
BONNER COUNTY, IDAHO

Sandpoint, Idaho

**Audited Financial Statements
For the Year Ended September 30, 2020**

BONNER COUNTY, IDAHO
Sandpoint, Idaho

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FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Bonner County, Idaho
Sandpoint, Idaho 83864

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bonner County, Idaho, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bonner County, Idaho, as of September 30, 2020, and the respective changes in financial position and where applicable, cash flows, thereof and for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11, the budgetary comparison schedules on pages 48-51 and the net pension liability related schedules on page 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bonner County's basic financial statements. The introductory section, combining and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2021 on our consideration of Bonner County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and 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* in considering Bonner County's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
May 12, 2021

Bonner County, Idaho
Sandpoint, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

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, 2020. We encourage readers to consider the information presented herein in conjunction with additional information that has been furnished in the accompanying *Notes to Financial Statements* 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

Management's discussion and analysis is 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 give a broad overview of Bonner County's finances.

The *statement of net position* (SONP) presents information on all County governmental and business-type assets, deferred outflow of resources, liabilities, and deferred inflow of resources, with the difference reported utilizing the technical phrase "net position".

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

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 the County include its Solid Waste operations.

The government-wide financial statements contain information relative only to Bonner County itself and none of the 54 other taxing districts and 5 urban renewal districts housed within its boundaries. They are separate political parts of the State of Idaho and are not considered political parts of the County.

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. A detailed explanation of these funds can be found in Note 1 of this report. Bonner County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - This category includes the operations for all departments except for Solid Waste.

Proprietary Funds - The Solid Waste operations are our only Proprietary Fund.

Fiduciary Funds - The Fiduciary Funds are those dollars that we hold in trust for other agencies and taxing districts.

Notes to Financial Statements: For an overview of Bonner County and its operations, one should refer to the *Notes to Financial Statements*, 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, capital assets, and leases.

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

Government-wide Financial Analysis

Bonner County is able to provide a comparative analysis of the government-wide data presented in compliance with the requirements of the Governmental Accounting Standards Board (GASB). The comparisons are 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. Our Ambulance Service (EMS) is shown separately since it is a stand-alone taxing district, even though governed by the Board of County Commissioners.

Table 1 – summarizes the County's net position for 2020 compared to 2019:

Condensed Statements of Net Position							
	Governmental Activities		Business-type Activities		Total County		% Change
	2020	2019	2020	2019	2020	2019	2019 to 2020
Current & other assets	\$ 58,083,387	\$ 56,959,569	\$ 8,420,368	\$ 7,933,666	\$ 66,503,755	\$ 64,893,235	2.5%
Capital assets	44,716,688	44,499,070	3,009,189	3,426,222	47,725,877	\$ 47,925,292	-0.4%
Deferred outflows of resources	3,874,233	1,833,428	185,965	86,485	4,060,198	\$ 1,919,913	111.5%
Total assets and deferred outflows of	106,674,308	103,292,067	11,615,522	11,446,373	118,289,830	114,738,440	3.1%
Current and other liabilities	4,012,847	3,630,553	558,674	1,646,330	4,571,521	\$ 5,276,883	-13.4%
Noncurrent liabilities	19,919,631	11,677,334	794,534	366,272	20,714,165	\$ 12,043,606	72.0%
Deferred inflows of resources	31,432,545	33,087,015	4,896,407	4,925,209	36,328,952	\$ 38,012,224	-4.4%
Total liabilities and deferred inflows of resources	55,365,023	48,394,902	6,249,615	6,937,811	61,614,638	55,332,713	11.4%
Net position							
Net investment in capital assets	40,453,504	40,593,556	3,009,189	3,426,222	43,462,693	44,019,778	-1.3%
Restricted for:							
Gen. Gov.	3,810,844	3,034,666	-	-	3,810,844	3,034,666	25.6%
Public Safety	8,315,609	6,140,896	-	-	8,315,609	6,140,896	35.4%
Road & Bridge	3,006,350	3,980,488	-	-	3,006,350	3,980,488	-24.5%
Emergency Med. Svc.	2,894,318	2,864,320	-	-	2,894,318	2,864,320	1.0%
Debt. Service	-	-	664	664	664	664	0.0%
Historical Soc. & Rec.	358,805	425,678	-	-	358,805	425,678	-15.7%
Health & welfare	506,424	546,354	-	-	506,424	546,354	-7.3%
Weeds	15,710	40,090	-	-	15,710	40,090	-60.8%
Self funded insurance	(160,505)	212,051	-	-	(160,505)	212,051	-175.7%
Road Construction	500,565	428,045	-	-	500,565	428,045	16.9%
Capital Projects	241	241	-	-	241	241	0.0%
Unrestricted	(8,392,580)	(3,369,220)	2,356,054	1,081,676	(6,036,526)	(2,287,544)	-163.9%
Total net position	51,309,285	54,897,165	5,365,907	4,508,562	56,675,192	59,405,727	-4.6%

As noted earlier, Bonner County's net position, when reviewed over time, may serve as a useful indicator of Bonner County's financial position. In the case of Bonner County, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$56,675,192 (\$51,309,285 in governmental activities and \$5,365,907 in business-type activities) as of September 30, 2020. 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 position (33%) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets (\$6,036,526) may be used to meet the County's ongoing obligations to citizens and creditors. The unrestricted balance is negative as of September 30, 2020 due to the county's net pension liability of \$14,721,234. This liability is long term in nature and will be paid as required by PERSI on an ongoing basis.

At the end of the current fiscal year, the County is able to report positive balances in two of the three categories of net position for the government as a whole.

Table 2 – shows the changes in net position for 2020 and 2019:

Changes in Net Position							
	Governmental Activities		Business-type Activities		Total County		Total % change
	2020	2019	2020	2019	2020	2019	2020/19
Revenues							
Program							
Charges for services	\$ 5,622,435	\$ 4,982,565	\$ 3,491,109	\$ 2,863,325	\$ 9,113,544	\$ 7,845,890	16.2%
Operating grants & contributions	3,252,219	30,916	34	-	\$ 3,252,253	30,916	10419.6%
Capital grants & contributions	1,182,734	2,459,949	-	-	\$ 1,182,734	2,459,949	-51.9%
General revenues:							
Property taxes:	29,886,149	30,094,959	-	-	\$ 29,886,149	30,094,959	-0.7%
Special Assessments	-	-	4,865,880	3,014,593	\$ 4,865,880	3,014,593	61.4%
Inter-governmental	7,644,210	7,611,377	-	-	\$ 7,644,210	7,611,377	0.4%
Contributions to Self-Funded Insurance	3,493,219	3,225,533	-	-	\$ 3,493,219	3,225,533	8.3%
Other Revenues	2,935,701	3,714,818	8,661	(17,670)	\$ 2,944,362	3,697,148	-20.4%
Total Revenues	54,016,667	52,120,117	8,365,684	5,860,248	62,382,351	57,980,365	7.6%
Expenses							
General government	17,133,242	14,403,394	-	-	\$ 17,133,242	14,403,394	19.0%
Public safety	24,061,027	21,130,333	-	-	\$ 24,061,027	21,130,333	13.9%
Emergency Med. Svc.	4,015,027	3,539,761	-	-	\$ 4,015,027	3,539,761	13.4%
Road & Bridge	10,178,763	9,513,488	-	-	\$ 10,178,763	9,513,488	7.0%
Weeds	146,146	141,238	-	-	\$ 146,146	141,238	3.5%
Health	253,399	253,370	-	-	\$ 253,399	253,370	0.0%
Welfare	154,243	233,027	-	-	\$ 154,243	233,027	-33.8%
Junior college	150,337	180,201	-	-	\$ 150,337	180,201	-16.6%
Historical society & recreation	1,018,647	856,977	-	-	\$ 1,018,647	856,977	18.9%
Capital outlay	345,468	396,711	-	-	\$ 345,468	396,711	-12.9%
Interest on Long-term debt	148,248	107,689	-	-	\$ 148,248	107,689	37.7%
Solid waste	-	-	7,508,339	6,848,941	\$ 7,508,339	6,848,941	9.6%
Total expenses	57,604,547	50,756,189	7,508,339	6,848,941	65,112,886	57,605,130	13.0%
Change in net position	(3,587,880)	1,363,928	857,345	(988,693)	(2,730,535)	375,235	-827.7%

Governmental Activities

Charges for services were the County's largest program revenue, accounting for \$5,622,435 or 10.4% 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, state, and local sources made up \$4,434,953 or 8.21% of total governmental revenues.

Property tax revenues account for \$29,886,149 of the \$54,016,667 total revenues for governmental activities or 55.33% of total revenues.

The largest program was Public Safety, accounting for \$24,061,027 and representing 41.77% of total governmental expenses. Road and Bridge accounted for \$10,178,763 of the \$57,604,547 total expenses for governmental activities, or 17.67% of total expenses.

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.

Of the total charges for services revenues of \$5,622,435, \$1,278,487 was received and used to fund the general government expenses of \$17,133,242 of the County. The remaining \$32,715,794 in net governmental activity costs are funded by property taxes, sales taxes, and intergovernmental revenues.

Table 3 – summaries of the governmental activities' costs of services for 2020 and 2019:

Condensed Statement of Activities						
	Total Cost of Services		% Change	Net Cost of Services		% Change
	2020	2019	2019-2020	2020	2019	2019-2020
General government	\$ 17,133,242	\$ 14,403,394	19.0%	\$ 14,831,365	\$ 13,406,920	10.6%
Public safety	24,061,027	21,130,333	13.9%	19,282,095	16,504,939	16.8%
Emergency Med. Svc.	4,015,027	3,539,761	13.4%	1,934,913	2,484,458	-22.1%
Road & Bridge	10,178,763	9,513,488	7.0%	9,313,037	8,742,229	6.5%
Weeds	146,146	141,238	3.5%	146,146	141,238	3.5%
Health	253,399	253,370	0.0%	253,399	253,370	0.0%
Welfare	154,243	233,027	-33.8%	154,243	233,027	-33.8%
Junior college	150,337	180,201	-16.6%	150,337	180,201	-16.6%
Historical Society & Rec.	1,018,647	856,977	18.9%	987,908	831,977	18.7%
Capital outlay	345,468	396,711	-12.9%	345,468	396,711	-12.9%
Interest on long-term debt	148,248	107,689	37.7%	148,248	107,689	37.7%
Total Cost	\$ 57,604,547	\$ 50,756,189	13.5%	\$ 47,547,159	\$ 43,282,759	9.9%

Business-Type Activities

The net position for business-type activities increased by \$857,345 during the year and charges for services revenue was \$3,491,109.

Governmental Funds: The major funds include our General (Current Expense), Justice, Road and Bridge, and the Ambulance District funds. The Ambulance District increased their overall fund balance from last year.

Proprietary Fund: During fiscal year 2020, actual revenues exceeded expenses by \$857,345 for the Solid Waste fund.

Notes to Financial Statements

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

Capital Assets

Capital assets are 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 annual reporting period.

The total net capital assets decreased by \$199,415 across all funds, including Solid Waste. This amount represents book value of assets less accumulated depreciation.

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 annual reporting cycle. Additional information on long-term debt can be found in notes 6 and 7 in the basic financial statements.

Please see the tables titled Condensed Statements of Net Position and Expenses and Net Cost of Governmental Activities for further detail regarding these comments. These tables are an integral part of the Managements' Discussion and Analysis report.

Bonner County has a capital lease debt related to the Administration building in the amount of \$1,149,879.

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 estimate will be incurred during the next fiscal year. For the fiscal year ended September 30, 2020, Ambulance District expenditures exceeded appropriations by \$918,170.

County Operations

Bonner County complies with Idaho County Budget Law (Title 31, Chapter 16) and Government Accounting Standards Board (GASB) standards as required by Idaho Code.

Human Resources (HR):

For FY20, the Bonner County health plan finished with a loss ratio of 114%, a deficit of approximately \$467K. FY20 the cost projections were -2.3% with a recommendation of no change to budgeted rates. However, on an employee basis, Bonner County costs FY20 were up 21% compared to FY19. National trends indicated a 4-6% increase in costs depending on the model. While individual large claimants above \$50K decreased by 1, the total paid claim amount for those large claimants increased by \$153K. Medical costs increased 58% from the previous year (\$2,937,777 FY20 vs. \$1,812,665 FY19) while Rx costs decreased 10%. During the first half of the year, "pre-COVID", the loss ratio was 119% and the second half of the year had a loss ratio of 110%. Uncertainty regarding COVID-19 and its' ultimate effect on healthcare utilization continues to be a concern. The dental plan costs for the year were below FY19 by 8% per employee. This was expected due again to COVID-19 and the disruption of services. The loss ratio for the year was 88%, a savings of approximately \$24K.

