



City of  
**Coeur d'Alene**  
IDAHO

**City of Coeur d'Alene, Idaho**  
**Audited Financial Statements**  
**September 30, 2022**



City of Coeur d'Alene

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September 30, 2022

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**City of Coeur d'Alene**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Coeur d'Alene  
Coeur d'Alene, ID 83814

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Coeur d'Alene, Idaho as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Coeur d'Alene, Idaho's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements fairly, in all material respects, the respective financial position of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Coeur d'Alene, Idaho as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of ignite cda. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for ignite cda is based solely on the report of the other auditors.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Coeur d'Alene, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Coeur d'Alene, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Coeur d'Alene, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Coeur d'Alene, Idaho's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Coeur d'Alene, Idaho's financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic 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 June 1, 2023, on our consideration of the City of Coeur d'Alene, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Coeur d'Alene, Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Coeur d'Alene, Idaho's internal control over financial reporting and compliance.



Anderson Bros. CPAs  
Post Falls, Idaho  
June 1, 2023



FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

## City of Coeur d Alene

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2022

As management of the City of Coeur d'Alene, Idaho (the "City"), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$364,784,584 (net position). Of this amount, \$61,640,747 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$7,072,412. This increase is made up of a 3.05% increase in the business activities and a .40% increase in the governmental activities.
- At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$20,729,873 an increase of \$4,201,447. This increase is mainly attributed to an increase in special revenue funds of \$1,475,658 as well as an increase in the general fund of \$3,190,767.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$11,880,092, or 24.5% of the amended 2022 budget of general fund expenditures. The percentage for the year before was 26.8%, a decrease of 2.3%.
- The City's total debt decreased by \$4,039,191 during fiscal year 2021-2022. The City's compensated absences increased \$222,719. The other changes to long-term debt were payments of \$817,682 on general obligation bond debt, \$109,681 on capital leases and a decrease to revenue bonds payable of \$3,334,547 due to a refinancing of three wastewater bond issues.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private sector businesses.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as total net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned, but unused, vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (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 the City include general government, public safety, public works, culture and recreation and interest on long-term debt. The business-type activities of the City include water, wastewater, sanitation, drainage, street lighting and public parking.

## City of Coeur d Alene

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2022

#### OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The government-wide financial statements include not only the City itself (known as the primary government), but a legally separate urban renewal district, ignite cda, for which the City is financially accountable. ignite cda has been reported as a discreetly presented component unit and does prepare separate financial statements.

**Fund Financial Statement** – 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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

*Governmental Funds* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 20 individual governmental funds. Information is presented separately in the governmental Fund Balance sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Capital Projects Fund which are considered to be major funds. Data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements or schedules elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

*Proprietary Funds* – The City maintains one type of proprietary fund which is an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, wastewater, drainage, solid waste, public parking and street lighting operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

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

**City of Coeur d Alene**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

**Other Information** – Combining and individual fund statements and schedules for nonmajor funds are presented immediately following the notes to basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net positions** – The City has 79.53% of its total net positions invested in capital assets (land, buildings, infrastructure, machinery and equipment, and vehicles) less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the City'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 2.09% of the City's net positions represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 18.38%, may be used to meet the City's ongoing obligations to citizens and creditors.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Table 1, below is a comparative summary of the City of Coeur d'Alene's Net Position statement for the years ended September 30, 2022 and 2021:

**Table 1  
Statements of Net Position  
September 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
Current and other assets	\$ 34,009,352	\$ 24,390,207	\$ 50,985,271	\$ 48,363,922	\$ 84,994,623	\$ 72,754,129
Net pension asset-FRF and Base Plan	17,209,002	23,190,624	-	73,481	17,209,002	23,264,105
Capital assets	125,017,473	127,216,671	210,112,146	208,989,542	335,129,619	336,206,213
Total assets	176,235,827	174,797,502	261,097,417	257,426,945	437,333,244	432,224,447
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred pension outflows-base plan	13,809,675	7,790,073	1,935,158	1,063,552	15,744,833	8,853,625
Deferred pension outflows-FRF plan	1,832,021	84,032	-	-	1,832,021	84,032
Total deferred outflows of resources	15,641,696	7,874,105	1,935,158	1,063,552	17,576,854	8,937,657
<b>LIABILITIES</b>						
Other liabilities	3,696,564	2,971,664	2,127,383	2,078,252	5,823,947	5,049,916
Net pension liability-base plan	25,819,912	-	3,743,034	-	29,562,946	-
Other long-term liabilities	7,316,365	8,070,035	37,691,415	40,976,937	45,007,780	49,046,972
Total liabilities	36,832,841	11,041,699	43,561,832	43,055,189	80,394,673	54,096,888
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue- unearned grant revenue	8,704,589	4,124,925	-	-	8,704,589	4,124,925
Unearned lease contract revenue	373,048	465,159	207,317	228,064	580,365	693,223
Deferred pension inflows-base plan	382,748	17,178,889	63,139	2,495,130	445,887	19,674,019
Deferred pension inflows-FRF plan	-	4,860,877	-	-	-	4,860,877
Total deferred inflows of resources	9,460,385	26,629,850	270,456	2,723,194	9,730,841	29,353,044
<b>NET POSITION</b>						
Net investment in capital assets	121,966,288	123,272,680	173,397,291	168,942,136	295,363,579	292,214,816
Restricted	7,780,258	6,635,388	-	-	7,780,258	6,635,388
Unrestricted	15,837,751	15,091,990	45,802,996	43,769,978	61,640,747	58,861,968
Total net position	\$ 145,584,297	\$ 145,000,058	\$ 219,200,287	\$ 212,712,114	\$ 364,784,584	\$ 357,712,172

City of Coeur d Alene

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net positions, both for the City as a whole, as well as for its separate governmental and business-type activities.

