

# **Kootenai County**

# **Idaho**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended September 30, 2015**  
**Jim Brannon ~ Auditor**





# KOOTENAI COUNTY, IDAHO

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2015

Jim Brannon  
County Auditor

Prepared by the Office of the County Auditor

# KOOTENAI COUNTY, IDAHO

## Office of the County Auditor

Finance Director  
Sondra Emerson

Pat Raffee  
Chief Deputy Clerk

### **ACKNOWLEDGMENTS:**

#### Staff Accountants

Keith Taylor  
Kim Price  
Grace Blomgren  
Julina Hildreth

#### Accounting Staff

JoAnn Conner  
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Lori Shaw  
Kathy vonKienast

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

**TABLE OF CONTENTS**  
**KOOTENAI COUNTY, IDAHO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015**

**INTRODUCTORY SECTION**

Auditor's Letter of Transmittal . . . . .	1
Elected Officials . . . . .	5
Organizational Chart . . . . .	6

**FINANCIAL SECTION**

Report of Independent Auditor . . . . .	9
Management's Discussion and Analysis . . . . .	13
Basic Financial Statements	
Statement of Net Position . . . . .	27
Statement of Activities . . . . .	28
Balance Sheet Governmental Funds . . . . .	30
Reconciliation . . . . .	31
Statement of Revenues, Expenditures and Changes in Fund Balances, Governmental Funds . . . . .	32
Reconciliation . . . . .	33
Statement of Net Position, Solid Waste Proprietary Fund . . . . .	34
Statement of Revenues, Expenses, and Changes in Fund Net Position, Solid Waste Proprietary Fund . . . . .	35
Statement of Cash Flows, Proprietary Fund . . . . .	36
Statement of Fiduciary Net Position, Fiduciary Funds . . . . .	37
Statement of Changes in Fiduciary Net Position, Fiduciary Funds . . . . .	38
Notes to the Financial Statements	
Notes Index . . . . .	41

**REQUIRED SUPPLEMENTARY INFORMATION**

Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual, General Fund . . . . .	67
Notes to Required Supplementary Information - Basis of Budgetary Reporting . . . . .	73
Schedule of Expenditure Compliance at the Legal Level of Budgetary Control . . . . .	75
Schedule of Employer's Share of Net Pension Liability . . . . .	76
Schedule of Employer's Contribution . . . . .	77

**Supplementary Information**

Non-major Governmental Funds, Special Revenue Funds, defined . . . . .	81
Non-major Capital Projects Funds, Capital Projects Funds, defined . . . . .	82
<i>Combining Financial Statements</i>	
Combining Balance Sheet Non-major Governmental Funds . . . . .	85
Combining Balance Sheet Non-major Special Revenue Funds . . . . .	86
Combining Balance Sheet Non-major Capital Projects Funds . . . . .	90
Statement of Revenues, Expenditures and Changes in Fund Balances, Non-major Governmental Funds . . . . .	91
Statement of Revenues, Expenditures and Changes in Fund Balances, Non-major Special Revenue Funds . . . . .	92
Statement of Revenues, Expenditures and Changes in Fund Balances, Non-major Capital Project Funds . . . . .	96
<i>Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual</i>	
Centennial Trail and Tourism Promotion Special Revenue Funds . . . . .	97
Airport and County Fair Special Revenue Funds . . . . .	98
Noxious Weeds and Health District Special Revenue Funds . . . . .	99
Historical Society and Parks and Recreation Special Revenue Funds . . . . .	100
Snowmobile and County Vessel Special Revenue Funds . . . . .	101
Public Access and Indigent Special Revenue Funds . . . . .	102

# Kootenai County Comprehensive Annual Financial Report - FY 2015

FTA Public Transportation Funds . . . . .	103
District Court and Revaluation Funds . . . . .	104
Kootenai Emergency Management and Aquifer Protection District Special Revenue Funds . . . . .	105
General Construction Capital Projects Funds . . . . .	106
Agency and Fiduciary Funds, defined . . . . .	107
Combining Statement of Fiduciary Assets and Liabilities, Fiduciary Funds . . . . .	108
Statement of Changes in Fiduciary Assets and Liabilities, Fiduciary Funds . . . . .	112
<b>STATISTICAL SECTION</b>	
Statistical Section Index . . . . .	117
Net Position by Component . . . . .	118
Changes in Net Position . . . . .	119
Governmental Activities Tax Revenue by Source . . . . .	121
Fund Balances of Governmental Funds . . . . .	122
Changes in Fund Balance of Government Funds . . . . .	123
Governmental Activities Tax Revenue by Source . . . . .	124
Assessed Valuation and Tax Rates . . . . .	125
Property Tax Rates - Direct and Overlapping Rates . . . . .	126
Property Tax Rates - Direct and All Overlapping Governments . . . . .	128
Principal Property Taxpayers . . . . .	129
County Property Tax Levy and Collections . . . . .	130
Assessed Value and Actual Value of Taxable Property . . . . .	131
Schedule of Foregone Amounts . . . . .	132
Legal Debt Margin Information . . . . .	133
Schedule of Direct and Overlapping Debt . . . . .	134
Demographic and Economic Statistics . . . . .	135
Principal Employers . . . . .	136
Domestic Financial Institutions Operating in Kootenai County . . . . .	137
County Employees by Function . . . . .	138
Operating Indicators by Function / Program . . . . .	139
Building Permits and Construction Values . . . . .	140
Capital Asset Values by Function . . . . .	141
Capital Asset Statistics by Function . . . . .	142
<b>SINGLE AUDIT SECTION</b>	
Auditor's Section	
Reports of Independent Auditor:	
Report on Internal Control over Financial Reporting and on Compliance . . . . .	147
Report on Compliance and Internal Controls Related to Federal Programs . . . . .	149
Schedule of Audit Findings And Questioned Costs . . . . .	151
Auditees' Section	
Schedule of Expenditures of Federal Awards . . . . .	157
Notes to Schedule of Expenditures of Federal Awards . . . . .	159
Corrective Action Plan . . . . .	160
Summary Schedule of Prior Audit Findings . . . . .	161

# **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, 2014**

Executive Director/CEO





## Kootenai County Clerk Jim Brannon

Auditor • Clerk of the District Court • County Assistance • Elections • Recorder

451 Government Way • P.O. Box 9000

Coeur d'Alene, ID 86816-9000

Phone (208) 446-1651 • Fax (208) 446-1662

<http://www.kcgov.us/departments/clerk> • Email: [jbrannon@kcgov.us](mailto:jbrannon@kcgov.us)

March 11, 2016

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, 2015. 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 Auditor's 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 147.

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 Seneaqueuten 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 147,000. 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 304,000, and Missoula, Montana, 150 miles to the east, with a population of 70,000. 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, Qualfon, 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 increased to 4.8%. Although higher than the 3.9% rate for the State of Idaho, this figure is below the 5.0% 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 8% and sales numbers came close to the record levels of 2005.

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2015, 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 \$508,000 for 2015.

#### ***Major Initiatives***

During 2015 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.

The policy for the recording of interest revenue for the Solid Waste Enterprise Fund has changed. Interest on idle funds is now deposited into the General Fund.

The budget process was improved, whereby beginning with fiscal year 2016 revenue trend analysis is now included in the budget projections. Previously expenses were the primary focus of the budget.

The County purchased land for a runway safety zone at the Coeur d'Alene Airport at a cost of \$610,000.

The County Commissioners approved a mid-year pay increase for the Sheriff's office command staff and patrol deputies of \$450,000 in fiscal year 2015. This pay adjustment will impact personnel costs by an estimated \$770,000 in FY16.

A power upgrade was completed at the Jail Facility at a cost of \$168,000.

### ***Ongoing Activities and Future Projects***

For 2016, 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:

Increasing costs and work-load demands continue in the County Justice System. This impacts our Judiciary and Prosecutor and Public Defender offices. More court space is needed as are additional bailiffs and court clerks. Careful prioritization of Sheriff's Department resources is required and space in our jail is at a premium.

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 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 and investment revenue of \$773,060 was recognized in Fiscal Year 2015 and is reported on page \_\_\_ in the Government-Wide Statement of Activities.

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, 2015, 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 the Kootenai County Emergency Medical Services System is debt free; therefore no contingent obligation exists at this time. The North Idaho Fair & Rodeo has three outstanding capital lease notes payable balances totaling \$33,119, with debt lease payments due in one year of \$13,830.

### ***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 dependants. 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.

## Kootenai County Comprehensive Annual Financial Report - FY 2015

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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, Sondra Emerson, 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 2015



Marc Eberlein  
Commissioner District #1



David Stewart  
Commissioner District #2



Dan Green  
Commissioner District #3



Jim Brannon  
County Clerk



Steve Matheson  
County Treasurer



Mike McDowell  
County Assessor



Ben Wolfinger  
County Sheriff



Barry McHugh  
County Prosecutor

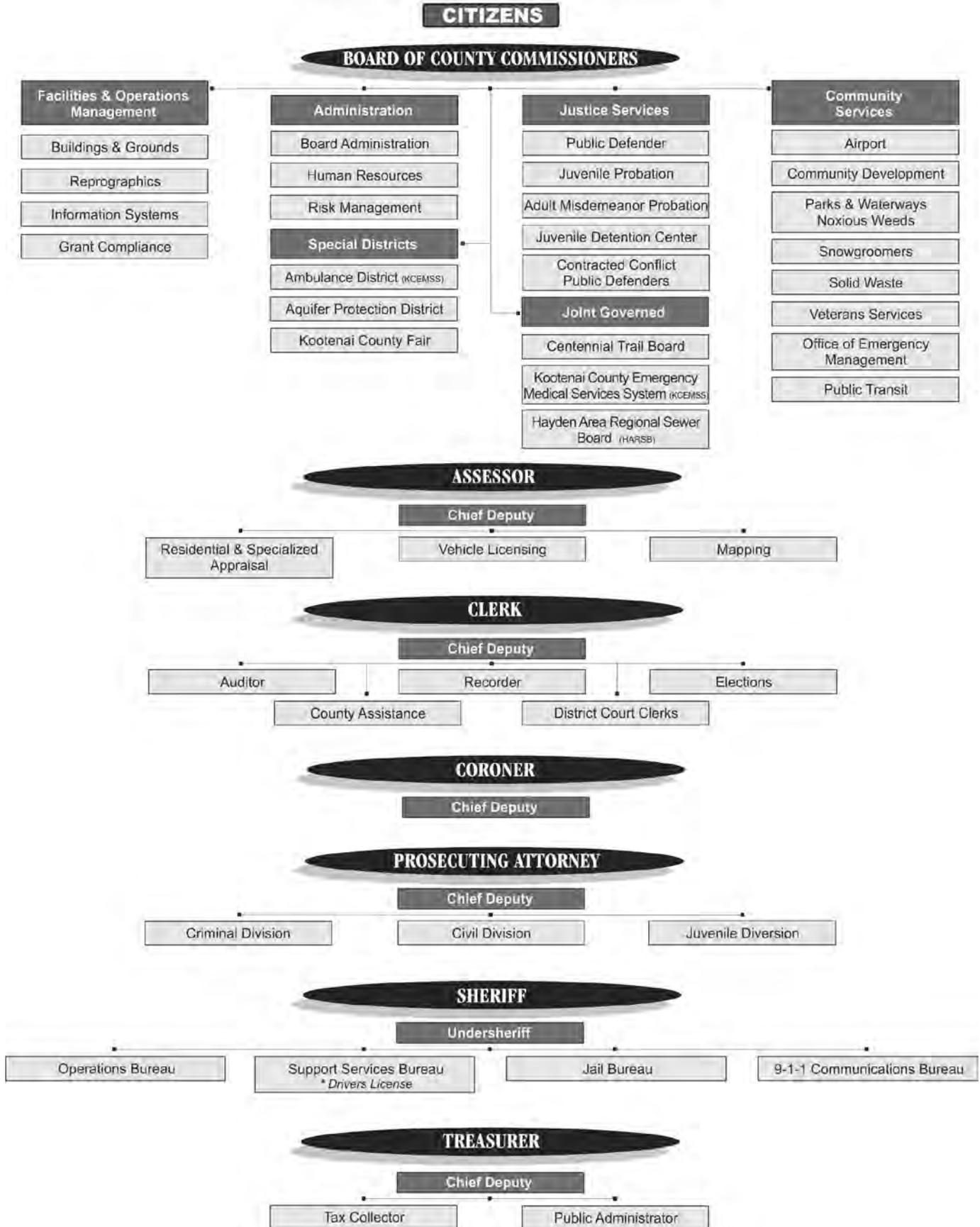


Warren Keene  
County Coroner

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

**Lansing Haynes  
John T. Mitchell  
John P. Luster  
Rich Christensen  
Cynthia Meyer  
Barbra Buchanan  
Scott Wayman  
Barry E. Watson  
James D. Stow  
Clark A. Peterson  
Robert Caldwell  
James Combo  
Anna M. Eckhart**

# KOOTENAI COUNTY, IDAHO ORGANIZATIONAL CHART



# Financial Section





**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## **INDEPENDENT AUDITORS' REPORT**

Board of County Commissioners  
Kootenai County  
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, 2015, 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, 2014 and Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2015, which represent 100% 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.

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, 2015, 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.

### **Report on Summarized Comparative Information**

We have previously audited 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, Idaho (the County), as of and for the year ended September 30, 2014, and our report dated March 12, 2015, expressed an unmodified opinion on those financial statements. In our opinion, based on our audit and the reports of other auditors, the summarized comparative information presented for the Solid Waste and Health Insurance funds as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Emphasis-of-Matters

### *Change in Accounting Principle*

During the year ended September 30, 2015, Kootenai County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pensions Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of the implementation of these standards, Kootenai County reported a restatement for the change in accounting principal. Due to the impact of these standards the net position decreased by \$19,043,830. Our auditors' opinion was not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 24, budgetary comparison information on pages 73 through 75 and the schedule of employer's share of the net pension liability and schedule of employer's contributions on pages 76 through 77 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, budgetary comparison schedules, 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, budgetary comparison schedules, 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 11, 2016, 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

*CliftonLarsonAllen LLP*  
Spokane, Washington

March 11, 2016



An independent member of Nexia International

# **Management's Discussion and Analysis**



**KOOTENAI COUNTY**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2015**  
**(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, 2015**. 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 2015 are as follows:

County leadership has maintained a fiscal philosophy of using existing resources such as fund balance rather than levying additional property taxes. The Board of County Commissioner's allocated \$4.5 million of existing fund balance to cover budgeted expenditures instead of levying additional property tax. Management will continue controlling costs, and judiciously apply existing funds to improve department operations.

The County has no outstanding debt at Fiscal Year-end 2015.

The Board of County Commissioner's fund balance policy directed funds to be saved for future facility and infrastructure projects. Commitments totaling \$15.5 million have been set aside for County-wide facilities to address growing service needs of citizens.

The Board of County Commissioner's granted wage increases totaling \$1.8 million to compensate employees. This action was taken to bring employee wages closer to market rate of pay and was paid from unassigned fund balance.

Managers and staff spent wisely in conserving available resources of the County. General government and Justice operations remained under budget by \$2.5 million, considering all revenue and expenditure activity.

The County's combined Governmental and Business activities ending net position totaled \$124.8 million. Of this amount, \$37.6 million is unrestricted which is available for spending on citizen services.

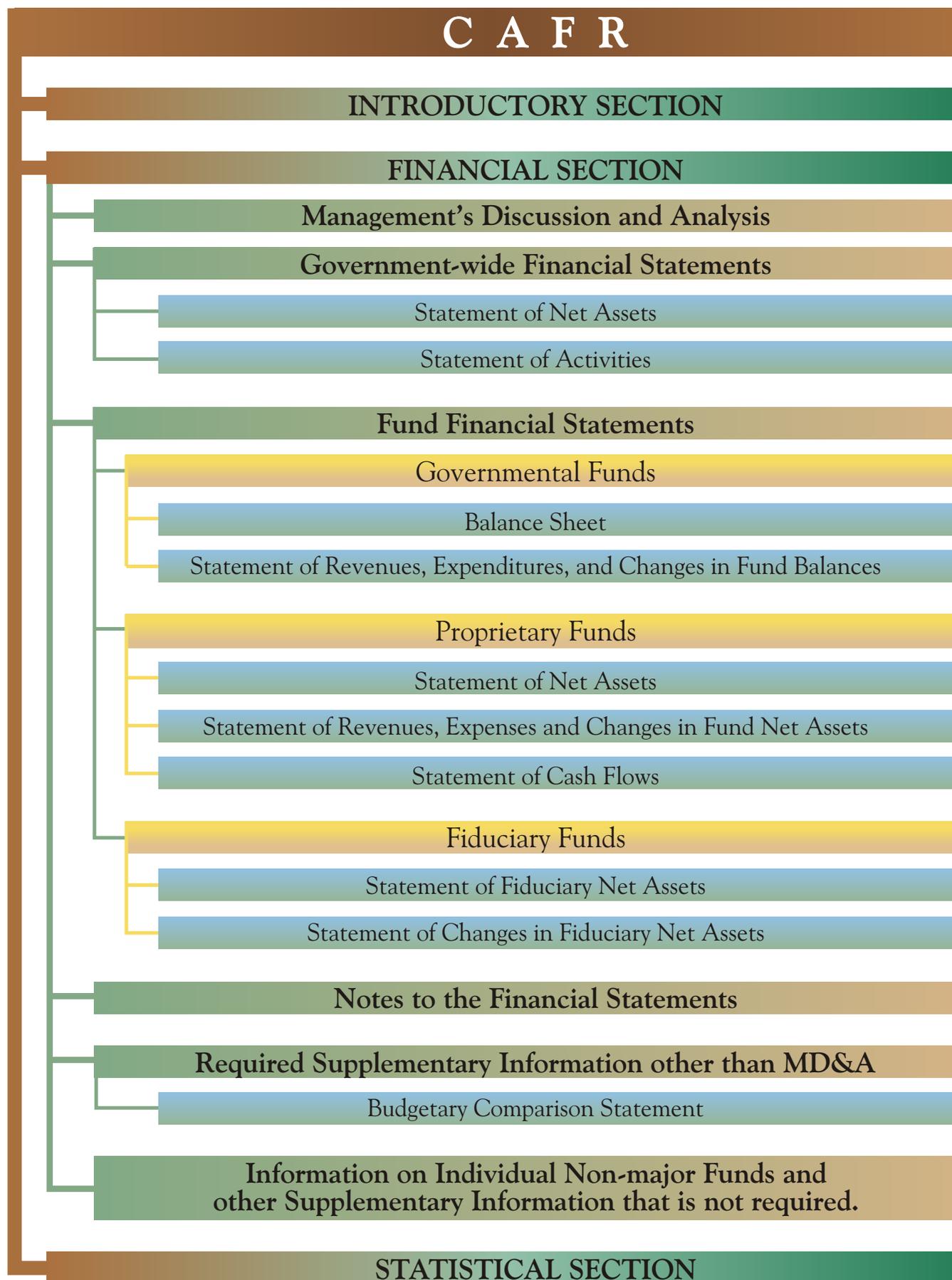
The County's unrestricted position from governmental activities is \$20.2 million, a 35.7% decrease over the prior year. New pension accounting rules required the County to recognize our portion of the unfunded liability of the State's employee retirement plan, PERSI. The effect decreased governmental unrestricted net position by \$17.5 million and decreased Solid Waste unrestricted net position by \$1.2 million for the current year.

The Solid Waste Enterprise Fund lost \$3.4 million in net position, a 6.8% decrease of restated prior year net position. Driving this decrease was a \$5.9 million transfer to General Fund of prior year interest revenue.

**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 that follows.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 the Statement of Net Position and the Statement of Activities, the County is divided into three kinds of activities:

- ◆ *Governmental Activities* - Most of the County's programs and services are reported here, including general government, public safety, public works, health 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 2014 compared with 2015:

	Kootenai County's Net Position (amounts in 000)						
	Governmental Activities		Business-type Activities		Total		Total % Change
	Restated 2014 **	2015	Restated 2014**	2015	Restated 2014**	2015	2014-2015
Current and other assets	\$ 86,221	\$ 96,003	\$ 31,225	\$ 27,763	\$ 117,446	\$ 123,766	5.4%
Capital assets	52,716	50,379	28,752	28,059	81,468	78,438	-3.7%
Total Assets	138,937	146,382	59,977	55,822	198,914	202,204	1.7%
Deferred Outflows	1,527	6,890	102	462	1,629	7,352	351.3%
Other liabilities	16,963	24,336	8,922	8,653	25,885	32,989	27.4%
Total Liabilities	16,963	24,336	8,922	8,653	25,885	32,989	27.4%
Deferred Inflows	51,807	51,164	754	643	52,561	51,807	-1.4%
Net Investment in capital assets	52,716	50,379	28,752	28,059	81,468	78,438	-3.7%
Restricted	5,443	7,227	1,777	1,468	7,220	8,695	20.4%
Unrestricted	13,535	20,166	19,874	17,461	33,409	37,627	12.6%
<b>Total Net Position</b>	<b>\$ 71,694</b>	<b>\$ 77,772</b>	<b>\$ 50,403</b>	<b>\$ 46,988</b>	<b>\$ 122,097</b>	<b>\$ 124,760</b>	<b>2.2%</b>

\*\* The 2014 net position, liabilities , deferred outflows and deferred inflows are restated in the chart above to report the effect of the implementation of GASB 68/71 on the prior year.

Total County assets exceeded liabilities and net pension obligations by \$124.8 million (\$77.8 million in Governmental activities and \$47 million in Business-Type activities). Implementation of new accounting rules for pension decreased the County's overall net position by \$18.7 million. The net pension obligation is not a liability owed by the County, but rather a snapshot of the County's proportionate share of the overall State of Idaho retirement plan.

Net Investment in Capital Assets (land, buildings, improvements, machinery and equipment, vehicles and infrastructure) totals \$78.4 million, which represents 63% of the County's net position. Investment in capital assets provides the infrastructure for 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 instead of debt.

\$7.2 million of the County's Governmental Activities net position (9.3%) has restrictions on how the assets can be used. The \$20.2 million (25.9%) of Unrestricted Governmental Activities Net Position may be used to meet the County's ongoing obligations.

# Kootenai County Comprehensive Annual Financial Report - FY 2015

Table 2, shows the changes in Net Position for 2014 and 2015:

Changes in Kootenai County's Net Position  
(amounts in 000)

	Governmental Activities		Business-type Activities		Total		Percentage Change 2014-2015
	2014	2015	2014	2015	2014	2015	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 21,150	\$ 21,493	\$ 11,451	\$ 12,021	\$ 32,601	\$ 33,514	2.8%
Federal grants	2,938	2,878	-	-	2,938	2,878	-2.0%
State & local grants	1,424	1,283	-	-	1,424	1,283	-9.9%
General revenues							
Property taxes	43,357	44,075	-	-	43,357	44,075	1.7%
Other	464	1,332	428	-	892	1,332	49.3%
<b>Total revenues</b>	<b>69,333</b>	<b>71,061</b>	<b>11,879</b>	<b>12,021</b>	<b>81,212</b>	<b>83,082</b>	<b>2.3%</b>
<b>Expenses</b>							
General government	24,614	27,129	-	-	24,614	27,129	10.2%
Public works	2,814	2,564	-	-	2,814	2,564	-8.9%
Public safety	36,577	37,411	-	-	36,577	37,411	2.3%
Sanitation weed control	303	321	-	-	303	321	5.9%
Health and welfare	3,835	3,127	-	-	3,835	3,127	-18.5%
Culture and recreation	1,040	1,049	-	-	1,040	1,049	0.9%
Solid waste	-	-	8,852	9,027	8,852	9,027	2.0%
<b>Total expenses</b>	<b>69,183</b>	<b>71,601</b>	<b>8,852</b>	<b>9,027</b>	<b>78,035</b>	<b>80,628</b>	<b>3.3%</b>
Excess before special items and transfers	150	(540)	3,027	2,994	3,177	2,454	-22.8%
Gain (loss) on sale of assets	(85)	110	(135)	99	(220)	209	195.0%
Transfers in (out)	543	6,507	(543)	(6,507)	-	0	0.0%
<b>Increase net position</b>	<b>\$ 608</b>	<b>\$ 6,077</b>	<b>\$ 2,349</b>	<b>\$ (3,414)</b>	<b>\$ 2,957</b>	<b>\$ 2,663</b>	<b>-9.9%</b>

## Governmental Activities

Program revenues increased slightly overall in fiscal 2015; with \$0.4 million increase in charges for services offsetting the \$0.2 million decrease in grant revenue. Charges for services is the County's second largest source of program revenue (behind property tax revenue), and it accounted for \$21.5 million (30.2%) 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 \$25.7 million, (35.8%) of the County's governmental expenses in 2015. This compares to \$25.5 million or 36.8% in 2014; with increasing program expenses accounting for the percentage difference.