Risk Management & Liability Insurance:

Bonner County has successfully managed a self-insured retention (SIR) program for three years, saving taxpayer funds with lower insurance premiums and having more local control over County matters. Bonner County has continued to increase our investment in safety, compliance and continuous improvement planning, training and operational procedures. Due to these investments Bonner County has experienced fewer claims and lower losses. Workers Compensation Insurance losses are significantly lower than previous years, with a loss ratio of 25.01% for the 2020 policy year. Bonner County Risk Management will focus efforts in 2021 to reduce the risk and losses in this area. We expect our exceptional risk control experience to continue in the future. This will reward the residents of Bonner County with lower costs due to losses, especially in the current insurance market, which has seen very large losses for government institutions in other jurisdictions.

Road & Bridge:

Road & Bridge maintains 309 miles of paved roads and 366 miles of gravel roads through a network of three district road crews. The department operated FY20 with an adjusted total \$11.5M combined budget that included paving North Kootenai Road, upgrading trucks and sanders, a new loader and skid steer, plus acquiring three used tank trailers. Major road reconstruction projects absorbed the majority of the construction season for two districts, delaying anticipated road maintenance projects until 2021. For the safety of motorists, three new streetlights were installed at highway intersections and guardrail was installed upon Denton Road along an extremely steep embankment.

The most recognized seasonal maintenance work of Road & Bridge is winter plowing and sanding, a \$1.9M operation that applies approximately 30,000 cubic yards of sand. Spring and fall are the seasons of the road grader, when all 11 units are deployed restoring gravel road surfaces. Graders and water trucks prep 250 miles of road for dust abatement treatment, applying \$490,000 of mag chloride. Chip sealing over 50 miles of existing asphalt roads in July and August throughout the county system consumed over \$600,000 of oil. Summer and fall are the seasons of road reconstruction, ditching and culvert replacement, interspersed with crack sealing.

Planning:

In 2020, Bonner County approved 871 building location permits and 212 exempt structures for a total of 1083 permits. There were 39 more BLP's than the previous year which requires more on the ground efforts for reviewing setbacks, erosion control installations, and inspecting stormwater controls. We reviewed 44 floodplain development permits over 29 last year. We completed 73 minor land divisions compared to 50 last year. Land development, subdivisions and homebuilding will continue to be the main part of our work this year. There were 10 amendments proposed last year to the comprehensive plan map and zoning code. This will continue in 2020. We have now approved over 200 vacation rental permits in the County and are beginning to complete biennial renewals.

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:

Board of County Commissioners
Bonner County Administrative Office Building
1500 Hwy 2, Suite 308
Sandpoint, Idaho 83864

FINANCIAL STATEMENTS



BONNER COUNTY, IDAHO
Sandpoint, Idaho

STATEMENT OF NET POSITION
September 30, 2020

	PRIMARY GOVERNMENT		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	21,440,243	3,067,580	24,507,823
Receivables, net of allowance for uncollectibles:			
Taxes	1,088,932	-	1,088,932
Special assessments	-	163,930	163,930
Unbilled taxes	30,367,457	-	30,367,457
Unbilled special assessments	-	4,874,392	4,874,392
Interest	60	-	60
Fees	986	-	986
Accounts, net	213,350	303,379	516,729
Prepaid expenses	1,037,532	9,919	1,047,451
Due from other governments	3,850,827	504	3,851,331
Restricted assets:			
Deposit	84,000	-	84,000
Cash on deposit with fiscal agent	-	664	664
Total current assets	<u>58,083,387</u>	<u>8,420,368</u>	<u>66,503,755</u>
Noncurrent assets:			
Land	4,693,648	518,416	5,212,064
Construction in progress	2,164,553	-	2,164,553
Depreciable capital assets, net	<u>37,858,487</u>	<u>2,490,773</u>	<u>40,349,260</u>
Total noncurrent assets	<u>44,716,688</u>	<u>3,009,189</u>	<u>47,725,877</u>
Total assets	<u>102,800,075</u>	<u>11,429,557</u>	<u>114,229,632</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	<u>3,874,233</u>	<u>185,965</u>	<u>4,060,198</u>
LIABILITIES			
Current liabilities:			
Warrants payable	25,849	-	25,849
Accounts payable	2,441,555	522,569	2,964,124
Retainage payable	20,013	-	20,013
Accrued payroll	734,226	32,440	766,666
Accrued retirement payable	82,603	3,665	86,268
IBNR claims liability	300,260	-	300,260
Capital leases payable, current portion	<u>408,341</u>	<u>-</u>	<u>408,341</u>
Total current liabilities	<u>4,012,847</u>	<u>558,674</u>	<u>4,571,521</u>
Noncurrent liabilities:			
Accrued compensated absences	2,017,787	120,301	2,138,088
Capital leases payable, less current portion	3,854,843	-	3,854,843
Net pension liability	<u>14,047,001</u>	<u>674,233</u>	<u>14,721,234</u>
Total noncurrent liabilities	<u>19,919,631</u>	<u>794,534</u>	<u>20,714,165</u>
Total liabilities	<u>23,932,478</u>	<u>1,353,208</u>	<u>25,285,686</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable tax revenue	30,367,457	-	30,367,457
Unavailable special assessment revenue	-	4,874,392	4,874,392
Deferred grant revenue	606,422	-	606,422
Pension related items	<u>458,666</u>	<u>22,015</u>	<u>480,681</u>
Total deferred inflows of resources	<u>31,432,545</u>	<u>4,896,407</u>	<u>36,328,952</u>
NET POSITION			
Net investment in capital assets	40,453,504	3,009,189	43,462,693
Restricted for:			
General government	3,810,844	-	3,810,844
Public safety	8,315,609	-	8,315,609
Road and bridge	3,006,350	-	3,006,350
Emergency medical services	2,894,318	-	2,894,318
Debt service	-	664	664
Historical society and recreation	358,805	-	358,805
Health and welfare	506,424	-	506,424
Weeds	15,710	-	15,710
Self funded insurance	(160,505)	-	(160,505)
Road construction	500,565	-	500,565
Capital projects	241	-	241
Unrestricted	<u>(8,392,580)</u>	<u>2,356,054</u>	<u>(6,036,526)</u>
Total net position	<u>\$ 51,309,285</u>	<u>\$ 5,365,907</u>	<u>\$ 56,675,192</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	17,133,242	1,278,487	337,156	686,234	(14,831,365)	-	(14,831,365)
Public safety	24,061,027	3,136,298	1,642,634	-	(19,282,095)	-	(19,282,095)
Emergency medical services	4,015,027	1,176,911	903,203	-	(1,934,913)	-	(1,934,913)
Road and bridge	10,178,763	-	369,226	496,500	(9,313,037)	-	(9,313,037)
Weeds	146,146	-	-	-	(146,146)	-	(146,146)
Health	253,399	-	-	-	(253,399)	-	(253,399)
Welfare	154,243	-	-	-	(154,243)	-	(154,243)
Junior college	150,337	-	-	-	(150,337)	-	(150,337)
Historical society and recreation	1,018,647	30,739	-	-	(987,908)	-	(987,908)
Capital outlay	345,468	-	-	-	(345,468)	-	(345,468)
Interest on long-term debt	148,248	-	-	-	(148,248)	-	(148,248)
Total governmental activities	57,604,547	5,622,435	3,252,219	1,182,734	(47,547,159)	-	(47,547,159)
Business-type activities:							
Solid waste	7,508,339	3,491,109	34	-	-	(4,017,196)	(4,017,196)
Total business-type activities	7,508,339	3,491,109	34	-	-	(4,017,196)	(4,017,196)
Total primary government	\$ 65,112,886	\$ 9,113,544	\$ 3,252,253	\$ 1,182,734	(47,547,159)	(4,017,196)	(51,564,355)
General revenues							
Taxes:							
Property taxes, levied for general purposes				29,886,149	-		29,886,149
Special assessments				-	4,865,880		4,865,880
Intergovernmental				7,644,210	-		7,644,210
Licenses and permits				1,153,279	-		1,153,279
Fines				114,560	-		114,560
Contributions to self-funded insurance				3,493,219	-		3,493,219
Miscellaneous				1,309,144	8,661		1,317,805
Interest and investment earnings				358,718	-		358,718
Total general revenue				43,959,279	4,874,541		48,833,820
Change in net position				(3,587,880)	857,345		(2,730,535)
Net position - beginning of year				54,897,165	4,508,562		59,405,727
Total net position - end of year				\$ 51,309,285	\$ 5,365,907		\$ 56,675,192

BONNER COUNTY, IDAHO
Sandpoint, Idaho

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2020

	General	Justice	Road and Bridge	Ambulance District	Nonmajor Governmental	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Cash and investments	3,897,110	6,341,161	2,345,187	2,024,431	6,715,771	21,323,660
Receivables, net of allowance for uncollectibles:						
Taxes	159,920	482,639	185,039	76,772	184,562	1,088,932
Unbilled taxes	4,532,846	13,677,010	4,754,022	1,917,217	5,486,362	30,367,457
Interest	-	-	-	-	60	60
Fees	-	-	-	-	986	986
Accounts, net	10,538	1,490	260	182,054	19,008	213,350
Prepaid expenses	184,200	31,911	35,414	40,675	688,327	980,527
Due from other governments	458,775	615,028	922,241	826,791	1,027,992	3,850,827
Due from other funds	140,610	120,897	-	-	266,486	527,993
Total assets	<u>9,383,999</u>	<u>21,270,136</u>	<u>8,242,163</u>	<u>5,067,940</u>	<u>14,389,554</u>	<u>58,353,792</u>
Deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 9,383,999</u>	<u>\$ 21,270,136</u>	<u>\$ 8,242,163</u>	<u>\$ 5,067,940</u>	<u>\$ 14,389,554</u>	<u>\$ 58,353,792</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
Liabilities:						
Warrants payable	-	-	-	25,849	-	25,849
Accounts payable	451,814	631,907	376,415	138,528	725,058	2,323,722
Retainage payable	-	-	4,299	15,714	-	20,013
Accrued payroll	128,102	315,609	90,960	68,394	131,161	734,226
Accrued retirement payable	14,596	35,373	10,117	7,920	14,597	82,603
Due to other funds	-	-	-	-	527,993	527,993
Total liabilities	<u>594,512</u>	<u>982,889</u>	<u>481,791</u>	<u>256,405</u>	<u>1,398,809</u>	<u>3,714,406</u>
Deferred inflows of resources:						
Deferred revenue	134,505	402,488	154,986	66,522	154,502	913,003
Deferred grant revenue	-	-	-	-	606,422	606,422
Unavailable tax revenue	4,532,846	13,677,010	4,754,022	1,917,217	5,486,362	30,367,457
Total deferred inflows of resources	<u>4,667,351</u>	<u>14,079,498</u>	<u>4,909,008</u>	<u>1,983,739</u>	<u>6,247,286</u>	<u>31,886,882</u>
Fund balance:						
Nonspendable	184,200	31,911	35,414	40,675	688,327	980,527
Restricted for:						
General government	-	-	-	-	3,063,229	3,063,229
Public safety	-	6,175,838	-	-	1,634,983	7,810,821
Road and bridge	-	-	2,815,950	-	-	2,815,950
Emergency medical services	-	-	-	2,787,121	-	2,787,121
Historical society and recreation	-	-	-	-	344,493	344,493
Health and welfare	-	-	-	-	498,816	498,816
Weeds	-	-	-	-	12,805	12,805
Road construction	-	-	-	-	500,565	500,565
Capital projects	-	-	-	-	241	241
Unassigned	3,937,936	-	-	-	-	3,937,936
Total fund balance	<u>4,122,136</u>	<u>6,207,749</u>	<u>2,851,364</u>	<u>2,827,796</u>	<u>6,743,459</u>	<u>22,752,504</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 9,383,999</u>	<u>\$ 21,270,136</u>	<u>\$ 8,242,163</u>	<u>\$ 5,067,940</u>	<u>\$ 14,389,554</u>	<u>\$ 58,353,792</u>

BONNER COUNTY, IDAHO

Sandpoint, Idaho

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2020

Total fund balances - governmental funds		22,752,504
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Cost of capital assets	533,764,115	
Accumulated depreciation	<u>(489,047,427)</u>	
		44,716,688
Assets that are not available to pay for current period expenditures are not considered available in the governmental funds:		
Property taxes		913,003
Net position of internal service funds are included in government-wide Statement of Net Position		
		(160,505)
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities:		
Deferred outflow of resources		3,874,233
Deferred inflow of resources		(458,666)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Capital leases payable, due within one year	(408,341)	
Compensated absences, due after one year	(2,017,787)	
Capital leases payable, due after one year	(3,854,843)	
Net pension liability	<u>(14,047,001)</u>	
		<u>(20,327,972)</u>
Total net position - governmental activities		<u>\$ 51,309,285</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2020