Table 2, below is a comparative summary of the City of Coeur d'Alene's Changes in Net Position for the years ended September 30, 2022 and 2021:

**Table 2  
Changes in Net Position  
September 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 5,708,422	\$ 5,018,277	\$ 28,247,263	\$ 28,402,362	\$ 33,955,685	\$ 33,420,639
Operating grants and contributions	648,036	1,050,691	-	-	648,036	1,050,691
Capital grants and contributions	73,365	256,846	5,256,864	6,246,718	5,330,229	6,503,564
General revenues:						
Property taxes	24,702,687	18,835,947	-	-	24,702,687	18,835,947
Sales tax	6,127,597	5,760,465	-	-	6,127,597	5,760,465
Franchise fees	3,693,780	3,496,936	-	-	3,693,780	3,496,936
Motor fuel taxes	3,858,406	3,166,179	-	-	3,858,406	3,166,179
Alcoholic beverage taxes	1,453,820	1,466,428	-	-	1,453,820	1,466,428
Grants and contributions not restricted to specific purposes	4,723,833	7,466,917	16,613	-	4,740,446	7,466,917
Interest and investment earnings	52,898	46,115	1,503,433	319,586	1,556,331	365,701
Miscellaneous	931,925	339,379	-	-	931,925	339,379
Donated assets	-	15,578	-	-	-	15,578
Total revenues	51,974,769	46,919,758	35,024,173	34,968,666	86,998,942	81,888,424
<b>EXPENSES</b>						
General government	7,365,658	8,083,711	-	-	7,365,658	8,083,711
Public safety	26,934,484	25,203,502	-	-	26,934,484	25,203,502
Public works	8,796,635	8,345,604	-	-	8,796,635	8,345,604
Culture and recreation	5,687,276	5,290,700	-	-	5,687,276	5,290,700
Administrative expense	2,275	7,351	-	-	2,275	7,351
Interest on long-term debt	222,762	239,677	-	-	222,762	239,677
Water services	-	-	6,869,217	6,927,695	6,869,217	6,927,695
Wastewater	-	-	11,506,381	11,990,245	11,506,381	11,990,245
Sanitation	-	-	3,968,728	3,805,628	3,968,728	3,805,628
Other enterprise	-	-	2,705,626	2,653,798	2,705,626	2,653,798
Loss (gain) on asset disposal	(15,729)	92,279	(4,389)	(39,904)	(20,118)	52,375
Net pension expense (revenue)	5,809,447	(4,714,401)	962,039	(16,815)	6,771,486	(4,731,216)
Total expenses	54,802,808	42,548,423	26,007,602	25,320,647	80,810,410	67,869,070
Increase (decrease) in net position before Transfers	(2,828,039)	4,371,335	9,016,571	9,648,019	6,188,532	14,019,354
Transfers	2,886,398	2,629,348	(2,886,398)	(2,629,348)	-	-
Special items	525,880	(262,297)	358,000	-	883,880	(262,297)
Change in net position	\$ 584,239	\$ 6,738,386	\$ 6,488,173	\$ 7,018,671	\$ 7,072,412	\$ 13,757,057

# City of Coeur d Alene

## MANAGEMENT’S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2022

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

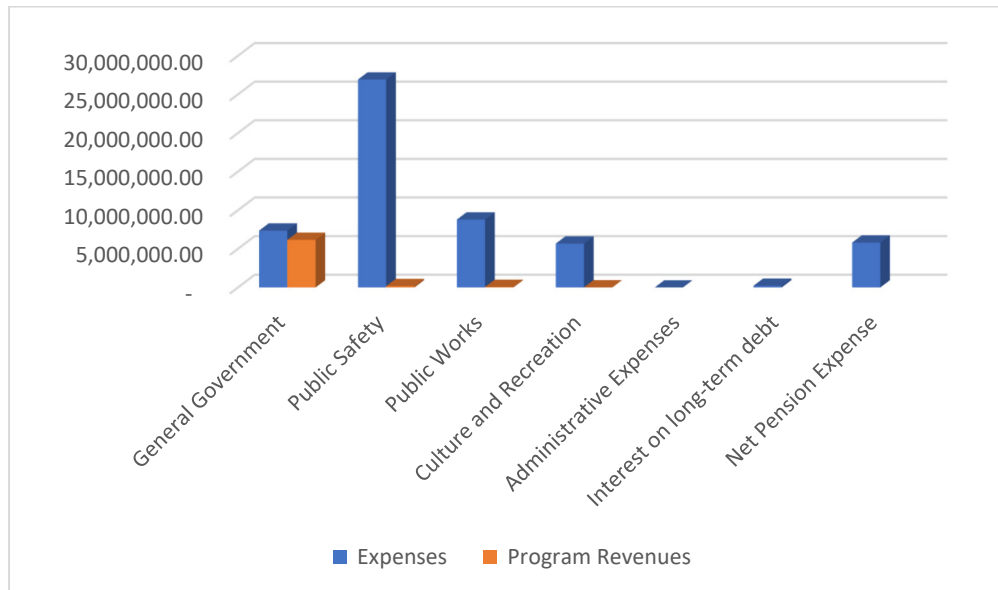
Property taxes collected were \$5,624,575 higher in fiscal year 2021-22 compared to fiscal year 2020-21 due to the City Council opting in to the Governor’s property tax relief CARES Act funding in fiscal year 2020-21. The City Council took \$315,941 in new growth property taxes but took 0% of the allowed 3% increase to property tax revenue in fiscal year 2021-22. The change in total governmental fund revenue from fiscal year 2021-22 compared to fiscal year 2020-21 was an increase of \$5,681,540. This increase was due to the increase in property tax revenue over the prior year. Funds received from the State through the Governor’s property tax relief CARES Act funding to cover the decrease in property taxes in fiscal year 2020-21 were properly received in fiscal year 2019-20.

