

# Bonner County, Idaho Sandpoint, Idaho

Basic Financial Statements and  
Independent Auditors' Report

September 30, 2008



*Powerful insight. Proven results.*

# Bonner County, Idaho

## Sandpoint, Idaho

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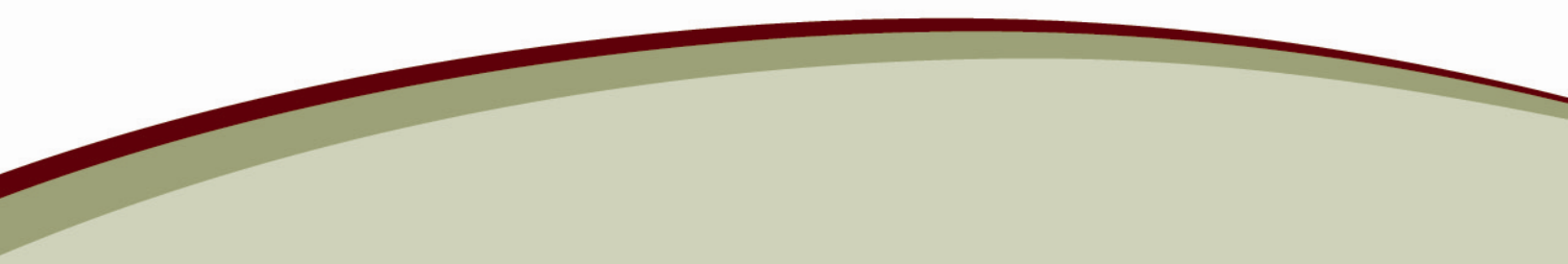
## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Bonner County, Idaho  
Sandpoint, Idaho

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bonner County, Idaho (the County) as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bonner County, Idaho, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Justice Fund, Road and Bridge Fund, and Ambulance District Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 4 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The supplemental information section listed in the contents is presented for purposes of additional analysis, and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "LeMaster & Daniels P.C.".

Boise, Idaho  
May 19, 2009

# Bonner County, Idaho

## Sandpoint, Idaho

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### Management's Discussion and Analysis

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As management of Bonner County, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Bonner County for the fiscal year ended September 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the accompanying *Notes* which are a part of this audit report. Comparative analysis will be done on key elements of governmental funds and enterprise funds in this MD&A.

#### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Bonner County's basic financial statements. Our basic financial statements are comprised of three components: 1] government-wide financial statements, 2] fund financial statements, and 3] notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide financial statements.** These statements are designed to provide readers with a broad overview of Bonner County's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all County governmental and business-type assets and liabilities, with the difference reported as net assets.

The *statement of activities* presents information on all County governmental and business-type revenue and expenses, with the difference reported as a change in net assets.

Both of the above noted government-wide financial statements distinguish functions of Bonner County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Bonner County include all of its general operating costs for all functions except its Solid Waste department. The business-type activities of Bonner County include its Solid Waste operations.

The government-wide financial statements contain information relative only to Bonner County itself and none of the 40 plus/minus other taxing districts housed within its boundaries. They are public entities unto themselves.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Bonner County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Bonner County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Management's Discussion and Analysis

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#### Overview of the Financial Statements (continued)

*Governmental Funds* – This category houses the operations for all departments except for Solid Waste. The Solid Waste operations are our only *Proprietary Fund*. The *Fiduciary Funds* are those dollars that we hold in trust for other agencies and taxing districts.

An excellent explanation of these funds can be found in Note 1 of this report.

**Notes to Financial Statements.** For an overview of Bonner County and its operations one should refer to the *Notes* which are an integral part of this report. There, discussion is had concerning the structure of the various offices; how and why our funds are established; when we call for budgets; how changes to a budget can be made once adopted; information concerning our long-term debt, fixed assets, and leases.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Bonner County's progress in funding its obligations.

#### Government-wide Financial Analysis

This is the second audit report in which Bonner County has been able to provide a comparative analysis of the government-wide data presented in compliance with the requirements of GASB 34. The comparisons will be found in tables throughout this section. As you examine the tables you will find all of our activities, except Solid Waste, listed under Governmental Activities. Solid Waste information is located under the headings noted as Business-type Activities.

# Bonner County, Idaho

## Sandpoint, Idaho

### Management's Discussion and Analysis

#### Government-wide Financial Analysis (continued)

Table 1 – summarizes the County's net assets for 2008 compared to 2007:

Bonner County's Net Assets							
	Governmental		Business-type				Percentage
	Activities		Activities		Total		Change
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2007-2008</u>
Current and other assets	\$ 23,404,616	\$ 24,095,448	\$ 6,367,030	\$ 5,616,365	\$ 29,771,646	\$ 29,711,813	0.2%
Capital assets	183,500,266	204,516,866	1,585,585	1,590,642	185,085,851	206,107,508	-10.2%
Total assets	<u>\$ 206,904,882</u>	<u>\$ 228,612,314</u>	<u>\$ 7,952,615</u>	<u>\$ 7,207,007</u>	<u>\$ 214,857,497</u>	<u>\$ 235,819,321</u>	<u>-8.9%</u>
Long-term liabilities outstanding	\$ 4,733,375	\$ 4,921,440	\$ 29,509	\$ 27,097	\$ 4,762,884	\$ 4,948,537	-3.8%
Other liabilities	3,779,968	5,879,616	403,822	600,133	4,183,790	6,479,749	-35.4%
Total liabilities	<u>\$ 8,513,343</u>	<u>\$ 10,801,056</u>	<u>\$ 433,331</u>	<u>\$ 627,230</u>	<u>\$ 8,946,674</u>	<u>\$ 11,428,286</u>	<u>-21.7%</u>
Net assets:							
Invested in capital assets, net of							
related debt	\$ 179,421,774	\$ 200,289,824	\$ 1,585,585	\$ 1,590,642	\$ 181,007,359	\$ 201,880,466	-10.3%
Restricted	310,242	366,788	664,977	664,977	975,219	1,031,765	-5.5%
Unrestricted	18,659,523	17,154,646	5,268,722	4,324,158	23,928,245	21,478,804	11.4%
Total net assets	<u>\$ 198,391,539</u>	<u>\$ 217,811,258</u>	<u>\$ 7,519,284</u>	<u>\$ 6,579,777</u>	<u>\$ 205,910,823</u>	<u>\$ 224,391,035</u>	<u>-8.2%</u>

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$205,910,823 (\$198,391,539 in governmental activities and \$7,519,284 in business activities) as of September 30, 2008. By far, the largest portion of the County's net assets (89 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (0.5 percent) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets (\$23,928,245) may be used to meet the County's ongoing obligations to citizens and creditors.

Net assets may serve, over time, as a useful indicator of a government's financial position. At the end of the current fiscal year, Bonner County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.



# Bonner County, Idaho

## Sandpoint, Idaho

### Management's Discussion and Analysis

#### Government-wide Financial Analysis (continued)

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

	Bonner County's Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total		Percentage Change
	2008	2007	2008	2007	2008	2007	2007-2008
Revenues:							
Program revenues:							
Charges for services	\$ 3,044,076	\$ 3,253,916	\$ 2,561,267	\$ 3,549,524	\$ 5,605,343	\$ 6,803,440	-17.6%
Operating grants and contributions	1,973,000	2,417,257	-	-	1,973,000	2,417,257	-18.4%
Capital grants and contributions	1,039,478	1,285,389	-	-	1,039,478	1,285,389	-19.1%
General revenues:							
Property taxes	20,799,323	20,311,189	-	-	20,799,323	20,311,189	2.4%
Other taxes	209,175	215,531	2,458,381	2,380,910	2,667,556	2,596,441	2.7%
Intergovernmental	4,888,631	5,834,657	-	-	4,888,631	5,834,657	-16.2%
Other	1,860,453	1,997,334	(14,214)	57,386	1,846,239	2,054,720	-10.1%
Gain on sale	-	22,788	-	-	-	22,788	-100.0%
Total revenues	33,814,136	35,338,061	5,005,434	5,987,820	38,819,570	41,325,881	-6.1%
Expenses:							
General government	7,676,227	7,564,445	-	-	7,676,227	7,564,445	1.5%
Public safety	14,361,988	13,470,703	-	-	14,361,988	13,470,703	6.6%
Highways and streets	28,451,678	28,560,179	-	-	28,451,678	28,560,179	-0.4%
Sanitation	153,056	129,528	-	-	153,056	129,528	18.2%
Health	338,881	308,890	-	-	338,881	308,890	9.7%
Welfare	477,641	286,225	-	-	477,641	286,225	66.9%
Education	244,038	285,752	-	-	244,038	285,752	-14.6%
Culture and recreation	1,299,467	2,911,158	-	-	1,299,467	2,911,158	-55.4%
Interest on long-term debt	230,879	163,720	-	-	230,879	163,720	41.0%
Solid waste	-	-	4,065,927	3,988,921	4,065,927	3,988,921	1.9%
Total expenses	53,233,855	53,680,600	4,065,927	3,988,921	57,299,782	57,669,521	-0.6%
Change in net assets	\$ (19,419,719)	\$ (18,342,539)	\$ 939,507	\$ 1,998,899	\$ (18,480,212)	\$ (16,343,640)	13.1%

#### Governmental Activities

Charges for services were the County's largest program revenue, accounting for \$3,044,076 of total governmental revenues. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

The County's grant revenues from Federal and State sources made up \$3,012,478 of total governmental revenues. The major recipients of intergovernmental program revenues were the Road and Bridge, Justice, Airport, and Grants.

Property tax revenues account for \$20,799,323 of the \$33,814,136 total revenues for governmental activities.

Highways and Streets accounted for \$28,451,678 of the \$53,233,855 total expenses for governmental activities. The next largest program was Public Safety, accounting for \$14,361,988 of the total governmental expenses.

# Bonner County, Idaho

## Sandpoint, Idaho

### Management's Discussion and Analysis

#### Governmental Activities (continued):

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

Net Cost of Bonner County's Governmental Activities  
as of September 30, 2008 and 2007

	Total Cost of Services		Percentage change 2007-2008	Net Cost of Services		Percentage change 2007-2008
	2008	2007		2008	2007	
General government	\$ 7,676,227	\$ 7,564,445	1.5%	\$ 5,515,525	\$ 5,260,639	4.8%
Public safety	14,361,988	13,470,703	6.6%	12,873,926	11,524,416	11.7%
Highways and streets	28,451,678	28,560,179	-0.4%	27,666,780	27,762,666	-0.3%
Sanitation	153,056	129,528	18.2%	153,056	129,528	18.2%
Health	338,881	308,890	9.7%	338,631	308,434	9.8%
Welfare	477,641	286,225	66.9%	477,641	286,225	66.9%
Education	244,038	285,752	-14.6%	235,254	281,972	-16.6%
Culture and recreation	1,299,467	2,911,158	-55.4%	(314,391)	1,006,438	-131.2%
Interest on long-term debt	230,879	163,720	41.0%	230,879	163,720	41.0%
Total	<u>\$ 53,233,855</u>	<u>\$ 53,680,600</u>	<u>-0.8%</u>	<u>\$ 47,177,301</u>	<u>\$ 46,724,038</u>	<u>1.0%</u>

Charges for services of \$2,160,702 are received and used to fund the general government expenses of the County. The remaining \$47,177,301 in net governmental activity costs are funded by property taxes, sales taxes, and intergovernmental revenues.

#### Business-Type Activities

The net assets for business-type activities increased by \$939,507 during 2008 and the major revenue sources were charges for services of \$2,561,267.

#### Overall Financial Position

**Governmental Funds:** The major funds include our General (Current Expense), Road and Bridge, Justice Fund, and the Ambulance District. The General, Justice, and Road and Bridge increased their overall fund balance from prior years. The remaining major fund, the Ambulance District, saw a decrease in utilization of the reserves maintained to finance operations.

# **Bonner County, Idaho**

## **Sandpoint, Idaho**

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### **Management's Discussion and Analysis**

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#### **Overall Financial Position (continued):**

**Enterprise Fund:** During fiscal year 2004 – 2005 we reported a concern wherein our usual operating expenses continued to exceed the revenue generated. This forced us to continually supplant our every-day operations by using funds that had been set aside to pay for major building projects in our solid waste operations as our community grows and our needs increase. The Board of County Commissioners resolved this problem by implementing a new fee schedule in FY 2004 – 2005. Our revenues from this source began to be realized in FY 2005 – 2006, and was fully implemented in FY 2006 – 2007. During the current fiscal year 2008 the charges exceeded the expenses by \$939,507.

**Notes to Financial Statements:** The notes provide additional information that is essential to a full understanding of the data presented in the governmental-wide and financial statements. These notes to the financial statements can be found at the end of the audit report.

#### **Capital Assets**

Capital Assets are all tangible and intangible assets—such as land, buildings, improvements to land or buildings, machinery, equipment, and infrastructure—that are used in operations and that have initial useful lives extending beyond a single reporting period.

The total net capital assets decreased by \$21,016,600. This amount represents book value of assets less accumulated depreciation. The decrease in capital assets was mainly due to the accumulated depreciation of \$24,201,289. Capital assets additions amounted to \$3,247,171 and capital asset deletions amounted to \$62,482 for the fiscal year.

#### **Long-Term Debt**

Long-term liabilities are the debt incurred by the County. The debt typically has a maturity date that extends beyond a single reporting cycle. Additional information on long-term debt can be found in notes 7 and 8 in the basic financial statements. Long-term liabilities had a net decrease of \$188,065.

Please see the tables titled Bonner County's Net Assets and Bonner County's Changes in Net Assets for further detail regarding these comments. These tables are an integral part of the Management's Discussion and Analysis Report.

