 thousand in comparison with the prior year. Approximately 78.8% of this total or \$24,977 thousand constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved (approximately 21.2% or \$6,739 thousand), is committed for a variety of restricted purposes.

The General Fund is the primary operating fund of the County. At the end of 2010, unreserved fund balance was \$22,687 thousand, while total fund balance was \$27,949 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 \$46,371 thousand. Unreserved fund balance represents 48.9% of total General Fund expenditures, while total fund balance represents 60.2% of that same amount.

The County's General Fund balance has increased by \$2,178 thousand or 8.5% during fiscal year 2010. A key factor in this increase was the under expenditure of budgeted amounts. Intergovernmental revenues were revised down dramatically in the budgeting process to reflect the projections for state revenues, but the actual revenues still fell short of the original budget estimates by \$142 thousand or 3.7%.

### **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, 2010, were \$12,215 thousand. Total net assets increased by \$1,765 thousand as a result of the first full-year operation of the new Prairie Transfer Station, as well as the completion of planned capital projects.

## **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, 2010, amounts to \$79,650 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 \$816 thousand (a 1.18% increase for governmental activities and a 0.8% increase for business type activities).

Table: 4

	Kootenai County's Capital Assets (net of depreciation, in thousands of dollars)						Total Percentage Change
	Governmental Activities		Business-type Activities		Total		
	2009	2010	2009	2010	2009	2010	
Land	\$ 5,207	\$ 5,207	\$ 1,294	\$ 1,657	\$ 6,501	\$ 6,864	5.6%
Buildings	22,982	22,233	294	266	23,276	22,499	-3.3%
Improvements other than Buildings	12,283	10,840	19,327	18,676	31,610	29,516	-6.6%
Machinery and Equipment	4,497	5,493	3,466	3,073	7,963	8,566	7.6%
Construction in Progress	5,184	6,972	4,300	5,233	9,484	12,205	28.7%
<b>Total</b>	<b>\$ 50,153</b>	<b>\$ 50,745</b>	<b>\$ 28,681</b>	<b>\$ 28,905</b>	<b>\$ 78,834</b>	<b>\$ 79,650</b>	<b>1.04%</b>

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

- ◆ On-going improvements to the Juvenile Justice Center (the old Federal Court House which was featured in last year's report) totaled \$356 thousand.
- ◆ A Department of Energy ARRA (American Recovery and Reinvestment Act) grant funded several re-roofing projects throughout the county totaling \$250 thousand.
- ◆ Current fiscal year expenditures for additional improvements to the infrastructure at the Airport are \$496 thousand. Of that cost, \$129 thousand is attributable to the design of a new ARFF (Aircraft Rescue and Fire Fighting) building, \$28 thousand for the acquisition of snow removal equipment, \$94 thousand on Master Plan Airport study work, \$243 thousand for the relocation of an access road, fencing and gate installation, and \$2 thousand for Taxi-lane improvements.
- ◆ The Sheriffs Department purchased six new fully equipped patrol vehicles, which include a radio, radar patrol system, light bar and mobile data computer; for a total expenditure of \$292 thousand.
- ◆ A FTA (Federal Transportation Authority) ARRA grant which will fund the purchase of twelve buses for the Citylink community transportation system, \$743 thousand had been expended in the current fiscal year.
- ◆ The Solid Waste Department had additional construction for the new Prairie Transfer Station and Fighting Creek Landfill totaling \$933 thousand. Land purchases are another significant event for the Solid Waste Department totaling \$364 thousand. The Solid Waste department capital asset replacement plan called for equipment and vehicle replacements in the amount of \$998 thousand, with the most significant purchase being a Front End Loader/ Waste Handler for \$223 thousand.

Additional information on Kootenai County's capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2010.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

**Long-Term Debt** – At September 30, 2010, the County had total general obligation debt outstanding of \$508 thousand. The County's long-term debt decreased by \$87 thousand or 14.6% during fiscal year 2010.

Kootenai County's Outstanding Debt  
(amounts in 000)

	Governmental Activities		Total Percentage Change
	2009	2010	2009-2010
Equipment leases	\$ 78	\$ 46	-41.0%
Facility leases	517	462	-10.6%
<b>Total</b>	<b>\$ 595</b>	<b>\$ 508</b>	<b>-14.6%</b>

In addition to the bonded debt, the County's long-term obligations include compensated absences and closure/post-closure liability. Additional information on the County's long-term debt can be found in Note 6 (Leases) and Note 7 (General Long-Term Obligations) to the financial statements.

## ECONOMIC FACTORS

Kootenai County's economic picture has slowed dramatically over the last three 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, with economists hoping for expansion at a higher rate than at State and National levels.

The population growth rate has been steadily increasing over the last three years, this year the increase was only 1.2% state-wide. The most recent population estimate for Kootenai County dated July 2009 is 139,390. Construction starts regained 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 2010 more in line with 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 \$13.8 billion dollars this fiscal year.

The continued downturn in the real estate market has returned the longer-term trend line to be more in line with the 3% annual appreciation rate present from the mid nineties. This has had a positive impact on the affordability of the area for new businesses and employees which had been significantly challenged over the previous five years. The employment base has an abundance of skilled and professional workers willing and eager to find employment which will continue 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 the 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 10.2% compared with a state-wide average of 9.6% and a national rate of 9.4% for the same time period.

Investment earnings remain low with the continuing suppressed federal funds rate over 2010. In the prior year, the State Legislature passed 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 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 2011 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

## Job Stimulus

Covering more miles with more buses created more jobs with the hiring of drivers and mechanics, Austin says. "And that puts us in better financial shape for future route expansion."

It's also good news for the Coeur d'Alene Tribe, a key financial player in the transit system.

The tribe initially kicked in \$400,000 annually to CityLink. As ridership soared and more money was needed to maintain the same level of service, the tribe voluntarily increased its support to \$1.1 million a year.

It's a worthwhile cause for the tribe, with about 30 percent of the bus traffic bound for its popular casino near Worley. Still, even the tribe has limited means and the federal funding provided some relief.



"The economy has affected the tribe like everyone else," Austin said.

Than anticipated expansion of CityLink's fleet is great news for the local workforce as well.

CityLink has a proven track record of improving the employment picture. For example, Austin says, when the bus service was launched in 2005, the jobless rate on the Coeur d'Alene Reservation was at nearly 50 percent.

"People down there just couldn't get to the Coeur d'Alene Casino or the city of Coeur d'Alene to work," Austin said. "Today, the jobless rate on the reservation is basically zero. Anybody who wants a job can get one."



# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Net Assets September 30, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	North Idaho Fair & Rodeo Dec. 31, 2009	KCEMSS Sept. 30, 2010
<b>ASSETS</b>					
Cash in bank and investments	\$ 34,676,236	\$ 14,410,216	\$ 49,086,452	\$ 269,021	\$ 2,144,839
Taxes current	38,051,581		38,051,581	-	-
Taxes delinquent-receivable	2,806,527	74,903	2,881,430	-	-
Accounts receivable, (net)	1,874,317	689,925	2,564,242	387	583,454
Interest receivable	26,344	9,120	35,464	-	-
Grants receivable	649,749	-	649,749	-	-
Inventories and prepaid expenses	19,083	-	19,083	-	134,312
Restricted assets:					
Cash held for closure and postclosure		6,803,887	6,803,887		
Capital Assets:					
Land	5,207,049	1,657,532	6,864,581	-	403,990
Depreciable assets, (net)	38,494,077	22,014,514	60,508,591	1,844,440	1,293,588
Non-Depreciable other assets	71,503	-	71,503	-	-
Construction in progress	6,972,055	5,232,876	12,204,931	-	-
<b>Total Assets</b>	<b>\$ 128,848,521</b>	<b>\$ 50,892,973</b>	<b>\$ 179,741,494</b>	<b>\$ 2,113,848</b>	<b>\$ 4,560,183</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,737,771	\$ 421,495	\$ 2,159,266	\$ 259	\$ 67,713
Payroll and related liabilities	2,289,366	23,435	2,312,801	9,488	-
Interest payable	2,599	-	2,599	-	-
Unearned property tax revenues	38,051,581	-	38,051,581	-	-
Other accrued liabilities	-	74,903	74,903	13,834	28,106
Deferred revenues	645,695	-	645,695	-	-
Non-current liabilities:					
Due within one year	236,068	6,575	242,643	-	-
Due in more than one year	4,478,331	203,492	4,681,823	-	-
Landfill closure liability	-	6,310,000	6,310,000	-	-
<b>Total Liabilities</b>	<b>47,441,411</b>	<b>7,039,900</b>	<b>54,481,311</b>	<b>23,581</b>	<b>95,819</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	50,237,031	28,904,922	79,141,953	1,844,440	1,697,578
Restricted for:					
Sheriff snowmobile	7,364	-	7,364	-	-
Juvenile justice services	132,731	-	132,731	-	-
Court interlock	51,993	-	51,993	-	-
Capital purchases	1,750,132	-	1,750,132	-	-
Replacement reserve	713,180	-	713,180	-	-
Capital appropriations carryover	843,355	2,239,173	3,082,528	-	-
Landfill closure	-	493,887	493,887	-	-
Other purposes	3,240,302	-	3,240,302	-	-
Unrestricted:					
Governmental type activities	24,431,022	-	24,431,022	-	-
Business type activities	-	12,215,091	12,215,091	245,827	2,766,786
<b>Total Net Assets</b>	<b>81,407,110</b>	<b>43,853,073</b>	<b>125,260,183</b>	<b>2,090,267</b>	<b>4,464,364</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 128,848,521</b>	<b>\$ 50,892,973</b>	<b>\$ 179,741,494</b>	<b>\$ 2,113,848</b>	<b>\$ 4,560,183</b>

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 21,652,323	\$ 6,790,143	\$ 2,111,343	\$ 1,088,371
Public works	2,032,038	54,937	-	561,346
Public safety	31,174,328	9,709,827	-	368,065
Sanitation	445,918	599	172,342	-
Health and welfare	4,929,246	-	-	-
Culture and recreation	795,782	411,470	2,995	70,961
Total governmental activities	61,029,635	16,966,976	2,286,680	2,088,743
Business-type activities:				
Solid waste and landfill	8,778,485	10,593,637	-	-
Total business-type activities	8,778,485	10,593,637	-	-
<b>Total primary government</b>	<b>\$ 69,808,120</b>	<b>\$ 27,560,613</b>	<b>\$ 2,286,680</b>	<b>\$ 2,088,743</b>
<b>Component units:</b>				
County fair	\$ 1,085,204	\$ 911,161		
KCEMSS	5,374,493	3,403,938		
<b>Total component units</b>	<b>\$ 6,459,697</b>	<b>\$ 4,315,099</b>		

### General revenues:

#### Taxes:

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

### Transfers

#### Total general revenues and transfers

#### Change in net assets

Net assets—beginning

Net assets—ending

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total	Component Units	
			North Idaho Fair & Rodeo	KCEMSS
\$ (11,662,466)	\$ -	\$ (11,662,466)		
(1,415,755)	-	(1,415,755)		
(21,096,436)	-	(21,096,436)		
(272,977)	-	(272,977)		
(4,929,246)	-	(4,929,246)		
(310,356)	-	(310,356)		
(39,687,236)	-	(39,687,236)		
-	1,815,152	1,815,152		
-	1,815,152	1,815,152		
<b>(39,687,236)</b>	<b>1,815,152</b>	<b>(37,872,084)</b>		
			\$ (174,043)	\$ -
			-	(1,970,555)
			<b>(174,043)</b>	<b>(1,970,555)</b>
41,574,507	-	41,574,507	100,000	1,944,044
784,907	263,416	1,048,323	-	30,400
433,364	193,156	626,520	5,184	4,894
(10,893)	14,850	3,957	-	26,848
521,631	(521,631)	-	-	-
43,303,516	(50,209)	43,253,307	105,184	2,006,186
3,616,280	1,764,943	5,381,223	(68,859)	35,631
77,790,830	42,088,130	119,878,960	2,159,126	4,428,733
<b>\$ 81,407,110</b>	<b>\$ 43,853,073</b>	<b>\$ 125,260,183</b>	<b>\$ 2,090,267</b>	<b>\$ 4,464,364</b>

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Balance Sheet Governmental Funds September 30, 2010

	General Fund		Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash in bank and investments	\$ 28,448,574		\$ 4,208,678	\$ 32,657,252
Taxes current	38,051,581		-	38,051,581
Taxes delinquent-receivable	2,218,511		588,016	2,806,527
Accounts receivable, (net)	1,751,309		123,008	1,874,317
Interest receivable	26,286		58	26,344
Grants receivable	195,992		453,757	649,749
Prepays	18,644		439	19,083
Due from other funds	365,411		-	365,411
<b>Total Assets</b>	<b>\$ 71,076,308</b>		<b>\$ 5,373,956</b>	<b>\$ 76,450,264</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 658,483		\$ 596,831	\$ 1,255,314
Payroll and related liabilities	2,246,014		43,352	2,289,366
Deferred revenues	470,363		139,818	610,181
Deferred grant revenues	20,496		15,018	35,514
Unearned property taxes	38,051,581		-	38,051,581
Deferred property taxes	1,680,645		446,320	2,126,965
Due to other funds	-		365,411	365,411
<b>Total Liabilities</b>	<b>43,127,582</b>		<b>1,606,750</b>	<b>44,734,332</b>
<b>Fund Balances:</b>				
Reserved for:				
Juvenile justice services	132,731		-	132,731
Court interlock	-		51,993	51,993
Capital purchases	1,750,132		-	1,750,132
Replacement reserve	713,180		-	713,180
Sheriff snowmobile	-		7,364	7,364
Capital appropriations carryover	813,655		29,700	843,355
Other purposes	1,852,504		1,387,799	3,240,303
Unreserved:				
General Fund	22,686,524		-	22,686,524
Special Revenue Funds	-		2,290,350	2,290,350
<b>Total Fund Balances</b>	<b>27,948,726</b>		<b>3,767,206</b>	<b>31,715,932</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 71,076,308</b>		<b>\$ 5,373,956</b>	<b>\$ 76,450,264</b>

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities September 30, 2010

Total governmental fund balances (page 32)	\$	31,715,932
Amounts reported for governmental activities in the statement of net assets (page 29) are different because:		
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.		
		2,126,964
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:		
		50,744,684
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
		(2,599)
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.		
		1,536,529
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	507,653	
Compensated Absences	4,206,747	
Total		(4,714,400)
<b>Total Net Assets of Governmental Activities as shown on the Statement of Net Assets:</b>	<b>\$</b>	<b>81,407,110</b>

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2010

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 32,892,359	\$ 8,374,651	\$ 41,267,010
Licenses and permits	1,273,315	124,570	1,397,885
Intergovernmental	8,687,867	3,432,599	12,120,466
Interest	432,621	742	433,363
Fines and forfeitures	348,909	1,014,716	1,363,625
Charges for services	5,663,228	927,942	6,591,170
Miscellaneous	457,004	845,224	1,302,228
<b>Total Revenues</b>	<b>49,755,303</b>	<b>14,720,444</b>	<b>64,475,747</b>
<b>Expenditures</b>			
Current:			
General government	17,646,659	3,597,148	21,243,807
Public works	-	754,097	754,097
Public safety	25,522,447	4,153,215	29,675,662
Sanitation	-	444,522	444,522
Health & welfare	304,927	4,621,895	4,926,822
Culture and recreation	-	678,469	678,469
Debt Service:			
Principal retirement	87,286	-	87,286
Interest Charge	30,438	-	30,438
Capital Outlay:			
Capital expenditures	1,633,608	1,202,716	2,836,324
Construction in progress	1,145,594	643,808	1,789,402
<b>Total Expenditures</b>	<b>46,370,959</b>	<b>16,095,870</b>	<b>62,466,829</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,384,344</b>	<b>(1,375,426)</b>	<b>2,008,918</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds insurance	24,888	-	24,888
Transfers In	2,123,951	1,752,496	3,876,447
Transfers (out)	(3,354,816)	-	(3,354,816)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,205,977)</b>	<b>1,752,496</b>	<b>546,519</b>
<b>Net Change in Fund Balances</b>	<b>2,178,367</b>	<b>377,070</b>	<b>2,555,437</b>
<b>Fund Balances Beginning of Year</b>	<b>25,770,359</b>	<b>3,390,136</b>	<b>29,160,495</b>
<b>Fund Balances End of Year</b>	<b>\$ 27,948,726</b>	<b>\$ 3,767,206</b>	<b>\$ 31,715,932</b>

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

Net change in fund balances - total governmental funds (page 34)	\$	2,555,437
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.		
		307,494
Revenues recognized in the prior year Statement of Activities that provide financial resources in the current year.		(502,281)
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. (\$4,625,726 - \$4,019,785 )		
		605,941
Loss on disposal of Capital Assets		(10,893)
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.		
		87,286
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.		
		(3,309)
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.		
		(195,913)
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>772,518</u>
<b>Total Change in Net Assets of Governmental Activities as shown on the Statement of Activities</b>	<b>\$</b>	<b><u>3,616,280</u></b>

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Net Assets Proprietary Funds September 30, 2010 and 2009

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2010	2009	2010	2009
<b>Assets</b>				
Current Assets:				
Cash and investments	\$ 14,410,216	\$ 14,732,606	\$ 2,018,986	\$ 1,326,475
Taxes delinquent-receivable	74,903	248,431	-	-
Accounts receivable, (net)	689,925	604,002	-	1,947
Interest receivable	9,120	15,228	-	-
Total Current Assets	15,184,164	15,600,267	2,018,986	1,328,422
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	6,803,887	6,227,537	-	-
Capital Assets:				
Land	1,657,532	1,293,975	-	-
Depreciable capital assets, (net)	22,014,514	23,087,145	-	-
Construction in progress	5,232,876	4,300,376	-	-
Total Noncurrent Assets	35,708,809	34,909,033	-	-
<b>Total Assets</b>	<b>\$ 50,892,973</b>	<b>\$ 50,509,300</b>	<b>\$ 2,018,986</b>	<b>\$ 1,328,422</b>
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	\$ 421,495	\$ 2,023,882	\$ 26,557	\$ 167,990
Payroll and other related liabilities	23,435	111,795	455,900	396,421
Other accrued liabilities	74,903	248,431	-	-
Total Current Liabilities	519,833	2,384,108	482,457	564,411
Long-Term Liabilities:				
Due within one year	6,575	6,297	-	-
Due in more than one year	203,492	190,765	-	-
Landfill closure liability	6,310,000	5,840,000	-	-
Total Long-Term Liabilities	6,520,067	6,037,062	-	-
<b>Total Liabilities</b>	7,039,900	8,421,170	482,457	564,411
<b>Net Assets</b>				
Invested in capital assets	28,904,922	28,681,497	-	-
Restricted for:				
Landfill closure designation	493,887	5,840,000	-	-
Capital appropriations carryover	2,239,173	604,762	-	-
Unrestricted	12,215,091	6,961,871	1,536,529	764,011
<b>Total Net Assets</b>	43,853,073	42,088,130	1,536,529	764,011
<b>Total Liabilities and Net Assets</b>	<b>\$ 50,892,973</b>	<b>\$ 50,509,300</b>	<b>\$ 2,018,986</b>	<b>\$ 1,328,422</b>

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds For the Fiscal Years Ended September 30, 2010 and 2009

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2010	2009	2010	2009
<b>Operating Revenues</b>				
Charges for services	\$ 10,593,637	\$ 9,947,133	\$ 6,231,443	\$ 6,151,926
Miscellaneous	263,416	120,493	-	-
<b>Total Operating Revenues</b>	<b>10,857,053</b>	<b>10,067,626</b>	<b>6,231,443</b>	<b>6,151,926</b>
<b>Operating Expenses</b>				
Personnel services	2,906,547	3,071,435	12,313	12,346
Professional services	2,073,798	1,948,826	5,544,968	5,626,259
Utilities	122,203	125,331	-	-
Materials and supplies	644,493	895,405	-	-
Maintenance and repairs	238,631	383,324	-	-
Other services and expenses	182,077	268,548	-	-
Depreciation and amortization	2,140,736	1,738,285	-	-
Landfill closure and post closure expense (note 9)	470,000	470,000	-	-
<b>Total Operating Expenses</b>	<b>8,778,485</b>	<b>8,901,154</b>	<b>5,557,281</b>	<b>5,638,605</b>
<b>Operating Income</b>	<b>2,078,568</b>	<b>1,166,472</b>	<b>674,162</b>	<b>513,321</b>
<b>Non-Operating Revenues</b>				
Intergovernmental revenues	-	-	98,356	96,913
Interest and investment revenue	193,156	368,547	-	-
Gain on sale of assets	14,850	59,200	-	-
<b>Total Non-Operating Revenues</b>	<b>208,006</b>	<b>427,747</b>	<b>98,356</b>	<b>96,913</b>
<b>Income before Contributions and Transfers</b>	<b>2,286,574</b>	<b>1,594,219</b>	<b>772,518</b>	<b>610,234</b>
Transfers In	-	133,901	-	-
Transfers (out)	(521,631)	(511,401)	-	-
<b>Change in Net Assets</b>	<b>1,764,943</b>	<b>1,216,719</b>	<b>772,518</b>	<b>610,234</b>
<b>Net Assets Beginning of Year</b>	<b>42,088,130</b>	<b>40,871,411</b>	<b>764,011</b>	<b>153,777</b>
<b>Net Assets End of Year</b>	<b>\$ 43,853,073</b>	<b>\$ 42,088,130</b>	<b>\$ 1,536,529</b>	<b>\$ 764,011</b>