Federal and State grant sources made up \$4.1 million (5.8%) of total governmental revenues; consistent with 2014 of \$4.4 million (6.3%). Significant grant activities include the Citilink transit grant of \$1.7 million, and airport improvement grants totaling \$0.8 million.

Property tax revenues supporting Governmental activities were \$44.1 million (62%) of the \$71.1 million revenue total. Property tax revenue increased \$0.7 million (1.7%) from 2014, comprised of additional collections from new construction.

General government expenses are \$27.1 million, or 37.9% of total expense. This compares to \$24.6 million in 2014, an increase of \$2.5 million (10.2%). Factors contributing to the increase include rising health insurance costs, employee wage increases, losses on capital assets, and higher project costs.

Public Safety expenses of \$37.4 million (52.2%) are the largest portion of the County's total expenses of \$71.6 million. Compared to prior year, Public Safety expenses increased \$0.8 million or 2.3%, primarily due to wage increases. The County's largest tax-supported operational expenses are the Sheriff's Jail program (\$10.8 million), and Sheriff's Patrol (\$6.5 million).

Health and welfare expenses of \$3.1 million decreased by \$0.7 million, or 18.5% from the prior year. Fewer indigent medical claims resulted in cost savings in the current year.

Total Governmental Activity expenses were \$71.6 million in 2015, an increase of \$2.4 million (3.5%) from the prior year. The additional funds were spent on employee wages and benefits.

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 are remaining costs supported by tax revenues or by general revenues such as interest.

Net Cost of Kootenai County's Governmental Activities  
as of September 30, 2014 and 2015  
(amounts in 000)

	Total Cost of Services		Percentage Change	Net Cost of Service		Percentage Change
	2014	2015	2014-2015	2014	2015	2014-2015
General government	\$ 24,614	\$ 27,129	10.2%	\$ 13,100	\$ 15,716	20.0%
Public works	2,814	2,564	-8.9%	1,857	1,113	-40.1%
Public safety	36,577	37,411	2.3%	24,458	25,309	3.5%
Sanitation (weed control)	303	321	5.9%	273	288	5.5%
Health and welfare	3,835	3,127	-18.5%	3,625	2,922	-19.4%
Culture and recreation	1,040	1,049	0.9%	357	600	68.1%
<b>Total</b>	<b>\$ 69,183</b>	<b>\$ 71,601</b>	<b>3.5%</b>	<b>\$ 43,670</b>	<b>\$ 45,948</b>	<b>5.2%</b>

The County's total cost of services increased by \$2.4 million (3.5%) over the prior year. Additional expenses were employee wage and benefit costs (\$1.8 million).

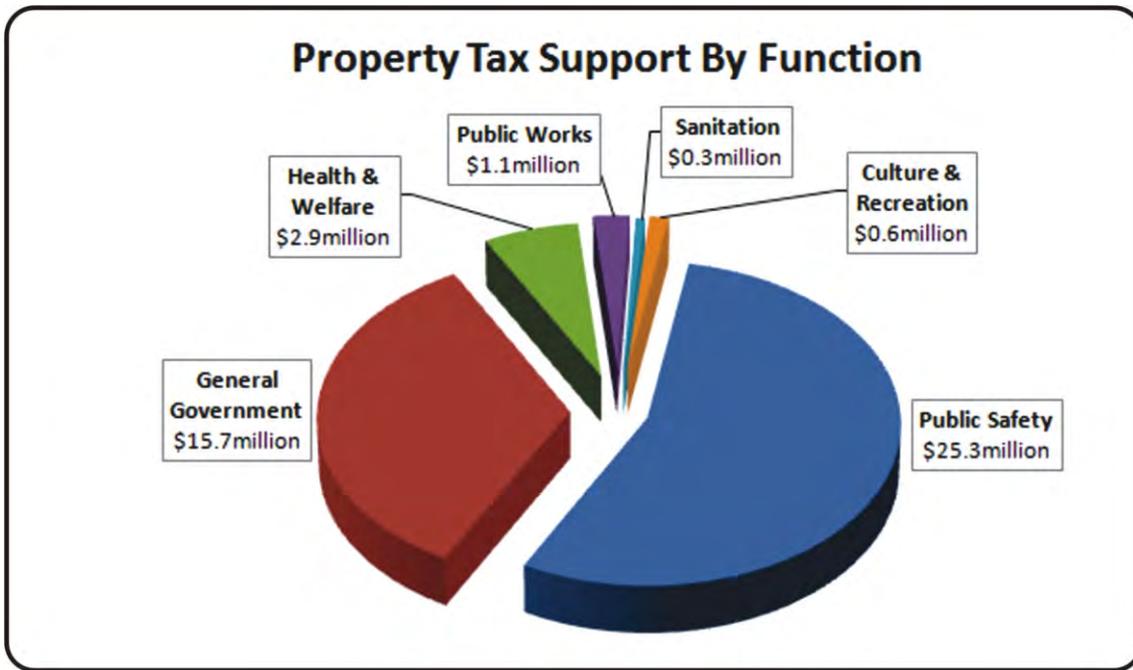
Public safety is both the largest portion (52.2%) of overall County expense at \$37.4 million, and the largest portion (55.1%) of net cost of service at \$25.3 million. Public safety net cost of service increased by \$0.9 million or 3.5% from the prior year. Contributing to this increase was employee wage costs.

General Government is the second largest portion (37.9%) of overall County expenses at \$27.1 million. Of those costs, General Government funds \$11.4 million (42%) with direct charges for services or grant revenue. The remaining \$15.7 million is primarily supported by property tax.

Net Cost of Service totaled \$45.9 million, an increase of \$2.3 million (5.2%) in 2015. General government required the greatest cost support increase (\$2.6 million) in unrestricted net position or tax revenue as compared with 2014.

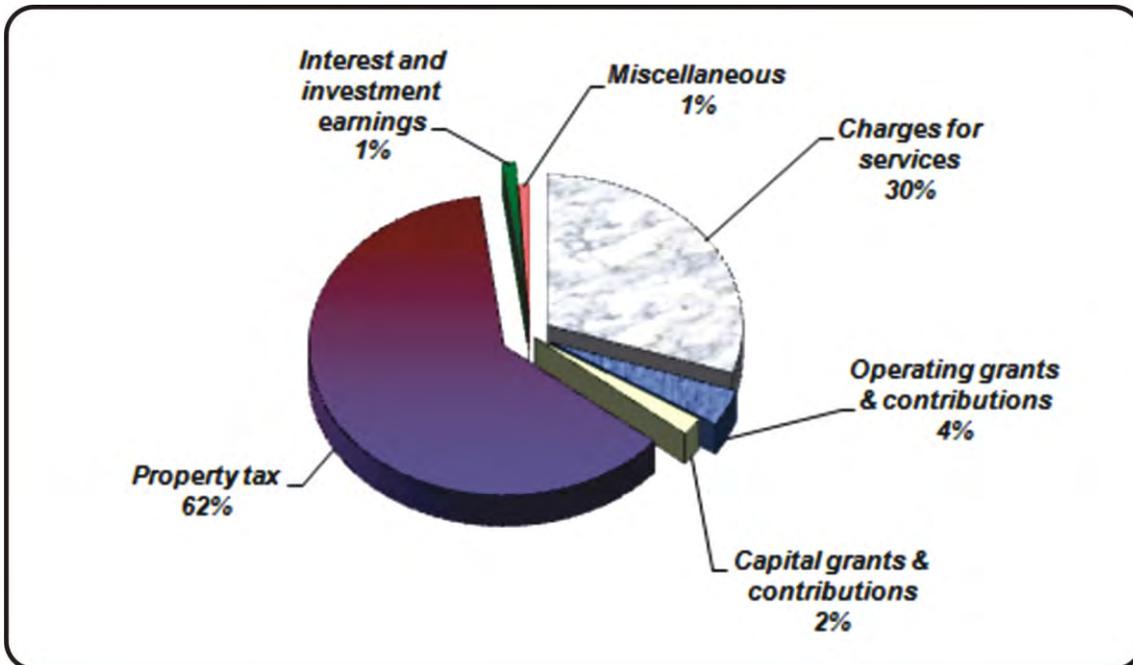
**Figure 4: Property Tax Support-Primary Government**

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 position reserves. Property tax collections not spent in the current year increase net position to support future period operations.



**Figure 5: Revenues by Source-Government Activities**

The figure below indicates County fiscal 2015 revenue by category and percent of the total revenue.



**Business-Type Activities**

Net Position for the County's Business-Type Activities (Solid Waste) decreased by \$3.4 million in 2015, resulting from the transfer of \$5.9 million of prior year Solid Waste interest to the General Fund. The Board of County Commissioner's directed all earnings from idle Solid Waste funds be allocated to General Government. Partially offsetting this decrease was operating income of \$3.0 million, as operating revenue (\$12 million) exceeded expenses (\$9 million). Landfill closure/post closure costs were \$145,000 in 2015.

Figure 6: Program Revenues and Expenses - Business-Type Activities

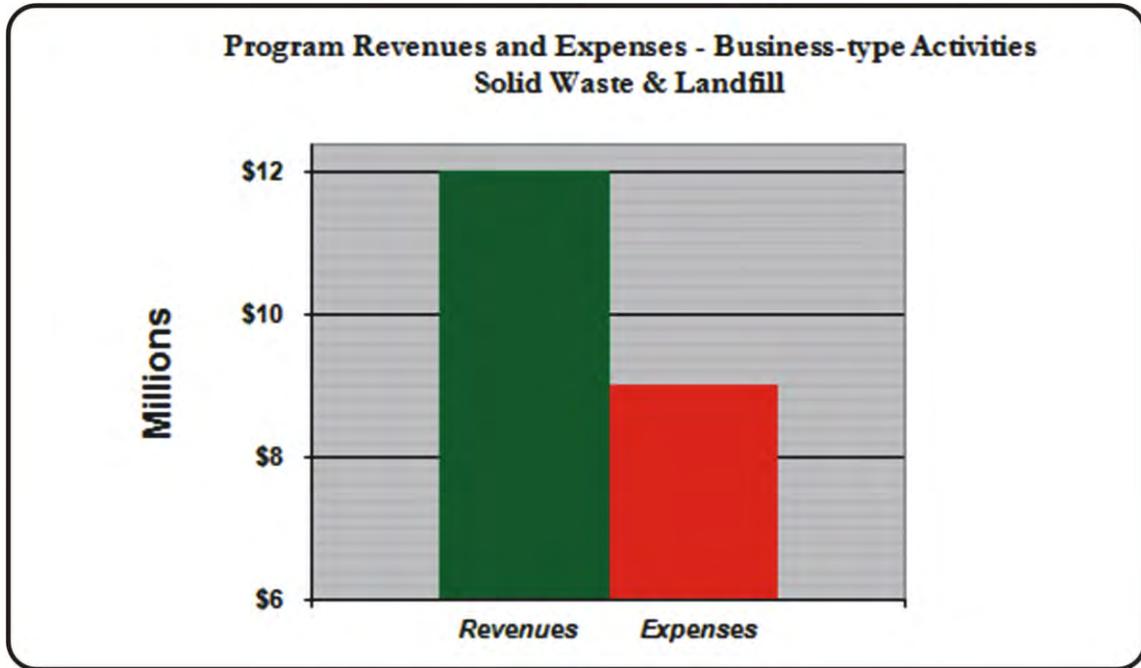
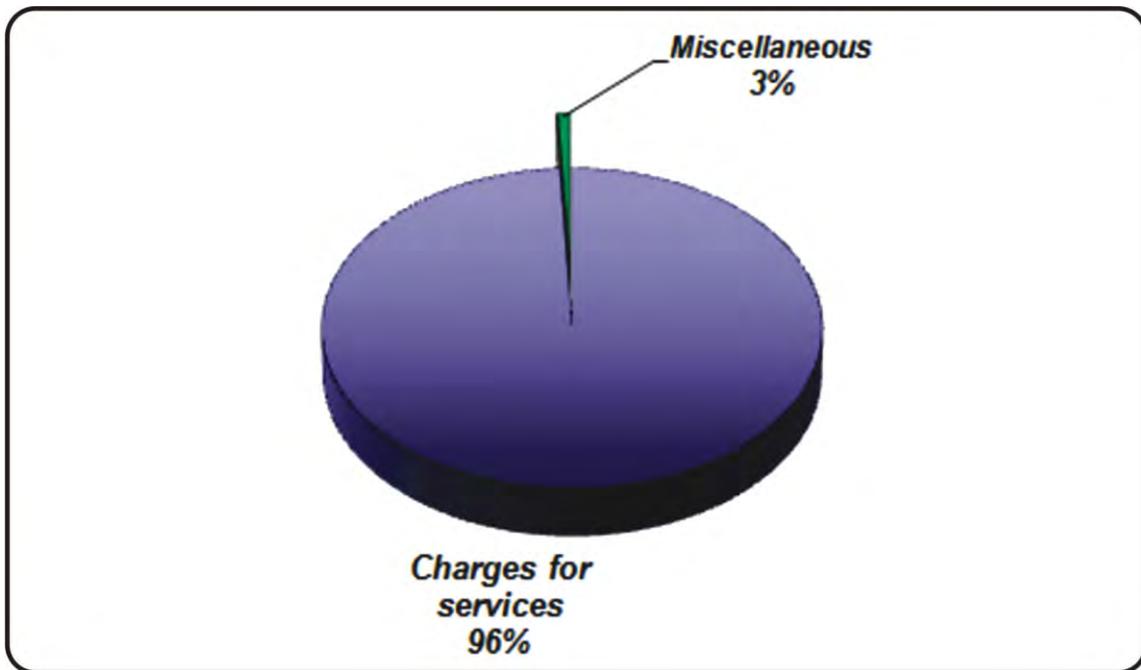


Figure 7: Revenues by Source - Business-Type Activities - Solid Waste



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, 2015, the County's governmental funds had a combined ending fund balance of \$47.5 million, an increase of \$9.2 million over the prior year. Approximately \$19 million (40%) of this total is unassigned fund balance, available for spending at the County's discretion. The remaining \$28.5 million (60%) 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 Notes to the Financial Statements.)

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. The General Fund balance increased by \$8.5 million (24.4%) during fiscal year 2015. This increase was primarily the result of Solid Waste transfers and collections from delinquent property tax. General Fund expenditures of \$53.3 million marginally increased \$0.4 million (0.7%) over the prior year.

As a liquidity measure, it is useful to compare both unassigned fund balance (\$19 million) and total fund balance (\$43 million) to total General Government expenditures (53.3 million). Therefore, unassigned fund balance represents 36% of total General Fund expenditures, and total fund balance represents 81% of total expenditures.

Unanticipated fund balance totaling \$1.2 million was transferred from general fund to support other government fund operations during the year. Fund balance transfers were necessary for increased health insurance claims (\$0.4 million), partial support of Airport land purchase (0.5 million), and District Court fund balance deficit (\$0.3 million).

### Enterprise Funds

The County's enterprise funds (Solid Waste) had unrestricted net position of \$17.5 million in 2015, down from \$21.1 million in fiscal 2014. As previously discussed, the decrease primarily resulted from the transfer of \$5.9 million of prior year Solid Waste interest to the General Fund.

## 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 \$1.1 million, most of which was for wage adjustment increases in fiscal 2015. Revenues for these were appropriated from fund balance reserves.

## CAPITAL ASSETS

**Capital Assets:** Kootenai County's fiscal 2015 capital investments for its Governmental and Business Type activities totaled \$78.4 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 \$3.03 million (a 4.4% decrease for Governmental activities, and a 2.4% decrease for Business Type activities).

Table: 8

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2014	2015	2014	2015	2014	2015	2014-2015
Land	\$ 6,032	\$ 6,632	\$ 1,747	\$ 1,747	\$ 7,779	\$ 8,379	7.7%
Buildings	18,330	19,465	262	249	18,592	19,714	6.0%
Improvements other than buildings	18,032	16,639	1,441	1,399	19,473	18,038	-7.4%
Machinery and equipment	7,168	6,169	3,265	3,349	10,433	9,518	-8.8%
Transfer stations	-	-	12,598	11,982	12,598	11,982	-4.9%
Landfill	-	-	9,013	8,560	9,013	8,560	-5.0%
Construction in progress	3,154	1,474	426	773	3,580	2,247	-37.2%
<b>Total</b>	<b>\$ 52,716</b>	<b>\$ 50,379</b>	<b>\$ 28,752</b>	<b>\$ 28,059</b>	<b>\$ 81,468</b>	<b>\$ 78,438</b>	<b>-3.7%</b>

Major capital asset activities during fiscal 2015 included:

- ◆ Airport Improvement Projects - \$820,000
- ◆ Airport Land Purchase - \$610,000
- ◆ Ten new fully equipped Sheriff vehicles - \$520,000
- ◆ Solid Waste Department improvements totaled \$668,000, and new Machinery and Equipment totaled \$1,244,000.

Additional information on Kootenai County's capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2015.

## ECONOMIC FACTORS

In Kootenai County, the economic picture reveals a positive sign of growth for the housing market; with respect to employment, however, there was an increase in the unemployment rate compared to the prior year.

Relative demand in the local housing market has improved with average home price rising 8% in 2015 compared to the prior year. Also, home sales continue to grow to prerecession levels showing an 18% increase over 2014. Residential building permits filed with the County improved both in number and value with 285 permits filed, valued at \$82 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.

According to the Idaho Department of Labor, Idaho's preliminary seasonally adjusted unemployment rate as of December 2015 was 3.9%. Kootenai County's unemployment rate increased to 4.8%, from 4.3% in the prior year. However, the County's unemployment rate is lower than the national rate of 5.0%. Furthermore, preliminary data for the month of December 2015 indicates employment in Kootenai County is up 5.4% over December 2014.

According to the Idaho Department of Labor, the average wage in Kootenai County of \$37,711 remains below the State average of \$39,767. 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.

Assessed value for all property types in Kootenai County increased from the prior year and now stands at a net taxable value of \$13.1 billion dollars this fiscal year.

Additional information related to economic factors is presented within the Statistical Section of this report.

### 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.

or

Email: [kcauditor@kcgov.us](mailto:kcauditor@kcgov.us)

# **Basic Financial Statements**



**KOOTENAI COUNTY, IDAHO**  
**Statement of Net Position**  
**September 30, 2015**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	North Idaho Fair & Rodeo Dec. 31, 2014	KCEMSS Sept. 30, 2015
<b>ASSETS</b>					
Cash and investments	\$ 50,527,779	\$ 20,057,676	\$ 70,585,455	\$ 87,302	\$ 2,516,721
Taxes receivable - current	41,594,122	-	41,594,122	-	-
Taxes receivable - delinquent	611,418	-	611,418	-	10,014
Accounts receivable, (net)	2,224,482	540,866	2,765,348	29,686	970,591
Interest receivable	15,181	-	15,181	-	-
Grants receivable	930,253	-	930,253	-	-
Inventories and prepaid expenses	99,476	199	99,675	-	129,690
Restricted assets:					
Cash held for closure and postclosure	-	7,164,000	7,164,000	-	-
Capital assets:					
Land	6,631,734	1,747,114	8,378,848	-	403,990
Depreciable assets, (net)	41,861,880	25,539,388	67,401,268	1,829,330	4,030,948
Non-depreciable other assets	411,476	-	411,476	-	-
Construction in progress	1,474,263	772,404	2,246,667	-	-
<b>Total Assets</b>	<b>\$ 146,382,064</b>	<b>\$ 55,821,647</b>	<b>\$ 202,203,711</b>	<b>\$ 1,946,318</b>	<b>\$ 8,061,954</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions	6,889,901	463,248	7,353,149	-	66,136
<b>Total Deferred Outflows of Resources</b>	<b>\$ 6,889,901</b>	<b>\$ 463,248</b>	<b>\$ 7,353,149</b>	<b>\$ -</b>	<b>\$ 66,136</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 2,143,654	\$ 271,312	\$ 2,414,966	\$ 90,244	\$ 127,913
Payroll and related liabilities	1,477,134	-	1,477,134	10,069	46,150
Other accrued liabilities	-	-	-	-	34,232
Unearned revenues	841,881	-	841,881	-	-
Long-term liabilities:					
Due within one year - compensated absences	629,152	20,235	649,387	-	-
Due within one year - capital leases	-	-	-	13,830	250,448
Due in more than one year - compensated absences	4,408,293	200,086	4,608,379	35,076	-
Due in more than one year - capital leases	-	-	-	19,284	1,611,759
Landfill closure liability	-	7,164,000	7,164,000	-	-
Net Pension Liability	14,836,307	997,532	15,833,839	-	133,434
<b>Total Liabilities</b>	<b>24,336,421</b>	<b>8,653,165</b>	<b>32,989,586</b>	<b>168,503</b>	<b>2,203,936</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Future year property tax	41,594,122	-	41,594,122	-	-
Related to pensions	9,569,631	643,421	10,213,052	-	86,067
<b>Deferred Inflows of Resources</b>	<b>51,163,753</b>	<b>643,421</b>	<b>51,807,174</b>	<b>-</b>	<b>86,067</b>
<b>NET POSITION</b>					
Net investment in capital assets	50,379,353	28,058,907	78,438,260	1,796,216	2,572,731
Restricted					
9-1-1 Enhanced system fee carryover	2,574,465	-	2,574,465	-	-
Court facilities	470,817	-	470,817	-	-
Juvenile justice services	261,247	-	261,247	-	-
Court interlock	103,444	-	103,444	-	-
Sheriff commissary	147,085	-	147,085	-	-
Capital project carryover-solid waste Operations	-	1,467,965	1,467,965	-	-
Operations	3,670,392	-	3,670,392	-	-
Unrestricted :					
Governmental type activities	20,164,988	-	20,164,988	-	-
Business type activities	-	17,461,437	17,461,437	(18,401)	3,265,356
<b>Total Net Position</b>	<b>\$ 77,771,791</b>	<b>\$ 46,988,309</b>	<b>\$ 124,760,100</b>	<b>\$ 1,777,815</b>	<b>\$ 5,838,087</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 153,271,965</b>	<b>\$ 56,284,895</b>	<b>\$ 209,556,860</b>	<b>\$ 1,946,318</b>	<b>\$ 8,128,090</b>

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, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 27,128,804	\$ 8,626,971	\$ 2,294,777	\$ 491,055
Public works	2,563,773	674,079	(3,900)	780,996
Public safety	37,410,843	11,539,419	462,223	100,279
Sanitation	321,680	270	33,619	-
Health and welfare	3,127,149	205,115	-	-
Culture and recreation	1,049,046	446,510	2,312	-
Total governmental activities	71,601,295	21,492,364	2,789,031	1,372,330
Business-type activities:				
Solid waste and landfill	9,027,312	12,021,518	-	-
Total business-type activities	9,027,312	12,021,518	-	-
<b>Total primary government</b>	<b>\$ 80,628,607</b>	<b>\$ 33,513,882</b>	<b>\$ 2,789,031</b>	<b>\$ 1,372,330</b>
<b>Component units:</b>				
County fair	\$ 1,611,739	\$ 1,515,288	\$ -	\$ -
KCEMSS	6,908,151	4,558,180	-	31,265
<b>Total component units</b>	<b>\$ 8,519,890</b>	<b>\$ 6,073,468</b>	<b>\$ -</b>	<b>\$ 31,265</b>

**General revenues:**

Taxes:

Property taxes, levied for general purposes

Miscellaneous

Interest and investment earnings

Gain on sale of assets

**Transfers**

**Total general revenues and transfers**

**Change in net position**

**Restated net position—beginning**

**Net position—ending**

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

**Kootenai County Comprehensive Annual Financial Report - FY 2015**

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total	Component Units	
			North Idaho Fair & Rodeo	KCEMSS
\$ (15,716,001)	\$ -	\$ (15,716,001)		
(1,112,598)	-	(1,112,598)		
(25,308,922)	-	(25,308,922)		
(287,791)	-	(287,791)		
(2,922,034)	-	(2,922,034)		
(600,224)	-	(600,224)		
(45,947,570)	-	(45,947,570)		
-	2,994,206	2,994,206		
-	2,994,206	2,994,206		
<b>(45,947,570)</b>	<b>2,994,206</b>	<b>(42,953,364)</b>		
			\$ (96,451)	\$ -
			-	(2,318,706)
			<b>(96,451)</b>	<b>(2,318,706)</b>
44,075,446	-	44,075,446	150,000	2,314,305
559,086	-	559,086	-	8,091
773,060	-	773,060	1,153	31,579
110,221	98,706	208,927	-	46,778
6,507,476	(6,507,476)	-	-	-
52,025,289	(6,408,770)	45,616,519	151,153	2,400,753
6,077,719	(3,414,564)	2,663,155	54,702	82,047
71,694,072	50,402,873	122,096,945	1,723,113	5,756,040
<b>\$ 77,771,791</b>	<b>\$ 46,988,309</b>	<b>\$ 124,760,100</b>	<b>\$ 1,777,815</b>	<b>\$ 5,838,087</b>

**KOOTENAI COUNTY, IDAHO**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2015**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash in bank and investments	\$ 43,166,945	\$ 4,758,830	\$ 47,925,775
Taxes receivable - current	41,594,122	-	41,594,122
Taxes receivable - delinquent	467,950	143,469	611,419
Accounts receivable, (net)	2,008,281	216,200	2,224,481
Interest receivable	15,178	5	15,183
Grants receivable	249,095	681,157	930,252
Prepays	98,968	507	99,475
Due from other funds	151,745	-	151,745
<b>Total Assets</b>	<b>\$ 87,752,284</b>	<b>\$ 5,800,168</b>	<b>\$ 93,552,452</b>
<b>Liabilities</b>			
Accounts payable	\$ 970,667	\$ 593,759	\$ 1,564,426
Payroll and related liabilities	1,477,134	-	1,477,134
Due to other funds	-	151,745	151,745
Unearned revenue-other	319,122	146,912	466,034
Unearned revenue-grants	10,444	365,403	375,847
<b>Total Liabilities</b>	<b>2,777,367</b>	<b>1,257,819</b>	<b>4,035,186</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property taxes	339,183	111,195	450,378
Future year property taxes	41,594,122	-	41,594,122
<b>Total Deferred Inflows of Resources</b>	<b>41,933,305</b>	<b>111,195</b>	<b>42,044,500</b>
<b>Fund Balances</b>			
Nonspendable	98,968	507	99,475
Restricted	3,874,099	3,353,351	7,227,450
Committed	20,081,380	1,077,296	21,158,676
Assigned	-	-	-
Unassigned	18,987,165	-	18,987,165
<b>Total Fund Balances</b>	<b>43,041,612</b>	<b>4,431,154</b>	<b>47,472,766</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 87,752,284</b>	<b>\$ 5,800,168</b>	<b>\$ 93,552,452</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Position of Governmental Activities**  
**September 30, 2015**

<b>Total governmental fund balances (page 30)</b>	<b>\$</b>	<b>47,472,766</b>
 <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.		450,378
Capital assets used in governmental activities are not financial resources and this amount reflects the initial investment in capital assets therefore, are not reported in the funds.		50,379,353
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.		2,022,776
Long-term liabilities - both current and long-term - are not due and payable in the current period and therefore are reported in the statement of net position:		
Compensated absences and net pension liability		(19,873,752)
Deferred outflows and inflows of resources related to pensions apply to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions		6,889,901
Deferred inflows of resources related to pensions		(9,569,631)
<b>Total Net Position of Governmental Activities as shown on the Statement of Net Position:</b>	<b>\$</b>	<b>77,771,791</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2015**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 35,709,030	\$ 8,527,035	\$ 44,236,065
Licenses and permits	1,408,431	109,978	1,518,409
Intergovernmental	10,826,379	2,902,263	13,728,642
Interest	772,734	325	773,059
Fines and forfeitures	592,924	757,815	1,350,739
Charges for services	6,632,880	1,899,285	8,532,165
Miscellaneous	842,257	772,355	1,614,612
<b>Total Revenues</b>	<b>56,784,635</b>	<b>14,969,056</b>	<b>71,753,691</b>
<b>Expenditures</b>			
Current:			
General government	20,282,136	4,361,608	24,643,744
Public works	-	862,571	862,571
Public safety	29,888,801	4,844,982	34,733,783
Sanitation	-	315,082	315,082
Health & welfare	616,169	2,527,401	3,143,570
Culture and recreation	-	694,261	694,261
Capital Outlay:			
Capital expenditures	2,144,626	769,420	2,914,046
Construction in progress	341,729	941,888	1,283,617
<b>Total Expenditures</b>	<b>53,273,461</b>	<b>15,317,213</b>	<b>68,590,674</b>
<b>Excess of Revenues Over (Under)</b>			
<b>    Expenditures</b>	<b>3,511,174</b>	<b>(348,157)</b>	<b>3,163,017</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	6,582,745	1,120,401	7,703,146
Transfers (out)	(1,639,927)	(26,050)	(1,665,977)
<b>Total Other Financing Sources (Uses)</b>	<b>4,942,818</b>	<b>1,094,351</b>	<b>6,037,169</b>
<b>Net Change in Fund Balances</b>	<b>8,453,992</b>	<b>746,194</b>	<b>9,200,186</b>
<b>Fund Balances Beginning of Year</b>	<b>34,587,620</b>	<b>3,684,960</b>	<b>38,272,580</b>
<b>Fund Balances End of Year</b>	<b>\$ 43,041,612</b>	<b>\$ 4,431,154</b>	<b>\$ 47,472,766</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2015**

Net change in fund balances - total governmental funds (page 32)	\$ 9,200,186
 <i>Amounts reported for governmental activities in the statement of activities (pages 28 and 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.	(160,619)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period. (\$4,197,663 - \$6,223,778)	(2,026,115)
Miscellaneous capital asset transactions such as sales, disposals gain or loss, and donations, that only effect net position and are not reported in the funds.	(310,669)
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.	(125,064)
Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	(500,000)
<b>Total Change in Net Position of Governmental Activities as shown on the Statement of Activities</b>	<b>\$ 6,077,719</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Statement of Net Position**  
**Proprietary Fund**

**September 30, 2015 with Comparative Information for September 30, 2014**

	Business-type activity		Governmental-type activity	
	Solid Waste Enterprise Fund		Health Insurance	Internal Service Fund
<b>Assets</b>	2015	2014	2015	2014
<b>Current Assets:</b>				
Cash and investments	\$ 20,057,676	\$ 23,427,552	\$ 2,602,005	\$ 3,114,544
Accounts receivable, (net)	540,866	775,113	-	8,097
Prepays	199	1,000	-	75,456
Interest receivable	-	1,836	-	-
<b>Total Current Assets</b>	<b>20,598,741</b>	<b>24,205,501</b>	<b>2,602,005</b>	<b>3,198,097</b>
<b>Noncurrent Assets:</b>				
<b>Restricted Assets:</b>				
Cash held for closure and post closure	7,164,000	7,019,000	-	-
<b>Capital Assets:</b>				
Land	1,747,114	1,747,114	-	-
Depreciable assets, (net)	25,539,388	26,578,544	-	-
Construction in progress	772,404	426,355	-	-
<b>Total Noncurrent Assets</b>	<b>35,222,906</b>	<b>35,771,013</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 55,821,647</b>	<b>\$ 59,976,514</b>	<b>\$ 2,602,005</b>	<b>\$ 3,198,097</b>
<b>Deferred Outflows of Resources</b>				
Deferred pension outflows	463,248	-	-	-
<b>Total Deferred Outflows</b>	<b>\$ 463,248</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 268,251	\$ 1,128,153	\$ 4,229	\$ 70,274
Payroll and other related liabilities	-	-	575,000	605,047
Other accrued liabilities	3,061	17,230	-	-
Compensated absences-current	20,235	6,811	-	-
<b>Total Current Liabilities</b>	<b>291,547</b>	<b>1,152,194</b>	<b>579,229</b>	<b>675,321</b>
<b>Long-Term Liabilities:</b>				
Compensated absences due in more than one year	200,086	202,686	-	-
Landfill closure liability	7,164,000	7,019,000	-	-
Net pension liability	997,532	-	-	-
<b>Total Long-Term Liabilities</b>	<b>8,361,618</b>	<b>7,221,686</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>\$ 8,653,165</b>	<b>\$ 8,373,880</b>	<b>\$ 579,229</b>	<b>\$ 675,321</b>
<b>Deferred Inflows of Resources</b>				
Deferred pension inflows	643,421	-	-	-
<b>Total Deferred Inflows</b>	<b>\$ 643,421</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Position</b>				
Net investment in capital assets	28,058,907	28,752,013	-	-
Restricted for:				
Capital appropriation carryover	1,467,965	1,777,100	631,458	500,000
Unrestricted	17,461,437	21,073,521	1,391,318	2,022,776
<b>Total Net Position</b>	<b>46,988,309</b>	<b>\$ 51,602,634</b>	<b>\$ 2,022,776</b>	<b>\$ 2,522,776</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Years Ended September 30, 2015**  
**with Comparative Information for September 30, 2014**

	Business-type activity		Governmental-type activity	
	Solid Waste Enterprise Fund		Health Insurance Internal Service Fund	
	2015	2014	2015	2014
<b>Operating Revenues</b>				
Charges for services	\$ 11,626,782	\$ 11,451,324	\$ 6,122,635	\$ 6,457,716
Miscellaneous	394,736	356,881	118,378	77,357
<b>Total Operating Revenues</b>	<b>12,021,518</b>	<b>11,808,205</b>	<b>6,241,013</b>	<b>6,535,073</b>
<b>Operating Expenses</b>				
Personnel services	3,106,338	3,106,266	7,821	6,613
Professional services	1,900,599	1,937,036	7,175,435	6,121,299
Utilities	138,167	151,589	-	-
Materials and supplies	769,089	833,162	-	-
Maintenance and repairs	324,780	311,534	-	-
Other services and expenses	161,744	156,895	28,063	9,716
Depreciation and amortization	2,481,595	2,355,415	-	-
Landfill closure and post closure expense	145,000	-	-	-
<b>Total Operating Expenses</b>	<b>9,027,312</b>	<b>8,851,897</b>	<b>7,211,319</b>	<b>6,137,628</b>
<b>Operating Income</b>	<b>2,994,206</b>	<b>2,956,308</b>	<b>(970,306)</b>	<b>397,445</b>
<b>Non-Operating Revenues</b>				
Intergovernmental revenues	-	-	-	70,310
Interest and investment revenue	-	71,525	-	-
Gain (loss) on sale of assets	98,706	(135,021)	-	-
<b>Total Non-Operating Revenues</b>	<b>98,706</b>	<b>(63,496)</b>	<b>-</b>	<b>70,310</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>3,092,912</b>	<b>2,892,812</b>	<b>(970,306)</b>	<b>467,755</b>
Transfers in	94,215	127,231	470,306	-
Transfers out	(6,601,691)	(670,128)	-	-
<b>Change in Net Position</b>	<b>(3,414,564)</b>	<b>2,349,915</b>	<b>(500,000)</b>	<b>467,755</b>
<b>Restated Net Position Beginning of Year</b>	<b>50,402,873</b>	<b>49,252,719</b>	<b>2,522,776</b>	<b>2,055,021</b>
<b>Net Position End of Year</b>	<b>\$ 46,988,309</b>	<b>\$ 51,602,634</b>	<b>\$ 2,022,776</b>	<b>\$ 2,522,776</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Fiscal Years Ended September 30, 2015**  
**with Comparative Information for September 30, 2014**

	Business-type Activity Solid Waste Enterprise Fund		Governmental-type Activity Health Insurance Internal Service Fund	
	2015	2014	2015	2014
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 11,861,830	\$ 11,425,514	\$ 6,130,732	\$ 6,456,070
Other cash receipts	394,736	356,881	118,378	77,357
Cash payments to employees	(3,117,569)	(3,120,776)	(37,868)	163,165
Cash payments for goods and services	(4,168,450)	(3,297,219)	(7,194,087)	(6,180,164)
Internal activity - payments from other funds	1,836	(648)	-	-
<b>Net cash provided (used) by operating activities</b>	<b>4,972,383</b>	<b>5,363,752</b>	<b>(982,845)</b>	<b>516,428</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Intergovernmental revenues	-	-	470,306	70,310
Transfers out	(6,507,476)	(542,897)	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(6,507,476)</b>	<b>(542,897)</b>	<b>470,306</b>	<b>70,310</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for capital acquisitions	(1,779,458)	(2,437,908)	-	-
Proceeds from sale of capital assets	89,675	5,486	-	-
<b>Net cash used by capital and related financing activities</b>	<b>(1,689,783)</b>	<b>(2,432,422)</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>				
Interest on investments	-	71,525	-	-
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>71,525</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in Cash and Cash Equivalents</b>	<b>(3,224,876)</b>	<b>2,459,958</b>	<b>(512,539)</b>	<b>586,738</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>30,446,552</b>	<b>27,986,594</b>	<b>3,114,544</b>	<b>2,527,806</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 27,221,676</b>	<b>\$ 30,446,552</b>	<b>\$ 2,602,005</b>	<b>\$ 3,114,544</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income	\$ 2,994,206	\$ 2,956,308	\$ (970,306)	\$ 397,445
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>				
Depreciation	2,481,595	2,355,415	-	-
Pension expense	(22,055)	-	-	-
<i>(Increase) Decrease in Assets:</i>				
Accounts receivable	234,247	(25,810)	8,097	(1,646)
Interest receivable	1,836	(648)	-	-
Inventories and prepaid expenses	801	(1,000)	75,456	(73,928)
<i>Increase (Decrease) in Liabilities:</i>				
Accounts payable	(874,071)	93,997	(66,045)	24,779
Payroll and other related liabilities	-	-	(30,047)	169,778
Compensated absences payable and other accrd liabilities	10,824	(14,510)	-	-
Landfill closure/postclosure liability	145,000	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 4,972,383</b>	<b>\$ 5,363,752</b>	<b>\$ (982,845)</b>	<b>\$ 516,428</b>

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, 2015**

	Private-Purpose Trust Funds	Agency Funds
<b>Assets</b>		
Cash and investments	\$ 4,053,594	\$ 2,147,029
Receivables:		
Taxes delinquent	36,042	2,300,647
Accounts receivable, (net)	10,478	-
<b>Total Assets</b>	<b>\$ 4,100,114</b>	<b>\$ 4,447,676</b>
<b>Liabilities</b>		
Accounts payable	\$ 50,696	\$ 2,073,421
Uncollected property taxes due to other governments	707,171	2,328,996
Due to other individuals	3,143,752	-
Due to other governments	198,495	45,259
<b>Total Liabilities</b>	<b>\$ 4,100,114</b>	<b>\$ 4,447,676</b>
<b>Net Position</b>		
Held in trust for other purposes	\$ -	\$ -

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

**KOOTENAI COUNTY, IDAHO**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2015**

	Private-Purpose Trust Funds
	2015
<b>Additions</b>	
Trust receipts	\$ -
<b>Total Additions</b>	-
 <b>Deductions</b>	
Trust withdrawals	406
<b>Total Deductions</b>	406
 Decrease in Net Position	(406)
Net Position Beginning of Year	406
 <b>Net Position End of Year</b>	\$ -

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

# **Notes to the Financial Statement**



NOTES TO THE FINANCIAL STATEMENTS

Contents	Page
Note 1: Summary of Significant Accounting Policies . . . . .	43
Note 2: Reconciliation of Government-wide and Fund Financial Statements . . . . .	51
Note 3: Deposits and Investments . . . . .	53
Note 4: Receivables . . . . .	55
Note 5: Capital Assets . . . . .	56
Note 6: Leases . . . . .	59
Note 7: General Long-Term Obligations . . . . .	60
Note 8: Notes Payable and Capital Lease: Component Units . . . . .	60
Note 9: Landfill Closure and Postclosure Care Costs . . . . .	60
Note 10: Risk Management . . . . .	61
Note 11: Pension Plan . . . . .	62
Note 12: Classification of Funds . . . . .	65
Note 13: Joint Governed Organizations . . . . .	65
Note 14: Contingent Liabilities . . . . .	65
Note 15: Internal Balances and Interfund Transfers . . . . .	66
Note 16: Fund Equity . . . . .	67
Note 17: Adoption of New Accounting Standard – <i>Restatement of Net Position</i> . . . . .	68



**KOOTENAI COUNTY, IDAHO**  
**Notes to the Financial Statements**  
**September 30, 2015**

**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.

Kootenai County has implemented all GASB statements that are in effect for the County's 2015 fiscal year. This includes adopting GASB Statements No. 68 and 71, *Accounting and Financial Reporting for Pensions and Pension Transition for Contributions Made Subsequent to the Measurement Date*, respectively. The implementation of these standards requires governments to calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflow of resources and pension expense. The effect of the implementation of these standards on beginning net position is disclosed later in the footnotes (*Note 17 - Adoption of New Standard-Restatement of Net Position*). Additional disclosures required by these standards are also included (*Note 11 - Pension Plan*).

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 and 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 and Rodeo  
P.O. Box 2437  
Coeur d'Alene, ID 83815

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 an increase in net position of \$54,702 for the fiscal year ending December 31, 2014. KCEMSS fiscal year runs from October 1 through September 30, and reported an increase in net position of \$82,047 for their fiscal year ending September 30, 2015.

### ***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.

## **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, deferred outflows, 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 cash and investments 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 inflows 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. Capital assets are recorded at historical cost or estimated historical cost, if actual cost is not available. 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.

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:

Description	Estimated Life
Buildings 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 Net Position reports 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. Kootenai County's deferred outflow of resources, increasing net position, is related to pension reporting.

In addition to liabilities, the Statement of Net Position reports 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. Kootenai County reports unavailable and future year property taxes as a deferred inflow of resources both for modified and full-accrual basis of accounting. Additionally, deferred inflows related to pensions are reported on the Statement of Net Position, decreasing the County's net position.

*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 County 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 any contractual obligations have been met 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. Pensions*

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*D-11. 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-12. 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-13. 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-14. 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-15. 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, 2014, 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-16. 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 74 for the details of capital improvement carry forwards.

*D-17. 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, and the net pension liability, are not due and payable in the current period and therefore are not reported in the funds." The details of the \$19,873,752 difference are as follows:

**Long-term liabilities**

Due within one year - compensated absences	\$ 629,152
Due in more than one year - Compensated Absences	4,408,293
Net Pension Liability	14,836,307
<b>Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i></b>	<b>\$ 19,873,752</b>

Deferred outflows and inflows of resources related to pensions apply to future periods, and therefore, are reported only in the Statement of Net Position. Net position is effected by pension as follows:

<b>Deferred outflows of resources related to pensions:</b>	
Differences between expected and actual experience	\$ 5,460,174
Changes of assumptions	540,314
Contributions made subsequent to measurement date	889,413
<b>Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i></b>	<b>\$ 6,889,901</b>

**Deferred inflows of resources related to pensions:**

Net difference between projected and actual investment earnings on pension plan investments	\$ (7,791,077)
Differences between expected and actual experience	<u>(1,778,554)</u>

<b>Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i></b>	<b><u>\$ (9,569,631)</u></b>
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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 \$2,022,776 difference are as follows:

Beginning net position-internal service fund	\$ 2,522,776
Change in fund net position	<u>(500,000)</u>

<b>Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i></b>	<b><u>\$ 2,022,776</u></b>
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**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	\$ 450,378
Less: Prior year delinquent property tax-unavailable	<u>(610,997)</u>

<b>Net adjustment to decrease <i>fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i></b>	<b><u>\$ (160,619)</u></b>
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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	\$ 4,197,663
Depreciation expense	<u>(6,223,778)</u>

<b>Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i></b>	<b><u>\$ (2,026,115)</u></b>
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Certain miscellaneous capital asset transactions such as sales, disposal gain or loss, and donations, are only reported on the statement of activity. The net adjustment for these capital assets are as follows:

Losses from disposal of capital assets	\$ (359,442)
Gains and donations of capital assets	<u>48,773</u>
<b>Net adjustment to reduce <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i></b>	<b><u><u>\$ (310,669)</u></u></b>

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 include Compensated absences and pension expenses and contributions as follows:

Compensated absences	\$ (453,097)
Pension expenditures	(561,380)
Pension contributions	<u>889,413</u>
<b>Net adjustment to reduce <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i></b>	<b><u><u>\$ (125,064)</u></u></b>

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 \$500,000 difference are as follows:

Charges for services	\$ 6,122,635
Miscellaneous	118,378
Transfer-in: general fund	<u>470,306</u>
Total Revenues	\$ 6,711,319
Less expenditures:	<u>(7,211,319)</u>
<b>Net adjustment to reduce <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i></b>	<b><u><u>\$ (500,000)</u></u></b>

**NOTE 3: DEPOSITS AND INVESTMENTS**

As of September 30, 2015, Kootenai County had the following investments:

Investment Type (amounts are in thousands)	9/30/2015 (Fair Value)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 8,195	0.85
State of Idaho Local Government Investment Pool		
Short-term LGIP Investments	40,263	0.26
Diversified Bond Fund Investments	20,577	4.06
Certificates of Deposits	1,301	0.33
Money Market Investments	<u>1,503</u>	0.00
<b>Total fair value of investments:</b>	<b><u><u>\$ 71,839</u></u></b>	
Portfolio weighted average maturity		1.41

## Kootenai County Comprehensive Annual Financial Report - FY 2015

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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 return higher investment yields on idle monies. Primary investments of pooled funds include investments 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 96 days, and DBF-LGIP funds is 4.1 years, at September 30, 2015.

*Interest rate risk.* This is 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 \$20,576,958. 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, 2015, 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	56.0%
State of Idaho Diversified Bond Fund	28.6%
Federal Home Loan Bank Corp	6.2%

*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, 2015, \$1,502,551 of Kootenai County's bank & Investment balance of \$84,397,827 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' cash and investment balances of \$2,516,721 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 \$87,302 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 \$8,194,672 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	\$ 42,062,071	\$ 143,469	\$ -	\$ 42,205,540
General accounts	2,008,281	226,200	575,866	2,810,347
Grants	249,095	681,157	-	930,252
Interest	15,178	5	-	15,183
Gross Accounts Receivable	44,334,625	1,050,831	575,866	45,961,322
Less: allowance for doubtful accounts	-	(10,000)	(35,000)	(45,000)
<b>Net Total Accounts Receivable</b>	<b>\$ 44,334,625</b>	<b>\$ 1,040,831</b>	<b>\$ 540,866</b>	<b>\$ 45,916,322</b>

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 2015	\$ -	\$ 41,594,122
Delinquent property taxes receivable (general fund)	339,183	-
Delinquent property taxes receivable (other governmental funds)	111,195	-
Intergovernmental services not yet performed (general fund)	-	319,122
Special Revenue program services not yet performed (other governmental funds)	-	146,912
Grant draw downs prior to meeting all eligibility requirements	-	375,847
<b>Total unavailable and unearned revenue for governmental funds</b>	<b>\$ 450,378</b>	<b>\$ 42,436,003</b>

# Kootenai County Comprehensive Annual Financial Report - FY 2015

## NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 (in thousands) is as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	Balance 9/30/14	Additions	Deletions	Transfers	Balance 9/30/15
Capital assets, not being depreciated:					
Other assets	\$ 750	\$ 12	\$ (351)	\$ -	\$ 411
Land	6,032	610	(10)	-	6,632
Construction in progress	3,154	1,387	(2)	(3,065)	1,474
Total capital assets, not being depreciated	9,936	2,009	(363)	(3,065)	8,517
Capital assets, being depreciated:					
Buildings	40,227	15	-	2,605	42,847
Improvements other than buildings	41,747	706	(2)	460	42,911
Machinery and equipment	30,501	1,560	(4,303)	-	27,758
Total capital assets, being depreciated	112,475	2,281	(4,305)	3,065	113,516
Less accumulated depreciation for:					
Buildings	(21,897)	(1,485)	-	-	(23,382)
Improvements other than buildings	(24,465)	(2,220)	2	-	(26,683)
Machinery and equipment	(23,333)	(2,518)	4,262	-	(21,589)
Total accumulated depreciation	(69,695)	(6,223)	4,264	-	(71,654)
Total capital assets, being depreciated, net:	42,780	(3,942)	(41)	3,065	41,862
<b>Government activities capital assets, net:</b>	<b>\$ 52,716</b>	<b>\$ (1,933)</b>	<b>\$ (404)</b>	<b>\$ -</b>	<b>\$ 50,379</b>
<b>BUSINESS-TYPE ACTIVITIES</b>	<b>Balance 9/30/14</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance 9/30/15</b>
Capital assets, not being depreciated:					
Land	\$ 1,747	\$ -	\$ -	\$ -	\$ 1,747
Construction in progress	426	347	-	-	773
Total capital assets, not being depreciated	2,173	347	-	-	2,520
Capital assets, being depreciated:					
Buildings	746	38	(18)	-	766
Improvements other than buildings	2,597	150	-	-	2,747
Machinery and equipment	12,012	1,244	(775)	-	12,481
Transfer stations	19,834	56	-	-	19,890
Landfill	22,570	77	-	-	22,647
Total capital assets, being depreciated	57,759	1,565	(793)	-	58,531
Less accumulated depreciation for:					
Buildings	(484)	(51)	18	-	(517)
Improvements other than buildings	(1,156)	(192)	-	-	(1,348)
Machinery and equipment	(8,747)	(1,037)	652	-	(9,132)
Transfer stations	(7,236)	(672)	-	-	(7,908)
Landfill	(13,557)	(530)	-	-	(14,087)
Total accumulated depreciation	(31,180)	(2,482)	670	-	(32,992)
Total capital assets, being depreciated, net:	26,579	(917)	(123)	-	25,539
<b>Business-type activities capital assets, net:</b>	<b>\$ 28,752</b>	<b>\$ (570)</b>	<b>\$ (123)</b>	<b>\$ -</b>	<b>\$ 28,059</b>

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

Governmental Activities:	
General Government	\$ 1,418,020
Public Works	1,698,093
Public Safety	2,702,679
Sanitation Weeds	8,185
Culture and Recreation	396,799
<b>Total governmental activities current year depreciation expense</b>	<b>\$ 6,223,776</b>
Business-type activity:	
Solid Waste	\$ 2,481,595
<b>Total business-type activities current year depreciation expense</b>	<b>\$ 2,481,595</b>

The tables above summarize General government and Solid Waste capital assets and related accumulated depreciation as of September 30, 2015.