Public safety expenses increased \$1,543,112 from fiscal year 2020-21 to 2021-22. This increase was due to an increase in wages and benefits plus three additional firefighter positions, one police sergeant, one code enforcement officer and an additional three police officer positions.

#### Governmental Activities:

The following graphs depict various governmental activities and show the expenses and revenues for 2022 and 2021.

**Expenses and Program Revenues – Government Activities FY 2021-22**



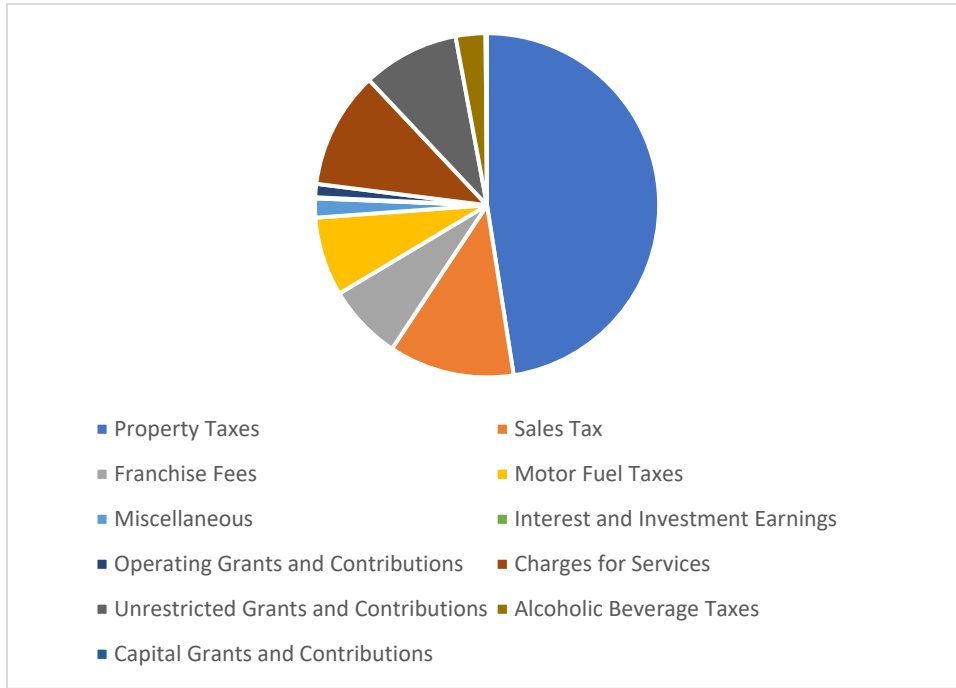
City of Coeur d Alene

MANAGEMENT’S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities:

Revenues by Source – Governmental Activities



Business-Type Activities:

Business-type activities increased the City’s net position by \$6,488,173, which impacted the City’s business-type net position by 3.05%. There was an increase in revenue from charges for services in the amount of \$155,099. This increase was mainly due to an increase in the number of accounts billed due to growth in the city and increases in water, wastewater, and street lighting rates offset by a cooler summer after a very long hot one causing water consumption to go down. Water fund revenue decreased by \$618,029, Wastewater fund revenue increased by \$820,821, and Sanitation Fund revenue increased by \$49,973.