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Cash Flows Proprietary Fund For the Fiscal Years Ended September 30, 2010 and 2009

	Business-type Activities - Enterprise Fund Solid Waste		Governmental Activities Internal Service Fund Health Insurance	
	2010	2009	2010	2009
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 10,681,242	\$ 10,419,542	\$ 6,233,390	\$ 6,198,850
Other cash receipts	263,416	120,493	-	-
Cash payments to employees	(3,155,430)	(2,836,546)	(12,313)	(12,346)
Cash payments for goods and services	(4,863,589)	(2,207,397)	(5,626,922)	(5,622,070)
Internal activity - payments from other funds	6,108	89,659	-	-
<b>Net cash provided by operating activities</b>	<b>2,931,747</b>	<b>5,585,751</b>	<b>594,155</b>	<b>564,434</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Intergovernmental revenues	-	-	98,356	96,913
Transfers out	(521,631)	(377,500)	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(521,631)</b>	<b>(377,500)</b>	<b>98,356</b>	<b>96,913</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for capital acquisitions	(2,364,162)	(7,449,923)	-	-
Proceeds from sale of capital assets	14,850	59,200	-	-
<b>Net cash used by capital and related financing activities</b>	<b>(2,349,312)</b>	<b>(7,390,723)</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>				
Interest on investments	193,156	368,547	-	-
<b>Net cash provided by investing activities</b>	<b>193,156</b>	<b>368,547</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in Cash and Cash Equivalents</b>	<b>253,960</b>	<b>(1,813,925)</b>	<b>692,511</b>	<b>661,347</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>20,960,143</b>	<b>22,774,068</b>	<b>1,326,475</b>	<b>665,128</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 21,214,103</b>	<b>\$ 20,960,143</b>	<b>\$ 2,018,986</b>	<b>\$ 1,326,475</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$ 2,078,568	\$ 1,166,472	\$ 674,162	\$ 513,321
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>				
Depreciation	2,140,736	1,738,285	-	-
<i>(Increase) Decrease in Assets:</i>				
Accounts receivable	87,605	472,409	1,947	46,924
Interest receivable	6,108	89,659	-	-
<i>Increase (Decrease) in Liabilities:</i>				
Accounts payable	(1,602,387)	1,414,037	(81,954)	4,189
Accrued payroll	(88,360)	10,495	-	-
Compensated absences payable	(160,523)	224,394	-	-
Landfill closure/postclosure liability	470,000	470,000	-	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,931,747</b>	<b>\$ 5,585,751</b>	<b>\$ 594,155</b>	<b>\$ 564,434</b>

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Fiduciary Net Assets Fiduciary Funds September 30, 2010

	Private-Purpose Trust Funds	Agency Funds
<b>Assets</b>		
Cash in bank and investments	\$ 3,339,374	\$ 4,466,897
Receivables:		
Taxes delinquent	42,765	7,279,074
Accounts receivable, (net)	-	-
<b>Total Assets</b>	<b>3,382,139</b>	<b>\$ 11,745,971</b>
<b>Liabilities</b>		
Accounts payable	20,734	\$ -
Deferred property taxes	610,703	3,132,155
Due in more than one year	13,288	-
Due to other individuals	2,536,705	-
Due to other governments	94,238	8,613,816
<b>Total Liabilities</b>	<b>3,275,668</b>	<b>\$ 11,745,971</b>
<b>Net Assets</b>		
<b>Held in trust for other purposes</b>	<b>\$ 106,471</b>	

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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## KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Net Assets Fiduciary Funds For the Year Ended September 30, 2010

	Private-Purpose Trust Funds
	2010
<b>Additions</b>	
Trust receipts	\$ 40,980
<b>Total Additions</b>	40,980
<b>Deductions</b>	
Trust Withdrawls	13,147
<b>Total Deductions</b>	13,147
Increase in Net Assets	27,833
Net Assets Beginning of Year	78,638
<b>Net Assets End of Year</b>	<b>\$ 106,471</b>

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

# Notes to the Financial Statement

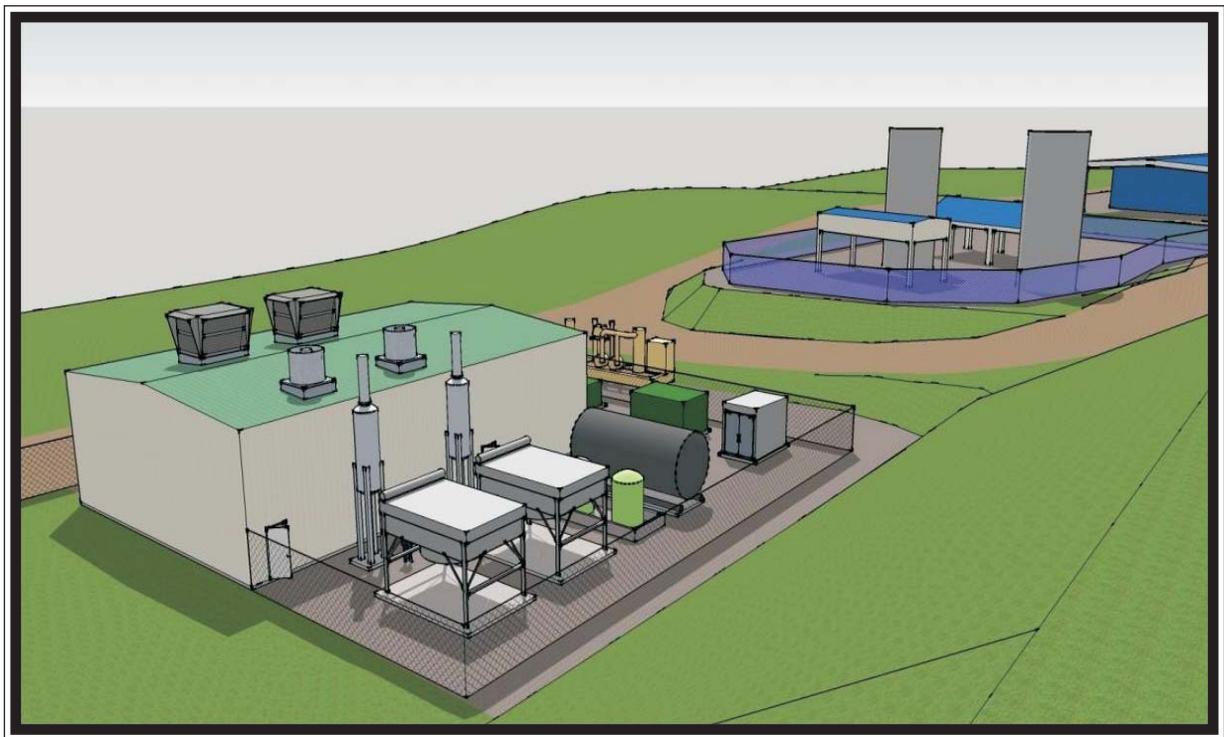
## Trash to Cash: Fueling an Energy Need

Methane gas wafting from rotting garbage buried at the Fighting Creek landfill 15 miles south of Coeur d'Alene will soon be used to generate electricity, creating millions in revenue for the county's solid waste department and ultimately saving local taxpayers.

After years of planning, the county is moving forward with a gas-to-energy project with help from a \$205,000 AARA grant administered through the Department of Energy.

"We're turning methane into dollars," says Roger Saterfiel, Kootenai County's Solid Waste director.

The DOE funding will be used to enhance the landfill's methane collection system at Fighting Creek. Currently, gas produced by the garbage is funneled above ground and burned off at flare stations. Wasted energy.



The stimulus funds will be used to create a system to pipe the methane from 237 collection wells to a \$7 million facility being built by KEC, which is partnering with the county on the gas-to-energy project.

Inside the new building, the methane will fuel giant Caterpillar engines that will provide affordable electricity to about 1,000 local residents.

"The funding will allow us to improve efficiency in the collection process and maximize the amount of gas we put into the engines to generate electricity," Saterfiel said.



**NOTES TO THE FINANCIAL STATEMENTS**

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## KOOTENAI COUNTY, IDAHO Notes to the Financial Statements September 30, 2010

### 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:

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

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

The North Idaho Fair & Rodeo fiscal year runs from January 1 through December 31, and reported a change of net assets decrease of \$68,859 for the fiscal year ending December 31, 2009. As of September 30, 2010, KCEMSS reports a change in net assets increase of \$35,631 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 not eliminated in the process of consolidation of the 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 2010 CAFR were reclassified to conform with the 2010 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

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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,

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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, 2010.

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.

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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. Prepayments:*

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

## *D-4. Capital Assets:*

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, construction in progress, and other assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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-5. Unearned and Deferred Revenue:*

Unearned revenue is recorded when cash is received prior to being earned. In the governmental fund statements, deferred revenue includes unearned revenue in addition to revenue that is earned but not available.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## *D-6. Compensated Absences:*

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

<u>Years of Service</u>	<u>% Sick Leave Applied to MSA</u>
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-7. 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-8. 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-9. 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-10. 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 provided and used are not eliminated in the process of consolidation. Any intercompany revenues in excess of expenses have been eliminated from the government-wide financial statements.

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## D-11. 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 \$4,714,400 difference are as follows:

#### Capital Leases - current balances as of 9/30/10

Equipment leases	\$	46,213	
Facility leases		<u>461,440</u>	
Total Capital leases			<u>\$ 507,653</u>
<b>Compensated absences</b>			<u>4,206,747</u>
<b>Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i></b>			<u><u>\$ 4,714,400</u></u>

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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 \$1,536,529 difference are as follows.

Net assets of the internal service fund	\$	2,018,986
Less: Internal payables		(482,457)
<b>Net adjustment to increase <i>fund balance</i> - <i>total governmental funds</i> to arrive at <i>net assets - governmental activities</i></b>	<b>\$</b>	<b>1,536,529</b>

**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 \$605,941 difference are as follows:

Capital outlay	\$	4,625,726
Depreciation expense		(4,019,785)
<b>Net adjustment to increase <i>net changes in fund balances</i>- <i>total governmental funds</i> to arrive at <i>changes in</i> <i>net assets of governmental activities</i></b>	<b>\$</b>	<b>605,941</b>

Property taxes in the amount of \$307,494 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 \$87,286 exceeded proceeds.

Loss on the disposal of Capital Assets in the amount of (\$24,860) exceeded gains of, \$13,967 by (\$10,893).

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 \$(195,913) difference are as follows:

Compensated absences	\$	(196,703)
Change in accrued Interest		790
<b>Net adjustment to decrease <i>net changes in fund balances</i> - <i>total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i></b>	<b>\$</b>	<b>(195,913)</b>

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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 \$772,518 difference are as follows:

Revenues:		
Intergovernmental	\$	98,356
Charges for Services		<u>6,231,443</u>
Total Revenues		6,329,799
Less expenditures:		<u>(5,557,281)</u>
<b>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></b>	<b>\$</b>	<b><u>772,518</u></b>

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 72 for the details of capital improvement carry forwards.

### NOTE 3: DEPOSITS AND INVESTMENTS

As of September 30, 2010, Kootenai County had the following investments:

Investment Type (amounts are in thousands)	9/30/2010 (Fair Value)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 19,388	1.69
State of Idaho Local Government Investment Pool	32,120	0.14
Certificates of Deposits	<u>10,175</u>	1.41
<b>Total fair value of investments:</b>	<b><u>\$ 61,683</u></b>	
Portfolio weighted average maturity		<b>0.83</b>

The (State of Idaho) Local Government Investment Pool (LGIP) is managed and sponsored by the State of Idaho Treasurer's Office (STO). This Joint Powers Investment Pool is established as a cooperative endeavor to offer local government entities of the State of Idaho to aggregate funds for investment purposes. The pooling is intended to improve efficiency and increase higher investment yields. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping financial institution. The STO must operate and invest the funds of the pool for the benefit of its participants. The LGIP is not registered with the Securities and Exchange Commission or any other regulatory body. 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, 2010, was 107 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.

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*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, 2010, 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	52.1%
Federal Home Loan Bank	11.1%
US Bank	9.8%
Federal Farm Credit Bank	7.6%

*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 Treasurer's 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, 2010, \$13,000 of Kootenai County's bank balance of \$66,157,500, was exposed to custodial credit risk because it was uninsured and not collateralized with securities held by the pledging financial institution's trust department or agent in the County's name. As of the same date the Kootenai County Emergency Medical Services System (KCEMSS), a discretely presented component unit had no exposure to custodial credit risk because none of KCEMSS' bank balance of \$2,144,839 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 \$269,021 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 \$19,387,614, Kootenai County has no custodial credit risk exposure where the related securities are uninsured, unregistered and held by Kootenai County's brokerage firm which is also the counterparty for these particular securities. Kootenai County does not have an investment policy limiting the amount of securities that can be held by counterparties.

## NOTE 4: RECEIVABLES

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

	General	Non-major Governmental Funds	Proprietary Funds	Total
Receivables:				
Interest	\$ 26,286	\$ 58	\$ 9,120	\$ 35,464
Accounts Receivable	1,751,309	123,008	724,925	2,599,242
Taxes	40,270,092	588,016	74,903	40,933,011
Grants Receivable	195,992	453,757	-	649,749
Gross receivables	42,243,679	1,164,839	808,948	44,217,466
Less: allowance for doubtful accounts	-	-	(35,000)	(35,000)
<b>Net total receivables</b>	<b>\$ 42,243,679</b>	<b>\$ 1,164,839</b>	<b>\$ 773,948</b>	<b>\$ 44,182,466</b>

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Kootenai County's governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period, and those governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of September 30, 2010, 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 2011	\$ -	\$ 38,051,581
Delinquent property taxes receivable (general fund)	1,680,645	-
Delinquent property taxes receivable (other governmental funds)	446,320	-
Intergovernmental services not yet performed (general fund)	-	470,363
Special Revenue program services not yet performed (other governmental funds)	-	139,818
Grant draw downs prior to meeting all eligibility requirements	-	35,514
<b>Total deferred and unearned revenue for governmental funds</b>	<b>\$ 2,126,965</b>	<b>\$ 38,697,276</b>

## NOTE 5: CAPITAL ASSETS

Capital asset activity for the year Ended September 30, 2010 was as follows (Amount in thousands):

GOVERNMENTAL ACTIVITIES	Balance 9/30/09	Additions	Deletions/Transfers	Balance 9/30/10
Capital assets, not being depreciated:				
Other Assets	\$ 72	\$ -	\$ -	\$ 72
Land	5,207	-	-	5,207
Construction in progress	5,184	1,788	-	6,972
<b>Total capital assets, not being depreciated</b>	<b>10,463</b>	<b>1,788</b>	<b>-</b>	<b>12,251</b>
Capital assets, being depreciated:				
Buildings	38,916	377	-	39,293
Improvements other than buildings	26,559	12	-	26,571
Machinery and equipment	21,276	2,448	(325)	23,399
<b>Total capital assets, being depreciated</b>	<b>86,751</b>	<b>2,837</b>	<b>(325)</b>	<b>89,263</b>
Less accumulated depreciation for:				
Buildings	(15,934)	(1,126)	-	(17,060)
Improvements other than buildings	(14,276)	(1,455)	-	(15,731)
Machinery and equipment	(16,851)	(1,439)	312	(17,978)
<b>Total accumulated depreciation</b>	<b>(47,061)</b>	<b>(4,020)</b>	<b>312</b>	<b>(50,769)</b>
<b>Total capital assets, being depreciated, net:</b>	<b>39,690</b>	<b>(1,183)</b>	<b>(13)</b>	<b>38,494</b>
<b>Government activities capital assets, net:</b>	<b>\$ 50,153</b>	<b>\$ 605</b>	<b>\$ (13)</b>	<b>\$ 50,745</b>

## Kootenai County Comprehensive Annual Financial Report - FY 2010

BUSINESS-TYPE ACTIVITIES	Balance 9/30/09	Additions	Deletions/Transfers	Balance 9/30/10
Capital assets, not being depreciated:				
Land	\$ 1,294	\$ 364	\$ -	\$ 1,658
Construction in progress	4,300	933	-	5,233
Total capital assets, not being depreciated	5,594	1,297	-	6,891
Capital assets, being depreciated:				
Buildings	613	-	-	613
Improvements other than buildings	34,139	82	-	34,221
Machinery and equipment	9,442	985	(212)	10,215
Total capital assets, being depreciated	44,194	1,067	(212)	45,049
Less accumulated depreciation for:				
Buildings	(319)	(28)	-	(347)
Improvements other than buildings	(14,811)	(734)	-	(15,545)
Machinery and equipment	(5,976)	(1,379)	212	(7,143)
Total accumulated depreciation	(21,106)	(2,141)	212	(23,035)
Total capital assets, being depreciated, net:	23,088	(1,074)	-	22,014
<b>Business-type activities capital assets, net:</b>	<b>\$ 28,682</b>	<b>\$ 223</b>	<b>\$ -</b>	<b>\$ 28,905</b>

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

Governmental Activities:	
General Government	\$ 1,020,281
Public Works	1,412,947
Public Safety	1,396,113
Sanitation Weeds	7,355
Health and Welfare	613
Culture and Recreation	182,476
Capital Project	-
<b>Total governmental activities current year depreciation expense</b>	<b>\$ 4,019,785</b>
Business-type activity:	
Solid Waste	\$ 2,140,736
<b>Total business-type activities current year depreciation expense</b>	<b>\$ 2,140,736</b>

The above is a summary of general government and solid waste capital assets and related accumulated depreciation as of September 30, 2010.

The additions to Construction in Progress, \$1,789,402, for fiscal year 2010 includes the following projects:

- Continued Non-AIP Airport improvements on Taxi-lane AA are \$2,317.
- AIP 29 Master Plan Airport study work is \$93,444.
- Second year project cost of \$243,243 for AIP 30 which entails the relocating of an access road along with fencing and gate installation.
- New project costs for AIP 31 of \$27,729. This grant provides for costs relating to the construction and set-up of snow removal equipment

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- A new ARFF (Aircraft Rescue and Fire Fighting) building is being designed under the AIP 33 grant: costs for the first year of this project are \$128,847
- Project costs associated with an upgrade to Information Systems' server room for fiscal year 2011 are \$33,268.
- Construction costs for increased usefulness of 911 communications are \$643,880 for the year.
- Waterways Dock project costs for fiscal year 2010 are \$148,227.
- Continuing costs for a Courthouse facility (old Worley Building) are \$60,462.
- Costs associated with improvements to the Juvenile Justice Center \$356,070.
- Two projects at the jail court shell, a Detectives Office \$31,931 and a Storage Room \$3,567.
- Costs associated with other projects at the KCSD complex include an ADA compliant sidewalk improvements \$34,062, an ADA compliant automatic door \$12,950 and an Recreational Vehicle dumpsite \$5,396

Buildings increase by \$376,621 which correlates to: the acquisition of two communications shelters to be located at 911 communication sites, one at KCSD (\$13,500), and another at Mason Butte (\$23,950), one vault toilet for the Parks Department (\$19,586), and the re-roofing of several County-owned buildings; Administration Building (\$32,087), Courthouse (\$75,605), Elections- 3rd Street Building (\$53,049), Justice Building (\$52,032), as well as the Lake City Senior Center (\$36,812). \$70,000 is for Jail Expansion.

There is a change in Improvements Other Than Buildings for the fiscal year 2010 of \$12,239, of which \$3,967 is for the installation of a security fence to benefit the Noxious Weeds Department and \$8,272 for additional fencing at the Coeur d'Alene Airport.

Additions for Machinery and Equipment of \$2,452,437 includes six sheriff patrol vehicles, mobile data units and safety equipment for those vehicles, six county vehicles, also twelve buses using ARRA grant funds for the benefit of the Citylink transportation system. Disposals for Machinery and Equipment with historical costs of \$329,695, and related depreciation of \$311,977 includes ten vehicles and vehicle accessories, one communications repeater, an Optical Library and obsolete office and computer equipment.