**General Government capital expenditures during fiscal year 2015 total \$4,289,894.**

- Construction in Progress increase, **\$1,386,403**:
  - Airport Improvement Projects (AIP), \$817,514:
    - AIP 39 - Airport Sustainability Study, \$120,170
    - AIP 40 - Wildlife Hazard Assessment, \$38,702
    - AIP 41 - Ramp Design and Environmental Assessment, \$60,095
    - AIP 42 - General Aviation Ramp Construction, \$598,547
  - 9-1-1 Mt. Spokane Communication Site, \$435,284
  - Additional costs of ongoing projects, \$133,605
- Land - Airport Land Purchase, **\$609,768**
- Building Improvements, **\$15,142**
- Other Assets - Capital Archiving Project , **\$11,906**
- Improvements Other Than Buildings increase, **\$706,441**:
  - County Facility Improvements, \$204,244
  - Juvenile Detention Center Access Control System, \$160,182
  - Jail Facility Power Upgrade, \$167,950
  - Waterways Improvements - \$102,213
  - Other Improvements, \$71,852
- Machinery and Equipment increase, **\$1,560,234**:
  - 8 sheriff patrol and two detective vehicles outfitted with mobile data units and safety equipment, two ATVs, 2 personal watercraft, 1 snowmobile, 3 county vehicles
  - Ballot tabulator
  - Other including technology hardware, software, etc.
- General Government Machinery and Equipment disposals totaling \$4,302,808 include 31 vehicles / vehicle accessories, miscellaneous furniture and equipment, and obsolete office and technology equipment.

**Solid Waste Enterprise Fund capital expenditures during fiscal year 2015 total \$1,911,905.**

- Construction in Progress increase, **\$346,049**:
  - Fighting Creek Landfill - Leachate Pond 4, \$246,174
  - Fighting Creek Landfill - Programmable Logic Control, \$99,875
- Buildings Improvements, **\$38,145**
- Improvements Other than Buildings increase, **\$150,744**:
  - Chilco Rural Collection Site, \$48,281
  - Fighting Creek Misting System, \$31,632
  - Other Improvements, \$70,831
- Machinery and Equipment increase, **\$1,244,174**:
  - 2 loaders, crane, recycle truck, 2 transfer trailers
  - Other including gas analysis meters, gas blowers, air compressor
- Transfer Station improvements, **\$56,171**
- Fighting Creek Landfill improvements, **\$76,622**
- Solid Waste Machinery and Equipment disposals totaling \$775,495 include 2 cranes, 2 loaders, 1 tanker, 1 tractor, 1 scale, 1 lawn 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, 2015, was as follows:

<b>KCEMSS Component Unit Activity</b>	<b>Balance 9/30/14</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 9/30/15</b>
Capital assets, not being depreciated:				
Land	\$ 403,990	\$ -	\$ -	\$ 403,990
Total capital assets, not being depreciated	403,990	-	-	403,990
Capital assets, being depreciated:				
Building	713,244	-	-	713,244
Machinery and equipment	739,821	186,865	(94,641)	832,045
Vehicles	1,974,331	3,165,867	(1,797,887)	3,342,311
Total capital assets, being depreciated	3,427,396	3,352,732	(1,892,528)	4,887,600
Less accumulated depreciation for:				
Building	(103,760)	(30,699)	-	(134,459)
Machinery and equipment	(503,307)	(89,262)	88,710	(503,859)
Vehicles	(1,513,212)	(183,915)	1,478,793	(218,334)
Total accumulated depreciation	(2,120,279)	(303,876)	1,567,503	(856,652)
Total capital assets, being depreciated, net	1,307,117	3,048,856	(325,025)	4,030,948
<b>KCEMSS activity capital assets, net</b>	<b>\$ 1,711,107</b>	<b>\$ 3,048,856</b>	<b>\$ (325,025)</b>	<b>\$ 4,434,938</b>

## Kootenai County Comprehensive Annual Financial Report - FY 2015

Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2014 was as follows:

North Idaho Fair Component Unit Activity	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Capital assets, being depreciated:				
Machinery and equipment	\$ 354,304	\$ 269,649	\$ (12,400)	\$ 611,553
Buildings	2,819,060	51,594	(4,387)	2,866,267
Total capital assets, being depreciated	3,173,364	321,243	(16,787)	3,477,820
Less accumulated depreciation for:				
Machinery and equipment	(307,996)	(14,490)	4,387	(318,099)
Buildings	(1,265,695)	(75,625)	10,929	(1,330,391)
Total accumulated depreciation	(1,573,691)	(90,115)	15,316	(1,648,490)
Total capital assets, being depreciated, net	1,599,673	231,128	(1,471)	1,829,330
<b>North Idaho Fair activity capital assets, net</b>	<b>\$ 1,599,673</b>	<b>\$ 231,128</b>	<b>\$ (1,471)</b>	<b>\$ 1,829,330</b>

### NOTE 6: LEASES

#### *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, 2015.

Fiscal Year Ending September 30,	Governmental Activities
2016	\$ 210,649
2017	134,019
2018	134,019
2019	61,346
2020	-
<b>Total Minimum Payments Required</b>	<b>\$ 540,033</b>

The total expenditure for operating leases during the fiscal year ending September 30, 2015, approximated \$243,000. Approximate value of future minimum lease obligations include:

- County department building leases, \$297,100.
- Printing services commercial copier equipment, \$183,400.
- 9-1-1 emergency service repeater tower and equipment, \$54,500.

# Kootenai County Comprehensive Annual Financial Report - FY 2015

## NOTE 7: GENERAL LONG-TERM OBLIGATIONS

### *Changes in Long-term Obligations:*

During the year ending September 30, 2015, the following changes occurred with liabilities reported in the general long-term obligations:

	Balance 9/30/2014	Additions	Reductions	Balance 9/30/2015	Amounts Due within one (1) Year
<b>GOVERNMENTAL ACTIVITIES</b>					
<i>Other Liabilities:</i>					
Compensated absences	\$ 4,584,348	\$ 544,536	\$ 91,439	\$ 5,037,445	\$ 629,152
<b>Governmental activities long-term liabilities</b>	<b>\$ 4,584,348</b>	<b>\$ 544,536</b>	<b>\$ 91,439</b>	<b>\$ 5,037,445</b>	<b>\$ 629,152</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated absences	\$ 209,497	\$ 12,326	\$ 1,502	\$ 220,321	\$ 20,235
Landfill closure liability	7,019,000	145,000	-	7,164,000	-
<b>Business-type activities long-term liabilities</b>	<b>\$ 7,228,497</b>	<b>\$ 157,326</b>	<b>\$ 1,502</b>	<b>\$ 7,384,321</b>	<b>\$ 20,235</b>

At September 30, 2015, County-wide compensated absences payable total \$5,257,766. Of this liability, \$5,037,445 is governmental activity obligation, and \$220,321 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 \$91,439 for Governmental Fund employees, and \$1,502 for Business-type fund employees. Solid Waste landfill closure liability at Fighting Creek increased \$145,000 during the year for a closing balance of \$7,164,000.

## NOTE 8: NOTES PAYABLE AND CAPITAL LEASES: COMPONENT UNITS

The financial information in this report, for the fiscal year ending September 30, 2015, includes discretely presented financial information from two component units: North Idaho Fair & Rodeo, and Kootenai County Emergency Medical Services System (KCEMSS). For the period ended December 31, 2014, North Idaho Fair & Rodeo had 3 outstanding capital lease notes payable balances totaling \$33,119, with debt lease payments due in one year of \$13,830. KCEMSS has \$1,862,207 capital lease balance for the year ending September 30, 2015, with amounts due within one year of \$250,448.

## 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 required to maintain and monitor 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. Based upon actual utilization and closure costs incurred, and revised engineering estimates for the Fighting Creek Landfill through 2014-2015, closure/post-closure expenses of \$145,000 were recognized for the period ending September 30, 2015.

A total of \$7,164,000 has been recognized for closure and post-closure liability as of the balance sheet date. The current liability balance is based on 56% utilization of the total landfill estimated capacity of 4,706,700 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 \$5,769,671 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 \$7,164,000 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, waste fill rates, 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 2014-2015 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, 2015, the County had multiple 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.

## Kootenai County Comprehensive Annual Financial Report - FY 2015

The County provides employees health benefits through 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, 2015, 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 limits the County's liability against catastrophic claims. 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 \$6,268,305. The Health Insurance Fund Balance at September 30, 2015 was \$2,022,776. Estimated claims outstanding (incurred but not received - "IBNR"), as of fiscal year end was \$575,000 based on health plan consultant's actuarial estimate.

Fiscal Year	Beginning IBNR	Claims Incurred	Payments on Claims	Ending IBNR
2015	\$ 490,717	\$ 6,118,075	\$ 6,033,792	\$ 575,000
2014	\$ 435,269	\$ 5,005,039	\$ 4,949,591	\$ 490,717

### NOTE 11: PENSION PLAN

*Plan Description* - Kootenai County contributes to the Base Plan which is a cost-sharing multiple- employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Employee membership data related to the PERSI Base Plan, as of June 30, 2015 was as follows:

#### Members:

Active plan	67,008
Retirement plan	42,657
Terminated and vested	11,859
<b>Total members</b>	<b>121,524</b>

*Pension Benefits* - The Base Plan provides retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (five months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

*Member and Employer Contributions* - Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board with limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of September 30, 2015 it was 6.79% (8.36%). The employer contribution rate is set by the Retirement Board and was 11.32% (11.66%) of covered compensation. Kootenai County contributions were \$3,909,245 for the year ended September 30, 2015.

*Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions* - At September 30, 2015, Kootenai County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Kootenai County's proportion of the net pension liability was based on Kootenai County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, Kootenai County's proportion was 1.2024142%.

For the year ended September 30, 2015, Kootenai County recognized pension expense credit (revenue) of \$350,088. At September 30, 2015, Kootenai County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,898,137
Changes in Assumptions or other inputs	576,643	-
Net difference between projected and actual earnings on pension plan investments	5,827,293	8,314,915
Employer contributions subsequent to the measurement date	949,213	-
<b>Total</b>	<b>\$ 7,353,149</b>	<b>\$ 10,213,052</b>

\$949,213 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2015.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2014 the beginning of the measurement period ended June 30, 2015 is 5.5 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

**Year Ended September 30:**

2016	\$ (1,624,218)
2017	(1,624,218)
2018	(1,624,218)
2019	1,178,896
2020	(115,358)

*Actuarial Assumptions* - Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

## Kootenai County Comprehensive Annual Financial Report - FY 2015

The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25-10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rate were based on the RP-2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from Jul, 1 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2015 is based on the results of an actuarial valuation date of July 1, 2015.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2014.

<b>Asset Class</b>	<b>Index</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Core Fixed Income	Barclays Aggregate	30.00%	.80%
Broad US Equities	Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI ACWI ex USA	15.00%	7.55%
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Long-Term Expected Geometric Rate of Return			7.50%
Assumed Investment Expenses			0.40%
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>			<b>7.10%</b>

*Discount Rate* - The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

*Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate* - The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's net pension liability (asset)	\$ 38,565,479	\$ 15,833,839	\$ (3,064,505)

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

**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, 2015.

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 footnote 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 internal balances between funds as of September 30, 2015 are as follows:

<b>Receivable Fund</b>	<b>(Payable) Funds</b>
<b>Major Funds:</b>	
General Fund	\$ 151,745
<b>Non-Major Special Revenue Funds:</b>	
Public Transportation	(134,238)
Construction Fund	(17,507)
<b>Total</b>	<b>\$ -</b>

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

**Interfund transfers:**

		Transfer In			
		General Govt Funds	Other Govt Funds	Internal Service Funds	Total
Transfer out	General Governmental Funds	\$ (1,639,927)	\$ 1,075,406	\$ 470,306	\$ (94,215)
	Other Government Funds	26,050	(26,050)	-	-
	Enterprise Funds	6,556,695	44,996	-	6,601,691
<b>Total</b>		<b>\$ 4,942,818</b>	<b>\$ 1,094,352</b>	<b>\$ 470,306</b>	<b>\$ 6,507,476</b>

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:

- \$5,931,563 Solid Waste transfer to General Government of prior years Solid Waste interest earnings.
- \$670,128 Solid Waste transfer to General Government of \$625,132, and Health District of \$44,996, for administrative and overhead costs.
- \$327,686 General fund transfer to non-major other governmental funds of \$234,974, and Solid Waste of \$92,712 to cover Wage Adjustments.
- \$21,931 General fund transfer to non-major other governmental funds of \$20,428, and Solid Waste of \$1,503 to cover paid sick leave termination.
- \$26,050 Aquifer Protection Fund transfer to General Fund for program administrative costs.

**NOTE 16: FUND EQUITY**

***Fund Equity Balances:***

At September 30, 2015, the details of fund equity balances are as follows::

<b>Fund Balances:</b>	<b>General</b>	<b>Other Government</b>	<b>Total</b>
Nonspendable:			
Prepays	\$ 98,968	\$ 507	\$ 99,475
<b>Total Nonspendable</b>	<b>98,968</b>	<b>507</b>	<b>99,475</b>
<b>Restricted:</b>			
Juvenile Justice Services	261,247	-	261,247
Enhanced 9-1-1 Services	2,574,465	-	2,574,465
Court Facility Construction	470,817	-	470,817
Sheriff Commissary	147,085	-	147,085
Sheriff Drug Seizure	420,485	-	420,485
Court Interlock Devices	-	103,444	103,444
Operations	-	3,249,907	3,249,907
<b>Total Restricted</b>	<b>3,874,099</b>	<b>3,353,351</b>	<b>7,227,450</b>
<b>Committed:</b>			
Capital Project-Central Fuel Program	1,000,000	-	1,000,000
Capital Project-Facilities Master Plan	12,781,174	-	12,781,174
Capital Project-Info System Infrastructure	500,000	-	500,000
Info Systems Project-Admin Campus Cabling	230,726	-	230,726
Info Systems Project-Case Management Software	209,379	-	209,379
Other Capital Projects	179,329	-	179,329
Capital Purchases	565,381	-	565,381
Personnel & Compensation Adjustments	2,000,000	-	2,000,000
Sheriff Snowmobile	-	25,990	25,990
Operations	2,615,391	1,051,306	3,666,697
<b>Total Committed</b>	<b>20,081,380</b>	<b>1,077,296</b>	<b>21,158,676</b>
<b>Unassigned</b>	<b>18,987,165</b>	<b>-</b>	<b>18,987,165</b>
<b>Total Fund Balances</b>	<b>\$ 43,041,612</b>	<b>\$ 4,431,154</b>	<b>\$ 47,472,766</b>

**Note 17: ADOPTION OF NEW ACCOUNTING STANDARD – RESTATEMENT OF NET POSITION**

As of October 1, 2014, Kootenai County adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date. The implementation of these standards requires governments calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date as follows:

**GOVERNMENTAL ACTIVITIES - GOVERNMENT-WIDE**

Net Position at September 30, 2014 as previously reported	\$ 89,538,141
Net Pension liability at September 30, 2014	(8,150,839)
Deferred inflow of resources related to contributions made during the year ended September 30, 2014	(11,220,600)
Deferred outflow of resources related to contributions made during the year ended September 30, 2014	1,527,370
<b>Net position at October 1, 2014, as restated</b>	<b><u>\$ 71,694,072</u></b>

**BUSINESS-TYPE ACTIVITIES - GOVERNMENT-WIDE**

Net Position at September 30, 2014 as previously reported	\$ 51,602,634
Net Pension liability at September 30, 2014	(548,029)
Deferred inflow of resources related to contributions made during the year ended September 30, 2014	(754,428)
Deferred outflow of resources related to contributions made during the year ended September 30, 2014	102,696
<b>Net position at October 1, 2014, as restated</b>	<b><u>\$ 50,402,873</u></b>

**COMPONENT UNIT - KC EMERGENCY MEDICAL SERVICES SYSTEM**

Net Position at September 30, 2014 as previously reported	\$ 5,877,042
Net Pension liability at September 30, 2014	(56,264)
Deferred inflow of resources related to contributions made during the year ended September 30, 2014	(77,454)
Deferred outflow of resources related to contributions made during the year ended September 30, 2014	12,716
<b>Net position at October 1, 2014, as restated</b>	<b><u>\$ 5,756,040</u></b>

# **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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 35,272,967	\$ 35,272,967	\$ 35,709,030	\$ 436,063
Licenses and permits	1,330,500	1,330,500	1,408,431	77,931
Intergovernmental	8,968,171	10,411,595	10,826,379	414,784
Interest	390,000	747,804	772,734	24,930
Fines and forfeitures	652,800	731,066	592,924	(138,142)
Charges for services	6,838,243	6,866,461	6,632,880	(233,581)
Miscellaneous	1,397,815	2,198,811	842,257	(1,356,554)
<i>Total Revenues</i>	54,850,496	57,559,204	56,784,638	(774,566)
<b>Expenditures</b>				
Current:				
General government				
Assessor	1,512,801	1,593,835	1,553,832	40,003
Building & Grounds	529,816	543,309	540,198	3,111
County auto shop	235,515	241,908	232,951	8,957
County Clerk	4,589,642	4,719,550	4,363,347	356,203
County Commissioner	770,331	814,843	817,255	(2,412)
County Grant Writer	97,118	98,266	128,618	(30,352)
General Accounts	2,620,088	947,483	907,931	39,552
Office of Emergency Management	280,717	522,097	454,275	67,822
Human Resources	286,370	292,691	280,981	11,710
Information Services	2,232,643	2,382,431	2,301,955	80,476
Liability Insurance	745,478	745,478	717,927	27,551
Community Development	1,486,601	1,573,616	1,502,149	71,467
Prosecuting Attorney	2,908,504	2,959,001	2,969,049	(10,048)
Public Defender	2,469,155	2,665,394	2,567,004	98,390
Reprographics/Mail Room	249,076	254,489	246,774	7,715
Treasurer	609,856	628,097	602,498	25,599
Veterans Services	96,596	99,315	95,392	3,923
Public safety				
9-1-1	2,918,564	2,998,267	2,996,447	1,820
Adult Misdemeanor Probation	614,973	667,408	654,996	12,412
Coroner	323,414	325,568	290,288	35,280
Justice - General Accounts	892,000	642,000	649,025	(7,025)
Juvenile Detention Center	2,479,906	2,534,923	2,335,627	199,296
Juvenile Diversion	246,945	264,369	251,564	12,805
Juvenile Probation	1,092,670	1,195,738	1,156,446	39,292
Sheriff	21,848,574	22,296,423	21,554,411	742,012

(Continued)

**KOOTENAI COUNTY, IDAHO**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<i>(continued from prior page)</i>				
Health & welfare				
County Assistance	\$ 1,070,424	\$ 1,070,424	\$ 616,169	\$ 454,255
Capital outlay:				
Capital expenditures	1,891,401	3,065,136	2,144,626	920,510
Construction in Progress	395,000	428,400	341,729	86,671
Total Expenditures	55,494,178	56,570,459	53,273,464	3,296,995
Excess of Revenues Over (Under)				
Expenditures	(643,682)	988,745	3,511,174	2,522,429
<b>Other Financing Sources (Uses)</b>				
Transfers In	801,182	1,582,628	6,582,745	5,000,117
Transfers (out)	(157,500)	(2,571,373)	(1,639,927)	931,446
Total Other Financing Sources (Uses)	643,682	(988,745)	4,942,818	5,931,563
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	8,453,992	
Fund Balances Beginning of Year			34,587,620	
<b>Fund Balances End of Year</b>			<b>\$ 43,041,612</b>	

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

**KOOTENAI COUNTY, IDAHO**  
**Required Supplementary Information**  
**Note to Required Supplementary Information**  
**Basis of Budgetary Reporting**  
**Stewardship, Compliance, and Accountability**  
**For the Year Ended September 30, 2015**

***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 2015

Kootenai County Board of County Commissioners approved multiple unexpended capital projects totaling \$1,750,355 to be carried over from fiscal year 2015 budget as allowed by Idaho Code Section 13, Chapter 16. The following schedule details the in process projects carried over from prior year:

	Carryforward Balance 10/1/2014	Appropriation FY 2015	Expenditures FY 2015	Carryforward Balance 9/30/2015
Landfill Capital Improvement Projects	\$ 1,074,400	\$ 20,861	\$ 481,715	\$ 613,546
Solid Waste Rural Site Purchases	202,700	200,000	48,281	354,419
District Court Casemanagement Software	478,698	(239,675)	29,644	209,379
Property Tax Software System	150,000	(19,224)	130,776	-
Priority Dispatch Pro QA Software System	82,148	-	82,148	-
Jail Maintenance Improvement Projects	59,200	-	59,200	-
Replacement Reserve Capital Projects	39,600	-	39,600	-
GIS Module - Community Development	-	25,000	17,500	7,500
Clerk Recorder's Archiving Project	-	38,600	11,906	26,694
Admin Cabling Project	-	250,000	19,274	230,726
VOIP Phone System Upgrade	-	180,000	154,375	25,625
Elections Capital Equipment	-	102,478	96,225	6,253
9-1-1 Mt Spokane Project	-	554,025	465,768	88,257
Airport Capital Purchases	-	160,000	47,044	112,956
Parks Boat Launch Capital Equipment	-	30,000	5,000	25,000
Waterways Capital Grant Match	-	50,000	-	50,000
<b>Total Carryforward</b>	<b>\$ 2,086,746</b>			<b>\$ 1,750,355</b>

**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, 2015**

	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget (Over) Under
Board of County Commissioners			
General Government	\$ 28,854,967	\$ 26,047,650	\$ 2,807,317
Solid Waste	10,943,096	9,027,312	1,915,784
Total BOCC	<u>\$ 39,798,063</u>	<u>\$ 35,074,962</u>	<u>\$ 4,723,101</u>
County Clerk	<u>\$ 8,516,356</u>	<u>\$ 6,401,119</u>	<u>\$ 2,115,237</u>
Administrative District Judge	<u>\$ 2,317,509</u>	<u>\$ 2,233,553</u>	<u>\$ 83,956</u>
Treasurer	<u>\$ 628,097</u>	<u>\$ 602,498</u>	<u>\$ 25,599</u>
County Assessor	<u>\$ 3,891,336</u>	<u>\$ 3,763,173</u>	<u>\$ 128,163</u>
Coroner	<u>\$ 325,568</u>	<u>\$ 290,288</u>	<u>\$ 35,280</u>
County Sheriff	<u>\$ 26,991,576</u>	<u>\$ 26,031,784</u>	<u>\$ 959,792</u>
Prosecuting Attorney	<u>\$ 3,223,370</u>	<u>\$ 3,220,613</u>	<u>\$ 2,757</u>

**KOOTENAI COUNTY, IDAHO**  
**Required Supplementary Information**  
**Schedule of Employer's Share of Net Pension Liability - PERSI**  
**For the Year Ended September 30, 2015**  
**Last One Fiscal Year<sup>(1)</sup>**  
**(dollars in thousands)**

	2015 <sup>(2)</sup>
Proportion of the net pension liability (asset)	1.20%
Proportionate share of the net pension liability (asset)	\$ 15,833
Covered-employee payroll	\$ 33,347
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	47.48%
Plan fiduciary net position as a percentage of the total pension liability	91.38%

(1) The County will continue to annually report information until this schedule includes 10 fiscal years.