	General	Justice	Road and Bridge	Ambulance District	Nonmajor Governmental	Total Governmental Funds
REVENUES						
Taxes	4,189,844	14,485,717	4,259,986	1,929,672	5,127,293	29,992,512
Intergovernmental	1,824,237	2,327,228	3,690,585	903,203	3,333,910	12,079,163
Licenses and permits	591,130	326,107	-	-	236,042	1,153,279
Charges for services	1,261,001	1,445,347	-	1,176,911	1,739,176	5,622,435
Fines	-	-	-	-	114,560	114,560
Interest income	338,549	-	-	16,239	3,930	358,718
Miscellaneous	93,454	199,139	244,646	28,684	764,167	1,330,090
Total revenues	<u>8,298,215</u>	<u>18,783,538</u>	<u>8,195,217</u>	<u>4,054,709</u>	<u>11,319,078</u>	<u>50,650,757</u>
EXPENDITURES						
General government	7,223,486	-	-	-	3,781,617	11,005,103
Public safety	258,344	16,996,209	-	-	3,810,801	21,065,354
Emergency medical expenses	-	-	-	3,636,337	-	3,636,337
Road and bridge	-	-	7,201,186	-	231,308	7,432,494
Weeds	-	-	-	-	125,943	125,943
Health	-	-	-	-	253,399	253,399
Welfare	-	-	-	-	143,250	143,250
Junior college	-	-	-	-	150,337	150,337
Historical society and recreation	-	-	-	-	843,561	843,561
Capital outlay	479,076	275,396	1,855,409	1,216,833	2,075,632	5,902,346
Debt service:						
Principal	117,679	-	193,284	1,180	15,647	327,790
Interest	59,807	7,165	81,105	-	171	148,248
Total expenditures	<u>8,138,392</u>	<u>17,278,770</u>	<u>9,330,984</u>	<u>4,854,350</u>	<u>11,431,666</u>	<u>51,034,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>159,823</u>	<u>1,504,768</u>	<u>(1,135,767)</u>	<u>(799,641)</u>	<u>(112,588)</u>	<u>(383,405)</u>
Other financing sources (uses)						
Transfer in (out)	(354,012)	-	-	-	354,012	-
Proceeds from capital lease	10,440	-	-	664,668	-	675,108
Proceeds from sale of capital asset	-	-	-	12,000	-	12,000
Total other financing sources (uses)	<u>(343,572)</u>	<u>-</u>	<u>-</u>	<u>676,668</u>	<u>354,012</u>	<u>687,108</u>
Net change in fund balance	(183,749)	1,504,768	(1,135,767)	(122,973)	241,424	303,703
Fund balances - beginning of year	<u>4,305,885</u>	<u>4,702,981</u>	<u>3,987,131</u>	<u>2,950,769</u>	<u>6,502,035</u>	<u>22,448,801</u>
Fund balances - end of year	<u>\$ 4,122,136</u>	<u>\$ 6,207,749</u>	<u>\$ 2,851,364</u>	<u>\$ 2,827,796</u>	<u>\$ 6,743,459</u>	<u>\$ 22,752,504</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020**

Net change in fund balances - governmental funds		303,703
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities:		
Capital outlays	5,556,878	
Depreciation expense	<u>(5,316,666)</u>	240,212
Some property taxes will not be collected for several months after the County's fiscal year end and are not considered as "available" revenues in the governmental funds. Instead they are recorded as deferred revenues. They are however, recorded as revenues in the Statement of Activities.		
		(106,363)
Proceeds from the sale of capital assets are recorded as a gain for governmental funds, however, in the Statement of Activities, the gain is reduced by the remaining net depreciable basis associated with the disposed assets.		
		(32,946)
Proceeds from the issuance of long-term debt are recorded as revenues for governmental funds, but the issuance increases long-term debt in the Statement of Net Position. Repayment of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:		
Capital lease financing received	(675,108)	
Principal payments	<u>327,790</u>	(347,318)
Net pension liability adjustments:		
Fiscal year 2019 employer PERSI contributions recognized as pension expense in the current year.	(565,545)	
Fiscal year 2020 employer PERSI contributions deferred to subsequent year.	612,882	
Pension related amortization expense.	<u>(2,614,086)</u>	(2,566,749)
Net change of internal service funds not reflected in governments funds are included in the Statement of Activities		
		(372,556)
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. This is the amount by which compensated absences incurred exceeded the amount paid during the year.		
		<u>(705,863)</u>
Total change in net position - governmental activities		<u>\$ (3,587,880)</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

SOLID WASTE FUND
STATEMENT OF NET POSITION
September 30, 2020

ASSETS

Current assets:

Cash and cash equivalents	3,067,580	
Receivables, net of allowance for uncollectibles:		
Special assessment	163,930	
Unbilled special assessments	4,874,392	
Accounts, net	303,379	
Prepaid expenses	9,919	
Due from other governments	504	
Restricted assets:		
Cash on deposit with fiscal agent	664	
Total current assets		8,420,368

Noncurrent assets:

Land	518,416	
Depreciable capital assets, net	2,490,773	
Total noncurrent assets		3,009,189

Total assets 11,429,557

DEFERRED OUTFLOW OF RESOURCES

Pension related items 185,965

LIABILITIES

Current liabilities:

Accounts payable	522,569	
Accrued payroll	32,440	
Accrued retirement payable	3,665	
Total current liabilities		558,674

Noncurrent liabilities:

Accrued compensated absences	120,301	
Net pension liability	674,233	
Total noncurrent liabilities		794,534

Total liabilities 1,353,208

DEFERRED INFLOW OF RESOURCES

Unbilled special assessment revenue	4,874,392	
Pension related items	22,015	
Total deferred inflow of resources		<u>4,896,407</u>

NET POSITION

Net investment in capital assets	3,009,189	
Restricted for:		
Debt service	664	
Unrestricted	2,356,054	
Total net position		<u>\$ 5,365,907</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2020

OPERATING REVENUES

Charges for services	3,491,109	
Intergovernmental	34	
Miscellaneous income	8,661	
Total operating revenues	<u> </u>	3,499,804

OPERATING EXPENSES

Salaries	1,143,380	
Benefits	569,192	
Other services and charges	5,354,178	
Depreciation	417,033	
Total operating expenses	<u> </u>	<u>7,483,783</u>

Operating loss (3,983,979)

NON-OPERATING REVENUES (EXPENSES)

Special assessments	4,865,880	
Interest expense	(24,556)	
Total non-operating revenues	<u> </u>	<u>4,841,324</u>

Change in net position 857,345

Net position - beginning of year 4,508,562

Net position - end of year \$ 5,365,907

BONNER COUNTY, IDAHO
Sandpoint, Idaho

SOLID WASTE FUND
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2020

Cash flows from operating activities		
Cash received from customers	3,419,299	
Cash paid to suppliers	(5,600,192)	
Cash paid for salaries and benefits	(1,499,621)	
Net cash used in operating activities		(3,680,514)
Cash flows from investing activities		-
Cash flows from capital financing and related financing activities		-
Cash flows from non-capital financing activities		
Special assessments	4,834,876	
Principal payment on tax anticipation note	(850,000)	
Interest expense	(24,556)	
Net cash provided by non-capital financing activities		3,960,320
Net increase (decrease) in cash and cash equivalents		279,806
Cash and cash equivalents- beginning of year		2,788,438
Cash and cash equivalents- end of year		<u>\$ 3,068,244</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss		(3,983,979)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	417,033	
Change in pension related items:		
Deferred outflow of resources	(99,480)	
Deferred inflow of resources	(124,270)	
Net pension liability	355,200	
Decrease (increase) in assets:		
Receivables	(80,270)	
Due from other governments	(235)	
Prepaid expenses	81	
Increase (decrease) in liabilities:		
Accounts payable	(246,095)	
Accrued payroll	7,527	
Accrued retirement payable	912	
Compensated absences	73,062	
Total adjustments		303,465
Net cash used in operating activities		<u>\$ (3,680,514)</u>
Cash and cash equivalents reconciliation		
Cash and cash equivalents		3,067,580
Restricted assets:		
Cash on deposit with fiscal agent		664
Total cash and cash equivalents		<u>\$ 3,068,244</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
September 30, 2020

	Self-Funded Medical Insurance	Self-Funded Dental Insurance	Total
ASSETS			
Cash and cash equivalents	93,427	23,156	116,583
Prepaid expenses	57,005	-	57,005
Restricted assets:			
Deposit	84,000	-	84,000
Total assets	<u>234,432</u>	<u>23,156</u>	<u>257,588</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts payable	117,833	-	117,833
IBNR claims liability	289,775	10,485	300,260
Total liabilities	<u>407,608</u>	<u>10,485</u>	<u>418,093</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted:			
Self-funded insurance	<u>\$ (173,176)</u>	<u>\$ 12,671</u>	<u>\$ (160,505)</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2020

	<u>Self Insured Medical Insurance</u>	<u>Self Insured Dental Insurance</u>	<u>Total</u>
REVENUE			
Contributions - employer	2,590,784	161,031	2,751,815
Contributions - employee	713,780	27,624	741,404
Total revenue	<u>3,304,564</u>	<u>188,655</u>	<u>3,493,219</u>
EXPENSES			
Administrative expense	800,065	15,922	815,987
Medical claims	2,300,019	-	2,300,019
Dental claims	-	175,392	175,392
Pharmacy claims	555,144	-	555,144
COBRA admin fees	19,233	-	19,233
Total expenses	<u>3,674,461</u>	<u>191,314</u>	<u>3,865,775</u>
Net change in net position	(369,897)	(2,659)	(372,556)
Net position - beginning of year	<u>196,721</u>	<u>15,330</u>	<u>212,051</u>
Net position - end of year	<u>\$ (173,176)</u>	<u>\$ 12,671</u>	<u>\$ (160,505)</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2020

	Self Insured Medical Insurance	Self Insured Dental Insurance	Total
Cash flows from operating activities			
Contributions	3,304,564	188,655	3,493,219
Cash paid for benefits	(2,836,606)	(164,907)	(3,001,513)
Cash paid for administration	(876,303)	(15,922)	(892,225)
Net cash provided by (used in) operating activities	(408,345)	7,826	(400,519)
Cash flows from investing activities	-	-	-
Cash flows from capital financing and related financing activities	-	-	-
Cash flows from non-capital financing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	(408,345)	7,826	(400,519)
Cash and cash equivalents- beginning of year	501,772	15,330	517,102
Cash and cash equivalents- end of year	<u>\$ 93,427</u>	<u>\$ 23,156</u>	<u>\$ 116,583</u>
Reconciliation of operating income to net cash provided by (used in) operating activities			
Operating income (loss)	(369,897)	(2,659)	(372,556)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Decrease (increase) in assets:			
Prepaid expenses	(57,005)	-	(57,005)
(Decrease) increase in liabilities:			
Accounts payable	48,322	-	48,322
IBNR claims liability	(29,765)	10,485	(19,280)
Net cash provided by (used in) operating activities	<u>\$ (408,345)</u>	<u>\$ 7,826</u>	<u>\$ (400,519)</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2020

		<u>Agency Funds</u>
ASSETS		
Cash and investments		<u>3,730,694</u>
DEFERRED OUTFLOWS OF RESOURCES		
		<u>-</u>
LIABILITIES		
Warrants payable	54,080	
Due to other governments	<u>3,676,614</u>	
Total liabilities		<u>3,730,694</u>
DEFERRED INFLOWS OF RESOURCES		
		<u>-</u>
NET POSITION		
		<u><u>\$ -</u></u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 1 Summary of Significant Accounting Policies

Bonner County, Idaho was formed February 21, 1907 by an act of the Congress of the United States. The County provides the following services as provided by law: public safety, emergency medical services, road and bridge, weeds, health and social services, welfare, education, culture and recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of Bonner County, Idaho 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. The more significant of the government's 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. For financial reporting purposes, management has considered all potential component units which are controlled by, 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 these criteria, there was one component unit, the Ambulance District, included in the County's report, which is reported within the special revenue funds and is reported as a major fund.

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.

Basis of Presentation:

Government-Wide Statements – The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall County government, except for fiduciary activities. Both governmental activities, which are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues, and business-type activities,

NOTE 1 Summary of Significant Accounting Policies (Continued)

which are financed in whole or in part by fees charged to external parties for goods or services, are included.