The Solid Waste Enterprise Fund capital expenditures during fiscal year 2010 totaled \$2,364,162. This includes:

- Construction in Progress increase of \$932,500 for ongoing projects at Fighting Creek Landfill Development, Gas and Leachate Development, and the New East Cell Development, Sun-Up Bay rural site improvements, and Prairie Transfer Station improvements.
- The additions to Land totaling \$363,557 is attributed to a parcel at Worley for a new rural site and another parcel known as the "Shriner" property adjacent to the Fighting Creek Landfill.
- There is no change for Solid Waste Buildings for fiscal year 2010.
- Improvements Other than Buildings' increase of \$82,403 are attributed to Energy Efficient Lighting of \$24,000, HVAC system at the Ramsey Transfer Station shop of \$24,562 as well as improvements to the new Worley site of \$33,841.
- Machinery and Equipment purchases of \$985,702 include a Front End Loader (Waste Handler), a Recycling Truck, and Water truck, two Forklifts, two diesel-powered vacuums, as well as four additional transfer trailers.
- Machinery and Equipment disposals totaling \$211,676 include a Compaction Crane, Baler, an SUV and a non-working obsolete Weather station, all of which have been fully depreciated.

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*Discretely presented component units:*

Activity for the Kootenai County Emergency Medical Services System for the year ended September 30, 2010, was as follows:

	Balance 10/1/09	Additions	Deletions	Balance 9/30/10
<b>KCEMSS Component Unit Activity</b>				
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	9,689	-	484,750
Machinery and equipment	460,166	-	(7,430)	452,736
Vehicles	1,953,399	152,040	(152,550)	1,952,889
Total capital assets, being depreciated	2,888,626	161,729	(159,980)	2,890,375
Less accumulated depreciation for:				
Building	(1,429)	(17,872)	-	(19,301)
Machinery and equipment	(198,296)	(77,410)	3,278	(272,428)
Vehicles	(1,206,335)	(251,273)	152,550	(1,305,058)
Total accumulated depreciation	(1,406,060)	(346,555)	155,828	(1,596,787)
Total capital assets, being depreciated, net	1,482,566	(184,826)	(4,152)	1,293,588
<b>KCEMSS activity capital assets, net</b>	<b>\$ 1,886,556</b>	<b>\$ (184,826)</b>	<b>\$ (4,152)</b>	<b>\$ 1,697,578</b>

Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2009 was as follows:

	Balance 12/31/08	Additions	Deletions	Balance 12/31/09
<b>North Idaho Fair Component Unit Activity</b>				
Capital Assets, not being depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Machinery and Equipment	365,556	932	-	366,488
Buildings	2,700,941	38,625	-	2,739,566
Total capital assets, being depreciated	3,066,497	39,557	-	3,106,054
Less accumulated depreciation for:				
Machinery and Equipment	(227,345)	(30,630)	-	(257,975)
Buildings	(924,452)	(79,187)	-	(1,003,639)
Total accumulated depreciation	(1,151,797)	(109,817)	-	(1,261,614)
Total capital assets, being depreciated, net	1,914,700	(70,260)	-	1,844,440
<b>North Idaho Fair activity capital assets, net</b>	<b>\$ 1,914,700</b>	<b>\$ (70,260)</b>	<b>\$ -</b>	<b>\$ 1,844,440</b>

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## 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, 2010.

Fiscal Year Ending September 30,	Governmental Activities
2011	\$ 217,937
2012	217,937
2013	217,937
2014	217,937
2015	217,937
2016-2020	1,089,684
<b>Total Minimum Payments Required</b>	<b>\$ 2,179,368</b>

The total expenditure for operating leases during the fiscal year ending September 30, 2010, totaled \$218,213.

### 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, 2010:

Asset:	(Historical Cost) Governmental Activities	(Less) Accumulated Depreciation	Net of Depreciation
Land	\$ 554,479	\$ -	\$ 554,479
Buildings and Improvements	331,576	(80,024)	251,552
Machinery, Equipment, and Other	271,810	(271,810)	-
<b>Total Capital Leases</b>	<b>\$ 1,157,865</b>	<b>\$ (351,834)</b>	<b>\$ 806,031</b>

The future minimum lease obligations of governmental activities fulfilling capital lease commitments for the next 7 years, as of September 30, 2010, were as follows:

Fiscal Year Ending September 30	Governmental Activities
2011	\$ 127,528
2012	77,724
2013	77,724
2014	77,724
2015	77,724
2016-2017	152,899
<b>Total Minimum Lease Payments</b>	<b>591,323</b>
<b>Less: Amount Representing Interest</b>	<b>(83,671)</b>
<b>Present Value of Minimum Lease Payments</b>	<b>\$ 507,653</b>

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## 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, 2010, the following changes occurred with liabilities reported in the general long-term obligations:

	Balance 10/1/2009	Additions	Reductions	Balance 9/30/2010	Amounts Due within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
<i>Bonds and notes payable:</i>					
Capital leases	\$ 594,939	\$ -	\$ 87,286	\$ 507,653	\$ 104,397
<i>Other Liabilities:</i>					
Compensated Absences	4,010,044	236,769	40,066	4,206,747	131,671
<b>Governmental activities long-term liabilities</b>	<b>\$ 4,604,983</b>	<b>\$ 236,769</b>	<b>\$ 127,352</b>	<b>\$ 4,714,400</b>	<b>\$ 236,068</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated Absences	\$ 197,062	\$ 13,005	\$ -	\$ 210,067	\$ 6,575
<b>Business-type activities long-term liabilities</b>	<b>\$ 197,062</b>	<b>\$ 13,005</b>	<b>\$ -</b>	<b>\$ 210,067</b>	<b>\$ 6,575</b>

September 30, 2010, total compensated absences payable by the County is \$4,416,814. Of this amount, \$4,206,747 arises from governmental activity operations, and \$210,067 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, 2010, 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, 2009, for North Idaho Fair & Rodeo. KCEMSS has no outstanding notes payable for the year ending September 30, 2010.

## 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 2009-2010 an increase of \$470,000 in closure and post-closure liability and costs has been recognized for the period ending September 30, 2010.

A total of \$6,310,000 has been recognized for closure and post-closure liability as of the balance sheet date. This figure is based on 82% 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 \$7,596,863, less a reduction for actual closure expenses incurred of \$1,286,879. The remainder of the estimated closure and post-closure costs of \$1,655,414 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.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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Funds totaling \$6,310,000 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.

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 2009-2010 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, 2010, the County had 15 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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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 760 employees actively contributing to PERSI as of September 30, 2010. Total contributions required and paid were \$3,174,871, \$3,141,983, and \$ 3,003,880, for the three years ending September 30, 2010, 2009, and 2008 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

Payroll Liability Fund  
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, 2010.

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.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

Interfund transfers:

	Transfer In		
	General Govt Funds	Other Govt Funds	Total
General Governmental Funds	\$ (1,707,500)	\$ 1,707,500	\$ -
Enterprise Funds	476,635	44,996	521,631
<b>Total</b>	<b>\$ (1,230,865)</b>	<b>\$ 1,752,496</b>	<b>\$ 521,631</b>

## NOTE 15: INTERNAL BALANCES AND INTERFUND TRANSFERS

The composition of internal balances as of September 30, 2010 is as follows:

Receivable Fund	(Payable) Funds
<u>Major Funds:</u>	
General Fund	\$ 365,411
<u>Non-Major Special Revenue Funds:</u>	
Indigent Fund	(112,490)
Construction Fund	(252,921)
<b>Total</b>	<b>\$ -</b>

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 are primarily performed for two reasons: 1) taxes, fees, penalties, and other revenues are transferred from the statutory funds that initially collect them to the General Fund 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 of \$1,707,500 were made from General Fund to the Indigent Fund to cover unexpected county assistance expenditures. Total transfers out of the Solid Waste Enterprise fund to General Fund and Other Non-major governmental funds totaled \$521,631. 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, 2010, the following non-major special revenue fund had a deficit fund balance: Indigent Fund \$89,905. 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, 2010 Proprietary Funds had the following Restricted Net Asset balance:

	Solid Waste Fund
Landfill Closure/Post Closure	\$ 493,887
Capital Appropriations carryover	2,239,173
<b>Total Restricted Net Assets</b>	<b>\$ 2,733,060</b>

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. Reservations 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.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

**16-D. Reservations Fund Equity Balances:**

At September 30, 2010 the following fund equity balances were reserved:

Fund Equity Balances Reserved for:	General	Special Revenue	Trusts	Total
Juvenile Justice Services	\$ 132,731	\$ -	\$ -	\$ 132,731
Court Interlock	-	51,993	-	51,993
Capital purchases	1,750,132	-	-	1,750,132
Replacement reserve	713,180	-	-	713,180
Capital appropriations carryover	813,655	29,700	-	843,355
Other purposes	1,852,504	1,387,799	-	3,240,303
Sheriff Snowmobile	-	7,364	-	7,364
Trusts	-	-	106,471	106,471
<b>Total reserved fund balances</b>	<b>\$ 5,262,202</b>	<b>\$ 1,476,856</b>	<b>\$ 106,471</b>	<b>\$ 6,845,529</b>



# Required Supplementary Information

## Trash to Cash: Fueling an Energy Need (cont)

Saterfiel estimates the county's solid waste department will receive about \$2 million from the sale of electricity over the next 20 years under the agreement with KEC.

A more significant financial boon could result in the long run as the county cashes in on federal environmental credits it will receive for creating a renewable energy source.

Those credits are a valuable commodity among businesses that do not meet federal clean air standards. By law, those nonconforming businesses must purchase renewable energy credits from "green" entities like Kootenai County to continue operating.

"Say you've got a coal fire plant in Pennsylvania that has a tough time meeting the standards; they need those credits," Saterfiel said. "There are situations like that across the country. It can develop into a bidding war and our credits could be worth millions of dollars."



Saterfiel, who worked closely with KEC and federal officials on the gas-to-energy project for nearly four years, said revenues generated by the sale of electricity and energy credits will go directly into the solid waste department's enterprise fund, helping keep fees in check.

"Bottom line, these additional revenues will save Kootenai County taxpayers in the long run when it comes time to expand the landfill, when operational costs increase, or when we face other demands that require solid waste dollars," he said.

"It means we won't have to raise rates as often, or as much," he added. "I'm just ecstatic."



# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 31,471,910	\$ 31,471,910	\$ 32,892,359	\$ 1,420,449
Licenses and permits	1,247,380	1,247,380	1,273,315	25,935
Intergovernmental	7,527,209	10,128,598	8,687,867	(1,440,731)
Interest	869,439	869,439	432,621	(436,818)
Fines and forfeitures	287,103	287,103	348,909	61,806
Charges for services	5,755,576	5,755,576	5,663,228	(92,348)
Miscellaneous	327,241	332,071	457,004	124,933
<i>Total Revenues</i>	47,485,858	50,092,077	49,755,303	(336,774)
<b>Expenditures</b>				
Current:				
General government				
Assessor	1,605,521	1,605,521	1,562,276	43,245
Building & Grounds	734,888	734,888	715,157	19,731
County Clerk	3,856,342	3,935,318	3,774,203	161,115
Cooperative Extension	154,734	154,734	154,567	167
County Auto Shop	226,880	226,880	217,409	9,471
County Commissioner	714,297	714,297	658,262	56,035
County Grant Writer	61,373	61,373	61,002	371
General Accounts	1,261,248	1,056,453	542,305	514,148
Office of Emergency Management	547,012	1,667,020	550,477	1,116,543
Human Resources	288,398	288,398	244,652	43,746
Information Services	1,862,414	1,893,245	1,657,876	235,369
Legal Services	-	-	153	(153)
Liability Insurance	695,031	695,031	606,017	89,014
Planning & Zoning	1,894,999	1,906,488	1,674,684	231,804
Prosecuting Attorney	2,545,552	2,545,552	2,451,251	94,301
Public Defender	1,934,687	1,935,712	1,874,659	61,053
Reprographics/Mail Room	276,922	276,922	250,800	26,122
Treasurer	600,295	601,522	555,671	45,851
Veterans Services	98,305	98,305	95,238	3,067

(Continued)

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Public safety				
9-1-1	\$ 3,318,772	\$ 3,318,772	\$ 2,368,273	\$ 950,499
Adult Misdemeanor Probation	555,966	658,240	611,013	47,227
Coroner	296,305	355,193	349,038	6,155
Justice - General Accounts	605,000	591,000	273,882	317,118
Juvenile Detention Center	2,490,097	2,490,097	2,256,911	233,186
Juvenile Diversion	303,025	303,025	299,485	3,540
Juvenile Probation	1,314,716	1,440,282	1,257,363	182,919
Sheriff	18,423,318	18,635,390	18,106,482	528,908
Health & welfare				
County Assistance	305,000	305,000	304,927	73
Debit service:				
Principal retirement	-	-	87,286	(87,286)
Interest expense	-	-	30,438	(30,438)
Capital outlay:				
Capital expenditures	1,525,615	3,015,865	1,633,608	1,382,257
Construction in Progress	508,336	1,241,296	1,145,594	95,702
<b>Total Expenditures</b>	<b>49,005,048</b>	<b>52,751,819</b>	<b>46,370,959</b>	<b>6,380,860</b>
Excess of Revenues Over (Under) Expenditures	(1,519,190)	(2,659,742)	3,384,344	6,044,086
<b>Other Financing Sources (Uses)</b>				
Proceeds insurance	-	-	24,888	24,888
Planned fund balance utilization	1,050,055	3,890,607	-	(3,890,607)
Transfers in	895,951	1,195,951	2,123,951	928,000
Transfers (out)	(426,816)	(2,426,816)	(3,354,816)	(928,000)
<b>Total Other Financing Sources (Uses)</b>	<b>1,519,190</b>	<b>2,659,742</b>	<b>(1,205,977)</b>	<b>(3,865,719)</b>
<b>Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,178,367</b>	
Fund Balances Beginning of Year			25,770,359	
<b>Fund Balances End of Year</b>			<b>\$ 27,948,726</b>	

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, 2010**

## ***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 2010

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Kootenai County Board of County Commissioners approved seven unexpended appropriations of projects totaling \$2,991,162 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 10/1/2009	Appropriation FY 2010	Expenditures FY 2010	Carryforward Balance 9/30/2010
Fighting Creek Gas & Leachate System	\$ 214,238	\$ 66,776	\$ 147,462	\$ 147,436	\$ -	\$ 294,898
Fighting Creek East Landfill Development	4,028,302	4,028,302	2,000,000	300,000	855,724	1,444,276
Property Tax Software System	766,293	302,293	464,000	-	345	463,655
Loch Haven Park Development	30,000	300	29,700	-	-	29,700
Planning and Zoning Master Plan	350,000	-	350,000	-	-	350,000
<b>Total Carryforward</b>			<b><u>\$ 2,991,162</u></b>			<b><u>\$ 2,582,529</u></b>

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget (Over) Under
Board of County Commissioners	\$ 53,280,704	\$ 38,213,667	\$ 15,067,037
County Clerk	\$ 7,768,079	\$ 7,575,312	\$ 192,767
Administrative District Judge	\$ 2,014,587	\$ 1,984,741	\$ 29,846
Treasurer	\$ 601,522	\$ 555,671	\$ 45,851
County Assessor	\$ 3,774,766	\$ 3,656,348	\$ 118,418
Coroner	\$ 355,193	\$ 349,038	\$ 6,155
County Sheriff	\$ 19,409,628	\$ 18,875,253	\$ 534,375
Prosecuting Attorney	\$ 2,545,552	\$ 2,449,136	\$ 96,416



# Supplementary Information

## Jail kitchen help: recipe for savings

Like clockwork, inmates at the Kootenai County Jail consume about 1,300 meals a day. As you might expect, that takes a toll on the kitchen equipment.

Officials say the aging and unreliable commercial appliances at the jail were putting the county in a vulnerable, and potentially costly, position. If the county does not meet Idaho Jail Standards for food preparation, it could face fines and even legal action.

The county recently received \$53,000 in Department of Energy stimulus grants for new kitchen equipment that otherwise would have had to be funded by local tax dollars, says jail commander Maj. Travis Chaney.



"We were headed down a path that would have put us in a bad position and we were losing ground," Chaney says. "Had we not received the stimulus funding, it would have added \$53,000 to local taxpayers' bills."

Eventually, he added, the county may have had to hire more staff to keep up with the demand of using nearly 20-year-old kitchen equipment that was inefficient and took longer to prepare meals.

"So, yes, in those respects it certainly did save taxpayers," Chaney said.

Combined, the new kitchen equipment, as well as a boiler system funded by the DOE grant, have allowed the jail to operate more efficiently, or "environmentally green," racking up even more savings to the county.

"The jail's thermal efficiency rating went from around 80 percent to 93 percent that's a pretty significant increase; it saves in both gas and electricity," Chaney says.

"When you're looking at a monthly energy bill that's about \$25,000, the savings adds up quickly (for taxpayers.)"



## 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

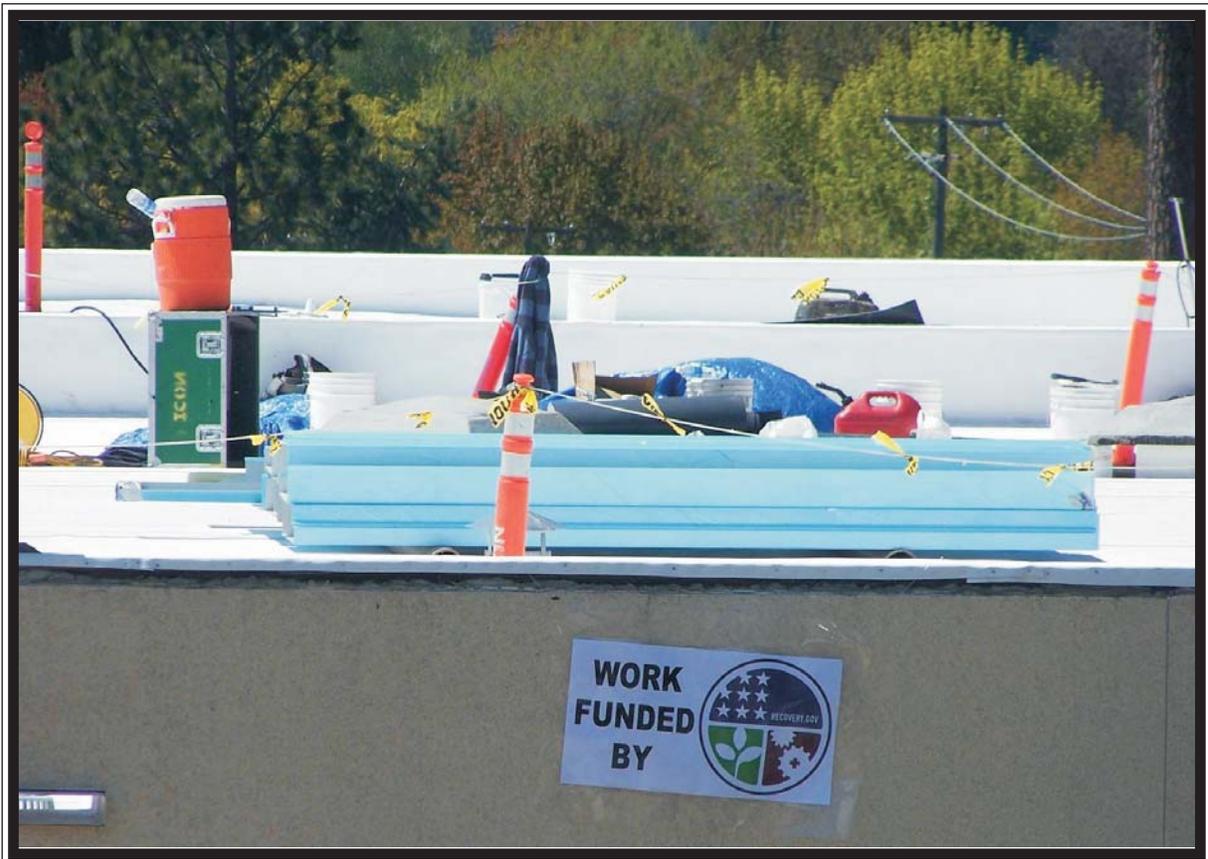
## Roofing Repairs: Sealing Tax Relief

The badly deteriorating roofs on six Kootenai County buildings had become a distraction for county's maintenance crews in recent years and it was costing taxpayers in extracurricular county labor.

Rather than tending to important building and grounds maintenance projects, crews were increasingly finding themselves doing patchwork on roofs to prevent leaking and keep the heat inside.