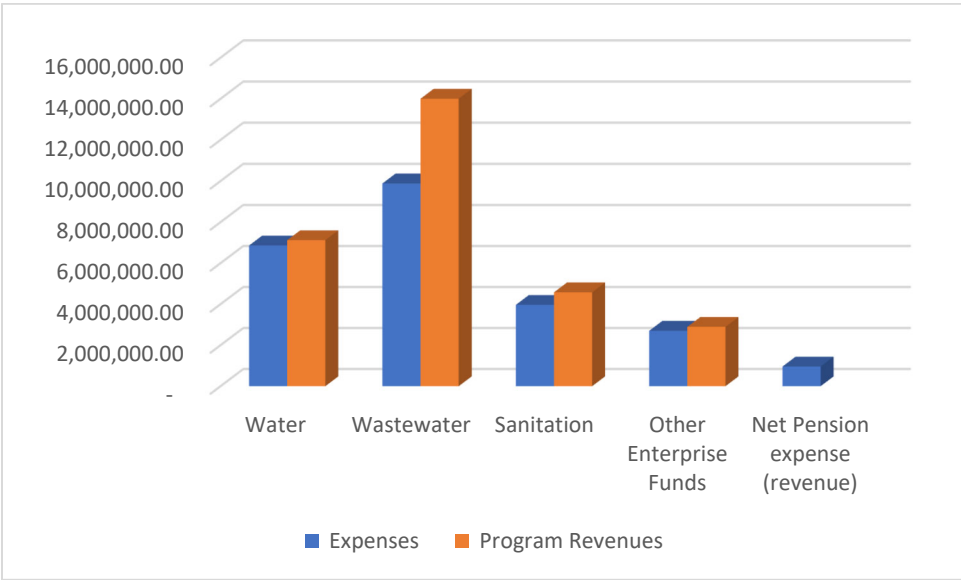
City of Coeur d Alene

MANAGEMENT’S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022

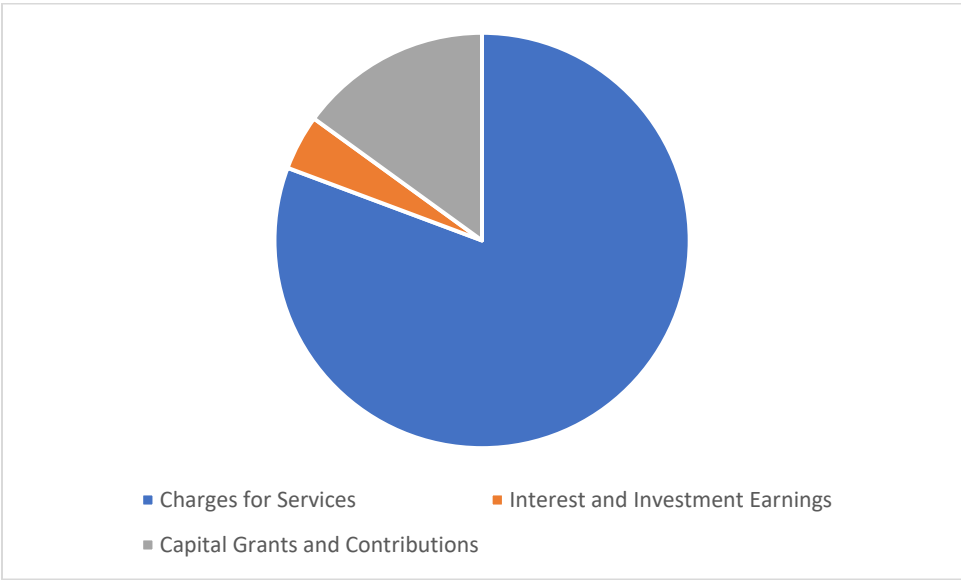
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities:

Expenses and Program Revenue – Business Type Activities



Revenues by Source – Business Type Activities





## City of Coeur d Alene

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2022

#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$20,729,873 an increase of \$4,201,447. Of the \$20,729,873 fund balance \$3,948,505 is unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been committed to pay public safety capital needs, future park, fire, police and street projects, and perpetual care of cemeteries.

The General Fund is the chief operating fund of the City. At the end of the current year, the fund balance of the General Fund was \$18,290,397. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total budgeted expenditures. Fund balance represents 37.6% of 2022 budgeted expenditures and the unassigned fund balance of \$11,880,092 represents 24.5% of 2022 budgeted expenditures. Although the General Fund balance appears to be adequate, it must be stressed that the balance is needed to support operations until funds are received in January 2023 from the first current-year property tax settlement. Also, important to note is that the capital projects fund borrowed \$7,700,000 from the wastewater capitalization fund in fiscal year 2017-18 to purchase the Atlas Waterfront Site property. Interest on this due to / due from is accruing at an annual rate of 1.5% with the understanding that future tax increment funds from ignite's atlas district will begin to pay this down beginning in 2023.

General Fund cash balance increased by \$7,829,253. This increase can be attributed to the City receiving \$4,329,665 from the American Rescue Plan Act in May of 2022 and an increase in state sales, gas and liquor tax revenues of \$1,046,751 for fiscal year 2021-22. The City also had numerous unfilled positions in fiscal year 2021-22 that caused personnel expenses to be less than anticipated. \$1.1 million of the savings from unfilled positions in the police department was used in fiscal year 2022-23 to purchase property next to the police station for expansion of the station.

The unassigned fund balance of the City's General Fund decreased \$526,970.

The capital projects fund had a fund balance deficit of \$7,931,587 at September 30, 2022. This deficit will disappear as funds are received from ignite cda as development of the Atlas Riverfront Site generates tax increment funding.

**Proprietary Funds** – The City's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$45,802,996. The total increase in net position for the funds was \$6,488,173. This increase is attributed to the wastewater fund operating revenues being \$820,821 higher than the previous year's while operating expenses remained comparable to the previous year. Wastewater also had an increase in amortization of \$1,129,280 due to the refinancing of three separate revenue bond issues. These circumstances along with continued growth in the City and a scheduled increase in rates drove the revenue increase in fiscal year 2021-22.