#### **Budget Variations**

Developing a budget is not an exact science. It is the best estimate available at the time of projection of the revenues you anticipate receiving and of the expenses you think you might incur during the next fiscal year. For the fiscal year ended September 30, 2008, there were no funds for which expenditures exceeded appropriations.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Management's Discussion and Analysis

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#### Economic and Other Factors Affecting Next Year's Operations

##### **Local Economy:**

While other areas in the State are experiencing a negative growth resulting in reduced market valuations, Bonner County is still growing. Our median family income for 1998 was \$33,700 while in the State as a whole it was \$41,300. Both of these compare to the United States that had a median family income of \$45,300 for the same time period. The higher competition for jobs in the County tends to keep wages low. The past 40 years has also seen a shift in focus of those jobs from timber based to service based. However, the rapid population increases of the past few decades have led to a doubling of construction jobs since 1990 and a tripling of them since 1988. Retail trade has grown rapidly, spurred by population growth, rising incomes, expansion of tourism, and the past expansion of Coldwater Creek. The growth of Litehouse and the opening of other firms also contributed to manufacturing growth. [Source: Regional Economic Profile, Idaho Dept. of Labor]

Bonner County is a rural county rather than an urban one. The following table shows the areas of growth in Bonner County for the past 40 years. [Source: Idaho Vital Statistics Annual Report]

Entity	1970	1980	1990	2000
Bonner County	15,560	24,163	26,622	36,835
Clark Fork	367	449	448	530
Dover			294	342
East Hope	175	258	215	200
Hope	63	106	99	79
Kootenai	168	280	327	441
Oldtown	161	257	151	190
Ponderay	275	398	449	638
Priest River	1,493	1,639	1,560	1,754
Sandpoint	4,144	4,460	5,203	6,835

In addition to the nine incorporated cities noted in the above table, Bonner County is home to 40 plus/minus taxing districts each of which elects its own governing board and has the authority to levy taxes. Many of these taxing districts have experienced significant growth and an increase in the demand for services that such growth generates.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Management's Discussion and Analysis

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#### Economic and Other Factors Affecting Next Year's Operations (continued)

##### **County Operations (continued):**

- Panhandle Area Council (PAC) has purchased the former Federal Building in Sandpoint. Bonner County has agreed to lease this building from them for 30 years with the intent of purchasing the building at the end of the lease period for \$1.00. This is the culmination of the work performed and the decisions made by not only the current board but many previous Boards who sought a solution to our overcrowded situation. The planning department and the Assessor's operations have moved into the 2nd floor of the building. Upon completion of that project, work was undertaken on the annex building and the Prosecuting Attorney's office moved into it in February 2008. This freed up the rent money we had been paying to the City of Sandpoint. During the 2007-2008 fiscal year, remodeling was undertaken on the 3rd floor. That was completed and some offices moved into the new suites in October of 2008. More offices will move to the 3rd floor during the next fiscal year of 2008-2009
- Bonner County continually fights the battle of low salaries/wages when trying to attract employees in almost every category of its operations. January 2007 saw a new Board of Commissioners take office who recognized this deficiency and during the budget setting process made the decision to again devote a great deal of the budget increase to enhancing those wages and the benefit package. In 2008, the same Board recognized the economic downturn beginning to affect our employees and wage increases were kept to a minimum of a 2% COLA.
- During the past few years Bonner County experienced a phenomenal growth rate. This had a major impact on our infrastructure, new housing starts, on law enforcement, the courts, planning and zoning, airport, indigent needs etc. While the growth rate has slowed down over the past year or so, the impact of the new arrivals is still being felt.
- During this fiscal year, Bonner County was also beginning to feel the pinches of the economic downturn affecting the whole Country. Home sales came to a standstill and foreclosures increased dramatically. The closing of the JD Lumber Company in Priest River had a significant, negative economic impact. Riley Creek Lumber Company has also reduced its operations due to the economic climate. Both events led to a loss of over 400 jobs in our community. During the last quarter of 2008, the jobless rate in Bonner County hit over 7% which was even higher than the State average.

#### Requests for Information

This financial report is designed to provide a general overview of Bonner 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 financial information should be addressed to:

Marie Scott, Bonner County Clerk  
Bonner County Courthouse  
215 South First Avenue  
Sandpoint, Idaho 83864

# Bonner County, Idaho

## Sandpoint, Idaho

### Statement of Net Assets

September 30, 2008

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 21,463,542	\$ 5,343,706	\$ 26,807,248
Receivables, net of allowance for uncollectibles:			
Taxes	1,466,277	-	1,466,277
Fees	-	2,740	2,740
Interest	85,808	-	85,808
Accounts	251,027	355,607	606,634
Special assessments	-	-	-
Other current assets	19,005	-	19,005
Due from other governments	118,957	-	118,957
Restricted assets:			
Cash	-	664,313	664,313
Cash on deposit with fiscal agent	-	664	664
Capital assets:			
Land	3,728,881	177,590	3,906,471
Other capital assets, net of depreciation	179,771,385	1,407,995	181,179,380
Total assets	<u>206,904,882</u>	<u>7,952,615</u>	<u>214,857,497</u>
<b>LIABILITIES</b>			
Warrants payable	2,094,591	380,942	2,475,533
Vouchers payable	169,488	-	169,488
Accrued payroll	403,487	18,269	421,756
Accrued retirement payable	70,873	4,611	75,484
Accrued interest payable	28,672	-	28,672
Due to other governments	18,000	-	18,000
Deferred revenue	994,857	-	994,857
Long-term liabilities:			
Due within one year:			
Compensated absences	516,909	29,509	546,418
Special assessment bonds payable	220,000	-	220,000
Leases payable	214,764	-	214,764
Due in more than one year:			
Compensated absences	137,974	-	137,974
Special assessment bonds payable	135,000	-	135,000
Leases payable	3,508,728	-	3,508,728
Total liabilities	<u>8,513,343</u>	<u>433,331</u>	<u>8,946,674</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	179,421,774	1,585,585	181,007,359
Restricted for:			
Debt retirement	310,242	664	310,906
Capital improvements	-	664,313	664,313
Unrestricted	18,659,523	5,268,722	23,928,245
Total net assets	<u>\$198,391,539</u>	<u>\$ 7,519,284</u>	<u>\$205,910,823</u>

See accompanying notes to basic financial statements.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Activities**

**Year Ended September 30, 2008**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 7,676,227	\$ 2,160,702	\$ -	\$ -	\$ (5,515,525)	\$ -	\$ (5,515,525)
Public safety	14,361,988	883,124	534,884	70,054	(12,873,926)	-	(12,873,926)
Highways and streets	28,451,678	-	-	784,898	(27,666,780)	-	(27,666,780)
Sanitation	153,056	-	-	-	(153,056)	-	(153,056)
Health	338,881	250	-	-	(338,631)	-	(338,631)
Welfare	477,641	-	-	-	(477,641)	-	(477,641)
Education	244,038	-	8,784	-	(235,254)	-	(235,254)
Culture and recreation	1,299,467	-	1,429,332	184,526	314,391	-	314,391
Interest on long-term debt	230,879	-	-	-	(230,879)	-	(230,879)
Total governmental activities	<u>53,233,855</u>	<u>3,044,076</u>	<u>1,973,000</u>	<u>1,039,478</u>	<u>(47,177,301)</u>	<u>-</u>	<u>(47,177,301)</u>
Business-type activities:							
Solid waste	4,065,927	2,561,267	-	-	-	(1,504,660)	(1,504,660)
Total business-type activities	<u>4,065,927</u>	<u>2,561,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,504,660)</u>	<u>(1,504,660)</u>
Total primary government	<u>\$ 57,299,782</u>	<u>\$ 5,605,343</u>	<u>\$ 1,973,000</u>	<u>\$ 1,039,478</u>	<u>(47,177,301)</u>	<u>(1,504,660)</u>	<u>(48,681,961)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					20,799,323	-	20,799,323
Special assessments					209,175	2,458,381	2,667,556
Intergovernmental revenues					4,888,631	-	4,888,631
Miscellaneous					810,046	22,786	832,832
Interest and investment earnings					1,013,407	-	1,013,407
Transfers					37,000	(37,000)	-
Total general revenues and special items					<u>27,757,582</u>	<u>2,444,167</u>	<u>30,201,749</u>
Change in net assets					<u>(19,419,719)</u>	<u>939,507</u>	<u>(18,480,212)</u>
Net assets, beginning					<u>217,811,258</u>	<u>6,579,777</u>	<u>224,391,035</u>
Net assets, ending					<u>\$ 198,391,539</u>	<u>\$ 7,519,284</u>	<u>\$ 205,910,823</u>

See accompanying notes to basic financial statements.

# Bonner County, Idaho

## Sandpoint, Idaho

### Combined Balance Sheet - Governmental Funds

September 30, 2008

	<u>General</u>	<u>Justice</u>	<u>Road and Bridge</u>	<u>Ambulance District</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
<b>Assets</b>						
Cash and investments	\$ 3,626,718	\$ 4,985,471	\$ 3,999,577	\$ 853,856	\$ 7,997,920	\$ 21,463,542
Receivables, net of allowance for uncollectibles:						
Taxes	117,324	515,605	241,787	-	229,160	1,103,876
Accounts	85,606	25,595	4,291	2,250	133,285	251,027
Interest	85,658	-	-	-	150	85,808
Special assessments	-	-	-	-	-	-
Due from other funds	-	1,091,205	-	-	-	1,091,205
Due from other governments	-	64,756	-	-	54,201	118,957
Other assets	-	-	-	-	19,005	19,005
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,005</u>	<u>19,005</u>
 Total assets	 \$ 3,915,306	 \$ 6,682,632	 \$ 4,245,655	 \$ 856,106	 \$ 8,433,721	 \$ 24,133,420
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>19,005</u></u>	<u><u>19,005</u></u>
<b>Liabilities and Fund Balances</b>						
<b>LIABILITIES:</b>						
Warrants payable	\$ 170,837	\$ 419,129	\$ 287,895	\$ 83,851	\$ 1,132,879	\$ 2,094,591
Vouchers payable	1,864	2,469	81	9,703	155,371	169,488
Accrued payroll	57,034	177,050	47,507	32,770	89,126	403,487
Accrued retirement payable	10,954	41,839	12,970	5,110	-	70,873
Due to other funds	-	-	-	1,091,205	18,000	1,109,205
Deferred revenue	102,107	449,418	212,459	-	230,873	994,857
Compensated absences payable	56,458	256,440	86,876	20,177	96,958	516,909
Total liabilities	<u>399,254</u>	<u>1,346,345</u>	<u>647,788</u>	<u>1,242,816</u>	<u>1,723,207</u>	<u>5,359,410</u>
<b>FUND BALANCES:</b>						
Unreserved, reported in:						
General fund	3,516,052	-	-	-	-	3,516,052
Special revenue fund	-	5,336,287	3,597,867	(386,710)	5,528,927	14,076,371
Capital project fund	-	-	-	-	871,345	871,345
Debt service fund	-	-	-	-	310,242	310,242
Total fund balances (deficit)	<u>3,516,052</u>	<u>5,336,287</u>	<u>3,597,867</u>	<u>(386,710)</u>	<u>6,710,514</u>	<u>18,774,010</u>
 Total liabilities and fund balances	 \$ 3,915,306	 \$ 6,682,632	 \$ 4,245,655	 \$ 856,106	 \$ 8,433,721	 \$ 24,133,420
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>19,005</u></u>	<u><u>19,005</u></u>

See accompanying notes to basic financial statements.



**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets**

**September 30, 2008**

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Total fund balances as shown on the Governmental Funds Balance Sheet		\$ 18,774,010
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount reflects the initial investment in capital assets, net of depreciation, at September 30, 2007.		183,500,266
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Property taxes		362,401
Long-term liabilities, including capital leases payable and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds:		
Capital leases payable	\$ (3,723,492)	
Special assessment bonds payable	(355,000)	
Compensated absences	(137,974)	
Accrued interest payable	(28,672)	
		<u>(4,245,138)</u>
Total net assets as shown on the statement of net assets		<u>\$ 198,391,539</u>

See accompanying notes to basic financial statements.

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# Bonner County, Idaho

## Sandpoint, Idaho

### Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended September 30, 2008

	General	Justice	Road and Bridge	Ambulance District	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Taxes	\$ 1,977,812	\$ 8,589,395	\$ 3,903,497	\$ 2,299,127	\$ 4,426,330	\$21,196,161
Licenses and permits	595,634	248,714	-	-	228,990	1,073,338
Intergovernmental	742,974	1,378,288	2,554,118	-	3,225,729	7,901,109
Charges for services	427,169	634,410	-	-	642,557	1,704,136
Fines	-	-	-	-	266,602	266,602
Special assessments	-	-	-	-	209,175	209,175
Interest income	1,010,123	-	-	-	3,284	1,013,407
Rental income	-	-	-	-	139,013	139,013
Miscellaneous	56,730	183,035	149,565	250	281,438	671,018
Total revenues	<u>4,810,442</u>	<u>11,033,842</u>	<u>6,607,180</u>	<u>2,299,377</u>	<u>9,423,118</u>	<u>34,173,959</u>
<b>EXPENDITURES:</b>						
Current:						
General government	3,830,065	-	-	-	3,591,699	7,421,764
Public safety	174,906	10,176,547	-	2,015,587	1,597,320	13,964,360
Highways and streets	-	-	4,147,200	-	484,298	4,631,498
Sanitation	-	-	-	-	153,309	153,309
Health	-	-	-	-	264,469	264,469
Welfare	-	-	-	-	477,641	477,641
Education	-	-	-	-	246,049	246,049
Culture and recreation	-	-	-	-	1,277,366	1,277,366
Capital outlay	47,253	345,104	1,331,132	261,669	1,262,013	3,247,171
Debt service:						
Principal	49,808	-	169,206	20,867	220,000	459,881
Interest and fiscal charges	120,997	-	52,564	3,186	47,326	224,073
Total expenditures	<u>4,223,029</u>	<u>10,521,651</u>	<u>5,700,102</u>	<u>2,301,309</u>	<u>9,621,490</u>	<u>32,367,581</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>587,413</u>	<u>512,191</u>	<u>907,078</u>	<u>(1,932)</u>	<u>(198,372)</u>	<u>1,806,378</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in (out)	(270,970)	(354,295)	(12,500)	(70,000)	744,765	37,000
Capital leases proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>(270,970)</u>	<u>(354,295)</u>	<u>(12,500)</u>	<u>(70,000)</u>	<u>744,765</u>	<u>37,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	316,443	157,896	894,578	(71,932)	546,393	1,843,378
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>3,199,609</u>	<u>5,178,391</u>	<u>2,703,289</u>	<u>(314,778)</u>	<u>6,164,121</u>	<u>16,930,632</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 3,516,052</u>	<u>\$ 5,336,287</u>	<u>\$ 3,597,867</u>	<u>\$ (386,710)</u>	<u>\$ 6,710,514</u>	<u>\$18,774,010</u>

See accompanying notes to basic financial statements.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Reconciliation of the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Funds

Year Ended September 30, 2008

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances, total governmental funds	\$ 1,843,378
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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 and reported as depreciation expense:

Capital outlay	\$ 3,247,171	
Depreciation expense	<u>(24,201,289)</u>	(20,954,118)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(396,838)
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-in, and donations) is to increase net assets.	(373,798)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments	459,881
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Accrued interest for long-term debt. This is the net change in accrued interest for the current period.	(6,806)
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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.