(2) Amounts as of the measurement date of June 30

**KOOTENAI COUNTY, IDAHO**  
**Required Supplementary Information**  
**Schedule of Employer's Contributions**  
**For the Year Ended September 30, 2015**  
**Last One Fiscal Year<sup>(1)</sup>**  
**(dollars in thousands)**

	2015
Contractually required contributions	\$ 3,909
Contributions in relation to the contractually required contributions	(3,909)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 33,347
Contributions as a percentage of covered-employee payroll	11.56%

(1) The County will continue to annually report information until this schedule includes 10 fiscal years.



# Supplementary Information



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

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

**Centennial Trail Fund** - accounts for maintenance, improvements, and capital expansion of the Idaho Centennial Trail. Funding is 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.

**Non-major Capital Projects Funds**  
**Capital Projects Funds**

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

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

# **Combining Financial Statements**



**KOOTENAI COUNTY, IDAHO**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**September 30, 2015**

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>Assets</b>			
Cash in bank and investments	\$ 4,758,830	\$ -	\$ 4,758,830
Taxes delinquent-receivable	143,469	-	143,469
Accounts receivable, (net)	216,200	-	216,200
Interest receivable	5	-	5
Grants receivable	602,774	78,383	681,157
Prepays	507	-	507
<b>Total Assets</b>	<b>\$ 5,721,785</b>	<b>\$ 78,383</b>	<b>\$ 5,800,168</b>
<b>Liabilities</b>			
Accounts payable	\$ 532,883	\$ 60,876	\$ 593,759
Unearned revenues-other	146,912	-	146,912
Unearned revenues-grants	365,403	-	365,403
Due to other funds	134,238	17,507	151,745
<b>Total Liabilities</b>	<b>1,179,436</b>	<b>78,383</b>	<b>1,257,819</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property taxes	111,195	-	111,195
<b>Total Deferred Inflows of Resources</b>	<b>111,195</b>	<b>-</b>	<b>111,195</b>
<b>Fund Balances</b>			
Nonspendable	507	-	507
Restricted	3,353,351	-	3,353,351
Committed	1,077,296	-	1,077,296
<b>Total Fund Balances</b>	<b>4,431,154</b>	<b>-</b>	<b>4,431,154</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,721,785</b>	<b>\$ 78,383</b>	<b>\$ 5,800,168</b>

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

**KOOTENAI COUNTY, IDAHO  
Combining Balance Sheet  
Non-major Special Revenue Funds  
September 30, 2015**

	Centennial Trail Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
<b>Assets</b>					
Cash in bank and investments	\$ 153,112	\$ 978	\$ 557,207	\$ 5,896	\$ 21,396
Taxes delinquent-receivable	-	-	7,231	980	3,741
Accounts receivable, (net)	125	-	15,569	-	516
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	-
Prepays	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 153,237</b>	<b>\$ 978</b>	<b>\$ 580,007</b>	<b>\$ 6,876</b>	<b>\$ 25,653</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 118,038	\$ -	\$ 14,396
Deferred revenues	-	-	30,870	-	268
Deferred grant revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>148,908</b>	<b>-</b>	<b>14,664</b>
<b>Deferred Inflows of Resources</b>					
Unavailable property taxes	-	-	6,058	701	2,667
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>6,058</b>	<b>701</b>	<b>2,667</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	153,237	978	312,085	6,175	8,322
Committed	-	-	112,956	-	-
<b>Total Fund Balances</b>	<b>153,237</b>	<b>978</b>	<b>425,041</b>	<b>6,175</b>	<b>8,322</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 153,237</b>	<b>\$ 978</b>	<b>\$ 580,007</b>	<b>\$ 6,876</b>	<b>\$ 25,653</b>

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

continued

**KOOTENAI COUNTY, IDAHO  
Combining Balance Sheet  
Non-major Special Revenue Funds  
September 30, 2015**

	Health District Special Revenue	Historical Society Special Revenue	Parks Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
<b>Assets</b>					
Cash in bank and investments	\$ 122,914	\$ 140	\$ 171,496	\$ 172,110	\$ 159,685
Taxes delinquent-receivable	8,558	381	2,802	-	-
Accounts receivable, (net)	-	-	-	-	37,286
Interest receivable	-	-	-	-	-
Grants receivable	-	2,312	-	-	6,434
Prepays	-	-	25	-	-
<b>Total Assets</b>	<b>\$ 131,472</b>	<b>\$ 2,833</b>	<b>\$ 174,323</b>	<b>\$ 172,110</b>	<b>\$ 203,405</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 2,311	\$ 12,862	\$ 2,951	\$ 19,118
Deferred revenues	-	-	7,266	-	-
Deferred grant revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,311</b>	<b>20,128</b>	<b>2,951</b>	<b>19,118</b>
<b>Deferred Inflows of Resources</b>					
Unavailable property taxes	6,001	329	1,996	-	-
<b>Total Deferred Inflows of Resources</b>	<b>6,001</b>	<b>329</b>	<b>1,996</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable	-	-	25	-	-
Restricted	125,471	193	11,153	123,569	134,287
Committed	-	-	141,021	45,590	50,000
<b>Total Fund Balances</b>	<b>125,471</b>	<b>193</b>	<b>152,199</b>	<b>169,159</b>	<b>184,287</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 131,472</b>	<b>\$ 2,833</b>	<b>\$ 174,323</b>	<b>\$ 172,110</b>	<b>\$ 203,405</b>

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

continued

**KOOTENAI COUNTY, IDAHO  
Combining Balance Sheet  
Non-major Special Revenue Funds  
September 30, 2015**

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans Special Revenue	District Court Special Revenue
<b>Assets</b>				
Cash in bank and investments	\$ 53,869	\$ 2,571,027	\$ -	\$ 82,741
Taxes delinquent-receivable	-	11,128	-	13,500
Accounts receivable, (net)	-	-	-	116,178
Interest receivable	5	-	-	-
Grants receivable	-	-	594,028	-
Prepays	-	-	482	-
<b>Total Assets</b>	<b>\$ 53,874</b>	<b>\$ 2,582,155</b>	<b>\$ 594,510</b>	<b>\$ 212,419</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 135,108	\$ 58,769	\$ 49,383
Deferred revenues	-	26,315	36,100	46,093
Deferred grant revenues	-	-	365,403	-
Due to other funds	-	-	134,238	-
<b>Total Liabilities</b>	<b>-</b>	<b>161,423</b>	<b>594,510</b>	<b>95,476</b>
<b>Deferred Inflows of Resources</b>				
Unavailable property taxes	-	6,508	-	9,815
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>6,508</b>	<b>-</b>	<b>9,815</b>
<b>Fund Balances (Deficits)</b>				
Nonspendable	-	-	482	-
Restricted	49,874	1,690,495	(482)	107,128
Committed	4,000	723,729	-	-
<b>Total Fund Balances (Deficits)</b>	<b>53,874</b>	<b>2,414,224</b>	<b>-</b>	<b>107,128</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 53,874</b>	<b>\$ 2,582,155</b>	<b>\$ 594,510</b>	<b>\$ 212,419</b>

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

*continued*

**KOOTENAI COUNTY, IDAHO  
Combining Balance Sheet  
Non-major Special Revenue Funds  
September 30, 2015**

	Revaluation Special Revenue	KCEMSS Special Revenue	Aquifer Protection Special Revenue	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Cash in bank and investments	\$ 319,217	\$ 13,128	\$ 353,914	\$ 4,758,830
Taxes delinquent-receivable	26,560	46,044	22,544	143,469
Accounts receivable, (net)	-	21,526	25,000	216,200
Interest receivable	-	-	-	5
Grants receivable	-	-	-	602,774
Prepays	-	-	-	507
<b>Total Assets</b>	<b>\$ 345,777</b>	<b>\$ 80,698</b>	<b>\$ 401,458</b>	<b>\$ 5,721,785</b>
<b>Liabilities</b>				
Accounts payable	\$ 8,985	\$ 10,015	\$ 100,947	\$ 532,883
Deferred revenues	-	-	-	146,912
Deferred grant revenues	-	-	-	365,403
Due to other funds	-	-	-	134,238
<b>Total Liabilities</b>	<b>8,985</b>	<b>10,015</b>	<b>100,947</b>	<b>1,179,436</b>
<b>Deferred Inflows of Resources</b>				
Unavailable property taxes	18,971	38,192	19,957	111,195
<b>Total Deferred Inflows of Resources</b>	<b>18,971</b>	<b>38,192</b>	<b>19,957</b>	<b>111,195</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	507
Restricted	317,821	32,491	280,554	3,353,351
Committed	-	-	-	1,077,296
<b>Total Fund Balances</b>	<b>317,821</b>	<b>32,491</b>	<b>280,554</b>	<b>4,431,154</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 345,777</b>	<b>\$ 80,698</b>	<b>\$ 401,458</b>	<b>\$ 5,721,785</b>

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

**KOOTENAI COUNTY, IDAHO  
Combining Balance Sheet  
Non-major Capital Projects Funds  
September 30, 2015**

	General Construction Capital Projects	Total Non-major Capital Project Funds
<b>Assets</b>		
Cash in bank and investments	\$ -	\$ -
Grants receivable	78,383	78,383
<b>Total Assets</b>	<b>\$ 78,383</b>	<b>\$ 78,383</b>
 <b>Liabilities</b>		
Accounts payable	\$ 60,876	\$ 60,876
Deferred grant revenues	-	-
Due to other funds	17,507	17,507
<b>Total Liabilities</b>	<b>78,383</b>	<b>78,383</b>
 <b>Fund Balances</b>		
Restricted	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 78,383</b>	<b>\$ 78,383</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended September 30, 2015**

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>Revenues</b>			
Taxes	\$ 8,527,035	\$ -	\$ 8,527,035
Licenses and permits	109,978	-	109,978
Intergovernmental	1,893,849	1,008,414	2,902,263
Interest	325	-	325
Fines and forfeitures	757,815	-	757,815
Charges for services	1,667,522	231,763	1,899,285
Miscellaneous	721,597	50,758	772,355
<i>Total Revenues</i>	13,678,121	1,290,935	14,969,056
<b>Expenditures</b>			
Current:			
General government	3,902,427	459,181	4,361,608
Public works	862,196	375	862,571
Public safety	4,844,982	-	4,844,982
Sanitation	315,082	-	315,082
Health & welfare	2,527,401	-	2,527,401
Culture and recreation	694,261	-	694,261
Capital Outlay:			
Capital expenditures	769,420	-	769,420
Construction in progress	124,374	817,514	941,888
<i>Total Expenditures</i>	14,040,143	1,277,070	15,317,213
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(362,022)	13,865	(348,157)
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,134,266	(13,865)	1,120,401
Transfers (out)	(26,050)	-	(26,050)
<i>Total Other Financing Sources (Uses)</i>	1,108,216	(13,865)	1,094,351
<i>Net Change in Fund Balances</i>	746,194	-	746,194
<i>Fund Balances Beginning of Year</i>	3,684,960	-	3,684,960
<b><i>Fund Balances End of Year</i></b>	<b>\$ 4,431,154</b>	<b>\$ -</b>	<b>\$ 4,431,154</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Special Revenue Funds**  
**For the Year Ended September 30, 2015**

	Centennial Trail Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ 373,292	\$ 76,335	\$ 315,716
Licenses and permits	-	-	-	-	-
Intergovernmental	-	2,195	-	-	33,619
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	30,275	-	674,079	-	270
Miscellaneous	-	-	(43,686)	-	1,904
<i>Total Revenues</i>	30,275	2,195	1,003,685	76,335	351,509
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public works	-	-	862,196	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	315,082
Health & welfare	-	-	-	-	-
Culture and recreation	-	2,195	-	75,000	-
Capital outlay:					
Capital expenditures	-	-	617,268	-	25,874
Construction in progress	-	-	47,045	-	-
<i>Total Expenditures</i>	-	2,195	1,526,509	75,000	340,956
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	30,275	-	(522,824)	1,335	10,553
<b>Other Financing Sources</b>					
Transfers in	7,500	-	522,033	-	2,463
Total Other Financing Sources	7,500	-	522,033	-	2,463
<i>Net Change in Fund Balances</i>	37,775	-	(791)	1,335	13,016
<i>Fund Balances Beginning of Year</i>	115,462	978	425,832	4,840	(4,694)
<b>Fund Balances End of Year</b>	<b>\$ 153,237</b>	<b>\$ 978</b>	<b>\$ 425,041</b>	<b>\$ 6,175</b>	<b>\$ 8,322</b>

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

continued

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Special Revenue Funds**  
**For the Year Ended September 30, 2015**

	Health District Special Revenue	Historical Society Special Revenue	Parks Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
<b>Revenues</b>					
Taxes	\$ 700,012	\$ 15,141	\$ 233,127	\$ -	\$ -
Licenses and permits	-	-	-	67,711	-
Intergovernmental	-	2,312	-	5,258	690,298
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	84,929	-	-
Miscellaneous	-	-	11,811	127	1,762
<i>Total Revenues</i>	700,012	17,453	329,867	73,096	692,060
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	7,438	297,815
Sanitation	-	-	-	-	-
Health & welfare	737,393	-	-	-	-
Culture and recreation	-	17,312	284,310	51,350	264,094
Capital outlay:					
Capital expenditures	-	-	24,885	9,726	83,551
Construction in progress	-	-	17,322	-	60,007
<i>Total Expenditures</i>	737,393	17,312	326,517	68,514	705,467
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(37,381)	141	3,350	4,582	(13,407)
<b>Other Financing Sources</b>					
Transfers in	44,996	-	6,934	-	19,104
<i>Total Other Financing Sources (Uses)</i>	44,996	-	6,934	-	19,104
<i>Net Change in Fund Balances</i>	7,615	141	10,284	4,582	5,697
<i>Fund Balances Beginning of Year</i>	117,856	52	141,915	164,577	178,590
<b><i>Fund Balances End of Year</i></b>	<b>\$ 125,471</b>	<b>\$ 193</b>	<b>\$ 152,199</b>	<b>\$ 169,159</b>	<b>\$ 184,287</b>

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

continued

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Special Revenue Funds**  
**For the Year Ended September 30, 2015**

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans. Special Revenue	District Court Special Revenue
<b>Revenues</b>				
Taxes	\$ -	\$ 802,411	\$ -	\$ 1,116,155
Licenses and permits	-	-	-	200
Intergovernmental	6,108	-	940,079	121,184
Interest	325	-	-	-
Fines and forfeitures	-	-	-	757,815
Charges for services	-	-	753,007	124,962
Miscellaneous	-	663,325	(30,000)	7,048
<i>Total Revenues</i>	6,433	1,465,736	1,663,086	2,127,3644
<b>Expenditures</b>				
Current:				
General government	-	-	1,693,086	-
Public works	-	-	-	-
Public safety	-	-	-	2,225,438
Sanitation	-	-	-	-
Health & welfare	-	1,313,471	-	-
Culture and recreation	-	-	-	-
Capital outlay:				
Capital expenditures	-	-	-	8,116
Construction in progress	-	-	-	-
<i>Total Expenditures</i>	-	1,313,471	1,693,086	2,233,554
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	6,433	152,265	(30,000)	(106,190)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	24,792	30,000	395,028
Transfers (out)	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	24,792	30,000	395,028
<i>Net Change in Fund Balances</i>	6,433	177,057	-	288,838
<i>Fund Balances Beginning of Year</i>	47,441	2,237,167	-	(181,710)
<b><i>Fund Balances End of Year</i></b>	<b>\$ 53,874</b>	<b>\$ 2,414,224</b>	<b>\$ -</b>	<b>\$ 107,128</b>

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

*continued*

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Special Revenue Funds**  
**For the Year Ended September 30, 2015**

	Revaluation Special Revenue	Kootenai Emergency Management Special Revenue	Aquifer Protection District Special Revenue	Total Non-major Special Revenue Funds
<b>Revenues</b>				
Taxes	\$ 2,247,787	\$ 2,180,090	\$ 466,969	\$ 8,527,035
Licenses and permits	-	42,067	-	109,978
Intergovernmental	-	92,796	-	1,893,849
Interest	-	-	-	325
Fines and forfeitures	-	-	-	757,815
Charges for services	-	-	-	1,667,522
Miscellaneous	9,306	-	100,000	721,597
<i>Total Revenues</i>	2,257,093	2,314,953	566,969	13,678,121
<b>Expenditures</b>				
Current:				
General government	2,209,341	-	-	3,902,427
Public works	-	-	-	862,196
Public safety	-	2,314,291	-	4,844,982
Sanitation	-	-	-	315,082
Health & welfare	-	-	476,537	2,527,401
Culture and recreation	-	-	-	694,261
Capital outlay:				
Capital expenditures	-	-	-	769,420
Construction in progress	-	-	-	124,374
<i>Total Expenditures</i>	2,209,341	2,314,291	476,537	14,040,143
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	47,752	662	90,432	(362,022)
<b>Other Financing Sources (Uses)</b>				
Transfers in	81,416	-	-	1,134,266
Transfers (out)	-	-	(26,050)	(26,050)
<i>Total Other Financing Sources</i>	81,416	-	(26,050)	1,108,216
<i>Net Change in Fund Balances</i>	129,168	662	64,382	746,194
<i>Fund Balances Beginning of Year</i>	188,653	31,829	216,172	3,684,960
<b><i>Fund Balances End of Year</i></b>	<b>\$ 317,821</b>	<b>\$ 32,491</b>	<b>\$ 280,554</b>	<b>\$ 4,431,154</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Capital Projects Funds**  
**For the Year Ended September 30, 2015**

	General Construction Capital Projects	Total Non-major Capital Projects Funds
<b>Revenues</b>		
Intergovernmental	\$ 1,008,414	\$ 1,008,414
Charges for services	231,763	231,763
Miscellaneous	50,758	50,758
<i>Total Revenues</i>	1,290,935	1,290,935
<b>Expenditures</b>		
Current:		
General government	459,181	459,181
Public works	375	375
Capital outlay:		
Capital expenditures	-	-
Construction in progress	817,514	817,514
<i>Total Expenditures</i>	1,277,070	1,277,070
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	13,865	13,865
<b>Other Financing Sources</b>		
Transfers In	(13,865)	(13,865)
<i>Total Other Financing Sources</i>	(13,865)	(13,865)
<i>Net Change in Fund Balances</i>	-	-
<i>Fund Balances Beginning of Year</i>	-	-
<b>Fund Balances End of Year</b>	<b>\$ -</b>	<b>\$ -</b>

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

**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, 2015**

	Centennial Trail Special Revenue Fund			Tourism Promotion Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,500	\$ 2,195	\$ (1,305)
Charges for services	15,000	30,275	15,275	-	-	-
Miscellaneous	(7,500)	-	7,500	-	-	-
<i>Total Revenues</i>	7,500	30,275	22,775	3,500	2,195	(1,305)
<b>Expenditures</b>						
Current:						
Culture and recreation	15,000	-	15,000	3,500	2,195	1,305
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	15,000	-	15,000	3,500	2,195	1,305
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(7,500)	30,275	37,775	-	-	-
<b>Other Financing Sources</b>						
Transfers In	7,500	7,500	-	-	-	-
<i>Total Other Financing Sources</i>	7,500	7,500	-	-	-	-
<i>Net Change in Fund Balances</i>	-	37,775	37,775	-	-	-
<i>Fund Balances Beginning of Year</i>	115,462	115,462	-	978	978	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 115,462</b>	<b>\$ 153,237</b>	<b>\$ 37,775</b>	<b>\$ 978</b>	<b>\$ 978</b>	<b>\$ -</b>

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

**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, 2015**

	Airport Special Revenue Fund			County Fair Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 369,429	\$ 373,292	\$ 3,863	\$ 75,000	\$ 76,335	\$ 1,335
Charges for services	510,870	674,079	163,209	-	-	-
Miscellaneous	164,529	(43,686)	(208,215)	-	-	-
<i>Total Revenues</i>	1,044,828	1,003,685	(41,143)	75,000	76,335	1,335
<b>Expenditures</b>						
Current:						
Public works	812,997	862,196	(49,199)	-	-	-
Culture and recreation	-	-	-	75,000	75,000	-
Capital outlay:						
Capital expenditures	620,000	617,268	2,732	-	-	-
Construction in progress	120,000	47,045	72,955	-	-	-
<i>Total Expenditures</i>	1,552,997	1,526,509	26,488	75,000	75,000	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(508,169)	(522,824)	(14,655)	-	1,335	1,335
<b>Other Financing Sources</b>						
Transfer in	508,169	522,033	13,864	-	-	-
<i>Total Other Financing Sources</i>	508,169	522,033	13,864	-	-	-
<i>Net Change in Fund Balances</i>	-	(791)	(791)	-	1,335	1,335
<i>Fund Balances Beginning of Year</i>	425,832	425,832	-	4,840	4,840	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 425,832</b>	<b>\$ 425,041</b>	<b>\$ (791)</b>	<b>\$ 4,840</b>	<b>\$ 6,175</b>	<b>\$ 1,335</b>

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

**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, 2015**

	Noxious Weeds Special Revenue Fund			Health District Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 311,417	\$ 315,716	\$ 4,299	\$ 686,969	\$ 700,012	\$ 13,043
Intergovernmental	32,931	33,619	688	-	-	-
Charges for services	-	270	270	-	-	-
Miscellaneous	-	1,904	1,904	-	-	-
<i>Total Revenues</i>	344,348	351,509	7,161	686,969	700,012	13,043
<b>Expenditures</b>						
Current:						
Sanitation	320,811	315,082	5,729	-	-	-
Health & welfare	-	-	-	731,965	737,393	(5,428)
Capital outlay:						
Capital expenditures	26,000	25,874	126	-	-	-
<i>Total Expenditures</i>	346,811	340,956	5,855	731,965	737,393	(5,428)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(2,463)	10,553	13,016	(44,996)	(37,381)	7,615
<b>Other Financing Sources</b>						
Transfers In	2,463	2,463	-	44,996	44,996	-
<i>Total Other Financing Sources</i>	2,463	2,463	-	44,996	44,996	-
<i>Net Change in Fund Balances</i>	-	13,016	13,016	-	7,615	7,615
<i>Fund Balances Beginning of Year</i>	(4,694)	(4,694)	-	117,856	117,856	-
<b><i>Fund Balances End of Year (Deficit)</i></b>	<b>\$ (4,694)</b>	<b>\$ 8,322</b>	<b>\$ 13,016</b>	<b>\$ 117,856</b>	<b>\$ 125,471</b>	<b>\$ 7,615</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Historical Society and Parks and Recreation Special Revenue Funds**  
**For the Year Ended September 30, 2015**

	Historical Society Special Revenue Fund			Parks Fund Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 15,000	\$ 15,141	\$ 141	\$ 229,693	\$ 233,127	\$ 3,434
Intergovernmental	-	2,312	2,312	-	-	-
Charges for Services	-	-	-	92,000	84,929	(7,071)
Miscellaneous	-	-	-	(6,690)	11,811	18,501
<i>Total Revenues</i>	15,000	17,453	2,453	315,003	329,867	14,864
<b>Expenditures</b>						
Current:						
Culture and recreation	15,000	17,312	(2,312)	274,937	284,310	(9,373)
Capital outlay:						
Capital expenditures	-	-	-	31,000	24,885	6,115
Construction in Progress	-	-	-	16,000	17,322	(1,322)
<i>Total Expenditures</i>	15,000	17,312	(2,312)	321,937	326,517	(4,580)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	141	141	(6,934)	3,350	10,284
<b>Other Financing Sources</b>						
Transfers In	-	-	-	6,934	6,934	-
<i>Total Other Financing Sources</i>	-	-	-	6,934	6,934	-
<i>Net Change in Fund Balances</i>	-	141	141	-	10,284	10,284
<i>Fund Balances Beginning of Year</i>	52	52	-	141,915	141,915	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 52</b>	<b>\$ 193</b>	<b>\$ 141</b>	<b>\$ 141,915</b>	<b>\$ 152,199</b>	<b>\$ 10,284</b>