The Statement of Net Position presents the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets or the related debt obligations.

Restricted net position consists of net position that has constraints in place on its use externally by grant provisions or law. Assigned net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) is offset by program revenues.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable with a particular function.
- Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported, instead, as general revenues.
- Indirect expenses have been allocated to the programs which best represent the nature of the expenditures as determined by management.

Fund Financial Statements – The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

NOTE 1 Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

- **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.
- **Justice Fund:** accounts for the services and equipment used to provide for the public safety of the County.
- **Road and Bridge Fund:** accounts for the design, construction and maintenance of the County roads.
- **Ambulance District:** accounts for the revenues earned and services provided for medical care.

The County reports the following proprietary funds:

- **Solid Waste Fund:** This fund accounts for revenues and expenses that are related to providing solid waste disposal services to County residents. Operating revenues are comprised of all activities other than investing and capital related revenues.
- **Self-Funded Medical Insurance Fund:** This fund accounts for revenues and expenses that are related to providing self-funded medical expenses.
- **Self-Funded Dental Insurance Fund:** This fund accounts for revenues and expenses that are related to providing self-funded dental expenses.

Additionally, the County reports the following fiduciary fund types:

- **Agency Funds:** These funds report resources held for other governmental agencies, taxing districts and special purpose trusts on a short-term basis in a purely custodial capacity.

Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements (except agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. State support and grant revenues are susceptible to accrual.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenue available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Claims, judgments, and compensated absences are recognized as expenditures only to the extent they are normally expected to be paid from existing unrestricted fund balance. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the County's policy to first apply restricted resources to such programs, followed by unrestricted resources.

Budgets – Budgets are adopted on a basis consistent with governmental accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service proprietary a public hearing is held.

The County Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the first Monday in August, the County Clerk submits to the County Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and sources of funding. It is published publicly on or before the third week in August.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the first Tuesday after the first Monday of September, the budget is legally adopted by the Commission.

Cash and Cash Equivalents – Cash and cash equivalents includes amounts in demand deposits and short-term investments that do not meet the definition of an investment per GASB 72. State statute and commission investment policy authorizes the County to invest in obligations of the U.S. Treasury, the State of Idaho or county, city or other taxing districts of the State of Idaho. Commercial paper, corporate bonds, repurchase agreements, and investments are stated at cost. Interest income is defined as non-operating revenue.

Statement of Cash Flows – For the purposes of the statement of cash flows, all proprietary funds are considered highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Allowance for Uncollectible Amounts – No allowance for uncollectible amounts has been deemed necessary as of September 30, 2020 except for the ambulance district that recorded an allowance of \$179,464.

Encumbrances – The County does not follow the practice of encumbering funds at year-end.

Inventory – Inventory is valued at zero. All costs of expendable supplies are expensed when the supplies are purchased.

Short-Term Interfund Receivables/Payables – During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These short-term receivables and payables are classified as "due from other funds" or "due to other funds" on the governmental funds Balance Sheet. To the extent possible, these balances have been eliminated on the Statement of Net Position.

Capital Assets – Capital assets are reported at actual or estimated historical cost based on appraisals of deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The Board of Commissioners has set a capitalization threshold of \$5,000. All purchases and improvement to facilities that are not considered repairs are capitalized and depreciated using the straight-line method in the governmental and proprietary funds. Useful lives are as follows:

Buildings	40 years
Improvements other than buildings	10-20 years
Equipment	5 – 10 years
Infrastructure	20 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

Compensated absences – County employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days up to a maximum of 160-320 hours for employees depending on length of service. Employees are also reimbursed for up to 25% of their catastrophic sick leave account balances if they are over the age of 55 and had 5 years of continuous services. Employees are not reimbursed for regular sick leave not used.

Long Term Obligations – Long-term debt includes lease obligations, where, by intent, the County intends to take possession of the leased property at the end of the lease term (capital), usually by payment of a nominal sum. The amount of the lease obligation due within one year is shown as a current liability.

Deferred Revenue – Deferred revenue in the governmental funds represents property taxes receivable recorded but not collected within 60 days of the end of the accounting period.

NOTE 1 **Summary of Significant Accounting Policies (Continued)**

Unavailable Tax Revenue – Unavailable tax revenue represents the property taxes levied for 2020 that are measurable but unavailable to the County, therefore recorded as a deferred inflow of resources in both governmental fund and government-wide financial statements.

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

Restricted Resources – The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance – In the fund statements, *non-spendable* fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants or lenders) or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balances represent the remaining amount that is not restricted or committed. The Board of Commissioners are the body authorized to assign amounts to a specific purpose, and typically do so when a specific revenue source is received and a special revenue fund is thereby established. *Unassigned* fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events – The County has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. The County has concluded that no material subsequent events have occurred.

NOTE 2 Cash and Investments

The elected State Treasurer, following Idaho Code, is authorized to sponsor an investment pool that the County voluntarily participates in. The Local Government 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 (State Pool) is managed by the State of Idaho Treasurer's office. The funds of the State 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 State 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 the Local Government 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 State Pool.

Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification.

Through an "Automatic Commercial Investment Sweep and Daily Repurchase Agreement" dated in December 2012 with Columbia Bank, and a "Master Repurchase Agreement" dated in June 2015 with Mountain West Bank and a "Collateralization Program" dated in August 2013 with Wells Fargo, the County invests idle cash in repurchase agreements that are not insured by the FDIC. However, 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 is 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 Government Investment Pool is not rated.

Concentration of Credit Risk - The County's investment policy currently limits the balance of investments with a single issuer to 50% of the County's total funds. As of September 30, 2020, the following issuers hold more than 5% of the County's total portfolio: State of Idaho Investment Pool – 41%, Columbia Bank – 38%, Mountain West Bank - 11% and Multi-Bank Securities, Inc. - 9%.

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, 2020, the County's had no deposits that Bank exceed the FDIC insured limit of \$250,000.

NOTE 2 Cash and Investments (Continued)

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. The County is exposed to custodial credit risk because it has repurchase agreement investments of \$10,112,067 that are uninsured, unregistered, and held by Columbia Bank, \$3,110,740 that are that are uninsured, unregistered, and held by Mountain West Bank. Columbia Bank and Mountain West Bank are the counterparties for the repurchase agreements. However, the risk is mitigated, because the repurchase agreements are fully collateralized by U.S. Government securities, with the collateral held in trust by Federal Home Loan Bank in Columbia Bank and Mountain West Bank's name with market values of \$13,593,372 as of September 30, 2020. The Federal Home Loan Bank is an independent safekeeping agent unaffiliated with Columbia Bank and Mountain West Bank.

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>Account</u>	<u>Under 30 Days</u>	<u>31-180 Days</u>	<u>181-365 Days</u>	<u>1 to 5 Years</u>	<u>Market</u>	<u>Cost</u>	<u>Percent of Total</u>
Columbia Bank							
Repurchase agreements							
Treasurer's account	8,287,636	-	-	-	8,287,636	8,287,636	29.35%
Ambulance account	1,824,431	-	-	-	1,824,431	1,824,431	6.46%
Checking accounts							
Ambulance checking	200,000	-	-	-	200,000	200,000	0.71%
General checking	140,000	-	-	-	140,000	140,000	0.50%
Fair association	234,144	-	-	-	234,144	234,144	0.83%
Drug Restitution	30,090	-	-	-	30,090	30,090	0.11%
4H	9,038	-	-	-	9,038	9,038	0.03%
Magistrate	58,608	-	-	-	58,608	58,608	0.21%
Prosecutors	343	-	-	-	343	343	0.00%
Law foundation	12,401	-	-	-	12,401	12,401	0.04%
Medical	3,816	-	-	-	3,816	3,816	0.01%
Mountain West Bank							
Repurchase agreements	3,110,740	-	-	-	3,110,740	3,110,740	11.02%
Checking account							
Treasurer's checking	50,000	-	-	-	50,000	50,000	0.18%
Fair association	58,103	-	-	-	58,103	58,103	0.21%
Nationwide Retirement Solutions	186,286	-	-	-	186,286	186,286	0.66%
State of Idaho							
Local government							
investment pool	-	11,463,382	-	-	11,463,382	11,463,382	40.61%
Multi-Bank Securities, Inc.	-	-	-	2,561,518	2,561,518	2,552,000	9.04%
Cash on hand	8,645	-	-	-	8,645	8,645	0.03%
Total Cash and investments	\$14,214,281	\$11,463,382	\$ -	\$2,561,518	\$28,239,181	\$28,229,663	100.0%

NOTE 2 Cash and Investments (Continued)

The composition of the cash and investments accounts in the financial statements is as follows:

Cash on hand	8,645
Bank deposits	982,829
Carrying value of investments:	
Repurchase agreements	13,222,807
LGIP	11,463,382
Multi-Bank Securities	<u>2,561,518</u>
Total cash and investments	<u>\$28,239,181</u>

NOTE 3 Property Tax

The County's property tax is levied each October on the value listed as of the prior September 1 for all real and personal property located in the County. A revaluation of all property is required to be completed no less than every five years. The market value as of September, 2019, upon which the 2019 levy was based, was \$7,989,383,831 for the County and Ambulance District and was \$6,224,968,849 for the Road and Bridge fund.

Various sections of the Idaho Code limit the amount that may be levied for general and other fund purposes. The 2019 levy was 0.2908100% of market value for the County, 0.0228334% for the Ambulance District, and 0.0675277% for the Road and Bridge fund.

Taxes are due in two equal installments on December 20th and June 20th of the next year following the levy date. Interest and penalty charges begin to accrue following the installment due date. The total 2019 tax levy was \$30,277,024, of which 97.87% was collected and \$646,154 remains unpaid as of September 30, 2020.

NOTE 4 Deferred Revenue

Property taxes levied for 2019 and prior years and uncollected as of September 30, 2020 are shown as taxes receivable. To the extent that they are not collected by the County by November 30, 2020, a deferred revenue account in that amount is established in the governmental funds.

Total taxes receivable as of September 30, 2020	1,088,932
Less: Taxes collected by November 30, 2020	<u>(175,929)</u>
Total deferred tax revenue	<u>\$ 913,003</u>

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the County has recognized the 2020 property tax levy as a receivable. This levy is an enforceable legal claim created during the fiscal year. The total property tax levy for 2020 of \$30,367,457 is considered unavailable at September 30, 2020 and is recorded as a deferred inflow of resources.

NOTE 4 Deferred Revenue (Continued)

Deferred revenue – Certain grant revenues have been received but were unearned at year-end. To the extent that they were unearned, a deferred revenue account in that amount is established in the governmental funds.

Deferred grant revenue	<u>\$606,422</u>
Total unearned revenue	<u>\$606,422</u>

NOTE 5 Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

Governmental activities:

	<u>Balance September 30, 2019</u>	<u>Additions</u>	<u>Transfers/ Adjustments</u>	<u>Disposals</u>	<u>Balance September 30, 2020</u>
Capital assets, depreciated:					
Infrastructure	467,574,869	481,709	1,023,339	-	469,079,917
Biological	-	7,000	-	-	7,000
Building and improvements	24,931,679	42,955	-	-	24,974,634
Machinery and equipment	30,382,730	2,531,646	-	(70,013)	32,844,363
Accumulated depreciation	<u>(483,778,180)</u>	<u>(5,316,666)</u>	-	47,419	<u>(489,047,427)</u>
Net capital assets, depreciated	<u>39,111,098</u>	<u>(2,253,356)</u>	<u>1,023,339</u>	<u>(22,594)</u>	<u>37,858,487</u>
Capital assets, not depreciated					
Land	4,337,164	356,484	-	-	4,693,648
Construction in progress	<u>1,050,808</u>	<u>2,137,084</u>	<u>(1,023,339)</u>	-	<u>2,164,553</u>
Total capital assets, not depreciated	<u>5,387,972</u>	<u>2,493,568</u>	<u>(1,023,339)</u>	-	<u>6,858,201</u>
Total capital assets, net	<u>\$ 44,499,070</u>	<u>\$ 240,212</u>	<u>\$ -</u>	<u>\$ (22,594)</u>	<u>\$ 44,716,688</u>

During 2020, depreciation expense was charged to functions as follows:

General government	1,513,144
Public safety	1,207,490
Emergency medical services	136,666
Road and bridge	2,357,363
Weeds	8,853
Historical society and recreation	<u>93,150</u>
Total governmental activities depreciation expense	<u>\$5,316,666</u>

NOTE 5 Capital Assets (Continued)

Business-type activities:

	Balance September 30, 2019	Additions	Transfers/ Adjustments	Disposals	Balance September 30, 2020
Capital assets, depreciated:					
Buildings and improvements	1,023,335	-	-	-	1,023,335
Other improvements	3,691,468	-	-	-	3,691,468
Machinery and equipment	1,427,061	-	-	-	1,427,061
Total capital assets, depreciated	<u>6,141,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,141,864</u>
Less: accumulated depreciation					
Buildings and improvements	(532,659)	(30,563)	-	-	(563,222)
Other improvements	(1,782,805)	(281,689)	-	-	(2,064,494)
Machinery and equipment	(918,594)	(104,781)	-	-	(1,023,375)
Total accumulated depreciation	<u>(3,234,058)</u>	<u>(417,033)</u>	<u>-</u>	<u>-</u>	<u>(3,651,091)</u>
Net capital assets, depreciated	<u>2,907,806</u>	<u>(417,033)</u>	<u>-</u>	<u>-</u>	<u>2,490,773</u>
Capital assets, not depreciated					
Land	518,416	-	-	-	518,416
Total capital assets, net	<u>\$ 3,426,222</u>	<u>\$ (417,033)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,009,189</u>

During 2020, \$417,033 depreciation expense was charged to Solid Waste.