## City of Coeur d Alene

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2022

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The City's General Fund budget was amended during the fiscal year. The amendment increased the General Fund budget before transfers out by \$1,639,299. An amendment in the amount of \$585,000 was approved for construction of a boat house to house the fire boat. \$225,000 of this expenditure was paid for with funds provided from ignite cda and the remainder came from impact fees. Ignite cda also provided funds in the amount of \$50,000 to upgrade the outside staircase at the library. An amendment of \$110,000 was approved for the purchase of an armored vehicle. Funds for this were provided from the Drug Task Force seizures accounts. Other amendments included, \$70,000 to cover the expense of constant manning in the fire department and for the street overlay budget in the Street Department in the amount of \$577,399 to account for overlay projects that were not completed in fiscal year 2020-21 and were carried over and completed in fiscal year 2021-22. The Street Department also had a carryover in the amount of \$70,552 for the purchase of safety sign boards that were not available in fiscal year 2020-21. Lastly the General Fund budget was amended for \$115,148 for expenditures that were paid for with federal and state grants received.

The budget amendment included the use of \$416,951 of General Fund, Fund Balance. The unassigned portion of the General Fund, Fund Balance decreased by \$526,970 from fiscal year 2020-21 to 2021-22.

Overall expenditures before transfers were \$3,462,463 under the final amended budget and \$1,823,164 under the original budget. Overall revenues before transfers were \$2,258,431 over the final amended budget of \$43,597,903 and \$3,120,779 over the original budget of \$42,735,555.

#### CAPITAL ASSETS

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of September 30, 2022, amounts to \$335,129,619. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery and equipment and vehicles. This balance represents a net decrease of \$1,076,594 from the prior year. Additional details of capital asset activity for the year can be found in Note 5 of the notes to the basic financial statements.

The decrease in the net capital assets can be attributed to depreciation in the general fixed assets for the year being higher than the amount of funds invested in new assets.

#### LONG-TERM DEBT

The City's long-term bonded debt decreased by \$4,145,229 in 2022; leaving a balance of \$39,228,100 at year-end. The City refinanced three wastewater revenue bond issues which will save the City \$4.3 million in the Wastewater Fund over the next 20 years, City also paid down long-term general obligation debt of \$817,682 during fiscal year 2021-22. Additional details of long-term debt activity for the year can be found in Notes 6 and 7 in the notes to basic financial statements. State statutes limit the amount of general obligation debt a government entity may issue to 2% of assessed market value. The current debt limitation for the City is \$134,548,618 which is significantly higher than the City's net outstanding general obligation debt of \$2,552,548.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council chose to take a 0% increase in the amount of property taxes levied of the allowed 3% for the 2021-22 budget. In the last 10 years the Council has only taken a portion of the allowed increase 3 times as follows – fiscal year 2019-20 – 3%, fiscal year 2016-17 – 2.5%, and fiscal year 2012-13 – 2%.

Building growth was still strong in both the residential and commercial real estate sectors in fiscal year 2021-22. Building permit revenue for fiscal year 2021-22 was \$2,107,903 compared to \$1,781,999 the previous year. The building department issued 1,399 permits in fiscal year 2021-22 with a total valuation of \$217 million and 1,610 in fiscal year 2020-21 with a valuation of \$231 million.

**City of Coeur d Alene**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES (CONTINUED)**

Idaho experienced a 19.9% growth in population over the past decade, making it the 2nd largest percentage growth state in the nation between 2011 and 2021 and the 10<sup>th</sup> largest numeric growth state with 34,719 new residents. Kootenai County’s population grew 24.9% over that time, making it the 3<sup>rd</sup> fastest growing county in Idaho. Median housing prices in Kootenai County now exceed \$500,000 and have more than doubled in the last four years. On a per capita level Idaho tends to slightly lag the nation in terms of income growth. Personal income growth for Idaho for the third quarter of 2022 increased 7.4%. In Coeur d’Alene the unemployment rate in October of 2022 was 3.1% with the unemployment count around 2,608. The Idaho unemployment rate for the same month was 2.9% and the national rate was 3.7%.

There will be scheduled fee increases in 2023 in the water fund, wastewater fund and the street lighting fund. Any increases in other areas of the City greater than 5% will be carefully studied and brought forward to the Mayor and Council at a public hearing.

**REQUESTS FOR INFORMATION**

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

City of Coeur d’Alene  
Comptroller  
710 Mullan Avenue  
Coeur d’Alene, Idaho 83814.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