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

**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, 2015**

	Snowmobile Special Revenue Fund			County Vessel Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Licenses and permits	\$ 72,021	\$ 67,711	\$ (4,310)	\$ -	\$ -	\$ -
Intergovernmental	5,258	5,258	-	744,803	690,298	(54,505)
Miscellaneous	9,046	127	(8,919)	48,204	1,762	(46,442)
<i>Total Revenues</i>	86,325	73,096	(13,229)	793,007	692,060	(100,947)
<b>Expenditures</b>						
Current:						
Public Safety	6,290	7,438	(1,148)	390,335	297,815	92,520
Culture and recreation	65,051	51,350	13,701	265,137	264,094	1,043
Capital outlay:						
Capital expenditures	14,984	9,726	5,258	96,639	83,551	13,088
Construction in progress	-	-	-	60,000	60,007	(7)
<i>Total Expenditures</i>	86,325	68,514	17,811	812,111	705,467	106,644
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	4,582	4,582	(19,104)	(13,407)	5,697
<b>Other Financing Sources</b>						
Transfer in	-	-	-	19,104	19,104	-
<i>Total Other Financing Sources</i>	-	-	-	19,104	19,104	-
<i>Net Change in Fund Balances</i>	-	4,582	4,582	-	5,697	5,697
<i>Fund Balances Beginning of Year</i>	164,577	164,577	-	178,590	178,590	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 164,577</b>	<b>\$ 169,159</b>	<b>\$ 4,582</b>	<b>\$ 178,590</b>	<b>\$ 184,287</b>	<b>\$ 5,697</b>

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

**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, 2015**

	Public Access Special Revenue Fund			Indigent Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 747,076	\$ 802,411	\$ 55,335
Intergovernmental	5,880	6,108	228	-	-	-
Interest	120	325	205	-	-	-
Miscellaneous	-	-	-	1,815,414	663,325	(1,152,089)
<i>Total Revenues</i>	6,000	6,433	433	2,562,490	1,465,736	(1,096,754)
<b>Expenditures</b>						
Current:						
Culture and recreation	6,000	-	6,000	-	-	-
Health & welfare	-	-	-	2,587,282	1,313,471	1,273,811
<i>Total Expenditures</i>	6,000	-	6,000	2,587,282	1,313,471	1,273,811
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	6,433	6,433	(24,792)	152,265	177,057
<b>Other Financing Sources</b>						
Transfers in	-	-	-	24,792	24,792	-
<i>Total Other Financing Sources</i>	-	-	-	24,792	24,792	-
<i>Net Change in Fund Balances</i>	-	6,433	6,433	-	177,057	177,057
<i>Fund Balances Beginning of Year</i>	47,441	47,441	-	2,237,167	2,237,167	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 47,441</b>	<b>\$ 53,874</b>	<b>\$ 6,433</b>	<b>\$ 2,237,167</b>	<b>\$ 2,414,224</b>	<b>\$ 177,057</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**FTA Public Transportation Funds**  
**For the Year Ended September 30, 2015**

	FTA Public Transportation Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budge Over (Under)
<b>Revenues</b>			
Intergovernmental	\$ 1,600,830	\$ 940,079	\$ (660,751)
Charges for services	963,940	753,007	(210,933)
Miscellaneous	-	(30,000)	(30,000)
<i>Total Revenues</i>	2,564,770	1,663,086	(901,684)
<b>Expenditures</b>			
Current:			
General government	1,908,447	1,693,086	215,361
Capital outlay:			
Capital expenditures	148,728	-	148,728
Construction in progress	537,595	-	537,595
<i>Total Expenditures</i>	2,594,770	1,693,086	901,684
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(30,000)	(30,000)	-
<b>Other Financing Sources</b>			
Transfers in	30,000	30,000	-
<i>Total Other Financing Sources</i>	30,000	30,000	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**District Court and Revaluation Funds**  
**For the Year Ended September 30, 2015**

	District Court Special Revenue Fund			Revaluation Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 1,105,351	\$ 1,116,155	\$ 10,804	\$ 2,216,085	\$ 2,247,787	\$ 31,702
Licenses and permits	-	200	200	-	-	-
Intergovernmental	112,650	121,184	8,534	-	-	-
Fines and Forfeitures	872,040	757,815	(114,225)	-	-	-
Charges for services	131,339	124,962	(6,377)	-	-	-
Miscellaneous	(298,899)	7,048	305,947	-	9,306	9,306
<i>Total Revenues</i>	1,922,481	2,127,364	204,883	2,216,085	2,257,093	41,008
<b>Expenditures</b>						
Current:						
General government	-	-	-	2,297,501	2,209,341	88,160
Public Safety	2,309,309	2,225,438	83,871	-	-	-
Capital outlay:						
Capital expenditures	8,200	8,116	84	-	-	-
<i>Total Expenditures</i>	2,317,509	2,233,554	83,955	2,297,501	2,209,341	88,160
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(395,028)	(106,190)	288,838	(81,416)	47,752	129,168
<b>Other Financing Sources</b>						
Transfer in	395,028	395,028	-	81,416	81,416	-
<i>Total Other Financing Sources</i>	395,028	395,028	-	81,416	81,416	-
<i>Net Change in Fund Balances</i>	-	288,838	288,838	-	129,168	129,168
Fund Balances Beginning of Year	(181,710)	(181,710)	-	188,653	188,653	-
<b><i>Fund Balances End of Year (Deficit)</i></b>	<b>\$ (181,710)</b>	<b>\$ 107,128</b>	<b>\$ 288,838</b>	<b>\$ 188,653</b>	<b>\$ 317,821</b>	<b>\$ 129,168</b>

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

**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, 2015**

	Kootenai Emergency Management Special Revenue Fund			Aquifer Protection District Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 2,184,794	\$ 2,180,090	\$ (4,704)	\$ 443,334	\$ 466,969	\$ 23,635
Licenses and permits	37,000	42,067	5,067	-	-	-
Intergovernmental	50,234	92,796	42,562	-	-	-
Miscellaneous	-	-	-	94,066	100,000	5,934
<i>Total Revenues</i>	<i>2,272,028</i>	<i>2,314,953</i>	<i>42,925</i>	<i>537,400</i>	<i>566,969</i>	<i>29,569</i>
<b>Expenditures</b>						
Current:						
Public Safety	2,272,028	2,314,291	(42,263)	-	-	-
Health & welfare	-	-	-	504,350	476,537	27,813
Capital outlay:						
Capital expenditures	-	-	-	7,000	-	7,000
<i>Total Expenditures</i>	<i>2,272,028</i>	<i>2,314,291</i>	<i>(42,263)</i>	<i>511,350</i>	<i>476,537</i>	<i>34,813</i>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>-</i>	<i>662</i>	<i>662</i>	<i>26,050</i>	<i>90,432</i>	<i>64,382</i>
<b>Other Financing Sources (Uses)</b>						
Transfer (out)	-	-	-	(26,050)	(26,050)	-
<i>Total Other Financing Sources</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(26,050)</i>	<i>(26,050)</i>	<i>-</i>
<i>Net Change in Fund Balances</i>	<i>-</i>	<i>662</i>	<i>662</i>	<i>-</i>	<i>64,382</i>	<i>64,382</i>
<i>Fund Balances Beginning of Year</i>	<i>31,829</i>	<i>31,829</i>	<i>-</i>	<i>216,172</i>	<i>216,172</i>	<i>-</i>
<b><i>Fund Balances End of Year</i></b>	<b><i>\$ 31,829</i></b>	<b><i>\$ 32,491</i></b>	<b><i>\$ 662</i></b>	<b><i>\$ 216,172</i></b>	<b><i>\$ 280,554</i></b>	<b><i>\$ 64,382</i></b>

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

**KOOTENAI COUNTY, IDAHO**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**General Construction Capital Projects Funds**  
**For the Year Ended September 30, 2015**

	General Construction Capital Project Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>			
Intergovernmental	\$ 1,304,210	\$ 1,008,414	\$ (295,796)
Charges for services	255,476	231,763	(23,713)
Miscellaneous	71,548	50,758	(20,790)
<i>Total Revenues</i>	1,631,234	1,290,935	(340,299)
<b>Expenditures</b>			
Current:			
General government	38,826	459,181	(420,355)
Public works	87,006	375	86,631
Capital outlay:			
Capital expenditures	-	-	-
Construction in progress	1,505,402	817,514	687,888
<i>Total Expenditures</i>	1,631,234	1,277,070	354,164
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	13,865	13,865
<b>Other Financing Sources (Uses)</b>			
Transfer (out)	-	(13,865)	(13,865)
<i>Total Other Financing Sources</i>	-	(13,865)	(13,865)
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

## **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, 2015**  
**With Comparative Totals for September 30, 2014**

	Agency Funds			
	State of Idaho	Cities	Highway Districts	School Districts
<b>Assets</b>				
Cash in bank and investments	\$ 1,776,105	\$ 102,690	\$ 26,490	\$ 105,772
Receivables:				
Taxes delinquent	82,193	275,080	232,875	507,713
<b>Total Assets</b>	<b>\$ 1,858,298</b>	<b>\$ 377,770</b>	<b>\$ 259,365</b>	<b>\$ 613,485</b>
<b>Liabilities</b>				
Due to agency activity	\$ 1,858,298	\$ 377,770	\$ 259,365	\$ 613,485
<b>Total Liabilities</b>	<b>1,858,298</b>	<b>377,770</b>	<b>259,365</b>	<b>613,485</b>
<b>Net Position</b>				
<b>Held in trust for other purposes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**September 30, 2015**  
**With Comparative Totals for September 30, 2014**

	Agency Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
<b>Assets</b>				
Cash in bank and investments	\$ 50,848	\$ 12,974	\$ 4,597	\$ 42,901
Receivables:				
Taxes delinquent	292,353	68,227	38,674	172,776
<b>Total Assets</b>	<b>\$ 343,201</b>	<b>\$ 81,201</b>	<b>\$ 43,271</b>	<b>\$ 215,677</b>
<b>Liabilities</b>				
Due to agency activity	\$ 343,201	\$ 81,201	\$ 43,271	\$ 215,677
<b>Total Liabilities</b>	<b>343,201</b>	<b>81,201</b>	<b>43,271</b>	<b>215,677</b>
<b>Net Position</b>				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

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

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**September 30, 2015**  
**With Comparative Totals for September 30, 2014**

	Agency Funds		Totals	
	Public Hospital	Urban Renewal Districts	2015	2014
<b>Assets</b>				
Cash in bank and investments	\$ -	\$ 24,651	\$ 2,147,028	\$ 2,056,354
Receivables:				
Taxes delinquent	-	630,756	2,300,647	2,998,789
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 655,407</b>	<b>\$ 4,447,675</b>	<b>\$ 5,055,143</b>
<b>Liabilities</b>				
Due to agency activity	\$ -	\$ 655,407	\$ 4,447,675	\$ 5,055,143
<b>Total Liabilities</b>	<b>-</b>	<b>655,407</b>	<b>4,447,675</b>	<b>5,055,143</b>
<b>Net Position</b>				
<b>Held in trust for other purposes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**September 30, 2015**  
**With Comparative Totals for September 30, 2014**

	Private Purpose Trust Funds	
	2015	2014
<b>Assets</b>		
Cash in bank and investments	\$ 4,053,594	\$ 3,297,950
Receivables:		
Taxes delinquent	36,042	55,391
Accounts Receivable, Net	10,478	11,016
<b>Total Assets</b>	<b>\$ 4,100,114</b>	<b>\$ 3,364,357</b>
<b>Liabilities</b>		
Accounts payable	\$ 50,696	\$ 100,393
Deferred property taxes	707,171	429,423
Due in more than one (1) year	-	41,117
Due to other individuals	3,143,752	2,686,950
Due to other governments	198,495	106,068
<b>Total Liabilities</b>	<b>4,100,114</b>	<b>3,363,951</b>
<b>Net Position</b>		
<b>Held in trust for other purposes</b>	<b>\$ -</b>	<b>\$ 406</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**For the Fiscal Year Ended September 30, 2015**

	Agency Funds			
	Balance 10/1/14	Additions	Deletions	Balance 9/30/15
<b>State of Idaho</b>				
<b>Assets</b>				
Cash in bank and investments	\$ 1,508,367	\$ 20,520,901	\$ 20,253,163	\$ 1,776,105
Receivables:				
Taxes delinquent	81,917	1,270,559	1,270,283	82,193
<b>Total Assets</b>	<b>1,590,284</b>	<b>21,791,460</b>	<b>21,523,446</b>	<b>1,858,298</b>
<b>Liabilities</b>				
Due to agency activity	1,590,284	42,272,884	42,004,870	1,858,298
<b>Total Liabilities</b>	<b>\$ 1,590,284</b>	<b>\$ 42,272,884</b>	<b>\$ 42,004,870</b>	<b>\$ 1,858,298</b>
<b>Cities</b>				
<b>Assets</b>				
Cash in bank and investments	\$ 147,150	\$ 37,439,195	\$ 37,483,655	\$ 102,690
Receivables:				
Taxes delinquent	545,092	33,098,983	33,368,995	275,080
<b>Total Assets</b>	<b>692,242</b>	<b>70,538,178</b>	<b>70,852,650</b>	<b>377,770</b>
<b>Liabilities</b>				
Due to agency activity	692,242	107,797,228	108,111,700	377,770
<b>Total Liabilities</b>	<b>\$ 692,242</b>	<b>\$ 107,797,228</b>	<b>\$ 108,111,700</b>	<b>\$ 377,770</b>
<b>Highway Districts</b>				
<b>Assets</b>				
Cash in bank and investments	\$ 37,162	\$ 9,388,624	\$ 9,399,296	\$ 26,490
Receivables:				
Taxes delinquent	291,348	9,892,857	9,951,330	232,875
<b>Total Assets</b>	<b>328,510</b>	<b>19,281,481</b>	<b>19,350,626</b>	<b>259,365</b>
<b>Liabilities</b>				
Due to agency activity	328,510	28,570,698	28,639,843	259,365
<b>Total Liabilities</b>	<b>\$ 328,510</b>	<b>\$ 28,570,698</b>	<b>\$ 28,639,843</b>	<b>\$ 259,365</b>
<b>School Districts</b>				
<b>Assets</b>				
Cash in bank and investments	\$ 147,669	\$ 34,363,488	\$ 34,405,385	\$ 105,772
Receivables:				
Taxes delinquent	734,537	33,408,408	33,635,232	507,713
<b>Total Assets</b>	<b>882,206</b>	<b>67,771,896</b>	<b>68,040,617</b>	<b>613,485</b>
<b>Liabilities</b>				
Due to agency activity	882,206	101,779,879	102,048,600	613,485
<b>Total Liabilities</b>	<b>\$ 882,206</b>	<b>\$ 101,779,879</b>	<b>\$ 102,048,600</b>	<b>\$ 613,485</b>

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

continued

**KOOTENAI COUNTY, IDAHO**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**For the Fiscal Year Ended September 30, 2015**

	Agency Funds			Balance 9/30/15
	Balance 10/1/14	Additions	Deletions	
<b><i>Fire Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 59,852	\$ 14,171,763	\$ 14,180,767	\$ 50,848
Receivables:				
Taxes delinquent	344,653	13,498,456	13,550,756	292,353
<b>Total Assets</b>	<b>404,505</b>	<b>27,670,219</b>	<b>27,731,523</b>	<b>343,201</b>
<b>Liabilities</b>				
Due to agency activity	404,505	41,640,914	41,702,218	343,201
<b>Total Liabilities</b>	<b>\$ 404,505</b>	<b>\$ 41,640,914</b>	<b>\$ 41,702,218</b>	<b>\$ 343,201</b>
<b><i>Public Library</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 16,291	\$ 3,969,260	\$ 3,972,577	\$ 12,974
Receivables:				
Taxes delinquent	84,791	3,794,727	3,811,291	68,227
<b>Total Assets</b>	<b>101,082</b>	<b>7,763,987</b>	<b>7,783,868</b>	<b>81,201</b>
<b>Liabilities</b>				
Due to agency activity	101,082	11,678,377	11,698,258	81,201
<b>Total Liabilities</b>	<b>\$ 101,082</b>	<b>\$ 11,678,377</b>	<b>\$ 11,698,258</b>	<b>\$ 81,201</b>
<b><i>Water and Sewer Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 5,765	\$ 470,008	\$ 471,176	\$ 4,597
Receivables:				
Taxes delinquent	45,803	377,371	384,500	38,674
<b>Total Assets</b>	<b>51,568</b>	<b>847,379</b>	<b>855,676</b>	<b>43,271</b>
<b>Liabilities</b>				
Due to agency activity	51,568	1,305,029	1,313,326	43,271
<b>Total Liabilities</b>	<b>\$ 51,568</b>	<b>\$ 1,305,029</b>	<b>\$ 1,313,326</b>	<b>\$ 43,271</b>
<b><i>North Idaho College</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 59,847	\$ 14,894,932	\$ 14,911,878	\$ 42,901
Receivables:				
Taxes delinquent	269,069	14,043,894	14,140,187	172,776
<b>Total Assets</b>	<b>328,916</b>	<b>28,938,826</b>	<b>29,052,065</b>	<b>215,677</b>
<b>Liabilities</b>				
Due to agency activity	328,916	43,680,666	43,793,905	215,677
<b>Total Liabilities</b>	<b>\$ 328,916</b>	<b>\$ 43,680,666</b>	<b>\$ 43,793,905</b>	<b>\$ 215,677</b>

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

continued

**KOOTENAI COUNTY, IDAHO**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**For the Fiscal Year Ended September 30, 2015**

	Agency Funds			
	Balance 10/1/14	Additions	Deletions	Balance 9/30/15
<b><i>Kootenai County Public Hospital</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ -	\$ 12,576	\$ 12,576	\$ -
<b>Total Assets</b>	<b>-</b>	<b>12,576</b>	<b>12,576</b>	<b>-</b>
<b>Liabilities</b>				
Due to agency activity	-	12,576	12,576	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 12,576</b>	<b>\$ 12,576</b>	<b>\$ -</b>
<b><i>Urban Renewal Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 74,251	\$ 11,484,491	\$ 11,534,091	\$ 24,651
Receivables:				
Taxes delinquent	601,579	10,997,191	10,968,014	630,756
<b>Total Assets</b>	<b>675,830</b>	<b>22,481,682</b>	<b>22,502,105</b>	<b>655,407</b>
<b>Liabilities</b>				
Due to agency activity	675,830	33,847,696	33,868,119	655,407
<b>Total Liabilities</b>	<b>\$ 675,830</b>	<b>\$ 33,847,696</b>	<b>\$ 33,868,119</b>	<b>\$ 655,407</b>
<b><i>Total Agency Activity</i></b>				
<b>Total Assets</b>	<b>\$ 5,055,143</b>		<b>\$ 4,447,675</b>	
<b>Total Liabilities</b>	<b>\$ 5,055,143</b>		<b>\$ 4,447,675</b>	
<b>Private Purpose Trust Funds</b>				
	Balance 10/1/14	Additions	Deletions	Balance 9/30/15
<b>Assets</b>				
Cash in bank and investments	\$ 3,297,950	\$ 184,671,465	\$ 183,915,821	\$ 4,053,594
Receivables:				
Taxes delinquent	66,407	19,034	38,921	46,520
<b>Total Assets</b>	<b>3,364,357</b>	<b>184,690,499</b>	<b>183,954,742</b>	<b>4,100,114</b>
<b>Liabilities</b>				
Accounts payable	100,393	\$ 3,000,130	\$ 3,049,827	50,696
Deferred property taxes	429,423	171,647,267	171,369,519	707,171
Due in more than one (1) year	41,117	-	41,117	-
Due to individuals	2,686,950	11,074,566	10,617,764	3,143,752
Due to other governments	106,068	2,009,936	1,917,509	198,495
<b>Total Liabilities</b>	<b>\$ 3,363,951</b>	<b>\$ 187,731,899</b>	<b>\$ 186,995,736</b>	<b>\$ 4,100,114</b>
<b>Net Position End of Year</b>	<b>\$ 406</b>		<b>\$ -</b>	

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

# 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 government's overall financial health.

**CONTENTS**

**Page**

Financial Trends ..... 118

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

Revenue Capacity ..... 125

*These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.*

Debt Capacity ..... 133

*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.*

Demographic and Economic Information. .... 135

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

Operating Information ..... 138

*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.*

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net investment in										
Capital Assets	\$ 44,717	\$ 47,604	\$ 46,745	\$ 49,558	\$ 50,237	\$ 51,342	\$ 54,424	\$ 53,954	\$ 52,716	\$ 50,379
Restricted	7,398	1,562	3,256	4,083	6,739	3,587	4,178	5,120	5,443	7,228
Unrestricted	18,788	22,769	22,246	24,149	24,431	27,311	28,196	29,856	31,379	20,165
<b>Total governmental activities net position</b>	<b>\$ 70,903</b>	<b>\$ 71,935</b>	<b>\$ 72,247</b>	<b>\$ 77,790</b>	<b>\$ 81,407</b>	<b>\$ 82,240</b>	<b>\$ 86,798</b>	<b>\$ 88,930</b>	<b>\$ 89,538</b>	<b>\$ 77,772</b>
<b>Business-type activities</b>										
Net investment in										
Capital Assets	\$ 3,134	\$ 13,296	\$ 22,970	\$ 28,681	\$ 28,905	\$ 26,800	\$ 25,796	\$ 28,810	\$ 28,752	\$ 28,059
Restricted	15,955	15,772	8,826	6,445	8,549	1,800	8,775	5,589	1,777	1,468
Unrestricted	13,924	7,820	9,076	6,962	6,399	16,137	12,079	14,854	21,074	17,461
<b>Total business-type activities net position</b>	<b>\$ 33,013</b>	<b>\$ 36,888</b>	<b>\$ 40,872</b>	<b>\$ 42,088</b>	<b>\$ 43,853</b>	<b>\$ 44,737</b>	<b>\$ 46,650</b>	<b>\$ 49,253</b>	<b>\$ 51,603</b>	<b>\$ 46,988</b>
<b>Primary government</b>										
Net investment in										
Capital Assets	\$ 47,851	\$ 60,900	\$ 69,715	\$ 78,239	\$ 79,142	\$ 78,142	\$ 80,220	\$ 82,764	\$ 81,468	\$ 78,438
Restricted	23,353	17,334	12,082	10,528	15,288	5,387	12,953	10,709	7,220	8,696
Unrestricted	32,712	30,589	31,322	31,111	30,830	43,448	40,275	44,710	52,453	37,626
<b>Total primary government net position</b>	<b>\$ 103,916</b>	<b>\$ 108,823</b>	<b>\$ 113,119</b>	<b>\$ 119,878</b>	<b>\$ 125,260</b>	<b>\$ 126,977</b>	<b>\$ 133,448</b>	<b>\$ 138,183</b>	<b>\$ 141,141</b>	<b>\$ 124,760</b>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 24,302	\$ 25,878	\$ 23,408	\$ 22,982	\$ 21,652	\$ 22,126	\$ 23,479	\$ 23,043	\$ 24,614	\$ 27,129
Public works	2,246	2,292	2,459	2,465	2,032	2,131	1,947	3,204	2,814	2,564
Public safety	23,289	26,488	30,029	30,454	31,144	34,056	33,654	36,439	36,578	37,411
Sanitation weed control	538	577	324	787	446	429	301	342	303	321
Health and welfare	2,912	2,660	3,312	2,966	4,929	4,020	4,549	3,808	3,834	3,127
Culture and recreation	1,100	1,085	844	944	796	950	818	727	1,040	1,049
Capital projects	9	47	38	-	-	-	-	-	-	-
Interest on long-term debt	169	55	37	32	30	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>54,565</b>	<b>59,082</b>	<b>60,451</b>	<b>60,630</b>	<b>61,029</b>	<b>63,712</b>	<b>64,748</b>	<b>67,563</b>	<b>69,183</b>	<b>71,601</b>
<b>Business-type activities:</b>										
Solid waste and landfill	7,377	7,379	7,922	8,901	8,779	9,439	9,038	8,396	8,852	9,027
<b>Total business-type activities expenses</b>	<b>7,377</b>	<b>7,379</b>	<b>7,922</b>	<b>8,901</b>	<b>8,779</b>	<b>9,439</b>	<b>9,038</b>	<b>8,396</b>	<b>8,852</b>	<b>9,027</b>
<b>Total primary government expenses</b>	<b>\$ 61,942</b>	<b>\$ 66,461</b>	<b>\$ 68,373</b>	<b>\$ 69,531</b>	<b>\$ 69,808</b>	<b>\$ 73,151</b>	<b>\$ 73,786</b>	<b>\$ 75,959</b>	<b>\$ 78,035</b>	<b>\$ 80,628</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 12,247	\$ 12,679	\$ 7,526	\$ 6,976	\$ 6,790	\$ 6,747	\$ 7,426	\$ 8,166	\$ 8,401	\$ 8,627
Public safety	9,897	10,491	8,998	9,202	9,710	10,371	10,774	12,012	11,480	11,539
Culture and recreation	476	656	429	484	411	451	469	421	448	447
Other activities	59	65	46	65	56	70	108	768	821	879
Operating grants and contributions	1,842	2,842	3,639	3,067	2,286	2,012	2,819	2,602	2,814	2,789
Capital grants and contributions	4,996	1,144	898	3,650	2,089	2,414	3,848	2,224	1,549	1,372
<b>Total governmental activities program revenues</b>	<b>29,517</b>	<b>27,877</b>	<b>21,536</b>	<b>23,444</b>	<b>21,342</b>	<b>22,065</b>	<b>25,444</b>	<b>26,193</b>	<b>25,513</b>	<b>25,653</b>
<b>Business-type activities:</b>										
Charges for services:										
Solid waste and landfill	9,801	10,300	11,195	9,947	10,594	10,597	10,722	10,962	11,451	12,021
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	170	-	-	-
<b>Total business-type activities program revenues</b>	<b>9,801</b>	<b>10,300</b>	<b>11,195</b>	<b>9,947</b>	<b>10,594</b>	<b>10,597</b>	<b>10,892</b>	<b>10,962</b>	<b>11,451</b>	<b>12,021</b>
<b>Total primary government program revenues</b>	<b>\$ 39,318</b>	<b>\$ 38,177</b>	<b>\$ 32,731</b>	<b>\$ 33,391</b>	<b>\$ 31,936</b>	<b>\$ 32,662</b>	<b>\$ 36,336</b>	<b>\$ 37,155</b>	<b>\$ 36,964</b>	<b>\$ 37,674</b>