NOTE 6 Leases

Operating Leases

Ambulance District - The County entered into an agreement to lease a building for Sandpoint EMS Station #1 which expires September 30, 2021. For the current year, the payments were \$6,103 per month. Total payments made for the year ended September 30, 2020 were \$73,236.

Department of Motor Vehicles - On October 1, 2012, the County entered into an agreement to lease a portion of Bonner Mall for office space for a period of 15 years, renewable annually. For the current year, the payments were \$1,221 per month. Total payments made during the year ended September 30, 2020, were \$14,652.

Waterways - The County leases access to the Hope boat launch for sportsman access on an annual renewal expiring September 30th of each year. Total payments made for the year ended September 30, 2020, were \$650.

Airport Directors Office - The County leases an office space from Granite Aviation on a month-to-month basis. Total payments made for the year ended September 30, 2020, were \$5,400.

NOTE 6 Leases (Continued)

Little Blacktail Communication – On November 1, 2017, the County entered into an agreement with Day Wireless Systems to lease land for a tower site which expires September 30, 2022. Total payments made for the year ended September 30, 2020, were \$8,436.

Sundance Communication – On December 18, 2018, the County entered into an agreement with the State of Idaho to lease land for a tower site which expires December 31, 2020. Total payments made for the year ended September 30, 2020, were \$4,750.

2021	106,483
2022	30,606
2023	31,365
2024	32,142
2025	22,678
2026	17,025
2027	<u>17,430</u>
Total	<u>\$257,729</u>

Capital Leases

The County has entered into various leases to purchase equipment and buildings. These lease agreements qualify as capital leases for accounting purposes and are recorded in the capital assets of the County. The leases are collateralized by the assets. Future minimum annual lease payments under capital leases at September 30, 2020 are as follows:

Year Ending September, 30	Road and Bridge	Bonner County Administration	Ambulance	Airport	Total
2021	273,613	177,038	108,566	-	559,217
2022	606,104	170,513	108,566	-	885,183
2023	400,622	170,239	108,566	-	679,427
2024	1,354,000	168,070	108,266	-	1,630,336
2025	-	158,235	107,510	-	265,745
Thereafter	-	639,131	215,019	-	854,150
Total minimum lease payments	2,634,339	1,483,226	756,493	-	4,874,058
Less: amounts representing interest	(243,519)	(279,455)	(87,900)	-	(610,874)
Present Value of minimum Lease Payments	2,390,820	1,203,771	668,593	-	4,263,184
Less: amounts due within one year	(198,621)	(122,450)	(87,270)	-	(408,341)
Amounts due after one year	<u>\$2,192,199</u>	<u>\$ 1,081,321</u>	<u>\$581,323</u>	<u>\$ -</u>	<u>\$3,854,843</u>
Current Year Interest Payment	<u>\$ 81,105</u>	<u>\$ 59,735</u>	<u>\$ -</u>	<u>\$ 171</u>	<u>\$ 141,011</u>
Current Year Principal Payment	<u>\$ 193,284</u>	<u>\$ 119,467</u>	<u>\$ 1,180</u>	<u>\$ 13,859</u>	<u>\$ 327,790</u>

NOTE 7 Long-Term Obligations

A summary of changes in long-term liabilities of the County for the year ended September 30, 2020 is as follows:

	Long-Term Liabilities September 30, 2019	Current Year Activity	Long-term Liabilities September 30, 2020	Due Within One Year
<u>Governmental activities:</u>				
Notes from direct borrowings	250,000	(250,000)	-	-
Compensated absences	1,311,924	705,863	2,017,787	-
Total governmental activities	<u>\$ 1,561,924</u>	<u>\$ 455,863</u>	<u>\$ 2,017,787</u>	<u>\$ -</u>
<u>Business-type activities:</u>				
Notes from direct borrowings	850,000	(850,000)	-	-
Compensated absences	47,239	73,062	120,301	-
Total business-type activities	<u>\$ 897,239</u>	<u>\$ (776,938)</u>	<u>\$ 120,301</u>	<u>\$ -</u>

The County obtained a revenue anticipation note (notes from direct borrowings) for \$1,100,000 during fiscal year 2019, which was deposited in the Justice fund (\$250,000) and in the Solid Waste fund (\$850,000). This was paid off during the current year.

NOTE 8 Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables as of September 30, 2020 was as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	140,610	-
Justice Fund	120,897	-
Airport Fund	266,486	-
Grants Fund	-	527,993
	<u>\$ 527,993</u>	<u>\$ 527,993</u>

NOTE 9 Excess of Actual Expenditures over Budget in Individual Funds

The following fund had an excess of actual expenditures over budget for the year ended September 30, 2020:

Fund	Excess
Health District	\$27
Ambulance District	\$918,170

NOTE 10 Deferred Compensation Plan

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.

GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans--a rescission of GASB Statement No. 2 and an amendment of GASB Statement No. 31, rescinded prior standards and established new accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governmental employers. The County is in compliance with the IRC regulation. All assets and income of the County's 457 plan are held in a trust, custodial account or annuity contract as described in IRC Section 457(g) for the exclusive benefit of the plan participants and their beneficiaries. The County has no liability for losses under the plan. The assets and liabilities relating to this deferred compensation plan have been excluded from the County's financial statements.

NOTE 11 Defined Benefit Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended September 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2020. All amounts are as of June 30, 2020 unless otherwise noted.

Plan Description

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

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

NOTE 11 Defined Benefit Pension Plan (Continued)

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. Amounts in parenthesis represent police/firefighters.

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of September 30, 2020 it was 7.16% (8.81%). The employer contribution rate is set by the Retirement Board and was 11.94% (12.28%) of covered compensation. Bonner County's employer contributions required and paid were \$2,755,813 for the year ended September 30, 2020.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the County reported a liability for its proportionate share of the net pension liability as of June 30, 2020. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the County's proportion was 0.6339533 percent.

NOTE 11 Defined Benefit Pension Plan (Continued)

The County’s pension expense (revenue) is calculated and made available as part of PERSI’s annual audit. The pension expense (revenue) for the year ending June 30, 2020 was calculated at \$5,331,374.

At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	1,150,180	480,681
Changes in assumptions or other inputs	248,963	-
Net difference between projected and actual earning on pension plan investments	1,687,336	-
Change in proportionate share	331,420	-
Employer contributions subsequent to the measurement date	<u>642,299</u>	<u>-</u>
Total	<u><u>\$4,060,198</u></u>	<u><u>\$480,681</u></u>

\$642,299 reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021.

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

<u>For the Year Ending June 30:</u>	<u>Amount to be Recognized</u>
2021	47,543
2022	620,117
2023	841,646
2024	1,096,493

NOTE 11 Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases**	3.75%
Salary inflation	3.75%
Investment rate of return – net of investment fees	7.05%
Cost-of-living adjustments	1.00%

*3.75 percent of 1.00 percent depending on whether the member was hired on or before July 1, 2012.

**There is an additional component of assumed salary grown (on top of the 3.75%) that varies for each individual member based on years of service.

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

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

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

NOTE 11 Defined Benefit Pension Plan (Continued)

Capital Market Assumptions from Callen 2020

Asset Class	Target Allocation	Long - Term Expected Nominal Rate of (Arithmetic)	Long - Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%

Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2018

Valuation Assumptions Chosen by PERSI Board

Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.05%

Discount Rate

Discount rate – The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for administrative expense.

NOTE 11 Defined Benefit Pension Plan (Continued)

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$30,189,218	\$14,721,234	\$1,931,732

Pension plan fiduciary net position

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

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

Payables to the pension plan

At June 30, 2030, the County reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 12 Self-Funded Insurance Plans

Medical Insurance - Beginning October 2018, the County began partially self-insuring the cost of employee healthcare benefits. The County self-insures the first \$100,000 in claims per eligible participant. The County also purchases annual stop-loss insurance coverage for all claims in excess of \$100,000 per participant. An accrual for claims that have been incurred but not reported (IBNR claims liability), the claim liability is re-evaluated periodically to take into consideration recently settled claims, frequency of claims, and other economic and social factors.

NOTE 12 Self-Funded Insurance Plans (Continued)

Changes in the County's claim liability amounts are as follows:

IBNR claims liability, beginning of year	319,540
Current year claims and changes in estimates	2,855,163
Claims payments	<u>(2,884,928)</u>
IBNR claims liability, end of year	<u>\$289,775</u>

Dental Insurance - Beginning October 2019, the County began self-insuring the cost of employee dental benefits. An accrual for claims that have been incurred but not reported (IBNR claims liability), the claim liability is re-evaluated periodically to take into consideration recently settled claims, frequency of claims, and other economic and social factors.

Changes in the County's claim liability amounts are as follows:

IBNR claims liability, beginning of year	-
Current year claims and changes in estimates	175,392
Claims payments	<u>(164,907)</u>
IBNR claims liability, end of year	<u>\$10,485</u>

NOTE 13 Contingent Liabilities and Commitments

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

There are two types of lawsuits which the County is presently defending. The first type involves insured claims against the County that are both defended and indemnified by the County's insurance carrier. Details involving this type of lawsuit can be obtained by contacting the County's risk manager. The County is presently self-insured for the first \$500,000 per claim. The second type of lawsuit facing the County involves uninsured claims. Presently the County is not defending any significant uninsured lawsuits. Management of the County will vigorously defend against both insured and uninsured claims. Presently there are no materially significant adverse claims pending against Bonner which would be covered through self-insurance.

NOTE 14 Risk Management

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, in concert with the County attorney, 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 Travelers Companies Public Sector Services. Travelers is an insurance group serving private and public entities throughout the United States through provisions of property, general liability, auto liability, physical damage, and public officials' insurance. The County pays an annual premium to Travelers for insurance coverage.

At September 30, 2020, 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, 2020 were below the limits of the insurance coverage.

NOTE 15 Performance Bonds

The County is currently seeking redemption of over \$3.7 million of performance bonds pledged in relation to a golf course development within the County. The insurance company that issued the performance bonds is in liquidation. The Liquidator denied the County's claims, and the court overseeing the liquidation ruled in favor of the Liquidator. The County has filed an appeal to the Utah Supreme Court. The County believes that if the appeal is successful, the County will be able to recover a significant portion of its claims.

NOTE 16 Turnbull Trust

Harp S. Turnbull has created a testamentary trust in favor of the Bonner County Road and Bridge Department. This trust is administered by the Idaho Community Foundation which has the sole authority to distribute interest amounts it deems appropriate annually for important County road projects. The County received \$114,435 during the year. The estate is not yet closed and more contributions from the trust are expected. The Board of County Commissioners is grateful for Mr. Turnbull's philanthropic kindness to the traveling public of Bonner County. The County Commissioners will utilize future revenues for important County road projects, consistent with the intent of Mr. Turnbull.

NOTE 17 Tax Abatement

Bonner County enters into property tax abatements with local businesses under Idaho Code §63-602NN. Under the Code, the County may grant property tax abatements of up to 100 percent of plant investments that meet all tax incentive criteria as defined in I.C. §63-602NN (2).

For the County's fiscal year ended September 30, 2020, the following agreements are as follows:

- A 75% reduction in assessed value to a salad dressing manufacturer for investment in buildings or structural components of buildings which are included in the assessed value of the project for that particular tax year, effective for five years starting in tax year 2017. The total amount of exemption not to exceed \$4.65 million (75% of \$6.2 million total investment) of assessed value effect for five (5) years starting in tax year 2017. For tax year 2019, the total exemption value was \$3,147,685.
- A 75% reduction in assessed value to an aircraft manufacturer for investment in buildings or structural components of buildings which are included in the assessed value of the project for that particular tax year, effective for five years starting in tax year 2016. The total amount of exemption not to exceed \$2,316,750 (75% of \$3,089,000 total investment). For tax year 2019, the total exemption value was \$1,893,465.