Gary Ventress, the county's building and grounds operation manager, said it was getting more difficult and more expensive to maintain the aging roofs.

"Without the funding, it would have put us through another tough winter," Ventress says.



Ventress is talking about a \$374,440 Department of Energy grant, used to replace roofs at the original courthouse, justice building, administration building, elections department, Lake City Senior Center, and the county's new Juvenile Justice Center (the old Federal Courthouse in downtown Coeur d'Alene).

*continued, pg. 113*



# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-major Governmental Funds September 30, 2010

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 4,208,678	\$ -	\$ 4,208,678
Taxes delinquent-receivable	588,016	-	588,016
Accounts receivable, (net)	123,008	-	123,008
Interest receivable	58	-	58
Grants receivable	2,995	450,762	453,757
Prepays	439	-	439
<b>Total Assets</b>	<b>\$ 4,923,194</b>	<b>\$ 450,762</b>	<b>\$ 5,373,956</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 398,990	\$ 197,841	\$ 596,831
Payroll and related liabilities	43,352	-	43,352
Deferred revenues	139,818	-	139,818
Deferred grant revenues	15,018	-	15,018
Deferred property taxes	446,320	-	446,320
Due to other funds	112,490	252,921	365,411
<b>Total Liabilities</b>	<b>1,155,988</b>	<b>450,762</b>	<b>1,606,750</b>
<b>Fund Balances:</b>			
Reserved for:			
Court Interlock	51,993	-	51,993
Park Development	29,700	-	29,700
Sheriff Snowmobile	7,364	-	7,364
Other Purposes	1,387,799	-	1,387,799
Unreserved & Undesignated:			
Special Revenue Funds	2,290,350	-	2,290,350
<b>Total Fund Balances</b>	<b>3,767,206</b>	<b>-</b>	<b>3,767,206</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,923,194</b>	<b>\$ 450,762</b>	<b>\$ 5,373,956</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-major Special Revenue Funds September 30, 2010

	Centennial Trail Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
<b>Assets</b>					
Cash and investments	\$ 81,771	\$ 978	\$ 274,981	\$ 54,780	\$ 60,528
Taxes delinquent-receivable	-	-	38,853	4,689	17,644
Accounts receivable, (net)	-	-	2,935	-	-
Grants receivable	-	-	-	-	-
Prepays	-	-	439	-	-
<b>Total Assets</b>	<b>\$ 81,771</b>	<b>\$ 978</b>	<b>\$ 317,208</b>	<b>\$ 59,469</b>	<b>\$ 78,172</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 21,369	\$ 25,000	\$ 2,093
Payroll and related liabilities	-	-	9,004	-	836
Deferred revenues	-	-	-	-	-
Deferred property taxes	-	-	31,956	3,209	13,168
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>62,329</b>	<b>28,209</b>	<b>16,097</b>
<b>Fund Balances:</b>					
Reserved for:					
Park Development	-	-	-	-	-
Sheriff Snowmobile	-	-	-	-	-
Other Purposes	81,771	978	-	-	-
Unreserved & Undesignated:					
Special Revenue Funds	-	-	254,879	31,260	62,075
<b>Total Fund Balances</b>	<b>81,771</b>	<b>978</b>	<b>254,879</b>	<b>31,260</b>	<b>62,075</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 81,771</b>	<b>\$ 978</b>	<b>\$ 317,208</b>	<b>\$ 59,469</b>	<b>\$ 78,172</b>

See accompanying Independent Auditors' Report

*continued*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-major Special Revenue Funds September 30, 2010

	Health District Special Revenue	Historical Society Special Revenue	Parks & Rec Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
<b>Assets</b>					
Cash and investments	\$ 190,112	\$ 10,823	\$ 248,527	\$ 157,458	\$ 136,573
Taxes delinquent-receivable	44,271	1,454	15,641	-	-
Accounts receivable, (net)	-	-	-	-	107,063
Grants receivable	-	2,995	-	-	-
Prepays	-	-	-	-	-
<i>Total Assets</i>	<b>\$ 234,383</b>	<b>\$ 15,272</b>	<b>\$ 264,168</b>	<b>\$ 157,458</b>	<b>\$ 243,636</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 171,073	\$ 3,750	\$ -	\$ 548	\$ 11,149
Payroll and related liabilities	-	-	1,430	19	1,539
Deferred revenues	-	-	43,152	-	-
Deferred property taxes	33,732	1,200	12,035	-	-
Due to other funds	-	-	-	-	-
<i>Total Liabilities</i>	<b>204,805</b>	<b>4,950</b>	<b>56,617</b>	<b>567</b>	<b>12,688</b>
<b>Fund Balances:</b>					
Reserved for:					
Park Development	-	-	29,700	-	-
Sheriff Snowmobile	-	-	-	7,364	-
Other Purposes	29,578	-	94,478	-	230,948
Unreserved & Undesignated:					
Special Revenue Funds	-	10,322	83,373	149,527	-
<i>Total Fund Balances</i>	<b>29,578</b>	<b>10,322</b>	<b>207,551</b>	<b>156,891</b>	<b>230,948</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 234,383</b>	<b>\$ 15,272</b>	<b>\$ 264,168</b>	<b>\$ 157,458</b>	<b>\$ 243,636</b>

See accompanying Independent Auditors' Report

*continued*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-major Special Revenue Funds September 30, 2010

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans Special Revenue	District Court Special Revenue
<b>Assets</b>				
Cash and investments	\$ 63,053	\$ 100	\$ 153,969	\$ 1,335,518
Taxes delinquent-receivable	-	102,720	-	53,732
Accounts receivable, (net)	-	-	-	-
Interest receivable	58	-	-	-
Grants receivable	-	-	-	-
Prepays	-	-	-	-
<b>Total Assets</b>	<b>\$ 63,111</b>	<b>\$ 102,820</b>	<b>\$ 153,969</b>	<b>\$ 1,389,250</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 61	\$ 55,042	\$ 29,209
Payroll and related liabilities	-	2,244	-	11,694
Deferred revenues	-	-	83,909	12,757
Deferred grant revenues	-	-	15,018	-
Deferred property taxes	-	77,727	-	42,860
Due to other funds	-	112,490	-	-
Leases payable-long term	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>192,522</b>	<b>153,969</b>	<b>96,520</b>
<b>Fund Balances:</b>				
Reserved for:				
Court interlock	-	-	-	51,993
Park Development	-	-	-	-
Sheriff Snowmobile	-	-	-	-
Other Purposes	63,111	-	-	-
Unreserved & Undesignated:				
Special Revenue Funds	-	(89,702)	-	1,240,737
<b>Total Fund Balances (deficit)</b>	<b>63,111</b>	<b>(89,702)</b>	<b>-</b>	<b>1,292,730</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 63,111</b>	<b>\$ 102,820</b>	<b>\$ 153,969</b>	<b>\$ 1,389,250</b>

See accompanying Independent Auditors' Report

continued

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-major Special Revenue Funds September 30, 2010

	Revaluation Special Revenue	KCEMSS Special Revenue	Aquifer Protection Special Revenue	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Cash and investments	\$ 542,016	\$ 300,048	\$ 597,443	\$ 4,208,678
Taxes delinquent-receivable	144,827	128,163	36,022	588,016
Accounts receivable, (net)	-	13,010	-	123,008
Interest receivable	-	-	-	58
Grants receivable	-	-	-	2,995
Prepays	-	-	-	439
<b>Total Assets</b>	<b>\$ 686,843</b>	<b>\$ 441,221</b>	<b>\$ 633,465</b>	<b>\$ 4,923,194</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 12,743	\$ -	\$ 66,953	\$ 398,990
Payroll and related liabilities	16,586	-	-	43,352
Deferred revenues	-	-	-	139,818
Deferred grant revenues	-	-	-	15,018
Deferred property taxes	109,635	95,873	24,925	446,320
Due to other funds	-	-	-	112,490
Leases payable-long term	-	-	-	-
<b>Total Liabilities</b>	<b>138,964</b>	<b>95,873</b>	<b>91,878</b>	<b>1,155,988</b>
<b>Fund Balances:</b>				
Reserved for:				
Court interlock	-	-	-	51,993
Park Development	-	-	-	29,700
Sheriff Snowmobile	-	-	-	7,364
Other Purposes	-	345,348	541,587	1,387,799
Unreserved & Undesignated:				
Special Revenue Funds	547,879	-	-	2,290,350
<b>Total Fund Balances</b>	<b>547,879</b>	<b>345,348</b>	<b>541,587</b>	<b>3,767,206</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 686,843</b>	<b>\$ 441,221</b>	<b>\$ 633,465</b>	<b>\$ 4,923,194</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-major Capital Projects Funds September 30, 2010

	General Construction Capital Projects	Total Non-major Capital Project Funds
<b>Assets</b>		
Grants receivable	\$ 450,762	\$ 450,762
<b>Total Assets</b>	<b>\$ 450,762</b>	<b>\$ 450,762</b>
 <b>Liabilities and Fund Balances</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 197,841	\$ 197,841
Due to other funds	252,921	252,921
Total Liabilities	450,762	450,762
 <b>Fund Balances:</b>		
Unreserved & Undesignated:		
Capital Projects Funds	-	-
<b>Total Fund Balances</b>	-	-
<b>Total Liabilities and Fund Balances</b>	<b>\$ 450,762</b>	<b>\$ 450,762</b>

*See accompanying Independent Auditors' Report*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Governmental Funds For the Year Ended September 30, 2010

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>Revenues</b>			
Taxes	\$ 8,374,651	\$ -	\$ 8,374,651
Licenses and permits	124,570	-	124,570
Intergovernmental	2,674,980	757,619	3,432,599
Interest	742	-	742
Fines and forfeitures	1,014,716	-	1,014,716
Charges for services	927,942	-	927,942
Miscellaneous	799,163	46,061	845,224
<i>Total Revenues</i>	<u>13,916,764</u>	<u>803,680</u>	<u>14,720,444</u>
<b>Expenditures</b>			
Current:			
General government	3,597,148	-	3,597,148
Public works	742,399	11,698	754,097
Public safety	4,153,215	-	4,153,215
Sanitation	444,522	-	444,522
Health & welfare	4,621,895	-	4,621,895
Culture and recreation	678,385	84	678,469
Capital outlay:			
Capital expenditures	1,021,716	181,000	1,202,716
Construction in progress	32,910	610,898	643,808
<i>Total Expenditures</i>	<u>15,292,190</u>	<u>803,680</u>	<u>16,095,870</u>
<i>Deficiency of Revenues Under Expenditures</i>	<u>(1,375,426)</u>	<u>-</u>	<u>(1,375,426)</u>
<b>Other Financing Sources</b>			
Transfers In	1,752,496	-	1,752,496
<i>Total Other Financing Sources</i>	<u>1,752,496</u>	<u>-</u>	<u>1,752,496</u>
<i>Net Change in Fund Balances</i>	377,070	-	377,070
<i>Fund Balances Beginning of Year</i>	3,390,136	-	3,390,136
<b>Fund Balances End of Year</b>	<u>\$ 3,767,206</u>	<u>\$ -</u>	<u>\$ 3,767,206</u>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Special Revenue Funds For the Year Ended September 30, 2010

	Centennial Trail Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ 490,670	\$ 53,516	\$ 231,311
Licenses and permits	-	-	-	-	-
Intergovernmental	-	3,881	-	-	172,555
Charges for services	15,000	-	54,937	-	387
Miscellaneous	-	296	465,830	-	4,188
<i>Total Revenues</i>	15,000	4,177	1,011,437	53,516	408,441
<b>Expenditures</b>					
Current:					
Public works	-	-	742,399	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	444,522
Health & welfare	-	-	-	-	-
Culture and recreation	902	3,244	-	100,000	-
Capital outlay:					
Capital expenditures	-	-	16,531	-	18,967
Construction in progress	-	-	2,317	-	-
<i>Total Expenditures</i>	902	3,244	761,247	100,000	463,489
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	14,098	933	250,190	(46,484)	(55,048)
<b>Other Financing Sources</b>					
Transfers in	7,500	-	-	-	-
<i>Total Other Financing Sources</i>	7,500	-	-	-	-
<i>Net Change in Fund Balances</i>	21,598	933	250,190	(46,484)	(55,048)
<i>Fund Balances Beginning of Year</i>	60,173	45	4,689	77,744	117,123
<b><i>Fund Balances End of Year</i></b>	<b>\$ 81,771</b>	<b>\$ 978</b>	<b>\$ 254,879</b>	<b>\$ 31,260</b>	<b>\$ 62,075</b>

See accompanying Independent Auditors' Report

continued

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Special Revenue Funds For the Year Ended September 30, 2010

	Health District Special Revenue	Historical Society Special Revenue	Parks & Rec. Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
<b>Revenues</b>					
Taxes	\$ 631,138	\$ 15,406	\$ 219,505	\$ -	\$ -
Licenses and permits	-	-	-	86,947	-
Intergovernmental	-	2,995	-	-	667,503
Charges for services	-	-	62,624	-	-
Miscellaneous	-	-	9,282	9,421	7,514
<i>Total Revenues</i>	631,138	18,401	291,411	96,368	675,017
<b>Expenditures</b>					
Current:					
Public works	-	-	-	-	-
Public safety	-	-	-	5,904	332,260
Sanitation	-	-	-	-	-
Health & welfare	684,293	-	-	-	-
Culture and recreation	-	17,996	238,070	59,650	223,523
Capital outlay:					
Capital expenditures	-	-	1,586	9,141	114,193
Construction in progress	-	-	25,395	-	5,198
<i>Total Expenditures</i>	684,293	17,996	265,051	74,695	675,174
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(53,155)	405	26,360	21,673	(157)
<b>Other Financing Sources</b>					
Transfers in	44,996	-	-	-	-
<i>Total Other Financing Sources</i>	44,996	-	-	-	-
<i>Net Change in Fund Balances</i>	(8,159)	405	26,360	21,673	(157)
<i>Fund Balances Beginning of Year</i>	37,737	9,917	181,191	135,218	231,105
<b><i>Fund Balances End of Year</i></b>	<b>\$ 29,578</b>	<b>\$ 10,322</b>	<b>\$ 207,551</b>	<b>\$ 156,891</b>	<b>\$ 230,948</b>

See accompanying Independent Auditors' Report

continued

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Special Revenue Funds For the Year Ended September 30, 2010

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans. Special Revenue	District Court Special Revenue
<b>Revenues</b>				
Taxes	\$ -	\$ 1,496,766	\$ -	\$ 719,719
Licenses and permits	-	-	-	178
Intergovernmental	14,018	-	1,762,497	8,540
Interest	742	-	-	-
Fines and forfeitures	-	-	-	1,014,716
Charges for services	-	-	592,441	201,892
Miscellaneous	-	302,632	-	-
<i>Total Revenues</i>	<u>14,760</u>	<u>1,799,398</u>	<u>2,354,938</u>	<u>1,945,045</u>
<b>Expenditures</b>				
Current:				
General government	-	-	1,529,847	-
Public works	-	-	-	-
Public safety	-	-	-	1,913,525
Sanitation	-	-	-	-
Health & welfare	-	3,496,195	-	-
Culture and recreation	35,000	-	-	-
Capital outlay:				
Capital expenditures	-	-	825,091	12,902
Construction in progress	-	-	-	-
<i>Total Expenditures</i>	<u>35,000</u>	<u>3,496,195</u>	<u>2,354,938</u>	<u>1,926,427</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(20,240)</u>	<u>(1,696,797)</u>	<u>-</u>	<u>18,618</u>
<b>Other Financing Sources</b>				
Transfers in	-	1,700,000	-	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>1,700,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(20,240)</u>	<u>3,203</u>	<u>-</u>	<u>18,618</u>
<i>Fund Balances Beginning of Year (deficit)</i>	<u>83,351</u>	<u>(92,905)</u>	<u>-</u>	<u>1,274,112</u>
<b><i>Fund Balances End of Year (deficit)</i></b>	<b><u>\$ 63,111</u></b>	<b><u>\$ (89,702)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,292,730</u></b>

See accompanying Independent Auditors' Report

continued

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Special Revenue Funds For the Year Ended September 30, 2010

	Revaluation Special Revenue	Kootenai Emergency Management Special Revenue	Aquifer Protection District Special Revenue	Total Non-major Special Revenue Funds
<b>Revenues</b>				
Taxes	\$ 2,090,220	\$ 1,910,842	\$ 515,558	\$ 8,374,651
Licenses and permits	-	37,445	-	124,570
Intergovernmental	-	42,991	-	2,674,980
Interest	-	-	-	742
Fines and forfeitures	-	-	-	1,014,716
Charges for services	661	-	-	927,942
Miscellaneous	-	-	-	799,163
<i>Total Revenues</i>	2,090,881	1,991,278	515,558	13,916,764
<b>Expenditures</b>				
Current:				
General government	2,067,301	-	-	3,597,148
Public works	-	-	-	742,399
Public safety	-	1,901,526	-	4,153,215
Sanitation	-	-	-	444,522
Health & welfare	-	-	441,407	4,621,895
Culture and recreation	-	-	-	678,385
Capital outlay:				
Capital expenditures	23,305	-	-	1,021,716
Construction in progress	-	-	-	32,910
<i>Total Expenditures</i>	2,090,606	1,901,526	441,407	15,292,190
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	275	89,752	74,151	(1,375,426)
<b>Other Financing Sources</b>				
Transfers in	-	-	-	1,752,496
<i>Total Other Financing Sources</i>	-	-	-	1,752,496
<i>Net Change in Fund Balances</i>	275	89,752	74,151	377,070
<i>Fund Balances Beginning of Year</i>	547,604	255,596	467,436	3,390,136
<b><i>Fund Balances End of Year</i></b>	<b>\$ 547,879</b>	<b>\$ 345,348</b>	<b>\$ 541,587</b>	<b>\$ 3,767,206</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Capital Projects Funds For the Year Ended September 30, 2010

	General Construction Capital Projects	Total Non-major Capital Projects Funds
<b>Revenues</b>		
Intergovernmental	\$ 757,619	\$ 757,619
Miscellaneous	46,061	46,061
<i>Total Revenues</i>	803,680	803,680
<b>Expenditures</b>		
Current:		
Public Works	11,698	11,698
Culture and recreation	84	84
Capital Outlay:		
Capital expenditures	181,000	181,000
Construction in progress	610,898	610,898
<i>Total Expenditures</i>	803,680	803,680
<i>Net Change in Fund Balances</i>	-	-
<i>Fund Balances Beginning of Year (deficit)</i>	-	-
<b>Fund Balances End of Year</b>	\$ -	\$ -

