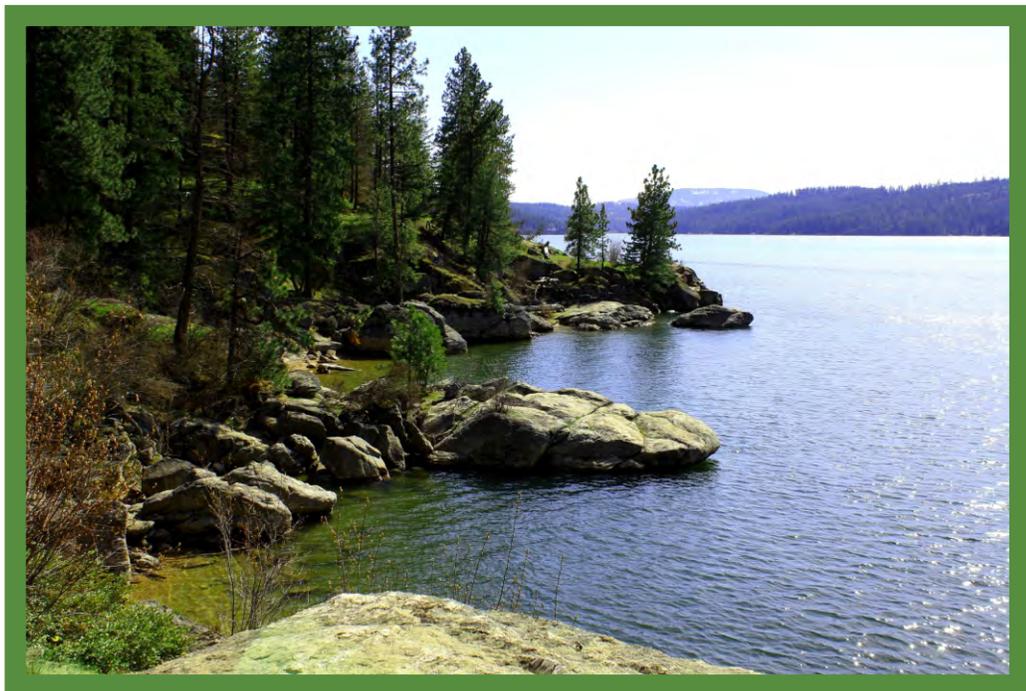


Kootenai County Idaho



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2014
Jim Brannon ~ Auditor



KOOTENAI COUNTY, IDAHO

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2014

Jim Brannon
County Auditor

Prepared by the Office of the County Auditor

KOOTENAI COUNTY, IDAHO

Office of the County Auditor

Keith Taylor
Interim Finance Director

Pat Raffee
Chief Deputy Clerk

ACKNOWLEDGMENTS:

Staff Accountants

Grace Blomgren
Kim Price
Debbie Stoner

Accounting Staff

Julina Hildreth
Chenyi Olson
Lori Shaw
Kathy VonKienast

KOOTENAI COUNTY, IDAHO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING September 30, 2014

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Introductory Section





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Kootenai County
Idaho

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



Kootenai County Auditor

Jim Brannon - Clerk

451 Government Way · P.O. Box 9000 · Coeur d'Alene, ID 83816-9000

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

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

Clerk: Phone (208)446-1651 · Email jbrannon@kcgov.us

March 16, 2015

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, 2014. This report is prepared in accordance with the Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB), and includes recommendations from the Government Finance Officers Association.

The purpose of this report is to provide citizens, investors, grantor agencies, and other interested parties with reliable financial information about the County. Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurances that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of Kootenai County's financial activities have been included.

Idaho State Statute requires that an annual audit be completed by an independent audit firm. The accounting firm of CliftonLarsonAllen LLP was selected, with the approval of the Board of County Commissioners, to perform this audit. CliftonLarsonAllen LLP has issued an unqualified ("clean") opinion on Kootenai County's financial statements. The Independent Auditors' Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report, and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with the report.

The Single Audit Section, which includes reports on compliance and internal controls from the independent auditor, is in compliance with the 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 found on page 135.

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

PROFILE OF THE GOVERNMENT

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

Kootenai County is located in northern Idaho, which is an area known as the Panhandle. The County is 1,310 square miles and has a population of approximately 144,000. Coeur d'Alene is both the largest city and the County Seat. Nearby population centers include the cities of Spokane and Spokane Valley located in Washington, thirty miles to the west, with a population of approximately 302,000, and Missoula, Montana, 150 miles to the east, with a population of 69,000. Kootenai County is adjacent to the Panhandle National Forest and contains several beautiful lakes that cover 70.6 square miles. This includes the twenty-five (25) mile long Lake Coeur d'Alene.

Kootenai County provides a full range of government services that includes police protection, judicial systems, detention facilities, 9-1-1 services, health and social services, a regional airport, emergency management, noxious weed control, parks and recreation (including bicycling, boating, and snowmobiling facilities), as well as cultural and

historical societies. General services such as planning and zoning, code enforcement, driver and vehicle licensing, management of federal, state, and local elections, recording of deeds and legal documents, and administration of the tax system, are also available. Kootenai County manages the collection and distribution of property tax funds for all taxing districts, which include cities, highway districts, fire districts, school districts, water/sewer districts, North Idaho Community College, Kootenai Health, and the ten (10) Urban Renewal Districts (URDs). The County provides for the disposal of solid waste through the development and maintenance of two (2) solid waste transfer stations and one (1) landfill. Solid Waste is a self-supporting facility, managed as an enterprise fund.

The three (3) member Board of County Commissioners is required to adopt a final budget following a public hearing that is held no later than the first Tuesday in September, each year. Kootenai County's budget serves as the foundation for financial planning and tax collection and budgetary controls are integrated within the financial system to ensure expenditures comply with appropriations. Expenditures made, or liabilities incurred, in excess of the budget appropriations that have not been approved by the Board of County Commissioners, are the liability of the elected official that made or incurred the liability. The County is not responsible for these liabilities.

ECONOMIC CONDITION

Local economy

Kootenai County is home to many interesting places including Silverwood Theme Park, Farragut State Park on Lake Pend Oreille, the Coeur d'Alene Resort, and the Cataldo Mission (Idaho's oldest building). Recreation, tourism, and these attractions are important elements of the local economy. Other important industries include health care, professional services, light manufacturing, construction, education, trades, and government. Major employers such as, Kootenai Health, Center Partners, Hagadone Hospitality Corporation, North Idaho College, Coeur d'Alene Tribe and Casino, Kootenai County and three (3) large school districts are located in Kootenai County.

The population growth rate in Kootenai County is just over 2% for the past year. The unemployment rate in the county has dropped to 4.3%. Although higher than the 3.7% rate for the State of Idaho, this figure is well below the 5.6% national unemployment rate. The new residential growth coupled with higher employment has led to a very good year in the residential real estate market. The average price was up by 9% and sales numbers came close to the record levels of 2005.

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2014, largely due to an ongoing commitment to conservative budgeting processes. The County's justice system continues to be a concern as the County moves forward. The Board of County Commissioners continues to evaluate alternatives to alleviate jail overcrowding, which is currently being addressed by housing inmates at surrounding facilities. This solution cost Kootenai County taxpayers in excess of \$680,000 for 2014.

Major Initiatives

During 2014 several County goals were met, which included:

Continuing to adhere to the County Fund Balance Policy while presenting a balanced budget without a tax increase.

A new building was constructed at the Administrative Campus which provides improved work space for our Reprographics Department and also houses our Building and Grounds Department in a modern and efficient setting. Previously, Building and Grounds were housed off campus in a very cramped and leased location. The parking lot was also improved with additional parking for citizens visiting the County Facilities, spaces for County owned vehicles, and additional employee parking.

The Public Defender's Office has completed their move to a location that will better support the growth expected in this important area as well as being compliant with the Americans with Disabilities Act.

The County purchased and developed a solid waste site in Chilco. This new facility consolidates the Garwood and Twin Lakes sites into one for greater efficiency.

The County was able to exercise a contract option for new a phone system using Voice over Internet Protocol (VOiP) Technology. This system was purchased at a substantial discount and will provide additional taxpayer savings by having a county-wide system where parts and technical support are readily available.

Ongoing Activities and Future Projects

For 2015, the County continues to focus on needs resulting from rapid growth and a desire to deliver services in a cost effective efficient manner; such as:

The County Justice System continues to experience significant increases and demands for services. Additional staffing may be required in the Public Defender's Office. The need for expanded detention facilities has been discussed. The Sheriff's Office needs an evidence facility that will allow for efficient handling of evidence in a climate controlled environment to protect the integrity of the data.

The County Assistance program is being faced with additional costs due to a number of uncontrollable factors. This program which mandates that the County provide medical care for residents who are unable to pay continues to grow each year.

Developing and implementing better ways to use county facilities to improve delivery of our services to the residents of Kootenai County. Specific items to be addressed include the need for additional parking at the Kootenai County Administration Building. Remodeling underutilized spaces in the County and moving high traffic activities to less congested locations will also be considered in the coming year.

The Human Resources Department will be transitioning to a paperless application process in 2015. This will allow more efficient evaluation of candidates who wish to work for the County and the ease of online applications should increase the number of submissions received. The goal of establishing Kootenai County as an employer of choice will be facilitated by putting people first and completing salary studies and comparative benefit analyses of other private and public entities who are vying for these talented workers.

The current land use and development codes are being condensed and simplified to make for a more equitable process. The goal is for the County to become a partner in achieving fair treatment for all through a revision of the Comprehensive Plan.

Cash Management & Investment

Idle cash during the year was invested in Time Certificates of Deposit, U.S. Government Bonds, and the Idaho State Local Government Investment Pool. Interest revenue of \$152,321 was recognized in Fiscal Year 2014 and is reported on page 29 in the Government-Wide Statement of Activities. Of this amount, \$71,525 was earned from interest on the Solid Waste Fund deposits. The balance of these funds was deposited to the accounts 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 services 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, 2014, both the General Government operations and the Solid Waste operations continue to be debt free. It is anticipated that all future development of the landfill and collection facilities will be funded, to the greatest extent possible, from reserves established in the Enterprise Fund and will facilitate the long-term plan for these facilities.

The County is the payer-of-last-resort for the debt of its component units. Currently both the North Idaho Fair and 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 Risk 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 also provides loss prevention training, enabling its subscribers to minimize their exposure for loss through implementation of proper policies and procedures.

Kootenai County has agreed to be a Self-Insured Reserve (SIR), in connection with the provision of group health insurance benefits, for County employees and their dependents. This reserve is held for the purpose of covering unreported plan costs as they are incurred.

The Board of County Commissioners serves as the risk managers for the County. The Board of County Commissioners are responsible for the monitoring and reviewing of contracts and claims against the County, as well as evaluating the adequacy of insurance coverage. The Board of County Commissioners provides education to employees for loss exposure responsibilities within their job duties.

AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kootenai County for its comprehensive annual financial report for the fiscal year ending September 30, 2014. This Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a governmental unit must publish 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 (1) year only. Kootenai County has received a Certificate of Achievement every year since 1994. I believe our current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to the GFOA. I would also like to acknowledge the individuals involved in the preparation of the report and jointly responsible for the County receiving this award: Keith Taylor, Kim Price, Debbie Stoner, and Julina Hildreth.

Sincerely,

A handwritten signature in black ink that reads "Jim Brannon". The signature is written in a cursive, flowing style.

Jim Brannon
Kootenai County Auditor

Elected Officials and Judges in Fiscal Year 2014



Todd Tondee
Commissioner District #1



Jai Nelson
Commissioner District #2



Dan Green
Commissioner District #3



Jim Brannon
County Clerk



Tom Malzahn
County Treasurer



Mike McDowell
County Assessor



Ben Wolfinger
County Sheriff



Barry McHugh
County Prosecutor



Debbie Wilkey
County Coroner

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

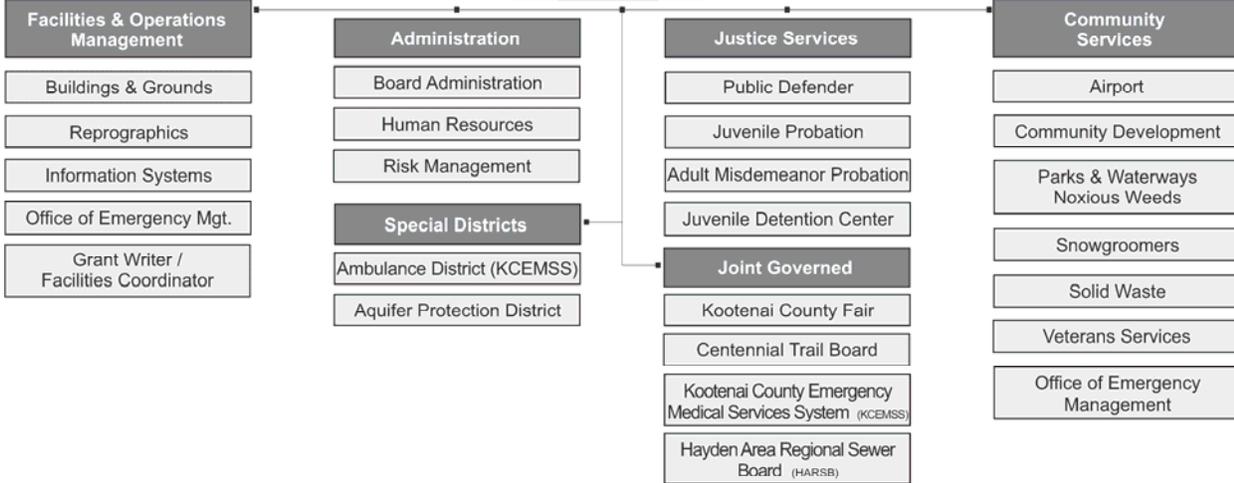
**Lansing Haynes
John T. Mitchell
John P. Luster
Rich Christensen
Benjamin R. Simpson
Scott Wayman
Barry E. Watson
James D. Stow
Clark A. Peterson
Robert Caldwell
Penny Friedlander
Anna M. Eckhart**

KOOTENAI COUNTY, IDAHO ORGANIZATIONAL CHART

October 2014

CITIZENS

BOARD OF COUNTY COMMISSIONERS



ASSESSOR



CLERK



CORONER

Chief Deputy

PROSECUTING ATTORNEY

Chief Deputy



SHERIFF

Undersheriff



TREASURER

Chief Deputy



Financial Section







CliftonLarsonAllen LLP
www.CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of North Idaho Fair & Rodeo as of and for the year ended December 31, 2013 and Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2014, which represent 100% percent of the assets, net position, and revenues of the discretely presented component units. 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 discretely component units, is based solely on the reports of the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The prior year partial comparative information has been derived from the County's 2013 financial statements and, in our report dated March 12, 2014, and based on the reports of other auditors, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 23 and 61 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 12, 2015, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal controls over financial reporting and compliance.


CliftonLarsonAllen LLP

Spokane, Washington
March 12, 2015

Management's Discussion and Analysis





KOOTENAI COUNTY
Management's Discussion and Analysis
For the Year Ended September 30, 2014
(Unaudited)

As management of Kootenai County, Idaho, we offer readers this narrative overview and analysis of the County's financial activities for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented in conjunction with additional information in our letter of transmittal.

(In this discussion, comparative analyses are against the prior fiscal year.)

FINANCIAL HIGHLIGHTS

The key financial highlights for 2014 are as follows:

County leadership has maintained a fiscal philosophy of using existing resources such as fund balance rather than levying additional property taxes. We will continue controlling costs, and judiciously apply existing funds to improve department operations.

The County has no outstanding debt at Fiscal Year-end 2014.

Construction of the Ancillary Services Building was completed in October 2014. The \$1.2 million facility houses the Building and Grounds department, and Printing Services. The expansion provides more office space and storage capacity to County operations, adds customer parking on the Administrative Campus, and decreases building lease costs.

The Board of County Commissioner's granted additional wage increases totaling \$0.6 million to employees compensated at the mid-level of the County pay scale. This action was taken to increase employee wages closer to market rate of pay and was paid from unassigned fund balance.

General government and Justice operations remained under budget by \$1 million, considering all revenue and expenditure activity. Managers and staff spent wisely in conserving available resources of the County.

The County's combined Governmental and Business activities ending net position totaled \$141.1 million. Of this amount, \$52.5 million is unrestricted; available for spending on citizen services.

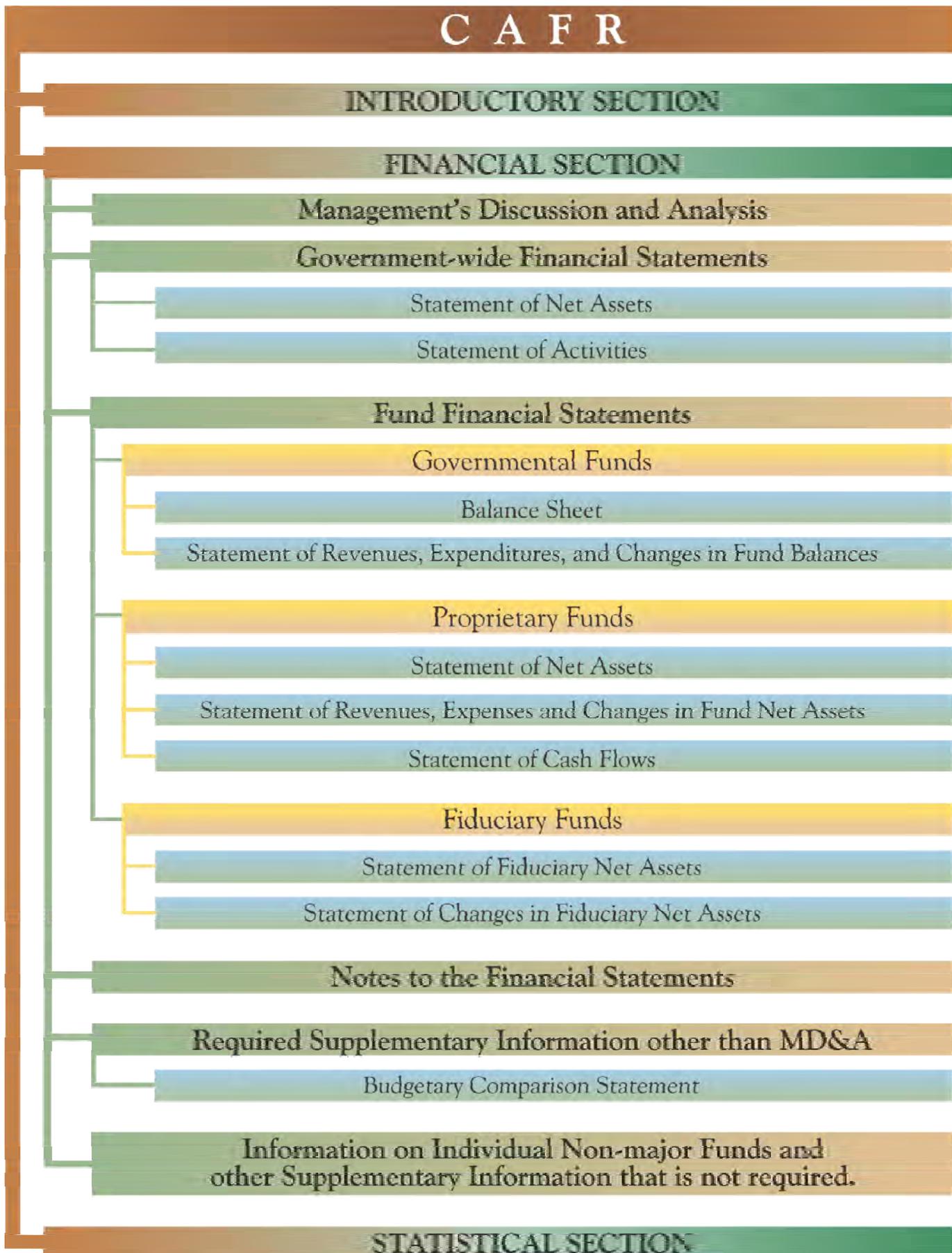
The County's unrestricted position from governmental activities was \$31.4 million, a 5.1% increase over the prior year. The increase is primarily attributable to lower expenses than budgeted in fiscal 2014.

The Solid Waste Enterprise Fund added \$2.35 million to Net Position, a 4.8% increase over the prior year. Driving this increase was strong operating revenue of \$11.8 million, up 5% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. Some allow the reader to understand the County as an entire operating entity; others provide a detailed look at specific financial conditions. This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements contain three components: 1) the County-wide financial statements, 2) specific fund financial statements, and 3) notes to the financial statements. These various elements of the Comprehensive Annual Financial Report (CAFR) are related as shown in the graphic below.

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



The following table summarizes the major features of the financial statements and describes the structure and contents of each statement.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Statement of Net Position and Statement of Activities

The Statement of Net Position presents all of the County’s assets and liabilities, with the difference between the two reported as Net Position. Changes in net position over time serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities shows how the County’s net position changed during the current year. These statements are prepared using the accrual basis of accounting, similar to the method used by private-sector businesses. Accrual accounting considers all of the year’s revenues and expenses, regardless of when the cash is received or paid.

Change in Net Position tells the reader whether the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information (such as changes in the County’s tax base and the condition of the County’s capital assets) will also need to be considered.

In these statements, the County is divided into three kinds of activities:

- *Governmental Activities* – Most of the County’s programs and services are reported here, including general government, public safety, public works, health and human services, and culture and recreation. 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 is its only Business-Type activity.
- *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 from the County, and they may buy, sell, lease, and mortgage property in their own name.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Like other governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All the funds of the County fall into three categories: governmental funds, proprietary funds, or fiduciary funds. Based on the restriction of the use of the moneys, the County has established many funds that account for the multitude of services provided to our residents.

Governmental Funds – Governmental funds account for essentially the same functions reported as Governmental Activities on the government-wide financial statements. Most of the County's basic services are reported in these funds, with the focus on how money flows into and out of the funds and what year-end balances remain available for spending. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

The focus of Governmental funds is narrower than that of the Government-wide financial statements, so it is useful to compare the two. Both the Governmental fund Balance Sheet and the Governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances facilitate this comparison between governmental funds and governmental activities.

The County maintains numerous individual governmental funds, including the General Fund, Justice Fund, Airport Fund, Indigent Fund, Parks and Recreation, Revaluation, Liability Insurance, and District Court Fund. Information on each major fund is presented separately on the governmental fund balance sheet and on the governmental funds statement of revenues, expenditures, and changes in fund balances. The other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the Supplementary Information.

Proprietary Funds – The County has two types of proprietary funds. One, Enterprise funds, reports the same functions presented as Business-Type Activities on the government-wide financial statements (only Solid Waste operations). The second type is on Internal Service Fund, Health Insurance, which accounts for self insured services. Health Insurance is consolidated into Governmental-Type Activities on the government-wide financial statements.

Fiduciary Funds – Fiduciary funds account for resources held for the benefit of parties outside the County. Because these funds are not available to the County, fiduciary funds are not reflected on the government-wide financial statements.

Other Fund Financial Statement Information – the following sections provide further information regarding fund financial reporting:

Notes to the Financial Statements – Further disclosure of fund reporting guidelines and balances.

Required Supplementary Information – Combinations of individual fund statements and schedules.

Government-wide Financial Analysis

Table 1, summarizes Kootenai County's Net Position for 2013 compared with 2014

	Kootenai County's Net Position						
	Governmental		Business-type		Total		Total % Change
	Activities		Activities				
2013	2014	2013	2014	2013	2014	2013-2014	
Current and other assets	\$ 83,789	\$ 86,221	\$ 28,737	\$ 31,225	\$ 112,526	\$ 117,446	4.4%
Capital assets	53,954	52,716	28,810	28,752	82,764	81,468	-1.6%
Total Assets	137,743	138,937	57,547	59,977	195,290	198,914	1.9%
Other liabilities & deferrals	48,813	49,399	8,294	8,374	57,107	57,773	1.2%
Total Liabilities & Deferrals	48,813	49,399	8,294	8,374	57,107	57,773	1.2%
Net Investment in capital assets	53,954	52,716	28,810	28,752	82,764	81,468	-1.6%
Restricted	5,120	5,443	5,589	1,777	10,709	7,220	-32.6%
Unrestricted	29,856	31,379	14,854	21,074	44,710	52,453	17.3%
Total Net Position	\$ 88,930	\$ 89,538	\$ 49,253	\$ 51,603	\$ 138,183	\$ 141,141	2.1%

Total County assets exceeded liabilities by \$141.1 million (\$89.5 million in Governmental activities and \$51.6 million in Business-Type activities).

Net Investment in Capital Assets (land, buildings, improvements, machinery and equipment, vehicles and infrastructure) totals \$81.5 million, which represents 58% of the County's net position. Investment in capital assets provides services to citizens, but the assets are not available resources for future spending.

All capital assets are wholly owned by the County. No outstanding debt strengthens the County's overall liquidity and frees up resources to deliver services to citizens.

\$5.4 million of the County's Governmental Activities net position (6.1%) has restrictions on how the assets can be used. The \$31.4 million (35.1%) of Unrestricted Governmental Activities Net Position may be used to meet the County's ongoing obligations.