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

	<u>Fiscal Year</u>									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (25,048)	\$ (31,205)	\$ (38,915)	\$ (37,184)	\$ (39,687)	\$ (41,647)	\$ (39,304)	\$ (41,370)	\$ (43,670)	\$ (45,948)
Business-type activities	2,424	2,921	3,273	1,046	1,815	1,158	1,854	2,566	2,599	2,994
<b>Total primary government net (expense)/revenue</b>	<b>\$ (22,624)</b>	<b>\$ (28,284)</b>	<b>\$ (35,642)</b>	<b>\$ (36,138)</b>	<b>\$ (37,872)</b>	<b>\$ (40,489)</b>	<b>\$ (37,450)</b>	<b>\$ (38,804)</b>	<b>\$ (41,071)</b>	<b>\$ (42,954)</b>
<b>General Revenues and other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes:										
Property taxes, levied for general purposes	\$ 26,922	\$ 28,408	\$ 35,421	\$ 38,203	\$ 41,574	\$ 40,537	\$ 42,015	\$ 42,290	\$ 43,357	\$ 44,076
Sales and use taxes	1,879	-	-	-	-	-	-	-	-	-
Miscellaneous	1,037	1,392	1,620	3,545	784	927	927	425	344	559
Interest and investment earnings	1,475	1,917	1,747	499	434	240	401	416	81	773
Gain (Loss) on sale of assets/property	-	-	(116)	(40)	(10)	(41)	(6)	(236)	(47)	110
Transfers	519	519	556	521	521	816	526	608	543	6,507
<b>Total governmental activities</b>	<b>31,832</b>	<b>\$ 32,236</b>	<b>\$ 39,228</b>	<b>\$ 42,728</b>	<b>\$ 43,303</b>	<b>\$ 42,479</b>	<b>\$ 43,863</b>	<b>\$ 43,503</b>	<b>\$ 44,278</b>	<b>\$ 52,025</b>
<b>Business-type activities:</b>										
Miscellaneous	70	45	143	120	263	431	346	319	357	-
Interest and investment earnings	1,160	1,427	1,073	369	193	95	234	277	71	-
Gain (Loss) on sale of assets/property	(1)	0	50	59	15	17	4	50	(135)	99
Transfers	(519)	(519)	(556)	(377)	(521)	(816)	(526)	(608)	(543)	(6,507)
<b>Total business-type activities</b>	<b>710</b>	<b>953</b>	<b>710</b>	<b>171</b>	<b>(50)</b>	<b>(273)</b>	<b>58</b>	<b>38</b>	<b>(250)</b>	<b>(6,408)</b>
<b>Total primary government</b>	<b>\$ 32,542</b>	<b>\$ 33,189</b>	<b>\$ 39,938</b>	<b>\$ 42,899</b>	<b>\$ 43,253</b>	<b>\$ 42,206</b>	<b>\$ 43,921</b>	<b>\$ 43,541</b>	<b>\$ 44,028</b>	<b>\$ 45,617</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 6,784	\$ 1,031	\$ 313	\$ 5,544	\$ 3,616	\$ 832	\$ 4,559	\$ 2,133	\$ 608	\$ 6,077
Business-type activities	3,134	3,874	3,983	1,217	1,765	885	1,912	2,604	2,349	(3,414)
<b>Total primary government</b>	<b>\$ 9,918</b>	<b>\$ 4,905</b>	<b>\$ 4,296</b>	<b>\$ 6,761</b>	<b>\$ 5,381</b>	<b>\$ 1,717</b>	<b>\$ 6,471</b>	<b>\$ 4,737</b>	<b>\$ 2,957</b>	<b>\$ 2,663</b>

**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 <sup>1</sup>	Total
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
2015	44,076	-	44,076

<sup>1</sup> Kootenai County's Resort Sales Tax was a voter approved measure charging one-half cent sales tax charged in fiscal year 2004 through 2006. The revenue was mandated by the State of Idaho to be used half for debt service on jail expansion, and half for property tax relief. The sales tax provision ended in Fiscal year 2006.

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

	<u>Fiscal Year</u>									
	2006	2007	2008	2009	2010 <sup>a</sup>	2011 <sup>b</sup>	2012	2013	2014	2015
<b>General fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ 12	\$ 274	\$ 146	\$ 99
Restricted	-	-	-	-	-	1,087	1,623	3,083	3,613	3,874
Committed	-	-	-	-	-	7,079	7,119	15,813	13,796	20,082
Assigned	-	-	-	-	-	-	526	555	655	-
Unassigned	-	-	-	-	-	20,150	21,335	13,223	16,378	18,987
Reserved	2,382	3,576	3,136	4,011	5,262	-	-	-	-	-
Unreserved	18,443	20,207	21,549	21,759	22,687	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 20,825</b>	<b>\$ 23,783</b>	<b>\$ 24,685</b>	<b>\$ 25,770</b>	<b>\$ 27,949</b>	<b>\$ 28,334</b>	<b>\$ 30,615</b>	<b>\$ 32,948</b>	<b>\$ 34,588</b>	<b>\$ 43,042</b>
<b>All other governmental funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 27	\$ 4	\$ 14	\$ 1
Restricted	-	-	-	-	-	2,499	2,555	2,037	1,830	3,353
Committed	-	-	-	-	-	1,322	880	1,487	1,726	1,077
Assigned	-	-	-	-	-	-	-	106	115	-
Reserved	4,083	62	120	72	1,476	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,504	2,954	2,716	3,318	2,290	-	-	-	-	-
Capital projects funds)	(226)	(224)	(261)	-	-	-	-	-	-	-
Jail tax payment fund	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 5,361</b>	<b>\$ 2,792</b>	<b>\$ 2,575</b>	<b>\$ 3,390</b>	<b>\$ 3,766</b>	<b>\$ 3,822</b>	<b>\$ 3,462</b>	<b>\$ 3,634</b>	<b>\$ 3,685</b>	<b>\$ 4,431</b>

Notes:  
<sup>a</sup> Years prior to and including 2010 use the old fund balance classifications prior to GASB 54. These classifications include Reserved and Unreserved.  
<sup>b</sup> 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 Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>Fiscal Year</u>									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 28,786	\$ 28,307	\$ 35,484	\$ 37,615	\$ 41,267	\$ 41,169	\$ 42,406	\$ 42,644	\$ 43,496	\$ 44,236
Licenses and permits	1,376	1,433	1,489	1,432	1,398	1,443	1,490	1,468	1,462	1,518
Intergovernmental	14,420	11,485	11,265	13,889	12,121	12,128	14,545	13,555	13,792	13,729
Interest	1,475	1,917	1,747	500	433	240	401	416	81	773
Fines and forfeitures	1,057	1,297	1,305	1,356	1,364	1,276	1,278	2,284	1,369	1,351
Charges for services	8,247	8,384	7,360	6,826	6,591	6,533	7,377	7,220	7,814	8,532
Miscellaneous	1,037	2,026	1,638	3,527	1,302	1,600	1,659	1,702	1,516	1,615
<b>Total revenues</b>	<b>56,398</b>	<b>54,849</b>	<b>60,288</b>	<b>65,145</b>	<b>64,476</b>	<b>64,389</b>	<b>69,156</b>	<b>69,289</b>	<b>69,530</b>	<b>71,754</b>
<b>Expenditures</b>										
General government	21,410	22,511	22,620	22,233	21,244	21,283	21,958	22,012	23,325	24,644
Public works	642	680	711	746	754	737	725	810	800	863
Public safety	20,414	22,391	29,073	29,115	29,676	32,096	32,117	33,762	34,136	34,734
Sanitation	490	550	293	778	445	418	290	289	304	315
Health & welfare	2,665	2,598	3,305	2,979	4,927	4,021	4,539	3,807	3,836	3,143
Culture and recreation	914	893	715	737	678	759	643	625	764	694
Capital projects	9	47	9	-	-	-	-	-	-	-
<b>Debt Service:</b>										
Principal retirement	5,592	596	84	85	87	508	-	-	-	-
Interest expense	160	59	37	32	30	23	-	-	-	-
<b>Capital Outlay:</b>										
Capital expenditures	2,047	3,688	2,254	2,938	2,836	2,760	2,618	3,461	2,860	2,914
Construction in progress	4,681	975	1,068	4,141	1,790	2,202	4,893	2,652	2,372	1,284
<b>Total expenditures</b>	<b>59,024</b>	<b>54,988</b>	<b>60,169</b>	<b>63,784</b>	<b>62,467</b>	<b>64,807</b>	<b>67,783</b>	<b>67,418</b>	<b>68,397</b>	<b>68,591</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(2,626)</b>	<b>(139)</b>	<b>119</b>	<b>1,361</b>	<b>2,009</b>	<b>(418)</b>	<b>1,373</b>	<b>1,871</b>	<b>1,133</b>	<b>3,163</b>
<b>Other financing sources (uses)</b>										
Proceeds capital leases	-	-	-	-	-	-	-	-	-	-
Proceeds on asset disposal	-	-	-	-	-	-	-	-	-	-
Proceeds insurance	7	9	9	18	25	42	23	26	14	-
Transfers in	11,433	9,837	5,114	5,472	3,876	1,885	2,992	1,299	844	7,703
Transfers out	(10,914)	(9,318)	(4,557)	(4,951)	(3,355)	(1,069)	(2,466)	(691)	(301)	(1,666)
<b>Total other financing sources (uses)</b>	<b>526</b>	<b>528</b>	<b>566</b>	<b>539</b>	<b>546</b>	<b>858</b>	<b>549</b>	<b>634</b>	<b>557</b>	<b>6,037</b>
<b>Net change in fund balances</b>	<b>\$ (2,100)</b>	<b>\$ 389</b>	<b>\$ 685</b>	<b>\$ 1,900</b>	<b>\$ 2,555</b>	<b>\$ 440</b>	<b>\$ 1,922</b>	<b>\$ 2,505</b>	<b>\$ 1,690</b>	<b>\$ 9,200</b>

Debt service as a percentage of non-capital expenditures	12.4%	1.3%	0.2%	0.2%	0.2%	0.9%	0.0%	0.0%	0.0%	0.0%
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**KOOTENAI COUNTY, IDAHO**  
**Governmental Activities Tax Revenue By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

Fiscal Year	Property Tax	Resort Sales Tax <sup>1</sup>	Total
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
2015	44,236	-	44,236

<sup>1</sup> Kootenai County's Resort Sales Tax was a voter approved measure charging one-half cent sales tax charged in fiscal year 2004 through 2006. The State of Idaho mandated sales tax proceeds to be used half for debt service on jail expansion, and half for property tax relief. The sales tax provision ended in Fiscal year 2006.

**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	
2005	\$ 11,495,796,480	\$ 1,439,915,557	\$10,055,880,923	\$ 2,606,277,061	34.99%	2.47
2006	17,151,610,098	2,434,056,230	14,717,553,868	4,661,672,945	46.36%	1.84
2007	19,622,039,622	2,907,974,690	16,714,064,932	1,996,511,064	13.57%	1.96
2008	18,493,390,148	3,115,620,726	15,388,869,422	(1,336,295,510)	-8.00%	2.21
2009	17,827,693,186	3,038,098,804	14,789,594,382	(588,175,040)	-3.82%	2.52
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
2014	15,151,795,597	2,716,861,499	12,434,934,098	899,563,356	7.80%	3.28

Notes:

Values based on 2014 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)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>County Direct Rates</b>										
Current Expense	0.52	0.51	0.56	0.65	0.75	0.76	0.87	0.97	0.82	0.70
Liability Insurance	0.04	0.03	0.03	0.04	0.04	0.05	0.01	0.07	0.05	0.05
Airport Fund	0.04	0.03	0.02	0.03	0.03	0.03	0.03	0.01	0.03	0.02
Indigent Fund	0.09	0.09	0.09	0.10	0.12	0.24	0.24	0.18	0.06	0.09
District Court Fund	0.06	0.05	0.05	0.05	0.05	0.04	0.04	0.08	0.09	0.11
County Fair	0.01	0.00	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.01
Health District Fund	0.04	0.04	0.04	0.04	0.05	0.05	0.06	0.06	0.05	0.06
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	0.02	0.02	0.02	0.01	0.02	0.02	0.03	0.02	0.02	0.02
Parks Fund	0.01	0.01	0.02	0.01	0.02	0.01	0.02	0.02	0.02	0.02
Revaluation Fund	0.14	0.11	0.13	0.14	0.16	0.17	0.20	0.13	0.18	0.18
Justice Fund	1.15	1.07	1.24	1.44	1.69	1.82	1.98	1.96	1.95	1.92
Property Tax Relief	(0.28)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
County Direct Rate	1.84	1.96	2.21	2.52	2.94	3.19	3.48	3.51	3.28	3.18
<b>City Rates</b>										
Athol	2.50	2.09	2.40	2.77	2.96	3.51	3.57	3.23	3.63	3.57
Coeur d'Alene	4.21	3.99	4.51	4.92	5.76	6.28	6.77	6.74	6.46	6.09
Dalton Gardens	0.31	0.30	3.53	0.44	0.53	0.54	0.60	0.56	0.52	0.54
Fernan	0.90	0.82	1.00	1.20	1.34	1.37	1.51	1.42	1.36	1.35
Harrison	2.17	1.65	1.77	2.09	2.78	2.95	3.66	3.66	4.03	3.76
Hauser Lake	0.34	0.33	0.34	0.42	0.49	0.52	0.54	0.52	0.58	0.57
Hayden	0.76	0.72	0.82	0.95	1.11	1.23	1.36	1.35	1.29	1.30
Hayden Lake	0.40	0.36	0.39	0.47	0.60	0.64	0.72	0.75	0.75	0.74
Huetter	4.45	3.21	3.36	3.56	4.90	5.42	5.71	5.63	5.93	5.52
Post Falls	4.05	3.87	4.56	4.96	5.21	5.71	6.00	5.79	5.55	5.45
Rathdrum	3.54	3.43	3.68	4.03	4.71	5.04	5.83	5.83	5.67	5.69
Spirit Lake	3.46	3.37	3.49	4.17	4.93	5.70	6.70	6.93	6.65	6.94
Worley	1.81	1.95	2.47	3.11	3.06	4.07	4.61	4.71	4.74	4.34
<b>School District Rates<sup>(a)</sup></b>										
Coeur d'Alene # 271	1.12	1.14	1.17	1.11	1.50	2.17	2.32	2.51	2.11	2.38
Lakeland Joint #272	1.60	1.33	1.85	2.10	3.58	3.78	3.56	3.41	3.31	3.19
Post Falls # 273	2.23	2.08	2.29	2.36	2.58	2.83	3.15	3.16	3.08	2.82
Kootenai # 274	1.40	1.11	1.09	0.99	1.16	1.82	1.73	2.79	2.20	2.10
Kellogg Joint #391	4.45	3.64	5.08	6.12	6.17	6.62	6.26	6.26	6.73	6.92
Plummer-Worley Joint #44 <sup>(a)</sup>	0.04	0.05	0.06	0.06	1.44	1.43	1.49	2.74	2.68	2.72
<b>Highway District Rates</b>										
Post Falls # 1	0.36	0.31	0.31	0.38	0.45	0.49	0.68	0.69	0.67	0.65
Lakes # 2	0.45	0.42	0.47	0.55	0.67	0.72	0.79	0.80	0.78	0.76
East Side # 3	0.33	0.52	0.56	0.40	0.49	0.56	0.64	0.68	0.66	0.65
Worley # 4	0.67	0.62	0.68	0.75	0.87	1.00	1.18	1.28	1.26	1.25

*continued*

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>(continued)</i>										
<b>Fire District Rates</b>										
East Side	0.60	0.56	0.50	0.53	0.62	0.73	0.84	0.91	0.89	0.89
Hauser Lake	0.74	0.72	0.77	0.96	1.21	1.32	1.47	1.42	1.38	1.39
Northern Lakes	0.75	0.71	0.81	0.96	1.18	1.31	1.46	1.48	1.42	1.41
KC Fire & Rescue	1.34	1.27	1.40	1.66	1.86	1.99	1.98	2.01	1.92	1.93
Mica Kidd Island	0.34	0.33	0.36	0.40	0.48	0.56	0.64	0.68	0.65	0.64
Shoshone County #2	1.43	1.20	1.19	1.38	1.57	1.77	1.90	2.01	2.08	2.09
Spirit Lake	0.74	0.72	0.73	0.80	0.95	1.04	1.21	1.22	1.24	1.27
St. Maries	0.80	0.77	0.68	0.75	0.81	0.82	0.97	1.00	1.01	1.01
Timberlake	0.81	0.68	0.82	0.91	1.13	1.21	1.34	1.38	1.33	1.34
Worley	0.52	0.48	0.68	0.57	0.66	0.76	0.95	1.04	1.02	1.02
<b>Water/Sewer District Rates</b>										
Cataldo Water	0.44	0.38	0.37	0.42	0.44	0.48	0.53	0.54	0.53	0.52
Cleland Bay Sewer	0.24	0.23	0.25	0.26	0.29	0.31	0.40	0.43	0.43	0.42
Hayden Lake Sewer	0.03	0.03	0.03	0.04	0.05	0.05	0.06	0.06	0.06	0.06
Kidd Island Bay Sewer	0.35	0.33	0.34	0.36	0.43	0.50	0.71	0.71	0.66	0.69
Kingston-Cataldo Sewer	0.51	0.46	0.48	0.52	0.52	0.58	0.67	0.69	0.70	0.71
Kootenai Water #1	0.78	0.72	0.95	1.19	1.18	1.53	1.81	2.01	2.00	1.78
<b>Other Special District Rates</b>										
Community Library										
Network	0.17	0.16	0.17	0.20	0.31	0.36	0.41	0.42	0.41	0.40
KCEMSS	0.10	0.10	0.10	0.13	0.15	0.16	0.17	0.18	0.17	0.17
North Idaho College	0.53	0.51	0.73	0.83	1.00	1.10	1.22	1.20	1.12	1.10
Flood Control #17	0.35	0.30	0.32	0.37	0.41	0.45	0.45	0.40	0.20	0.19
Hayden Lake Watershed										
Improvement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.12

Notes:

- All Urban Renewal Districts have been omitted from this schedule.

<sup>(a)</sup> 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
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
2015	0.003178062	0.045863086	0.003305299	0.020160875	0.012996882	0.004164335	0.134979701

Tax Year 2015	Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts	13	4	6	10	6	15
Average tax rate per district	0.003527930	0.000826325	0.003360146	0.001299688	0.000694056	0.008998647
Minimum levy rate	0.000539736	0.000647527	0.001114170	0.000641061	0.000057062	0.000122615
Maximum levy rate	0.006944891	0.001251656	0.006920972	0.002089371	0.001781848	0.014966320

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.

2015 levy rates as of 9/30/15.

**KOOTENAI COUNTY, IDAHO**  
**Principal Property Taxpayers, Current Year and Ten Years Ago**  
**September 30, 2015**

Taxpayer	FY 2015 <sup>1</sup>			FY 2006		
	Net Taxes Due	Rank	Percentage of Net Taxes Due	Net Taxes Due	Rank	Percentage of Net Taxes Due
Avista Corporation	\$ 2,471,268	1	1.65%	\$ 927,042	2	3.74%
Hagadone Hospitality Co., Hagadone Family Trust	1,372,898	2	0.92%	873,491	3	3.53%
Rathdrum Power, LLC	1,341,131	3	0.90%	1,005,547	1	4.06%
Wal-Mart Real Estate Business Trust, Wal-Mart Stores Inc.	565,194	4	0.38%	-	-	-
Idaho Forest Group, LLC	520,514	5	0.35%	-	-	-
Glacier 1919 Lincoln Way LLC, 400 Wilbur LLC, 600 LLC, 700 LLC	470,009	6	0.31%	-	-	-
Gas Transmission Northwest Co. (Formerly PG & E)	459,689	7	0.31%	230,920	8	0.93%
Kimball International Market Inc., Kimball Office Inc.	409,815	8	0.27%	150,274	15	0.61%
Burlington No & Santa Fe RR	325,877	9	0.22%	-	-	-
Frontier Communications NW (formerly Verizon)	322,361	10	0.22%	-	-	-
Silverwood Inc.	294,849	11	0.20%	-	-	-
N Idaho Surgical Hospital Bldg LLC	290,425	12	0.19%	241,646	7	0.98%
CDA Courthouse LLC	286,552	13	0.19%	-	-	-
Union Pacific Railroad Co.	277,901	14	0.19%	-	-	-
DBH Properties LP	261,196	15	0.17%	-	-	-
Stephen F Meyer, Etal	-	-	-	774,483	4	3.13%
The Club at Black Rock LLC, Black Rock Development Inc.	-	-	-	350,721	6	1.42%
Stimson Lumber Company	-	-	-	198,670	11	0.80%
Price Development Company LPT	-	-	-	212,128	9	0.86%
Verizon NW Inc. (Formerly GTE)	-	-	-	606,167	5	2.45%
Harlan D. Douglass, Etux	-	-	-	155,631	14	0.63%
Buck 110 LLC, Jacklin Co., Jacklin Management Co.	-	-	-	199,856	10	0.81%
Gillhover-McIntire, Ron McIntire Etal, John C. Young Etal	-	-	-	170,061	12	0.69%
Sysco Food Services Inc.	-	-	-	168,456	13	0.68%
Sub Total	9,669,679		6.46%	6,265,093		25.30%
All Other Taxpayers	140,103,321		93.54%	116,466,281		74.70%
<b>Total Net Taxes For All Taxing Districts in Kootenai County</b>	<b>\$ 149,773,000</b>		<b>100.00%</b>	<b>\$ 122,731,374</b>		<b>100.00%</b>
<b>Total Net Taxes Due to Kootenai County</b>	<b>\$ 40,587,586</b>			<b>\$ 24,765,979</b>		

Notes:

<sup>1</sup> Based on 2014 Net Taxes billed in FY 2015.