*See accompanying Independent Auditors' Report*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	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)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 5,500	\$ 3,881	\$ (1,619)
Charges for services	15,000	15,000	-	-	-	-
Miscellaneous	-	-	-	-	296	296
<i>Total Revenues</i>	15,000	15,000	-	5,500	4,177	(1,323)
<b>Expenditures</b>						
Current:						
Culture and recreation	22,500	902	21,598	5,500	3,244	2,256
<i>Total Expenditures</i>	22,500	902	21,598	5,500	3,244	2,256
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(7,500)	14,098	21,598	-	933	933
<b>Other Financing Sources</b>						
Transfers In	7,500	7,500	-	-	-	-
<i>Total Other Financing Sources</i>	7,500	7,500	-	-	-	-
<i>Net Change in Fund Balances</i>	-	21,598	21,598	-	933	933
<i>Fund Balances Beginning of Year</i>	60,173	60,173	-	45	45	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 60,173</b>	<b>\$ 81,771</b>	<b>\$ 21,598</b>	<b>\$ 45</b>	<b>\$ 978</b>	<b>\$ 933</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	Airport Special Revenue Fund			County Fair Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 481,501	\$ 490,670	\$ 9,169	\$ 50,000	\$ 53,516	\$ 3,516
Charges for services	50,500	54,937	4,437	-	-	-
Miscellaneous	358,605	465,830	107,225	50,000	-	(50,000)
<i>Total Revenues</i>	890,606	1,011,437	120,831	100,000	53,516	(46,484)
<b>Expenditures</b>						
Current:						
Public works	817,106	742,399	74,707	-	-	-
Culture and recreation	-	-	-	100,000	100,000	-
Capital outlay:						
Capital expenditures	-	16,531	(16,531)	-	-	-
Construction in progress	45,000	2,317	42,683	-	-	-
<i>Total Expenditures</i>	862,106	761,247	100,859	100,000	100,000	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	28,500	250,190	221,690	-	(46,484)	(46,484)
<i>Net Change in Fund Balances</i>	28,500	250,190	221,690	-	(46,484)	(46,484)
<i>Fund Balances Beginning of Year</i>	4,689	4,689	-	77,744	77,744	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 33,189</b>	<b>\$ 254,879</b>	<b>\$ 221,690</b>	<b>\$ 77,744</b>	<b>\$ 31,260</b>	<b>\$ (46,484)</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	Noxious Weeds Special Revenue Fund			Health District Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 221,191	\$ 231,311	\$ 10,120	\$ 612,735	\$ 631,138	\$ 18,403
Intergovernmental	222,480	172,555	(49,925)	-	-	-
Charges for services	-	387	387	-	-	-
Miscellaneous	137,037	4,188	(132,849)	30,000	-	(30,000)
<i>Total Revenues</i>	580,708	408,441	(172,267)	642,735	631,138	(11,597)
<b>Expenditures</b>						
Current:						
Sanitation	576,708	444,522	132,186	-	-	-
Health & welfare	-	-	-	687,731	684,293	3,438
Capital outlay:						
Capital expenditures	19,000	18,967	33	-	-	-
<i>Total Expenditures</i>	595,708	463,489	132,219	687,731	684,293	3,438
Deficiency of Revenues Under Expenditures	(15,000)	(55,048)	(40,048)	(44,996)	(53,155)	(8,159)
<b>Other Financing Sources</b>						
Transfers In	-	-	-	44,996	44,996	-
<i>Total Other Financing Sources</i>	-	-	-	44,996	44,996	-
<i>Net Change in Fund Balances</i>	(15,000)	(55,048)	(40,048)	-	(8,159)	(8,159)
<i>Fund Balances Beginning of Year</i>	117,123	117,123	-	37,737	37,737	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 102,123</b>	<b>\$ 62,075</b>	<b>\$ (40,048)</b>	<b>\$ 37,737</b>	<b>\$ 29,578</b>	<b>\$ (8,159)</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	Historical Society Special Revenue Fund			Parks Fund Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 15,000	\$ 15,406	\$ 406	\$ 213,589	\$ 219,505	\$ 5,916
Intergovernmental	3,000	2,995	(5)	-	-	-
Charges for Services	-	-	-	45,000	62,624	17,624
Miscellaneous	-	-	-	1,742	9,282	7,540
<i>Total Revenues</i>	18,000	18,401	401	260,331	291,411	31,080
<b>Expenditures</b>						
Current:						
Culture and recreation	18,000	17,996	4	248,331	238,070	10,261
Capital outlay:						
Capital expenditures	-	-	-	-	1,586	(1,586)
Construction in Progress	-	-	-	12,000	25,395	(13,395)
<i>Total Expenditures</i>	18,000	17,996	4	260,331	265,051	(4,720)
<i>Excess of Revenues Over Expenditures</i>	-	405	405	-	26,360	26,360
<i>Net Change in Fund Balances</i>	-	405	405	-	26,360	26,360
<i>Fund Balances Beginning of Year</i>	9,917	9,917	-	181,191	181,191	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 9,917</b>	<b>\$ 10,322</b>	<b>\$ 405</b>	<b>\$ 181,191</b>	<b>\$ 207,551</b>	<b>\$ 26,360</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	Snowmobile Special Revenue Fund			County Vessel Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Licenses and permits	\$ 123,200	\$ 86,947	\$ (36,253)	\$ -	\$ -	\$ -
Intergovernmental	110,000	-	(110,000)	724,667	667,503	(57,164)
Miscellaneous	47,000	9,421	(37,579)	53,092	7,514	(45,578)
<i>Total Revenues</i>	280,200	96,368	(183,832)	777,759	675,017	(102,742)
<b>Expenditures</b>						
Current:						
Public Safety	5,000	5,904	(904)	435,619	332,260	103,359
Culture and recreation	95,562	59,650	35,912	243,842	223,523	20,319
Capital outlay:						
Capital expenditures	186,200	9,141	177,059	73,750	114,193	(40,443)
Construction in progress	-	-	-	24,548	5,198	19,350
<i>Total Expenditures</i>	286,762	74,695	212,067	- 777,759	675,174	102,585
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(6,562)	21,673	28,235	-	(157)	(157)
<b>Other Financing Sources</b>						
Transfer in	6,562	-	(6,562)	-	-	-
<i>Total Other Financing Sources</i>	6,562	-	(6,562)	-	-	-
<i>Net Change in Fund Balances</i>	-	21,673	21,673	-	(157)	(157)
<i>Fund Balances Beginning of Year</i>	135,218	135,218	-	231,105	231,105	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 135,218</b>	<b>\$ 156,891</b>	<b>\$ 21,673</b>	<b>\$ 231,105</b>	<b>\$ 230,948</b>	<b>\$ (157)</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	Public Access Special Revenue Fund			Indigent Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 1,457,327	\$ 1,496,766	\$ 39,439
Intergovernmental	6,200	14,018	7,818	-	-	-
Interest	3,000	742	(2,258)	-	-	-
Miscellaneous	-	-	-	371,334	302,632	(68,702)
<i>Total Revenues</i>	9,200	14,760	5,560	1,828,661	1,799,398	(29,263)
<b>Expenditures</b>						
Current:						
Culture and recreation	9,200	35,000	(25,800)	-	-	-
Health & welfare	-	-	-	3,527,761	3,496,195	31,566
<i>Total Expenditures</i>	9,200	35,000	(25,800)	3,527,761	3,496,195	31,566
<i>Deficiency of Revenues Under Expenditures</i>	-	(20,240)	(20,240)	(1,699,100)	(1,696,797)	2,303
<b>Other Financing Sources</b>						
Transfers in	-	-	-	1,700,000	1,700,000	-
<i>Total Other Financing Sources</i>	-	-	-	1,700,000	1,700,000	-
<i>Net Change in Fund Balances</i>	-	(20,240)	(20,240)	900	3,203	2,303
<i>Fund Balances Beginning of Year (deficit)</i>	83,351	83,351	-	(92,905)	(92,905)	-
<b><i>Fund Balances End of Year (deficit)</i></b>	<b>\$ 83,351</b>	<b>\$ 63,111</b>	<b>\$ (20,240)</b>	<b>\$ (92,005)</b>	<b>\$ (89,702)</b>	<b>\$ 2,303</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	Public Transportation Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budge Over (Under)
<b>Revenues</b>			
Intergovernmental	\$ 3,801,071	\$ 1,762,497	\$ (2,038,574)
Charges for services	1,550,175	592,441	(957,734)
<i>Total Revenues</i>	5,351,246	2,354,938	(2,996,308)
<b>Expenditures</b>			
Current:			
General government	3,979,018	1,529,847	2,449,171
Capital outlay:			
Capital expenditures	1,372,228	825,091	547,137
<i>Total Expenditures</i>	5,351,246	2,354,938	2,996,308
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<b><i>Fund Balances End of Year</i></b>	\$ -	\$ -	\$ -

*See accompanying Independent Auditors' Report*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	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)
<b>Revenues</b>						
Taxes	\$ 694,238	\$ 719,719	\$ 25,481	\$ 2,031,473	\$ 2,090,220	\$ 58,747
Licenses and permits	-	178	178	-	-	-
Intergovernmental	-	8,540	8,540	-	-	-
Fines and Forfeitures	901,700	1,014,716	113,016	-	-	-
Charges for services	212,929	201,892	(11,037)	750	661	(89)
Miscellaneous	191,720	-	(191,720)	121,522	-	(121,522)
<i>Total Revenues</i>	2,000,587	1,945,045	(55,542)	2,153,745	2,090,881	(62,864)
<b>Expenditures</b>						
Current:						
General government	-	-	-	2,149,245	2,067,301	81,944
Public Safety	1,991,737	1,913,525	78,212	-	-	-
Capital outlay:						
Capital expenditures	22,850	12,902	9,948	20,000	23,305	(3,305)
<i>Total Expenditures</i>	2,014,587	1,926,427	88,160	2,169,245	2,090,606	78,639
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(14,000)	18,618	32,618	(15,500)	275	15,775
<i>Net Change in Fund Balances</i>	(14,000)	18,618	32,618	-	275	15,775
Fund Balances Beginning of Year	1,274,112	1,274,112	-	547,604	547,604	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 1,260,112</b>	<b>\$ 1,292,730</b>	<b>\$ 32,618</b>	<b>\$ 532,104</b>	<b>\$ 547,879</b>	<b>\$ 15,775</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	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)
<b>Revenues</b>						
Taxes	\$ 1,819,184	\$ 1,910,842	\$ 91,658	\$ 519,720	\$ 515,558	\$ (4,162)
Licenses and permits	38,000	37,445	(555)	-	-	-
Intergovernmental	41,000	42,991	1,991	-	-	-
<i>Total Revenues</i>	1,898,184	1,991,278	93,094	519,720	515,558	(4,162)
<b>Expenditures</b>						
Current:						
Public Safety	1,898,184	1,901,526	(3,342)	-	-	-
Health & welfare	-	-	-	519,720	441,407	78,313
<i>Total Expenditures</i>	1,898,184	1,901,526	(3,342)	519,720	441,407	78,313
<i>Excess of Revenues Over Expenditures</i>	-	89,752	89,752	-	74,151	74,151
<i>Net Change in Fund Balances</i>	-	89,752	89,752	-	74,151	74,151
<i>Fund Balances Beginning of Year</i>	255,596	255,596	-	467,436	467,436	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 255,596</b>	<b>\$ 345,348</b>	<b>\$ 89,752</b>	<b>\$ 467,436</b>	<b>\$ 541,587</b>	<b>\$ 74,151</b>

See accompanying Independent Auditors' Report

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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, 2010

	General Construction Capital Project Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>			
Intergovernmental	\$ 2,443,541	\$ 757,619	\$ (1,685,922)
Miscellaneous	200,773	46,061	(154,712)
<i>Total Revenues</i>	2,644,314	803,680	(1,840,634)
<b>Expenditures</b>			
Current:			
Public Works	411,697	11,698	399,999
Culture and recreation	84	84	-
Capital outlay:			
Capital expenditures	437,415	181,000	256,415
Construction in progress	1,795,118	610,898	1,184,220
<i>Total Expenditures</i>	2,644,314	803,680	1,840,634
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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 Comprehensive Annual Financial Report - FY 2010

**KOOTENAI COUNTY, IDAHO**  
**Statement of Net Assets**  
**Health Insurance Internal Service Fund**  
**September 30, 2010 (with comparative totals for 2009)**

	Governmental-type Activity	
	2010	2009
<b>Assets</b>		
Current Assets:		
Cash and investments	\$ 2,018,986	\$ 1,326,475
Accounts receivable, (net)	-	1,947
Total Current Assets	2,018,986	1,328,422
<b>Total Assets</b>	<b>\$ 2,018,986</b>	<b>\$ 1,328,422</b>
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	\$ 26,557	\$ 167,990
Payable accruals	455,900	396,421
Total Current Liabilities	482,457	564,411
<b>Total Liabilities</b>	<b>482,457</b>	<b>564,411</b>
<b>Net Assets</b>		
Unrestricted	1,536,529	764,011
<b>Total Net Assets</b>	<b>1,536,529</b>	<b>764,011</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,018,986</b>	<b>\$ 1,328,422</b>

*See accompanying Independent Auditors' Report*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Revenues, Expenses, and Changes in Fund Net Assets Health Insurance Internal Service Fund For the Year Ended September 30, 2010 (with comparative totals for 2009)

	Governmental-type activity	
	2010	2009
<b>Operating Revenues</b>		
Charges for services	\$ 6,231,443	\$ 6,151,926
Total Operating Revenues	6,231,443	6,151,926
<b>Operating Expenses</b>		
Personal services	12,313	12,346
Professional services	5,544,968	5,626,259
Total Operating Expenses	5,557,281	5,638,605
<b>Operating Income</b>	674,162	513,321
<b>Non-Operating Revenues</b>		
Intergovernmental revenues	98,356	96,913
Total Non-Operating Revenues	98,356	96,913
Change in Net Assets	772,518	610,234
Net Assets Beginning of Year	764,011	153,777
<b>Net Assets End of Year</b>	\$ 1,536,529	\$ 764,011

*See accompanying Independent Auditors' Report*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Cash Flow Health Insurance Internal Service Fund For the Year Ended September 30, 2010 (with comparative totals for 2009)

	Internal Service Fund Health Insurance	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 6,233,390	\$ 6,198,850
Cash payments to employees	(12,313)	(12,346)
Cash payments for goods and services	(5,626,922)	(5,622,070)
<b>Net Cash Provided by Operating Activities</b>	594,155	564,434
<b>Cash Flows from Noncapital Financing Activities</b>		
Intergovernmental revenues	98,356	96,913
<b>Net Cash Provided by Noncapital Financing Activities</b>	98,356	96,913
<b>Net Increase in Cash and Cash Equivalents</b>	692,511	661,347
<b>Cash and Cash Equivalents Beginning of Year</b>	1,326,475	665,128
<b>Cash and Cash Equivalents End of Year</b>	\$ 2,018,986	1,326,475
<b>Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities</b>		
Operating Income	\$ 674,162	\$ 513,321
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>		
<i>(Increase) Decrease in Assets:</i>		
Accounts receivable	1,947	46,924
<i>Increase (Decrease) in Liabilities:</i>		
Accounts payable	(81,954)	4,189
<b>Net Cash Provided by Operating Activities</b>	\$ 594,155	\$ 564,434

*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 Comprehensive Annual Financial Report - FY 2010

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## **KOOTENAI COUNTY, IDAHO** **Combining Statement of Fiduciary Assets and Liabilities** **Fiduciary Funds** **September 30, 2010** **With Comparative Totals for September 30, 2009**

	Agency Funds			
	State of Idaho	Cities	Highway Districts	School Districts
<b>Assets</b>				
Cash in bank and investments	\$ 1,788,921	\$ 952,912	\$ 174,074	\$ 700,731
Receivables:				
Taxes delinquent	79,204	2,089,944	664,918	2,052,033
<b>Total Assets</b>	<b>\$ 1,868,125</b>	<b>\$ 3,042,856</b>	<b>\$ 838,992</b>	<b>\$ 2,752,764</b>
<b>Liabilities</b>				
Due to agency activity	\$ 1,868,125	\$ 3,042,856	\$ 838,992	\$ 2,752,764
<b>Total Liabilities</b>	<b>1,868,125</b>	<b>3,042,856</b>	<b>838,992</b>	<b>2,752,764</b>
<b>Net Assets</b>				
<b>Held in trust for other purposes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Independent Auditors' Report

*continued*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Statement of Fiduciary Assets and Liabilities Fiduciary Funds September 30, 2010 With Comparative Totals for September 30, 2009

	Agency Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
<b>Assets</b>				
Cash in bank and investments	\$ 348,283	\$ 53,994	\$ 11,005	\$ 342,162
Receivables:				
Taxes delinquent	879,361	128,262	115,073	840,758
<b>Total Assets</b>	<b>\$ 1,227,644</b>	<b>\$ 182,256</b>	<b>\$ 126,078</b>	<b>\$ 1,182,920</b>
<b>Liabilities</b>				
Due to agency activity	\$ 1,227,644	\$ 182,256	\$ 126,078	\$ 1,182,920
<b>Total Liabilities</b>	<b>1,227,644</b>	<b>182,256</b>	<b>126,078</b>	<b>1,182,920</b>
<b>Net Assets</b>				
<b>Held in trust for other purposes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Independent Auditors' Report

*continued*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**September 30, 2010**  
**With Comparative Totals for September 30, 2009**

	Agency Funds		Totals	
	Public Hospital	Urban Renewal Districts	2010	2009
<b>Assets</b>				
Cash in bank and investments	\$ -	\$ 94,815	\$ 4,466,897	\$ 2,241,687
Receivables:				
Taxes delinquent	-	429,521	7,279,074	5,446,566
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 524,336</b>	<b>\$ 11,745,971</b>	<b>\$ 7,688,253</b>
<b>Liabilities</b>				
Due to agency activity	\$ -	\$ 524,336	\$ 11,745,971	\$ 7,688,253
<b>Total Liabilities</b>	<b>-</b>	<b>524,336</b>	<b>11,745,971</b>	<b>7,688,253</b>
<b>Net Assets</b>				
<b>Held in trust for other purposes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Independent Auditors' Report*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Combining Statement of Fiduciary Assets and Liabilities Fiduciary Funds September 30, 2010 With Comparative Totals for September 30, 2009

	Private Purpose Trust Funds	
	2010	2009
<b>Assets</b>		
Cash in bank and investments	\$ 3,339,374	\$ 6,099,049
Receivables:		
Taxes delinquent	42,765	24,999
<b>Total Assets</b>	<b>\$ 3,382,139</b>	<b>\$ 6,124,048</b>
<b>Liabilities</b>		
Accounts payable	\$ 20,734	\$ 2,136
Deferred property taxes	610,703	667,899
Due in more than one year	13,288	8,214
Due to other individuals	2,536,705	2,817,285
Due to other governments	94,238	2,549,876
<b>Total Liabilities</b>	<b>3,275,668</b>	<b>6,045,410</b>
<b>Net Assets</b>		
<b>Held in trust for other purposes</b>	<b>\$ 106,471</b>	<b>\$ 78,638</b>

*See accompanying Independent Auditors' Report*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds For the Fiscal Year Ended September 30, 2010

	Agency Funds			
	Balance 10/1/09	Additions	Deletions	Balance 9/30/10
<b>State of Idaho</b>				
<b>Assets</b>				
Cash in bank and investments	\$ 1,655,299	\$ 15,233,367	\$ 15,099,745	\$ 1,788,921
Receivables:				
Taxes delinquent	59,867	56,845	37,508	79,204
<b>Total Assets</b>	<b>1,715,166</b>	<b>15,290,212</b>	<b>15,137,253</b>	<b>1,868,125</b>
<b>Liabilities</b>				
Due to agency activity	1,715,166	65,450,173	65,297,214	1,868,125
<b>Total Liabilities</b>	<b>\$ 1,715,166</b>	<b>\$ 65,450,173</b>	<b>\$ 65,297,214</b>	<b>\$ 1,868,125</b>
<b>Cities</b>				
<b>Assets</b>				
Cash in bank and investments	\$ 195,093	\$ 32,850,117	\$ 32,092,298	\$ 952,912
Receivables:				
Taxes delinquent	1,525,795	32,433,861	31,869,712	2,089,944
<b>Total Assets</b>	<b>1,720,888</b>	<b>65,283,978</b>	<b>63,962,010</b>	<b>3,042,856</b>
<b>Liabilities</b>				
Due to agency activity	1,720,888	95,140,755	93,818,787	3,042,856
<b>Total Liabilities</b>	<b>\$ 1,720,888</b>	<b>\$ 95,140,755</b>	<b>\$ 93,818,787</b>	<b>\$ 3,042,856</b>
<b>Highway Districts</b>				
<b>Assets</b>				
Cash in bank and investments	\$ 38,418	\$ 6,884,440	\$ 6,748,784	\$ 174,074
Receivables:				
Taxes delinquent	520,636	9,116,689	8,972,407	664,918
<b>Total Assets</b>	<b>559,054</b>	<b>16,001,129</b>	<b>15,721,191</b>	<b>838,992</b>
<b>Liabilities</b>				
Due to agency activity	559,054	21,423,985	21,144,047	838,992
<b>Total Liabilities</b>	<b>\$ 559,054</b>	<b>\$ 21,423,985</b>	<b>\$ 21,144,047</b>	<b>\$ 838,992</b>
<b>School Districts</b>				
<b>Assets</b>				
Cash in bank and investments	\$ 143,115	\$ 23,141,704	\$ 22,584,088	\$ 700,731
Receivables:				
Taxes delinquent	1,394,076	26,078,586	25,420,629	2,052,033
<b>Total Assets</b>	<b>1,537,191</b>	<b>49,220,290</b>	<b>48,004,717</b>	<b>2,752,764</b>
<b>Liabilities</b>				
Due to agency activity	1,537,191	76,828,033	75,612,460	2,752,764
<b>Total Liabilities</b>	<b>\$ 1,537,191</b>	<b>\$ 76,828,033</b>	<b>\$ 75,612,460</b>	<b>\$ 2,752,764</b>

See accompanying Independent Auditors' Report

continued

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds For the Fiscal Year Ended September 30, 2010