Table 2, shows the changes in net assets for 2013 and 2014:

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2013	2014	2013	2014	2013	2014	2013-2014
Revenues							
Program revenues							
Charges for services	\$ 21,367	\$ 21,150	\$ 10,962	\$ 11,451	\$ 32,329	\$ 32,601	0.8%
Federal grants	3,375	2,938	-	-	3,375	2,938	-12.9%
State grants	1,451	1,425	-	-	1,451	1,425	-1.8%
General revenues							
Property taxes	42,290	43,357	-	-	42,290	43,357	2.5%
Other	841	463	596	428	1,437	891	-38.0%
Total revenues	69,324	69,333	11,558	11,879	80,882	81,212	0.4%
Expenses							
General government	23,280	24,614	-	-	23,280	24,614	5.7%
Public works	3,204	2,814	-	-	3,204	2,814	-12.2%
Public safety	36,439	36,577	-	-	36,439	36,577	0.4%
Sanitation weed control	342	303	-	-	342	303	-11.4%
Health and welfare	3,808	3,835	-	-	3,808	3,835	0.7%
Culture and recreation	727	1,040	-	-	727	1,040	43.1%
Solid waste	-	-	8,396	8,852	8,396	8,852	5.4%
Total expenses	67,800	69,183	8,396	8,852	76,196	78,035	2.4%
Excess before special items and transfers	1,761	150	3,162	3,027	4,923	3,177	-35.5%
Gain (loss) on sale of assets	(237)	(85)	50	(135)	(187)	(220)	-17.6%
Transfers In (out)	608	543	(608)	(543)	-	-	-%
Increase net position	\$ 2,132	\$ 608	\$ 2,604	\$ 2,349	\$ 4,736	\$ 2,957	-37.6%

GOVERNMENTAL ACTIVITIES

Program revenues decreased slightly in fiscal 2014; with \$0.4 million of the decrease attributable to Grants. Charges for services is the County's second largest source of program revenue (behind property tax revenue), and it accounted for \$21.2 million (30.5%) of total governmental revenues. The sources providing Charges for service revenue remained the same in both fiscal years for governmental activities.

Combined Charges for services, and grant source revenue totaled \$25.5 million, (36.8%) of the County's governmental expenses in 2014. This compares to \$26.2 million or 38.8% in 2013. The \$0.7 million decrease was due to less Federal grant revenue.

Federal and State grant sources made up \$4.4 million (6.3%) of total governmental revenues; compared with \$4.8 million (6.9%) in 2013. Airport Improvement projects completed in 2013 accounted for the decrease in Federal revenues.

Property tax revenues in the Governmental funds were \$43.4 million (63%) of the \$69.3 million revenue total. Property tax revenue increased \$1.1 million (2.5%) from 2013, comprised of additional collections from new construction.

Public Safety expenses of \$36.6 million remained consistent with 2013. The County's largest tax-supported operational expenses are the Sheriff's Jail program (\$10.7 million), and Sheriff's Patrol (\$7.2 million).

Total Governmental Activity expenses were \$69.2 million in 2014; an increase of \$1.6 million (2.4%) compared to 2013. The additional funds were spent on employee wages and benefits.

General Government

Table 3, reflects the total cost of program services and the net cost, once the direct program revenues are factored in. Direct program revenues include charges for services and grants. The net cost of services identifies costs which are supported by tax revenues or by general revenues such as interest.

Net Cost of Kootenai County's Governmental Activities
as of September 30, 2013 and 2014
(amounts in 000)

	Total Cost of Services			Percentage Change 2013-2014	Net Cost of Service		Percentage Change 2013-2014
	2013	2014			2013	2014	
General government	\$ 23,043	\$ 24,614	6.8%	\$ 12,801	\$ 13,100	2.3%	
Public works	3,204	2,814	-12.2%	1,280	1,857	45.1%	
Public safety	36,439	36,577	0.4%	23,813	24,458	2.7%	
Sanitation (Weed control)	342	303	-11.4%	326	273	-16.3%	
Health and welfare	3,808	3,835	0.7%	3,608	3,625	0.5%	
Culture and recreation	727	1,040	43.1%	(458)	367	-180.1%	
Total	\$ 67,563	\$ 69,183	2.4%	\$ 41,370	\$ 43,680	5.6%	

The County's total cost of services increased by \$1.6 million (2.4%) over the prior year. Additional expenses were employee wage and benefit costs (\$1.1 million).

Public Safety is the largest portion (53%) of overall County expenses at \$36.6 million; with current costs consistent to 2013. Public Safety Net Cost of Services increased by \$0.6 million or 2.7% from the prior year.

General Government is the second largest portion (36%) of overall County expenses at \$24.6 million. Of those costs, General Government funds \$11.5 million (47%) with direct charges for services or grant revenue. The remaining \$13.5 million is primarily supported by property tax.

Net Cost of Service totaled \$43.7 million, an increase of \$2.3 million (5.6%) in 2014. Culture and Recreation operations required the greatest increase (\$0.8 million) in unrestricted net position or tax revenue as compared with 2013.

Figure 4: Property Tax Support-Primary Government

The figure below provides a graphical analysis of property tax that directly supports operations of the primary government. The County levies property tax to pay for expenses not otherwise collected through fees, charges, grant revenue, or net asset reserves. Property tax collections not spent in the current year are net assets available to support future period operations.

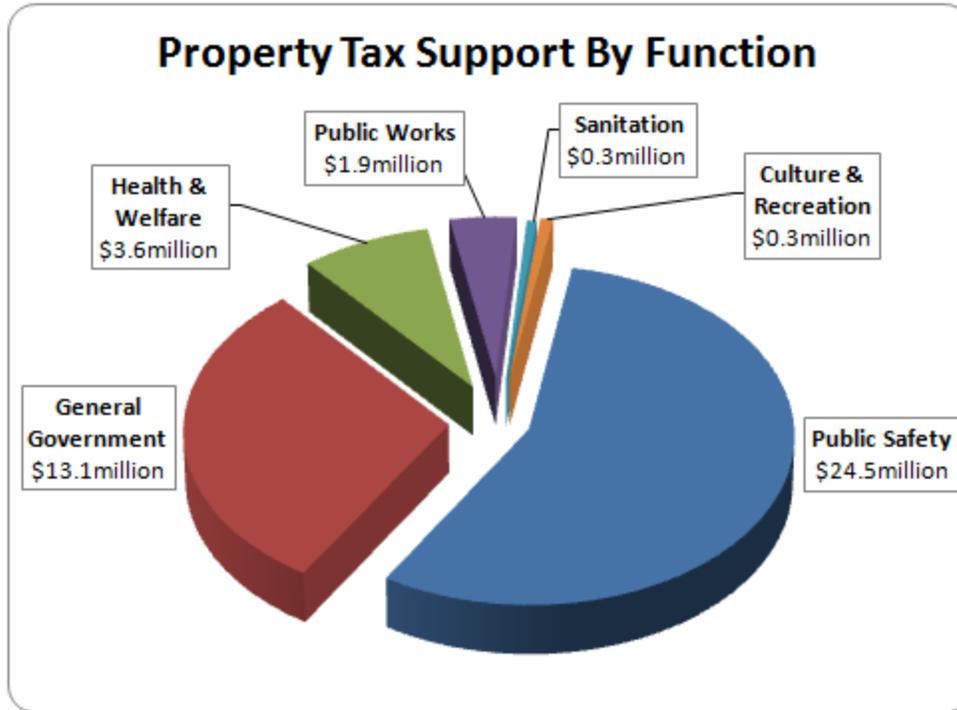
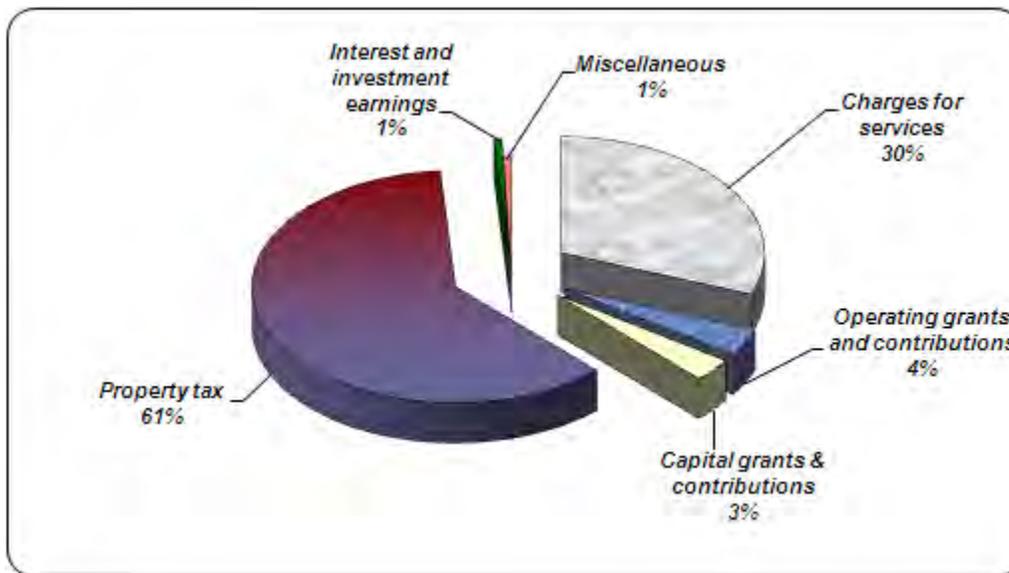


Figure 5: Revenues by Source-Government Activities

The figure below indicates County fiscal 2014 revenue by category and percent of the total revenue.



Business-Type Activities

Net Position for the County’s Business-Type Activities (Solid Waste) increased by \$2.4 million in 2013, which is 79% of the overall change in the County’s Net Position. The net position increase results from \$11.5 million in service charge revenues exceed Solid Waste operating expenses of \$8.9 million. No landfill closure/postclosure costs were recognized in 2014 increasing net position.

Figure 6: Program Revenues and Expenses-Business Type Activities

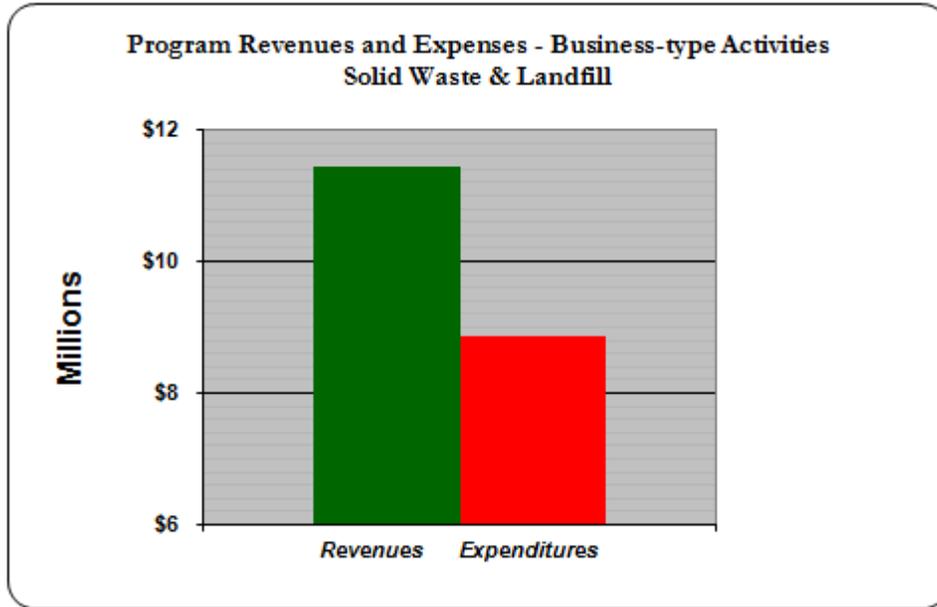


Figure 7: Revenues by Source-Business Type Activities (Solid Waste)



Charges for Services are the only revenue source for Solid Waste. Any excess funds are used as investment capital for landfill projects or capital improvements without incurring debt.

FINANCIAL ANALYSIS OF THE COUNTY FUNDS

The County uses fund accounting, as prescribed by Governmental Accounting Standards Board, to ensure compliance with legal requirements related to financial reporting.

Governmental Funds

Fund balances provide information on inflows, outflows, and balances of spendable resources, which is useful in assessing available finances for future County services. In particular, unassigned fund balance serves as one measure of the County’s available future resources.

As of September 30, 2014, the County’s governmental funds had a combined ending fund balance of \$38.3 million, an increase of \$1.7 million over the prior year. Approximately \$16.4 million (43%) of this total is unassigned fund balance, available for spending at the County’s discretion. The remaining \$21.9 million (57%) is reserved for dedicated purposes in one of four designated fund balance categories: Assigned, Committed, Restricted, and Nonspendable. (Each of these categories is described in more detail in the financial statement Notes.)

General fund unassigned fund balance totaled \$16.4 million at the end of fiscal 2014; total General fund balance was \$34.6 million.

The General Fund is the County’s primary operating fund. It includes Commissioner General Fund programs, and Justice Services such as Sheriff Patrol and Jail operations. General Fund balance increased by \$1.6 million (5.0%) during fiscal year 2014. This increase was the result of higher delinquent property tax collections. General Fund expenditures of \$53 million increased \$1.8 million (3.5%) over prior year expenditures.

As a liquidity measure, it is useful to compare both unassigned fund balance and total fund balance to total General Government expenditures, which were \$53 million. Therefore, unassigned fund balance represents 31% of total General Fund expenditures, and total fund balance represents 65% of total expenditures.

No unanticipated fund balances were accessed to support general government operations during the year. Nor were there significant unanticipated transfers out of the General fund to support other governmental funds (such as Indigent Services) as required in prior years.

Enterprise Funds

The County’s enterprise funds (Solid Waste) had unrestricted net position of \$21.1 million in 2014, up from \$6.2 million in fiscal 2014. Of the increase, \$3.9 million resulted from fewer restrictions placed on net position, and \$2.3 million resulted from Change in Net Position.

BUDGETARY HIGHLIGHTS

By State statute, the Board of County Commissioners adopts the annual operating budget for the County effective October 1st. For the General Fund, the change from the original to the final budget was a net increase in expenditures of \$3.3 million, most of which was for increases in capital projects in fiscal 2014. Revenues for these were appropriated from fund balance reserves.

Capital Assets

Kootenai County’s fiscal 2014 capital investments for its Governmental and Business Type activities totaled \$81.5 million, net of depreciation. These investments included land, buildings, improvements, machinery and equipment, and construction in progress. (See Table 8) The net decrease (including depreciation, additions and deductions) in the County’s investment in capital assets was \$1.3 million (a 2% decrease for Governmental activities, and a slight decrease for Business Type activities).

Table: 8

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

	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
	2013	2014	2013	2014	2013	2014	Change
Land	\$ 5,417	\$ 6,032	\$ 1,747	\$ 1,747	\$ 7,164	\$ 7,779	8.6%
Buildings	19,363	18,330	221	262	19,584	18,592	-5.1%
Improvements other than Buildings	15,512	18,032	1,045	1,441	16,557	19,473	17.6%
Machinery and Equipment	8,308	7,168	3,530	3,265	11,838	10,433	-11.9%
Transfer Stations			13,265	12,598	13,265	12,598	-5.0%
Landfill			5,310	9,013	5,310	9,013	69.7%
Construction in Progress	5,354	3,154	3,692	426	9,046	3,580	-60.4%
Total	\$53,954	\$52,716	\$28,810	\$28,752	\$82,764	\$81,468	-1.57%

Major capital asset activities during fiscal 2014 included:

- Ancillary Services Building construction costs of \$1.2 million.
- Riverstone Transit Center Land Purchase (Kootenai County Portion) - \$615,000.
- Thirteen new fully equipped Sheriff Patrol vehicles - \$589,000.
- Bearcat Armored Vehicle - \$320,000.
- Solid Waste Department improvements totaled \$1.7 million, and new Machinery and Equipment totaled \$762,000.

Additional information on Kootenai County's capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2014.

ECONOMIC FACTORS

In Kootenai County, the economic picture reveals positive signs of growth, both for the employment and housing market.

According to the Idaho Department of Labor, North Idaho's economy continued to improve in 2014. The preliminary data through June 2014 shows regional employment up 1.8% over the first half of 2013 with Kootenai County leading the way at 3.6%. Idaho's seasonally adjusted unemployment rate as of December 2014 fell to a seven-year low of 3.7%. Kootenai county unemployment dropped to 4.3%.

Also according to the Idaho Department of Labor, the average wage in Kootenai County of \$37,066 remains below the State average of \$38,833. So, while the local job market is growing, wage growth still lags behind the State average. Leading employment industries within the County are leisure and hospitality, retail and trade, and government.

Relative demand in the local housing market has improved with average home price rising 7% in 2014 compared to the prior year. Also, home sales continue to grow to prerecession levels showing a 6% increase over 2013. Residential building permits filed with the County improved both in number and value with 229 permits filed, valued at \$73 million. This building activity has helped reestablish a portion of the local construction jobs lost during the recession. Commercial activity shows signs of growth within city limits, but lags outside of city boundaries based on commercial permit filings with the County.

Assessed value for all property types in Kootenai County increased from the prior year and now stands at a net taxable value of \$14.3 billion dollars this fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Kootenai County Auditor
P.O. Box 9000
Coeur d'Alene, Idaho 83816-9000

Email: kcauditor@kcgov.us



Basic Financial Statements





KOOTENAI COUNTY, IDAHO
Statement of Net Position
September 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business Activities	Total	North Idaho Fair & Rodeo Dec. 31, 2013	KCEMSS Sept. 30, 2014
ASSETS					
Cash and investments	\$ 41,310,493	\$ 23,427,552	\$ 64,738,045	\$ 200,702	\$ 3,211,404
Taxes receivable - current	40,587,506	-	40,587,506	-	-
Taxes receivable - delinquent	878,845	-	878,845	-	15,555
Accounts receivable, (net)	1,956,113	775,113	2,731,226	2,541	909,494
Interest receivable	5,037	1,836	6,873	-	-
Grants receivable	1,247,968	-	1,247,968	-	-
Inventories and prepaid expenses	235,055	1,000	236,055	-	125,269
Restricted assets:					
Cash held for closure and postclosure	-	7,019,000	7,019,000		
Capital Assets:					
Land	6,031,966	1,747,114	7,779,080	-	403,990
Depreciable assets, (net)	42,779,551	26,578,544	69,358,095	1,599,673	1,307,117
Non-Depreciable other assets	750,541	-	750,541	-	-
Construction in progress	3,154,078	426,355	3,580,433	-	-
Total Assets	138,937,153	59,976,514	198,913,667	1,802,916	5,972,829
LIABILITIES					
Accounts payable	2,015,646	1,128,153	3,143,799	33,389	58,210
Payroll and related liabilities	1,371,632	-	1,371,632	11,489	-
Other accrued liabilities	-	17,230	17,230	1,626	37,577
Unearned revenues	839,880	-	839,880	-	-
Non-current liabilities:					
Due within one year - compensated absences	149,053	6,811	155,864		
Due in more than one year - compensated absences	4,435,295	202,686	4,637,981	27,480	-
Due in more than one year - capital leases	-	-	-	5,819	-
Landfill closure liability	-	7,019,000	7,019,000	-	-
Total Liabilities	8,811,506	8,373,880	17,185,386	79,803	95,787
DEFERRED INFLOWS OF RESOURCES					
Unearned property tax revenues	40,587,506	-	40,587,506	-	-
Deferred Inflows of Resources	40,587,506	-	40,587,506	-	-
NET POSITION					
Net investment in capital assets	52,716,136	28,752,013	81,468,149	1,592,228	1,711,107
Restricted					
9-1-1 Enhanced system fee carryover	2,433,396	-	2,433,396	-	-
Court facilities	409,216	-	409,216	-	-
Juvenile justice services	261,247	-	261,247	-	-
Court interlock	92,652	-	92,652	-	-
Sheriff Commissary	138,482	-	138,482	-	-
Capital project carryover-solid waste Operations	2,107,689	1,777,100	1,777,100	-	-
Unrestricted :					
Governmental type activities	31,379,323	-	31,379,323	-	-
Business type activities	-	21,073,521	21,073,521	130,885	4,165,935
Total Net Position	\$ 89,538,141	\$ 51,602,634	\$ 141,140,775	\$ 1,723,113	\$ 5,877,042
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 138,937,153	\$ 59,976,514	\$ 198,913,667	\$ 1,802,916	\$ 5,972,829

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

KOOTENAI COUNTY, IDAHO
Statement of Activities
For the Year Ended September 30, 2014

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Primary government:				
Governmental activities:				
General government	\$ 24,613,577	\$ 8,401,390	\$ 2,270,501	\$ 842,085
Public works	2,813,610	608,897	7,176	340,511
Public safety	36,577,455	11,480,488	507,875	130,677
Sanitation	303,238	2,262	28,097	-
Health and welfare	3,834,457	209,600	-	-
Culture and recreation	1,040,792	447,710	-	235,486
Total governmental activities	69,183,129	21,150,347	2,813,649	1,548,759
Business-type activities:				
Solid waste and landfill	8,851,897	11,451,324	-	-
Total business-type activities	8,851,897	11,451,324	-	-
Total primary government	\$ 78,035,026	\$ 32,601,671	\$ 2,813,649	\$ 1,548,759
Component units:				
County fair	\$ 1,411,317	\$ 1,212,918	-	-
KCEMSS	6,359,143	4,558,643	-	-
Total component units	\$ 7,770,460	\$ 5,771,561	\$ -	\$ -

General revenues:

Taxes:

Property taxes, levied for general purposes

Miscellaneous

Interest and investment earnings

Loss on sale of assets/property

Transfers

Total general revenues and transfers

Change in net position

Net position--beginning

Net position--ending

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

			Component Units	
Governmental Activities	Business-Type Activities	Total	North Idaho Fair & Rodeo	KCEMSS
\$ (13,099,601)	\$ -	\$ (13,099,601)	-	-
(1,857,026)	-	(1,857,026)	-	-
(24,458,415)	-	(24,458,415)	-	-
(272,879)	-	(272,879)	-	-
(3,624,857)	-	(3,624,857)	-	-
(357,596)	-	(357,596)	-	-
(43,670,374)	-	(43,670,374)	-	-
-	2,599,427	2,599,427	-	-
-	2,599,427	2,599,427	-	-
(43,670,374)	2,599,427	(41,070,947)	-	-
			\$ (198,399)	\$ -
			-	(1,800,500)
			(198,399)	(1,800,500)
43,356,510	-	43,356,510	75,000	2,258,845
383,050	356,881	739,931	-	7,700
80,796	71,525	152,321	1,397	39,913
(85,307)	(135,021)	(220,328)	-	(8,738)
542,897	(542,897)	-	-	-
44,277,946	(249,512)	44,028,434	76,397	2,297,720
607,572	2,349,915	2,957,487	(122,002)	497,220
88,930,569	49,252,719	138,183,288	1,845,115	5,379,822
\$ 89,538,141	\$ 51,602,634	\$ 141,140,775	\$ 1,723,113	\$ 5,877,042

KOOTENAI COUNTY, IDAHO
Balance Sheet
Governmental Funds
September 30, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash in bank and investments	\$ 34,043,913	\$ 4,152,038	\$ 38,195,951
Taxes receivable - current	40,587,506	-	40,587,506
Taxes receivable - delinquent	682,784	196,061	878,845
Accounts receivable, (net)	1,766,975	181,041	1,948,016
Interest receivable	5,028	8	5,036
Grants receivable	153,307	1,094,661	1,247,968
Prepays	146,142	13,457	159,599
Due from other funds	1,063,479	-	1,063,479
Total Assets	\$ 78,449,134	\$ 5,637,266	\$ 84,086,400
Liabilities			
Accounts payable	\$ 1,036,809	\$ 303,517	\$ 1,340,326
Payroll and related liabilities	1,371,632	-	1,371,632
Due to other funds	-	1,063,479	1,063,479
Unearned revenue-other	392,598	188,475	581,073
Unearned revenue-grants	4,369	254,438	258,807
Total Liabilities	2,805,408	1,809,909	4,615,317
Deferred Inflows of Resources			
Unavailable property taxes	41,056,106	142,397	41,198,503
Total Deferred Inflows of Resources	41,056,106	142,397	41,198,503
Fund Balances			
Nonspendable	146,142	13,457	159,599
Restricted	3,612,434	1,830,248	5,442,682
Committed	13,796,097	1,725,793	15,521,890
Assigned	654,880	115,462	770,342
Unassigned	16,378,067	-	16,378,067
Total Fund Balances	34,587,620	3,684,960	38,272,580
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 78,449,134	\$ 5,637,266	\$ 84,086,400

KOOTENAI COUNTY, IDAHO
Reconciliation of Total Governmental Fund Balances in
Net Position of Governmental Activities
September 30, 2014

Total governmental fund balances (page 30)	\$	38,272,580
 <i>Amounts reported for governmental activities in the statement of net position (page 27) are different because:</i>		
 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.		
		610,997
 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:		
		52,716,136
 Internal service funds are used by management to charge the cost of certain activities, such as health insurance cost, to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
		2,522,776
 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:		
Compensated Absences		(4,584,348)
		(4,584,348)
 <i>Total Net Position of Governmental Activities as shown on the Statement of Net Position:</i>		
	\$	89,538,141
		89,538,141