**City of Coeur d'Alene, Idaho**  
**STATEMENT OF NET POSITION**  
**September 30, 2022**

	Primary Government			Component Unit
	Governmental	Business-type	Total	ignite cda
	Activities	Activities		
<b>ASSETS</b>				
Cash and cash equivalents	\$ 37,077,532	\$ 36,212,282	\$ 73,289,814	\$ 13,197,777
Investments	895,365	-	895,365	-
Receivables:				
Taxes delinquent	513,873	-	513,873	119,253
Accounts	895,358	4,981,378	5,876,736	-
Special assessments	139,392	2,655	142,047	-
Lease	330,501	431,344	761,845	-
Interest	2,150	-	2,150	-
Prepaid expenses	-	-	-	-
Internal balances	(9,339,999)	9,339,999	-	-
Due from other governments	3,495,180	17,613	3,512,793	-
Deposits	-	-	-	-
Restricted cash - bond reserve	-	-	-	-
Net pension asset-FRF plan	17,209,002	-	17,209,002	-
Capital assets:				
Land	19,768,192	4,667,226	24,435,418	-
Construction in Progress	626,495	7,233,535	7,860,030	19,070,470
Capital assets, net of accumulated depreciation	104,622,786	198,211,385	302,834,171	-
Total assets	<u>176,235,827</u>	<u>261,097,417</u>	<u>437,333,244</u>	<u>32,387,500</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows-base plan	13,809,675	1,935,158	15,744,833	-
Deferred pension outflows-FRF plan	1,832,021	-	1,832,021	-
Total deferred outflows of resources	<u>15,641,696</u>	<u>1,935,158</u>	<u>17,576,854</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	3,135,004	1,925,508	5,060,512	1,115,332
Accrued payroll and related costs	-	-	-	9,213
Other accrued liabilities	-	100,000	100,000	-
Due to other governments	-	-	-	1,181,989
Deposits	552,965	-	552,965	105,550
Accrued interest payable	8,595	101,875	110,470	-
Long-term liabilities:				
Due within one year	1,154,320	2,497,157	3,651,477	-
Due in more than one year	6,162,045	35,194,258	41,356,303	357,000
Net pension liability-base plan	25,819,912	3,743,034	29,562,946	-
Total liabilities	<u>36,832,841</u>	<u>43,561,832</u>	<u>80,394,673</u>	<u>2,769,084</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned grant revenue	8,704,589	-	8,704,589	-
Unearned lease contract revenue	373,048	207,317	580,365	-
Deferred pension inflows-base plan	382,748	63,139	445,887	-
Deferred pension inflows-FRF plan	-	-	-	-
Total deferred inflows of resources	<u>9,460,385</u>	<u>270,456</u>	<u>9,730,841</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	121,966,288	173,397,291	295,363,579	19,070,470
Restricted	7,780,258	-	7,780,258	10,547,946
Unrestricted	15,837,751	45,802,996	61,640,747	-
Total net position	<u>\$ 145,584,297</u>	<u>\$ 219,200,287</u>	<u>\$ 364,784,584</u>	<u>\$ 29,618,416</u>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

**City of Coeur d'Alene, Idaho**  
**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2022**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 7,365,658	\$ 5,708,422	\$ 453,408	\$ -
Public safety	26,934,484	-	179,593	-
Public works	8,796,635	-	-	73,365
Culture and recreation	5,687,276	-	15,035	-
Administrative expense	2,275	-	-	-
Interest on long-term debt	222,762	-	-	-
Net pension expense (revenue)	5,809,447	-	-	-
Total governmental activities	54,818,537	5,708,422	648,036	73,365
Business-type activities:				
Water	6,869,217	7,122,188	-	2,400,185
Wastewater	11,506,381	14,006,995	-	2,498,679
Sanitation	3,968,728	4,579,508	-	-
Other Enterprise	2,705,626	2,538,572	-	358,000
Net pension expense (revenue)	962,039	-	-	-
Total business-type activities	26,011,991	28,247,263	-	5,256,864
Total primary government	\$ 80,830,528	\$ 33,955,685	\$ 648,036	\$ 5,330,229
<b>Component unit:</b>				
Lake City Development Corporation	\$ 3,868,452	-	-	-
Total component unit	\$ 3,868,452	\$ -	\$ -	\$ -

General revenues:  
Property taxes, levied for general purposes  
Sales tax  
Franchise fees  
Motor fuel taxes  
Alcoholic beverage taxes  
Grants and contributions not restricted to specific purposes:  
Interest and investment earnings  
Miscellaneous  
Special assessments  
Gain (loss) on disposal of assets  
Transfers  
Special Items:  
Donated land from ignite to the City  
Gain (loss) on disposal of assets  
Total general revenues, transfer and special items  
Change in net position  
Net position - beginning - restated  
Net position - ending

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

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

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>ignite cda</b>
\$ (1,203,828)	\$ -	\$ (1,203,828)	\$ -
(26,754,891)	-	(26,754,891)	-
(8,723,270)	-	(8,723,270)	-
(5,672,241)	-	(5,672,241)	-
(2,275)	-	(2,275)	-
(222,762)	-	(222,762)	-
(5,809,447)	-	(5,809,447)	-
<u>(48,388,714)</u>	<u>-</u>	<u>(48,388,714)</u>	<u>-</u>
-	2,653,156	2,653,156	-
-	4,999,293	4,999,293	-
-	610,780	610,780	-
-	190,946	190,946	-
-	(962,039)	(962,039)	-
<u>-</u>	<u>7,492,136</u>	<u>7,492,136</u>	<u>-</u>
<u>(48,388,714.00)</u>	<u>7,492,136</u>	<u>(40,896,578)</u>	<u>-</u>
			<u>(3,868,452)</u>
			<u>(3,868,452)</u>
24,702,687	-	24,702,687	5,855,571
6,127,597	-	6,127,597	-
3,693,780	-	3,693,780	-
3,858,406	-	3,858,406	-
1,453,820	-	1,453,820	-
4,723,833	16,613	4,740,446	-
52,898	1,503,433	1,556,331	8,996
931,925	-	931,925	8,810
-	-	-	-
15,729	4,389	20,118	-
2,886,398	(2,886,398)	-	-
525,880	358,000	883,880	(883,880)
	-	-	11,338,317
<u>48,972,953</u>	<u>(1,003,963)</u>	<u>47,968,990</u>	<u>16,327,814</u>
584,239	6,488,173	7,072,412	12,459,362
145,000,058	212,712,114	357,712,172	17,159,054
<u>\$ 145,584,297</u>	<u>\$ 219,200,287</u>	<u>\$ 364,784,584</u>	<u>\$ 29,618,416</u>