	Agency Funds			
	Balance 10/1/09	Additions	Deletions	Balance 9/30/10
<b><i>Fire Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 69,211	\$ 12,355,304	\$ 12,076,232	\$ 348,283
Receivables:				
Taxes delinquent	652,153	13,291,156	13,063,948	879,361
<b>Total Assets</b>	<b>721,364</b>	<b>25,646,460</b>	<b>25,140,180</b>	<b>1,227,644</b>
<b>Liabilities</b>				
Due to agency activity	721,364	36,531,357	36,025,077	1,227,644
<b>Total Liabilities</b>	<b>\$ 721,364</b>	<b>\$ 36,531,357</b>	<b>\$ 36,025,077</b>	<b>\$ 1,227,644</b>
<b><i>Public Library</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 11,334	\$ 2,006,621	\$ 1,963,961	\$ 53,994
Receivables:				
Taxes delinquent	111,712	2,122,792	2,106,242	128,262
<b>Total Assets</b>	<b>123,046</b>	<b>4,129,413</b>	<b>4,070,203</b>	<b>182,256</b>
<b>Liabilities</b>				
Due to agency activity	123,046	5,907,150	5,847,940	182,256
<b>Total Liabilities</b>	<b>\$ 123,046</b>	<b>\$ 5,907,150</b>	<b>\$ 5,847,940</b>	<b>\$ 182,256</b>
<b><i>Water &amp; Sewer Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 4,937	\$ 331,898	\$ 325,830	\$ 11,005
Receivables:				
Taxes delinquent	83,982	518,630	487,539	115,073
<b>Total Assets</b>	<b>88,919</b>	<b>850,528</b>	<b>813,369</b>	<b>126,078</b>
<b>Liabilities</b>				
Due to agency activity	88,919	1,025,079	987,920	126,078
<b>Total Liabilities</b>	<b>\$ 88,919</b>	<b>\$ 1,025,079</b>	<b>\$ 987,920</b>	<b>\$ 126,078</b>
<b><i>North Idaho College</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 65,117	\$ 12,812,795	\$ 12,535,750	\$ 342,162
Receivables:				
Taxes delinquent	609,591	13,692,982	13,461,815	840,758
<b>Total Assets</b>	<b>674,708</b>	<b>26,505,777</b>	<b>25,997,565</b>	<b>1,182,920</b>
<b>Liabilities</b>				
Due to agency activity	674,708	37,882,990	37,374,778	1,182,920
<b>Total Liabilities</b>	<b>\$ 674,708</b>	<b>\$ 37,882,990</b>	<b>\$ 37,374,778</b>	<b>\$ 1,182,920</b>

See accompanying Independent Auditors' Report

continued

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds For the Fiscal Year Ended September 30, 2010

	Agency Funds			
	Balance 10/1/09	Additions	Deletions	Balance 9/30/10
<b><i>Kootenai County Public Hospital</i></b>				
<b>Assets</b>				
Receivables:				
Accounts receivable, (net)	\$ -	\$ 3,144	\$ 3,144	\$ -
<b>Total Assets</b>	<b>-</b>	<b>3,144</b>	<b>3,144</b>	<b>-</b>
<b>Liabilities</b>				
Due to agency activity	-	3,144	3,144	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 3,144</b>	<b>\$ 3,144</b>	<b>\$ -</b>
<b><i>Urban Renewal Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 59,163	\$ 11,039,899	\$ 11,004,247	\$ 94,815
Receivables:				
Taxes delinquent	488,754	10,434,619	10,493,852	429,521
<b>Total Assets</b>	<b>547,917</b>	<b>21,474,518</b>	<b>21,498,099</b>	<b>524,336</b>
<b>Liabilities</b>				
Due to agency activity	547,917	32,452,768	32,476,349	524,336
<b>Total Liabilities</b>	<b>\$ 547,917</b>	<b>\$ 32,452,768</b>	<b>\$ 32,476,349</b>	<b>\$ 524,336</b>
<b><i>Total Agency Activity</i></b>				
<b>Total Assets</b>	<b>\$ 7,688,253</b>			<b>\$ 11,745,971</b>
<b>Total Liabilities</b>	<b>\$ 7,688,253</b>			<b>\$ 11,745,971</b>
<b>Private Purpose Trust Funds</b>				
	Balance 10/1/09	Additions	Deletions	Balance 9/30/10
<b>Assets</b>				
Cash in bank and investments	\$ 6,099,049	\$ 151,958,793	\$ 154,718,468	\$ 3,339,374
Receivables:				
Taxes delinquent	24,999	68,907	51,141	42,765
<b>Total Assets</b>	<b>6,124,048</b>	<b>152,027,700</b>	<b>154,769,609</b>	<b>3,382,139</b>
<b>Liabilities</b>				
Accounts payable	2,136	3,297,732	3,279,134	20,734
Deferred property taxes	667,899	142,694,204	142,751,400	610,703
Due in more than one year	8,214	5,074	-	13,288
Due to individuals	2,817,285	24,832,074	25,112,654	2,536,705
Due to other governments	2,549,876	1,334,043	3,789,681	94,238
<b>Total Liabilities</b>	<b>\$ 6,045,410</b>	<b>\$ 172,163,127</b>	<b>\$ 174,932,869</b>	<b>\$ 3,275,668</b>
<b>Net Assets End of Year</b>	<b>\$ 78,638</b>			<b>\$ 106,471</b>

See accompanying Independent Auditors' Report

# Statistical Section

## Roofing Repairs: Sealing Tax Relief, (cont)

Replacement of the former Federal Courthouse roof was particularly challenging, grant administrator Colleen Allison said, because the structure was added to the National Register of Historic Places in 1977. Due to this designation, the county was required to meet strict building codes and gain approval from the Idaho Historical Society to perform the work.

"It was quite a process, but it came together quite nicely and will add a lot of life to an important landmark downtown," Allison says.

"On top of that, it will save thousands of (taxpayer) dollars just in labor alone for all the patching work my crews were doing," Ventress says.



Officials say given the economic climate and severely restricted spending options for municipalities, replacing the roofs which employed about 20 local roofers would have been virtually impossible without the stimulus funds.

"Probably the max we would have been able to do is one roof," ventress says. The result: higher energy bills and overtaxed building and maintenance crews.

"The funding could not have come at a better time," Ventress says.



## STATISTICAL SECTION

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

CONTENTS	Page
Financial Trends . . . . .	118
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity . . . . .	121
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.</i>	
Debt Capacity . . . . .	133
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information. . . . .	135
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information . . . . .	138
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 29,841	\$ 31,012	\$ 32,657	\$ 35,833	\$ 44,717	\$ 47,604	\$ 46,749	\$ 49,558	\$ 50,237
Restricted	5,057	364	4,475	13,407	7,398	1,562	3,256	4,083	6,739
Unrestricted	7,601	8,035	10,650	14,879	18,788	22,769	22,242	24,149	24,431
<b>Total governmental activities</b>									
<b>net assets</b>	<b>\$ 42,499</b>	<b>\$ 39,411</b>	<b>\$ 47,782</b>	<b>\$ 64,119</b>	<b>\$ 70,903</b>	<b>\$ 71,935</b>	<b>\$ 72,247</b>	<b>\$ 77,790</b>	<b>\$ 81,407</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 1,437	\$ 2,830	\$ 1,883	\$ 3,350	\$ 3,134	\$ 13,296	\$ 22,970	\$ 28,681	\$ 28,905
Restricted	2,912	3,249	3,938	3,707	15,955	15,772	8,826	6,445	8,549
Unrestricted	17,461	18,561	20,702	22,821	13,924	7,820	9,076	6,962	6,399
<b>Total business-type activities</b>									
<b>net assets</b>	<b>\$ 21,810</b>	<b>\$ 24,640</b>	<b>\$ 26,523</b>	<b>\$ 29,878</b>	<b>\$ 33,013</b>	<b>\$ 36,888</b>	<b>\$ 40,872</b>	<b>\$ 42,088</b>	<b>\$ 43,853</b>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 31,278	\$ 33,842	\$ 34,540	\$ 39,183	\$ 47,851	\$ 60,900	\$ 69,719	\$ 78,239	\$ 79,142
Restricted	7,969	3,613	8,413	17,114	23,353	17,334	12,082	10,528	15,288
Unrestricted	25,062	26,596	31,352	37,700	32,712	30,589	31,318	31,111	30,830
<b>Total primary government</b>									
<b>net assets</b>	<b>\$ 64,309</b>	<b>\$ 64,051</b>	<b>\$ 74,305</b>	<b>\$ 93,997</b>	<b>\$ 103,916</b>	<b>\$ 108,823</b>	<b>\$ 113,119</b>	<b>\$ 119,878</b>	<b>\$ 125,260</b>

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

	<u>Fiscal Year</u>								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
<b>Governmental activities:</b>									
General government	\$ 19,115	\$ 22,652	\$ 22,805	\$ 22,099	\$ 24,302	\$ 25,878	\$ 23,408	\$ 22,978	\$ 21,652
Public works	932	1,550	1,759	2,015	2,246	2,292	2,459	2,470	2,032
Public safety	19,902	18,029	18,421	21,565	23,289	26,488	30,030	30,492	31,144
Sanitation weed control	282	231	297	333	538	577	324	787	446
Health and welfare	2,168	2,095	2,614	2,940	2,912	2,660	3,312	2,966	4,929
Culture and recreation	214	867	959	966	1,100	1,085	844	944	796
Capital projects	131	28	64	73	9	47	38	-	-
Interest on long-term debt	793	754	640	519	169	55	37	32	30
<b>Total governmental activities expenses</b>	<b>43,537</b>	<b>46,206</b>	<b>47,559</b>	<b>50,510</b>	<b>54,565</b>	<b>59,082</b>	<b>60,452</b>	<b>60,669</b>	<b>61,029</b>
<b>Business-type activities:</b>									
Solid waste and landfill	6,162	5,076	6,509	5,898	7,377	7,379	7,922	8,901	8,779
<b>Total business-type activities expenses</b>	<b>6,162</b>	<b>5,076</b>	<b>6,509</b>	<b>5,898</b>	<b>7,377</b>	<b>7,379</b>	<b>7,922</b>	<b>8,901</b>	<b>8,779</b>
<b>Total primary government expenses</b>	<b>\$ 49,699</b>	<b>\$ 51,282</b>	<b>\$ 54,068</b>	<b>\$ 56,408</b>	<b>\$ 61,942</b>	<b>\$ 66,461</b>	<b>\$ 68,374</b>	<b>\$ 69,570</b>	<b>\$ 69,808</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
Charges for services:									
General government	\$ 8,887	\$ 8,627	\$ 9,481	\$ 11,154	\$ 12,247	\$ 12,679	\$ 7,526	\$ 6,976	\$ 6,790
Public safety	5,269	6,670	7,946	8,495	9,897	10,491	8,998	9,202	9,710
Culture and recreation	455	474	518	536	476	656	429	484	411
Other activities	47	61	57	62	59	65	46	65	56
Operating grants and contributions	1,275	1,841	2,987	2,483	1,842	2,842	3,639	3,067	2,286
Capital grants and contributions	2,423	2,082	1,829	3,615	4,996	1,144	898	3,650	2,089
<b>Total governmental activities program revenues</b>	<b>18,356</b>	<b>19,755</b>	<b>22,818</b>	<b>26,345</b>	<b>29,517</b>	<b>27,877</b>	<b>21,536</b>	<b>23,444</b>	<b>21,342</b>
<b>Business-type activities:</b>									
Charges for services:									
Solid waste and landfill	7,493	7,774	8,363	9,034	9,801	10,300	11,195	10,006	10,594
Operating grants and contributions	-	6	7	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>7,493</b>	<b>7,780</b>	<b>8,370</b>	<b>9,034</b>	<b>9,801</b>	<b>10,300</b>	<b>11,195</b>	<b>10,006</b>	<b>10,594</b>
<b>Total primary government program revenues</b>	<b>\$ 25,849</b>	<b>\$ 27,535</b>	<b>\$ 31,188</b>	<b>\$ 35,379</b>	<b>\$ 39,318</b>	<b>\$ 38,177</b>	<b>\$ 32,731</b>	<b>\$ 33,450</b>	<b>\$ 31,936</b>

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Net (expense)/revenue</b>									
Governmental activities	\$ (25,181)	\$ (26,451)	\$ (24,741)	\$ (24,165)	\$ (25,048)	\$ (31,205)	\$ (38,915)	\$ (37,225)	\$ (39,687)
Business-type activities	1,330	2,704	1,860	3,135	2,424	2,921	3,273	1,105	1,815
<b>Total primary government</b>									
net (expense)/revenue	\$ (23,851)	\$ (23,747)	\$ (22,881)	\$ (21,030)	\$ (22,624)	\$ (28,284)	\$ (35,642)	\$ 36,120	\$ (37,872)
<b>General Revenues and other Changes</b>									
<b>in Net Assets</b>									
<b>Governmental activities:</b>									
Taxes:									
Property taxes, levied for general purposes	\$ 22,443	\$ 23,031	\$ 27,675	\$ 28,541	\$ 26,922	\$ 28,408	\$ 35,421	\$ 38,203	\$ 41,574
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	784
Interest and investment earnings	627	417	335	756	1,475	1,917	1,747	500	434
Gain (Loss) on sale of assets/property	-	-	-	-	-	-	(116)	-	(10)
Transfers	638	(770)	(712)	519	519	519	556	521	521
<b>Total governmental activities</b>	<b>29,782</b>	<b>23,364</b>	<b>33,112</b>	<b>40,900</b>	<b>31,832</b>	<b>32,236</b>	<b>39,228</b>	<b>42,769</b>	<b>43,303</b>
<b>Business-type activities:</b>									
Interest and investment earnings	497	406	381	587	1,160	1,427	1,073	368	193
Miscellaneous	9	138	124	70	70	45	143	120	263
Gain (Loss) on sale of assets/property	-	-	-	77	(1)	-	50	-	15
Transfers	(399)	(419)	(482)	(519)	(519)	(519)	(556)	(377)	(521)
<b>Total business-type activities</b>	<b>107</b>	<b>125</b>	<b>23</b>	<b>215</b>	<b>710</b>	<b>953</b>	<b>710</b>	<b>111</b>	<b>(50)</b>
<b>Total primary government</b>	<b>\$ 29,889</b>	<b>\$ 23,489</b>	<b>\$ 33,135</b>	<b>\$ 41,115</b>	<b>\$ 32,542</b>	<b>\$ 33,189</b>	<b>\$ 39,938</b>	<b>\$ 42,880</b>	<b>\$ 43,253</b>
<b>Change in Net Assets</b>									
Governmental activities	\$ 4,600	\$ (3,088)	\$ 8,371	\$ 16,735	\$ 6,784	\$ 1,031	\$ 313	\$ 5,544	\$ 3,616
Business-type activities	1,437	2,830	1,883	3,350	3,134	3,874	3,983	1,216	1,765
<b>Total primary government</b>	<b>\$ 6,037</b>	<b>\$ (258)</b>	<b>\$ 10,254</b>	<b>\$ 20,085</b>	<b>\$ 9,918</b>	<b>\$ 4,905</b>	<b>\$ 4,296</b>	<b>\$ 6,760</b>	<b>\$ 5,381</b>

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

Fiscal Year	Property Tax	Resort Sales Tax <sup>1</sup>	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
2010	41,574	-	41,574

<sup>1</sup> 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 Comprehensive Annual Financial Report - FY 2010

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General fund</b>										
Reserved	\$ 465	\$ 261	\$ 256	\$ 237	\$ 1,666	\$ 2,382	\$ 3,576	\$ 3,136	\$ 4,011	\$ 5,262
Unreserved	6,078	7,153	8,004	9,855	13,833	18,443	20,207	21,549	21,759	22,687
<b>Total general fund</b>	<b>\$ 6,543</b>	<b>\$ 7,414</b>	<b>\$ 8,260</b>	<b>\$ 10,092</b>	<b>\$ 15,499</b>	<b>\$ 20,825</b>	<b>\$ 23,783</b>	<b>\$ 24,685</b>	<b>\$ 25,770</b>	<b>\$ 27,949</b>
<b>All other governmental funds</b>										
Reserved	\$ 1,731	\$ 4,796	\$ 109	\$ 4,239	\$ 11,741	\$ 4,083	\$ 62	\$ 120	\$ 72	\$ 1,476
Unreserved, reported in:										
Special revenue funds	2,154	729	385	1,002	1,239	1,504	2,954	2,716	3,318	2,290
Capital projects funds	846	(281)	(183)	(208)	(193)	(226)	(224)	(261)	-	-
Jail tax payment fund	-	-	(171)	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 4,731</b>	<b>\$ 5,244</b>	<b>\$ 140</b>	<b>\$ 5,033</b>	<b>\$ 12,787</b>	<b>\$ 5,361</b>	<b>\$ 2,792</b>	<b>\$ 2,575</b>	<b>\$ 3,390</b>	<b>\$ 3,766</b>

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 27,728	\$ 27,762	\$ 22,926	\$ 32,335	\$ 38,659	\$ 28,786	\$ 28,307	\$ 35,484	\$ 37,615	\$ 41,267
Licenses and permits	1,144	1,183	1,250	1,323	1,413	1,376	1,433	1,489	1,432	1,398
Intergovernmental	8,660	8,935	9,182	10,916	12,693	14,420	11,485	11,265	13,889	12,121
Interest	24	627	417	335	756	1,475	1,917	1,747	500	433
Fines and forfeitures	989	908	1,026	989	1,000	1,057	1,297	1,305	1,356	1,364
Charges for services	6,368	7,331	8,297	9,590	7,112	8,247	8,384	7,360	6,826	6,591
Miscellaneous	2,360	574	583	935	965	1,037	2,026	1,638	3,527	1,302
<b>Total revenues</b>	<b>47,273</b>	<b>47,320</b>	<b>43,681</b>	<b>56,423</b>	<b>62,598</b>	<b>56,398</b>	<b>54,849</b>	<b>60,288</b>	<b>65,145</b>	<b>64,476</b>
<b>Expenditures</b>										
General government	15,011	16,512	21,338	21,878	19,528	21,410	22,511	22,620	22,233	21,244
Public works	-	1,215	602	586	612	642	680	711	746	754
Public safety	17,881	18,627	17,058	17,115	18,877	20,414	22,391	29,073	29,115	29,676
Sanitation weed control	216	-	223	291	283	490	550	293	778	445
Health & welfare	1,921	2,168	2,092	2,609	2,713	2,665	2,598	3,305	2,979	4,927
Culture and recreation	836	214	773	880	793	914	893	715	737	678
Capital projects	63	130	28	64	73	9	47	9	-	-
<b>Debt Service:</b>										
Principal retirement	3,188	1,412	1,580	1,700	1,747	5,592	596	84	85	87
Interest expense	-	730	690	588	480	160	59	37	32	30
<b>Capital Outlay:</b>										
Capital expenditures	1,010	6,594	1,595	943	926	2,047	3,688	2,254	2,938	2,836
Construction in progress	10,513	-	1,305	2,563	4,337	4,681	975	1,068	4,141	1,790
<b>Total expenditures</b>	<b>50,639</b>	<b>47,602</b>	<b>47,284</b>	<b>49,217</b>	<b>50,369</b>	<b>59,024</b>	<b>54,988</b>	<b>60,169</b>	<b>63,784</b>	<b>62,467</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(3,366)</b>	<b>(282)</b>	<b>(3,603)</b>	<b>7,206</b>	<b>12,229</b>	<b>(2,626)</b>	<b>(139)</b>	<b>119</b>	<b>1,361</b>	<b>2,009</b>
<b>Other financing sources (uses)</b>										
Proceeds notes payable	-	-	-	-	-	-	-	-	-	-
Proceeds capital leases	24	969	21	48	-	-	-	-	-	-
Proceeds on asset disposal	-	54	89	224	-	-	-	-	-	-
Proceeds insurance	-	5	5	8	13	7	9	9	18	25
Transfers in	5,293	5,227	6,524	4,954	4,930	11,433	9,837	5,114	5,472	3,876
Transfers out	(4,758)	(4,589)	(7,294)	(5,666)	(4,410)	(10,914)	(9,318)	(4,557)	(4,951)	(3,355)
<b>Total other financing sources (uses)</b>	<b>559</b>	<b>1,666</b>	<b>(655)</b>	<b>(432)</b>	<b>533</b>	<b>526</b>	<b>528</b>	<b>566</b>	<b>539</b>	<b>546</b>
<b>Net change in fund balances</b>	<b>\$ (2,807)</b>	<b>\$ 1,384</b>	<b>\$ (4,258)</b>	<b>\$ 6,774</b>	<b>\$ 12,762</b>	<b>\$ (2,100)</b>	<b>\$ 389</b>	<b>\$ 685</b>	<b>\$ 1,900</b>	<b>\$ 2,555</b>
 Debt service as a percentage of non-capital expenditures	8.9%	5.5%	5.4%	5.3%	5.2%	12.4%	1.3%	0.2%	0.2%	0.2%

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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**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 <sup>1</sup>	Total
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	-	37,614
2010	38,052	-	38,052

<sup>1</sup> 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 Comprehensive Annual Financial Report - FY 2010

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

Property Tax Year	Assessed Valuation	Homeowner's Exemptions	Net Taxable Value	Valuation Increase (Decrease)		Tax Rate per \$1,000 Value <sup>(1)</sup>
				Amount	Percentage	
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
2009	17,827,693,186	3,038,098,804	14,789,594,382	(588,175,040)	-3.82%	2.52

<sup>1</sup> 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 2009 December values certified by the State of Idaho.