KOOTENAI COUNTY, IDAHO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 35,157,404	\$ 8,338,207	\$ 43,495,611
Licenses and permits	1,336,400	125,444	1,461,844
Intergovernmental	10,333,595	3,458,251	13,791,846
Interest	80,580	217	80,797
Fines and forfeitures	536,719	832,760	1,369,479
Charges for services	6,177,210	1,636,975	7,814,185
Miscellaneous	579,636	936,807	1,516,443
Total Revenues	54,201,544	15,328,661	69,530,205
Expenditures			
Current:			
General government	19,331,810	3,993,150	23,324,960
Public works	-	800,532	800,532
Public safety	29,280,483	4,855,123	34,135,606
Sanitation	-	303,596	303,596
Health & welfare	533,395	3,303,156	3,836,551
Culture and recreation	-	763,257	763,257
Capital Outlay:			
Capital expenditures	2,129,033	731,041	2,860,074
Construction in progress	1,667,288	704,789	2,372,077
Total Expenditures	52,942,009	15,454,644	68,396,653
Excess of Revenues Over (Under) Expenditures	1,259,535	(125,983)	1,133,552
Other Financing Sources (Uses)			
Proceeds insurance	3,550	10,279	13,829
Transfers In	651,182	192,620	843,802
Transfers (out)	(274,855)	(26,050)	(300,905)
Total Other Financing Sources	379,877	176,849	556,726
Net Change in Fund Balances	1,639,412	50,866	1,690,278
Fund Balances Beginning of Year	32,948,208	3,634,094	36,582,302
Fund Balances End of Year	\$ 34,587,620	\$ 3,684,960	\$ 38,272,580

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, 2014

Net change in fund balances - total governmental funds (pg 32)	\$	1,690,278
 <i>Amounts reported for governmental activities in the statement of activities (pages 28 & 29) are different because:</i>		
Revenues in the statement of activity that do not provide current financial resources are not reported as revenues in the funds, such as earned but unavailable property tax revenue.		(139,102)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount, by which, depreciation expense exceeded capital outlays in the current period. (\$5,232,151 - \$6,256,802)		(1,024,651)
Loss on disposal of capital assets		(85,307)
Capital purchases of assets transferable to other governments are excluded from the statement of activities.		(128,188)
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.		(173,213)
Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.		467,755
<i>Total Change in Net Position of Governmental Activities as shown on the Statement of Activities</i>		\$607,572

KOOTENAI COUNTY, IDAHO
Statement of Net Position
Proprietary Funds
September 30, 2014 and 2013

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2014	2013	2014	2013
Assets				
Current Assets:				
Cash and investments	\$ 23,427,552	\$ 20,967,594	\$ 3,114,544	\$ 2,527,806
Accounts receivable, (net)	775,113	749,303	8,097	6,451
Prepays	1,000	-	75,456	1,528
Interest receivable	1,836	1,188	-	-
Total Current Assets	24,205,501	21,718,085	3,198,097	2,535,785
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	7,019,000	7,019,000	-	-
Capital Assets:				
Land	1,747,114	1,747,114	-	-
Depreciable assets, (net)	26,578,544	23,370,948	-	-
Construction in progress	426,355	3,691,965	-	-
Total Noncurrent Assets	35,771,013	35,829,027	-	-
Total Assets	59,976,514	57,547,112	3,198,097	2,535,785
Liabilities				
Current Liabilities:				
Accounts payable	1,128,153	1,050,541	70,274	45,495
Payroll and other related liabilities	-	-	605,047	435,269
Other accrued liabilities	17,230	845	-	-
Compensated absences-current	6,811	7,040	-	-
Total Current Liabilities	1,152,194	1,058,426	675,321	480,764
Long-Term Liabilities:				
Compensated absences				
due in more than one year	202,686	216,967	-	-
Landfill closure liability	7,019,000	7,019,000	-	-
Total Long-Term Liabilities	7,221,686	7,235,967	-	-
Total Liabilities	8,373,880	8,294,393	675,321	480,764
Net Position				
Net investment in capital assets	28,752,013	28,810,027	-	-
Restricted for:				
Capital appropriations carryover	1,777,100	2,400,692	500,000	-
Landfill expansion	-	3,188,599	-	-
Unrestricted	21,073,521	14,853,401	2,022,776	2,055,021
Total Net Position	\$ 51,602,634	\$ 49,252,719	\$ 2,522,776	\$ 2,055,021

KOOTENAI COUNTY, IDAHO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Years Ended September 30, 2014 and 2013

	Business-type activity Solid Waste Enterprise Fund		Governmental-type activity Health Insurance Int'l Service Fund	
	2014	2013	2014	2013
Operating Revenues				
Charges for services	\$ 11,451,324	\$ 10,961,658	\$ 6,457,716	\$ 6,263,069
Miscellaneous	356,881	318,398	77,357	128,579
Total Operating Revenues	11,808,205	11,280,056	6,535,073	6,391,648
Operating Expenses				
Personnel services	3,106,266	2,987,001	6,613	7,309
Professional services	1,937,036	1,839,396	6,121,299	5,876,217
Utilities	151,589	137,414	-	-
Materials and supplies	833,162	813,527	-	-
Maintenance and repairs	311,534	274,811	-	-
Other services and expenses	156,895	134,569	9,716	-
Depreciation and amortization	2,355,415	2,209,304	-	-
Landfill closure and post closure expense	-	-	-	-
Total Operating Expenses	8,851,897	8,396,022	6,137,628	5,883,526
Operating Income	2,956,308	2,884,034	397,445	508,122
Non-Operating Revenues				
Intergovernmental revenues	-	-	70,310	73,179
Interest and investment revenue	71,525	277,107	-	-
Gain (loss) on sale of assets	(135,021)	49,973	-	-
Total Non-Operating Revenues	(63,496)	327,080	70,310	73,179
Income before Contributions and Transfers	2,892,812	3,211,114	467,755	581,301
Transfers In	127,231	62,327	-	-
Transfers out	(670,128)	(670,128)	-	-
Change in Net Position	2,349,915	2,603,313	467,755	581,301
Net Assets Beginning of Year	49,252,719	46,649,406	2,055,021	1,473,720
Net Assets End of Year	\$ 51,602,634	\$ 49,252,719	\$ 2,522,776	\$ 2,055,021

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

KOOTENAI COUNTY, IDAHO
Statement of Cash Flows
Proprietary Funds
For the Fiscal Years Ended September 30, 2014 and 2013

	Business-type activity		Governmental-type activity	
	Solid Waste Enterprise Fund		Health Insurance	Internal Service Fund
	2014	2013	2014	2013
Cash Flows from Operating Activities				
Cash received from customers	\$ 11,425,514	\$ 10,735,391	\$ 6,456,070	\$ 6,264,428
Other cash receipts	356,881	318,398	77,357	128,579
Cash payments to employees	(3,120,776)	(2,970,893)	163,165	(10,754)
Cash payments for goods and services	(3,297,219)	(2,783,747)	(6,180,164)	(5,872,026)
Internal activity - payments from other funds	(648)	633	-	-
Net cash provided by operating activities	5,363,752	5,299,782	516,428	510,227
Cash Flows from Noncapital Financing Activities				
Intergovernmental revenues	-	-	70,310	73,179
Transfers out	(542,897)	(607,801)	-	-
Net cash provided (used) by noncapital financing activities	(542,897)	(607,801)	70,310	73,179
Cash Flows from Capital and Related Financing				
Payments for capital acquisitions	(2,437,908)	(5,223,471)	-	-
Insurance proceeds	-	-	-	-
Proceeds from sale of capital assets	5,486	49,973	-	-
Net cash used by capital and related financing activities	(2,432,422)	(5,173,498)	-	-
Cash Flows from Investing Activities				
Interest on investments	71,525	277,107	-	-
Net cash provided by investing activities	71,525	277,107	-	-
Net increase (decrease) in Cash and Cash Equivalents	2,459,958	(204,410)	586,738	583,406
Cash and Cash Equivalents Beginning of Year	27,986,594	28,191,004	2,527,806	1,944,400
Cash and Cash Equivalents End of Year	\$ 30,446,552	\$ 27,986,594	\$ 3,114,544	\$ 2,527,806
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 2,956,308	\$ 2,884,034	\$ 397,445	\$ 508,122
<i>Adjustments to reconcile operating income to net cash</i>				
Depreciation	2,355,415	2,209,304	-	-
<i>(Increase) Decrease in Assets:</i>				
Accounts receivable	(25,810)	(226,267)	(1,646)	1,359
Interest receivable	(648)	633	-	-
Inventories and prepaid expenses	(1,000)	-	(73,928)	(69)
<i>Increase (Decrease) in Liabilities:</i>				
Accounts payable	93,997	415,970	24,779	4,260
Payroll and other related liabilities	-	-	169,778	(3,445)
Deferred revenue	-	-	-	-
Compensated absences payable and other accrued liabilities	(14,510)	16,108	-	-
Landfill closure/postclosure liability	-	-	-	-
Net Cash Provided by Operating Activities	\$ 5,363,752	\$ 5,299,782	\$ 516,428	\$ 510,227

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

KOOTENAI COUNTY, IDAHO
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2014

	Private-Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 3,297,950	\$ 2,056,354
Receivables:		
Taxes delinquent	55,391	2,998,789
Accounts receivable, (net)	11,016	-
Total Assets	\$ 3,364,357	\$ 5,055,143
Liabilities		
Accounts payable	\$ 100,393	\$ 1,982,889
Uncollected property taxes due to other gov'ts	429,423	3,027,136
Due in more than one year	41,117	-
Due to other individuals	2,686,950	-
Due to other governments	106,068	45,118
Total Liabilities	\$ 3,363,951	\$ 5,055,143
Net Position		
Held in trust for other purposes	\$ 406	\$ -

KOOTENAI COUNTY, IDAHO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2014

	Private-Purpose Trust Funds
	2014
Additions	
Trust receipts	\$ -
Total Additions	-
Deductions	
Trust Withdrawals	76,890
Total Deductions	76,890
Decrease in Net Position	(76,890)
Net Position Beginning of Year	77,296
Net Position End of Year	\$ 406

Notes to the Financial Statement



NOTES TO THE FINANCIAL STATEMENTS

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KOOTENAI COUNTY, IDAHO
Notes to the Financial Statements
September 30, 2014

NOTE 1: SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Kootenai County, Idaho (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting and reporting standards are defined below.

A. Financial Reporting Entity

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

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

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

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

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

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

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

North Idaho Fair & Rodeo
P.O. Box 2437
Coeur d’Alene, ID 83816

KCEMSS
4381 W. Seltice Way
Coeur d’Alene, ID 83814

The North Idaho Fair & Rodeo fiscal year runs from January 1 through December 31, and reported a change in net position decrease of \$122,002 for the fiscal year ending December 31, 2013. As of September 30, 2014, KCEMSS reported a change in net position increase of \$497,220 for their current fiscal year.

Basis of Presentation

The basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide the financial position and results of operations for Kootenai County. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Government-wide and Fund Financial Statements

Government-Wide Statements

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

Statement of Net Position

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

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

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

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

Statement of Activities

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

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

Fund Statement

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

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

The County reports the following major governmental 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 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).

Proprietary Fund Types:

Proprietary funds account for ongoing organizations and activities of a government, which are similar to those found in the private sector. The measurement focus is upon the determination of net income. Kootenai County has two proprietary fund types, an enterprise fund used to account for solid waste disposal activities and an internal service fund to account for self-insured health services.

1. Enterprise Funds – Enterprise funds account for operations that meet one of two criteria. (1) The activity runs in a manner similar to private business enterprises. Moreover, the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges. (2) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
2. Internal Service Funds – Internal service funds account for activities provided to other funds, departments or agencies of the primary government on a cost reimbursement basis. Kootenai County utilizes an internal service fund, Health Insurance fund, to account for self-insured health services. This fund establishes a reimbursement rate for health coverage which is expensed to employees and County departments through the payroll system as a premium for service. The health insurance fund in turn receives the internal service premium and pays for all of the administrative costs and claims expenditures in a manner similar to a regular premium based insurance company. Reimbursement rates and claims activities are reviewed and re-established each year pursuant to the recommendations provided by 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 position and changes in net position reported by Fund type. Use of Fiduciary funds provides the capability to improve accountability and control over these assets.

1. 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 accounting activities including cash bonds, restitution, unclaimed property, and undistributed property tax collections.
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 65 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. Principal and interest on general long-term debt are recognized as fund liabilities when due, or when amounts have been accumulated (if appropriate) in a debt service fund for payments to be made in the following year.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. As both revenue recognition criteria are realized in the subsequent period, this triggers the revenue entry and reduces the unearned 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 Position. Net position is segregated into Net Investment in Capital Assets and Restricted and/or Unrestricted Assets. County policy dictates the use of restricted resources first when both restricted and unrestricted resources are available. Proprietary fund Statements of Revenues, Expenses, and Changes in Fund Net Position present the increases (revenues) and decreases (expenses) in net position.

The proprietary fund is accounted for using the accrual basis of accounting. Revenue recognition occurs in the accounting period in which they are both earned and become measurable. Expenditure recognition is in the period incurred, if measurable. Also, the proprietary fund distinguishes operating revenues and expenses as the revenues and expenses generally resulting from provision of services in connection with the operation of waste disposal. Operating expenses for the enterprise fund include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 end, as revenue for the period ending September 30. Unearned revenue includes the balance of delinquent taxes, which are those not collected within the sixty-day period.

D. Assets, liabilities, deferred outflows/inflows and net position/fund balance

D-1. Deposits and investments:

The County's cash in bank, cash equivalents, and investments include balances in bank accounts, petty cash, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash in bank, 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 as of the end of the financial reporting period.

The County's investments are guided by Idaho State statute, Section 67, Chapter 12, which authorizes investments in US Treasury obligations, commercial paper, certificates of deposit, money market funds, and the State Treasurer's Local Government Investment Pool (LGIP). The Idaho State Treasurer, authorized by Sections 67-2327 and 67-2328, sponsors external investment pools in which Kootenai County voluntarily participates. The County invests idle monies in two types of LGIP funds: 1) short-term LGIP which consists of highly liquid, short-term investments with the availability to withdraw funds up to \$10 million overnight, and 2) Diversified Bond Fund (DBF) which invests idle monies of Idaho Governments over a longer time horizon (3.5 years or longer) in exchange for potentially greater returns.

The County is limited by State Code from investing idle funds into the following investment types:

1. U.S. government securities, which pledge the full faith and credit of the U.S. government.
2. Obligations issued under the Farm Credit Act of 1971, the Federal Home Loan Bank Board, the Federal National Mortgage Association, and the Federal Home Loan Bank.
3. Time deposit and savings accounts within state depositories; state and federal loan associations, or state and federal credit unions within the boundaries of the County.
4. Money market funds with portfolios consisting of investments specified and secured by the above and denominated in U.S. currency.

5. General obligation bonds or revenue bonds of the State or any Idaho county, city, or taxing district. Tax and revenue anticipation instruments of state and local governmental agencies.

The County’s cash in bank, cash equivalents, and investment balances of substantially all funds, including a portion of the Proprietary Fund, are invested by the County’s Treasurer and accounted for in a separate Pooled Cash and Investment fund. The portion of the Pooled Cash and Investments Fund belonging to each County fund is reported as *Claims on Treasury Cash* within the individual fund. The County’s policy has been to hold investments until maturity to reduce market fluctuation risk.

For the purposes of the statement of cash flows, the County considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and investment balances for the Proprietary Fund represent their allocated share of pooled cash and investments of the County and can be drawn down on demand.

D-2. Receivables and payables

Due from/to other funds consist of receivables and payables for activities between funds of the County. **See note 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 on 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, historical costs were estimated by indexing current costs back to approximate date of acquisition or construction.

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 construction in process. Interest incurred during the construction phase of business-type activities is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

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

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

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

D-5. Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government currently has no items that qualify for this reporting category which would be reported in the government-wide statement of net position. .

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of transaction that qualifies for this reporting category which arises both under modified and full-accrual basis of accounting. Accordingly, the item, *unavailable revenue-property tax*, is reported in the governmental funds balance sheet. The item, *unearned property tax*, is reported in the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

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

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

D-7. Unearned revenues:

Unearned revenue is recorded when the government has received money during the year from various sources that does not allow them to recognize the money until the next period. The unearned revenues are recognized when the restrictions or when it will be considered earned by the various funds.

D-8. Long-term obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Long-term liabilities to be repaid or financed by proprietary fund operations are accounted for in the proprietary fund. **(See note 7)**

D-9. 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-10. Net position flow assumption:

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

D-11. Fund balance flow assumption:

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of

unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

D-12 Fund balance policy

Fund balance of governmental funds is reported in various categories based on the nature of any limitations on the use of resources for specific purposes. The County has adopted a fund balance policy establishing limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Nonspendable and restricted fund balance are net resources classified based on the inherent nature of the balance or constraints from external parties outside the County.

Nonspendable fund balances are amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts, or b) due to legal or contractual requirements that must be maintained intact.

Restricted fund balances are constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balances are net resources that can be used only for the specific purpose determined by a formal action of the County's highest level of decision-making authority, the Board of County Commissioner's. The Commissioner's commit fund balance by adopting a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balances include amounts intended to be used by the County for specific purposes, as determined by the Commissioners or an appointed designee in accordance with BOCC guidelines. All general fund balance assignments have been designated by the BOCC to the Finance Director for the financial statement reporting period. Centennial Trail fund balance assignments have been designated to the Joint Power's Board. Constraints imposed on the use of assigned amounts do not rise to the level to be classified as either restricted or committed.

D-13. 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 is not eliminated in the process of consolidation. Any intergovernmental revenues in excess of expenses have been eliminated from the government-wide financial statements.

D-14. 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, 2013, 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.

D-15. Budget Appropriations and Year-end Cutoff:

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

Unexpended appropriations for incomplete capital improvements will carry forward into the subsequent year's budget upon request of the responsible department and approval of the Board of County Commissioners. See the schedule on page 64 for the details of capital improvement carry forwards.

D-16. Accounting Estimates:

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

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

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

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

The governmental fund balance includes reconciliations between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of the 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 \$4,584,348 difference are as follows:

Compensated absences	
Current portion	\$ 149,053
Due in more than one year	<u>4,435,295</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ 4,584,348</u></u>

Another element of the reconciliation states the “Internal service funds are used by management to charge the cost of certain activities, such as health insurance costs to the individual funds.” The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The details of the \$2,522,776 difference are as follows:

Beginning net position of the internal service fund	\$ 2,055,021
Change in fund net position	<u>467,755</u>
Net adjustment to increase governmental net position	<u><u>\$ 2,522,776</u></u>

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

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

Delinquent Property Tax-unavailable	\$ 610,997
Less: Prior year delinquent property tax-unavailable	<u>(750,099)</u>
Net adjustment to decrease fund balances - total governmental funds to arrive at changes in <i>net position of governmental activities</i>	<u><u>\$ (139,102)</u></u>

Another reconciling item between statements include purchase of capital assets. Capital outlay for governmental funds is expensed in the year of purchase. In the statement of activities, capital asset costs are allocated over their estimated useful lives as depreciation expense. The net adjustment for capital outlay differences are as follows:

Capital outlay	\$ 5,232,151
Depreciation expense	<u>(6,256,802)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u><u>\$ (1,024,651)</u></u>

Disposed capital asset values exceeded sale proceeds in the amount of \$85,307.

Capital purchases of assets that are funded by federal grants will be transferred to other governments. These expenditures totaling \$128,188 are excluded from the statement of activities.

Some expenses reported in the statement of activities do not require the use of current financial resources and are excluded from governmental fund reporting. These expenses are compensated absence balance charges of \$173,213.

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 \$467,755 difference are as follows:

Charges for Services	\$ 6,457,716
Miscellaneous	77,357
Intergovernmental Revenue	70,310
Total Revenues	<u>\$ 6,605,383</u>
Less expenditures:	<u>(6,137,628)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u>\$ 467,755</u>

NOTE 3: DEPOSITS AND INVESTMENTS

As of September 30, 2014, Kootenai County had the following investments:

Investment Type (amounts in thousands)	9/30/2014 (Fair Value)	Weighted Average Maturity (Years)
U.S. Government Securities	\$ 19,732	1.74
State of Idaho Local Government Investment Pool		
Short-term LGIP Investments	31,492	0.39
DBF LGIP Investments	20,006	4.05
Certificates of Deposit	1,850	0.68
Money Market Investments	11	0.00
Total fair value of investments	<u>\$ 73,091</u>	
Portfolio weighted average maturity		1.77

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 on idle monies. 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. The County’s fair value of its position in the pool is the same as the per share value of total Investment Pool. The State of Idaho’s reported weighted average maturity of investments for short-term LGIP funds is 144 days, and DBF-LGIP funds is 4.1 years, at September 30, 2014.

Interest rate risk - The risk that a change in interest rates could adversely affect the underlying value and return of the principal invested. The County is exposed to interest risk on the idle monies in DBF-LGIP Investments totaling \$20,006,441. The County does not have a specific investment policy managing its exposure to interest rate risk.

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 - Kootenai County has no official investment policy for reducing 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, 2014, 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	70.5%
Federal Home Loan Bank	13.7%
Federal National Mortgage Association	7.4%

Custodial credit risk, deposits - The risk that the County's deposits may not be returned in the event of a financial institution failure. Kootenai County manages custodial credit risk by investing only in qualified institutions that are sufficiently capitalized as determined by the State Treasurer's Office according to State of Idaho Statute 67-2739. Additionally, the County requires certain institutions to hold collateral investments in the County's name for deposits held above FDIC limits. As of September 30, 2014, \$11,117 of Kootenai County's bank & Investment balance of \$73,091,723 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 all of KCEMSS' bank balance of \$3,224,439 was insured or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the KCEMSS's name. The North Idaho Fair & Rodeo, another discretely presented component unit had no exposure to custodial credit risk because none of the North Idaho Fair & Rodeo's bank balance of \$202,169 was uninsured or uncollateralized 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 - The risk that the County will not be able to recover the value of its investments or collateral securities which are in the possession of an outside party, in the event of the failure of the counterparty. Kootenai County's investment in US Treasuries of \$19,732,236 has no custodial risk exposure where the securities are uninsured or unregistered. Kootenai County's brokerage firm holds these securities as a counterparty. Kootenai County does not have an investment policy limiting the amount of securities that can be held by counterparties.

NOTE 4: RECEIVABLES

Receivables as of yearend for the County's major, non-major, and proprietary funds, including applicable allowances for doubtful accounts, are as follows:

	General	Other Governmental Funds	Proprietary Funds	Total
Accounts Receivable:				
Taxes	\$ 41,270,290	\$ 196,061	\$ -	\$ 41,466,351
General accounts	1,766,975	191,041	810,113	2,768,129
Grants	153,307	1,094,661	-	1,247,968
Interest	5,028	8	1,836	6,872
Gross Accounts Receivable	43,195,600	1,481,771	811,949	45,489,320
Less: allowance for doubtful accounts	-	(10,000)	(35,000)	(45,000)
Net Total Accounts Receivables	\$ 43,195,600	\$ 1,471,771	\$ 776,949	\$ 45,444,320

Kootenai County's governmental funds report unearned 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. As of yearend, the various components of unavailable and unearned revenue reported in Kootenai County's governmental funds were as reported:

	Unavailable	Unearned
Subsequent property taxes receivable - unearned in FY 2014	\$ -	\$ 40,587,506
Delinquent property taxes receivable (general fund)	468,601	-
Delinquent property taxes receivable (other governmental funds)	142,397	-
Intergovernmental services not yet performed (general fund)	-	392,598
Special Revenue program services not yet performed (other governmental funds)	-	188,475
Grant draw downs prior to meeting all eligibility requirements	-	258,807
Total unavailable and unearned revenue for governmental funds	\$ 610,998	\$ 41,427,386

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 (in thousands) is as follows:

Governmental Activities	Balance 9/30/13	Additions	Deletions	Transfers	Balance 9/30/14
Capital assets, not being depreciated:					
Other Assets	\$ 594	\$ 156	\$ -	\$ -	\$ 750
Land	5,417	615	-	-	6,032
Construction in progress	5,354	1,895	-	(4,095)	3,154
Total capital assets, not being depreciated	<u>11,365</u>	<u>2,666</u>	<u>-</u>	<u>(4,095)</u>	<u>9,936</u>
Capital assets, being depreciated:					
Buildings	40,227	-	-	-	40,227
Improvements other than buildings	37,131	583	(83)	4,116	41,747
Machinery and equipment	29,210	1,853	(541)	(21)	30,501
Total capital assets, being depreciated	<u>106,568</u>	<u>2,436</u>	<u>(624)</u>	<u>4,095</u>	<u>112,475</u>
Less accumulated depreciation for:					
Buildings	(20,864)	(1,223)	-	-	(22,087)
Improvements other than buildings	(21,619)	(2,630)	-	(8)	(24,257)
Machinery and equipment	(21,496)	(2,404)	541	8	(23,351)
Total accumulated depreciation	<u>(63,979)</u>	<u>(6,257)</u>	<u>541</u>	<u>-</u>	<u>(69,695)</u>
Total capital assets, being depreciated, net:	<u>42,589</u>	<u>(3,821)</u>	<u>(83)</u>	<u>4,095</u>	<u>42,780</u>
Government activity capital assets, net:	<u>\$ 53,954</u>	<u>(1,155)</u>	<u>(83)</u>	<u>-</u>	<u>\$ 52,716</u>
Business-type Activities	Balance 9/30/13	Additions	Deletions	Transfers	Balance 9/30/14
Capital assets, not being depreciated:					
Land	\$ 1,747	\$ -	\$ -	\$ -	\$ 1,747
Construction in progress	3,692	954	(176)	(4,044)	426
Total capital assets, not being depreciated	<u>5,439</u>	<u>954</u>	<u>(176)</u>	<u>(4,044)</u>	<u>2,173</u>
Capital assets, being depreciated:					
Buildings	668	78	-	-	746
Improvements other than buildings	2,065	660	-	(128)	2,597
Machinery and equipment	11,535	762	(285)	-	12,012
Transfer Stations	19,834	-	-	-	19,834
Landfill	18,379	19	-	4,172	22,570
Total capital assets, being depreciated	<u>52,481</u>	<u>1,519</u>	<u>(285)</u>	<u>4,044</u>	<u>57,759</u>
Less accumulated depreciation for:					
Buildings	(447)	(37)	-	-	(484)
Improvements other than buildings	(1,020)	(136)	-	-	(1,156)
Machinery and equipment	(8,005)	(1,027)	285	-	(8,747)
Transfer Stations	(6,569)	(667)	-	-	(7,236)
Landfill	(13,069)	(488)	-	-	(13,557)
Total accumulated depreciation	<u>(29,110)</u>	<u>(2,355)</u>	<u>285</u>	<u>-</u>	<u>(31,180)</u>
Total capital assets, being depreciated, net:	<u>23,371</u>	<u>(836)</u>	<u>-</u>	<u>4,044</u>	<u>26,579</u>
Business-type activities capital assets, net:	<u>\$ 28,810</u>	<u>\$ 118</u>	<u>\$ (176)</u>	<u>\$ -</u>	<u>\$ 28,752</u>

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

Governmental Activities:	
General Government	\$ 1,299,311
Public Works	2,009,871
Public Safety	2,590,285
Sanitation Weeds	4,304
Culture and Recreation	353,031
	<hr/>
Total governmental activities current year depreciation expense	<u>\$ 6,256,802</u>
Business-type activity:	
Solid Waste	\$ 2,355,415
	<hr/>
Total business-type activities current year depreciation expense	<u>\$ 2,355,415</u>

The tables above summarize General government and Solid Waste capital assets and related accumulated depreciation as of September 30, 2014.