The two tax abatements described above do not reduce the property tax levied by the County, rather, the market value used to set the levy rate was fractionally lower than if the abatement agreement was not in place.

NOTE 18 COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. There have been mandates from governing authorities requiring forced closures of schools, businesses, and other facilities and organizations. While the disruption is expected to be temporary, the current circumstances are evolving and dynamic. The full extent and duration of the impact of COVID-19 on the County's operations and financial performance is currently unknown, and depends on

NOTE 18 COVID-19 (Continued)

future developments that are uncertain and unpredictable. Because of this, it may have a materially adverse impact on the County's business, results of operations, financial position, and cash flows.

REQUIRED SUPPLEMENTARY INFORMATION



BONNER COUNTY, IDAHO

Sandpoint, Idaho

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variances	
				Favorable (Unfavorable)	
				Original to Actual	Final to Actual
Revenues					
Taxes	4,171,319	4,171,319	4,189,844	18,525	18,525
Intergovernmental	1,099,197	1,099,197	1,824,237	725,040	725,040
Licenses and permits	577,448	577,448	591,130	13,682	13,682
Charges for services	791,950	791,950	1,261,001	469,051	469,051
Fines	500	500	-	(500)	(500)
Interest income	500,000	500,000	338,549	(161,451)	(161,451)
Miscellaneous	6,510	6,510	93,454	86,944	86,944
Total revenues	<u>7,146,924</u>	<u>7,146,924</u>	<u>8,298,215</u>	<u>1,151,291</u>	<u>1,151,291</u>
Expenditures					
General government	8,474,707	8,511,127	7,223,486	1,251,221	1,287,641
Public safety	275,676	283,496	258,344	17,332	25,152
Capital outlay	588,490	594,490	479,076	109,414	115,414
Debt service:					
Principal	11,333	11,333	117,679	(106,346)	(106,346)
Interest	-	-	59,807	(59,807)	(59,807)
Total expenditures	<u>9,350,206</u>	<u>9,400,446</u>	<u>8,138,392</u>	<u>1,211,814</u>	<u>1,262,054</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,203,282)</u>	<u>(2,253,522)</u>	<u>159,823</u>	<u>2,363,105</u>	<u>2,413,345</u>
Other financing sources (uses)					
Operating transfers out	-	-	(354,012)	(354,012)	(354,012)
Proceeds from capital lease	-	-	10,440	10,440	10,440
Total other financing sources	<u>-</u>	<u>-</u>	<u>(343,572)</u>	<u>(343,572)</u>	<u>(343,572)</u>
Net change in fund balance	<u>\$ (2,203,282)</u>	<u>\$ (2,253,522)</u>	<u>(183,749)</u>	<u>\$ 2,019,533</u>	<u>\$ 2,069,773</u>
Fund balance - beginning of year			<u>4,305,885</u>		
Fund balance - end of year			<u>\$ 4,122,136</u>		

BONNER COUNTY, IDAHO

Sandpoint, Idaho

JUSTICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Final to Actual</u>
Revenues					
Taxes	14,461,917	14,461,917	14,485,717	23,800	23,800
Intergovernmental	1,712,388	1,712,388	2,327,228	614,840	614,840
Licenses and permits	286,000	286,000	326,107	40,107	40,107
Charges for services	1,071,300	1,071,300	1,445,347	374,047	374,047
Miscellaneous	109,387	109,387	199,139	89,752	89,752
Total revenues	<u>17,640,992</u>	<u>17,640,992</u>	<u>18,783,538</u>	<u>1,142,546</u>	<u>1,142,546</u>
Expenditures					
Public safety	18,390,431	18,431,798	16,996,209	1,394,222	1,435,589
Capital outlay	330,000	364,513	275,396	54,604	89,117
Debt service:					
Interest	12,000	12,000	7,165	4,835	4,835
Total expenditures	<u>18,732,431</u>	<u>18,808,311</u>	<u>17,278,770</u>	<u>1,453,661</u>	<u>1,529,541</u>
Net change in fund balance	<u>\$ (1,091,439)</u>	<u>\$ (1,167,319)</u>	1,504,768	<u>\$ 2,596,207</u>	<u>\$ 2,672,087</u>
Fund balance - beginning of year			<u>4,702,981</u>		
Fund balance - end of year			<u>\$ 6,207,749</u>		

BONNER COUNTY, IDAHO
Sandpoint, Idaho

ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
Revenues					
Taxes	4,196,592	4,196,592	4,259,986	63,394	63,394
Intergovernmental	2,996,026	2,996,026	3,690,585	694,559	694,559
Miscellaneous	34,500	34,500	244,646	210,146	210,146
Total revenues	<u>7,227,118</u>	<u>7,227,118</u>	<u>8,195,217</u>	<u>968,099</u>	<u>968,099</u>
Expenditures					
Road and bridge	8,684,618	9,446,230	7,201,186	1,483,432	2,245,044
Capital outlay	1,177,500	1,276,315	1,855,409	(677,909)	(579,094)
Debt service:					
Principal	265,000	265,000	193,284	71,716	71,716
Interest	-	-	81,105	(81,105)	(81,105)
Total expenditures	<u>10,127,118</u>	<u>10,987,545</u>	<u>9,330,984</u>	<u>796,134</u>	<u>1,656,561</u>
Net change in fund balance	<u>\$ (2,900,000)</u>	<u>\$ (3,760,427)</u>	(1,135,767)	<u>\$ 1,764,233</u>	<u>\$ 2,624,660</u>
Fund balance - beginning of year			<u>3,987,131</u>		
Fund balance - end of year			<u>\$ 2,851,364</u>		

BONNER COUNTY, IDAHO
Sandpoint, Idaho

AMBULANCE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variances	
				Favorable (Unfavorable)	
				Original to Actual	Final to Actual
Revenues					
Taxes	2,877,080	2,877,080	1,929,672	(947,408)	(947,408)
Charges for services	-	-	1,176,911	1,176,911	1,176,911
Intergovernmental	-	-	903,203	903,203	903,203
Interest income	36,000	36,000	16,239	(19,761)	(19,761)
Miscellaneous	21,000	21,000	28,684	7,684	7,684
Total revenues	<u>2,934,080</u>	<u>2,934,080</u>	<u>4,054,709</u>	<u>1,120,629</u>	<u>1,120,629</u>
Expenditures					
Emergency medical expenses	3,247,463	3,249,563	3,636,337	(388,874)	(386,774)
Capital outlay	577,617	577,617	1,216,833	(639,216)	(639,216)
Debt service:					
Principal	109,000	109,000	1,180	107,820	107,820
Total expenditures	<u>3,934,080</u>	<u>3,936,180</u>	<u>4,854,350</u>	<u>(920,270)</u>	<u>(918,170)</u>
Excess (deficiency) of revenues over/under expenditures	(1,000,000)	(1,002,100)	(799,641)	200,359	202,459
Other financing sources (uses)					
Proceeds from capital leases	-	-	664,668	664,668	664,668
Proceeds from sale of capital assets	-	-	12,000	12,000	12,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>676,668</u>	<u>676,668</u>	<u>676,668</u>
Net change in fund balance	<u>\$ (1,000,000)</u>	<u>\$ (1,002,100)</u>	(122,973)	<u>\$ 877,027</u>	<u>\$ 879,127</u>
Fund balance - beginning of year			<u>2,950,769</u>		
Fund balance - end of year			<u>\$ 2,827,796</u>		

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NET PENSION LIABILITY RELATED SCHEDULES

Schedule of the County's Share of Net Pension Liability*

	PERSI - Base Plan						
	As of June 30,						
	2020	2019	2018	2017	2016	2015	2014
Employer's portion of the net pension liability	0.6339533%	0.6224781%	0.6053360%	0.5979120%	0.5813633%	0.5581300%	0.5483179%
Employer's proportionate share of the net pension liability	14,721,234	7,105,414	8,928,812	9,398,150	11,785,127	7,349,664	4,036,478
Employer's covered employee payroll	22,374,323	20,944,598	19,294,118	18,394,362	16,841,635	15,484,685	14,713,655
Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	65.80%	33.92%	46.28%	51.09%	69.98%	47.46%	27.43%
Plan fiduciary net position as a percentage of the total	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

Schedule of the County's Contributions*

	PERSI - Base Plan						
	As of June 30,						
	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution - Class 1 Employees	1,832,855	1,627,417	1,499,173	1,417,518	1,297,861	1,193,638	1,134,203
Statutorily required contribution - Class 2 Employees	862,520	765,843	705,493	684,689	626,892	576,025	547,343
Total Statutorily required contribution - All employees	2,695,375	2,393,260	2,204,666	2,102,207	1,924,753	1,769,663	1,681,546
Contributions in relation to the statutorily required contribution	(2,695,375)	(2,393,260)	(2,204,666)	(2,102,207)	(1,924,753)	(1,769,663)	(1,681,546)
Contribution (deficiency) excess	-	-	-	-	-	-	-
Employer's covered employee payroll - Class 1	15,350,544	14,376,476	13,243,578	12,522,244	11,465,203	10,544,505	10,019,461
Employer's covered employee payroll - Class 2	7,023,779	6,568,122	6,050,540	5,872,118	5,376,432	4,940,180	4,694,194
Contributions as a percentage of covered employee payroll - Class 1	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%
Contributions as a percentage of covered employee payroll - Class 2	12.28%	11.66%	11.66%	11.66%	11.66%	11.66%	11.66%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those use for which information is available.

Data is reported is measured as of June 30, 2020.

NOTES TO THE NET PENSION LIABILITY SCHEDULES

As of June 30, 2020

Change of Assumptions. There were no change of assumptions as of June 30, 2020.

SUPPLEMENTARY INFORMATION



BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and investments	6,715,530	241	6,715,771
Receivables, net of allowance for uncollectibles:			
Taxes	184,562	-	184,562
Unbilled taxes	5,486,362	-	5,486,362
Interest	60	-	60
Fees	986	-	986
Accounts, net	19,008	-	19,008
Prepaid expenses	688,327	-	688,327
Due from other governments	1,027,992	-	1,027,992
Due from other funds	266,486	-	266,486
Total assets	14,389,313	241	14,389,554
Deferred outflows of resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 14,389,313	\$ 241	\$ 14,389,554
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	725,058	-	725,058
Accrued payroll	131,161	-	131,161
Retirement payable	14,597	-	14,597
Due to other funds	527,993	-	527,993
Total liabilities	1,398,809	-	1,398,809
Deferred inflows of resources			
Deferred revenue	154,502	-	154,502
Deferred grant revenue	606,422	-	606,422
Unavailable tax revenue	5,486,362	-	5,486,362
Total deferred inflows of resources	6,247,286	-	6,247,286
Fund balance			
Nonspendable	688,327	-	688,327
Restricted for:			
General governmental	3,063,229	-	3,063,229
Public safety	1,634,983	-	1,634,983
Historical society and recreation	344,493	-	344,493
Health and welfare	498,816	-	498,816
Weeds	12,805	-	12,805
Road construction	500,565	-	500,565
Capital projects	-	241	241
Total fund balance	6,743,218	241	6,743,459
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 14,389,313	\$ 241	\$ 14,389,554