**KOOTENAI COUNTY, IDAHO**  
**County Property Tax Levy and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	1,330,732	32,839,526	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%	719,875	38,955,671	100.00%
2014	40,239,694	39,208,624	97.44%	759,099	39,967,723	99.32%
2015	40,587,506	40,140,395	98.90%	100,443	40,240,838	99.15%

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 <small>(per \$1,000 of assessed value)</small>
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
2015	14,266,156	281,525	471,392	1,948,409	13,070,664	3.18

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 (5) years.

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

**KOOTENAI COUNTY, IDAHO**  
**Schedule of Foregone Amounts**  
**as of the 2015 Tax Year**

<u>District</u>	<u>Foregone Amount</u>
Kootenai County	\$ 9,105,938
City of Athol	11,463
City of Coeur d'Alene	4,292,685
City of Dalton Gardens	1,057
City of Fernan Lake	12,602
City of Harrison	5,367
City of Hauser Lake	1,600
City of Hayden	6
City of Hayden Lake	273
City of Post Falls	2,209,495
City of Rathdrum	314,366
City of Spirit Lake	13,209
KC Emergency Medical Services System	180,647
East Side Fire	126,243
Hauser Lake Fire	2,039
Kootenai County Fire & Rescue	1,148,328
Shoshone Fire #2	103
Twin Lakes-Rathdrum Flood Control #17	23,380
Lakes Highway # 2	1,013,192
Post Falls Highway # 1	476,092
Worley Highway # 4	12,301
Kootenai Hospital	61,391
North Idaho College	1,729,201
Cataldo Water	1,279
Cleland Bay Sewer	9
Hayden Lake Rec Water/Sewer	15,135
Kidd Island Bay Sewer	775
Kootenai County Water #1	7,118
Hayden Lake Watershed	5,409

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 2015

Assessed Valuations:	
Assessed Value	\$ 16,536,892,583
Add Back Homestead Exemptions	2,972,540,490
<b>Total Assessed Value<sup>1</sup></b>	<b>\$ 19,509,433,073</b>

Legal Debt Margin	
Debt Limitation*: 2% of assessed market value	\$ 390,188,661
Less: Debt applicable to limitation:	
<b>Legal Debt Margin</b>	<b>\$ 390,188,661</b>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$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	\$390,188,661
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$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	\$390,188,661
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%

<sup>1</sup> Assessed Values released as of July 2015 for Tax Year 2015

\*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, 2015**

Number of Issues	Jurisdiction	Net Debt Outstanding	Earliest Issue Date (Month/Year)	Oldest Maturity Date (Month/Year)	Estimated Percentage Applicable <sup>(1)</sup>	Estimated Share of Overlapping Debt
<b>Direct Debt</b>						
0	Kootenai County	\$ -	N/A	N/A	N/A	\$ N/A
<b>Direct Debt</b>						
<b>Overlapping Debt</b>						
3	City of Coeur d'Alene	\$ 7,735,000	July/15	Sep/25	100.00%	\$ 7,735,000
2	Coeur d'Alene SD #271	29,761,918	Nov/12	Dec/25	100.00%	29,761,918
2	Lakeland SD #272	12,345,000	Oct/03	Aug/25	99.52%	12,285,744
3	Post Falls SD #273	22,660,000	July/06	Aug/34	100.00%	22,660,000
1	Kootenai Joint SD #274	1,475,000	Feb-13	Aug/22	99.54%	1,468,215
2	Kellogg Joint SD #391	8,685,000	Oct/97	Sep/27	17.30%	1,502,505
1	Plummer Worley #44(2)	9,022,400	Sep/10	Sep/30	66.57%	6,006,211 <sup>(3)</sup>
1	St. Maries Fire District	320,000	Feb/12	Sept/27	25.32%	81,024
1	Community Library Network	2,195,000	Oct/05	Aug/25	98.05%	2,152,198
1	Bayview Water/Sewer District	716,587	Nov/03	Nov/22	N/A	N/A <sup>(4)</sup>
2	Greensferry Water/Sewer District	31,289	July/77	Jun/18	N/A	N/A <sup>(4)</sup>
1	Harbor View Estates Water & Sewer District	187,435	Aug/08	Aug/18	N/A	N/A <sup>(4) (5)</sup>
1	Kingston-Cataldo Sewer District	721,653	Apr/12	Aug/41	4.27%	30,815
1	North Kootenai Water District	5,910,000	Nov/09	Sep/29	100.00%	5,910,000
<b>Subtotal, Overlapping Debt</b>		<u>101,766,282</u>				<u>89,593,630</u>
<b>Total Overlapping &amp; Underlying Debt</b>		<u>\$101,766,282</u>				<u>\$89,593,630</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.

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> 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.
- <sup>(4)</sup> 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.
- <sup>(5)</sup> Information based on 2012 report from districts, no 2013, 2014 or 2015 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
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	147,326	2.1%	1,634,464	1.4%
2015	N/A <sup>1</sup>	N/A	1,654,930	1.3%

Year	Per Capita Personal Income <sup>c</sup>			Personal Income (thousands of dollars)	Annual Average Unemployment Rate <sup>5</sup>
	Kootenai County	State of Idaho	Kootenai Co. as a % of State of Idaho		
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	36,656	36,734	99.8%	5,400,382	5.6%
2015	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A	N/A <sup>2</sup>	4.8%

Year	School Enrollment <sup>(a) 3</sup>	Regular High School Diplomas <sup>(a) 4</sup>	Median Age	
			Kootenai County	State of Idaho
2006	22,260	1,348	37.1	34.2
2007	22,783	1,531	37.3	34.3
2008	23,381	1,500	38.3	34.3
2009	22,844	1,378	38.1	34.0
2010	22,806	1,362	39.1	34.7
2011	22,870	1,563	39.0	35.0
2012	22,645	1,467	39.4	35.2
2013	23,185	1,695	39.8	35.5
2014	22,367	1,467	39.8	35.7
2015	22,575	1,459	N/A	N/A

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

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

<sup>(b)</sup> US Census Bureau

<sup>(c)</sup> US Department of Commerce

<sup>1</sup> Population estimates for the current year are not available at report date.

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

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

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

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

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

Employer	2015			2006		
	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	2.8 - 4.2%	1,600 - 1,699	1	2.90 - 3.08%
Coeur d'Alene School District	1,000 - 1,499	2	1.4 - 2.1%	1,300 - 1,399	2	2.36 - 2.53%
Qualfon / Center Partners	1,000 - 1,499	3	1.4 - 2.1%	1,000 - 1,099	3	1.81 - 1.99%
Hagadone Hospitality Co.	900 - 999	4	1.3 - 1.4%	1,000 - 1,099	4	1.81 - 1.99%
Silverwood Inc.	900 - 999	5	1.3 - 1.4%	-	-	-
Coeur d'Alene Casino	800 - 899	6	1.1 - 1.3%	700 - 799	6	1.26 - 1.45%
Wal-Mart	700 - 799	7	0.9 - 1.1%	500 - 599	10	.91 - 1.09%
Kootenai County	700 - 799	8	0.9 - 1.1%	700 - 799	7	1.26 - 1.45%
North Idaho College	700 - 799	9	0.9 - 1.1%	900 - 999	5	1.63 - 1.81%
Post Falls School District	700 - 799	10	0.9 - 1.1%	600 - 699	8	1.09 - 1.27%
Lakeland School District	-	-	-	500 - 599	9	.91 - 1.09%
Average employment size of the 10 largest employers	1,075			927		
Kootenai County Non-Farm Payroll Employment Total <sup>1</sup>	70,026 <sup>2</sup>			55,200		

Source for Data: Idaho Department of Commerce and Labor

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

<sup>2</sup> Estimate

**KOOTENAI COUNTY, 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	Headquarters in Kootenai County	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<i>(1) Data as of June 30th</i>												
Commercial Banks	47		\$ 2,182	\$ 2,018	\$ 1,861	\$ 1,817	\$ 1,740	\$ 1,837	\$ 1,749	\$ 1,537	\$ 1,611	\$ 1,435
FDIC Savings Banks	-		-	-	-	-	-	-	63	76	83	137
<b>Subtotal FDIC-Insured Institutions</b>	47		2,182	2,018	1,861	1,817	1,740	1,837	1,812	1,613	1,694	1,57
<i>(2) Data as of December 31st</i>												
Credit Unions	1	1	9	9	9	9	9	8	9	8	8	9
<b>Total</b>	47	1	\$ 2,191	\$ 2,027	\$ 1,870	\$ 1,826	\$ 1,749	\$ 1,845	\$ 1,821	\$ 1,621	\$ 1,702	\$ 1,581

Kootenai County's total deposit market share for all FDIC-Insured institutions rank at 10.08% 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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Function</b>										
<b>General Government</b>										
Assessor	65.0	65.5	66.5	66.5	66.5	66.0	66.0	61.0	61.0	59.0
Clerk	72.2	75.2	76.3	75.5	75.5	75.5	77.5	77.5	78.5	84.8
Commissioners	98.2	106.0	106.0	106.0	107.3	105.9	100.4	99.4	99.5	106.5
Prosecuting Attorney	37.1	35.6	36.6	36.5	35.5	35.5	36.5	38.5	43.5	44.2
Sheriff	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.8	4.0
Treasurer	7.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
<b>Public Safety</b>										
Clerk	21.0	30.4	30.4	31.0	34.0	34.0	34.0	35.0	34.0	32.0
Commissioners	68.6	67.8	70.0	76.9	77.1	78.1	69.1	64.6	64.9	64.9
Coroner	1.5	2.0	2.0	2.0	2.0	2.3	2.3	2.0	2.0	3.0
Sheriff <sup>1</sup>	142.4	148.4	148.4	155.3	154.3	156.4	163.4	162.7	162.3	165.8
Jail (Sheriff)	115.9	123.9	123.1	126.4	124.4	120.4	122.4	122.4	126.4	121.0
<b>Culture and Recreation</b>										
Commissioners	7.0	7.0	7.5	7.5	7.5	7.5	7.5	7.5	6.3	7.8
<b>Public Works</b>										
Commissioners	7.1	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	9.8
<b>Health and Welfare</b>										
Clerk	7.0	7.0	7.0	7.0	7.0	7.0	8.0	7.0	7.0	6.0
<b>Sanitation</b>										
Commissioners	2.0	2.6	3.6	3.6	3.6	2.6	1.6	1.9	1.9	4.9
<b>Solid Waste</b>										
Commissioners	45.0	48.0	69.0	70.3	64.3	61.0	59.0	59.0	58.0	58.0
<b>Total</b>	<b>701.5</b>	<b>738.0</b>	<b>765.0</b>	<b>783.1</b>	<b>777.6</b>	<b>770.8</b>	<b>766.3</b>	<b>757.0</b>	<b>763.6</b>	<b>778.5</b>

Source: Kootenai County Adopted Budget Documents and Payroll Data

<sup>1</sup> Temporary Seasonal Deputies total approximately 8-11 per year.

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Physical arrests	8,032	8,627	9,207	8,673	9,156	8,291	7,824	7,830	6,983	7,936
<b>District Court Caseloads</b>										
Felonies	981	930	1,925	1,836	2,028	1,957	920	1,101	1,114	1,091
Misdemeanors	8,770	12,672	12,308	11,801	11,195	10,217	7,077	7,226	6,893	8,397
Infractions	17,674	22,075	21,247	20,366	18,379	17,400	14,613	16,473	16,489	16,246
<b>Refuse Collection</b>										
Landfilled refuse <sup>1</sup>	140	138	130	123	123	122	123	128	133	137
Refuse collected <sup>1</sup>	195	191	183	157	150	144	142	153	159	168
Recyclables collected <sup>1</sup>	21.9	23	22	22	21	14	15	15	15	17
<b>Parks and Waterways</b>										
Improved facilities	24	24	24	24	24	24	24	24	24	24
<b>Airport</b>										
Hangars <sup>2</sup>	82	90	93	93	95	95	95	95	95	95

Sources: Various County Departments

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

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

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

Year	Residential		Commercial / Industrial	
	Permits	Value	Permits	Value
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
2015	285	82,038,426	30	7,787,390

Notes:

- 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)**

<b>Function</b>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General government:</b>										
Land	\$ 1,931	\$ 2,327	\$ 2,336	\$ 3,023	\$ 3,023	\$ 3,232	\$ 3,232	\$ 3,232	\$ 3,847	\$ 3,838
Buildings	14,489	15,365	13,944	16,317	16,567	18,210	18,316	15,938	15,938	17,196
Improvements	42	41	60	60	60	61	240	1,417	1,915	2,651
Machinery and equipment	8,260	8,991	9,771	9,975	10,452	10,182	11,077	12,334	12,463	11,582
<b>Public works:</b>										
Land	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	2,437
Buildings	562	562	562	562	562	562	562	562	562	1,888
Improvements	17,445	20,470	25,239	25,239	25,247	26,143	27,665	28,623	32,131	32,491
Machinery and equipment	1,748	1,752	1,817	1,840	2,011	2,210	2,183	2,349	2,391	2,015
<b>Public safety:</b>										
Land	107	107	107	107	107	107	107	108	108	107
Buildings	20,223	20,552	22,718	21,667	21,774	20,280	20,539	23,245	23,245	23,294
Improvements	37	44	51	51	51	99	5,008	3,921	3,913	4,647
Machinery and equipment	7,112	8,680	8,704	8,879	10,076	10,062	12,024	13,891	15,454	12,958
<b>Sanitation:</b>										
Land	1,275	1,294	1,294	1,294	1,658	1,658	1,782	1,747	1,747	1,747
Buildings	572	572	632	632	632	613	7,166	740	818	838
Improvements	20,644	20,911	20,911	34,147	34,233	39,755	33,747	40,289	45,012	45,295
Machinery and equipment	7,330	8,075	9,179	9,521	10,518	10,475	10,895	11,608	12,085	12,556
<b>Health &amp; welfare:</b>										
Machinery and equipment	30	31	29	32	21	16	10	22	16	11
<b>Culture and recreation:</b>										
Land	249	249	249	249	249	249	249	249	249	249
Buildings	251	239	272	351	371	358	358	410	410	397
Improvements	611	1,201	1,201	1,201	1,201	1,206	1,858	3,159	3,516	3,521
Machinery and equipment	1,198	477	517	542	608	1,612	1,569	1,136	1,114	1,118
<b>Capital projects:</b>										
Construction in progress	7,641	5,789	11,872	9,484	12,205	9,168	6,027	9,046	3,580	2,247
<b>Total Capital Assets</b>	<b>\$ 113,585</b>	<b>\$ 119,557</b>	<b>\$ 133,293</b>	<b>\$ 147,001</b>	<b>\$ 153,454</b>	<b>\$ 158,086</b>	<b>\$ 166,442</b>	<b>\$ 175,854</b>	<b>\$ 182,343</b>	<b>\$ 183,084</b>

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

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

<b>Function</b>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety:										
Kootenai County Sheriff										
Sheriff Office	1	1	1	1	1	1	1	1	1	1
Patrol Units	58	58	56	58	62	71	76	78	81	77
Public Safety Buildings	3	3	3	3	3	3	3	3	3	3
Sanitation:										
Ramsey Transfer Station										
Trash Rolloff Bins	37	36	36	21	21	21	21	21	21	21
Loaders	3	3	5	3	4	4	4	4	4	4
Tractor Trucks	6	6	6	3	3	3	3	5	5	4
Transfer Trailers	25	31	34	25	29	26	26	26	22	24
Prairie Transfer Station										
Trash Rolloff Bins	-	-	-	15	15	15	15	15	15	15
Loaders	-	-	2	2	2	2	2	2	2	2
Tractor Trucks	-	-	-	3	3	3	3	3	3	3
Transfer Trailers	-	-	-	8	8	8	8	8	10	10
Fighting Creek Landfill										
Heavy Machinery & Equipment	9	13	17	18	20	23	24	24	24	23
Culture and Recreation:										
Waterways/										
Park & Recreation										
Pumpouts	10	10	9	9	9	9	9	9	10	10
Vault Toilets										
Wood	7	7	7	7	7	7	7	7	7	7
Concrete	4	3	3	6	7	7	8	8	8	9

Sources: Various County Departments

# **SINGLE AUDIT SECTION**



# AUDITOR'S SECTION





CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

**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, 2015, 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 11, 2016. Our report includes a reference to other auditors who audited the financial statements of North Idaho Fair & Rodeo and 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

*CliftonLarsonAllen LLP*

Spokane, Washington

March 11, 2016



CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

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

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

*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, 2015. 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 2015-001 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, 2015.

*Unmodified Opinion on Each of the Other Major Federal Programs*

In our opinion, 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 each of its other major federal programs identified

in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2015.

Kootenai County's response to the noncompliance finding identified in our audit is 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

*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

*CliftonLarsonAllen LLP*  
Spokane, Washington

March 11, 2016

KOOTENAI COUNTY, IDAHO

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2015

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  No
- Significant deficiency(ies) identified  Yes  No

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified  Yes  No

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee?  Yes  No

KOOTENAI COUNTY, IDAHO

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2015

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

There were no findings required to be reported relating to the financial statements for the fiscal year ended September 30, 2015.

KOOTENAI COUNTY, IDAHO

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2015

**Section III - Findings and Questioned Costs for Federal Awards**

*Finding #2015-001 - Sub-Recipient Monitoring*

U.S. Department of Transportation  
CFDA Number: 20.507  
Program Name: Federal Transit Administration  
Contract # ID-90-X128, ID-90-X130-03  
Award Year: 2015

*Material Weakness, Internal Control over Compliance, Noncompliance*

*Condition* - During our testing of Kootenai County's compliance with subrecipient monitoring requirements, we tested the one subrecipient of the program 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 aware that the relationship with the sub-recipient qualified as a sub-recipient relationship and did not establish a contract with the sub-recipient effective for fiscal year 2015 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.



# **Auditees' Section**



**KOOTENAI COUNTY, IDAHO  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2015**

<b>Federal Grantor/Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Identifying Number</b>	<b>Award Amount</b>	<b>2014-2015 Expenditures</b>
<b><u>U. S. DEPARTMENT OF AGRICULTURE</u></b>				
Passed through Idaho State Superintendent of Public Instruction:				
School Breakfast Program	10.553	RC28-03	variable	\$ 19,570
ARRA National School Lunch Program	10.555	RC28-03	variable	30,935
			Subtotal 10.CNC	50,505
Passed through Idaho Department of Lands:				
Wildland Urban Interface Western State Grant	10.664	HFT #13CPP-Reg1-Koot	65,620	53,864
Wildland Urban Interface Western State Grant	10.664	HFT #14HFR1-Kootenai	104,312	292
			Subtotal 10.664	54,156
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				<b>\$ 104,661</b>
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>				
Passed through Idaho Department of Commerce & Labor:				
Bayview Community Center Project	14.228	ICDBG-13-I-14-PF	55,289	\$ 47,181
Alpine Meadows Water System Improvement Project	14.228	ICDBG-13-I-10-PF	350,000	180,237
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>				<b>Subtotal 14.228 \$ 227,418</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
Passed through Idaho Supreme Court:				
OVW Domestic Violence Court	16.013	2012-WC-AX-0005	63,482	\$ 32,362
				32,362
Passed through Idaho Department of Juvenile Corrections:				
JABG Juvenile Accountability Block Grant	16.523	13-JA11-03	24,781	450
JABG Juvenile Accountability Block Grant	16.523	12-JA11-03	15,036	12,268
			Subtotal 16.523	12,718
Passed through Idaho Department of Health and Welfare:				
Domestic Violence/Victim Grant	16.575	VC018700	21,000	-
Passed through City of Coeur D Alene, Kootenai County - Subgrantee:				
2012 Byrne Justice Assistance Grant	16.738	2012-DJ-BX-0644	22,011	-
2013 Byrne Justice Assistance Grant	16.738	2013-DJ-BX-0592	21,745	-
			Subtotal 16.738	-
Direct Programs:				
Community Oriented Policing Services 2012 CHP Grant	16.710	2012UMWX0065	500,000	179,296
			Subtotal 16.710	179,296
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>				<b>\$ 224,376</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
Direct Programs:				
Airport Improvement Program	20.106	3-16-0010-039, 3-16-0010-040, 3-16-0010-041, 3-16-0010-42	1,120,289	\$ 736,103
				736,103
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-X128	972,927	1,100
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-X130-03	3,504,858	938,979
			Subtotal 20.507	940,079

*continued*

**KOOTENAI COUNTY, IDAHO**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2015**

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Identifying Number	Award Amount	2014-2015 Expenditures
<i>(continued from page 156)</i>				
Passed through Idaho Department of Transportation:				
State & Community Hwy Safety Program Alive @ 25	20.600	SYD1502	10,000	\$ 6,423
Traffic Enforcement Mobilization FY2015	20.600	TSP-2015-02-00-00	9,500	9,133
				<u>15,556</u>
Traffic Enforcement Mobilization FY2015	20.205	A012(536)	3,500	3,441
Traffic Enforcement Mobilization FY2015	20.608	NHTSA DUI Program	3,500	2,295
Traffic Enforcement Mobilization FY2015	20.616	M2HVE-2015-01-00-00		
		M5HVE-2015-01-00-00	13,750	13,659
				<u>19,395</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<b>\$ 1,711,133</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through State of Idaho Military Division:				
Emergency Management Performance Grant 2014	97.042	EMW-2014-EP-00058	90,889	\$ 90,889
Emergency Management Performance Grant 2015	97.042	EMW-2015-EP-00065	91,913	72,312
			Subtotal 97.042	<u>163,201</u>
Homeland Security - Training	97.067		8,347	1,329
Homeland Security - Equipment	97.067		144,099	104,887
Homeland Security - Eplanning	97.067		1,653	1,651
Homeland Security - Organization	97.067		1,555	-
Homeland Security - M & A	97.067		8,945	8,111
Homeland Security - Exercise	97.067		3,843	26
Homeland Security - Fusion	97.067		11,065	11,065
Homeland Security - 2013	97.067	EMW-2013-SS-T0-00149	179,507	127,069
Homeland Security - Training	97.067		27,320	13,911
Homeland Security - Equipment	97.067		52,186	50,284
Homeland Security - Exercise	97.067		14,280	193
Homeland Security - Eplanning	97.067		81,147	38,664
Homeland Security - 2014	97.067	EMW-2014-SS-T0-00084	174,933	103,052
			Subtotal 97.067	<u>230,121</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>				<b>\$ 393,322</b>
<b>U.S. DEPARTMENT OF PARKS AND RECREATION</b>				
Passed through State Department of Parks & Rec:				
Boater Safety Financial Assistance	97.012	FFY 15 RBS Grant	112,244	\$ 112,244
<b>TOTAL U.S. DEPARTMENT OF PARKS AND RECREATION</b>				<b>\$ 112,244</b>
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>				
Help America Vote Act-Voting System Grant	90.401	47-0601-0-808	102,478	\$ 102,478
<b>TOTAL U.S. ELECTION ASSISTANCE COMMISSION</b>				<b>\$ 102,478</b>
<b>U.S. DEPARTMENT OF INTERIOR</b>				
Passed through Idaho State Historical Society:				
Certified Local Government Program	15.904	CLG-2015-008	6,488	\$ 2,312
<b>TOTAL U.S. DEPARTMENT OF INTERIOR</b>				<b>\$ 2,312</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 2,877,944</b>

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2015

**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, 2015**

**Finding 2015-001: Subrecipient Monitoring**

**Views of responsible officials and planned corrective actions**

**Explanation of disagreement with audit finding:**

There is no disagreement with the audit finding.

**Person Responsible for Corrective Action:**

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

**Actions planned in response to finding:**

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.

**Planned completion date for corrective action plan:**

FTA issued a response to the corrective action that stated the finding was closed. A contract with the sub-recipient has been established and is effective October 1, 2015.

**Plan to monitor completion of corrective action plan:**

Kootenai County's Grants Management Office implemented additional procedures, as part of its internal control systems, to perform the required monitoring.

KOOTENAI COUNTY, IDAHO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended September 30, 2015

**The following Findings were reported in the County's September 30, 2014, audit report:**

**Section II - Financial Statement Findings**

There were no finding required to be reported for fiscal year ended September 30, 2014.

**Section III - Federal Award Findings**

**Finding 2014-001** - Procedures have been implemented.

**Finding 2014-002** - Procedures have been not been implemented. It is a current year finding 2015-001.