General Government capital expenditures during fiscal year 2014 total \$5,232,151.

- Construction in Progress increase, \$1,894,934:
 - Ancillary Services Building construction costs, \$1,228,082
 - Waterways' project costs including completion of a grant funded launch at Harrison on Lake Coeur d'Alene, \$315,208
 - Airport Improvement Projects (AIP), \$222,592:
 - AIP 37 Airport Improvement Projects for Runways 1-19 and taxiway D Phase II, \$110,263
 - AIP 41 Ramp Design and Environmental Assessment, \$91,597
 - Other AIP projects, 20,732
 - KCSO Repaving Project, \$86,717
 - Additional costs of ongoing projects, \$42,335
- Land - County portion of the Riverstone Transit Center Land Purchase, \$615,152
- Other Assets - Capital Archiving Project , \$156,269
- Improvements Other Than Buildings increase, \$582,060:
 - North Parking Lot at Government/Garden, \$341,054
 - County Facility Improvements, \$187,598
 - Other Improvements, \$53,408
- Machinery and Equipment increase, \$1,853,040:
 - Bearcat Armored vehicle, twelve sheriff patrol and one recreational safety vehicles outfitted with mobile data units and safety equipment, two ATVs, two county vehicles
 - Ballot tabulator
 - Other including technology hardware, software, etc.
- General Government Machinery and Equipment disposals totaling \$541,119 include nineteen vehicles / vehicle accessories, two boat motors, a dozer, four copiers, and obsolete office and technology equipment.

Solid Waste Enterprise Fund capital expenditures during fiscal year 2014 total \$2,492,036.

- Construction in Progress increase, \$953,621:
 - Fighting Creek Landfill - East Cell Landfill Expansion Project, \$527,265
 - Fighting Creek Landfill - Leachate Pond 4, \$426,356
- Buildings increase, \$77,755
- Improvements Other than Buildings increase, \$678,902:
 - Chilco Rural Collection Site, \$413,065
 - Fighting Creek Misting System, \$215,968
 - Other Improvements, \$49,869

- Machinery and Equipment increase, \$762,140:
 - Dozer, two transfer trailers, pickup truck
 - Pit Scale
 - Generator, aerators, gas analyzers, misting system pumps/motors/ controllers
 - Other including technology hardware, software, etc.
- Fighting Creek Landfill improvement cost, \$19,618
- Solid Waste Machinery and Equipment disposals totaling \$285,096 include 4 transfer trailers, 1 pickup truck, 1 tractor, other obsolete office and technology equipment.

Discretely presented component units:

Activity for the Kootenai County Emergency Medical Services System for the year ended September 30, 2014, was as follows:

	Balance 9/30/13	Additions	Deletions	Transfers	Balance 9/30/14
KCEMSS Component Unit Activity					
Capital assets, not being depreciated:					
Land	\$ 403,990	\$ -	\$ -	\$ -	\$ 403,990
Construction in process	95,425	109,875	-	(205,300)	-
Total capital assets, not being depreciated	499,415	109,875	-	(205,300)	403,990
Capital assets, being depreciated:					
Building	507,944	-	-	205,300	713,244
Machinery and equipment	725,005	73,098	(58,282)	-	739,821
Vehicles	1,994,499	-	(20,168)	-	1,974,331
Total capital assets, being depreciated	3,227,448	73,098	(78,450)	205,300	3,427,396
Less accumulated depreciation for:					
Building	(75,627)	(28,133)	-	-	(103,760)
Machinery and equipment	(459,069)	(89,783)	45,545	-	(503,307)
Vehicles	(1,299,562)	(233,818)	20,168	-	(1,513,212)
Total accumulated depreciation	(1,834,258)	(351,734)	65,713	-	(2,120,279)
Total capital assets, being depreciated, net	1,393,190	(278,636)	(12,737)	205,300	1,307,117
KCEMSS activity capital assets, net	\$ 1,892,605	\$ (168,761)	\$ (12,737)	\$ 205,300	\$ 1,711,107

Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2013 was as follows:

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
North Idaho Fair Component Unit Activity				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 342,654	\$ 11,650	\$ -	\$ 354,304
Buildings	2,780,182	38,878	-	2,819,060
Total capital assets, being depreciated	3,122,836	50,528	-	3,173,364
Less accumulated depreciation for:				
Machinery and Equipment	(291,599)	(16,397)	-	(307,996)
Buildings	(1,192,939)	(72,756)	-	(1,265,695)
Total accumulated depreciation	(1,484,538)	(89,153)	-	(1,573,691)
Total capital assets, being depreciated, net	1,638,298	(38,625)	-	1,599,673
North Idaho Fair activity capital assets, net	\$ 1,638,298	\$ (38,625)	\$ -	\$ 1,599,673

NOTE 6: LEASES

6-A. Operating Leases:

Kootenai County pays ongoing obligations for building and equipment agreements through operating leases. Operating leases do not give rise to property ownership or lease debt obligations, and therefore are not reflected in the General Long-term Obligations of governmental activities.

The following is a schedule of future minimum rental obligations under operating lease agreements that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2014.

Fiscal Year Ending Ending September 30,	Governmental Activities
2015	149,299
2016	50,435
2017	50,435
2018	50,435
2019	33,624
Total Minimum Payments Required	\$ 334,228

The total expenditure for operating leases during the fiscal year ending September 30, 2014, approximated \$220,000. Future minimum lease obligations include:

- 9-1-1 emergency service repeater tower and equipment, approximately \$80,200.
- Printing services commercial copier equipment, approximately \$61,100.
- County department building rent, approximately \$48,500.
- Citilink bus transit sites, approximately \$19,000
- Waterway boat slip leases through September 30, 2014, approximately \$9,000.

NOTE 7: GENERAL LONG-TERM OBLIGATIONS

Changes in Long-term Obligations:

During the year ended September 30, 2014, the following changes occurred with liabilities reported in the general long-term obligations:

	Balance 10/1/2013	Additions	Reductions	Balance 9/30/2014	Amounts Due within One Year
Governmental Activities					
<i>Other Liabilities:</i>					
Compensated Absences	\$ 4,411,135	\$ 352,829	\$ 179,616	\$ 4,584,348	\$ 149,053
Governmental activities long-term liabilities	\$ 4,411,135	\$ 352,829	\$ 179,616	\$ 4,584,348	\$ 149,053
Business-Type Activities					
Compensated Absences	\$ 224,008	\$ 8,422	\$ 22,933	\$ 209,497	\$ 6,811
Landfill closure liability	7,019,000	-	-	7,019,000	-
Business-type activities long-term	\$ 7,243,008	\$ 8,422	\$ 22,933	\$ 7,228,497	\$ 6,811

At September 30, 2014, County-wide compensated absences payable total \$4,793,845. Of this liability, \$4,584,348 is governmental activity obligation, and \$209,497 is business activity obligation. For the governmental activities, the compensated absence liability is generally liquidated by the general fund. Compensated absence payouts to employees upon separation were \$179,616 for Governmental Fund employees, and \$22,933 for Business-type fund employees. Landfill closure liability remained the same as prior year due to expanded landfill capacity extending the estimated closure date from the year 2016 to 2033.

NOTE 8: NOTES PAYABLE: COMPONENT UNITS

The financial information in this report, for the fiscal year ending September 30, 2014, includes discretely presented financial information from two 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, 2013, for North Idaho Fair & Rodeo. KCEMSS has no outstanding notes payable for the year ending September 30, 2014.

NOTE 9: LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Federal and State regulations guiding landfill closure requires the County to implement a final closure plan at Fighting Creek that includes proper ventilation, landfill monitoring systems, and permanent cover and landscaping. After closure, the County is further required to perform ongoing maintenance and monitoring at the landfill site for thirty years. The County accounts for the future closure and post closure obligation by maintaining a closure liability based on the relative amount of waste received during the period. Restricted cash and investment assets equal to the liability are reserved to meet this future obligation. The amount recognized each year is based on the landfill capacity used as of the balance sheet date relative to the final capacity of the landfill. 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 2013-2014, no closure/post-closure expenses were recognized for the period ending September 30, 2014.

A total of \$7,019,000 has been recognized for closure and post-closure liability as of the balance sheet date. The current liability balance is based on 50.25% utilization of the total landfill estimated capacity of 4,967,000 tons and net estimated closure and post-closure costs of \$12,933,671. This amount totals \$13,100,400, less a reduction for actual closure expenses incurred of \$166,729. The remainder of the estimated closure/post-closure costs of \$6,416,774 will be recognized, on a pro-rata basis, as the remaining usable landfill space in the current cell is filled. The original cell at Fighting Creek Landfill is expected to reach interim close level sometime in 2033. However, the final closure of the original cell will be performed when the adjacent cells in development reach capacity projected to occur after 2045.

Funds totaling \$7,019,000 have been reserved in the Solid Waste Enterprise Fund to meet the funding requirements for closure and post-closure costs. These restricted assets are invested in the Idaho State Investment Pool and other similar investment vehicles as a way to have funds available to pay future closure costs.

The potential 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. This will have an impact on the timing and engineering estimates of closure/post-closure costs.

NOTE 10: RISK MANAGEMENT

Kootenai County may be liable for 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 Prosecutor, including his 5 approved Civil Deputies, provides legal advice to the County Commissioners and other public officials of the County. The Prosecutor also prosecutes or defends all civil actions in which the County is interested. Additionally, the Prosecutor's duties include drafting and reviewing contracts, as well as monitoring and defending claims arising therefrom.

The Board of County Commissioners serves as risk managers which duties include reviewing contracts, and evaluating the adequacy of insurance coverage. The Risk Management Technician 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 liability exposures covered by the ICRMP policy.

The ICRMP 2013-2014 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 for all liability claims other than machinery 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 provides self-insured retention coverage for damage to any Kootenai County property. Amounts over the claims retention are reinsured; the carriers and their respective AM Best ratings are as follows: Property coverage (\$250,000 to \$50,000,000) National Union rated A, and (\$50,000,000 to \$200,000,000) by RSUI rated A XIII, and for equipment (\$10,000 to \$100,000,000) Zurich rated A+/stable. 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.

For certain products ICRMP maintains aggregate limits for all of its insureds collectively. Kootenai County participates in two significant plans that are subject to these limits: Flood and/or Earthquake losses are covered up to \$50,000,000; and All Machinery losses are covered up to \$100,000,000.

On December 31, 2014, the County had 6 outstanding claims, none of which had more than remote possibility of adverse judgment against the County. For all pending claims, the County's legal staff maintains the position that the County bears little or no loss liability, based upon the strength of the claims and prior experience. Settlements paid did not exceed the County's reserves set aside for self-insurance. Accordingly, no liability for losses has been reported on the balance sheet, as was the case in the prior year.

The County has established a self-funded health insurance program. This program is funded by internal rates charged bi-weekly through payroll to the various County departments based on actual participation by employees for their share of the cost. As of September 30, 2014, 9 past employees have elected to pay the full premium cost to remain on the County's health insurance plan. The County's self-funded plan is administered on a contract basis by a third party administrator. Claims are paid by the administrator and are reimbursed by the County. Reinsurance for both specific and annual aggregate stop-loss coverage is provided. Specific stop-loss covers individual claims in excess of \$150,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$5,984,876. The Health Insurance Fund Balance at September 30, 2014 was \$2,522,776. Estimated claims outstanding (incurred but not received – "IBNR"), as of fiscal year end was \$598,281 based on health plan consultant's actuarial estimate and subsequent claims.

Fiscal Year	Beginning IBNR	Claims Incurred	Payments on claims	Ending IBNR
2014	\$ 435,269	\$ 5,005,039	\$ 4,842,027	\$ 598,281
2013	438,714	4,689,143	4,692,588	435,269

NOTE 11: PENSION PLAN

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

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

Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. Benefits are calculated based on annual service retirement allowances of 2.00% or 2.30% (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 11.32% and 11.66% for general employees and police members, respectively. The required employee contribution rate is 6.79% for general employees and 8.36% for police members.

Kootenai County had 731 employees actively contributing to PERSI as of September 30, 2014. Total contributions required and paid were \$4,175,185, \$3,372,059, and \$3,234,260, for the three years ending September 30, 2014, 2013, and 2012 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's interest as a voting HARSB member is related to the Coeur d'Alene Airport's significant footprint within the HARSB service area. The County's control over the budget and/or financial operations of HARSB is

limited to its representative participation on the Board. HARSB, acting through its appointed management team exercises total authority for the daily operations of the organization whose purpose is to construct and operate sewer facilities in the Hayden Lake area of Kootenai County. Control exercised by HARSB includes budgeting, contracting, and designation of management.

Kootenai County has no financial interest or responsibility in 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, 2014.

The County has elected to report KCEMSS as a component unit because the Board of County Commissioners approves the annual KCEMSS operating budget, appoints *one* board member, and serves as the tax levy authority. **See Note 1(A) for more information.**

NOTE 14: CONTINGENT LIABILITIES

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

NOTE 15: INTERNAL BALANCES AND INTERFUND TRANSFERS

The composition of internal balances as of September 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>(Payable) Funds</u>
<u>Major Funds:</u>	
General Fund	\$ 1,063,479
<u>Non-Major Special Revenue and Capital Project Funds:</u>	
Public Transportation	(733,963)
District Court	(329,516)
Total	<u>\$ -</u>

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

Interfund transfers:

	Transfer in		
	General Gov't Funds	Other Governmental Funds	Total
Transfer Out			
General Governmental Funds	\$ (274,855)	\$147,624	\$ (127,231)
Other Governmental Funds	26,050	(26,050)	-
Enterprise Funds	625,132	44,996	670,128
Total	<u>\$ 376,327</u>	<u>\$ 166,570</u>	<u>\$ 542,897</u>

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 or 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.

Significant interfund transfers during the fiscal year include:

- \$670,128 Solid Waste transfer to General Government of \$625,132, and Health District of \$44,996, for administrative and overhead costs.
- \$230,150 General fund transfer to non-major other governmental funds of \$125,852, and Solid Waste of \$104,298 to cover Wage Adjustments.
- \$29,705 General fund transfer to non-major other governmental funds of \$6,772 and Solid Waste of \$22,933 to cover paid sick leave termination.
- \$26,050 Aquifer Protection Fund transfer to General Fund for program administrative costs.

NOTE 16: FUND EQUITY

16-A. Deficit Fund Equity:

At September 30, 2014, the following County fund had a temporary fund balance deficit:

Noxious Weed Fund	\$4,694
District Court Fund	<u>\$181,710</u>
Total Fund Balance Deficit	<u>\$186,404</u>

Fund balance deficits will be resolved in the next fiscal year through increasing revenue over annual expenditures. Revenue sources could include increasing taxes, charges for services, or general fund operating transfers.

16-B. Fund Equity Balances:

At September 30, 2014 the following fund equity balances were reserved:

Fund Balances:	Non-Major		
	General	Other Govt	Total
Nonspendable:			
Prepays	\$ 146,142	\$ 13,457	\$ 159,599
Total Nonspendable	<u>146,142</u>	<u>13,457</u>	<u>159,599</u>
Restricted			
Juvenile justice services	261,247	-	261,247
Enhanced 9-1-1 Services	2,433,396	-	2,433,396
Court facility construction	409,217	-	409,217
Sheriff Commissary	138,482	-	138,482
Sheriff Drug Seizure	370,092	-	370,092
Court interlock devices	-	92,652	92,652
Operations	-	1,737,596	1,737,596
Total Restricted	<u>3,612,434</u>	<u>1,830,248</u>	<u>5,442,682</u>
Committed:			
Capital Project-Central Fuel Program	1,000,000	-	1,000,000
Capital Project-Facilities Master Plan	8,500,000	-	8,500,000
Capital Project-Info System Infrastructure	500,000	-	500,000
Capital Project-Building & Grounds Facility	39,600	-	39,600
Capital Project-Jail Maintenance	59,200	-	59,200
Info Systems Project-Tax Software Update	150,000	-	150,000
Info Systems Project-Case Management Software	478,698	-	478,698
Info System Projects- Other	82,148	-	82,148
Capital Purchases	1,221,791	-	1,221,791
Sheriff Snowmobile	-	27,470	27,470
Operations	1,764,660	1,698,323	3,462,983
Total Committed	<u>13,796,097</u>	<u>1,725,793</u>	<u>15,521,890</u>
Assigned			
Capital Replacement Projects	654,880	115,462	770,342
Total Assigned	<u>654,880</u>	<u>115,462</u>	<u>770,342</u>
Unassigned	<u>16,378,067</u>	<u>-</u>	<u>16,378,067</u>
Total fund balances	<u>\$ 34,587,620</u>	<u>\$ 3,684,960</u>	<u>\$ 38,272,580</u>

NOTE 17: SUBSEQUENT EVENT

Subsequent to year-end, the Kootenai County Emergency Medical Services System entered into an agreement with Professional Sales & Service, L.C. for the purchase of 15 new ambulances. The total contract price for the ambulances is \$2,484,375. The purchase of the ambulances is to be financed with a capital lease obligation in the amount of \$2,150,000 at a 2% interest rate over a life of 8 years. The difference between the ambulance contract and the amount financed through the capital lease is \$334,375 and will be funded from the KCEMSS fund balance. In addition to the ambulance contract, KCEMSS entered into a contract with Stryker Medical to purchase 15 Power Load Cot Systems, which will be installed in the 15 new ambulances. The Power Load Cot System will be purchased out of the KCEMSS fund balance in the amount of \$387,600.

Required Supplementary Information



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, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 34,586,620	\$ 34,586,620	\$ 35,157,404	\$570,784
Licenses and permits	1,285,500	1,285,500	1,336,400	50,900
Intergovernmental	7,912,782	8,728,710	10,333,595	1,604,885
Interest	350,000	350,000	80,580	(269,420)
Fines and forfeitures	395,304	590,919	536,719	(54,200)
Charges for services	5,943,477	6,112,405	6,177,210	64,805
Miscellaneous	1,985,742	4,343,600	579,636	(3,763,964)
<i>Total Revenues</i>	52,459,425	55,997,754	54,201,544	(1,796,210)
Expenditures				
Current:				
General government				
Assessor	1,503,327	1,562,842	1,534,137	28,705
Building & Grounds	550,076	560,090	541,420	18,670
County Clerk	4,325,094	4,522,757	4,166,271	356,486
County Auto Shop	233,377	236,780	222,062	14,718
County Commissioner	838,426	855,176	814,620	40,556
County Grant Writer	53,430	68,430	66,532	1,898
General Accounts	2,138,369	788,401	873,068	(84,667)
Office of Emergency Management	351,006	723,212	556,049	167,163
Human Resources	218,717	232,308	236,491	(4,183)
Information Services	1,982,995	2,042,694	1,900,066	142,628
Liability Insurance	774,668	779,932	757,538	22,394
Community Development	1,589,198	1,613,636	1,343,979	269,657
Prosecuting Attorney	2,839,216	3,001,723	2,961,196	40,527
Public Defender	2,243,693	2,444,060	2,388,029	56,031
Reprographics/Mail Room	248,370	250,843	251,188	(345)
Treasurer	608,042	634,703	626,712	7,991
Veterans Services	96,854	98,232	92,452	5,780

(Continued)

KOOTENAI COUNTY, IDAHO
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Budget and Actual
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<i>(Continued)</i>				
Public safety				
9-1-1	2,970,547	3,004,243	2,806,204	\$ 198,039
Adult Misdemeanor Probation	516,782	611,030	589,361	21,669
Coroner	325,535	328,210	240,617	87,593
Justice - General Accounts	850,000	600,000	607,167	(7,167)
Juvenile Detention Center	2,386,326	2,458,683	2,346,936	111,747
Juvenile Diversion	240,822	249,219	249,089	130
Juvenile Probation	1,068,172	1,182,458	1,151,119	31,339
Sheriff	21,263,756	21,912,396	21,289,990	622,406
Health & welfare				
County Assistance	500,166	533,466	533,395	71
Capital outlay:				
Capital expenditures	1,839,089	3,286,216	2,129,033	1,157,183
Construction in Progress	558,500	1,807,687	1,667,288	140,399
Total Expenditures	53,114,553	56,389,427	52,942,009	3,447,418
Excess of Revenues Over (Under) Expenditures	(655,128)	(391,673)	1,259,535	1,651,208
Other Financing Sources (Uses)				
Proceeds insurance	-	-	3,550	3,550
Transfers In	1,330,128	2,125,229	651,182	(1,474,047)
Transfers (out)	(675,000)	(1,733,556)	(274,855)	1,458,701
Total Other Financing Sources (Uses)	655,128	391,673	379,877	(11,796)
Revenues and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	\$ -	\$ -	1,639,412	
Fund Balances Beginning of Year			32,948,208	
Fund Balances End of Year			\$ 34,587,620	

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

KOOTENAI COUNTY, IDAHO
Required Supplementary Information
Notes to Required Supplementary Information
Basis of Budgetary Reporting
Stewardship, Compliance, and Accountability
For the Year Ended September 30, 2014

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 Principles (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.

Unexpended appropriations for incomplete capital improvements will carry forward into the subsequent year's budget upon request of the responsible department and approval of the Board of County Commissioners.

Stewardship, Compliance, and Accountability

The County budgets revenues and expenditures as required by Idaho Code Section 31, Chapter 16. Following these guidelines, the County adopts annual appropriations for General, Special Revenue, and Enterprise Funds. Capital project activities are integrated into the related fund's budget. All budgets are adopted on an accounting basis that 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 cannot increase the amount that was published in the local newspaper. Per Idaho Code Section 31, the actual expenditures for the ensuing fiscal year shall not exceed the appropriations legally adopted by the Commissioners.

During the year the county commissioners may proceed to adjust the budget as adopted to reflect the receipt of unanticipated revenue, grants, or donations from federal, state or local governments or private sources, provided that there shall be no increase in anticipated property taxes. Budget increases can only occur after advertising the proposed change, holding a public hearing, and a subsequent resolution of the Board of County Commissioners.

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

Kootenai County employs formal budgetary accounting as a management control. The Board of County Commissioners adopts the annual budget via resolution and formally integrates the budget into the accounting system. The annual budget is prepared and adopted on a modified accrual basis that departs from generally accepted accounting principles. Budgets for governmental funds are prepared in accordance with the modified accrual basis, which is the same accounting basis used to reflect actual revenues and expenditures. 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 2014

Kootenai County Board of County Commissioners approved seven unexpended appropriations of projects totaling \$2,071,796 to be carried over from fiscal year 2014 budget as allowed by Idaho Code Section 13, Chapter 16. The following schedule details the in process projects carried over from prior year:

	<u>Prior Appropriations</u>	<u>Prior Year Expenditures</u>	<u>Carryforward Balance 10/1/2013</u>	<u>Appropriation FY 2014</u>	<u>Expenditures FY 2014</u>	<u>Carryforward Balance 9/30/2014</u>
Landfill Capital Improvement Projects	7,986,876	3,531,983	4,454,893	(2,100,176)	1,280,317	1,074,400
Solid Waste Rural Site Purchases	669,070	34,672	634,398	(18,633)	413,065	202,700
Priority Dispatch Pro QA Software System	-	-	-	204,941	122,793	82,148
Property Tax Software System	463,655	93,804	369,851	(150,507)	69,344	150,000
Planning and Zoning Master Plan	350,000	347,875	2,125	(2,125)	-	-
Clerk Recorder's Archiving Project	300,000	245,847	54,153	120,308	174,461	-
9-1-1 Call Center Remodel	1,498,381	1,469,235	29,146	(29,146)	-	-
Jail Camera System Upgrade	594,780	525,844	68,936	-	68,936	-
Jail Maintenance Improvement Projects	-	-	-	273,538	219,288	54,250
Information System Wireless Equip Project	217,665	166,603	51,062	(51,062)	-	-
District Court Casemanagement Software	500,000	249,173	250,827	291,029	63,158	478,698
Replacement Reserve Capital Projects	1,462,538	225,393	1,237,145	583,464	1,791,009	29,600
Total Carryforward			<u>7,152,536</u>			<u>2,071,796</u>

KOOTENAI COUNTY, IDAHO
Required Supplementary Information
Schedule of Expenditure Compliance at the Legal Level of Budgetary Control
Budget and Actual
By Elected Official
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>(Over) Under</u>
	<u>Final</u>		
Board of County Commissioners			
General Government	25,334,739	22,708,742	2,625,997
Solid Waste	14,161,651	8,851,897	5,309,754
Total BOCC	<u>\$ 39,496,390</u>	<u>\$ 31,560,639</u>	<u>\$ 7,935,751</u>
County Clerk	<u>\$ 8,217,395</u>	<u>\$ 7,280,183</u>	<u>\$ 937,212</u>
Administrative District Judge	<u>\$ 2,334,213</u>	<u>\$ 2,253,249</u>	<u>\$ 80,964</u>
Treasurer	<u>\$ 634,703</u>	<u>\$ 626,712</u>	<u>\$ 7,991</u>
County Assessor	<u>\$ 3,855,657</u>	<u>\$ 3,737,519</u>	<u>\$ 118,138</u>
Coroner	<u>\$ 328,210</u>	<u>\$ 240,617</u>	<u>\$ 87,593</u>
County Sheriff	<u>\$ 26,889,948</u>	<u>\$ 26,006,162</u>	<u>\$ 883,786</u>
Prosecuting Attorney	<u>\$ 3,250,942</u>	<u>\$ 3,210,284</u>	<u>\$ 40,658</u>



Supplementary Information





Nonmajor Governmental Funds Special Revenue Funds

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

Centennial Trail Fund – accounts for maintenance, improvements, and capital expansion of the Idaho Centennial Trail. Funding is provided by participating City Joint Powers Board members, and Federal, State, and Local grants.