8,582
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Change in net assets, as reflected on the statement of activities	<u><u>\$(19,419,719)</u></u>
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See accompanying notes to basic financial statements.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Budget and Actual - General Fund**

**Year Ended September 30, 2008**

	Budgeted Amounts			Variance
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Taxes	\$ 2,382,015	\$ 2,382,015	\$ 1,977,812	\$ (404,203)
Licenses and permits	763,845	763,845	595,634	(168,211)
Intergovernmental	748,697	748,697	742,974	(5,723)
Charges for services	428,056	428,056	427,169	(887)
Interest income	1,163,500	1,163,500	1,010,123	(153,377)
Miscellaneous	6,280	6,280	56,730	50,450
Total revenues	5,492,393	5,492,393	4,810,442	(681,951)
EXPENDITURES:				
Current:				
General government	4,714,250	4,715,750	3,830,065	885,685
Public safety	191,691	192,001	174,906	17,095
Capital outlay	38,823	38,823	47,253	(8,430)
Debt service:				
Principal	106,513	106,513	49,808	56,705
Interest and fiscal charges	120,997	120,997	120,997	-
Total expenditures	5,172,274	5,174,084	4,223,029	951,055
EXCESS OF REVENUES OVER				
EXPENDITURES	320,119	318,309	587,413	269,104
OTHER FINANCING SOURCES:				
Operating transfers in (out)	-	-	(270,970)	(270,970)
NET CHANGE IN FUND BALANCE				
	320,119	318,309	316,443	(1,866)
FUND BALANCES, BEGINNING OF YEAR				
	3,199,609	3,199,609	3,199,609	-
FUND BALANCES, END OF YEAR				
	\$ 3,519,728	\$ 3,517,918	\$ 3,516,052	\$ (1,866)

See accompanying notes to basic financial statements.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Budget and Actual - Justice Fund**

**Year Ended September 30, 2008**

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	Budgeted Amounts			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<i>REVENUES:</i>				
Taxes	\$ 8,947,785	\$ 8,947,785	\$ 8,589,395	\$ (358,390)
Licenses and permits	226,000	226,000	248,714	22,714
Intergovernmental	1,532,950	1,532,950	1,378,288	(154,662)
Charges for services	514,600	514,600	634,410	119,810
Miscellaneous	113,560	113,560	183,035	69,475
Total revenues	<u>11,334,895</u>	<u>11,334,895</u>	<u>11,033,842</u>	<u>(301,053)</u>
<i>EXPENDITURES:</i>				
Current:				
Public safety	10,710,357	10,678,680	10,176,547	502,133
Capital outlay	240,570	496,570	345,104	151,466
Total expenditures	<u>10,950,927</u>	<u>11,175,250</u>	<u>10,521,651</u>	<u>653,599</u>
<i>EXCESS OF REVENUES OVER EXPENDITURES</i>	383,968	159,645	512,191	352,546
<i>OTHER FINANCING SOURCES:</i>				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(354,295)</u>	<u>(354,295)</u>
<i>NET CHANGE IN FUND BALANCE</i>	383,968	159,645	157,896	(1,749)
<i>FUND BALANCES, BEGINNING OF YEAR</i>	<u>5,178,391</u>	<u>5,178,391</u>	<u>5,178,391</u>	<u>-</u>
<i>FUND BALANCES, END OF YEAR</i>	<u>\$ 5,562,359</u>	<u>\$ 5,338,036</u>	<u>\$ 5,336,287</u>	<u>\$ (1,749)</u>

See accompanying notes to basic financial statements.

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**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Budget and Actual - Road and Bridge Fund**

**Year Ended September 30, 2008**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<i>REVENUES:</i>				
Taxes	\$ 4,103,546	\$ 4,103,546	\$ 3,903,497	\$ (200,049)
Intergovernmental	2,279,755	2,279,755	2,554,118	274,363
Miscellaneous	74,910	74,910	149,565	74,655
Total revenues	<u>6,458,211</u>	<u>6,458,211</u>	<u>6,607,180</u>	<u>148,969</u>
<i>EXPENDITURES:</i>				
Current:				
Highways and streets	5,521,595	5,521,595	4,147,200	1,374,395
Capital outlay	516,244	818,058	1,331,132	(513,074)
Debt service:				
Principal	235,762	235,762	169,206	66,556
Interest and fiscal charges	52,564	52,564	52,564	-
Total expenditures	<u>6,326,165</u>	<u>6,627,979</u>	<u>5,700,102</u>	<u>927,877</u>
<i>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</i>	132,046	(169,768)	907,078	1,076,846
<i>OTHER FINANCING SOURCES:</i>				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(12,500)</u>	<u>(12,500)</u>
<i>NET CHANGE IN FUND BALANCE</i>	132,046	(169,768)	894,578	1,064,346
<i>FUND BALANCES, BEGINNING OF YEAR</i>	<u>2,703,289</u>	<u>2,703,289</u>	<u>2,703,289</u>	<u>-</u>
<i>FUND BALANCES, END OF YEAR</i>	<u>\$ 2,835,335</u>	<u>\$ 2,533,521</u>	<u>\$ 3,597,867</u>	<u>\$ 1,064,346</u>

See accompanying notes to basic financial statements.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Budget and Actual - Ambulance District**

**Year Ended September 30, 2008**

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	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<i>REVENUES:</i>				
Taxes	\$ 2,612,878	\$ 2,612,878	\$ 2,299,127	\$ (313,751)
Miscellaneous	-	-	250	250
Total revenues	<u>2,612,878</u>	<u>2,612,878</u>	<u>2,299,377</u>	<u>(313,501)</u>
<i>EXPENDITURES:</i>				
Current:				
Public safety	2,390,544	2,416,544	2,015,587	400,957
Capital outlay	136,334	136,334	261,669	(125,335)
Debt service:				
Principal	56,814	56,814	20,867	35,947
Interest and fiscal charges	3,186	3,186	3,186	-
Total expenditures	<u>2,586,878</u>	<u>2,612,878</u>	<u>2,301,309</u>	<u>311,569</u>
<i>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</i>	26,000	-	(1,932)	(1,932)
<i>OTHER FINANCING SOURCES:</i>				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
<i>NET CHANGE IN FUND BALANCE</i>	26,000	-	(71,932)	(71,932)
<i>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</i>	<u>(314,778)</u>	<u>(314,778)</u>	<u>(314,778)</u>	<u>-</u>
<i>FUND BALANCES (DEFICIT), END OF YEAR</i>	<u><u>\$ (288,778)</u></u>	<u><u>\$ (314,778)</u></u>	<u><u>\$ (386,710)</u></u>	<u><u>\$ (71,932)</u></u>

See accompanying notes to basic financial statements.

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**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Net Assets - Proprietary Funds**

**September 30, 2008**

Business-type Activities  
Enterprise Funds  
Solid Waste

***Assets***

*CURRENT ASSETS:*

Cash and cash equivalents	\$ 5,343,706
Receivables, net of allowance for uncollectibles:	
Fees	2,740
Accounts	355,607
Total current assets	<u>5,702,053</u>

*NONCURRENT ASSETS:*

Restricted assets:	
Cash	\$ 664,313
Cash on deposit with fiscal agent	664
Fixed assets, net of depreciation	<u>1,585,585</u>
Total noncurrent assets	<u>2,250,562</u>
Total assets	<u><u>\$ 7,952,615</u></u>

***Liabilities and Net Assets***

*CURRENT LIABILITIES:*

Warrants payable	\$ 380,942
Accrued payroll	18,269
Accrued retirement payable	4,611
Compensated absences payable	29,509
Total current liabilities	<u>433,331</u>

*NONCURRENT LIABILITIES:*

Compensated absences payable	<u>-</u>
Total liabilities	433,331

*NET ASSETS:*

Invested in capital assets, net of related debt	\$ 1,585,585
Reserved for:	
Debt retirement	664
Capital improvements	664,313
Unrestricted	<u>5,268,722</u>
Total liabilities and net assets	<u><u>7,519,284</u></u>
	<u><u>\$ 7,952,615</u></u>

See accompanying notes to basic financial statements.



**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Statement of Revenues, Expenses,  
and Changes in Fund Net Assets -  
Proprietary Funds**

**Year Ended September 30, 2008**

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	Business-type Activities Enterprise Funds	
	<u>Solid Waste</u>	
<i>OPERATING REVENUES:</i>		
Charges for services		\$ 5,019,648
<i>OPERATING EXPENSES:</i>		
Salaries	\$ 601,098	
Benefits	300,107	
Other services and charges	3,037,402	
Depreciation	127,320	
Total operating expenses	<u>4,065,927</u>	
<i>OPERATING INCOME</i>		953,721
<i>NONOPERATING REVENUES:</i>		
Penalties and interest	22,786	
Miscellaneous	<u>-</u>	
Total nonoperating revenues		22,786
<i>TRANSFERS:</i>		
Transfers out		<u>(37,000)</u>
<i>CHANGE IN NET ASSETS</i>		939,507
<i>NET ASSETS, BEGINNING OF YEAR</i>		<u>6,579,777</u>
<i>NET ASSETS, END OF YEAR</i>		<u><u>\$ 7,519,284</u></u>

See accompanying notes to basic financial statements.

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**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Cash Flows - Proprietary Funds**

Business-type  
 Activities  
Enterprise Funds  
Solid Waste

***Increase (Decrease) in Cash and Cash Equivalents***

*CASH FLOWS FROM OPERATING ACTIVITIES:*

Cash received from customers	\$ 4,996,247
Cash payments to suppliers for goods and services	(3,534,539)
Cash payments to employees for services	<u>(597,967)</u>
Net cash provided by operating activities	863,741

*CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:*

Miscellaneous receipts	\$ 22,786
Cash paid to Bonner County	<u>(37,000)</u>
Net cash used in noncapital financing activities	(14,214)

*CASH FLOWS FROM CAPITAL FINANCING AND RELATED  
 FINANCING ACTIVITIES:*

Acquisition of fixed assets	<u>(122,263)</u>
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*NET INCREASE IN CASH AND CASH EQUIVALENTS* 727,264

*CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR* 5,281,419

*CASH AND CASH EQUIVALENTS, END OF YEAR* \$ 6,008,683

*CASH AND CASH EQUIVALENTS:*

Cash	\$ 5,343,706
Restricted assets:	
Cash	664,313
Cash on deposit with fiscal agent	<u>664</u>
	<u>\$ 6,008,683</u>

See accompanying notes to basic financial statements.

Business-type  
Activities  
Enterprise Funds  
Solid Waste

*Reconciliation of Operating Income to Net  
Cash Provided by Operating Activities:*

Operating income		\$ 953,721
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$ 127,320	
Changes in assets and liabilities:		
Increase in receivables:		
Fees	(342)	
Accounts	(23,059)	
Decrease in warrants payable	(202,074)	
Increase in accrued payroll	5,044	
Increase in retirement payable	719	
Increase in compensated absences payable	2,412	
Total adjustments		<u>(89,980)</u>
Net cash provided by operating activities		<u><u>\$ 863,741</u></u>

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Fiduciary Net Assets - Fiduciary Funds**

**September 30, 2008**

	<u>Fiduciary Fund Types</u>		
	Employee 457		Totals
	Deferred	Agency	(Memorandum
	Compensation	Funds	Only)
	<u>Trust Fund</u>		<u>Only)</u>
<b><i>Assets</i></b>			
Cash and cash equivalents	\$ 519,231	\$ 1,132,422	\$ 1,651,653
Receivable, net of allowance for uncollectibles:			
Taxes	<u>-</u>	<u>1,239,737</u>	<u>1,239,737</u>
Total assets	<u>\$ 519,231</u>	<u>\$ 2,372,159</u>	<u>\$ 2,891,390</u>
<b><i>Liabilities and Net Assets</i></b>			
<i>LIABILITIES:</i>			
Warrants payable	\$ -	\$ 392,288	\$ 392,288
Accounts payable	-	619,887	619,887
Due to other taxing districts	<u>-</u>	<u>1,359,984</u>	<u>1,359,984</u>
Total liabilities	-	2,372,159	2,372,159
<i>NET ASSETS:</i>			
Investments held in trust for participants	<u>519,231</u>	<u>-</u>	<u>519,231</u>
	<u>\$ 519,231</u>	<u>\$ 2,372,159</u>	<u>\$ 2,891,390</u>

See accompanying notes to basic financial statements.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Statement of Changes in Fiduciary**  
**Net Assets - Fiduciary Funds**

**Year Ended September 30, 2008**

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	Employee 457 Deferred Compensation <u>Trust Fund</u>
<i>ADDITIONS:</i>	
Trust receipts	\$ 45,619
<i>DEDUCTIONS:</i>	
Trust turnovers	<u>69,525</u>
<i>CHANGE IN NET ASSETS</i>	(23,906)
<i>NET ASSETS, BEGINNING OF YEAR</i>	<u>543,137</u>
<i>NET ASSETS, END OF YEAR</i>	<u><u>\$ 519,231</u></u>

See accompanying notes to basic financial statements.

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# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### ***NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:***

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##### *Organization:*

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

##### *Summary of Significant Accounting Policies:*

The County's significant accounting policies are described below:

*Reporting Entity* – The County operates under a commissioner form of government, with supervision of various departments by elected officials as provided by the State Constitution. The County provides the following services: public safety (police), highways and streets, sanitation, health and social services, welfare, culture and recreation, public improvements, planning and zoning, and general administrative services.

For financial reporting purposes, management has considered all potential component units which are controlled or whose boards are appointed by the Board of County Commissioners. Control by the County was determined on the basis of budget adoption, the selection of management, the ability to significantly influence operations, accountability for fiscal matters, and other factors. Based on this criteria, there was one component unit included in the County's report, which is reported within the special revenue funds and is reported as a major fund.

*Blended Component Units* – The Ambulance District of Bonner County is a blended component unit and is responsible for providing emergency medical services and medical transportation to the residents of the County. The Ambulance District's governing body is the same as that of Bonner County's governing body, the Board of County Commissioners. The County has the ability to significantly impose its will over the Ambulance District. Management of the Ambulance District consists of those individuals responsible for the day-to-day operations of the County; and the Ambulance District provides services wholly within the boundaries of the County with the intention of providing medical services to the residents of the County. Therefore, the Ambulance District is presented as a blended component unit and is grouped as a special revenue fund.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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##### *Summary of Significant Accounting Policies (continued):*

*Measurement Focus and Basis of Presentation* – The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

Financial reporting is based upon all GASB pronouncements, as well as the Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and Accounting and Research Bulletins that were issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989, are not allowed in preparation of the accompanying financial statements.

*Government-wide Financial Statements* – Government-wide financial statements consist of the statement of net assets and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenue, are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements are presented using the economic resources measurement focus and accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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##### *Summary of Significant Accounting Policies (continued):*

##### *Government-wide Financial Statements (continued) –*

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues. Other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

Program revenues include charges for services and payments made by parties outside the reporting County's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

*Fund Financial Statements* – The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

These statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds. Each major fund is displayed in a separate column. All of the remaining funds are aggregated and reported in a single column as other governmental funds (if applicable).



# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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##### *Summary of Significant Accounting Policies (continued):*

##### *Fund Financial Statements (continued) —*

- a) **Governmental Funds** – In the fund financial statement, governmental funds are presented using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The County uses an availability period of 60 days.

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered “available spendable resources,” since they do not represent the net current assets.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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##### *Summary of Significant Accounting Policies (continued):*

##### *Fund Financial Statements (continued) —*

Recognition of governmental fund-type revenue represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of long-term receivables are offset by fund balance reserve accounts.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund-type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources. The following comprise the County's major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Justice Fund* accounts for the services and equipment used to provide for the public safety of the County.

The *Road and Bridge Fund* accounts for the design, construction, and maintenance of County roads.