City of Coeur d'Alene, Idaho

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2022**

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 26,974,182	\$ 250,671	\$ 9,852,679	\$ 37,077,532
Investments	-	-	895,365	895,365
Receivables:				
Taxes delinquent	429,326	-	84,547	513,873
Accounts	867,712	-	27,646	895,358
Special assessments	-	-	139,392	139,392
Lease	-	-	330,501	330,501
Interest receivable	-	-	2,150	2,150
Due from other governments	3,427,472	56,752	10,956	3,495,180
Due from other funds	139,392	51,042	-	190,434
Total assets	<u>\$ 31,838,084</u>	<u>\$ 358,465</u>	<u>\$ 11,343,236</u>	<u>\$ 43,539,785</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,943,307	\$ 66,511	\$ 125,186	\$ 3,135,004
Due to other funds	1,167,500	8,223,541	139,392	9,530,433
Deposits	552,965	-	-	552,965
Total liabilities	<u>4,663,772</u>	<u>8,290,052</u>	<u>264,578</u>	<u>13,218,402</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned grant revenue	8,454,589	-	250,000	8,704,589
Unearned lease contract revenue	-	-	373,048	373,048
Unavailable revenue- property taxes	429,326	-	84,547	513,873
Total deferred inflows of resources	<u>8,883,915</u>	<u>-</u>	<u>707,595</u>	<u>9,591,510</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	1,628,627	-	6,151,631	7,780,258
Committed	2,130,691	-	3,824,560	5,955,251
Assigned	2,650,987	-	394,872	3,045,859
Unassigned	11,880,092	(7,931,587)	-	3,948,505
Total fund balances	<u>18,290,397</u>	<u>(7,931,587)</u>	<u>10,371,063</u>	<u>20,729,873</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 31,838,084</u>	<u>\$ 358,465</u>	<u>\$ 11,343,236</u>	<u>\$ 43,539,785</u>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.



**City of Coeur d'Alene, Idaho**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
September 30, 2022**

Total fund balances at September 30, 2022 - Governmental Funds		\$ 20,729,873
Cost of capital assets at September 30, 2022	\$ 235,304,568	
Less: Accumulated depreciation as of September 30, 2022		
Buildings	(12,517,462)	
Equipment	(21,237,721)	
Infrastructure	(70,247,063)	
Other improvements	<u>(6,284,849)</u>	125,017,473
Net pension asset-FRF		17,209,002
Net pension liability-base plan		(25,819,912)
Deferred pension outflows-base plan		13,809,675
Deferred pension outflows-FRF plan		1,832,021
Elimination of deferred revenue		513,873
Accrued interest		(8,595)
Deferred pension inflows-base plan		(382,748)
Deferred pension inflows-FRF plan		-
Long-term liabilities at September 30, 2022		
Leases	(490,041)	
General obligation debt	(2,529,347)	
Bond premium net of amortization	(23,201)	
Compensated absences	<u>(4,273,776)</u>	<u>(7,316,365)</u>
Net position at September 30, 2022		<u>\$ 145,584,297</u>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

**City of Coeur d'Alene, Idaho**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 22,001,348	\$ -	\$ 2,498,846	\$ 24,500,194
Licenses and permits	6,709,616	-	-	6,709,616
Intergovernmental	15,199,941	248,353	988,067	16,436,361
Charges for services	298,695	-	1,873,838	2,172,533
Fines and forfeits	520,030	-	23	520,053
Assessments collected	-	-	-	-
Investment (loss) earnings	83,860	500	(31,462)	52,898
Contributions	311,667	137,029	-	448,696
Miscellaneous	731,177	-	200,748	931,925
Total revenues	<u>45,856,334</u>	<u>385,882</u>	<u>5,530,060</u>	<u>51,772,276</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,223,374	-	434,347	7,657,721
Public safety	28,278,017	-	-	28,278,017
Public works	5,437,781	-	-	5,437,781
Culture and recreation	3,091,799	-	1,728,877	4,820,676
Administrative expense	-	2,275	-	2,275
Capital outlay	962,409	1,404,018	802,516	3,168,943
Debt service:				
Principal payments	72,373	-	809,951	882,324
Interest and fiscal agent fees	44,014	120,775	68,456	233,245
Total expenditures	<u>45,109,767</u>	<u>1,527,068</u>	<u>3,844,147</u>	<u>50,480,982</u>
(Deficiency) excess of revenues (under) over expenditures	<u>746,567</u>	<u>(1,141,186)</u>	<u>1,685,913</u>	<u>1,291,294</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds on sale of capital assets	23,755	-	-	23,755
Operating transfers in	2,987,798	891,953	542,644	4,422,395
Operating transfers out	(567,353)	(216,435)	(752,209)	(1,535,997)
Total other financing sources (uses)	<u>2,444,200</u>	<u>675,518</u>	<u>(209,565)</u>	<u>2,910,153</u>
Net change in fund balances	3,190,767	(465,668)	1,476,348	4,201,447
Fund balances (deficits) - beginning of year -restated	15,099,630	(7,465,919)	8,894,715	16,528,426
Fund balances (deficits) - end of year	<u>\$ 18,290,397</u>	<u>\$ (7,931,587)</u>	<u>\$ 10,371,063</u>	<u>\$ 20,729,873</u>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