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

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 North Idaho Fair & Rodeo. Funding is provided through property taxes.

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

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

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

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

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

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

Public Access Contribution - accounts for resources provided by a lease with the Hagadone Corporation for mitigation of loss of public waterfront access due to the lake bed encroachment from the floating green. Funding is provided through a lease agreement based upon golf course green fees.

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

FTA Public Transportation Fund - accounts for the operation of the county's Public Transportation. Funding is provided through FTA grants and agreements with local agencies.

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

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

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

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

Nonmajor Capital Projects Funds
Capital Projects Funds

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

General Construction Fund - This fund is used to account for major capital projects established within the County's operation of the general governmental activities. Funding sources are provided through capital grant receipts from Federal, State, and other governmental agencies.

Combining Financial Statements



KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash in bank and investments	\$ 4,148,910	\$ 3,128	\$ 4,152,038
Taxes delinquent-receivable	196,061	-	196,061
Accounts receivable, (net)	181,041	-	181,041
Interest receivable	8	-	8
Grants receivable	1,060,302	34,359	1,094,661
Prepays	13,457	-	13,457
Total Assets	\$ 5,599,779	\$ 37,487	\$ 5,637,266
Liabilities			
Accounts payable	\$ 266,030	\$ 37,487	\$ 303,517
Unearned revenues-other	188,475	-	188,475
Unearned revenues-grants	254,438	-	254,438
Due to other funds	1,063,479	-	1,063,479
Total Liabilities	1,772,422	37,487	1,809,909
Deferred Inflows of Resources			
Unavailable property taxes	142,397	-	142,397
Total Deferred Inflows of Resources	142,397	-	142,397
Fund Balances:			
Nonspendable	13,457	-	13,457
Restricted	1,830,248	-	1,830,248
Committed	1,725,793	-	1,725,793
Assigned	115,462	-	115,462
Total Fund Balances	3,684,960	-	3,684,960
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,599,779	\$ 37,487	\$ 5,637,266

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2014

	Centennial Tr. Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
Assets					
Cash in bank and investments	\$ 115,462	\$ 1,345	\$ 500,441	\$ 4,405	\$ 3,761
Taxes delinquent-receivable	-	-	7,737	1,521	4,613
Accounts receivable, (net)	-	-	2,215	-	47
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	-
Prepays	-	-	-	-	-
Total Assets	\$ 115,462	\$ 1,345	\$ 510,393	\$ 5,926	\$ 8,421
Liabilities					
Accounts payable	\$ -	\$ 367	\$ 58,614	\$ -	\$ 9,993
Deferred revenues	-	-	19,644	-	-
Deferred grant revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	367	78,258	-	9,993
Deferred Inflows of Resources					
Unavailable property taxes	-	-	6,303	1,086	3,122
Total deferred inflows of resources	-	-	6,303	1,086	3,122
Fund Balances (Deficits)					
Nonspendable	-	-	-	-	-
Restricted	-	978	305,832	4,840	(4,694)
Committed	-	-	120,000	-	-
Assigned	115,462	-	-	-	-
Total Fund Balances (Deficit)	115,462	978	425,832	4,840	(4,694)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 115,462	\$ 1,345	\$ 510,393	\$ 5,926	\$ 8,421

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2014

	Health District Special Revenue	Historical Society Special Revenue	Parks Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
Assets					
Cash in bank and investments	\$ 113,620	\$ 3	\$ 144,002	\$ 164,944	\$ 150,191
Taxes delinquent-receivable	13,465	441	3,675	-	-
Accounts receivable, (net)	-	-	-	3	37,029
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	-
Prepays	-	-	100	-	75
Total Assets	\$ 127,085	\$ 444	\$ 147,777	\$ 164,947	\$ 187,295
Liabilities					
Accounts payable	\$ -	\$ -	\$ 3,343	\$ 370	\$ 8,705
Deferred revenues	-	-	-	-	-
Deferred grant revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	3,343	370	8,705
Deferred Inflows of Resources					
Unavailable property taxes	9,229	392	2,519	-	-
Total deferred inflows of resources	9,229	392	2,519	-	-
Fund Balances					
Nonspendable	-	-	100	-	75
Restricted	117,856	52	1,156	128,061	140,311
Committed	-	-	140,659	36,516	38,204
Assigned	-	-	-	-	-
Total Fund Balances	117,856	52	141,915	164,577	178,590
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 127,085	\$ 444	\$ 147,777	\$ 164,947	\$ 187,295

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2014

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans Special Revenue	District Court Special Revenue
Assets				
Cash in bank and investments	\$ 47,433	\$ 2,311,146	\$ -	\$ 92,832
Taxes delinquent-receivable	-	41,653	-	15,951
Accounts receivable, (net)	-	-	-	122,857
Interest receivable	8	-	-	-
Grants receivable	-	-	1,060,302	-
Prepays	-	-	250	13,032
Total Assets	\$ 47,441	\$ 2,352,799	\$ 1,060,552	\$ 244,672
Liabilities				
Accounts payable	\$ -	\$ 3,743	\$ 36,051	\$ 37,232
Deferred revenues	-	84,396	36,100	48,335
Deferred grant revenues	-	-	254,438	-
Due to other funds	-	-	733,963	329,516
Total Liabilities	-	88,139	1,060,552	415,083
Deferred Inflows of Resources				
Unavailable property taxes	-	27,493	-	11,299
Total deferred inflows of resources	-	27,493	-	11,299
Fund Balances (Deficits)				
Nonspendable	-	-	250	13,032
Restricted	47,441	846,753	(250)	(194,742)
Committed	-	1,390,414	-	-
Assigned	-	-	-	-
Total Fund Balances (Deficits)	47,441	2,237,167	-	(181,710)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 47,441	\$ 2,352,799	\$ 1,060,552	\$ 244,672

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2014

	Revaluation Special Revenue	KCEMSS Special Revenue	Aquifer Protection Special Revenue	Total Nonmajor Special Revenue Funds
Assets				
Cash in bank and investments	\$ 182,028	\$ 15,555	\$ 301,742	\$ 4,148,910
Taxes delinquent-receivable	31,144	60,231	15,630	196,061
Accounts receivable, (net)	-	18,890	-	181,041
Interest receivable	-	-	-	8
Grants receivable	-	-	-	1,060,302
Prepays	-	-	-	13,457
Total Assets	\$ 213,172	\$ 94,676	\$ 317,372	\$ 5,599,779
Liabilities				
Accounts payable	\$ 4,162	\$ 15,555	\$ 87,895	\$ 266,030
Deferred revenues	-	-	-	188,475
Deferred grant revenues	-	-	-	254,438
Due to other funds	-	-	-	1,063,479
Total Liabilities	4,162	15,555	87,895	1,772,422
Deferred Inflows of Resources				
Unavailable property taxes	20,357	47,292	13,305	142,397
Total deferred inflows of resources	20,357	47,292	13,305	142,397
Fund Balances				
Nonspendable	-	-	-	13,457
Restricted	188,653	31,829	216,172	1,830,248
Committed	-	-	-	1,725,793
Assigned	-	-	-	115,462
Total Fund Balances	188,653	31,829	216,172	3,684,960
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 213,172	\$ 94,676	\$ 317,372	\$ 5,599,779

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2014

	General Construction Capital Projects	Total Nonmajor Capital Project Funds
Assets		
Cash in bank and investments	\$ 3,128	\$ 3,128
Grants receivable	34,359	34,359
<i>Total Assets</i>	<u>\$ 37,487</u>	<u>\$ 37,487</u>
Liabilities		
Accounts payable	\$ 37,487	\$ 37,487
<i>Total Liabilities</i>	<u>37,487</u>	<u>37,487</u>
Fund Balances		
Restricted	-	-
<i>Total Fund Balances (deficit)</i>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 37,487</u>	<u>\$ 37,487</u>

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 8,338,207	\$ -	\$ 8,338,207
Licenses and permits	125,444	-	125,444
Intergovernmental	2,739,926	718,325	3,458,251
Interest	217	-	217
Fines and forfeitures	832,760	-	832,760
Charges for services	1,636,975	-	1,636,975
Miscellaneous	884,665	52,142	936,807
<i>Total Revenues</i>	<u>14,558,194</u>	<u>770,467</u>	<u>15,328,661</u>
Expenditures			
Current:			
General government	3,979,009	14,141	3,993,150
Public works	777,325	23,207	800,532
Public safety	4,855,123	-	4,855,123
Sanitation	303,596	-	303,596
Health & welfare	3,303,156	-	3,303,156
Culture and recreation	763,257	-	763,257
Capital Outlay:			
Capital expenditures	731,041	-	731,041
Construction in progress	(28,330)	733,119	704,789
<i>Total Expenditures</i>	<u>14,684,177</u>	<u>770,467</u>	<u>15,454,644</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(125,983)</u>	<u>-</u>	<u>(125,983)</u>
Other Financing Sources (Uses)			
Proceeds from Insurance	10,279	-	10,279
Transfers In	192,620	-	192,620
Transfers (out)	(26,050)	-	(26,050)
<i>Total Other Financing Sources (Uses)</i>	<u>176,849</u>	<u>-</u>	<u>176,849</u>
<i>Net Change in Fund Balances</i>	50,866	-	50,866
<i>Fund Balances Beginning of Year</i>	<u>3,634,094</u>	<u>-</u>	<u>3,634,094</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,684,960</u>	<u>\$ -</u>	<u>\$ 3,684,960</u>

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2014

	Centennial Tr. Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
Revenues					
Taxes	\$ -	\$ -	\$ 162,616	\$ 75,590	\$ 232,327
Licenses and permits	-	-	-	-	-
Intergovernmental	-	1,949	1,466	729	30,283
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	607,431	-	75
Miscellaneous	-	-	43,934	1	5,120
<i>Total Revenues</i>	-	1,949	815,447	76,320	267,805
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	777,325	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	303,596
Health & welfare	-	-	-	-	-
Culture and recreation	5,932	1,949	-	75,000	-
Capital outlay:					
Capital expenditures	-	-	10,000	-	-
Construction in progress	-	-	(37,930)	-	-
<i>Total Expenditures</i>	5,932	1,949	749,395	75,000	303,596
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(5,932)	-	66,052	1,320	(35,791)
Other Financing Sources					
Proceeds from Insurance	-	-	10,279	-	-
Transfers in	15,000	-	7,828	-	4,442
Transfers (out)	-	-	-	-	-
<i>Total Other Financing Sources</i>	15,000	-	18,107	-	4,442
<i>Net Change in Fund Balances</i>	9,068	-	84,159	1,320	(31,349)
<i>Fund Balances Beginning of Year</i>	106,394	978	341,673	3,520	26,655
<i>Fund Balances End of Year (Deficit)</i>	\$ 115,462	\$ 978	\$ 425,832	\$ 4,840	\$ (4,694)

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2014

	Health District Special Revenue	Historical Society Special Revenue	Parks Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
Revenues					
Taxes	\$ 694,521	\$ 11,904	\$ 181,813	\$ -	\$ -
Licenses and permits	-	-	-	79,340	-
Intergovernmental	6,436	121	1,704	-	753,582
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	70,170	-	-
Miscellaneous	16	-	26,537	-	10,000
<i>Total Revenues</i>	<u>700,973</u>	<u>12,025</u>	<u>280,224</u>	<u>79,340</u>	<u>763,582</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	7,674	335,348
Sanitation	-	-	-	-	-
Health & welfare	710,646	-	-	-	-
Culture and recreation	-	12,500	277,526	56,581	333,769
Capital outlay:					
Capital expenditures	-	-	-	-	59,722
Construction in progress	-	-	9,600	-	-
<i>Total Expenditures</i>	<u>710,646</u>	<u>12,500</u>	<u>287,126</u>	<u>64,255</u>	<u>728,839</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(9,673)</u>	<u>(475)</u>	<u>(6,902)</u>	<u>15,085</u>	<u>34,743</u>
Other Financing Sources					
Proceeds from Insurance	-	-	-	-	-
Transfers in	44,996	-	5,388	-	9,087
Transfers (out)	-	-	-	-	-
<i>Total Other Financing Sources</i>	<u>44,996</u>	<u>-</u>	<u>5,388</u>	<u>-</u>	<u>9,087</u>
<i>Net Change in Fund Balances</i>	35,323	(475)	(1,514)	15,085	43,830
<i>Fund Balances Beginning of Year</i>	<u>82,533</u>	<u>527</u>	<u>143,429</u>	<u>149,492</u>	<u>134,760</u>
<i>Fund Balances End of Year</i>	<u>\$ 117,856</u>	<u>\$ 52</u>	<u>\$ 141,915</u>	<u>\$ 164,577</u>	<u>\$ 178,590</u>

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2014

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans Special Revenue	District Court Special Revenue
Revenues				
Taxes	\$ -	\$ 2,060,221	\$ -	\$ 879,310
Licenses and permits	-	-	-	400
Intergovernmental	5,890	18,808	1,551,598	269,043
Interest	217	-	-	-
Fines and forfeitures	-	-	-	832,760
Charges for services	-	-	840,196	119,103
Miscellaneous	-	753,765	45,152	21
<i>Total Revenues</i>	<u>6,107</u>	<u>2,832,794</u>	<u>2,436,946</u>	<u>2,100,637</u>
Expenditures				
Current:				
General government	-	-	1,821,794	-
Public works	-	-	-	-
Public safety	-	-	-	2,253,250
Sanitation	-	-	-	-
Health & welfare	-	2,247,174	-	-
Culture and recreation	-	-	-	-
Capital outlay:				
Capital expenditures	-	-	615,152	-
Construction in progress	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>2,247,174</u>	<u>2,436,946</u>	<u>2,253,250</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>6,107</u>	<u>585,620</u>	<u>-</u>	<u>(152,613)</u>
Other Financing Sources (Uses)				
Proceeds from Insurance	-	-	-	-
Transfers in	-	13,485	-	48,128
Transfers (out)	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>13,485</u>	<u>-</u>	<u>48,128</u>
<i>Net Change in Fund Balances</i>	6,107	599,105	-	(104,485)
<i>Fund Balances Beginning of Year</i>	<u>41,334</u>	<u>1,638,062</u>	<u>-</u>	<u>(77,225)</u>
<i>Fund Balances End of Year (Deficit)</i>	<u>\$ 47,441</u>	<u>\$ 2,237,167</u>	<u>\$ -</u>	<u>\$ (181,710)</u>

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2014

	Revaluation Special Revenue	Kootenai Emergency Management Special Revenue	Aquifer Protection District Special Revenue	Total Non-major Special Revenue Funds
Revenues				
Taxes	\$ 1,512,439	\$ 2,130,750	\$ 396,716	\$ 8,338,207
Licenses and permits	-	45,704	-	125,444
Intergovernmental	13,743	84,574	-	2,739,926
Interest	-	-	-	217
Fines and forfeitures	-	-	-	832,760
Charges for services	-	-	-	1,636,975
Miscellaneous	72	47	-	884,665
<i>Total Revenues</i>	<u>1,526,254</u>	<u>2,261,075</u>	<u>396,716</u>	<u>14,558,194</u>
Expenditures				
Current:				
General government	2,157,215	-	-	3,979,009
Public works	-	-	-	777,325
Public safety	-	2,258,851	-	4,855,123
Sanitation	-	-	-	303,596
Health & welfare	-	-	345,336	3,303,156
Culture and recreation	-	-	-	763,257
Capital outlay:				
Capital expenditures	46,167	-	-	731,041
Construction in progress	-	-	-	(28,330)
<i>Total Expenditures</i>	<u>2,203,382</u>	<u>2,258,851</u>	<u>345,336</u>	<u>14,684,177</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(677,128)</u>	<u>2,224</u>	<u>51,380</u>	<u>(125,983)</u>
Other Financing Sources (Uses)				
Proceeds from Insurance	-	-	-	10,279
Transfers in	44,266	-	-	192,620
Transfers (out)	-	-	(26,050)	(26,050)
<i>Total Other Financing Sources (Uses)</i>	<u>44,266</u>	<u>-</u>	<u>(26,050)</u>	<u>176,849</u>
<i>Net Change in Fund Balances</i>	<u>(632,862)</u>	<u>2,224</u>	<u>25,330</u>	<u>50,866</u>
<i>Fund Balances Beginning of Year</i>	<u>821,515</u>	<u>29,605</u>	<u>190,842</u>	<u>3,634,094</u>
<i>Fund Balances End of Year</i>	<u>\$ 188,653</u>	<u>\$ 31,829</u>	<u>\$ 216,172</u>	<u>\$ 3,684,960</u>

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2014

	General Construction Capital Projects	Total Nonmajor Capital Projects Funds
Revenues		
Intergovernmental	\$ 718,325	\$ 718,325
Miscellaneous	52,142	52,142
<i>Total Revenues</i>	770,467	770,467
Expenditures		
Current:		
General government	14,141	14,141
Public works	23,207	23,207
Capital outlay:		
Construction in progress	733,119	733,119
<i>Total Expenditures</i>	770,467	770,467
<i>Net Change in Fund Balances</i>	-	-
<i>Fund Balances Beginning of Year</i>	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -

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, 2014

	Centennial Trail Special Revenue Fund			Tourism Promotion Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,500	\$ 1,949	\$ (1,551)
Charges for services	15,000	-	(15,000)	-	-	-
<i>Total Revenues</i>	15,000	-	(15,000)	3,500	1,949	(1,551)
Expenditures						
Current:						
Culture and recreation	15,000	5,932	9,068	3,500	1,949	1,551
Capital outlay:						
Capital expenditures	15,000	-	15,000	-	-	-
<i>Total Expenditures</i>	30,000	5,932	24,068	3,500	1,949	1,551
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(15,000)	(5,932)	9,068	-	-	-
Other Financing Sources						
Transfers In	15,000	15,000	-	-	-	-
<i>Total Other Financing Sources</i>	15,000	15,000	-	-	-	-
<i>Net Change in Fund Balances</i>	-	9,068	9,068	-	-	-
<i>Fund Balances Beginning of Year</i>	106,394	106,394	-	978	978	-
<i>Fund Balances End of Year</i>	\$ 106,394	\$ 115,462	\$ 9,068	\$ 978	\$ 978	\$ -

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, 2014

	Airport Special Revenue Fund			County Fair Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ 153,794	\$ 162,616	\$ 8,822	\$ 75,000	\$ 75,590	\$ 590
Intergovernmental	-	1,466	1,466	-	729	-
Charges for services	522,870	607,431	84,561	-	-	-
Miscellaneous	89,112	43,934	(45,178)	-	1	1
<i>Total Revenues</i>	<u>765,776</u>	<u>815,447</u>	<u>49,671</u>	<u>75,000</u>	<u>76,320</u>	<u>591</u>
Expenditures						
Current:						
Public works	773,604	777,325	(3,721)	-	-	-
Culture and recreation	-	-	-	75,000	75,000	-
Capital outlay:						
Capital expenditures	-	10,000	(10,000)	-	-	-
Construction in progress	-	(37,930)	37,930	-	-	-
<i>Total Expenditures</i>	<u>773,604</u>	<u>749,395</u>	<u>24,209</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(7,828)</u>	<u>66,052</u>	<u>73,880</u>	<u>-</u>	<u>1,320</u>	<u>591</u>
Other Financing Sources (Uses)						
Proceeds insurance	-	10,279	(10,279)	-	-	-
Transfer in	7,828	7,828	-	-	-	-
<i>Total Other Financing Sources</i>	<u>7,828</u>	<u>18,107</u>	<u>10,279</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>84,159</u>	<u>84,159</u>	<u>-</u>	<u>1,320</u>	<u>591</u>
<i>Fund Balances Beginning of Year</i>	<u>341,673</u>	<u>341,673</u>	<u>-</u>	<u>3,520</u>	<u>3,520</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 341,673</u>	<u>\$ 425,832</u>	<u>\$ 84,159</u>	<u>\$ 3,520</u>	<u>\$ 4,840</u>	<u>\$ 591</u>

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, 2014

	Noxious Weeds Special Revenue Fund			Health District Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ 228,736	\$ 232,327	\$ 3,591	\$ 687,337	\$ 694,521	\$ 7,184
Intergovernmental	1,000	30,283	29,283	-	6,436	6,436
Charges for services	-	75	75	-	-	-
Miscellaneous	58,637	5,120	(53,517)	23,309	16	(23,293)
<i>Total Revenues</i>	288,373	267,805	(20,568)	710,646	700,973	(9,673)
Expenditures						
Current:						
Sanitation	292,815	303,596	(10,781)	-	-	-
Health & welfare	-	-	-	710,646	710,646	-
<i>Total Expenditures</i>	292,815	303,596	\$ (10,781)	710,646	710,646	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(4,442)	(35,791)	(31,349)	-	(9,673)	(9,673)
Other Financing Sources						
Transfers In	4,442	4,442	-	-	44,996	44,996
<i>Total Other Financing Sources</i>	4,442	4,442	-	-	44,996	44,996
<i>Net Change in Fund Balances</i>	-	(31,349)	(31,349)	-	35,323	35,323
<i>Fund Balances Beginning of Year</i>	26,655	26,655	-	82,533	82,533	-
<i>Fund Balances End of Year</i>	\$ 26,655	\$ (4,694)	\$ (31,349)	\$ 82,533	\$ 117,856	\$ 35,323

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Historical Society and Parks Special Revenue Funds
For the Year Ended September 30, 2014

	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)
Revenues						
Taxes	\$ 11,959	\$ 11,904	\$ (55)	\$ 179,122	\$ 181,813	\$ 2,691
Intergovernmental	-	121	121	-	1,704	1,704
Charges for Services	-	-	-	64,000	70,170	6,170
Miscellaneous	541	-	(541)	19,348	26,537	7,189
<i>Total Revenues</i>	<u>12,500</u>	<u>12,025</u>	<u>(475)</u>	<u>262,470</u>	<u>280,224</u>	<u>17,754</u>
Expenditures						
Current:						
Culture and recreation	12,500	12,500	-	243,308	277,526	(34,218)
Capital outlay:						
Construction in Progress	-	-	-	24,550	9,600	14,950
<i>Total Expenditures</i>	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>267,858</u>	<u>287,126</u>	<u>(19,268)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(475)</u>	<u>(475)</u>	<u>(5,388)</u>	<u>(6,902)</u>	<u>(1,514)</u>
Other Financing Sources						
Transfers In	-	-	-	5,388	5,388	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,388</u>	<u>5,388</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>(475)</u>	<u>(475)</u>	<u>-</u>	<u>(1,514)</u>	<u>(1,514)</u>
<i>Fund Balances Beginning of Year</i>	<u>527</u>	<u>527</u>	<u>-</u>	<u>143,429</u>	<u>143,429</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 527</u>	<u>\$ 52</u>	<u>\$ (475)</u>	<u>\$ 143,429</u>	<u>\$ 141,915</u>	<u>\$ (1,514)</u>

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, 2014

	Snowmobile Special Revenue Fund			County Vessel Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Licenses and permits	\$ 77,807	\$ 79,340	\$ 1,533	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	757,958	753,582	(4,376)
Miscellaneous	34,122	-	(34,122)	(50,000)	10,000	60,000
<i>Total Revenues</i>	<u>111,929</u>	<u>79,340</u>	<u>(32,589)</u>	<u>707,958</u>	<u>763,582</u>	<u>55,624</u>
Expenditures						
Current:						
Public Safety	8,195	7,674	521	423,722	335,348	88,374
Culture and recreation	103,734	56,581	47,153	242,683	333,769	(91,086)
Capital outlay:						
Capital expenditures	-	-	-	50,640	59,722	(9,082)
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>111,929</u>	<u>64,255</u>	<u>47,674</u>	<u>717,045</u>	<u>728,839</u>	<u>(11,794)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>15,085</u>	<u>15,085</u>	<u>(9,087)</u>	<u>34,743</u>	<u>43,830</u>
Other Financing Sources						
Transfer in	-	-	-	9,087	9,087	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,087</u>	<u>9,087</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>15,085</u>	<u>15,085</u>	<u>-</u>	<u>43,830</u>	<u>43,830</u>
<i>Fund Balances Beginning of Year</i>	<u>149,492</u>	<u>149,492</u>	<u>-</u>	<u>134,760</u>	<u>134,760</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 149,492</u>	<u>\$ 164,577</u>	<u>\$ 15,085</u>	<u>\$ 134,760</u>	<u>\$ 178,590</u>	<u>\$ 43,830</u>