The *Ambulance District* accounts for the revenues earned and services provided for medical care.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

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##### *Summary of Significant Accounting Policies (continued):*

##### *Fund Financial Statements (continued) –*

- b) **Proprietary Funds** – account for ongoing organizations and activities of the government, which are similar to those found in the private sector. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the County has elected to apply all applicable FASB pronouncements, including those issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements. Proprietary funds include the following fund type:

The *Enterprise Fund* is used to account for those operations that meet one of two criteria; (1) The activity runs in 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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The proprietary funds financial statements distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods and services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

- c) **Fiduciary Funds** – account for assets held by the County in a trustee capacity or as an agent on behalf of others.

The *Agency Fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the County holds for others in an agency capacity.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### **NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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##### *Summary of Significant Accounting Policies (continued):*

*Deposits and Investments* – The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are stated at fair value at September 30, 2008, as determined by quoted market prices, except for the certificates of deposit which are nonparticipating contracts, and are therefore carried at cost. The individual funds' portions of the pool's fair value are presented as "investments." Interest earned on the pooled funds is apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund. Interest earnings in certain special revenue funds are transferred to the general fund based on management policy. Idaho Code Section 67 (Code), Chapter 12, provides authorization for the investment of funds as well as to what constitutes an allowable investment. County policy is consistent with the State Code.

The Code limits investments to the following general types:

1. Certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities.
2. Time deposit accounts, tax anticipation, and interest-bearing notes.
3. Bonds, treasury bills, debentures, or other similar obligations of the United States government and United States government agencies.
4. Repurchase agreements secured by the above.

Cash and investments are pooled and invested in certificates of deposit, United States treasury securities, United States government agency securities, and repurchase agreements secured by United States government securities or United States government agencies. The County's policy has been to hold investments until maturity in an attempt to reduce market fluctuation risk.

For purposes of the statement of cash flows, the County considers all highly liquid investments purchased with a maturity of three months or less to be cash. Cash and investment balances for the enterprise funds represent their allocated share of pooled cash and investments of the County and can be drawn down on demand. The investment purchases and sales information is not available for individual funds and management believes that due to the nature of the pooled investments, this information is not significant for purposes of understanding the statement of cash flows. Accordingly, the net change method is used to report cash flows from investments in these statements.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### **NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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##### *Summary of Significant Accounting Policies (continued):*

*Receivables and Payables* – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Receivables are recorded at gross. The allowance for uncollectible accounts is zero at September 30, 2008.

Property taxes are an enforceable lien on property. The County property taxes are levied on or before the third Monday of the preceding September and billed to taxpayers in November. The taxes are due in two installments. One half of the personal property taxes and one-half of the real property taxes are due on or before December 20. The remaining one-half of the personal real property taxes is due on or before June 20 of the following year. If the first half of the personal property tax becomes delinquent, then the full tax is due. The County bills and collects its own property taxes and also collects taxes for all other taxing districts within its boundaries.

*Restricted Assets* – Certain proceeds and resources are set aside and classified as restricted assets on the statement of net assets because their use is limited by County resolution. In the Solid Waste Enterprise fund, resources have been set aside for future certificate retirement and capital improvements. The County does not maintain a solid waste landfill. All waste hauling is contracted out and the County has no liability for disposal or landfill costs.

*Capital Assets* – Capital assets including land, building, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset lives is not capitalized in the proprietary funds.

Public domain (infrastructure) general fixed assets (i.e., roads, bridges, sidewalks, and other assets that are immovable and of value only to the County) are capitalized under GASB Statement No. 34. The County has not fully implemented the capitalization of the infrastructure assets in the governmental activities column in the government-wide financial statements as required under GASB Statement No. 34 for the infrastructure acquired prior to October 1, 2003. The County is allowed a four-year period in which to capitalize the infrastructure assets and can prospectively account for the infrastructure over the next four years. All newly acquired infrastructure with the implementation of GASB Statement No. 34 is reported in the year acquired.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

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##### *Summary of Significant Accounting Policies (continued):*

##### *Capital Assets (continued) –*

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of business-type activities is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

Property, plant, and equipment are depreciated in the governmental or business-type activities columns in the government-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	10-20
Equipment	5-10

*Deferred Revenues* – Deferred revenues in the governmental funds represent amounts due, which are measurable, but not available.

*Compensated Absences* – It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. GASB codification specifies that a liability should be accrued for leave benefits that meet the following conditions:

1. The employer's obligation relative to employee rights to receive compensation for future absences is attributable to the employee services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the obligation is probable.
4. The amount can be reasonably estimated.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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##### *Summary of Significant Accounting Policies (continued):*

##### *Compensated Absences (continued) –*

The County records a liability for accrued sick and vacation time when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements. The County uses the vesting method to calculate the compensated absence liability.

In the proprietary fund, compensated absences are expended when earned. The entire amount of compensated absences is reported as a liability.

At September 30, 2008, total compensated absences payable by the County was \$684,392. Of this amount, \$654,883 arises from governmental activity operations and \$29,509 is attributable to business activity operations.

*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 of statement of net assets. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

*Fund Equity* – Reserves represent those portions of fund equity appropriable for expenditure or legally segregated for a specific future use.

*Net Assets* – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets invested in capital assets, net of related debt exclude unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling of legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted resources are used first to fund appropriation.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### **NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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##### *Summary of Significant Accounting Policies (continued):*

*Interfund Transactions* – During the normal course of operations, the County has transactions between funds. The most significant types are operating transfer, reimbursements, and residual equity transfers.

1. Operating transfers – Operating transfers are transfers of resources from one fund to another fund, where the resources will be expended.
2. Reimbursements – Reimbursement from one fund to another are expended in the reimbursing fund and reduce the revenues/expenditures of the fund being reimbursed.
3. Residual equity transfer – residual equity transfers are nonrecurring and nonroutine transfer of equity between funds, or the transfer of residual balances of discontinued funds or projects to the general fund, capital projects fund, or the debt service fund.

As a general rule the effect of the interfund activity has been eliminated from the government-wide financial statements.

*New Reporting Standard* – In June 1999, GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement establishes new financial reporting requirements for state and local governments throughout the United States, which consists of a Management's Discussion and Analysis as required supplementary information. The statement requires new information and a restructure of much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. In June 2001, GASB then issued Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* – an amendment of GASB Statements No. 21 and No. 34. These new accounting and reporting standards require that assets and liabilities be reported as current and noncurrent with the difference between the two as net assets. The new standards were implemented in fiscal year 2003.

*Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.



# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

##### *Summary of Significant Accounting Policies (continued):*

*Total Columns on Statement of Fiduciary Net Assets* – Total columns are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position in conformity with GAAP. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregate of this data.

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

*Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Activities* – The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds and net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and therefore not reported in the funds.” The details of this \$183,500,266 difference are as follows:

Gross capital assets	\$479,088,216
Accumulated depreciation	<u>(295,587,950)</u>
Net adjustment to increase total governmental funds to arrive at net assets governmental funds	\$183,500,266

Another element of that reconciliation explains that “other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.” The details of this \$362,401 difference are as follows:

Unavailable deferred revenue	<u>\$ 362,401</u>
Net adjustment to increase total governmental funds to arrive at net assets governmental funds	<u>\$ 362,401</u>

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### NOTE 2 — RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued):

Another element of that reconciliation explains that “long-term liabilities that are not due and payable in the current period are not reported in the funds.” The details of this (\$4,245,138) difference are as follows:

Accrued interest payable	\$ (28,672)
Capital leases payable	(3,723,492)
Special assessment bonds payable	(355,000)
Compensated absences	<u>(137,974)</u>
Net adjustments to reduce – total governmental funds to arrive at net assets – governmental activities	<u>\$ (4,245,138)</u>

*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 a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of these assets is capitalized and depreciated over the period of the asset’s useful life. When capital assets are disposed of, the difference between the original cost and the depreciation, and the proceeds is recorded as gain or (loss) on the sale.” The details of this \$(20,954,118) difference are as follows:

Capital outlay	\$ 3,247,171
Depreciation expense	<u>(24,201,289)</u>
Net adjustment to decrease the net changes in fund balance – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (20,954,118)</u>

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### NOTE 2 — RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued):

Another element of that reconciliation states that the issuance of the long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The details of this \$459,881 difference are as follows:

Principal repayments:	
Capital lease	\$ 239,881
Special assessment debt	<u>220,000</u>
Net adjustment to increase net changes in fund balance – total governmental funds to arrive at changes in net assets of governmental activities	  \$ 459,881 <u>          </u>

#### NOTE 3 — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

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##### *Budgetary Information*

All County department heads are required to submit their annual budget requests to the County Auditor. The County Auditor is the Budget Officer, and as such Budget Officer, it is his/her duty to compile and prepare a preliminary budget for consideration by the County Commissioners. The budget is prepared by fund, department, and object. On or before the first Monday in August, the County Budget Officer submits the proposed budget to the County Commissioners for review and approval. When the tentative budget has been approved, it must be published no later than the third week of August. On or before Tuesday following the first Monday of September each year, the Board of Commissioners shall meet and hold a public budget hearing at which time any taxpayer may appear and be heard upon any part or parts of said tentative budget. Such hearing may be continued from day to day until concluded, but not to exceed a total of five days.

Upon the conclusion of such hearing, the County Commissioners shall fix and determine the amount of the appropriated budget for each department of the County, separately, which in no event shall be greater than the amount of the overall tentative budget and by resolution the County Commissioners shall adopt the appropriated budget as a part of the official minutes of the Board.

During the fiscal year, only the Board of County Commissioners may amend the annual appropriated budget by resolution through the courts or by the budget hearing process. The appropriated budget can be increased by expending unanticipated revenues or utilization of reserves.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### *NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued):*

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The County is required by State law to adopt annual appropriated budgets for the general and special revenue funds. All appropriated budgets for governmental funds are adopted on a basis consistent with GAAP. Budgets for enterprise funds are adopted on a non-GAAP basis. Budgeted amounts are as amended during the fiscal year ended September 30, 2008.

All appropriations, other than appropriations for incomplete improvements in process of construction, lapse at the end of the fiscal year. Appropriation accounts may remain open until the first Monday in November for payment of claims incurred against such appropriations prior to the close of the fiscal year. After the first Monday in November, the appropriations become null and void and any lawful claims presented thereafter against any subsequent appropriation will be provided for in the ensuing budget.

#### *Deficit Fund Equity*

At September 30, 2007, the Ambulance District fund had a deficit fund balance of \$386,710. The Ambulance District is recognized as a separate legal taxing district. The Board of County Commissioners approves the annual Ambulance District budget, and is responsible for levying the balance necessary to fund the approved budget under the Ambulance District levy. The budget levy for 2008 was \$2,612,878 for fiscal year 2008 operations. Loans have been made from the Justice Fund to the Ambulance District to help fund start-up operations and will be paid back over a 12 -year period.

#### *NOTE 4 – DEPOSITS AND INVESTMENTS:*

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The elected State Treasurer, following Idaho Code, is authorized to sponsor an investment pool that the County voluntarily participates in. The Joint Powers Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool (Pool) is managed by the State of Idaho Treasurer's office. The funds of the Pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body – oversight is with the State Treasurer, and Idaho Code defines allowable investments. An annual audit of Joint Powers Investment Pool is conducted by the State Legislative Auditor's Office. The Legislative Auditor of the State of Idaho has full access to the records of the Pool.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### *NOTE 4 – DEPOSITS AND INVESTMENTS (continued):*

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Through a “Cash Management Sweep Account and Automatic Daily Repurchase Agreement” dated in September 1997 and June 2007 with Wells Fargo Bank and Panhandle State Bank, respectively, the County invests idle cash in uninsured repurchase agreements. The repurchase agreements are fully collateralized with an undivided, fractional interest in obligations of, or obligations that are fully guaranteed by the United States government, its agencies, or instrumentalities. Title to the securities are vested in the bank. The bank repurchases the undivided, fractional interest from the County on the next banking day.

*Credit Risk* – The County’s investment policy requires individual investments to have a credit rating of A or better by Standard and Poor’s Corporation or an equivalent nationally recognized statistical rating organization. All investments meet this requirement. The Local State Government Investment Pool is not rated.

*Concentration of Credit Risk* – The County’s investment policy currently does not limit the balance of investments with a single issuer, however, one issuer holds more than 40% of the County’s total portfolio at September 30, 2008. As of September 30, 2008, the following issuers hold more than 5% of the County’s total portfolio: Panhandle State Bank – 42%, Wells Fargo Bank – 32%, and US Bank – 24%.

*Custodial Credit Risk – Investments* – This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. All of the County’s investments are registered in the name of the County in accordance with policy.

At September 30, 2008, the market value of the repurchase agreements through Panhandle State Bank was \$6,205,007. The investments in repurchase agreements are uninsured and unregistered. The investments are fully collateralized with securities held by the safekeeping bank in the bank’s name with market values of \$6,205,007.

*Custodial Credit Risk – Deposits* – This is the risk that in the event of a bank failure, the County’s deposits may not be available. As of September 30, 2008, substantially all of the County’s bank balance of deposits was exposed to custodial credit risk. The County has \$3,701,802 in certificates of deposit carried at cost. Five \$100,000 certificates of deposit are at separate banks covered by Federal Deposit Insurance Corporation insurance. The County has invested in Money Market Security in the amount of \$4,225,781 which is AAA rated and in the direct name of the County. The repurchase agreements are direct obligations of or guaranteed by the United States, its agencies, or instrumentalities. They have a current market value equal to or greater than the principal amount of the transaction. The County’s investment policy requires working with primary or regional dealers for the purchase of its authorized securities. Investments are made with banks designated by the State Treasurer as a state depository.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### NOTE 4 – DEPOSITS AND INVESTMENTS (continued):

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*Interest Rate Risk* – As a means of limiting its exposure to fair value losses arising from changes in interest rates, the Treasurer may invest funds of the County that are not identified as operating funds, in investments with maturities longer than 450 days, but not to exceed four years. The County's investments are in compliance with this policy. The County assumes that its callable investments will not be called. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by holding all investments to maturity. The following table presents the County's exposure to credit risk in accordance with the Segmented Time Distribution method.