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2020

	<u>Airport</u>	<u>Elections</u>	<u>Drug Court</u>	<u>District Court</u>	<u>County Fair</u>	<u>911</u>	<u>Court Facilities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and investments	879,152	403,459	42,076	486,737	51,125	1,051,829	123,633
Receivables, net of allowance for uncollectibles:							
Taxes	15,510	-	-	40,083	12,452	-	-
Unbilled taxes	591,692	-	-	1,140,496	414,208	-	-
Interest	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-
Accounts, net	-	-	-	-	-	18,984	-
Prepaid expenses	450	21,842	-	2,640	-	34,143	-
Due from other governments	-	38,839	588	68,533	-	10,198	1,280
Due from other funds	266,486	-	-	-	-	-	-
Total assets	<u>1,753,290</u>	<u>464,140</u>	<u>42,664</u>	<u>1,738,489</u>	<u>477,785</u>	<u>1,115,154</u>	<u>124,913</u>
Deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,753,290	\$ 464,140	\$ 42,664	\$ 1,738,489	\$ 477,785	\$ 1,115,154	\$ 124,913
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	147,020	33,335	2,722	62,892	-	73,649	-
Accrued payroll	4,139	6,215	-	38,143	7,898	22,934	-
Accrued retirement payable	459	689	-	4,231	874	2,545	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>151,618</u>	<u>40,239</u>	<u>2,722</u>	<u>105,266</u>	<u>8,772</u>	<u>99,128</u>	<u>-</u>
Deferred inflows of resources:							
Deferred revenue	13,002	-	-	33,606	10,428	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Unavailable tax revenue	591,692	-	-	1,140,496	414,208	-	-
Total deferred inflows of resources	<u>604,694</u>	<u>-</u>	<u>-</u>	<u>1,174,102</u>	<u>424,636</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	450	21,842	-	2,640	-	34,143	-
Restricted for:							
General governmental	996,528	402,059	-	-	-	-	-
Public safety	-	-	39,942	456,481	-	981,883	124,913
Historical society and recreation	-	-	-	-	44,377	-	-
Health and welfare	-	-	-	-	-	-	-
Weeds	-	-	-	-	-	-	-
Road construction	-	-	-	-	-	-	-
Total fund balances	<u>996,978</u>	<u>423,901</u>	<u>39,942</u>	<u>459,121</u>	<u>44,377</u>	<u>1,016,026</u>	<u>124,913</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,753,290	\$ 464,140	\$ 42,664	\$ 1,738,489	\$ 477,785	\$ 1,115,154	\$ 124,913

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2020

	<u>Court Interlock</u>	<u>Health District</u>	<u>Historical Society</u>	<u>Indigent and Charity</u>	<u>Junior College</u>	<u>Revaluation</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Cash and investments	31,799	48,068	4,671	445,158	810,210	560,340
Receivables, net of allowance for uncollectibles:						
Taxes	-	9,082	670	11	-	45,290
Unbilled taxes	-	258,522	25,342	-	-	1,046,664
Interest	-	-	-	-	-	-
Fees	-	-	-	-	-	-
Accounts, net	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Due from other governments	225	-	-	6,419	72,312	34,535
Due from other funds	-	-	-	-	-	-
Total assets	32,024	315,672	30,683	451,588	882,522	1,686,829
Deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 32,024	\$ 315,672	\$ 30,683	\$ 451,588	\$ 882,522	\$ 1,686,829
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	260	-	-	-	59,646	1,923
Accrued payroll	-	-	-	2,083	-	34,738
Accrued retirement payable	-	-	-	231	-	3,943
Due to other funds	-	-	-	-	-	-
Total liabilities	260	-	-	2,314	59,646	40,604
Deferred inflows of resources						
Deferred revenue	-	7,603	561	5	-	38,118
Deferred grant revenue	-	-	-	-	-	-
Unavailable tax revenue	-	258,522	25,342	-	-	1,046,664
Total deferred inflows of resources	-	266,125	25,903	5	-	1,084,782
Fund balance:						
Nonspendable	-	-	-	-	-	-
Restricted for:						
General government	-	-	-	-	822,876	561,443
Public safety	31,764	-	-	-	-	-
Historical society and recreation	-	-	4,780	-	-	-
Health and welfare	-	49,547	-	449,269	-	-
Weeds	-	-	-	-	-	-
Road construction	-	-	-	-	-	-
Total fund balance	31,764	49,547	4,780	449,269	822,876	561,443
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 32,024	\$ 315,672	\$ 30,683	\$ 451,588	\$ 882,522	\$ 1,686,829

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2020

	<u>Tort</u>	<u>Weeds</u>	<u>Parks and Recreation</u>	<u>Special Highway</u>	<u>Snowmobile - Priest Lake</u>	<u>Snowmobile- Sandpoint</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Cash and investments	247,473	47,167	65,410	441,007	60,612	47,261
Receivables, net of allowance for uncollectibles:						
Taxes	53,996	3,448	4,001	-	-	-
Unbilled taxes	1,781,009	97,631	130,798	-	-	-
Interest	-	-	-	-	-	-
Fees	-	-	-	-	-	-
Accounts, net	-	-	-	-	-	-
Prepaid expenses	629,252	-	-	-	-	-
Due from other governments	-	-	-	62,500	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>2,711,730</u>	<u>148,246</u>	<u>200,209</u>	<u>503,507</u>	<u>60,612</u>	<u>47,261</u>
Deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,711,730</u>	<u>\$ 148,246</u>	<u>\$ 200,209</u>	<u>\$ 503,507</u>	<u>\$ 60,612</u>	<u>\$ 47,261</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	103,582	32,980	2,539	2,942	1,479	3,633
Accrued payroll	-	1,733	3,390	-	354	-
Accrued retirement payable	-	192	378	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>103,582</u>	<u>34,905</u>	<u>6,307</u>	<u>2,942</u>	<u>1,833</u>	<u>3,633</u>
Deferred inflows of resources:						
Deferred revenue	44,951	2,905	3,323	-	-	-
Deferred grant revenue	-	-	-	-	-	-
Unavailable tax revenue	1,781,009	97,631	130,798	-	-	-
Total deferred inflows of resources	<u>1,825,960</u>	<u>100,536</u>	<u>134,121</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:						
Nonspendable	629,252	-	-	-	-	-
Restricted for:						
General governmental	152,936	-	-	-	-	-
Public safety	-	-	-	-	-	-
Historical society and recreation	-	-	59,781	-	58,779	43,628
Health and welfare	-	-	-	-	-	-
Weeds	-	12,805	-	-	-	-
Road construction	-	-	-	500,565	-	-
Total fund balance	<u>782,188</u>	<u>12,805</u>	<u>59,781</u>	<u>500,565</u>	<u>58,779</u>	<u>43,628</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,711,730</u>	<u>\$ 148,246</u>	<u>\$ 200,209</u>	<u>\$ 503,507</u>	<u>\$ 60,612</u>	<u>\$ 47,261</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2020

	<u>Waterways</u>	<u>Grants</u>	<u>Drainage District</u>	<u>Translator District</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash and investments	55,546	792,651	19,992	154	6,715,530
Receivables, net of allowance for uncollectibles:					
Taxes	-	-	3	16	184,562
Unbilled taxes	-	-	-	-	5,486,362
Interest	-	60	-	-	60
Fees	-	-	181	805	986
Accounts, net	-	24	-	-	19,008
Prepaid expenses	-	-	-	-	688,327
Due from other governments	83,009	649,554	-	-	1,027,992
Due from other funds	-	-	-	-	266,486
Total assets	<u>138,555</u>	<u>1,442,289</u>	<u>20,176</u>	<u>975</u>	<u>14,389,313</u>
Deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 138,555	\$ 1,442,289	\$ 20,176	\$ 975	\$ 14,389,313
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	2,578	193,878	-	-	725,058
Accrued payroll	3,426	6,108	-	-	131,161
Accrued retirement payable	378	677	-	-	14,597
Due to other funds	-	527,993	-	-	527,993
Total liabilities	<u>6,382</u>	<u>728,656</u>	<u>-</u>	<u>-</u>	<u>1,398,809</u>
Deferred inflows of resources:					
Deferred revenue	-	-	-	-	154,502
Deferred grant revenue	-	606,422	-	-	606,422
Unavailable tax revenue	-	-	-	-	5,486,362
Total deferred inflows of resources	<u>-</u>	<u>606,422</u>	<u>-</u>	<u>-</u>	<u>6,247,286</u>
Fund balance:					
Nonspendable	-	-	-	-	688,327
Restricted for:					
General governmental	-	107,211	20,176	-	3,063,229
Public safety	-	-	-	-	1,634,983
Historical society and recreation	132,173	-	-	975	344,493
Health and welfare	-	-	-	-	498,816
Weeds	-	-	-	-	12,805
Road construction	-	-	-	-	500,565
Total fund balance	<u>132,173</u>	<u>107,211</u>	<u>20,176</u>	<u>975</u>	<u>6,743,218</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 138,555	\$ 1,442,289	\$ 20,176	\$ 975	\$ 14,389,313

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2020

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes	5,127,293	-	5,127,293
Licenses and permits	236,042	-	236,042
Intergovernmental	3,333,910	-	3,333,910
Charges for services	1,739,176	-	1,739,176
Fines	114,560	-	114,560
Interest income	3,930	-	3,930
Miscellaneous	764,167	-	764,167
Total revenues	<u>11,319,078</u>	<u>-</u>	<u>11,319,078</u>
Expenditures			
General governmental	3,781,617	-	3,781,617
Public safety	3,810,801	-	3,810,801
Road and bridge	231,308	-	231,308
Weeds	125,943	-	125,943
Health	253,399	-	253,399
Welfare	143,250	-	143,250
Junior college	150,337	-	150,337
Historical society and recreation	843,561	-	843,561
Capital outlay	2,075,632	-	2,075,632
Debt service:			
Principal	15,647	-	15,647
Interest	171	-	171
Total expenditures	<u>11,431,666</u>	<u>-</u>	<u>11,431,666</u>
Excess (deficiency) of revenues over (under) expenditures	(112,588)	-	(112,588)
Other financing sources (uses)			
Transfers in	<u>354,012</u>	<u>-</u>	<u>354,012</u>
Net change in fund balance	241,424	-	241,424
Fund balances - beginning of year	<u>6,501,794</u>	<u>241</u>	<u>6,502,035</u>
Fund balances - end of year	<u>\$ 6,743,218</u>	<u>\$ 241</u>	<u>\$ 6,743,459</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2020

	<u>Airport</u>	<u>Elections</u>	<u>Drug Court</u>	<u>District Court</u>	<u>County Fair</u>	<u>911</u>	<u>Court Facilities</u>
Revenues							
Taxes	373,227	-	-	1,076,381	368,938	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	3,464	250,020	-	286,139	3,500	-	-
Charges for services	17,486	-	11,874	73,164	-	1,590,820	15,093
Fines	-	-	-	114,560	-	-	-
Interest income	-	-	-	-	-	3,930	-
Miscellaneous	105,552	2,420	16,800	125,205	-	99,498	-
Total revenues	<u>499,729</u>	<u>252,440</u>	<u>28,674</u>	<u>1,675,449</u>	<u>372,438</u>	<u>1,694,248</u>	<u>15,093</u>
Expenditures							
General governmental	310,967	434,299	-	-	-	-	-
Public safety	-	-	19,974	1,928,365	-	1,380,834	-
Road and bridge	-	-	-	-	-	-	-
Weeds	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Junior college	-	-	-	-	-	-	-
Historical society and recreation	-	-	-	-	360,369	-	-
Capital outlay	108,873	1,604	-	58,182	-	100,798	-
Debt service:							
Principal	13,859	1,788	-	-	-	-	-
Interest	171	-	-	-	-	-	-
Total expenditures	<u>433,870</u>	<u>437,691</u>	<u>19,974</u>	<u>1,986,547</u>	<u>360,369</u>	<u>1,481,632</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	65,859	(185,251)	8,700	(311,098)	12,069	212,616	15,093
Other financing sources (uses)							
Transfers in	-	354,012	-	-	-	-	-
Net change in fund balance	65,859	168,761	8,700	(311,098)	12,069	212,616	15,093
Fund balances - beginning of year	931,119	255,140	31,242	770,219	32,308	803,410	109,820
Fund balances - end of year	<u>\$ 996,978</u>	<u>\$ 423,901</u>	<u>\$ 39,942</u>	<u>\$ 459,121</u>	<u>\$ 44,377</u>	<u>\$ 1,016,026</u>	<u>\$ 124,913</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended September 30, 2020

	<u>Court Interlock</u>	<u>Health District</u>	<u>Historical Society</u>	<u>Indigent & Charity</u>	<u>Junior College</u>	<u>Revaluation</u>
Revenues						
Taxes	-	253,956	18,822	3,744	-	1,056,794
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	2,387	177	-	360,689	133,554
Charges for services	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Miscellaneous	3,160	60	-	86,616	-	3,816
Total revenues	<u>3,160</u>	<u>256,403</u>	<u>18,999</u>	<u>90,360</u>	<u>360,689</u>	<u>1,194,164</u>
Expenditures						
General governmental	-	-	-	-	-	1,535,920
Public safety	4,287	-	-	-	-	-
Road and bridge	-	-	-	-	-	-
Weeds	-	-	-	-	-	-
Health	-	253,399	-	-	-	-
Welfare	-	-	-	143,250	-	-
Junior college	-	-	-	-	150,337	-
Historical society and recreation	-	-	18,600	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>4,287</u>	<u>253,399</u>	<u>18,600</u>	<u>143,250</u>	<u>150,337</u>	<u>1,535,920</u>
Excess (deficiency) of revenues over (under) expenditures	(1,127)	3,004	399	(52,890)	210,352	(341,756)
Other financing sources (uses)						
Transfer in	-	-	-	-	-	-
Net change in fund balance	(1,127)	3,004	399	(52,890)	210,352	(341,756)
Fund balances - beginning of year	32,891	46,543	4,381	502,159	612,524	903,199
Fund balances - end of year	<u>\$ 31,764</u>	<u>\$ 49,547</u>	<u>\$ 4,780</u>	<u>\$ 449,269</u>	<u>\$ 822,876</u>	<u>\$ 561,443</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended September 30, 2020