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, 2014

	Public Access Special Revenue Fund			Indigent Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 2,016,886	\$ 2,060,221	\$ 43,335
Intergovernmental	5,600	5,890	290	-	18,808	18,808
Interest	400	217	(183)	-	-	-
Miscellaneous	-	-	-	672,648	753,765	81,117
<i>Total Revenues</i>	<u>6,000</u>	<u>6,107</u>	<u>107</u>	<u>2,689,534</u>	<u>2,832,794</u>	<u>143,260</u>
Expenditures						
Current:						
Culture and recreation	6,000	-	6,000	-	-	-
Health & welfare	-	-	-	2,703,019	2,247,174	455,845
<i>Total Expenditures</i>	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>2,703,019</u>	<u>2,247,174</u>	<u>455,845</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>6,107</u>	<u>6,107</u>	<u>(13,485)</u>	<u>585,620</u>	<u>599,105</u>
Other Financing Sources						
Transfer in	-	-	-	13,485	13,485	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,485</u>	<u>13,485</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>6,107</u>	<u>6,107</u>	<u>-</u>	<u>599,105</u>	<u>599,105</u>
<i>Fund Balances Beginning of Year</i>	<u>41,334</u>	<u>41,334</u>	<u>-</u>	<u>1,638,062</u>	<u>1,638,062</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 41,334</u>	<u>\$ 47,441</u>	<u>\$ 6,107</u>	<u>\$ 1,638,062</u>	<u>\$ 2,237,167</u>	<u>\$ 599,105</u>

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Public Transportation Special Revenue Fund
For the Year Ended September 30, 2014

	FTA Public Transportation Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,396,648	\$ 1,551,598	\$ 154,950
Charges for services	703,116	840,196	137,080
Miscellaneous	1,077	45,152	44,075
<i>Total Revenues</i>	2,100,841	2,436,946	336,105
Expenditures			
Current:			
General government	1,529,763	1,821,794	(292,031)
Capital outlay:			
Capital expenditures	571,078	615,152	(44,074)
<i>Total Expenditures</i>	2,100,841	2,436,946	(336,105)
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -	\$ -

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
District Court and Revaluation Special Revenue Funds
For the Year Ended September 30, 2014

	District Court Special Revenue Fund			Revaluation Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ 880,260	\$ 879,310	\$ (950)	\$ 1,473,397	\$ 1,512,439	\$ 39,042
Licenses and permits	-	400	400	-	-	-
Intergovernmental	149,150	269,043	119,893	-	13,743	13,743
Fines and Forfeitures	965,200	832,760	(132,440)	-	-	-
Charges for services	147,600	119,103	(28,497)	-	-	-
Miscellaneous	129,875	21	(129,854)	775,152	72	(775,080)
<i>Total Revenues</i>	<u>2,272,085</u>	<u>2,100,637</u>	<u>(171,448)</u>	<u>2,248,549</u>	<u>1,526,254</u>	<u>(722,295)</u>
Expenditures						
Current:						
General government	-	-	-	2,248,815	2,157,215	91,600
Public Safety	2,334,213	2,253,250	80,963	-	-	-
Capital outlay:						
Capital expenditures	-	-	-	44,000	46,167	(2,167)
<i>Total Expenditures</i>	<u>2,334,213</u>	<u>2,253,250</u>	<u>80,963</u>	<u>2,292,815</u>	<u>2,203,382</u>	<u>89,433</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(62,128)</u>	<u>(152,613)</u>	<u>(90,485)</u>	<u>(44,266)</u>	<u>(677,128)</u>	<u>(632,862)</u>
Other Financing Sources (Uses)						
Transfer in	48,128	48,128	-	44,266	44,266	-
<i>Total Other Financing Sources (Uses)</i>	<u>48,128</u>	<u>48,128</u>	<u>-</u>	<u>44,266</u>	<u>44,266</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(14,000)	(104,485)	(90,485)	-	(632,862)	(632,862)
<i>Fund Balances Beginning of Year (Deficit)</i>	<u>(77,225)</u>	<u>(77,225)</u>	<u>-</u>	<u>821,515</u>	<u>821,515</u>	<u>-</u>
<i>Fund Balances End of Year (Deficit)</i>	<u>\$ (91,225)</u>	<u>\$ (181,710)</u>	<u>\$ (90,485)</u>	<u>\$ 821,515</u>	<u>\$ 188,653</u>	<u>\$ (632,862)</u>

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, 2014

	Kootenai Emergency Management Special Revenue Fund			Aquifer Protection District Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ 2,192,927	\$ 2,130,750	\$ (62,177)	\$ 493,670	\$ 396,716	\$ (96,954)
Licenses and permits	37,000	45,704	8,704	-	-	-
Intergovernmental	50,234	84,574	34,340	-	-	-
Miscellaneous	-	47	47	-	-	-
<i>Total Revenues</i>	<u>2,280,161</u>	<u>2,261,075</u>	<u>(19,086)</u>	<u>493,670</u>	<u>396,716</u>	<u>(96,954)</u>
Expenditures						
Current:						
Public Safety	2,280,161	2,258,851	21,310	-	-	-
Health & welfare	-	-	-	493,670	345,336	148,334
<i>Total Expenditures</i>	<u>2,280,161</u>	<u>2,258,851</u>	<u>21,310</u>	<u>493,670</u>	<u>345,336</u>	<u>148,334</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>2,224</u>	<u>2,224</u>	<u>-</u>	<u>51,380</u>	<u>51,380</u>
Other Financing Sources (Uses)						
Transfer out	-	-	-	-	(26,050)	(26,050)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,050)</u>	<u>(26,050)</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>2,224</u>	<u>2,224</u>	<u>-</u>	<u>25,330</u>	<u>25,330</u>
<i>Fund Balances Beginning of Year</i>	<u>29,605</u>	<u>29,605</u>	<u>-</u>	<u>190,842</u>	<u>190,842</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 29,605</u>	<u>\$ 31,829</u>	<u>\$ 2,224</u>	<u>\$ 190,842</u>	<u>\$ 216,172</u>	<u>\$ 25,330</u>

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Construction Fund
For the Year Ended September 30, 2014

	General Construction Capital Projects Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,347,799	\$ 718,325	\$ (629,474)
Miscellaneous	183,126	52,142	(130,984)
<i>Total Revenues</i>	1,530,925	770,467	(760,458)
Expenditures			
Current:			
General government	39,657	14,141	25,516
Public works	-	23,207	(23,207)
Capital outlay:			
Capital expenditures	5,707	-	5,707
Construction in progress	1,485,561	733,119	752,442
<i>Total Expenditures</i>	1,530,925	770,467	760,458
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year (deficit)</i>	-	-	-
<i>Fund Balances End of Year (deficit)</i>	\$ -	\$ -	\$ -

KOOTENAI COUNTY, IDAHO

Fiduciary Funds

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's own programs. The following provides a brief description of the County's fiduciary funds:

State of Idaho Agency Fund - accounts for fines, fees, and charges collected on behalf of the State through County operations. County departments collecting State receipts include District Court, Vehicle and Driver Licensing, and Tax Collector for Forest Protection fees.

Taxing Districts Agency Funds account for property tax collected by the county but due to the underlying taxing districts. These agencies include Cities, Highway Districts, School Districts, Fire Districts, Public Library, Water & Sewer Districts, North Idaho College, and Urban Renewal Districts.

Private Purpose Trust Funds are resources held by Kootenai County in a trustee capacity for other individuals and governmental entities. These trust funds are custodial in nature that hold assets including undistributed tax collections, district court holdings, law enforcement seizure assets, and unclaimed property.

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2014
With Comparative Totals for September 30, 2013

	Agency Funds			
	State of Idaho	Cities	Highway Districts	School Districts
Assets				
Cash in bank and investments	\$ 1,508,367	\$ 147,150	\$ 37,162	\$ 147,669
Receivables:				
Taxes delinquent	81,917	545,092	291,348	734,537
Total Assets	\$ 1,590,284	\$ 692,242	\$ 328,510	\$ 882,206
Liabilities				
Due to agency activity	1,590,284	692,242	328,510	882,206
Total Liabilities	1,590,284	692,242	328,510	882,206
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

continued

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities (Continued)
Fiduciary Funds
September 30, 2014
With Comparative Totals for September 30, 2013

	Agency Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
Assets				
Cash in bank and investments	\$ 59,852	\$ 16,291	\$ 5,765	\$ 59,847
Receivables:				
Taxes delinquent	344,653	84,791	45,803	269,069
Total Assets	\$ 404,505	\$ 101,082	\$ 51,568	\$ 328,916
Liabilities				
Due to agency activity	404,505	101,082	51,568	328,916
Total Liabilities	404,505	101,082	51,568	328,916
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

continued

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities (Continued)
Fiduciary Funds
September 30, 2014
With Comparative Totals for September 30, 2013

	Agency Funds		Totals	
	Public Hospital	Urban Renewal Districts	2014	2013
Assets				
Cash in bank and investments	\$ -	\$ 74,251	\$ 2,056,354	\$ 1,965,270
Receivables:				
Taxes delinquent	-	601,579	2,998,789	3,810,261
Total Assets	\$ -	\$ 675,830	\$ 5,055,143	\$ 5,775,531
Liabilities				
Due to agency activity	-	675,830	5,055,143	5,775,531
Total Liabilities	-	675,830	5,055,143	5,775,531
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

continued

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities (Continued)
Fiduciary Funds
September 30, 2014
With Comparative Totals for September 30, 2013

	Private Purpose Trust Funds	
	2014	2013
Assets		
Cash in bank and investments	\$ 3,297,950	\$ 3,192,199
Receivables:		
Taxes delinquent	55,391	56,946
Accounts Receivable, Net	11,016	65,447
	\$ 3,364,357	\$ 3,314,592
Liabilities		
Accounts payable	\$ 100,393	\$ 37,474
Deferred property taxes	429,423	587,318
Due in more than one year	41,117	41,117
Due to other individuals	2,686,950	2,400,509
Due to other governments	106,068	170,878
	3,363,951	3,237,296
Net Position		
Held in trust for other purposes	\$ 406	\$ 77,296

KOOTENAI COUNTY, IDAHO
Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
For the Year Ended September 30, 2014

	Agency Funds			Balance 9/30/14
	Balance 10/1/13	Additions	Deletions	
<i>State of Idaho</i>				
Assets				
Cash in bank and investments	\$ 1,302,596	\$ 18,132,769	\$ 17,926,998	\$ 1,508,367
Receivables:				
Taxes delinquent	107,936	1,384,217	1,410,236	81,917
Total Assets	\$ 1,410,532	\$ 19,516,986	\$ 19,337,234	\$ 1,590,284
Liabilities				
Due to agency activity	1,410,532	37,499,036	37,319,284	1,590,284
Total Liabilities	\$ 1,410,532	\$ 37,499,036	\$ 37,319,284	\$ 1,590,284
<i>Cities</i>				
Assets				
Cash in bank and investments	\$ 173,739	\$ 35,937,612	\$ 35,964,201	\$ 147,150
Receivables:				
Taxes delinquent	790,970	32,532,644	32,778,522	545,092
Total Assets	\$ 964,709	\$ 68,470,256	\$ 68,742,723	\$ 692,242
Liabilities				
Due to agency activity	964,709	103,997,473	104,269,940	692,242
Total Liabilities	\$ 964,709	\$ 103,997,473	\$ 104,269,940	\$ 692,242
<i>Highway Districts</i>				
Assets				
Cash in bank and investments	\$ 57,642	\$ 8,850,625	\$ 8,871,105	\$ 37,162
Receivables:				
Taxes delinquent	316,025	9,513,239	9,537,916	291,348
Total Assets	\$ 373,667	\$ 18,363,864	\$ 18,409,021	\$ 328,510
Liabilities				
Due to agency activity	373,667	27,061,268	27,106,425	328,510
Total Liabilities	\$ 373,667	\$ 27,061,268	\$ 27,106,425	\$ 328,510
<i>School Districts</i>				
Assets				
Cash in bank and investments	\$ 196,701	\$ 35,132,663	\$ 35,181,695	\$ 147,669
Receivables:				
Taxes delinquent	856,679	34,834,038	34,956,180	734,537
Total Assets	\$ 1,053,380	\$ 69,966,701	\$ 70,137,875	\$ 882,206
Liabilities				
Due to agency activity	1,053,380	104,513,870	104,685,044	882,206
Total Liabilities	\$ 1,053,380	\$ 104,513,870	\$ 104,685,044	\$ 882,206

KOOTENAI COUNTY, IDAHO
Statement of Changes in Fiduciary Assets and Liabilities (Continued)
Fiduciary Funds
For the Year Ended September 30, 2014

	Agency Funds			Balance 9/30/14
	Balance 10/1/13	Additions	Deletions	
<i>Fire Districts</i>				
Assets				
Cash in bank and investments	\$ 78,589	\$ 13,430,528	\$ 13,449,265	\$ 59,852
Receivables:				
Taxes delinquent	381,111	12,956,583	12,993,041	344,653
Total Assets	\$ 459,700	\$ 26,387,111	\$ 26,442,306	\$ 404,505
Liabilities				
Due to agency activity	459,700	39,568,534	39,623,729	404,505
Total Liabilities	\$ 459,700	\$ 39,568,534	\$ 39,623,729	\$ 404,505
<i>Public Library</i>				
Assets				
Cash in bank and investments	\$ 25,648	\$ 3,781,000	\$ 3,790,357	\$ 16,291
Receivables:				
Taxes delinquent	105,293	3,655,778	3,676,280	84,791
Total Assets	\$ 130,941	\$ 7,436,778	\$ 7,466,637	\$ 101,082
Liabilities				
Due to agency activity	130,941	11,149,784	11,179,643	101,082
Total Liabilities	\$ 130,941	\$ 11,149,784	\$ 11,179,643	\$ 101,082
<i>Water & Sewer Districts</i>				
Assets				
Cash in bank and investments	\$ 16,468	\$ 372,883	\$ 383,586	\$ 5,765
Receivables:				
Taxes delinquent	68,591	268,750	291,538	45,803
Total Assets	\$ 85,059	\$ 641,633	\$ 675,124	\$ 51,568
Liabilities				
Due to agency activity	85,059	1,005,581	1,039,072	51,568
Total Liabilities	\$ 85,059	\$ 1,005,581	\$ 1,039,072	\$ 51,568
<i>North Idaho College</i>				
Assets				
Cash in bank and investments	\$ 90,565	\$ 14,608,375	\$ 14,639,093	\$ 59,847
Receivables:				
Taxes delinquent	318,934	14,008,205	14,058,070	269,069
Total Assets	\$ 409,499	\$ 28,616,580	\$ 28,697,163	\$ 328,916
Liabilities				
Due to agency activity	409,499	42,999,951	43,080,534	328,916
Total Liabilities	\$ 409,499	\$ 42,999,951	\$ 43,080,534	\$ 328,916

KOOTENAI COUNTY, IDAHO
Statement of Changes in Fiduciary Assets and Liabilities (Continued)
Fiduciary Funds
For the Year Ended September 30, 2014

	Agency Funds			
	Balance 10/1/13	Additions	Deletions	Balance 9/30/14
<i>Kootenai County Public Hospital</i>				
Assets				
Cash in bank and investments	\$ -	\$ 12,576	\$ 12,576	\$ -
Total Assets	\$ -	\$ 12,576	\$ 12,576	\$ -
Liabilities				
Due to agency activity	-	12,576	12,576	-
Total Liabilities	\$ -	\$ 12,576	\$ 12,576	\$ -
<i>Urban Renewal Districts</i>				
Assets				
Cash in bank and investments	\$ 23,322	\$ 10,876,141	\$ 10,825,212	\$ 74,251
Receivables:				
Taxes delinquent	864,722	10,725,258	10,988,401	601,579
Total Assets	\$ 888,044	\$ 21,601,399	\$ 21,813,613	\$ 675,830
Liabilities				
Due to agency activity	888,044	32,131,634	32,343,848	675,830
Total Liabilities	\$ 888,044	\$ 32,131,634	\$ 32,343,848	\$ 675,830
<i>Total Agency Activity</i>				
Total Assets	\$ 5,775,531			\$ 5,055,143
Total Liabilities	\$ 5,775,531			\$ 5,055,143
Private Purpose Trust Funds				
	Balance 10/1/13	Additions	Deletions	Balance 9/30/14
Assets				
Cash in bank and investments	\$ 3,192,199	\$ 194,565,241	\$ 194,459,490	\$ 3,297,950
Receivables:				
Taxes delinquent	122,393	9,709	65,695	66,407
Total Assets	\$ 3,314,592	\$ 194,574,950	\$ 194,525,185	\$ 3,364,357
Liabilities				
Accounts payable	\$ 37,474	\$ 2,386,090	\$ 2,323,171	\$ 100,393
Deferred property taxes	587,318	181,647,421	181,805,316	429,423
Due in more than one year	41,117	0	0	41,117
Due to individuals	2,400,509	10,969,760	10,683,319	2,686,950
Due to other governments	170,878	3,721,808	3,786,618	106,068
Total Liabilities	\$ 3,237,296	\$ 198,725,079	\$ 198,598,424	\$ 3,363,951
Net Position End of Year	\$ 77,296			\$ 406

Statistical Section



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 governments overall financial health.

Contents	Page
Financial Trends	106
<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.....	113
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity.....	121
<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	123
<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	126
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	\$ 35,833	\$ 44,717	\$ 47,604	\$ 46,745	\$ 49,558	\$ 50,237	\$ 51,342	\$ 54,424	\$ 53,954	\$ 52,716
Restricted	13,407	7,398	1,562	3,256	4,083	6,739	3,587	4,178	5,120	5,443
Unrestricted	14,879	18,788	22,769	22,246	24,149	24,431	27,311	28,196	29,856	31,379
Total governmental activities net assets	\$ 64,119	\$ 70,903	\$ 71,935	\$ 72,247	\$ 77,790	\$ 81,407	\$ 82,240	\$ 86,798	\$ 88,930	\$ 89,538
Business-type activities										
Invested in capital assets, net of related debt	\$ 3,350	\$ 3,134	\$ 13,296	\$ 22,970	\$ 28,681	\$ 28,905	\$ 26,800	\$ 25,796	\$ 28,810	\$ 28,752
Restricted	3,707	15,955	15,772	8,826	6,445	8,549	1,800	8,775	5,589	1,777
Unrestricted	22,821	13,924	7,820	9,076	6,962	6,399	16,137	12,079	14,854	21,074
Total business-type activities net assets	\$ 29,878	\$ 33,013	\$ 36,888	\$ 40,872	\$ 42,088	\$ 43,853	\$ 44,737	\$ 46,650	\$ 49,253	\$ 51,603
Primary government										
Invested in capital assets, net of related debt	\$ 39,183	\$ 47,851	\$ 60,900	\$ 69,715	\$ 78,239	\$ 79,142	\$ 78,142	\$ 80,220	\$ 82,764	\$ 81,468
Restricted	17,114	23,353	17,334	12,082	10,528	15,288	5,387	12,953	10,709	7,220
Unrestricted	37,700	32,712	30,589	31,322	31,111	30,830	43,448	40,275	44,710	52,453
Total primary government net assets	\$ 93,997	\$103,916	\$108,823	\$113,119	\$119,878	\$125,260	\$126,977	\$133,448	\$138,183	\$141,141

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

Expenses	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 22,099	\$ 24,302	\$ 25,878	\$ 23,408	\$ 22,982	\$ 21,652	\$ 22,126	\$ 23,479	\$ 23,043	\$ 24,614
Public works	2,015	2,246	2,292	2,459	2,465	2,032	2,131	1,947	3,204	2,814
Public safety	21,565	23,289	26,488	30,029	30,454	31,144	34,056	33,654	36,439	36,578
Sanitation weed control	333	538	577	324	787	446	429	301	342	303
Health and welfare	2,940	2,912	2,660	3,312	2,966	4,929	4,020	4,549	3,808	3,834
Culture and recreation	966	1,100	1,085	844	944	796	950	818	727	1,040
Capital projects	73	9	47	38	-	-	-	-	-	-
Interest on long-term debt	519	169	55	37	32	30	-	-	-	-
Total governmental activities expenses	<u>50,510</u>	<u>54,565</u>	<u>59,082</u>	<u>60,451</u>	<u>60,630</u>	<u>61,029</u>	<u>63,712</u>	<u>64,748</u>	<u>67,563</u>	<u>69,183</u>
Business-type activities:										
Solid waste and landfill	5,898	7,377	7,379	7,922	8,901	8,779	9,439	9,038	8,396	8,852
Total business-type activities expenses	<u>5,898</u>	<u>7,377</u>	<u>7,379</u>	<u>7,922</u>	<u>8,901</u>	<u>8,779</u>	<u>9,439</u>	<u>9,038</u>	<u>8,396</u>	<u>8,852</u>
Total primary government expenses	<u>\$ 56,408</u>	<u>\$ 61,942</u>	<u>\$ 66,461</u>	<u>\$ 68,373</u>	<u>\$ 69,531</u>	<u>\$ 69,808</u>	<u>\$ 73,151</u>	<u>\$ 73,786</u>	<u>\$ 75,959</u>	<u>\$ 78,035</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 11,154	\$ 12,247	\$ 12,679	\$ 7,526	\$ 6,976	\$ 6,790	\$ 6,747	\$ 7,426	\$ 8,166	\$ 8,401
Public safety	8,495	9,897	10,491	8,998	9,202	9,710	10,371	10,774	12,012	11,480
Culture and recreation	536	476	656	429	484	411	451	469	421	448
Other activities	62	59	65	46	65	56	70	108	768	821
Operating grants and contributions	2,483	1,842	2,842	3,639	3,067	2,286	2,012	2,819	2,602	2,814
Capital grants and contributions	3,615	4,996	1,144	898	3,650	2,089	2,414	3,848	2,224	1,549
Total governmental activities program revenues	<u>26,345</u>	<u>29,517</u>	<u>27,877</u>	<u>21,536</u>	<u>23,444</u>	<u>21,342</u>	<u>22,065</u>	<u>25,444</u>	<u>26,193</u>	<u>25,513</u>
Business-type activities:										
Charges for services:										
Solid waste and landfill	9,034	9,801	10,300	11,195	9,947	10,594	10,597	10,722	10,962	11,451
Capital grants and contributions	-	-	-	-	-	-	-	170	-	-
Total business-type activities program revenues	<u>9,034</u>	<u>9,801</u>	<u>10,300</u>	<u>11,195</u>	<u>9,947</u>	<u>10,594</u>	<u>10,597</u>	<u>10,892</u>	<u>10,962</u>	<u>11,451</u>
Total primary government program revenues	<u>\$ 35,379</u>	<u>\$ 39,318</u>	<u>\$ 38,177</u>	<u>\$ 32,731</u>	<u>\$ 33,391</u>	<u>\$ 31,936</u>	<u>\$ 32,662</u>	<u>\$ 36,336</u>	<u>\$ 37,155</u>	<u>\$ 36,964</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (expense)/revenue										
Governmental activities	\$ (24,165)	\$ (25,048)	\$ (31,205)	\$ (38,915)	\$ (37,184)	\$ (39,687)	\$ (41,647)	\$ (39,304)	\$ (41,370)	\$ (43,670)
Business-type activities	3,136	2,424	2,921	3,273	1,046	1,815	1,158	1,854	2,566	2,599
Total primary government net										
(expense)/revenue	<u>\$ (21,029)</u>	<u>\$ (22,624)</u>	<u>\$ (28,284)</u>	<u>\$ (35,642)</u>	<u>\$ (36,138)</u>	<u>\$ (37,872)</u>	<u>\$ (40,489)</u>	<u>\$ (37,450)</u>	<u>\$ (38,804)</u>	<u>\$ (41,071)</u>
General Revenues and other										
Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes, levied for										
general purposes	\$ 28,541	\$ 26,922	\$ 28,408	\$ 35,421	\$ 38,203	\$ 41,574	\$ 40,537	\$ 42,015	\$ 42,290	\$ 43,357
Sales and use taxes	10,119	1,879	0	0						
Miscellaneous	965	1,037	1,392	1,620	3,545	784	927	927	425	382
Interest and investment earnings	756	1,475	1,917	1,747	499	434	240	401	416	81
Gain (Loss) on sale of assets/property	-	-	-	(116)	(40)	(10)	(41)	(6)	(236)	(85)
Transfers	519	519	519	556	521	521	816	526	608	543
Total governmental activities	<u>\$ 40,900</u>	<u>\$ 31,832</u>	<u>\$ 32,236</u>	<u>\$ 39,228</u>	<u>\$ 42,728</u>	<u>\$ 43,303</u>	<u>\$ 42,479</u>	<u>\$ 43,863</u>	<u>\$ 43,503</u>	<u>\$ 44,278</u>
Business-type activities:										
Miscellaneous	70	70	45	143	120	263	431	346	319	357
Interest and investment earnings	587	1,160	1,427	1,073	369	193	95	234	277	71
Gain (Loss) on sale of assets/property	77	(1)	0	50	59	15	17	4	50	(135)
Transfers	(519)	(519)	(519)	(556)	(377)	(521)	(816)	(526)	(608)	(543)
Total business-type activities	<u>215</u>	<u>710</u>	<u>953</u>	<u>710</u>	<u>171</u>	<u>(50)</u>	<u>(273)</u>	<u>58</u>	<u>38</u>	<u>(250)</u>
Total primary government	<u>\$ 41,115</u>	<u>\$ 32,542</u>	<u>\$ 33,189</u>	<u>\$ 39,938</u>	<u>\$ 42,899</u>	<u>\$ 43,253</u>	<u>\$ 42,206</u>	<u>\$ 43,921</u>	<u>\$ 43,541</u>	<u>\$ 44,028</u>
Change in Net Position										
Governmental activities	\$ 16,735	\$ 6,784	\$ 1,031	\$ 313	\$ 5,544	\$ 3,616	\$ 832	\$ 4,559	\$ 2,133	\$ 608
Business-type activities	3,351	3,134	3,874	3,983	1,217	1,765	885	1,912	2,604	2,349
Total primary government	<u>\$ 20,086</u>	<u>\$ 9,918</u>	<u>\$ 4,905</u>	<u>\$ 4,296</u>	<u>\$ 6,761</u>	<u>\$ 5,381</u>	<u>\$ 1,717</u>	<u>\$ 6,471</u>	<u>\$ 4,737</u>	<u>\$ 2,957</u>