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Under 30 Days</u>	<u>31-180 Days</u>	<u>181-365 Days</u>	<u>1 to 4 Years</u>	<u>Market Value</u>	<u>Cost</u>
Panhandle State Bank							
Repurchase Agreement	N/A	\$ 6,205,007	\$ -	\$ -	\$ -	\$ 6,205,007	\$ 6,205,007
State of Idaho Local Government							
Investment Pool	N/A	<u>15,052,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,052,926</u>	<u>15,052,926</u>
Total investments		\$ 21,257,933	\$ -	\$ -	\$ -	\$21,257,933	\$21,257,933
		<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

#### NOTE 5 – DUE FROM OTHER GOVERNMENTAL UNITS:

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Amounts due from other governmental units include balances due from the federal government, state of Idaho, and other local governments related to grant funded activities, including airport construction, weed control, and justice activities. The County believes all balances are collectible, and as a result has not established an allowance for uncollectible accounts.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Notes to Basic Financial Statements**

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**NOTE 6 – CAPITAL ASSETS:**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, being depreciated:				
Infrastructure	\$ 454,942,956	\$ 449,779	\$ (24,950)	\$ 455,367,785
Buildings	4,843,007	1,513,591	-	6,356,598
Machinery and equipment	16,117,564	1,283,801	(37,532)	17,363,833
Less accumulated depreciation	<u>(271,386,661)</u>	<u>(24,201,289)</u>	<u>-</u>	<u>(295,587,950)</u>
 Governmental activities capital assets, net	 \$ 204,516,866	 \$(20,954,118)	 \$ (62,482)	 \$ 183,500,266
	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>
Depreciation expense was charged to functions as follows:				
General governmental services				\$ 255,139
Highways and streets				23,446,367
Culture and recreation				22,996
Public safety				402,375
Health				<u>74,412</u>
 Total governmental activities depreciation expense				 \$ 24,201,289
				<u><u>                    </u></u>

**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Notes to Basic Financial Statements**

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**NOTE 6 — CAPITAL ASSETS (continued):**

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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 177,590	\$ -	\$ -	\$ 177,590
Total capital assets, not being depreciated	<u>177,590</u>	<u>-</u>	<u>-</u>	<u>177,590</u>
Capital assets, being depreciated:				
Buildings	867,479	-	-	867,479
Improvements other than buildings	809,430	-	-	809,430
Machinery and equipment	<u>1,216,669</u>	<u>122,263</u>	<u>-</u>	<u>1,338,932</u>
Total capital assets, being depreciated	<u>2,893,578</u>	<u>122,263</u>	<u>-</u>	<u>3,015,841</u>
Less accumulated depreciation for:				
Buildings	(251,165)	(21,687)	-	(272,852)
Improvements other than buildings	(220,864)	(41,420)	-	(262,284)
Machinery and equipment	<u>(1,008,497)</u>	<u>(64,213)</u>	<u>-</u>	<u>(1,072,710)</u>
Total accumulated depreciation	<u>(1,480,526)</u>	<u>(127,320)</u>	<u>-</u>	<u>(1,607,846)</u>
Total capital assets, being depreciated, net	<u>1,413,052</u>	<u>(5,057)</u>	<u>-</u>	<u>1,407,995</u>
Business-type activities capital assets, net	<u>\$ 1,590,642</u>	<u>\$ (5,057)</u>	<u>\$ -</u>	<u>\$ 1,585,585</u>

Depreciation expense was charged to functions as follows:

Solid Waste	\$ 127,320
	<u>          </u>



# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### NOTE 7 – LEASES:

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##### *Operating Leases*

*Public Defender* – On September 10, 2002, the County entered into an agreement to lease a portion of a building for office space. Total payments made for the year ended September 30, 2008, were \$18,700. The lease expired on September 1, 2008.

*Indigent and Charity* – On December 16, 2003, the County entered into an agreement to lease a portion of a building for office space. Total payments made for the year ended September 30, 2008, were \$10,500. As extended, the lease expires January 31, 2009.

*Public Works* – On December 16, 2003, the County entered into an agreement to lease a portion of a building for office space. Total payments made for the year ended September 30, 2008, were \$22,060. As extended, the lease expires January 31, 2009.

*Prosecutor's Office* – On June 21, 2007, the County entered into an agreement to lease a portion of a building for office space. Total payments made for the year ended September 30, 2008, were \$24,000. The lease expired on February 28, 2008.

Future minimum annual lease payments at September 30, 2008, are:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2009	\$ 5,863

##### *Capital Leases*

The County has entered into various leases to purchase equipment. These lease agreements qualify as capital leases for accounting purposes and are recorded in the capital assets of the County. The cost of the leased assets is \$4,500,554. The leases are collateralized by the assets.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Notes to Basic Financial Statements**

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**NOTE 7 — LEASES (continued):**

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*Capital Leases (continued)*

Future minimum annual lease payments at September 30, 2008, are:

<u>Years Ending September 30,</u>	<u>Road and Bridge</u>	<u>Federal Building</u>	<u>Total</u>
2009	\$ 235,614	\$ 158,061	\$ 393,675
2010	789,557	158,061	947,618
2011	203,266	158,061	361,327
2012	40,052	158,061	198,113
2013-2017	188,474	790,305	978,779
2018-2022	<u>-</u>	<u>2,408,172</u>	<u>2,408,172</u>
Total minimum lease payments	1,456,963	3,830,721	5,287,684
Less amount representing interest	<u>(151,119)</u>	<u>(1,413,073)</u>	<u>(1,564,192)</u>
Capital lease obligations	<u>\$ 1,305,844</u>	<u>\$ 2,417,648</u>	<u>\$ 3,723,492</u>

**NOTE 8 — LONG-TERM DEBT:**

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*Changes in Long-Term Liabilities*

Long-term liability activity for the year ended September 30, 2008, was as follows:

	<u>Balance, October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, September 30, 2008</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 694,398	\$ -	\$ (39,515)	\$ 654,883	\$ 516,909
Leases payable	3,652,042	311,331	(239,881)	3,723,492	214,764
Special assessment bonds	<u>575,000</u>	<u>-</u>	<u>(220,000)</u>	<u>355,000</u>	<u>220,000</u>
Governmental activities long-term liabilities	<u>\$ 4,921,440</u>	<u>\$ 311,331</u>	<u>\$ (499,396)</u>	<u>\$ 4,733,375</u>	<u>\$ 951,673</u>

**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Notes to Basic Financial Statements**

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**NOTE 8 — LONG-TERM DEBT (continued):**

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*Changes in Long-Term Liabilities (continued)*

	Balance, October 1, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, September 30, <u>2008</u>	Due Within <u>One Year</u>
Business-type activities:					
Compensated absences	\$ 27,097	\$ 2,412	\$ -	\$ 29,509	\$ -
Business-type activities					
long-term liabilities	\$ 27,097	\$ 2,412	\$ -	\$ 27,509	\$ -
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The annual debt service requirements to amortize the note payable to the bank for redemption of special assessment bonds as of September 30, 2008, are:

<u>Years Ending</u> <u>September 30,</u>	<u>93-1</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 220,000	\$ 29,575
2010	<u>135,000</u>	<u>15,275</u>
	\$ 355,000	\$ 44,850
	<u>          </u>	<u>          </u>

The holders of any special assessment bonds have no claims against the County under Idaho Code.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### NOTE 9 — RESTRICTED NET ASSET ACCOUNTS:

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Resolutions of the County require certain reservations of the Solid Waste Fund's net assets:

Restricted for debt retirement	\$ 664
Restricted for capital improvements	<u>664,313</u>
Total restricted net assets	<u>\$ 664,977</u>

The balances of the Solid Waste Fund's restricted net asset accounts are as follows:

Debt retirement	\$ 664
Capital improvements	<u>664,313</u>
Total restricted net assets	<u>\$ 664,977</u>

#### NOTE 10 — FUND TRANSFERS:

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Individual fund transfers in and out balances at September 30, 2008, were:

	Transfers <u>Out</u>	Transfers <u>In</u>
General Governmental Services	\$ 270,970	\$ -
Road and Bridge	12,500	-
Airport	-	1
Fair	-	3
District Court	49,437	-
Health District	-	5
911	250,000	-
Indigent and Charity	12,492	-
Junior College	499,998	-
Revaluation	254,978	-
Tort	-	19
Parks and Recreation	250	-

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### NOTE 10 — FUND TRANSFERS (continued):

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	Transfers <u>Out</u>	Transfers <u>In</u>
Weeds	\$ -	\$ 56,753
Justice	354,295	-
Waterways	-	17,813
Judgements	258	-
Ambulance	70,000	-
Grants	5,276	-
Capital Projects	-	1,742,860
Solid Waste	<u>37,000</u>	<u>-</u>
	\$ 1,817,454	\$ 1,817,454
	=====	=====

#### NOTE 11 — CONTINGENT LIABILITIES AND COMMITMENTS:

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##### *Grants*

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

##### *Lawsuits*

Bonner County is a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

##### *Local Improvement District*

On February 26, 1993, and later amended on June 29, 1994, the County created Local Improvement District No. 93-1 (LID No. 93-1). LID No. 93-1 was used for the acquisition, construction, and installation of paved streets and all necessary appurtenances thereto.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### **NOTE 11 — CONTINGENT LIABILITIES AND COMMITMENTS (continued):**

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##### *Local Improvement District (continued)*

On February 13, 1995, the Board of County Commissioners adopted by ordinance the assessment roll for LID No. 93-1 in the amount of \$2,636,103. LID No. 93-1 assessments are due from property owners within the local improvement district and are receivable annually over 15 years.

On March 20, 1995, the Board of County Commissioners adopted by ordinance approval for the issuance and sale of LID No. 93-1 bonds in the aggregate principal amount of \$2,420,654. Such bonds mature serially beginning April 30, 1996, and annually on each year thereafter until April 30, 2010. Receipt of annual assessment installments in February is used for paying annual maturity of said bonds.

On September 13, 1996, the County created Local Improvement District No. 96-1 (LID No. 96-1). LID No. 96-1 was used for the acquisition, construction, and installation of pavement improvements to Lower Pack River Road. On October 14, 1997, the Board of County Commissioners adopted by ordinance the assessment roll for LID No. 96-1 in the amount of \$136,626. LID No. 96-1 assessments are due from property owners within the local improvement district and are receivable annually over ten years.

On December 4, 1997, the Board of County Commissioners adopted by ordinance approval for the issuance and sale of LID No. 96-1 bonds in the aggregate principal amount of \$120,862. Such bonds mature serially beginning November 15, 1999, and annually each year thereafter until November 2007. Receipt of annual assessment installments in October is used for paying annual maturity of said bonds.

#### **NOTE 12 — DEFERRED COMPENSATION PLAN:**

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The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the participant or beneficiary) solely the property of the participant. Participants' rights under the plan are equal to the fair market value of the deferred account for each participant.

# Bonner County, Idaho

## Sandpoint, Idaho

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### Notes to Basic Financial Statements

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#### *NOTE 12 — DEFERRED COMPENSATION PLAN (continued):*

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Recent changes in the Internal Revenue Code provided that such funds administered by municipalities are not subject to claims by general creditors. In accordance with Government Accounting Standards such programs administered by independent outside trustees do not require inclusion in the financial statements. The assets and liabilities relating to this deferred compensation plan have been excluded in the County's financial statements.

#### *NOTE 13 — DEFINED BENEFIT PENSION PLAN:*

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On July 1, 2003, the County joined the Public Employee Retirement System of Idaho (System). The System administers the Public Employee Retirement Fund Base Plan (PERSI). PERSI is a cost sharing multiple-employer public retirement system, and was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members of beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2% (2.3% police) of the average monthly salary for the highest consecutive 42 months.

The contribution requirements of the County and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2008, the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.65% for police. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police members. Bonner County contributions required and paid were \$1,388,614 for the year ended September 30, 2008.

# **Bonner County, Idaho**

## **Sandpoint, Idaho**

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### **Notes to Basic Financial Statements**

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#### ***NOTE 14 – RISK MANAGEMENT:***

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The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance.

The County accounts for the majority of transactions involving insurance claims, deductibles, and expenses in the tort fund, which is reported as part of the special revenue funds. This fund has the power to levy an annual property tax to provide funds to pay insurance premiums.

The County employs a risk manager, whose duties include drafting and reviewing contracts, monitoring and defending claims, and evaluating the adequacy of insurance coverage. The risk manager informs and educates employees of responsibilities regarding prevention of loss exposure related to their duties.

Insurance is maintained through the Idaho Counties Reciprocal Management Program (ICRMP). ICRMP is an insurance pool serving all public entities in Idaho through provision of property, general liability, auto liability, physical damage, and public officials' insurance. The County pays an annual premium to ICRMP for insurance coverage.

The ICRMP 2007-2008 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 \$2,000,000. The aggregate amount or total combined amount of all liability claims added up in a single policy year is \$3,000,000.

ICRMP provides property insurance coverage structured so that ICRMP retains the first \$100,000 of damage to any County property. Allianz, an A++ reinsurer and one of the very largest reinsurers in the world, provides coverage for the remainder of the damage. The limits of the property coverage are tied to the 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.

Excluded from the maximum total deductible per policy period are deductibles paid for flood and/or earthquake, and boiler and machinery losses. The deductibles for these occurrences are \$2,500 per incident with no annual limit.

At September 30, 2008, the County had a variety of outstanding claims. The County risk manager and legal staff maintain the position that the County bears little or no loss liability, based upon the strength of the claims and prior experience. All claims during the three years ended September 30, 2008, were below the limits of the insurance coverage.



**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Notes to Basic Financial Statements**

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***NOTE 15 — CONDUIT DEBT OBLIGATIONS:***

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During the fiscal year ended September 30, 2001, the County issued Industrial Revenue Bonds to provide financial assistance to a private sector entity for the acquisition and construction of an industrial development facility deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facility transfers to the private sector entity served by the bond issuance. Neither the County, State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

## **SUPPLEMENTAL INFORMATION**

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Combining Balance Sheet -**  
**Nonmajor Governmental Funds**

**September 30, 2008**

	Total Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Total
<b><i>Assets</i></b>				
Cash and cash equivalents	\$ 6,412,106	\$ 1,275,572	\$ 126,861	\$ 7,814,539
Restricted cash	-	-	183,381	183,381
Receivables, net of allowance for uncollectibles:				
Taxes	228,475	685	-	229,160
Accounts	133,285	-	-	133,285
Interest	150	-	-	150
Due from other funds	-	-	-	-
Due from other governments	54,201	-	-	54,201
Prepaid assets	19,005	-	-	19,005
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ 6,847,222	\$ 1,276,257	\$ 310,242	\$ 8,433,721
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><i>Liabilities and Fund Balances</i></b>				
<b><i>LIABILITIES:</i></b>				
Warrants payable	\$ 732,150	\$ 400,729	\$ -	\$ 1,132,879
Vouchers payable	151,861	3,510	-	155,371
Accrued payroll	89,126	-	-	89,126
Accrued retirement payable	-	-	-	-
Due to other funds	18,000	-	-	18,000
Deferred revenue	230,200	673	-	230,873
Compensated absences payable	96,958	-	-	96,958
Total liabilities	1,318,295	404,912	-	1,723,207
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><i>FUND BALANCES:</i></b>				
Unreserved	5,528,927	871,345	310,242	6,710,514
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	\$ 6,847,222	\$ 1,276,257	\$ 310,242	\$ 8,433,721
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying independent auditors' report.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Combining Balance Sheet —**  
**Nonmajor Special Revenue Funds**