Property tax year lags one year behind fiscal year.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>County Direct Rates</b>										
County Direct Rate	3.42	3.14	3.66	3.48	2.47	1.84	1.96	2.21	2.52	2.94
<b>City Rates</b>										
Athol	4.13	3.62	3.93	3.60	3.07	2.50	2.09	2.40	2.77	2.96
Coeur d'Alene	5.62	5.67	5.70	5.56	5.10	4.21	3.99	4.51	4.92	5.76
Dalton Gardens	0.51	0.53	0.54	0.52	0.43	0.31	0.30	3.53	0.44	0.53
Fernan	2.06	2.08	1.79	1.39	1.11	0.90	0.82	1.00	1.20	1.34
Harrison	3.53	3.72	3.79	3.77	3.26	2.17	1.65	1.77	2.09	2.78
Hauser Lake	0.46	0.45	0.56	0.58	0.48	0.34	0.33	0.34	0.42	0.49
Hayden	1.18	1.15	1.14	1.09	0.93	0.76	0.72	0.82	0.95	1.11
Hayden Lake	0.77	0.79	0.74	0.71	0.57	0.40	0.36	0.39	0.47	0.60
Huetter	-	5.91	5.91	6.17	5.34	4.45	3.21	3.36	3.56	4.90
Post Falls	5.34	5.33	5.47	5.35	4.64	4.05	3.87	4.56	4.96	5.21
Rathdrum	3.27	4.01	4.17	4.20	3.84	3.54	3.43	3.68	4.03	4.71
Spirit Lake	5.70	5.62	5.76	5.16	4.73	3.46	3.37	3.49	4.17	4.93
Worley	2.81	2.70	2.83	2.90	2.41	1.81	1.95	2.47	3.11	3.06
<b>School District Rates<sup>a</sup></b>										
Coeur d'Alene # 271	6.23	6.26	6.51	6.29	5.23	1.12	1.14	1.17	1.11	1.50
Lakeland Joint #272	5.60	5.10	5.66	5.92	4.76	1.60	1.33	1.85	2.10	3.58
Post Falls # 273	6.08	6.18	6.43	6.28	5.61	2.23	2.08	2.29	2.36	2.58
Kootenai # 274	3.64	4.01	5.36	5.51	5.03	1.40	1.11	1.09	0.99	1.16
Kellogg Joint #391	8.78	8.18	7.76	8.61	7.48	4.45	3.64	5.08	6.12	6.17
Plummer-Worley Joint #44	3.03	3.25	3.36	3.36	2.67	0.04	0.05	0.06	0.06	1.44
<b>Highway District Rates</b>										
Post Falls # 1	0.65	0.60	0.58	0.57	0.47	0.36	0.31	0.31	0.38	0.45
Lakes # 2	0.90	0.88	0.84	0.78	0.59	0.45	0.42	0.47	0.55	0.67
Eastside # 3	0.61	0.63	0.63	0.61	0.48	0.33	0.52	0.56	0.40	0.49
Worley # 4	1.30	1.31	1.26	1.19	0.95	0.67	0.62	0.68	0.75	0.87

*continued*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

	FISCAL YEAR									
	2001	2002	2003	2004 <sup>(a)</sup>	2005 <sup>(a)</sup>	2006	2007	2008	2009	2010
<b>Fire District Rates</b>										
Eastside	1.32	1.34	1.31	1.22	0.85	0.60	0.56	0.50	0.53	0.62
Hauser Lake	0.82	0.83	1.20	1.22	0.98	0.74	0.72	0.77	0.96	1.21
Northern Lakes	1.26	1.25	1.24	1.18	0.95	0.75	0.71	0.81	0.96	1.18
KC Fire & Rescue	1.67	1.69	2.13	2.06	1.72	1.34	1.27	1.40	1.66	1.86
Kootenai Fire #1	-	-	-	-	-	-	-	-	-	-
Mica Kidd Island	0.91	0.88	0.78	0.72	0.55	0.34	0.33	0.36	0.40	0.48
Post Falls	-	-	-	-	-	-	-	-	-	-
Rathdrum	-	-	-	-	-	-	-	-	-	-
Shoshone County #2	2.10	2.33	2.37	2.39	2.07	1.43	1.20	1.19	1.38	1.57
Spirit Lake	1.23	1.23	1.22	1.18	0.97	0.74	0.72	0.73	0.80	0.95
St. Maries	0.92	0.96	0.97	0.99	0.95	0.80	0.77	0.68	0.75	0.81
Timberlake	1.37	2.21	2.16	1.38	1.09	0.81	0.68	0.82	0.91	1.13
Worley	1.03	1.04	1.00	0.92	0.77	0.52	0.48	0.68	0.57	0.66
<b>Water/Sewer District Rates</b>										
Cataldo Water	0.59	0.66	0.38	0.69	0.58	0.44	0.38	0.37	0.42	0.44
Cleland Bay Sewer	0.54	0.54	0.51	0.48	0.43	0.24	0.23	0.25	0.26	0.29
Hayden Lake Sewer	0.08	0.07	0.07	0.07	0.05	0.03	0.03	0.03	0.04	0.05
Kidd Island Bay Sewer	0.85	0.74	0.65	0.56	0.40	0.35	0.33	0.34	0.36	0.43
Kingston-Cataldo Sewer	0.70	0.76	0.78	0.79	0.66	0.51	0.46	0.48	0.52	0.52
Kootenai Water #1	1.73	1.79	1.80	1.69	1.35	0.78	0.72	0.95	1.19	1.18
<b>Other Special District Rates</b>										
Kootenai										
Consolidated Library	0.30	0.28	0.27	0.29	0.23	0.17	0.16	0.17	0.20	0.31
KCEMSS	0.15	0.33	0.33	0.16	0.14	0.10	0.10	0.10	0.13	0.15
North Idaho College	0.77	0.77	0.77	0.74	0.71	0.53	0.51	0.73	0.83	1.00
Flood Control #17	0.35	0.36	0.45	0.67	0.53	0.35	0.30	0.32	0.37	0.41

Notes:

- All Urban Renewal Districts have been omitted from this schedule.
- In 2001, Post Falls Fire and Kootenai Fire #1 consolidated to form KC Fire & Rescue.
- Also in 2001, Northern Lakes Fire annexed Rathdrum Fire District.

<sup>(a)</sup> 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 the property tax rate from 2005 to 2006.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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
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
2010	0.002940391	0.038373823	0.002481024	0.016415676	0.010491113	0.002921322	0.137520768

Tax Year 2010	Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts	13	4	6	10	6	15
Average tax rate per district	0.002951833	0.000620256	0.002735946	0.001049111	0.000486887	0.009168051
Minimum levy rate	0.000489416	0.000452521	0.001156032	0.000484307	0.000050819	0.000150539
Maximum levy rate	0.005763605	0.000872917	0.006165055	0.001860255	0.001183055	0.015090395

### 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.

2010 Levies as of 9/30/10.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Principal Property Taxpayers, Current Year and Ten Years Ago September 30, 2010

Taxpayer	2010 <sup>1</sup>		Percentage of Net Taxes Due	2001		Percentage of Net Taxes Due
	Net Taxes Due	Rank		Net Taxes Due	Rank	
Avista Corporation (formerly Washington Water Power)	\$ 1,718,070	1	4.52%	\$ 491,801	1	2.38%
Rathdrum Power, LLC	1,490,357	2	3.92%	198,924	3	0.96%
Hagadone Hospitality Co., Duane B. Hagadone	1,099,349	3	2.89%	191,254	4	0.93%
Verizon Northwest, Inc. (formerly GTE)	882,298	4	2.32%	317,140	2	1.53%
DBH Properties, LP	515,578	5	1.36%	-	-	-
Post Falls Retirement Real Estate Investors, LLC	484,006	6	1.27%	-	-	-
Gas Transmission Northwest Co.	437,168	7	1.15%	-	-	-
Kimball International Market Inc., Kimball Furniture Group Inc.	406,258	8	1.07%	135,880	5	0.66%
Stephen F Meyer, ETUX	315,889	9	0.83%	67,879	11	0.33%
Idaho Forest Group, LLC	315,683	10	0.83%	-	-	-
Discovery CDA Investors, LLC	277,954	11	0.73%	-	-	-
Norton Aero, LTD	270,937	12	0.71%	-	-	-
Stimson Lumber Company	248,918	13	0.65%	125,455	6	0.61%
Silver Lake Mall, LLC	243,528	14	0.64%	-	-	-
BNSF Railway Company	241,830	15	0.64%	-	-	-
Puryear Family LPT	-	-	-	32,307	15	0.16%
PG & E Gas Transmission, NW	-	-	-	122,099	7	0.59%
Crown Pacific Inland Lumber, Ltd.	-	-	-	69,750	10	0.34%
Inland Empire Paper Company	-	-	-	70,003	9	0.34%
CDA Factory Outlets, Ltd Partnership	-	-	-	37,063	13	0.18%
Kootenai Cable, Inc.	-	-	-	34,817	14	0.17%
Price Development Company LPT	-	-	-	89,179	8	0.43%
Burlington No & Santa Fe RR	-	-	-	50,186	12	0.24%
Sub Total	8,947,823		23.54%	2,033,738		9.84%
All Other Taxpayers	29,065,156		76.46%	18,628,916		90.16%
<b>Total Net Taxes Due to Kootenai County</b>	<b>\$ 38,012,979</b>		<b>100.00%</b>	<b>\$ 20,662,654</b>		<b>100.00%</b>

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:

<sup>1</sup> Based on 2010 Net Taxes due as of December 20, 2010.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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
2001	22,320,671	20,988,738	94.03%	1,248,837	22,237,575	99.63%
2002	20,662,654	19,448,102	94.12%	1,121,940	20,570,042	99.55%
2003	20,230,349	19,062,164	94.23%	1,074,088	20,136,252	99.53%
2004	24,961,652	23,500,153	94.15%	1,299,037	24,799,190	99.35%
2005	26,229,791	25,576,366	97.51%	625,901	26,202,267	99.90%
2006	26,196,048	25,549,355	97.53%	527,588	26,076,943	99.55%
2007	28,253,969	27,301,289	96.63%	1,015,986	28,317,275	100.22%
2008	33,073,659	31,508,794	95.27%	929,635	32,438,429	98.08%
2009	35,315,162	34,007,744	96.30%	1,408,553	35,416,297	100.29%
2010	38,012,979	37,660,552	99.07%	141,393 <sup>1</sup>	37,801,945	99.44%

<sup>1</sup> Tax collections as of December 20, 2010.

Note:

Tax levy and collection figures include Kootenai EMS.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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>
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	16,120,068	406,921	453,036	2,152,291	14,827,734	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
2010	13,994,225	356,496	478,545	1,947,587	12,881,679	2.94

Notes:

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

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

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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## KOOTENAI COUNTY, IDAHO Schedule of Foregone Amounts as of the 2010 Tax Year

<u>District</u>	<u>Foregone Amount</u>
Kootenai County	3,370,743
City of Athol	11,543
City of Coeur d'Alene	955,933
City of Fernan Lake	7,938
City of Harrison	12
City of Hayden	2,042
City of Post Falls	681,838
City of Rathdrum	113,647
City of Spirit Lake	33,992
East Side Fire	85,468
Hauser Lake Fire	1,702
Kootenai County Fire & Rescue	234,379
Shoshone Fire #2	362
St. Maries Fire	423
Twin Lakes-Rathdrum Flood Control #17	17,246
Lakes Highway # 2	827,791
Post Falls Highway # 1	823,267
Worley Highway # 4	12,301
Kootenai County Consolidated Library	174,986
Hayden Lake Rec Water/Sewer	10,535
Kidd Island Bay Sewer	3,401
Kootenai County Water #1	10,499

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 Comprehensive Annual Financial Report - FY 2010

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

Legal Debt Margin Calculation For Fiscal Year 2010

Assessed Valuations:	
Assessed Value	\$ 14,599,654,829
Add Back Homestead Exemptions	2,864,135,954
<b>Total Assessed Value</b>	<b>\$ 17,463,790,783</b>
Legal Debt Margin	
Debt Limitation*: 2% of assessed market value	\$ 349,275,816
Less: Debt applicable to limitation:	
Solid Waste Refunding Bonds, Series 1993 <sup>1</sup>	-
<b>Legal Debt Margin</b>	<b>\$ 349,275,816</b>

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$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	\$349,275,816
Total net debt applicable to limit	1,655,000	845,000	-	-	-	-	-	-	-	-
Legal debt margin	\$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	\$349,275,816
Total net debt applicable to the limit as a percentage of debt limit	1.23%	0.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Schedule of Direct and Overlapping Debt September 30, 2010

Number of Issues	Jurisdiction	Net Debt Outstanding	Earliest Issue Date (Month/Year)	Oldest Maturity Date (Month/Year)
<b>Direct Debt:</b>				
2	Kootenai County	\$ 507,653	Sep/00	May/17
<b>Direct Debt</b>		<u>507,653</u>		
<b>Overlapping Debt:</b>				
3	City of Coeur d'Alene	6,604,808	Nov/02	Sep/25
8	City of Post Falls	8,602,141	Apr/93	Mar/27
1	City of Rathdrum	457,749	Jan/88	Mar/11
1	City of Spirit Lake	714,000	Aug/04	Feb/24
1	Coeur d'Alene SD #271	1,880,000	Oct/97	Aug/12
4	Lakeland SD #272	18,895,000	Dec/03	Aug/25
4	Post Falls SD #273	18,025,000	Dec/98	Aug/18
10	Kootenai Joint SD #274	812,644	Dec/02	Dec/12
2	Kellogg Joint SD #391	11,420,000	Mar/98	Sep/26
1	Plummer Worley #44	11,349,435	Sep/10	Sep/30
10	Lakes Highway District	208,375	Aug/10	Aug/20
16	Kootenai Consolidated Library	3,000,000	Oct/05	Oct/24
1	Flood Control District #17	148,083	May/05	May/20
1	Bayview Water/Sewer District	1,123,306	Nov/03	Dec/21
2	Green Ferry Water/Sewer District <sup>1</sup>	105,905	Jul/77	Jun/18
2	Hayden Lake Recreational Sewer District	2,714,300	Dec/01	Dec/25
1	Kidd Island Bay Lots Sewer District	111,781	Apr/93	Apr/12
1	Kootenai County Water District #1	6,444	Feb/82	Feb/12
1	North Kootenai Water District	7,995,000	Aug/99	Sep/29
<b>Overlapping Debt</b>		<u>94,173,971</u>		
<b>Total Overlapping &amp; Underlying Debt</b>		<u><u>\$94,681,624</u></u>		

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

<sup>1</sup> Information based on 2009 report from districts, no 2010 report provided.

\* As of 9/30 balances owed the Public Defender Building.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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
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	2.6%
2006	131,507	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 <sup>1</sup>	1.4%	1,545,801	1.4%
2010	N/A	N/A	1,567,582 <sup>1</sup>	1.4%

Year	Per Capita Personal Income			Personal Income (thousands of dollars)	Annual Average Unemployment Rate <sup>5</sup>
	Kootenai County	State of Idaho	Kootenai Co. as a % of State of Idaho		
2001	23,615	24,947	94.7%	2,638,522	6.8%
2002	24,164	25,476	94.9%	2,761,150	7.0%
2003	24,805	25,911	95.7%	2,917,364	6.4%
2004	25,297	26,877	94.1%	3,097,537	5.5%
2005	27,449	28,301	97.0%	3,444,620	4.5%
2006	29,356	29,920	98.1%	3,832,000	3.8%
2007	30,719	31,804	96.6%	4,123,000	3.0%
2008	31,079	32,133	96.7%	4,273,000	4.8%
2009	31,265	31,662	98.7%	4,422,208	8.1%
2010	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A	N/A <sup>2</sup>	N/A <sup>2</sup>

Year	School Enrollment <sup>(a) 3</sup>	Regular High School Diplomas <sup>(a) 4</sup>	Median Age	
			Year	Kootenai County / State of Idaho
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	37.3 / 34.3
2009	22,844	1,378	2008	38.3 / 34.3
2010	21,806	1,362	2009	38.1 / 34.0

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

<sup>(a)</sup> Idaho Department of Education

<sup>1</sup> Population estimate by Idaho Department of Commerce & Labor as of July 1, 2009 provided as part of the 10 year Census.

No population or Median age information provided beyond 2009 due to Census.

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

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

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

<sup>5</sup> Annual average is calculated as the sum of the unemployment rate each month of the calendar year divided by 12.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

Employer	2010			2001		
	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%	1,000 - 1,499	1	2.82 - 3.04%
Center Partners (CDA)	1,500 - 1,999	2	2.86 - 3.81%	-	-	-
Coeur d'Alene School District	1,000 - 1,499	3	1.91 - 2.86%	900 - 999	2	2.61 - 2.82%
Coeur d'Alene Resort	900 - 999	4	1.72 - 1.90%	400 - 499	7	0.87 - 1.09%
Coeur d'Alene Casino	800 - 899	5	1.53 - 1.71%	600 - 699	5	1.52 - 1.74%
North Idaho College	800 - 899	6	1.53 - 1.71%	600 - 699	3	1.52 - 1.74%
Kootenai County	700 - 799	7	1.33 - 1.52%	600 - 699	4	1.52 - 1.74%
Wal-Mart	700 - 799	8	1.33 - 1.52%	-	-	-
Post Falls School District	600 - 699	9	1.14 - 1.32%	-	-	-
Lakeland School District	500 - 599	10	0.95 - 1.13%	-	-	-
NFC U.S. Department of Agriculture	-	-	-	400 - 499	6	0.87 - 1.09%
Silverwood Inc.	-	-	-	400 - 499	8	0.87 - 1.09%
City of Coeur d'Alene	-	-	-	300 - 399	9	0.65 - 0.87%
Advanced Input Devices Inc.	-	-	-	300 - 399	10	0.65 - 0.87%
Kootenai County Non-Farm Payroll Employment Total <sup>1</sup>	52,456 <sup>2</sup>			42,527		
Average employment size of the 10 largest employers	1,020			620		

Source for Data: Idaho Department of Commerce & Labor

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

<sup>2</sup> Estimate

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## 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	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<i>(1) Data as of June 30th</i>											
Commercial Banks	48	\$ 1,837	\$ 1,749	\$ 1,537	\$ 1,611	\$ 1,435	\$ 1,302	\$ 1,271	\$ 1,002	\$ 923	\$ 880
FDIC Savings Banks*	-	-	63	76	83	137	170	142	127	106	69
<b>Subtotal FDIC-Insured Institutions</b>	48	1,837	1,812	1,613	1,694	1,572	1,472	1,413	1,129	1,029	949
<i>(2) Data as of December 31st</i>											
Credit Unions	1	8	9	8	8	9	9	10	23	22	23
<b>Total</b>	49	\$ 1,845	\$ 1,821	\$ 1,621	\$ 1,702	\$ 1,581	\$ 1,481	\$ 1,423	\$ 1,152	\$ 1,051	\$ 972

Kootenai County's total deposit market share for all FDIC-Insured institutions rank at 9.84% of the total deposits at like institutions within the State of Idaho.