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

Fiscal Year	Property Tax	Resort Sales Tax	Total
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
2011	40,537	-	40,537
2012	42,015	-	42,015
2013	42,290	-	42,290
2014	43,357	-	43,357

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund										
Nonspendable							\$ 18	\$ 12	\$ 274	\$ 146
Restricted							1,087	1,623	3,083	3,613
Committed							7,079	7,119	15,813	13,796
Assigned							-	526	555	655
Unassigned							20,150	21,335	13,223	16,378
Reserved	1,666	2,382	3,576	3,136	4,011	5,262				
Unreserved	13,833	18,443	20,207	21,549	21,759	22,687				
Total general fund	<u>\$ 15,499</u>	<u>\$ 20,825</u>	<u>\$ 23,783</u>	<u>\$ 24,685</u>	<u>\$ 25,770</u>	<u>\$ 27,949</u>	<u>\$ 28,334</u>	<u>\$ 30,615</u>	<u>\$ 32,948</u>	<u>\$ 34,588</u>
All other governmental funds										
Nonspendable							\$ 1	\$ 27	\$ 4	\$ 14
Restricted							2,499	2,555	2,037	1,830
Committed							1,322	880	1,487	1,726
Assigned							-	-	106	115
Reserved	11,741	4,083	62	120	72	1,476				
Unreserved, reported in:										
Special revenue funds	1,239	1,504	2,954	2,716	3,318	2,290				
Capital projects funds	(193)	(226)	(224)	(261)	-					
Total all other governmental funds	<u>\$ 12,787</u>	<u>\$ 5,361</u>	<u>\$ 2,792</u>	<u>\$ 2,575</u>	<u>\$ 3,390</u>	<u>\$ 3,766</u>	<u>\$ 3,822</u>	<u>\$ 3,462</u>	<u>\$ 3,634</u>	<u>\$ 3,685</u>

- Notes:
- a) Years prior to and including 2010 use the old fund balance classifications prior to GASB 54. These classifications include Reserved and Unreserved.
 - b) In 2011, the fund balance classifications have been changed to reflect the implementation of GASB 54. These classifications include Nonspendable, Restricted, Committed, Assigned, and Unassigned.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 38,659	\$ 28,786	\$ 28,307	\$ 35,484	\$ 37,615	\$ 41,267	\$ 41,169	\$ 42,406	\$ 42,644	\$ 43,495
Licenses and permits	1,413	1,376	1,433	1,489	1,432	1,398	1,443	1,490	1,468	1,462
Intergovernmental	12,693	14,420	11,485	11,265	13,889	12,121	12,128	14,545	13,555	13,792
Interest	756	1,475	1,917	1,747	500	433	240	401	416	81
Fines and forfeitures	1,000	1,057	1,297	1,305	1,356	1,364	1,276	1,278	2,284	1,369
Charges for services	7,112	8,247	8,384	7,360	6,826	6,591	6,533	7,377	7,220	7,814
Miscellaneous	965	1,037	2,026	1,638	3,527	1,302	1,600	1,659	1,702	1,516
Total revenues	62,598	56,398	54,849	60,288	65,145	64,476	64,389	69,156	69,289	69,529
Expenditures										
General government	19,528	21,410	22,511	22,620	22,233	21,244	21,283	21,958	22,012	23,325
Public works	612	642	680	711	746	754	737	725	810	800
Public safety	18,877	20,414	22,391	29,073	29,115	29,676	32,096	32,117	33,762	34,136
Sanitation	283	490	550	293	778	445	418	290	289	304
Health & welfare	2,713	2,665	2,598	3,305	2,979	4,927	4,021	4,539	3,807	3,836
Culture and recreation	793	914	893	715	737	678	759	643	625	763
Capital projects	73	9	47	9	-	-	-	-	-	-
Debt Service:										
Principal retirement	1,747	5,592	596	84	85	87	508	-	-	-
Interest expense	480	160	59	37	32	30	23	-	-	-
Capital Outlay:										
Capital expenditures	926	2,047	3,688	2,254	2,938	2,836	2,760	2,618	3,461	2,860
Construction in progress	4,337	4,681	975	1,068	4,141	1,790	2,202	4,893	2,652	2,372
Total expenditures	50,369	59,024	54,988	60,169	63,784	62,467	64,807	67,783	67,418	68,396
<i>Excess of revenues over (under) expenditures</i>	12,229	(2,626)	(139)	119	1,361	2,009	(418)	1,373	1,871	1,133
Other financing sources (uses)										
Proceeds insurance	13	7	9	9	18	25	42	23	26	14
Transfers in	4,930	11,433	9,837	5,114	5,472	3,876	1,885	2,992	1,299	844
Transfers out	(4,410)	(10,914)	(9,318)	(4,557)	(4,951)	(3,355)	(1,069)	(2,466)	(691)	(301)
Total other financing sources (uses)	533	526	528	566	539	546	858	549	634	557
<i>Net change in fund balances</i>	\$12,762	\$(2,100)	\$ 389	\$ 685	\$ 1,900	\$ 2,555	\$ 440	\$ 1,922	\$ 2,505	\$ 1,690
Debt service and capital outlay as a percentage of noncapital expenditures	5.2%	12.4%	1.3%	0.2%	0.2%	0.2%	0.9%	0.0%	0.0%	0.0%

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

Fiscal Year	Property Tax	Resort Sales Tax	Total
2005	\$ 28,541	\$ 10,119	\$ 38,660
2006	26,922	1,878	28,800
2007	28,408	-	28,408
2008	35,484	-	35,484
2009	37,614	-	37,614
2010	41,267	-	41,267
2011	41,169	-	41,169
2012	42,406	-	42,406
2013	42,644	-	42,644
2014	43,496	-	43,496

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

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

Property Tax Year	Assessed Valuation	Homeowner's Exemptions	Net Taxable Value	Valuation Increase (Decrease)		Tax Rate per \$1,000 Value
				Amount	Percentage	
2004	\$ 8,718,564,410	\$ 1,268,960,548	\$ 7,449,603,862	\$ 623,931,761	9.14%	3.48
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	15,377,769,422	(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
2010	15,850,875,155	2,864,229,504	12,986,645,651	(1,802,948,731)	-12.19%	2.94
2011	14,849,948,100	2,692,289,417	12,157,658,683	(828,986,968)	-6.38%	3.20
2012	13,734,843,490	2,459,392,651	11,275,450,839	(882,207,844)	-7.26%	3.48
2013	14,025,313,586	2,489,942,844	11,535,370,742	259,919,903	2.31%	3.51

Notes:

Values based on 2013 December values certified by the State Tax Commission.

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Direct Rates										
Current Expense	0.87	0.52	0.51	0.56	0.65	0.75	0.76	0.87	0.97	0.82
Liability Insurance	0.06	0.04	0.03	0.03	0.04	0.04	0.05	0.01	0.07	0.05
Airport Fund	0.05	0.04	0.03	0.02	0.03	0.03	0.03	0.03	0.01	0.03
Indigent Fund	0.14	0.09	0.09	0.09	0.10	0.12	0.24	0.24	0.18	0.06
District Court Fund	0.05	0.06	0.05	0.05	0.05	0.05	0.04	0.04	0.08	0.09
County Fair	0.01	0.01	0.00	0.01	0.01	0.01	0.00	0.00	0.01	0.01
Health District Fund	0.05	0.04	0.04	0.04	0.04	0.05	0.05	0.06	0.06	0.05
Historical Society	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Noxious Weed Control	0.03	0.02	0.02	0.02	0.01	0.02	0.02	0.03	0.02	0.02
Parks Fund	0.02	0.01	0.01	0.02	0.01	0.02	0.01	0.02	0.02	0.02
Revaluation Fund	0.19	0.14	0.11	0.13	0.14	0.16	0.17	0.20	0.13	0.18
Justice Fund	1.48	1.15	1.07	1.24	1.44	1.69	1.82	1.98	1.96	1.95
Property Tax Relief	(0.49)	(0.28)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
County Direct Rate	2.46	1.84	1.96	2.21	2.52	2.94	3.19	3.48	3.51	3.28
City Rates										
Athol	3.07	2.50	2.09	2.40	2.77	2.96	3.51	3.57	3.23	3.63
Coeur d'Alene	5.10	4.21	3.99	4.51	4.92	5.76	6.28	6.77	6.74	6.46
Dalton Gardens	0.43	0.31	0.30	3.53	0.44	0.53	0.54	0.60	0.56	0.52
Fernan	1.11	0.90	0.82	1.00	1.20	1.34	1.37	1.51	1.42	1.36
Harrison	3.26	2.17	1.65	1.77	2.09	2.78	2.95	3.66	3.66	4.03
Hauser Lake	0.48	0.34	0.33	0.34	0.42	0.49	0.52	0.54	0.52	0.58
Hayden	0.93	0.76	0.72	0.82	0.95	1.11	1.23	1.36	1.35	1.29
Hayden Lake	0.57	0.40	0.36	0.39	0.47	0.60	0.64	0.72	0.75	0.75
Huetter	5.34	4.45	3.21	3.36	3.56	4.90	5.42	5.71	5.63	5.93
Post Falls	4.64	4.05	3.87	4.56	4.96	5.21	5.71	6.00	5.79	5.55
Rathdrum	3.84	3.54	3.43	3.68	4.03	4.71	5.04	5.83	5.83	5.67
Spirit Lake	4.73	3.46	3.37	3.49	4.17	4.93	5.70	6.70	6.93	6.65
Worley	2.41	1.81	1.95	2.47	3.11	3.06	4.07	4.61	4.71	4.74
School District Rates ^(a)										
Coeur d'Alene # 271	5.23	1.12	1.14	1.17	1.11	1.50	2.17	2.32	2.51	2.11
Lakeland Joint #272	4.76	1.60	1.33	1.85	2.10	3.58	3.78	3.56	3.41	3.31
Post Falls # 273	5.61	2.23	2.08	2.29	2.36	2.58	2.83	3.15	3.16	3.08
Kootenai # 274	5.03	1.40	1.11	1.09	0.99	1.16	1.82	1.73	2.79	2.20
Kellogg Joint #391	7.48	4.45	3.64	5.08	6.12	6.17	6.62	6.26	6.26	6.73
Plummer-Worley Joint #44 ^(b)	2.67	0.04	0.05	0.06	0.06	1.44	1.43	1.49	2.74	2.68
Highway District Rates										
Post Falls # 1	0.47	0.36	0.31	0.31	0.38	0.45	0.49	0.68	0.69	0.67
Lakes # 2	0.59	0.45	0.42	0.47	0.55	0.67	0.72	0.79	0.80	0.78
East Side # 3	0.48	0.33	0.52	0.56	0.40	0.49	0.56	0.64	0.68	0.66
Worley # 4	0.95	0.67	0.62	0.68	0.75	0.87	1.00	1.18	1.28	1.26

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fire District Rates										
East Side	0.85	0.60	0.56	0.50	0.53	0.62	0.73	0.84	0.91	0.89
Hauser Lake	0.98	0.74	0.72	0.77	0.96	1.21	1.32	1.47	1.42	1.38
Northern Lakes	0.95	0.75	0.71	0.81	0.96	1.18	1.31	1.46	1.48	1.42
KC Fire & Rescue	1.72	1.34	1.27	1.40	1.66	1.86	1.99	1.98	2.01	1.92
Mica Kidd Island	0.55	0.34	0.33	0.36	0.40	0.48	0.56	0.64	0.68	0.65
Shoshone County #2	2.07	1.43	1.20	1.19	1.38	1.57	1.77	1.90	2.01	2.08
Spirit Lake	0.97	0.74	0.72	0.73	0.80	0.95	1.04	1.21	1.22	1.24
St. Maries	0.95	0.80	0.77	0.68	0.75	0.81	0.82	0.97	1.00	1.01
Timberlake	1.09	0.81	0.68	0.82	0.91	1.13	1.21	1.34	1.38	1.33
Worley	0.77	0.52	0.48	0.68	0.57	0.66	0.76	0.95	1.04	1.02
Water/Sewer District Rates										
Cataldo Water	0.58	0.44	0.38	0.37	0.42	0.44	0.48	0.53	0.54	0.53
Cleland Bay Sewer	0.43	0.24	0.23	0.25	0.26	0.29	0.31	0.40	0.43	0.43
Hayden Lake Sewer	0.05	0.03	0.03	0.03	0.04	0.05	0.05	0.06	0.06	0.06
Kidd Island Bay Sewer	0.40	0.35	0.33	0.34	0.36	0.43	0.50	0.71	0.71	0.66
Kingston-Cataldo Sewer	0.66	0.51	0.46	0.48	0.52	0.52	0.58	0.67	0.69	0.70
Kootenai Water #1	1.35	0.78	0.72	0.95	1.19	1.18	1.53	1.81	2.01	2.00
Other Special District Rates										
Community Library Network	0.23	0.17	0.16	0.17	0.20	0.31	0.36	0.41	0.42	0.41
KCEMSS	0.14	0.10	0.10	0.10	0.13	0.15	0.16	0.17	0.18	0.17
North Idaho College	0.71	0.53	0.51	0.73	0.83	1.00	1.10	1.22	1.20	1.12
Flood Control #17	0.53	0.35	0.30	0.32	0.37	0.41	0.45	0.45	0.40	0.20
Hayden Lake Watershed Improvement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13

Notes:

All Urban Renewal Districts have been omitted from this schedule.

- (a) The Idaho Legislature removed the Maintenance and Operation (M & O) portion of the school district budget from property tax funding. It was the largest portion of the budget and would account for the difference in the property tax rate from 2005 to 2006.
- (b) In 2010, the Idaho State Board of Education approved School District 44J's application for State financial support of plant & facilities. Payment for the financial support is generated through a property tax levy, which created an increase to the direct rate paid by taxpayers in Plummer/Worley School District 44J.

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

Cumulative levy totals for all agencies within each classification

Tax Year	County	Cities	Highways	Schools	Fire Districts	Water and Sewer Districts	Other Districts
2005	0.002468453	0.035916892	0.002483670	0.030773805	0.010888023	0.003468993	0.105681388
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	0.120104954
2008	0.002208093	0.029136659	0.002024165	0.011535480	0.008002726	0.002419455	0.092794634
2009	0.002517338	0.033080036	0.002075446	0.012734394	0.008922918	0.002783615	0.117614258
2010	0.002940391	0.038373823	0.002481024	0.016415676	0.010491113	0.002921322	0.137520768
2011	0.003195029	0.043042145	0.002783659	0.018686644	0.011562790	0.003485345	0.138552530
2012	0.003478006	0.047635446	0.003310129	0.018549900	0.012811468	0.004212173	0.145968269
2013	0.003507607	0.047135525	0.003444384	0.020873900	0.013137037	0.004437574	0.145870150
2014	0.003283784	0.047154592	0.003358059	0.020112143	0.012947053	0.004378301	0.139119572

Tax Year 2014	Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts	13	4	6	10	6	15
Average tax rate per district	0.003627276	0.000839515	0.003352024	0.001294705	0.000729717	0.009274638
Minimum levy rate	0.000518313	0.000657052	0.001153283	0.000650471	0.000058834	0.000130453
Maximum levy rate	0.006649093	0.001258752	0.006731415	0.002084302	0.002001017	0.016555537

Notes:
 Tax rates are expressed as \$1 per market value.
 Other Districts include Libraries, North Idaho College, Kootenai Hospital, Kootenai EMS, Flood Control, Hayden Lake Watershed Improvement and URDs.
 The number of URDs may change from year to year.
 No single taxpayer in Kootenai County is subject to all tax levies.
 2014 Levies as of 9/30/14.

KOOTENAI COUNTY, IDAHO
Principal Property Taxpayers, Current Year and Ten Years Ago
September 30, 2014

Taxpayer	FY 2014 ¹			FY 2005		
	Net Taxes Due	Rank	Percentage of Total Net Taxes Due	Net ² Taxes Due	Rank	Percentage of Total Net ² Taxes Due
Avista Corporation	\$ 2,567,935	1	1.73%	\$ 447,886	1	1.71%
Hagadone Hospitality Co., Hagadone Family Trust	1,436,164	2	0.97%	285,502	4	1.09%
Rathdrum Power, LLC	1,349,230	3	0.91%	424,779	2	1.62%
Wal-Mart Real Estate Business Trust, Wal-Mart Stores Inc.	590,312	4	0.40%	-	-	-
Post Falls Retirement Real Estate Investors LLC	561,657	5	0.38%	-	-	-
Idaho Forest Group, LLC	508,897	6	0.34%	-	-	-
Frontier Communications NW (formerly Verizon)	483,541	7	0.33%	325,383	3	1.24%
Gas Transmission Northwest Co.	470,940	8	0.32%	172,236	6	-
Kimball International Market Inc., Kimball Furniture Group Inc.	456,468	9	0.31%	111,493	10	0.43%
Glacier 400 Wilbur LLC, Glacier 600 LLC, Glacier 700 LLC	391,839	10	0.26%	-	-	-
Silverwood Inc.	310,458	11	0.21%	-	-	-
Burlington No & Santa Fe RR	310,066	12	0.21%	113,592	9	0.43%
CDA Courthouse LLC c/o JDL Enterprises LLC	307,517	13	0.21%	-	-	-
N Idaho Surgical Hospital Bldg LLC	304,301	14	0.21%	-	-	-
DBH Properties LP	277,674	15	0.19%	-	-	-
Stephen F Meyer, ETUX	-	-	-	221,025	5	0.84%
The Club at Black Rock LLC, Black Rock Development Inc.	-	-	-	141,702	7	0.54%
Stimson Lumber Company	-	-	-	122,057	8	0.47%
Price Development Company LPT	-	-	-	88,704	11	0.34%
Kootenai Cable, Inc.	-	-	-	62,939	12	0.24%
Harlan D. Douglass, Etux	-	-	-	59,240	13	0.23%
Norton Aero LTD	-	-	-	56,890	14	0.22%
Inland Empire Paper Company	-	-	-	53,841	15	0.21%
Sub Total	<u>10,327,000</u>		<u>6.96%</u>	<u>2,687,270</u>		<u>9.59%</u>
All Other Taxpayers	<u>138,070,733</u>		<u>93.04%</u>	<u>109,930,455</u>		<u>90.41%</u>
Total Net Taxes For All Taxing Districts in Kootenai County	<u>\$ 148,397,732</u>		<u>100.00%</u>	<u>\$ 112,617,725</u>		<u>100.00%</u>
Total Net Taxes Due to Kootenai County	<u>\$ 40,239,694</u>			<u>\$ 26,220,600</u>		

Notes:

¹ Based on 2013 Net Taxes billed in FY 2014.

² For the historical data, an overall County average property tax percentage was applied. Based on Kootenai County as a taxing district.

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		Collections in Subsequent Years	Tax Collections to Date	
		Fiscal Year of the Levy			Amount	Percentage of Levy
		Amount	Percentage of Levy			
2005	\$ 26,220,600	\$ 25,576,366	97.54%	\$ 561,006	\$ 26,137,372	99.68%
2006	24,765,979	24,222,734	97.81%	543,245	24,765,979	100.00%
2007	26,692,589	25,874,953	96.94%	817,636	26,692,589	100.00%
2008	33,073,659	31,508,793	95.27%	1,330,557	32,839,350	99.29%
2009	35,315,162	34,007,744	96.30%	1,307,418	35,315,162	100.00%
2010	37,210,362	35,877,963	96.42%	1,332,399	37,210,362	100.00%
2011	38,012,979	36,799,874	96.81%	1,213,105	38,012,979	100.00%
2012	38,522,997	37,321,699	96.88%	1,201,299	38,522,997	100.00%
2013	38,955,671	38,235,796	98.15%	594,274	38,830,070	99.68%
2014	40,239,694	39,208,624	97.44%	159,866	39,368,490	97.83%

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

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

Fiscal Year Ended September 30,	Real Property	Personal Property	Operating Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (per \$1,000 of assessed valu
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	17,435,538	335,170	483,733	2,292,470	15,961,971	2.21
2009	15,960,248	453,011	481,025	2,181,798	14,712,486	2.52
2010	13,994,225	407,616	478,545	1,998,707	12,881,679	2.94
2011	13,010,643	338,341	448,973	1,785,737	12,012,220	3.19
2012	12,153,910	382,298	440,487	1,793,655	11,183,040	3.48
2013	12,433,334	350,489	452,752	1,861,665	11,374,910	3.51
2014	13,479,812	325,041	460,932	1,916,353	12,349,432	3.28

Notes:

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

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

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

KOOTENAI COUNTY, IDAHO
Schedule of Foregone Amounts
as of the 2014 Tax Year

<u>District</u>	<u>Foregone Amount</u>
Kootenai County	\$ 7,875,609
City of Athol	12,381
City of Coeur d'Alene	3,728,662
City of Dalton Gardens	336
City of Fernan Lake	11,578
City of Harrison	4,356
City of Hauser Lake	447
City of Hayden	5,973
City of Hayden Lake	944
City of Post Falls	2,045,297
City of Rathdrum	249,319
City of Spirit Lake	24,842
KC Emergency Medical Services System	180,648
East Side Fire	122,526
Hauser Lake Fire	147
Kootenai County Fire & Rescue	1,148,286
Mica Kidd Island Fire	5,390
Timberlake Fire	641
Twin Lakes-Rathdrum Flood Control #17	22,313
Lakes Highway # 2	927,223
Post Falls Highway # 1	400,127
Worley Highway # 4	12,300
Kootenai Hospital	61,391
North Idaho College	1,455,528
Community Library Network	1
Cataldo Water	891
Cleland Bay Sewer	9
Hayden Lake Rec Water/Sewer	14,209
Kidd Island Bay Sewer	772

Note: Foregone is defined as the amount of a previously allowable increase in the non-exempt property tax portion of the budget that was not taken. This amount is available for the district to add to the regular budget increase calculation and can be levied in subsequent years.

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

Legal Debt Margin Calculation For Fiscal Year 2014

Assessed Valuations:

Assessed Value	\$13,781,236,707
Add Back Homestead Exemptions	2,716,693,659
Total Assessed Value¹	\$16,497,930,366

Legal Debt Margin

Debt Limitation*: 2% of assessed market value	\$329,958,607
Less: Debt applicable to limitation	-
Legal Debt Margin	\$329,958,607

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$176,030,946	\$229,904,550	\$343,032,202	\$392,440,792	\$400,239,734	\$349,275,816	\$323,594,507	\$296,253,149	\$302,545,434	\$329,958,607
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$176,030,946	\$229,904,550	\$343,032,202	\$392,440,792	\$400,239,734	\$349,275,816	\$323,594,507	\$296,253,149	\$302,545,434	\$329,958,607
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

¹ Assessed Values released as of July 2014 for Tax Year 2014

*Idaho Code: 31-1901;50-1019

Kootenai County Board of County Commissioners may issue negotiable coupon bonds for purposes of satisfying outstanding indebtedness.