**September 30, 2008**

	<u>Airport</u>	<u>Grants</u>	<u>Junior College</u>	<u>Revaluation</u>	<u>Historical Society</u>	<u>District Court</u>	<u>Balance Carried Forward</u>
<b>Assets</b>							
Cash and cash equivalents	\$ 313,523	\$ 897,043	\$ 324,848	\$ 584,508	\$ 4,769	\$ 985,226	\$3,109,917
Receivables, net of allowance for uncollectibles:							
Taxes	4,461	-	122	70,468	1,355	49,606	126,012
Accounts	25,476	-	-	68	-	35,031	60,575
Interest	-	60	-	-	-	-	60
Due from other governments	-	53,990	-	-	-	211	54,201
Prepaid assets	-	-	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ 343,460	\$ 951,093	\$ 324,970	\$ 655,044	\$ 6,124	\$1,070,074	\$3,350,765
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Liabilities and Fund Balances</b>							
<b>LIABILITIES:</b>							
Warrants payable	\$ 3,627	\$ 393,384	\$ -	\$ 32,869	\$ -	\$ 46,005	\$ 475,885
Vouchers payable	10,093	683	120,873	-	-	-	131,649
Accrued liabilities	-	-	-	29,605	-	31,119	60,724
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	34,896	-	107	61,456	1,198	43,052	140,709
Compensated absences payable	-	-	-	28,593	-	33,809	62,402
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	48,616	394,067	120,980	152,523	1,198	153,985	871,369
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES</b>	<u>294,844</u>	<u>557,026</u>	<u>203,990</u>	<u>502,521</u>	<u>4,926</u>	<u>916,089</u>	<u>2,479,396</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	\$ 343,460	\$ 951,093	\$ 324,970	\$ 655,044	\$ 6,124	\$1,070,074	\$3,350,765
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Combining Balance Sheet — Nonmajor Special Revenue Funds (Continued)

September 30, 2008

	Balance Brought Forward	Special Highway	County Fair	911	Indigent and Charity	Balance Carried Forward
<b>Assets</b>						
Cash and cash equivalents	\$ 3,109,917	\$ 505,398	\$ 53,581	\$ 650,825	\$ 461,847	\$ 4,781,568
Receivables, net of allowance for uncollectibles:						
Taxes	126,012	-	9,791	-	20,448	156,251
Accounts	60,575	-	-	49,017	14,523	124,115
Interest	60	-	-	90	-	150
Due from other governments	54,201	-	-	-	-	54,201
Prepaid assets	-	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ 3,350,765	\$ 505,398	\$ 63,372	\$ 699,932	\$ 496,818	\$ 5,116,285
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Liabilities and Fund Balances</b>						
<b>LIABILITIES:</b>						
Warrants payable	\$ 475,885	\$ 699	\$ 3,340	\$ 77,453	\$ 120,983	\$ 678,360
Vouchers payable	131,649	-	-	-	20,212	151,861
Accrued liabilities	60,724	1,132	4,830	18,080	1,969	86,735
Due to other funds	-	-	-	18,000	-	18,000
Deferred revenue	140,709	-	8,564	-	17,850	167,123
Compensated absences payable	62,402	-	10,532	20,097	766	93,797
Total liabilities	<u>871,369</u>	<u>1,831</u>	<u>27,266</u>	<u>133,630</u>	<u>161,780</u>	<u>1,195,876</u>
<b>FUND BALANCES</b>	<u>2,479,396</u>	<u>503,567</u>	<u>36,106</u>	<u>566,302</u>	<u>335,038</u>	<u>3,920,409</u>
Total liabilities and fund balances	<u>\$ 3,350,765</u>	<u>\$ 505,398</u>	<u>\$ 63,372</u>	<u>\$ 699,932</u>	<u>\$ 496,818</u>	<u>\$ 5,116,285</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Combining Balance Sheet — Nonmajor Special Revenue Funds (Continued)

September 30, 2008

	Balance Brought Forward	Weeds	Veterans Memorial	Judgements	Tort	Balance Carried Forward
<b>Assets</b>						
Cash and cash equivalents	\$ 4,781,568	\$ 169,763	\$ -	\$ 10	\$ 592,747	\$ 5,544,088
Receivables, net of allowance for uncollectibles:						
Taxes	156,251	8,850	-	75	43,529	208,705
Accounts	124,115	6,869	-	-	-	130,984
Interest	150	-	-	-	-	150
Due from other governments	54,201	-	-	-	-	54,201
Prepaid assets	-	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ 5,116,285	\$ 185,482	\$ -	\$ 85	\$ 636,276	\$ 5,938,128
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Liabilities and Fund Balances</b>						
<b>LIABILITIES:</b>						
Warrants payable	\$ 678,360	\$ 9,632	\$ -	\$ -	\$ 1,640	\$ 689,632
Vouchers payable	151,861	-	-	-	-	151,861
Accrued liabilities	86,735	2,391	-	-	-	89,126
Due to other funds	18,000	-	-	-	-	18,000
Deferred revenue	167,123	7,719	-	66	38,001	212,909
Compensated absences payable	93,797	3,161	-	-	-	96,958
Total liabilities	<u>1,195,876</u>	<u>22,903</u>	<u>-</u>	<u>66</u>	<u>39,641</u>	<u>1,258,486</u>
<b>FUND BALANCES</b>	<u>3,920,409</u>	<u>162,579</u>	<u>-</u>	<u>19</u>	<u>596,635</u>	<u>4,679,642</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	\$ 5,116,285	\$ 185,482	\$ -	\$ 85	\$ 636,276	\$ 5,938,128
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Combining Balance Sheet — Nonmajor Special Revenue Funds (Continued)

September 30, 2008

	Balance Brought Forward	Health District	Snowmobile- Priest Lake	Snowmobile- Sandpoint	Waterways	Balance Carried Forward
<b>Assets</b>						
Cash and cash equivalents	\$ 5,544,088	\$ 56,620	\$ 80,219	\$ 66,790	\$ 157,190	\$ 5,904,907
Receivables, net of allowance for uncollectibles:						
Taxes	208,705	13,778	-	-	-	222,483
Accounts	130,984	-	-	-	-	130,984
Interest	150	-	-	-	-	150
Due from other governments	54,201	-	-	-	-	54,201
Prepaid assets	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ 5,938,128	\$ 70,398	\$ 80,219	\$ 66,790	\$ 157,190	\$ 6,312,725
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Liabilities and Fund Balances</b>						
<b>LIABILITIES:</b>						
Warrants payable	\$ 689,632	\$ -	\$ 270	\$ 12	\$ 32,283	\$ 722,197
Vouchers payable	151,861	-	-	-	-	151,861
Accrued liabilities	89,126	-	-	-	-	89,126
Due to other funds	18,000	-	-	-	-	18,000
Deferred revenue	212,909	12,048	-	-	-	224,957
Compensated absences payable	96,958	-	-	-	-	96,958
Total liabilities	<u>1,258,486</u>	<u>12,048</u>	<u>270</u>	<u>12</u>	<u>32,283</u>	<u>1,303,099</u>
<b>FUND BALANCES</b>	<u>4,679,642</u>	<u>58,350</u>	<u>79,949</u>	<u>66,778</u>	<u>124,907</u>	<u>5,009,626</u>
Total liabilities and fund balances	\$ 5,938,128	\$ 70,398	\$ 80,219	\$ 66,790	\$ 157,190	\$ 6,312,725
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

See accompanying independent auditors' report.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Combining Balance Sheet —**  
**Nonmajor Special Revenue Funds (Continued)**

**September 30, 2008**

	<u>Balance Brought Forward</u>	<u>Parks and Recreation</u>	<u>Court Facilities</u>	<u>Court Interlock</u>	<u>Drug Court</u>	<u>Total</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 5,904,907	\$ 145,823	\$ 304,445	\$ 22,699	\$ 34,232	\$ 6,412,106
Receivables, net of allowance for uncollectibles:						
Taxes	222,483	5,992	-	-	-	228,475
Accounts	130,984	-	1,740	561	-	133,285
Interest	150	-	-	-	-	150
Due from other governments	54,201	-	-	-	-	54,201
Prepaid assets	-	19,005	-	-	-	19,005
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ 6,312,725	\$ 170,820	\$ 306,185	\$ 23,260	\$ 34,232	\$ 6,847,222
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Liabilities and Fund Balances</b>						
<b>LIABILITIES:</b>						
Warrants payable	\$ 722,197	\$ 3,662	\$ -	\$ 905	\$ 5,386	\$ 732,150
Vouchers payable	151,861	-	-	-	-	151,861
Accrued liabilities	89,126	-	-	-	-	89,126
Due to other funds	18,000	-	-	-	-	18,000
Deferred revenue	224,957	5,243	-	-	-	230,200
Compensated absences payable	96,958	-	-	-	-	96,958
Total liabilities	<u>1,303,099</u>	<u>8,905</u>	<u>-</u>	<u>905</u>	<u>5,386</u>	<u>1,318,295</u>
<b>FUND BALANCES</b>	<u>5,009,626</u>	<u>161,915</u>	<u>306,185</u>	<u>22,355</u>	<u>28,846</u>	<u>5,528,927</u>
Total liabilities and fund balances	<u>\$ 6,312,725</u>	<u>\$ 170,820</u>	<u>\$ 306,185</u>	<u>\$ 23,260</u>	<u>\$ 34,232</u>	<u>\$ 6,847,222</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying independent auditors' report.



# Bonner County, Idaho

## Sandpoint, Idaho

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended September 30, 2008

	Total Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Total
<i>REVENUES:</i>				
Taxes	\$ 4,426,330	\$ -	\$ -	\$ 4,426,330
Licenses and permits	228,990	-	-	228,990
Intergovernmental	3,225,729	-	-	3,225,729
Charges for services	642,557	-	-	642,557
Fines	266,602	-	-	266,602
Special assessments	-	-	209,175	209,175
Interest income	1,679	-	1,605	3,284
Rental income	-	139,013	-	139,013
Miscellaneous	281,438	-	-	281,438
Total revenues	<u>9,073,325</u>	<u>139,013</u>	<u>210,780</u>	<u>9,423,118</u>
<i>EXPENDITURES:</i>				
Current:				
General government	3,591,699	-	-	3,591,699
Public safety	1,597,320	-	-	1,597,320
Highways and streets	484,298	-	-	484,298
Sanitation	153,309	-	-	153,309
Health	264,469	-	-	264,469
Welfare	477,641	-	-	477,641
Education	246,049	-	-	246,049
Culture and recreation	1,277,366	-	-	1,277,366
Capital outlay	174,233	1,087,780	-	1,262,013
Debt service:				
Principal	-	-	220,000	220,000
Interest and fiscal charges	-	-	47,326	47,326
Total expenditures	<u>8,266,384</u>	<u>1,087,780</u>	<u>267,326</u>	<u>9,621,490</u>
<i>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</i>	806,941	(948,767)	(56,546)	(198,372)
<i>OTHER FINANCING USES:</i>				
Operating transfers in (out)	<u>(998,095)</u>	<u>1,742,860</u>	<u>-</u>	<u>744,765</u>
<i>NET CHANGE IN FUND BALANCE</i>	(191,154)	794,093	(56,546)	546,393
<i>FUND BALANCES, BEGINNING OF YEAR</i>	<u>5,720,081</u>	<u>77,252</u>	<u>366,788</u>	<u>6,164,121</u>
<i>FUND BALANCES, END OF YEAR</i>	<u>\$ 5,528,927</u>	<u>\$ 871,345</u>	<u>\$ 310,242</u>	<u>\$ 6,710,514</u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances — Nonmajor Special Revenue Funds

Year Ended September 30, 2008

	<u>Airport</u>	<u>Grants</u>	<u>Junior College</u>	<u>Revaluation</u>	<u>Historical Society</u>	<u>District Court</u>	<u>Balance Carried Forward</u>
<i>REVENUES:</i>							
Taxes	\$ 83,920	\$ -	\$ 332	\$ 1,181,539	\$ 23,154	\$ 845,677	\$ 2,134,622
Licenses and permits	-	-	-	7,609	-	-	7,609
Intergovernmental	6,093	2,157,527	314,041	80,815	5,852	162,240	2,726,568
Charges for services	-	-	-	-	-	-	-
Fines	-	-	-	-	-	252,886	252,886
Interest income	-	-	-	-	-	-	-
Miscellaneous	71,473	-	-	-	-	115,485	186,958
Total revenues	<u>161,486</u>	<u>2,157,527</u>	<u>314,373</u>	<u>1,269,963</u>	<u>29,006</u>	<u>1,376,288</u>	<u>5,308,643</u>
<i>EXPENDITURES:</i>							
Current:							
General government	97,947	258,320	-	1,220,952	-	1,294,432	2,871,651
Public safety	-	548,600	-	-	-	-	548,600
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health	-	-	-	-	28,980	-	28,980
Welfare	-	-	-	-	-	-	-
Education	-	-	246,049	-	-	-	246,049
Culture and recreation	-	920,217	-	-	-	-	920,217
Capital outlay	9,700	-	-	-	-	9,926	19,626
Total expenditures	<u>107,647</u>	<u>1,727,137</u>	<u>246,049</u>	<u>1,220,952</u>	<u>28,980</u>	<u>1,304,358</u>	<u>4,635,123</u>
<i>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</i>	53,839	430,390	68,324	49,011	26	71,930	673,520
<i>OTHER FINANCING SOURCES (USES):</i>							
Operating transfers in (out)	<u>1</u>	<u>(5,276)</u>	<u>(499,998)</u>	<u>(254,978)</u>	<u>-</u>	<u>(49,437)</u>	<u>(809,688)</u>
<i>NET CHANGE IN FUND BALANCE</i>	53,840	425,114	(431,674)	(205,967)	26	22,493	(136,168)
<i>FUND BALANCES, BEGINNING OF YEAR</i>	<u>241,004</u>	<u>131,912</u>	<u>635,664</u>	<u>708,488</u>	<u>4,900</u>	<u>893,596</u>	<u>2,615,564</u>
<i>FUND BALANCES, END OF YEAR</i>	<u>\$294,844</u>	<u>\$ 557,026</u>	<u>\$ 203,990</u>	<u>\$ 502,521</u>	<u>\$ 4,926</u>	<u>\$ 916,089</u>	<u>\$ 2,479,396</u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances — Nonmajor Special Revenue Funds (Continued)