	<u>Tort</u>	<u>Weeds</u>	<u>Parks and Recreation</u>	<u>Special Highway</u>	<u>Snowmobile - Priest Lake</u>	<u>Snowmobile- Sandpoint</u>
Revenues						
Taxes	1,715,124	96,805	126,788	-	-	-
Licenses and permits	-	-	-	-	35,944	21,947
Intergovernmental	16,336	901	1,201	250,000	-	6,000
Charges for services	-	-	30,739	-	-	-
Fines	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Miscellaneous	-	1,763	1,600	296,938	14,333	6,406
Total revenues	<u>1,731,460</u>	<u>99,469</u>	<u>160,328</u>	<u>546,938</u>	<u>50,277</u>	<u>34,353</u>
Expenditures						
General governmental	1,498,988	-	-	-	-	-
Public safety	-	-	-	-	-	-
Road and bridge	-	-	-	231,308	-	-
Weeds	-	125,943	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Junior college	-	-	-	-	-	-
Historical society and recreation	-	-	174,054	-	36,771	37,893
Capital outlay	8,106	-	-	243,110	7,200	43,700
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>1,507,094</u>	<u>125,943</u>	<u>174,054</u>	<u>474,418</u>	<u>43,971</u>	<u>81,593</u>
Excess (deficiency) of revenues over (under) expenditures	224,366	(26,474)	(13,726)	72,520	6,306	(47,240)
Other financing sources (uses)						
Transfer in	-	-	-	-	-	-
Net change in fund balance	224,366	(26,474)	(13,726)	72,520	6,306	(47,240)
Fund balances - beginning of year	<u>557,822</u>	<u>39,279</u>	<u>73,507</u>	<u>428,045</u>	<u>52,473</u>	<u>90,868</u>
Fund balances - end of year	<u>\$ 782,188</u>	<u>\$ 12,805</u>	<u>\$ 59,781</u>	<u>\$ 500,565</u>	<u>\$ 58,779</u>	<u>\$ 43,628</u>

BONNER COUNTY, IDAHO

Sandpoint, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended September 30, 2020**

	<u>Waterways</u>	<u>Grants</u>	<u>Drainage District</u>	<u>Translator District</u>	<u>Total</u>
Revenues					
Taxes	-	-	3,617	33,097	5,127,293
Licenses and permits	178,151	-	-	-	236,042
Intergovernmental	-	2,019,542	-	-	3,333,910
Charges for services	-	-	-	-	1,739,176
Fines	-	-	-	-	114,560
Interest income	-	-	-	-	3,930
Miscellaneous	-	-	-	-	764,167
Total revenues	<u>178,151</u>	<u>2,019,542</u>	<u>3,617</u>	<u>33,097</u>	<u>11,319,078</u>
Expenditures					
General governmental	-	-	1,443	-	3,781,617
Public safety	-	477,341	-	-	3,810,801
Road and bridge	-	-	-	-	231,308
Weeds	-	-	-	-	125,943
Health	-	-	-	-	253,399
Welfare	-	-	-	-	143,250
Junior college	-	-	-	-	150,337
Historical society and recreation	182,083	-	-	33,791	843,561
Capital outlay	45,764	1,458,295	-	-	2,075,632
Debt service:					
Principal	-	-	-	-	15,647
Interest	-	-	-	-	171
Total expenditures	<u>227,847</u>	<u>1,935,636</u>	<u>1,443</u>	<u>33,791</u>	<u>11,431,666</u>
Excess (deficiency) of revenues over (under) expenditures	(49,696)	83,906	2,174	(694)	(112,588)
Other financing sources (uses)					
Transfer in	-	-	-	-	354,012
Net change in fund balance	(49,696)	83,906	2,174	(694)	241,424
Fund balances - beginning of year	<u>181,869</u>	<u>23,305</u>	<u>18,002</u>	<u>1,669</u>	<u>6,501,794</u>
Fund balances - end of year	<u>\$ 132,173</u>	<u>\$ 107,211</u>	<u>\$ 20,176</u>	<u>\$ 975</u>	<u>\$ 6,743,218</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended September 30, 2020

	<u>Budgeted Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Operating Transfers</u>	<u>Beginning Fund Balance</u>	<u>Ending Fund Balance</u>
Airport	508,025	499,729	708,025	433,870	-	931,119	996,978
Elections	468,436	252,440	468,436	437,691	354,012	255,140	423,901
Drug Court	22,000	28,674	22,000	19,974	-	31,242	39,942
District Court	1,532,552	1,675,449	2,129,426	1,986,547	-	770,219	459,121
County Fair	527,284	372,438	527,284	360,369	-	32,308	44,377
911	2,460,259	1,694,248	2,460,109	1,481,632	-	803,410	1,016,026
Court Facilities Trust	13,000	15,093	13,000	-	-	109,820	124,913
Court Interlock Device	5,400	3,160	5,400	4,287	-	32,891	31,764
Health District	253,372	256,403	253,372	253,399	-	46,543	49,547
Historical Society	18,600	18,999	18,600	18,600	-	4,381	4,780
Indigent & Charity	79,498	90,360	376,215	143,250	-	502,159	449,269
Junior College	290,000	360,689	290,000	150,337	-	612,524	822,876
Revaluation	1,141,108	1,194,164	1,551,108	1,535,920	-	903,199	561,443
Tort	1,714,946	1,731,460	1,714,946	1,507,094	-	557,822	782,188
Weeds	98,612	99,469	139,012	125,943	-	39,279	12,805
Parks and Recreation	146,508	160,328	176,978	174,054	-	73,507	59,781
Special Highway	470,000	546,938	568,763	474,418	-	428,045	500,565
Snowmobile - Priest Lake	36,306	50,277	52,663	43,971	-	52,473	58,779
Snowmobile - Sandpoint	20,887	34,353	89,073	81,593	-	90,868	43,628
Waterways	200,000	178,151	370,659	227,847	-	181,869	132,173
Grants	6,000,000	2,019,542	6,017,730	1,935,636	-	23,305	107,211
Drainage District	-	3,617	-	1,443	-	18,002	20,176
Translator District	-	33,097	-	33,791	-	1,669	975
Total	<u>\$ 15,498,768</u>	<u>\$ 11,319,078</u>	<u>\$ 17,244,774</u>	<u>\$ 11,431,666</u>	<u>\$ 354,012</u>	<u>\$ 6,501,794</u>	<u>\$ 6,743,218</u>

SINGLE AUDIT SECTION



BONNER COUNTY, IDAHO

Sandpoint, Idaho

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020**

	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through State Department of Education:			
Child Nutrition Cluster-Cluster:			
School Breakfast Program	10.553	202020N109947	2,790
School Breakfast Program	10.553	202020N850347	2,118
Total School Breakfast Program			<u>4,908</u>
National School Lunch Program	10.555	202020N109947	4,410
National School Lunch Program	10.555	202020N850347	3,377
Total National School Lunch Program			<u>7,787</u>
Total Child Nutrition Cluster			<u>12,695</u>
Passed through State Department of Lands:			
Cooperative Forestry Assistance			
Cooperative Forestry Assistance	10.664	15-DG-11010000-011	56,012
Cooperative Forestry Assistance	10.664	15-DG-11010000-014	66,714
Total Cooperative Forestry Assistance			<u>122,726</u>
Direct through the U.S Department of Agriculture:			
Forest Service Schools and Roads Cluster			
Schools and Road - Grants to States	10.665	Not Applicable	368,906
School and Roads - Grants to Counties	10.666	Not Applicable	-
Total Forest Service Schools and Roads Cluster			<u>368,906</u>
Total U.S. Department of Agriculture			<u>504,327</u>
U.S. Department of the Interior			
Direct through U.S. Department of Interior:			
Payment in Lieu of Taxes	15.226	Not Applicable	880,828
Total U.S. Department of Interior			<u>880,828</u>
U.S. Department of Justice			
Passed through State Department of Health & Welfare:			
Crime Victim Assistance			
2017 Crime Victim Assistance	16.575	2017-VA-GX-0056	46,839
2018 Crime Victim Assistance	16.575	2018-V2-GX-0002	34,221
Total Crime Victim Assistance			<u>81,060</u>
Direct through U.S. Department of Justice:			
Juvenile Justice and Delinquency Prevention Act	16.540	11-DC-1101	30,000
Bullet Proof Vest Grant	16.607	Not Applicable	3,895
Total U.S. Department of Justice			<u>114,955</u>

BONNER COUNTY, IDAHO

Sandpoint, Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended September 30, 2020

	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Transportation			
Direct through U.S. Department of Transportation			
Airport Improvement Program			
2019 Sandpoint Land & Easement	20.106	3-16-0033-017-2019	259,946
PR Land Acquisition and OR	20.106	3-16-0058-007-2018	7,853
PR Land Acquisition and OR	20.106	3-16-0058-008-2019	218,656
PR Land Acquisition and OR	20.106	3-16-0058-009-2020	309,632
Total Airport Improvement Plan			<u>796,087</u>
Total U.S. Department of Transportation			<u>796,087</u>
U.S. Department of the Treasury			
Passed through the Office of the Governor:			
COVID -19: Coronavirus Relief Fund	21.019	20-1892-0-1-806	992,870
Direct through the U.S Department of the Treasury:			
Equitable Sharing	21.016	Not Applicable	<u>6,895</u>
Total U.S. Department of the Treasury			<u>999,765</u>
U.S. Department of Health & Human Services			
Passed through State Department of Health & Welfare:			
Family Violence Prevention	93.671	G1902IDFVPS	<u>15,000</u>
Total U.S. Department of Health & Human Services			<u>15,000</u>
U.S. Department of Homeland Security			
Passed through State Military Division:			
Homeland Security Grant Program			
2018 Homeland Security Grant Program	97.067	EMW2018SS00040	30,232
2019 Homeland Security Grant Program	97.067	EMW2019SS00047	44,840
Total Homeland Security Grant Program			<u>75,072</u>
Emergency Management Performance Grants			
2018 Emergency Management Performance Grants	97.042	EMS2018EP00003	38,957
2019 Emergency Management Performance Grants	97.042	EMS2019EP00002	32,322
Total Emergency Management Performance Grants			<u>71,279</u>
Passed through State Department of Parks & Recreation:			
Boating Safety Financial Assistance	97.012	14.01.16	<u>96,479</u>
Total U.S. Department of Homeland Security			<u>242,830</u>
Total Expenditures of Federal Awards			<u>\$ 3,553,792</u>

BONNER COUNTY, IDAHO
Sandpoint, Idaho

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020

NOTE 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Bonner County, Idaho, under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Bonner County, Idaho, it is not intended to and does not present the financial position, changes in net position, or cash flows of Bonner County, Idaho.

NOTE 2 Summary of Significant Accounting Policies

1. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Pass-through entity identifying numbers are presented where available.
3. Bonner County, Idaho, has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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

To the Board of County Commissioners
Bonner County, Idaho
Sandpoint, Idaho 83864

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bonner County, Idaho, as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise Bonner County, Idaho’s basic financial statements, and have issued our report thereon dated May 12, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bonner County, Idaho’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bonner County, Idaho’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Bonner County, Idaho’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.



Compliance and Other Matters

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

Purpose of this Report

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

Hayden Ross, PLLC

Moscow, Idaho
May 12, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Bonner County, Idaho
Sandpoint, Idaho 83864

Report on Compliance for Each Major Federal Program

We have audited Bonner County, Idaho's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bonner County, Idaho's, major federal programs for the year ended September 30, 2020. Bonner County, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bonner County, Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bonner County, Idaho, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Bonner County, Idaho's compliance.



Opinion on Each Major Federal Program

In our opinion, Bonner County, Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of Bonner County, Idaho is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bonner County, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bonner County, Idaho's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
May 12, 2021

BONNER COUNTY, IDAHO
Sandpoint, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- material weakness(es) identified? yes x no

- significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

- material weakness(es) identified? yes x no

- significant deficiency(ies) identified? yes x none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR section 200.516(a) yes x no

Identification of major programs:
Reporting Requirements and Communication Considerations

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
15.226	Payment in Lieu of Taxes
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? x yes no

BONNER COUNTY, IDAHO
Sandpoint, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2020

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.