KOOTENAI COUNTY, IDAHO
Schedule of Direct And Overlapping Debt
September 30, 2014

Number of Issues	Jurisdiction	Net Debt Outstanding	Earliest Issue Date (Month/Year)	Oldest Maturity Date (Month/Year)	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Direct Debt:						
0	Kootenai County	\$ -	N/A	N/A	N/A	N/A
Direct Debt						
Overlapping Debt:						
2	City of Coeur d'Alene	\$ 2,757,039	Aug/06	Sep/25	100.00%	\$ 2,757,039
6	City of Post Falls	7,846,950	Nov-14	Sep-27	100.00%	7,846,950
1	City of Rathdrum	347,212	Jan/88	Mar/11	100.00%	347,212
1	City of Spirit Lake	509,784	Aug/04	Feb/24	100.00%	509,784
2	Coeur d'Alene SD #271	25,430,000	Sep/12	Sep/25	100.00%	25,430,000
3	Lakeland SD #272	14,281,764	Dec/03	Aug/26	99.52%	14,213,212
2	Post Falls SD #273	8,020,000	Feb/05	Aug/18	100.00%	8,020,000
1	Kootenai Joint SD #274	1,670,000	Feb-13	Aug/22	99.53%	1,662,151
2	Kellogg Joint SD #391	9,295,000	Oct/97	Sep/27	16.64%	1,546,688
1	Plummer Worley #44 ⁽²⁾	9,537,910	Sep/10	Sep/30	66.56%	6,348,433 ⁽³⁾
6	Lakes Highway District	130,000	Aug/10	Aug/20	100.00%	130,000
1	St. Maries Fire District	345,000	Feb/12	Sept/27	24.48%	84,456
1	Community Library Network	2,370,000	Oct/05	Aug/25	98.04%	2,323,548
1	Bayview Water/Sewer District	963,921	Nov/03	Nov/22	N/A	N/A ^{(4) (5)}
2	Greensferry Water/Sewer District	45,096	Jun/13	Jun/18	N/A	N/A ⁽⁴⁾
1	Harbor View Estates Water & Sewer District	187,435	Aug/08	Aug/18	N/A	N/A ^{(4) (5)}
1	Hayden Lake Recreational Sewer District	1,605,000	Apr/10	Apr/25	100.00%	1,605,000
1	Kingston-Cataldo Sewer District	740,527	Apr/12	Aug/41	4.19%	31,028
1	North Kootenai Water District	6,575,000	Nov/09	Sep/29	100.00%	6,575,000
Subtotal, Overlapping Debt		<u>92,657,638</u>				<u>79,430,500</u>
Total Overlapping & Underlying Debt		<u>\$ 92,657,638</u>				<u>\$ 79,430,500</u>

Notes:

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

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kootenai County. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- ⁽¹⁾ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the county's boundaries and dividing it by each unit's total taxable assessed value.
- ⁽²⁾ In 2010, the Idaho State Board of Education approved School District 44J's application for State financial support of plant & facilities. Payment for the financial support is generated through a property tax levy, which created an increase to the direct rate paid by taxpayers in Plummer/Worley School District 44J.
- ⁽³⁾ This number is approximate because actual Net Debt Outstanding was not available from the State Department of Education. It was calculated by taking the original amount borrowed of \$11,349,435 and subtracting the amount collected year to date.
- ⁽⁴⁾ Bayview Water and Sewer District, Greensferry Water and Sewer District and Harbor View Estates Water and Sewer District are non-levying districts therefore there's no ability to calculate overlapping debt.
- ⁽⁵⁾ Information based on 2012 report from districts, no 2013 or 2014 report provided.

**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	
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	137,475	2.3%	1,523,816	1.6%	
2009	139,390	1.4%	1,545,801	1.4%	
2010	138,494	-0.6%	1,567,582	1.4%	
2011	141,132	1.9%	1,584,985	1.1%	
2012	142,357	0.9%	1,595,590	0.7%	
2013	144,265	1.3%	1,612,136	1.0%	
2014	N/A	¹ N/A	1,634,464	1.4%	

Per Capita Personal Income					Personal Income	Annual Average Unemployment Rate ⁵
Year	Kootenai County	State of Idaho	Kootenai Co. as a % of State of Idaho	(thousands of dollars)		
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	31,632	98.8%	4,422,208	8.1%	
2010	31,770	31,986	99.3%	4,428,438	10.8%	
2011	32,923	33,326	98.8%	4,646,516	9.8%	
2012	34,656	34,481	100.5%	4,933,536	8.4%	
2013	36,478	36,146	100.9%	5,262,500	7.4%	
2014	N/A	² N/A	N/A	N/A	4.5%	

Year	School Enrollment ^{(a) 3}	Regular High School Diplomas ^{(a) 4}	Median Age		
			Year	Kootenai County	State of Idaho
2005	21,707	1,358	2005	36.9	34.6
2006	22,260	1,348	2006	37.1	34.2
2007	22,783	1,531	2007	37.3	34.3
2008	23,381	1,500	2008	38.3	34.3
2009	22,844	1,378	2009	38.1	34.0
2010	22,806	1,362	2010	39.1	34.7
2011	22,870	1,563	2011	39.0	35.0
2012	22,645	1,467	2012	39.4	35.2
2013	23,185	1,695	2013	39.8	35.5
2014	22,740	1,517	2014	NA	34.9

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

(a) Idaho Department of Education

(b) US Census Bureau

¹ Population estimates for the current year are not available at report date.

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

³ School enrollment includes data from School Districts 44J, 271J, 274J, and 391J, which are joint districts and partially located in Kootenai County. It also included all charter academies in the County, except for the Idaho Distance Education Academy Resource Center in Post Falls, ID.

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

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

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

Employer	2014			2005		
	Range of Employees	Rank	Percentage of Total County Employment	Range of Employees	Rank	Percentage of Total County Employment
Kootenai Medical Center	2,000 - 2,999	1	3.48 - 5.22%	1,600 - 1,699	1	3.04 - 3.23%
Coeur d'Alene School District	1,000 - 1,499	2	1.74 - 2.61%	1,200 - 1,299	2	2.28 - 2.46%
Qualfon / Center Partners	1,000 - 1,499	3	1.74 - 2.61%	1,200 - 1,299	3	2.28 - 2.46%
Hagadone Hospitality Co.	1,000 - 1,499	4	1.74 - 2.61%	1,100 - 1,199	4	2.09 - 2.28%
Coeur d'Alene Casino	900 - 999	5	1.57 - 1.74%	700 - 799	6	1.33 - 1.51%
Silverwood Inc.	800 - 899	6	1.39 - 1.57%	-	-	-
Wal-Mart	800 - 899	7	1.39 - 1.57%	-	-	-
Kootenai County	700 - 799	8	1.22 - 1.38%	600 - 699	8	1.14 - 1.32%
North Idaho College	700 - 799	9	1.22 - 1.38%	800 - 899	5	1.52 - 1.71%
Post Falls School District	700 - 799	10	1.22 - 1.38%	600 - 699	9	1.14 - 1.32%
Verizon Northwest	-	-	-	700 - 799	7	1.33 - 1.51%
Lakeland School District	-	-	-	500 - 599	10	0.95 - 1.13%
Average employment size of the 10 largest employers	1,050			820		
Kootenai County Non-Farm Payroll Employment Total ¹	57,400			52,679		

Source for Data: Idaho Department of Commerce & Labor

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

² Estimate

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

Institution Type	Number of Branches	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<i>(1) Data as of June 30th</i>											
Commercial Banks	47	2,018	1,861	1,817	1,740	\$ 1,837	\$ 1,749	\$ 1,537	\$ 1,611	\$ 1,435	\$ 1,302
FDIC Savings Banks	-	-	-	-	-	-	63	76	83	137	170
Subtotal FDIC- Insured Institutions	47	\$ 2,018	\$ 1,861	\$ 1,817	\$ 1,740	\$ 1,837	\$ 1,812	1,613	1,694	1,572	1,472
<i>(2) Data as of December 31st</i>											
Credit Unions	1	9	9	9	9	8	9	8	8	9	9
Total	48	\$ 2,027	\$ 1,870	\$ 1,826	\$ 1,749	\$ 1,845	\$ 1,821	\$ 1,621	\$ 1,702	\$ 1,581	\$ 1,481

Kootenai County's total deposit market share for all FDIC-Insured institutions rank at 9.82% of the total deposits at like institutions within the State of Idaho.

(1) Source: Federal Deposit Insurance Corporation

(2) Source: National Credit Union Administration

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Assessor	63.0	65.0	65.5	66.5	66.5	66.5	66.0	66.0	61.0	61.0
Clerk	70.0	72.2	75.2	76.3	75.5	75.5	75.5	77.5	77.5	78.5
Commissioners	98.2	98.2	106.0	106.0	106.0	107.3	105.9	100.4	99.4	99.5
Prosecuting Attorney	37.1	37.1	35.6	36.6	36.5	35.5	35.5	36.5	38.5	43.5
Sheriff	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.8
Treasurer	7.5	7.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Public Safety										
Clerk	13.0	21.0	30.4	30.4	31.0	34.0	34.0	34.0	35.0	34.0
Commissioners	67.9	68.6	67.8	70.0	76.9	77.1	78.1	69.1	64.6	64.9
Coroner	1.5	1.5	2.0	2.0	2.0	2.0	2.3	2.3	2.0	2.0
Sheriff ¹	132.4	142.4	148.4	148.4	155.3	154.3	156.4	163.4	162.7	162.3
Jail (Sheriff)	113.9	115.9	123.9	123.1	126.4	124.4	120.4	122.4	122.4	126.4
Culture and Recreation										
Commissioners	6.0	7.0	7.0	7.5	7.5	7.5	7.5	7.5	7.5	6.3
Public Works										
Commissioners	7.1	7.1	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Health and Welfare										
Clerk	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	7.0	7.0
Sanitation										
Commissioners	2.0	2.0	2.6	3.6	3.6	3.6	2.6	1.6	1.9	1.9
Solid Waste										
Commissioners	44.0	45.0	48.0	69.0	70.3	64.3	61.0	59.0	59.0	58.0
Total	674.6	701.5	738.0	765.0	783.1	777.6	770.8	766.3	757.0	763.6

Source: Kootenai County Adopted Budget documents

¹ Temporary Seasonal Deputies total approximately 8-10 per year.

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Physical arrests	7,382	8,032	8,627	9,207	8,673	9,156	8,291	7,824	7,830	6,983
District Court Caseload										
Felonies	1,003	981	930	1,925	1,836	2,028	1,957	920	1,101	1,114
Misdemeanors	7,540	8,770	12,672	12,308	11,801	11,195	10,217	7,077	7,226	6,893
Infractions	16,948	17,674	22,075	21,247	20,366	18,379	17,400	14,613	16,473	16,489
Refuse Collection										
Landfilled refuse ¹	138	140	138	130	123	123	122	123	128	133
Refuse collected ¹	182	195	191	183	157	150	144	142	153	159
Recyclables collected ¹	21.1	21.9	23	22	22	21	14	15	15	15
Parks and Waterways										
Improved facilities	24	24	24	24	24	24	24	24	24	24
Airport										
Hangars ²	74	82	90	93	93	95	95	95	95	95

Sources: Various County Departments

¹ Amount shown in thousands of tons.

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

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

Year	Residential		Commerical/Industrial	
	Permits	Value	Permits	Value
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
2011	119	37,889,702	24	4,372,917
2012	136	37,992,115	21	6,066,286
2013	201	58,014,200	12	3,017,010
2014	229	73,205,987	24	3,034,482

Notes:

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



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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Land	\$ 1,931	\$ 1,931	\$ 2,327	\$ 2,336	\$ 3,023	\$ 3,023	\$ 3,232	\$ 3,232	\$ 3,232	\$ 3,847
Buildings	14,454	14,489	15,365	13,944	16,317	16,567	18,210	18,316	15,938	15,938
Improvements	33	42	41	60	60	60	61	240	1,417	1,915
Machinery and equipment	7,585	8,260	8,991	9,771	9,975	10,452	10,182	11,077	12,334	12,463
Public works:										
Land	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828
Buildings	562	562	562	562	562	562	562	562	562	562
Improvements	17,440	17,445	20,470	25,239	25,239	25,247	26,143	27,665	28,623	32,131
Machinery and equipment	1,707	1,748	1,752	1,817	1,840	2,011	2,210	2,183	2,349	2,391
Public safety:										
Land	65	107	107	107	107	107	107	107	108	108
Buildings	20,213	20,223	20,552	22,718	21,667	21,774	20,280	20,539	23,245	23,245
Improvements	22	37	44	51	51	51	99	5,008	3,921	3,913
Machinery and equipment	6,313	7,112	8,680	8,704	8,879	10,076	10,062	12,024	13,891	15,454
Sanitation:										
Land	1,275	1,275	1,294	1,294	1,294	1,658	1,658	1,782	1,747	1,747
Buildings	572	572	572	632	632	632	613	7,166	740	818
Improvements	20,435	20,644	20,911	20,911	34,147	34,233	39,755	33,747	40,289	45,012
Machinery and equipment	6,855	7,330	8,075	9,179	9,521	10,518	10,475	10,895	11,608	12,085
Health & welfare:										
Machinery and equipment	32	30	31	29	32	21	16	10	22	16
Culture and recreation:										
Land	249	249	249	249	249	249	249	249	249	249
Buildings	239	251	239	272	351	371	358	358	410	410
Improvements	591	611	1,201	1,201	1,201	1,201	1,206	1,858	3,159	3,516
Machinery and equipment	1,029	1,198	477	517	542	608	1,612	1,569	1,136	1,114
Capital projects:										
Construction in progress	3,157	7,641	5,789	11,872	9,484	12,205	9,168	6,027	9,046	3,580
	<u>\$106,587</u>	<u>\$113,585</u>	<u>\$119,557</u>	<u>\$133,293</u>	<u>\$147,001</u>	<u>\$153,454</u>	<u>\$158,086</u>	<u>\$166,442</u>	<u>\$175,854</u>	<u>\$182,343</u>

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

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

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety:										
Kootenai County Sheriff										
Sheriff Office	1	1	1	1	1	1	1	1	1	1
Patrol Units	58	58	58	56	58	62	71	76	78	81
Public Safety Buildings	3	3	3	3	3	3	3	3	3	3
Sanitation:										
Ramsey Transfer Station										
Trash Rolloff Bins	34	37	36	36	21	21	21	21	21	21
Loaders	3	3	3	5	3	4	4	4	4	4
Tractor Trucks	5	6	6	6	3	3	3	3	5	5
Transfer Trailers	21	25	31	34	25	29	26	26	26	22
Prairie Transfer Station										
Trash Rolloff Bins	0	0	0	0	15	15	15	15	15	15
Loaders	0	0	0	0	2	2	2	2	2	2
Tractor Trucks	0	0	0	0	3	3	3	3	3	3
Transfer Trailers	0	0	0	0	8	8	8	8	8	10
Fighting Creek Landfill										
Heavy Machinery & Equipment	9	9	13	17	18	20	23	24	24	24
Culture and Recreation:										
Waterways/Park & Recreation										
Pumpouts	10	10	10	9	9	9	9	9	9	10
Vault Toilets										
Wood	7	7	7	7	7	7	7	7	7	7
Concrete	3	4	3	3	6	7	7	8	8	8

Sources: Various County Departments

Single Audit Section



Auditors' Section





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INDEPENDENT AUDITORS' 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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kootenai County, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Kootenai County's basic financial statements, and have issued our report thereon dated March 12, 2015. Our report includes a reference to other auditors who audited the financial statements of Kootenai County Emergency Medical Services System, as described in our report on Kootenai 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 of the financial statements, we considered Kootenai County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kootenai County's internal control. Accordingly, we do not express an opinion on the effectiveness of Kootenai County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

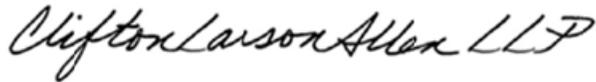
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kootenai County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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



CliftonLarsonAllen LLP

Spokane, Washington
March 12, 2015



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Kootenai County's 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 Kootenai County's major federal programs for the year ended September 30, 2014. Kootenai County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Kootenai County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Kootenai 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Kootenai County's compliance.

Basis for Qualified Opinion on Federal Transit Administration

As described in the accompanying schedule of findings and questioned costs, Kootenai County did not comply with requirements regarding CFDA 20.507 Federal Transit Administration as described in Finding Numbers 2014-001 for Procurement, Suspension and Debarment, and 2014-002 for Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for Kootenai County to comply with the requirements applicable to that program.

Qualified Opinion on Federal Transit Administration

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Kootenai County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 20.507 Federal Transit Administration for the year ended September 30, 2014.

Kootenai County's response to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. Kootenai County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Kootenai County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Kootenai County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Kootenai County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Kootenai County's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Kootenai County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Spokane, Washington
March 12, 2015

KOOTENAI COUNTY, IDAHO
Schedule of Audit Findings and Questioned Costs
For the Year Ended September 30, 2014

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:

Governmental activities	Unmodified
Business-type activities	Unmodified
Major governmental funds	Unmodified
Aggregate discretely presented component units	Unmodified
Aggregate remaining funds	Unmodified

Internal control over financial reporting:

Material weakness(es) identified	yes	X	no
Significant deficiency(ies) identified	yes	X	no

Noncompliance material to financial statements noted?

yes	X	no
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Federal Awards

Internal control over major programs:

Material weakness(es) identified	X	yes	no
Significant deficiency(ies) identified	yes	X	no

Type of auditors’ report issued on compliance for major programs?

Modified opinion on procurement, suspension and debarment, and subrecipient monitoring. Opinion on all other areas was unmodified.

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) of Circular A-133?

yes	X	no
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Identification of major programs:

CFDA Number(s)
20.507

Name of Federal Program or Cluster
Federal Transit Administration

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

yes	X	no
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KOOTENAI COUNTY, IDAHO
Schedule of Audit Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2014

Section II Findings Related to Financial Statements, which are required to be reported in accordance with *Government Auditing Standards*

There were no findings required to be reported relating to the financial statements for the fiscal year ended September 30, 2014.

Section III Findings and Questioned Costs for Federal Awards

Finding #2014-001 – Procurement, Suspension, and Debarment

U.S. Department of Transportation

CFDA Number: 20.205

Program Name: Federal Transit Administration

Contract # ID-04-0030-00, ID-90-C130-00 ID-90-X118-00

Award Year: 2014

Material Weakness, Internal Control over Compliance, Noncompliance

Condition – During our testing of Kootenai County’s (the County) compliance with procurement, suspension and debarment requirements, we tested one contract and noted Kootenai County did not demonstrate that they took the appropriate steps to ensure they went through the procurement process before performing transactions with one of their contractors, including determining the contractor was not suspended or debarred.

Criteria – OMB Circular A-133 requires program recipients to have proper internal controls in place to ensure they comply with the procurement, suspension, and debarment requirements as outlined in OMB Circular A-87.

Questioned Costs – None

Effect – The County was not in compliance with the procurement, suspension and debarment requirements.

Cause – The contract with the vendor had expired without action by Kootenai County to renew the contract and go through the procurement process.

Recommendation – We recommend that the County implement a system to monitor all contracts and to ensure that any contracts that are intended to be renewed, go through the proper procurement, suspension and debarment process prior to expiration. Additionally, we recommend management review their procurement, suspension and debarment policies and procedures to ensure they follow the federal guidelines.

KOOTENAI COUNTY, IDAHO
Schedule of Audit Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2014

Section III Findings and Questioned Costs for Federal Awards (Continued)

Finding #2014-002 – Sub-Recipient Monitoring

U.S. Department of Transportation

CFDA Number: 20.205

Program Name: Federal Transit Administration

Contract # ID-04-0030-00, ID-90-C130-00 ID-90-X118-00

Award Year: 2014

Material Weakness, Internal Control over Compliance, Noncompliance

Condition – During our testing of Kootenai County’s compliance with subrecipient monitoring requirements, we tested one subrecipient and noted the County did not have adequate internal controls to verify that subrecipients were under contract with the County, and that the County was monitoring the activities of the subrecipient.

Criteria – OMB Circular A-133 requires pass-through entities to provide certain information regarding the federal program to the subrecipient in addition to monitoring the subrecipient to ensure the subrecipient is following requirements of the program.

Questioned Costs – None

Context – During our testing, we noted that Kootenai County did not have a contract for their sub-recipient, they were not monitoring the subrecipient’s use of federal funds appropriately, and they were not receiving the annual single audit report from their subrecipient.

Effect – The County was not in compliance nor did they have proper internal controls over subrecipient monitoring compliance requirements.

Cause – The County was not aware that the relationship with the sub-recipient qualified as a sub-recipient relationship and therefore, the sub-recipient monitoring requirement was not met

Recommendation – We recommend that the County implement a system to ensure that sub-recipient relationships are appropriately identified and monitored. Additionally, we recommend that management develop a process to identify compliance requirements related to the federal funds the Department administers.

Auditee's Section



KOOTENAI COUNTY, IDAHO
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2014

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Identifying Number	Award amount	2013-2014 expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Idaho State Superintendent of				
Public Instruction:				
School Breakfast Program	10.553	2014IN109947	variable	\$ 22,661
ARRA National School Lunch Program	10.555	2014IN109947	variable	35,835
			Subtotal 10.CNC	<u>58,496</u>
Passed through Idaho Department of Lands				
Wildland Urban Interface Western State Grant	10.664	HFT #11SAFP 04	165,000	85,592
Wildland Urban Interface Western State Grant	10.664	HFT #12NFA1 04	70,000	69,602
Wildland Urban Interface Western State Grant	10.664	HFT #13CPP-Reg1-Koot	65,620	8,226
			Subtotal 10.664	<u>163,420</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>221,916</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Passed through Idaho Department of Commerce & Labor				
Bayview Community Center Project	14.228	ICDBG-13-I-14-PF	46,571	8,108
Alpine Meadows Water System Improvement Project	14.228	ICDBG-13-I-10-PF	350,000	134,220
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				Subtotal 14.228 <u>142,328</u>
U.S. DEPARTMENT OF JUSTICE				
Passed through Idaho Supreme Court:				
OVW Domestic Violence Court	16.013	2012-WC-AX-0005	55,965	15,376
Passed through Idaho Department of Juvenile Corrections:				
JABG Juvenile Accountability Block Grant	16.523	11-JA11-03	24,781	22,204
JABG Juvenile Accountability Block Grant	16.523	12-JA11-03	15,036	2,768
JABG Juvenile Accountability Block Grant	16.523	2011-JF-FX-0078	1,198	1,198
			Subtotal 16.523	<u>26,170</u>
Passed through Idaho Department of Health and Welfare:				
Domestic Violence/Victim Grant	16.575	VC018700	21,000	6,312
Passed through City of Coeur D Alene, Kootenai County - Subgrantee				
2012 Byrne Justice Assistance Grant	16.738	2012-DJ-BX-0644	22,011	3,272
2013 Byrne Justice Assistance Grant	16.738	2013-DJ-BX-0592	21,745	19,000
			Subtotal 16.738	<u>22,272</u>
Direct Programs:				
Community Oriented Policing Services 2010 CHP Grant	16.710	2010UMWX0102	562,563	44,781
Community Oriented Policing Services 2011 CSPP Grant	16.710	2011CSWX0011	494,410	38,052
Community Oriented Policing Services 2012 CHP Grant	16.710	2012UMWX0065	500,000	152,814
			Subtotal 16.710	<u>235,647</u>
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>305,777</u>

KOOTENAI COUNTY, IDAHO
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended September 30, 2014

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Identifying Number	Award amount	2013-2014 expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Airport Improvement Program	20.106	3-16-0010-032, 3-16-0010-34, 3-16-0010-037, 3-16-0010-038, 3-16-0010-040, 3-16-0010-041	4,994,845	244,389
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-X118	1,060,261	31,586
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-X128	972,927	2,317
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-X130	1,422,850	947,695
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-95-X003	570,000	570,000
			Subtotal 20.507	<u>1,551,598</u>
Passed through Idaho Department of Transportation				
Traffic Enforcement Mobilization FY2014	20.601	A012(536)	variable	4,351
Traffic Enforcement Mobilization FY2014	20.600	A012(536)	variable	6,100
State & Community Hwy Safety Program Alive @ 25	20.205	A012(536)	15,322	15,126
			Subtotal 20	<u>25,577</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>1,821,564</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State of Idaho Military Division:				
Emergency Management Performance Grant 2012	97.042	EMW-2012-EP-00065	87,912	2,000
Emergency Management Performance Grant 2013	97.042	EMW-2013-EP-00061	86,235	86,235
			Subtotal 97.042	<u>88,235</u>
Homeland Security - 2011	97.067	2011-SS-T0-00018	269,168	53,833
Homeland Security - 2012	97.067	2012-SS-T0-00136	156,320	110,228
Homeland Security - 2013	97.067	2013-SS-T0-00149	178,909	57,688
			Subtotal 97.067	<u>221,749</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>309,984</u>
U.S. DEPARTMENT OF PARKS AND RECREATION				
Passed through State Department of Parks & Rec				
Boater Safety Financial Assistance	97.012	RBS Formula Grant 14.01.16	136,800	136,800
TOTAL U.S. DEPARTMENT OF PARKS AND RECREATION				<u>136,800</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 2,938,369</u>

KOOTENAI COUNTY, IDAHO
Note to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2014

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the grant activity of Kootenai County. It 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

KOOTENAI COUNTY, IDAHO
Corrective Action Plan
Year Ended September 30, 2014

Person Responsible for Corrective Action:

Keith Taylor, Interim Finance Director
451 N Government Way
P.O. Box 9000
Coeur d'Alene, Idaho 83816-9000

Finding 2014-001: Procurement, Suspension, Debarment

Response:

The finding was initially issued by the Federal Transit Administration (FTA) during their Triennial Review. The finding was closed as of the issue date of this report. On the 3 November 2014, the Grants Management Office posted a public notice and request for proposals for Paratransit | Demand Response services. The Board of County Commissioners awarded the bid on the 23 December 2014. A fully-executed contract was issued on 24 February 2015. FTA issued a response to the corrective action that stated the finding was closed.

Finding 2014-002: Subrecipient Monitoring

Response:

The finding was initially issued by the Federal Transit Administration (FTA) during their Triennial Review. The finding was closed as of the issue date of this report. Kootenai County's Grants Management Office implemented additional procedures, as part of its internal control systems, to perform the required monitoring. The procedures are designed to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements – and that the required performance goals are achieved. FTA issued a response to the corrective action that stated the finding was closed.

KOOTENAI COUNTY, IDAHO
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2014

The following Findings were reported in the County's September 30, 2013, audit report:

Section II – Financial Statement Findings

Finding 2013-01 – Procedures have been implemented.

Section III – Federal Award Findings

There were no finding required to be reported related to federal awards for fiscal year ended September 30, 2013.