Year Ended September 30, 2008

	Balance Brought Forward	Special Highway	County Fair	911	Indigent and Charity	Balance Carried Forward
<i>REVENUES:</i>						
Taxes	\$ 2,134,622	\$ -	\$ 164,032	\$ 593,632	\$ 341,352	\$ 3,233,638
Licenses and permits	7,609	-	-	-	-	7,609
Intergovernmental	2,726,568	458,000	-	-	-	3,184,568
Charges for services	-	-	-	624,497	-	624,497
Fines	252,886	-	-	-	-	252,886
Interest income	-	-	-	1,679	-	1,679
Miscellaneous	186,958	-	-	60	60,924	247,942
Total revenues	<u>5,308,643</u>	<u>458,000</u>	<u>164,032</u>	<u>1,219,868</u>	<u>402,276</u>	<u>7,552,819</u>
<i>EXPENDITURES:</i>						
Current:						
General government	2,871,651	960	-	-	-	2,872,611
Public safety	548,600	-	-	1,041,804	-	1,590,404
Highways and streets	-	484,298	-	-	-	484,298
Sanitation	-	-	-	-	-	-
Health	28,980	-	-	-	-	28,980
Welfare	-	-	-	-	477,641	477,641
Education	246,049	-	-	-	-	246,049
Culture and recreation	920,217	-	166,709	-	-	1,086,926
Capital outlay	19,626	-	22,000	78,095	-	119,721
Total expenditures	<u>4,635,123</u>	<u>485,258</u>	<u>188,709</u>	<u>1,119,899</u>	<u>477,641</u>	<u>6,906,630</u>
<i>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</i>	673,520	(27,258)	(24,677)	99,969	(75,365)	646,189
<i>OTHER FINANCING SOURCES (USES):</i>						
Operating transfers in (out)	<u>(809,688)</u>	<u>-</u>	<u>3</u>	<u>(250,000)</u>	<u>(12,492)</u>	<u>(1,072,177)</u>
<i>NET CHANGE IN FUND BALANCE</i>	(136,168)	(27,258)	(24,674)	(150,031)	(87,857)	(425,988)
<i>FUND BALANCES, BEGINNING OF YEAR</i>	<u>2,615,564</u>	<u>530,825</u>	<u>60,780</u>	<u>716,333</u>	<u>422,895</u>	<u>4,346,397</u>
<i>FUND BALANCES, END OF YEAR</i>	<u>\$ 2,479,396</u>	<u>\$ 503,567</u>	<u>\$ 36,106</u>	<u>\$ 566,302</u>	<u>\$ 335,038</u>	<u>\$ 3,920,409</u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances — Nonmajor Special Revenue Funds (Continued)

Year Ended September 30, 2008

	Balance Brought Forward	Weeds	Veterans Memorial	Judgements	Tort	Balance Carried Forward
<i>REVENUES:</i>						
Taxes	\$ 3,233,638	\$ 156,323	\$ -	\$ 277	\$ 706,013	\$ 4,096,251
Licenses and permits	7,609	-	-	-	-	7,609
Intergovernmental	3,184,568	35,661	-	-	-	3,220,229
Charges for services	624,497	-	-	-	-	624,497
Fines	252,886	-	-	-	-	252,886
Interest income	1,679	-	-	-	-	1,679
Miscellaneous	247,942	1,758	-	-	293	249,993
Total revenues	<u>7,552,819</u>	<u>193,742</u>	<u>-</u>	<u>277</u>	<u>706,306</u>	<u>8,453,144</u>
<i>EXPENDITURES:</i>						
Current:						
General government	2,872,611	-	-	-	702,996	3,575,607
Public safety	1,590,404	-	-	-	-	1,590,404
Highways and streets	484,298	-	-	-	-	484,298
Sanitation	-	153,309	-	-	-	153,309
Health	28,980	-	-	-	-	28,980
Welfare	477,641	-	-	-	-	477,641
Education	246,049	-	-	-	-	246,049
Culture and recreation	1,086,926	-	-	-	-	1,086,926
Capital outlay	119,721	-	-	-	-	119,721
Total expenditures	<u>6,906,630</u>	<u>153,309</u>	<u>-</u>	<u>-</u>	<u>702,996</u>	<u>7,762,935</u>
<i>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</i>	646,189	40,433	-	277	3,310	690,209
<i>OTHER FINANCING SOURCES (USES):</i>						
Operating transfers in (out)	<u>(1,072,177)</u>	<u>56,753</u>	<u>-</u>	<u>(258)</u>	<u>19</u>	<u>(1,015,663)</u>
<i>NET CHANGE IN FUND BALANCE</i>	(425,988)	97,186	-	19	3,329	(325,454)
<i>FUND BALANCES, BEGINNING OF YEAR</i>	<u>4,346,397</u>	<u>65,393</u>	<u>-</u>	<u>-</u>	<u>593,306</u>	<u>5,005,096</u>
<i>FUND BALANCES, END OF YEAR</i>	<u>\$ 3,920,409</u>	<u>\$ 162,579</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 596,635</u>	<u>\$ 4,679,642</u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances — Nonmajor Special Revenue Funds (Continued)

Year Ended September 30, 2008

	Balance Brought Forward	Health District	Snowmobile- Priest Lake	Snowmobile- Sandpoint	Waterways	Balance Carried Forward
<i>REVENUES:</i>						
Taxes	\$ 4,096,251	\$ 226,645	\$ -	\$ -	\$ -	\$ 4,322,896
Licenses and permits	7,609	-	56,919	26,672	137,790	228,990
Intergovernmental	3,220,229	-	-	3,000	-	3,223,229
Charges for services	624,497	-	-	-	-	624,497
Fines	252,886	-	-	-	-	252,886
Interest income	1,679	-	-	-	-	1,679
Miscellaneous	249,993	-	770	-	-	250,763
Total revenues	<u>8,453,144</u>	<u>226,645</u>	<u>57,689</u>	<u>29,672</u>	<u>137,790</u>	<u>8,904,940</u>
<i>EXPENDITURES:</i>						
Current:						
General government	3,575,607	-	-	-	-	3,575,607
Public safety	1,590,404	-	-	-	-	1,590,404
Highways and streets	484,298	-	-	-	-	484,298
Sanitation	153,309	-	-	-	-	153,309
Health	28,980	235,489	-	-	-	264,469
Welfare	477,641	-	-	-	-	477,641
Education	246,049	-	-	-	-	246,049
Culture and recreation	1,086,926	-	31,702	23,120	62,893	1,204,641
Capital outlay	119,721	-	-	-	42,188	161,909
Total expenditures	<u>7,762,935</u>	<u>235,489</u>	<u>31,702</u>	<u>23,120</u>	<u>105,081</u>	<u>8,158,327</u>
<i>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</i>	690,209	(8,844)	25,987	6,552	32,709	746,613
<i>OTHER FINANCING SOURCES (USES):</i>						
Operating transfers in (out)	<u>(1,015,663)</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>17,813</u>	<u>(997,845)</u>
<i>NET CHANGE IN FUND BALANCE</i>	(325,454)	(8,839)	25,987	6,552	50,522	(251,232)
<i>FUND BALANCES, BEGINNING OF YEAR</i>	<u>5,005,096</u>	<u>67,189</u>	<u>53,962</u>	<u>60,226</u>	<u>74,385</u>	<u>5,260,858</u>
<i>FUND BALANCES, END OF YEAR</i>	<u>\$ 4,679,642</u>	<u>\$ 58,350</u>	<u>\$ 79,949</u>	<u>\$ 66,778</u>	<u>\$ 124,907</u>	<u>\$ 5,009,626</u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances — Nonmajor Special Revenue Funds (Continued)

Year Ended September 30, 2008

	Balance Brought Forward	Parks and Recreation	Court Facilities	Court Interlock	Drug Court	Total
<i>REVENUES:</i>						
Taxes	\$ 4,322,896	\$ 103,434	\$ -	\$ -	\$ -	\$ 4,426,330
Licenses and permits	228,990	-	-	-	-	228,990
Intergovernmental	3,223,229	-	-	-	2,500	3,225,729
Charges for services	624,497	-	18,060	-	-	642,557
Fines	252,886	-	-	5,994	7,722	266,602
Interest income	1,679	-	-	-	-	1,679
Miscellaneous	250,763	30,675	-	-	-	281,438
Total revenues	<u>8,904,940</u>	<u>134,109</u>	<u>18,060</u>	<u>5,994</u>	<u>10,222</u>	<u>9,073,325</u>
<i>EXPENDITURES:</i>						
Current:						
General government	3,575,607	-	-	-	16,092	3,591,699
Public safety	1,590,404	-	-	6,916	-	1,597,320
Highways and streets	484,298	-	-	-	-	484,298
Sanitation	153,309	-	-	-	-	153,309
Health	264,469	-	-	-	-	264,469
Welfare	477,641	-	-	-	-	477,641
Education	246,049	-	-	-	-	246,049
Culture and recreation	1,204,641	72,725	-	-	-	1,277,366
Capital outlay	161,909	12,324	-	-	-	174,233
Total expenditures	<u>8,158,327</u>	<u>85,049</u>	<u>-</u>	<u>6,916</u>	<u>16,092</u>	<u>8,266,384</u>
<i>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</i>	746,613	49,060	18,060	(922)	(5,870)	806,941
<i>OTHER FINANCING SOURCES (USES):</i>						
Operating transfers in (out)	<u>(997,845)</u>	<u>(250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(998,095)</u>
<i>NET CHANGE IN FUND BALANCE</i>	(251,232)	48,810	18,060	(922)	(5,870)	(191,154)
<i>FUND BALANCES, BEGINNING OF YEAR</i>	<u>5,260,858</u>	<u>113,105</u>	<u>288,125</u>	<u>23,277</u>	<u>34,716</u>	<u>5,720,081</u>
<i>FUND BALANCES, END OF YEAR</i>	<u>\$ 5,009,626</u>	<u>\$ 161,915</u>	<u>\$ 306,185</u>	<u>\$ 22,355</u>	<u>\$ 28,846</u>	<u>\$ 5,528,927</u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Statement of Revenues - Budget and Actual - General Fund

Year Ended September 30, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Taxes:				
Current	\$ 2,367,135	\$ 2,367,135	\$ 1,957,209	\$ (409,926)
Penalties and interest	-	-	3,714	3,714
REA tax	14,880	14,880	16,889	2,009
Total taxes	<u>2,382,015</u>	<u>2,382,015</u>	<u>1,977,812</u>	<u>(404,203)</u>
Licenses and permits:				
Motor vehicle licenses	302,150	302,150	301,268	(882)
Trailer house licenses	3,400	3,400	3,482	82
Recreation vehicle licenses	6,000	6,000	5,904	(96)
Boat licenses	8,500	8,500	9,626	1,126
Pawnbroker licenses	-	-	60	60
Conditional use permit	23,000	23,000	13,459	(9,541)
Building licenses and permits	420,795	420,795	261,835	(158,960)
Total licenses and permits	<u>763,845</u>	<u>763,845</u>	<u>595,634</u>	<u>(168,211)</u>
Intergovernmental:				
Inventory phase-out	492,000	492,000	488,550	(3,450)
Category 58 replacement revenue	24,197	24,197	24,197	-
Liquor allocation	53,000	53,000	51,102	(1,898)
Revenue sharing	175,000	175,000	175,000	-
Extension office	4,500	4,500	4,125	(375)
Total intergovernmental	<u>748,697</u>	<u>748,697</u>	<u>742,974</u>	<u>(5,723)</u>
Charges for services:				
Recorder's fees	250,000	250,000	218,107	(31,893)
Planning fees	94,831	94,831	76,989	(17,842)
Treasurer fees	20,000	20,000	27,469	7,469
Assessor's fees	26,300	26,300	21,493	(4,807)
Title company billings and access fees	36,925	36,925	83,111	46,186
Total charges for services	<u>428,056</u>	<u>428,056</u>	<u>427,169</u>	<u>(887)</u>
Interest income	<u>1,163,500</u>	<u>1,163,500</u>	<u>1,010,123</u>	<u>(153,377)</u>
Miscellaneous:				
Sale of County property	-	-	500	500
Elections	-	-	120	120
Refunds and reimbursements	-	-	8,539	8,539
Miscellaneous	6,280	6,280	47,571	41,291
Total miscellaneous	<u>6,280</u>	<u>6,280</u>	<u>56,730</u>	<u>50,450</u>
Total general fund revenues	<u>\$ 5,492,393</u>	<u>\$ 5,492,393</u>	<u>\$ 4,810,442</u>	<u>\$ (681,951)</u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Statement of Expenditures - Budget and Actual - General Fund

Year Ended September 30, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Clerk – Auditor:				
General government:				
Salaries	\$ 301,660	\$ 301,660	\$ 288,474	\$ 13,186
Other services and charges	94,610	94,610	80,431	14,179
Capital outlay	5,000	5,000	1,181	3,819
Total clerk - auditor	<u>401,270</u>	<u>401,270</u>	<u>370,086</u>	<u>31,184</u>
Treasurer:				
General government:				
Salaries	185,259	185,259	179,874	5,385
Other services and charges	63,290	63,290	36,818	26,472
Capital outlay	-	-	9,686	(9,686)
Total treasurer	<u>248,549</u>	<u>248,549</u>	<u>226,378</u>	<u>22,171</u>
Emergency management:				
Public safety:				
Salaries	73,857	73,857	63,071	10,786
Other services and charges	15,100	15,410	15,319	91
Total emergency management	<u>88,957</u>	<u>89,267</u>	<u>78,390</u>	<u>10,877</u>
Commissioners:				
General government:				
Salaries	227,164	227,164	223,629	3,535
Other services and charges	17,500	17,500	14,507	2,993
Capital outlay	2,300	2,300	1,803	497
Total commissioners	<u>246,964</u>	<u>246,964</u>	<u>239,939</u>	<u>7,025</u>
Coroner:				
Public safety:				
Salaries	44,661	44,661	43,696	965
Other services and charges	58,073	58,073	52,820	5,253
Total coroner	<u>102,734</u>	<u>102,734</u>	<u>96,516</u>	<u>6,218</u>
Buildings and grounds:				
General government:				
Salaries	145,417	145,417	136,859	8,558
Other services and charges	39,756	41,256	40,996	260
Total buildings and grounds	<u>185,173</u>	<u>186,673</u>	<u>177,855</u>	<u>8,818</u>

See accompanying independent auditors' report.