(1) Source: Federal Deposit Insurance Corporation

(2) Source: National Credit Union Administration

\* FDIC Statistics no longer separates data between FDIC Savings Banks and Commercial Banks as of 2010

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Function</b>										
General Government	269.3	249.5	270.6	275.6	280	282.4	301.9	296.2	304.35	308.8
Public Safety										
Sheriff	100.9	97.9	103.9	99.9	99.9	111.4	112.4	117.3	115.9	115.9
Jail	82.9	92.9	98.9	108.9	113.9	115.9	123.9	123.9	126.4	124.4
Justice	58.5	62.7	64.1	64.6	66.6	69.1	67.1	76.4	77.1	77.1
Public Health	32	31	34.5	35.5	35.5	36.5	37	36	39.85	38.9
Building	12	12.5	12.5	11	12	18	20	20	22	21
Public Works										
Airport	6.5	7	7	7	7.1	7.6	7.6	7.6	7.6	7.6
Solid Waste										
Transfer Station	36.5	36.6	37	39	44	43	50.5	69	70.33	64.3
Noxious Weed Control	2	3	3	2	2	2.6	2.6	2.6	3.6	3.6
Health & Welfare										
County Assistance	8	7	7	7	7	7	7	7	7	7
Culture & Recreation										
Snowmobile	-	0.5	1	1	-	-	0.5	2	1	1
\ Parks & Recreation	3	1	2.1	3	3	3.5	3.25	3	3.25	3.3
Waterways	3.5	5	5.5	3.5	3	3.5	3.25	3	3.25	3.3
Marine Deputy <sup>1</sup>	2	2	2	2	0.6	1	1	1	1.5	1.5
<b>Total</b>	<b>617.1</b>	<b>608.6</b>	<b>649.1</b>	<b>660</b>	<b>674.6</b>	<b>701.5</b>	<b>738</b>	<b>765</b>	<b>783.13</b>	<b>777.6</b>

Source: Kootenai County Adopted Budget documents

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

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Police</b>										
Physical arrests	5,926	5,904	6,727	7,288	7,382	8,032	8,627	9,207	8,673	9,156
<b>District Court Caseloads</b>										
Felonies	713	695	825	928	1,003	981	930	1,925	1,836	2,028
Misdemeanors	7,030	7,154	8,370	8,492	7,540	8,770	12,672	12,308	11,801	11,195
Infractions	15,930	16,021	17,726	19,295	16,948	17,674	22,075	21,247	20,366	18,379
<b>Refuse Collection</b>										
Landfilled refuse <sup>1</sup>	111	113	119	136	138	140	138	130	123	123
Refuse collected <sup>1</sup>	139	144	150	168	182	195	191	183	157	150
Recyclables collected <sup>1</sup>	11.1	11.1	12.1	12.9	21.1	22	23	19	22	21
<b>Parks and Waterways</b>										
Improved facilities	23	23	24	24	24	24	24	24	24	24
<b>Airport</b>										
Hangars <sup>2</sup>	61	66	68	72	74	82	90	93	93	95

Sources: Various County Departments

<sup>1</sup> Amounts shown in thousands of tons.

<sup>2</sup> Each year reflects the cumulative total of completed hangars located at the Coeur d'Alene Airport.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

Year	Residential		Commercial / Industrial	
	Permits	Value	Permits	Value
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
2010	145	42,458,717	23	7,672,725

Notes:

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



# Kootenai County Comprehensive Annual Financial Report - FY 2010

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General government:</b>										
Land	\$ 1,523	\$ 1,523	\$ 1,894	\$ 1,931	\$ 1,931	\$ 1,931	\$ 2,327	\$ 2,336	\$ 3,023	\$ 3,023
Buildings	14,195	14,409	14,663	14,454	14,454	14,489	15,365	13,944	16,317	16,567
Improvements	-	-	-	3	33	42	41	60	60	60
Machinery and equipment	6,317	6,813	7,000	7,305	7,585	8,260	8,991	9,771	9,975	10,452
<b>Public works:</b>										
Land	676	986	1,819	1,819	1,828	1,828	1,828	1,828	1,828	1,828
Buildings	-	256	502	502	562	562	562	562	562	562
Improvements	11,244	13,396	13,219	13,222	17,440	17,445	20,470	25,239	25,239	25,247
Machinery and equipment	1,460	1,624	1,625	1,660	1,707	1,748	1,752	1,817	1,840	2,011
<b>Public safety:</b>										
Land	65	65	65	65	65	107	107	107	107	107
Buildings	9,140	9,090	20,184	20,213	20,213	20,223	20,552	22,718	21,667	21,774
Improvements	-	-	13	13	22	37	44	51	51	51
Machinery and equipment	5,508	5,606	5,954	6,108	6,313	7,112	8,680	8,704	8,879	10,076
<b>Sanitation:</b>										
Land	450	450	986	1,275	1,275	1,275	1,294	1,294	1,294	1,658
Buildings	183	183	183	572	572	572	572	632	632	632
Improvements	16,049	18,247	18,720	19,826	20,435	20,644	20,911	20,911	34,147	34,233
Machinery and equipment	5,362	5,447	6,215	6,535	6,855	7,330	8,075	9,179	9,521	10,518
<b>Health &amp; welfare:</b>										
Machinery and equipment	35	33	35	35	32	30	31	29	32	21
<b>Culture and recreation:</b>										
Land	85	85	250	249	249	249	249	249	249	249
Buildings	3,005	3,212 <sup>1</sup>	228	239	239	251	239	272	351	371
Improvements	134	140	136	585	591	611	1,201	1,201	1,201	1,201
Machinery and equipment	1,053	956 <sup>1</sup>	993	1,044	1,029	1,198	477	517	542	608
<b>Capital projects:</b>										
Construction in progress	11,210	11,298	1,588	3,684	3,157	7,641	5,789	11,872	9,484	12,205
<b>Total Capital Assets</b>	<b>\$ 87,694</b>	<b>\$ 93,819</b>	<b>\$ 96,272</b>	<b>\$ 101,339</b>	<b>\$ 106,587</b>	<b>\$ 113,585</b>	<b>\$ 119,557</b>	<b>\$ 133,293</b>	<b>\$ 147,001</b>	<b>\$ 153,454</b>

<sup>1</sup> 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 Comprehensive Annual Financial Report - FY 2010

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety:										
Kootenai County Sheriff										
Sheriff Office	1	1	1	1	1	1	1	1	1	1
Patrol Units	57	57	57	58	58	58	58	56	58	62
Public Safety Buildings	2	2	3	3	3	3	3	3	3	3
Sanitation:										
Ramsey Transfer Station										
Trash Rolloff Bins	15	15	20	34	34	37	36	36	21	21
Loaders	3	3	3	3	3	3	3	5	3	4
Tractor Trucks	5	5	6	6	5	6	6	6	3	3
Transfer Trailers	15	17	18	20	21	25	31	34	25	29
Prairie Transfer Station										
Trash Rolloff Bins	-	-	-	-	-	-	-	-	15	15
Loaders	-	-	-	-	-	-	-	-	2	2
Tractor Trucks	-	-	-	-	-	-	-	-	3	3
Transfer Trailers	-	-	-	-	-	-	-	-	8	8
Fighting Creek Landfill										
Heavy Machinery & Equipment	8	8	8	8	9	9	13	17	18	20
Culture and Recreation:										
Waterways/ Park & Recreation										
Pumpouts	10	10	10	10	10	10	10	9	9	9
Vault Toilets										
Wood	7	7	7	7	7	7	7	7	7	7
Concrete	2	2	3	3	3	4	3	3	6	7

Sources: Various County Departments

# SINGLE AUDIT SECTION

## Safer Streets: Keeping Alcohol Offenders in Check

In 2008, 93 people in Idaho were killed in alcohol-related traffic accidents, representing 40 percent of all fatal collisions for that year. That's the highest percentage of traffic deaths related to alcohol dating back to 2000.

With assistance from a \$100,000 Department of Justice grant federal recovery funding administered through the state officials last year took aim at reversing the alarming trend.

The so-called SCRAM (secure continuous revoked alcohol monitoring) grant was used to shoulder an ankle bracelet program that monitors alcohol use in offenders around the clock.



"What it did was free up our probation officers to focus on higher-risk offenders because they're not going into the field breathalyzing these people," says Debbie Nadeau, Kootenai County's community justice programs supervisor.

The ability to monitor alcohol abusers also helped keep streets safer as it ensured that offenders were not drinking and driving, Nadeau says. In that respect, the SCRAM funds have helped ease overcrowding at the county's overflowing lockup.

"We probably kept some of these people out of jail by keeping them sober," Nadeau says. And with daily housing costs of \$60 per inmate, keeping people out of jail saves taxpayers, she added.

The SCRAM grant shouldered the \$7-a-day rental fee of the monitoring devices.

"That's important because, most of these offenders could not have afforded the rental," she says. Program expectations were exceeded, thanks to the federal funding, Nadeau added.

When the grant was allocated to the county, local authorities' goal was to serve 60 offenders. In the end, 81 had people participated in the program.

"We surpassed our goals and, as an anecdotal note, many of these people have never felt better; it's a quality of life issue and that's a success in itself," Nadeau said.



# AUDITOR'S SECTION

## **Firesmart: Saving Property, Creating Jobs**

Catastrophic, life-threatening wildfires can hit rural locations at virtually anytime with little warning. Just ask Kootenai County residents who were around back in October 1991.

Nearly 20 years ago, an out-of-control blaze triggered by lightening, gale-force winds and tinder-dry forest conditions ripped through the region, razing houses, leveling forests and destroying just about anything else in its path.

Perhaps nothing could have spared those homes from the raging blaze, infamously dubbed "Firestorm." After all, the dwellings were mostly situated in rural, wooded areas that are susceptible to wildfires.

Today, there's an important safeguard in place to protect against a Firestorm repeat. It's call Firesmart, started in 2001 to increase awareness of the risk of wildfires in wildland urban areas, while providing education to homeowners.



Firesmart also provides a funding mechanism to pay for the creation of a 30-foot defensible buffer between forests and dwellings, thereby reducing the risks of fire damage should a rampant blaze erupt.

For years Firesmart ran successfully, but funding began to run dry a few years ago, putting the program in jeopardy.

In March 2009, Firesmart was awarded a \$649,000 Wildland Urban Interface grant.

The federal funding breathed new life into the fire protection program, says Nelle Coler, contracts specialist with the Panhandle Area Council, administrator of the Firesmart program.

The money is being used, just as it always has been, to pay homeowners and private vendors to create defensible space around rural wooded dwellings, or large scale fuel breaks in urban areas abutting woodlands.

And homeowners who participate in the program agree to maintain the protection buffer for 10 years or until the property changes hands, protecting the investment in the Firesmart funds.

"It's a real grassroots effort," says Coler. "It provides a 'buy-in' for the homeowner to protect their investment."

Additionally, she adds: "It creates local jobs; we're able to get out there and put money in people's pockets so they can pay rent, buy groceries and take care of their bills."



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

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2010, which collectively comprise Kootenai County's basic financial statements and have issued our report thereon dated March 18, 2011. Our report includes 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of audit findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of audit findings and questioned costs to be a material weakness, 2010-1.

# Kootenai County Comprehensive Annual Financial Report - FY 2010

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## *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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Kootenai County in a separate letter dated March 18, 2011.

The County's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Board of County Commissioners, 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.



LarsonAllen LLP

Spokane, Washington  
March 18, 2011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON 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 Kootenai County's (the County) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2010. 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 of 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 of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

***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 to determine the 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

## **Kootenai County Comprehensive Annual Financial Report - FY 2010**

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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 defined above. This report is intended solely for the information and use of management, Board of County Commissioners, 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.

*LarsonAllen LLP*

LarsonAllen LLP

Spokane, Washington  
March 18, 2011

**KOOTENAI COUNTY, IDAHO**

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**

**For the Year Ended September 30, 2010**

**Section I – Summary of Auditors’ Results**

**FINANCIAL STATEMENTS:**

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?   X   Yes        No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)        Yes   X   None Reported
- Noncompliance material to financial statements noted?        Yes   X   No

*Federal Awards*

Internal control over major programs:

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
81.128	ARRA Energy Efficiency and Conservation Block Grant
20.507	FTA Section 5307 Small Urbanized Area Grant & ARRA FTA Section 5307 Small Urbanized Area Grant
16.804	ARRA 2009 Byrne Justice Assistance Grant ARRA 2009 Recovery Act - Byrne Justice Assistance Grant, SCRAM Program

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

Auditee qualified as low-risk auditee?   X   Yes        No

**KOOTENAI COUNTY, IDAHO**

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**

**For the Year Ended September 30, 2010**

**Section II - Findings Relating to the Financial Statement Audit Required to be Reported in Accordance With Generally Accepted Government Auditing Standards**

*Finding 2010-01*

*Criteria* - The County's internal controls over the treasury functions are to be designed and operated in a manner that strengthens its ability to record, process, summarize, and report financial data that is consistent with management's financial statement assertions.

*Condition* - Certain bank accounts are not recorded in the general ledger, nor are all the accounts' transactions recorded. The County utilizes imprest bank accounts held by certain departments. Although these accounts were originally opened to address insignificant and immaterial transactions of those departments, the volume of transactions and the amount of cash passing through these imprest accounts have become material. Also, a material amount of checks on the outstanding checklists (checks written, but which have not cleared the bank) are several years old and other checks that have been cancelled are still shown as outstanding on the list. Effect - Such procedures do not permit the preparation of accurate and reliable financial statements. Without adequate financial records, management is basing its decisions on incomplete and/or inaccurate information during the year. Additionally, employees are able to circumvent the internal controls and misappropriate assets of the County.

*Cause* - The County has not addressed these bank accounts and internal controls.

*Recommendation* - We recommend that all opened bank accounts be recorded along with their transactions in the County's general ledger. The supporting documentation should be uploaded so that information is kept with the transaction to ensure the review process is appropriately documented and available for future inquiries. We suggest that all checks over six months be voided and reissued, if appropriate, as banks will generally not cash checks dated over six months. We also recommend that the outstanding items be reviewed periodically to determine if they are included in error or are stale checks, and to research unusual items. These procedures would improve internal controls over financial reporting and enable the County to maintain a more accurate cash balance and transactions with which to manage operations. No matters were reported.

**KOOTENAI COUNTY, IDAHO**

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2010**

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

No matters were reported.



# Auditees' Section

## Local Payoff

There's no denying it. Controversy will continue to swirl around the unprecedented \$787 billion stimulus package passed by Congress to jump-start our ailing economy.

Opponents say it was a mind-boggling waste of taxpayer dollars. Supporters say without it, the nation likely would have slipped into irreversible financial chaos.

Whatever. The arguments will linger.

But local officials remain upbeat and proud about what the funding has done for the local economy. In the end, they say, the hard work paid off.

"Can you imagine? Every city and county in the U.S. was filing grant applications for the money," grant administrator Colleen Allison says. "Municipalities that were not prepared didn't get the funding."

Allison adds: "We were successful because of teamwork that went into securing these funds. That's what made the difference."





# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards As of September 30, 2010

<u>FEDERAL GRANTOR</u> Pass Through Grantor Program Title	Federal CFDA Number	Identifying Number	Pass-Through Award amount	2009-2010 expenditures
<b><u>U. S. DEPARTMENT of AGRICULTURE</u></b>				
Passed through Idaho State Superintendent of Public Instruction:				
ARRA National School Lunch Program	10.555	2010IN109947	variable	\$ 35,328.78
School Breakfast Program	10.553	2010IN109947	variable	22,813.44
				58,142.22
<b><u>U.S. DEPARTMENT of ENERGY</u></b>				
American Reinvestment and Recovery Act (ARRA) of 2009:				
ARRA Energy Efficiency and Conservation Block Grant	81.128	DE-SE0003128	374,400.00	324,786.98
				324,786.98
<b><u>U. S. DEPARTMENT of INTERIOR</u></b>				
Passed thru Bureau of Land Management				
Wildland Urban Interface Community & Rural Fire Assistance	15.228	LO8AC13956	39,000.00	25.00
Passed thru Idaho Department of Lands				
Wildland Urban Interface Community & Rural Fire Assistance	15.228	IDL 08-NFA1-05	75,000.00	75,000.00
Wildland Urban Interface Community & Rural Fire Assistance	15.228	IDL 09-HRES-19	50,000.00	38,352.48
ARRA Wildland Urban Interface Community & Rural Fire Assistance	10.688	09 DG-11-182B1-001	649,351.00	191,359.50
Passed thru Idaho State Historical Society				
Certified Local Government Program	15.912		3,000.00	2,995.13
				307,732.11
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
Passed Through Idaho State Police				
ARRA 2009 Recovery Act - Byrne Justice Assistance Grant, SCRAM Program	16.804	09 RJAGSP	100,000.00	86,106.87
Passed through Idaho Department of Juvenile Corrections:				
JABG Juvenile Accountability Block Grant	16.523	08-JA11-03	26,014.00	1,498.00
JABG Juvenile Accountability Block Grant	16.523	07-JA11-03	24,285.00	15,368.18
Passed through Idaho Department of Health and Welfare:				
Domestic Violence/Victim Grant	16.575	VC007200	24,000.00	5,238.76
Domestic Violence/Victim Grant	16.575	VC002500	26,000.00	12,942.18
Passed through City of Coeur D Alene, Kootenai County - Subgrantee				
2007 Byrne Justice Assistance Grant	16.738	2007-DJ-BX-0720	34,046.00	3,063.00
2008 Byrne Justice Assistance Grant	16.738	2008-DJ-BX-0514	10,403.00	10,403.00
2009 Byrne Justice Assistance Grant	16.738	2009-DJ-BX-0485	35,448.00	34,706.23
ARRA 2009 Byrne Justice Assistance Grant	16.804	2009-SB-B9-2535	148,143.00	124,283.95
				293,610.17

*continued*

# Kootenai County Comprehensive Annual Financial Report - FY 2010

## KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards As of September 30, 2010

<u>FEDERAL GRANTOR</u> Pass Through Grantor Program Title	Federal CFDA Number	Identifying Number	Pass-Through Award amount	2009-2010 expenditures
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
Direct Programs:				
Airport Improvement Program	20.106	3-16-0010-029, 3-16-0010-030, 3-16-0010-031, 3-16-0010-033	2,048,832.00	651,604.16
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-X098 & ID-90-X111	2,015,868.00	1,007,432.99
ARRA FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-X006-01	1,290,202.00	743,064.43
Passed thru Idaho Department of Transportation				
Traffic Enforcement Mobilization FY2010	20.601	K8-2010-01-00-00	variable	7,558.00
ARRA Traffic Enforcement Mobilization FY2010	20.205	A009(935)	variable	3,089.00
Traffic Enforcement Mobilization FY2010	20.600	AL-2009-01-00-00, OP-2009-01-00-00, PT-2009-01-00-00	variable	9,693.00
				2,422,441.58
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
Passed through State of Idaho Military Division:				
Disaster Grant Public Assistance	97.036	PA-10-ID-1781-PW-00050	61,436.03	61,436.03
EMPG 2007 & 2008	97.042	2007-EM-E7-00 & 2008-EM-E8-0035	7,703.03	7,703.03
EMPG 2009	97.042	2009-EP-E9-0037	79,208.18	2,050.96
EMPG 2010	97.042	2010-EP-EO-0056	85,563.26	65,000.00
Homeland Security - Equipment	97.067	2006-GE-T6-0030	239,769.24	(500.00)
Homeland Security-Exercise	97.067	2007-GE-T7-0014	10,000.00	2,314.83
Homeland Security - Regional Collaboration	97.067	2007-GE-T7-0014	205.78	105.78
Homeland Security - Regional Collaboration	97.067	2008-GE-T8-0044	5,000.00	3,338.74
Homeland Security - Training	97.067	2007-GE-T7-0014	4,871.22	4,424.12
Homeland Security - Citizens Corp	97.067	2007-GE-T7-0014	12,719.35	12,207.26
Homeland Security - Citizens Corp	97.067	2008-GE-T8-0044	12,737.78	4,419.33
Homeland Security - NIM/NRP	97.067	2008-GE-T8-0044	75,000.00	256.05
Homeland Security - Equipment	97.067	2008-GE-T8-0044	150,911.61	21,019.71
Homeland Security - Community Preparedness	97.067	2009-SS-T9-0014	44,990.00	5,750.00
Homeland Security - Interoperable Communications	97.078	2007-GS-H7-0016	2,535,137.50	294,766.87
Passed through State Department of Parks & Rec				
Clean Vessel Grant Act	15.616	GCV8-1-28-1	35,625.00	28,560.00
Clean Vessel Grant Act	15.616	GCV8-1-28-2	6,263.00	543.21
Boater Safety Financial Assistance	97.012	RBS Formula Grant	132,054.97	132,054.97
				645,450.89
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 4,052,163.95</b>

See accompanying Independent Auditors' Report

**KOOTENAI COUNTY, IDAHO**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended September 30, 2010**

**NOTE 1: BASIS OF PRESENTATION**

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

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

**KOOTENAI COUNTY, IDAHO**

**Corrective Action Plan  
Year Ended September 30, 2010**

**Person Responsible for Corrective Action:**

David McDowell, Finance Director  
Kootenai County  
451 N Government Way  
P.O. Box 9000  
Coeur d'Alene, Idaho 83816-9000

Finding #2010-01

**Corrective Action Plan:**

All bank accounts will be recorded in the general ledger, including all of the transaction details necessary to record the activity and reconcile the account. The underlying activity will be brought into compliance with the regular county documentation requirements for both receipts and disbursements. We will routinely review outstanding items on the bank reconciliations and resolve all items that are six months or older. The appropriate adjustments will be made to record stale dated items. These changes will be reflected in the regular monthly reconciliation process.

**KOOTENAI COUNTY, IDAHO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**For the Year Ended September 30, 2010**

**Findings from the Year Ended September 30, 2009**

All matters have been resolved.

**KOOTENAI COUNTY, IDAHO**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended September 30, 2010**

**Findings from the Year Ended September 30, 2008, and Prior**

All matters have been resolved.