# Bonner County, Idaho

## Sandpoint, Idaho

### Statement of Expenditures - Budget and Actual - General Fund (Continued)

Year Ended September 30, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General:				
General government:				
Benefits	\$ 864,352	\$ 864,352	\$ 738,787	\$ 125,565
Other services and charges	1,333,753	1,333,753	782,011	551,742
Capital outlay	10,323	10,323	-	10,323
Total general	<u>2,208,428</u>	<u>2,208,428</u>	<u>1,520,798</u>	<u>687,630</u>
Extension office:				
General government:				
Salaries	82,675	82,675	82,384	291
Other services and charges	31,695	31,695	31,692	3
Total extension office	<u>114,370</u>	<u>114,370</u>	<u>114,076</u>	<u>294</u>
Data processing:				
General government:				
Salaries	47,979	47,979	45,160	2,819
Other services and charges	85,511	85,511	62,595	22,916
Capital outlay	8,000	8,000	6,004	1,996
Total data processing	<u>141,490</u>	<u>141,490</u>	<u>113,759</u>	<u>27,731</u>
Assessor – motor vehicles:				
General government:				
Salaries	246,178	246,178	229,542	16,636
Other services and charges	16,485	16,485	15,346	1,139
Capital outlay	1,500	1,500	2,601	(1,101)
Total assessor – motor vehicles	<u>264,163</u>	<u>264,163</u>	<u>247,489</u>	<u>16,674</u>
Planning:				
General government:				
Salaries	458,746	458,746	421,768	36,978
Other services and charges	129,939	129,939	82,232	47,707
Capital outlay	4,800	4,800	20,071	(15,271)
Total planning	<u>593,485</u>	<u>593,485</u>	<u>524,071</u>	<u>69,414</u>

See accompanying independent auditors' report.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Expenditures - Budget and Actual -**  
**General Fund (Continued)**

**Year Ended September 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Information services:				
General government:				
Other services and charges	\$ 174,900	\$ 174,900	\$ 175,197	\$ (297)
Capital outlay	1,500	1,500	1,181	319
Total information services	<u>176,400</u>	<u>176,400</u>	<u>176,378</u>	<u>22</u>
Personnel:				
General government:				
Salaries	44,310	44,310	40,854	3,456
Other services and charges	14,700	14,700	13,055	1,645
Capital outlay	2,200	2,200	2,175	25
Total personnel	<u>61,210</u>	<u>61,210</u>	<u>56,084</u>	<u>5,126</u>
Geographic information systems:				
General government:				
Salaries	80,607	80,607	79,753	854
Other services and charges	27,764	27,764	28,101	(337)
Capital outlay	3,200	3,200	2,551	649
Total geographic information systems	<u>111,571</u>	<u>111,571</u>	<u>110,405</u>	<u>1,166</u>
Debt service:				
Principal	106,513	106,513	49,808	56,705
Interest and fiscal charges	120,997	120,997	120,997	-
Total debt service	<u>227,510</u>	<u>227,510</u>	<u>170,805</u>	<u>56,705</u>
Total general fund expenditures	<u>\$ 5,172,274</u>	<u>\$ 5,174,084</u>	<u>\$ 4,223,029</u>	<u>\$ 951,055</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 320,119	\$ 318,309	\$ 587,413	\$ 269,104
OTHER FINANCING SOURCES:				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(270,970)</u>	<u>(270,970)</u>
NET CHANGE IN FUND BALANCE	320,119	318,309	316,443	(1,866)
FUND BALANCES, BEGINNING OF YEAR	<u>3,199,609</u>	<u>3,199,609</u>	<u>3,199,609</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,519,728</u>	<u>\$ 3,517,918</u>	<u>\$ 3,516,052</u>	<u>\$ (1,866)</u>

See accompanying independent auditors' report.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Revenues - Budget and Actual -**  
**Justice Fund**

**Year Ended September 30, 2008**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Justice:				
Taxes:				
Current	\$ 8,843,135	\$ 8,843,135	\$ 8,442,881	\$ (400,254)
Penalties and interest	32,000	32,000	74,073	42,073
REA tax	72,650	72,650	72,441	(209)
Total taxes	<u>8,947,785</u>	<u>8,947,785</u>	<u>8,589,395</u>	<u>(358,390)</u>
Licenses and permits:				
Drivers licenses	65,000	65,000	83,746	18,746
Boat licenses	135,000	135,000	137,790	2,790
Beer and liquor licenses	22,000	22,000	22,180	180
Other licenses and permits	4,000	4,000	4,998	998
Total licenses and permits	<u>226,000</u>	<u>226,000</u>	<u>248,714</u>	<u>22,714</u>
Intergovernmental:				
State revenue sharing	1,180,000	1,180,000	1,097,151	(82,849)
Payment in lieu of taxes	122,690	122,690	158,897	36,207
Kootenai	1,200	1,200	1,200	-
Oldtown services	3,600	3,600	3,600	-
U.S. Forest Service	4,000	4,000	-	(4,000)
Army Corps of Engineers	75,000	75,000	77,592	2,592
FILT-I F&G	-	-	5,510	5,510
Contributions and donations	-	-	820	820
Park Corp of Engineers	16,000	16,000	16,100	100
Ambulance District note repay	130,460	130,460	17,418	(113,042)
Total intergovernmental	<u>1,532,950</u>	<u>1,532,950</u>	<u>1,378,288</u>	<u>(154,662)</u>
Charges for services:				
Prisoner board, transport and other fees	352,100	352,100	451,257	99,157
Kitchen fund	500	500	427	(73)
Processing and servicing fees	50,000	50,000	74,755	24,755
Fingerprinting and bonding fees	14,000	14,000	13,063	(937)
Work release and inmate labor	59,000	59,000	59,057	57
Sheriff's sale proceeds	-	-	721	721
Other	39,000	39,000	35,130	(3,870)
Total charges for services	<u>514,600</u>	<u>514,600</u>	<u>634,410</u>	<u>119,810</u>

See accompanying independent auditors' report.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Statement of Revenues - Budget and Actual -**  
**Justice Fund (Continued)**

**Year Ended September 30, 2008**

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Justice (continued):				
Miscellaneous:				
Pay phone commissions	\$ 45,000	\$ 45,000	\$ 44,733	\$ (267)
ITD reinstatement	22,000	22,000	25,560	3,560
Prisoner reimbursements	25,760	25,760	35,341	9,581
Court surcharge	800	800	49,696	48,896
Public defender costs	20,000	20,000	27,573	7,573
Miscellaneous	-	-	132	132
Total miscellaneous	<u>113,560</u>	<u>113,560</u>	<u>183,035</u>	<u>69,475</u>
Total justice fund revenues	<u>\$11,334,895</u>	<u>\$11,334,895</u>	<u>\$11,033,842</u>	<u>\$ (301,053)</u>

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Expenditures - Budget and Actual -**  
**Justice Fund**

**Year Ended September 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Justice:				
Public safety:				
Clerk:				
Salaries	\$ 643,853	\$ 643,853	\$ 619,309	\$ 24,544
Sheriff:				
Salaries	2,312,319	2,342,557	2,336,396	6,161
Other services and charges	345,883	462,126	471,470	(9,344)
Capital outlay	184,900	284,900	265,371	19,529
Total sheriff	<u>2,843,102</u>	<u>3,089,583</u>	<u>3,073,237</u>	<u>16,346</u>
Prosecuting attorney:				
Salaries	738,025	732,025	701,824	30,201
Other services and charges	73,976	113,181	87,868	25,313
Capital outlay	6,030	12,030	17,439	(5,409)
Total prosecuting attorney	<u>818,031</u>	<u>857,236</u>	<u>807,131</u>	<u>50,105</u>
Public defender:				
Salaries	308,621	308,621	308,231	390
Other services and charges	160,090	190,090	167,792	22,298
Capital outlay	1,450	1,450	2,506	(1,056)
Total public defender	<u>470,161</u>	<u>500,161</u>	<u>478,529</u>	<u>21,632</u>
Juvenile detention:				
Salaries	414,367	414,367	406,429	7,938
Other services and charges	172,155	172,155	158,598	13,557
Capital outlay	2,340	2,340	1,589	751
Total juvenile detention	<u>588,862</u>	<u>588,862</u>	<u>566,616</u>	<u>22,246</u>
General:				
Salaries	50,000	-	-	-
Benefits	2,367,421	2,367,421	2,074,665	292,756
Other services and charges	712,322	712,322	715,881	(3,559)
Capital outlay	-	150,000	-	150,000
Total general	<u>3,129,743</u>	<u>3,229,743</u>	<u>2,790,546</u>	<u>439,197</u>

See accompanying independent auditors' report.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Expenditures - Budget and Actual -**  
**Justice Fund (Continued)**

**Year Ended September 30, 2008**

	Budgeted Amounts			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Justice (continued):				
Public safety (continued):				
Jail:				
Salaries	\$ 1,589,995	\$ 1,472,232	\$ 1,456,010	\$ 16,222
Other services and charges	466,330	542,730	548,785	(6,055)
Capital outlay	45,850	45,850	39,789	6,061
Total jail	<u>2,102,175</u>	<u>2,060,812</u>	<u>2,044,584</u>	<u>16,228</u>
Marine patrol:				
Salaries	115,490	115,490	107,186	8,304
Other services and charges	19,510	19,510	(3,714)	23,224
Capital outlay	-	-	18,410	(18,410)
Total marine patrol	<u>135,000</u>	<u>135,000</u>	<u>121,882</u>	<u>13,118</u>
Building and grounds:				
Other services and charges	<u>20,000</u>	<u>20,000</u>	<u>19,817</u>	<u>183</u>
Total building and grounds	<u>20,000</u>	<u>20,000</u>	<u>19,817</u>	<u>183</u>
Five percent statutory reserve:				
Other services and charges	<u>200,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total justice fund expenditures	<u>\$10,950,927</u>	<u>\$11,175,250</u>	<u>\$10,521,651</u>	<u>\$ 653,599</u>
 <i>EXCESS OF REVENUES OVER EXPENDITURES</i>	 \$ 383,968	 \$ 159,645	 \$ 512,191	 \$ 352,546
 <i>OTHER FINANCING SOURCES:</i>				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(354,295)</u>	<u>(354,295)</u>
 <i>NET CHANGE IN FUND BALANCE</i>	 383,968	 159,645	 157,896	 (1,749)
 <i>FUND BALANCES, BEGINNING OF YEAR</i>	 <u>5,178,391</u>	 <u>5,178,391</u>	 <u>5,178,391</u>	 <u>-</u>
 <i>FUND BALANCES, END OF YEAR</i>	 <u>\$ 5,562,359</u>	 <u>\$ 5,338,036</u>	 <u>\$ 5,336,287</u>	 <u>\$ (1,749)</u>

See accompanying independent auditors' report.

# Bonner County, Idaho

## Sandpoint, Idaho

### Statement of Revenues and Expenditures - Budget and Actual - Road and Bridge Fund

Year Ended September 30, 2008

	Budgeted Amounts			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes:				
Current	\$ 4,044,971	\$ 4,044,971	\$ 3,826,838	\$ (218,133)
Penalties and interest	18,900	18,900	34,351	15,451
REA tax	39,675	39,675	42,308	2,633
Total taxes	<u>4,103,546</u>	<u>4,103,546</u>	<u>3,903,497</u>	<u>(200,049)</u>
Intergovernmental:				
Highway user revenue	1,345,000	1,345,000	1,556,309	211,309
Sales tax base and excess	140,000	140,000	168,018	28,018
Category 58 replacement revenue	8,270	8,270	11,026	2,756
State cost sharing	-	-	33,867	33,867
Forest apportionment	786,485	786,485	784,898	(1,587)
Total intergovernmental	<u>2,279,755</u>	<u>2,279,755</u>	<u>2,554,118</u>	<u>274,363</u>
Miscellaneous:				
Miscellaneous	59,910	59,910	49,962	(9,948)
Refunds and reimbursements	15,000	15,000	99,603	84,603
Total miscellaneous	<u>74,910</u>	<u>74,910</u>	<u>149,565</u>	<u>74,655</u>
Total revenues	<u>6,458,211</u>	<u>6,458,211</u>	<u>6,607,180</u>	<u>148,969</u>
Expenditures				
Highways and streets:				
Salaries	1,778,883	1,778,883	1,581,701	197,182
Benefits	740,369	740,369	657,141	83,228
Other services and charges	3,002,343	3,002,343	1,908,358	1,093,985
Total current	<u>5,521,595</u>	<u>5,521,595</u>	<u>4,147,200</u>	<u>1,374,395</u>
Capital outlay	<u>516,244</u>	<u>818,058</u>	<u>1,331,132</u>	<u>(513,074)</u>
Debt service:				
Principal	235,762	235,762	169,206	66,556
Interest and fiscal charges	52,564	52,564	52,564	-
Total debt service	<u>288,326</u>	<u>288,326</u>	<u>221,770</u>	<u>66,556</u>
Total expenditures	<u>6,326,165</u>	<u>6,627,979</u>	<u>5,700,102</u>	<u>927,877</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	132,046	(169,768)	907,078	1,076,846
OTHER FINANCING SOURCES:				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(12,500)</u>	<u>(12,500)</u>
NET CHANGE IN FUND BALANCE	132,046	(169,768)	894,578	1,064,346
FUND BALANCES, BEGINNING OF YEAR	<u>2,703,289</u>	<u>2,703,289</u>	<u>2,703,289</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,835,335</u>	<u>\$ 2,533,521</u>	<u>\$ 3,597,867</u>	<u>\$ 1,064,346</u>

See accompanying independent auditors' report.

**Bonner County, Idaho**  
**Sandpoint, Idaho**

**Statement of Revenues and Expenditures -**  
**Budget and Actual - Ambulance District**

**Year Ended September 30, 2008**

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes:				
Current	\$ 2,612,878	\$ 2,612,878	\$ 2,299,127	\$ (313,751)
Miscellaneous	-	-	250	250
Total revenues	<u>2,612,878</u>	<u>2,612,878</u>	<u>2,299,377</u>	<u>(313,501)</u>
Expenditures				
Current:				
Salaries	1,044,089	1,044,089	928,306	115,783
Benefits	424,444	424,444	339,413	85,031
Other services and charges	922,011	948,011	747,868	200,143
Total current	<u>2,390,544</u>	<u>2,416,544</u>	<u>2,015,587</u>	<u>400,957</u>
Capital outlay	<u>136,334</u>	<u>136,334</u>	<u>261,669</u>	<u>(125,335)</u>
Debt service:				
Principal	56,814	56,814	20,867	35,947
Interest	3,186	3,186	3,186	-
Total debt service	<u>60,000</u>	<u>60,000</u>	<u>24,053</u>	<u>35,947</u>
Total expenditures	<u>2,586,878</u>	<u>2,612,878</u>	<u>2,301,309</u>	<u>311,569</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	26,000	-	(1,932)	(1,932)
OTHER FINANCING SOURCES:				
Operating transfers in (out)	-	-	(70,000)	(70,000)
NET CHANGE IN FUND BALANCE	26,000	-	(71,932)	(71,932)
FUND BALANCES, BEGINNING OF YEAR	<u>(314,778)</u>	<u>(314,778)</u>	<u>(314,778)</u>	-
FUND BALANCES, END OF YEAR	<u>\$ (288,778)</u>	<u>\$ (314,778)</u>	<u>\$ (386,710)</u>	<u>\$ (71,932)</u>

See accompanying independent auditors' report.



**Bonner County, Idaho**  
**Sandpoint, Idaho**

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**Statement of Revenues and Expenditures -**  
**(Non-GAAP Budgetary Basis) - Budget**  
**and Actual - Solid Waste Enterprise Fund**

**Year Ended September 30, 2008**

	Budgeted Amounts			Variance
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Charges for services:				
Fees	\$ 2,473,765	\$ 2,473,765	\$ 2,589,259	\$ 115,494
Commercial disposal	1,875,000	1,875,000	2,212,746	337,746
Gate	176,850	176,850	217,643	40,793
Total charges for services	4,525,615	4,525,615	5,019,648	494,033
Penalties and interest	10,000	10,000	22,786	12,786
Miscellaneous	-	-	-	-
Total revenues	4,535,615	4,535,615	5,042,434	506,819
EXPENDITURES:				
Salaries	650,193	650,193	601,098	49,095
Benefits	351,069	351,069	300,107	50,962
Other services and charges	3,157,927	3,257,927	3,037,402	220,525
Depreciation	-	-	127,320	(127,320)
Total expenses	4,159,189	4,259,189	4,065,927	193,262
	376,426	276,426	976,507	700,081
TRANSFERS:				
Transfers in (out)	-	-	(37,000)	37,000
EXCESS OF REVENUES OVER				
EXPENDITURES	\$ 376,426	\$ 276,426	\$ 939,507	\$ 663,081

See accompanying independent auditors' report.