**City of Coeur d'Alene, Idaho**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2022**

Total net changes in fund balances for year ended September 30, 2022	\$ 4,201,447
Add: Capital outlay which is considered expenditures	3,168,943
Less: Depreciation expense for the year ended September 30, 2022	(5,885,995)
Add: Donated assets	525,880
Less: Proceeds from asset disposal	(23,755)
Add: Gain on asset disposal	15,729
Add: Current year PERSI contributions	3,432,522
Add: PERSI pension plan revenue	(5,809,447)
Elimination of interfund revenues and expenditures:	
Add: Interfund transfers out	1,535,997
Less: Interfund transfers in	(1,535,997)
Less: Change in compensated absence accrual for the year ended September 30, 2022	(136,385)
Add: Debt principal payments considered as an expenditure	882,324
Less: Proceeds from capital lease	-
Add: Change in accrued interest	2,752
Add: Bond Premium Amortization	7,731
Less: Difference between revenue earned on property taxes on modified accrual basis versus revenue on property taxes on accrual basis	<u>202,493</u>
Change in net position for year ended September 30, 2022	<u><u>\$ 584,239</u></u>

The accompanying "Notes to the Financial Statements"  
are an integral part of this statement.

City of Coeur d'Alene, Idaho

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2022**

	Business-type Activities - Enterprise Funds				Total Current Year
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 7,593,006	\$ 24,541,466	\$ 1,687,413	\$ 2,390,397	\$ 36,212,282
Receivables:					
Accounts, net of allowance for uncollectible accounts	2,018,331	2,059,813	416,397	486,837	4,981,378
Lease receivable	431,344				431,344
Special assessments receivable	2,655	-	-	-	2,655
Due from other governments	1,000	-	-	16,613	17,613
Due from other funds	-	9,339,999	-	-	9,339,999
Prepaid expenses	-	-	-	-	-
Total current assets	10,046,336	35,941,278	2,103,810	2,893,847	50,985,271
Capital assets:					
Land	566,534	1,528,020	-	2,572,672	4,667,226
Construction in Progress	3,354,259	3,812,663	-	66,613	7,233,535
Capital assets, net of accumulated depreciation	69,746,669	112,009,916	-	16,454,800	198,211,385
Total capital assets, net	73,667,462	117,350,599	-	19,094,085	210,112,146
Total non-current assets	73,667,462	117,350,599	-	19,094,085	210,112,146
Total assets	83,713,798	153,291,877	2,103,810	21,987,932	261,097,417
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension outflows	790,087	1,068,594	-	76,477	1,935,158
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	508,132	942,238	360,554	114,584	1,925,508
Claims liability	-	100,000	-	-	100,000
Accrued interest	4,212	97,663	-	-	101,875
Current portion of compensated absences	23,068	12,114	-	-	35,182
Current portion of leases payable	11,914	27,390	-	-	39,304
Current portion of bonds/loan payable	-	2,422,671	-	-	2,422,671
Total current liabilities	547,326	3,602,076	360,554	114,584	4,624,540
Non-current liabilities:					
Compensated absences	251,550	286,530	-	49,664	587,744
Leases Payable	106,838	246,796	-	-	353,634
Bonds/loan payable, net of unamortized discounts	-	34,252,880	-	-	34,252,880
Net pension liability	1,549,788	2,035,446	-	157,800	3,743,034
Total non-current liabilities	1,908,176	36,821,652	-	207,464	38,937,292
Total liabilities	2,455,502	40,423,728	360,554	322,048	43,561,832
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension inflows	26,037	34,302	-	2,800	63,139
Unearned contract revenue	207,317	-	-	-	207,317
	233,354	34,302	-	2,800	270,456
<b>NET POSITION</b>					
Net investment in capital assets	73,655,548	80,647,658	-	19,094,085	173,397,291
Unrestricted	8,159,481	33,254,783	1,743,256	2,645,476	45,802,996
Total net position	\$ 81,815,029	\$ 113,902,441	\$ 1,743,256	\$ 21,739,561	\$ 219,200,287

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

**City of Coeur d'Alene, Idaho**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2022**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total</b>
	<b>Water</b>	<b>Wastewater</b>	<b>Sanitation</b>	<b>Other</b>	
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Enterprise</b>	
<b>OPERATING REVENUES</b>					
Services	\$ 7,122,188	\$ 14,006,995	\$ 4,579,508	\$ 2,896,572	\$ 28,605,263
<b>OPERATING EXPENSES</b>					
Administration	2,536,227	1,077,432	-	239,032	3,852,691
Maintenance	-	-	-	326,816	326,816
Pumping	1,102,971	-	-	-	1,102,971
Treatment	51,473	3,672,591	-	-	3,724,064
Collection	-	812,064	-	-	812,064
Transportation and distribution	212,749	-	-	-	212,749
Supplies	64,718	-	-	41,817	106,535
Contracted services	-	-	3,967,327	818,283	4,785,610
Depreciation	2,892,539	4,319,913	-	1,279,091	8,491,543
Bad debt	1,983	2,842	1,401	587	6,813
Net pension expense (revenue)	424,286	495,447	-	42,306	962,039
Total operating expenses	<u>7,286,946</u>	<u>10,380,289</u>	<u>3,968,728</u>	<u>2,747,932</u>	<u>24,383,895</u>
Operating (loss) income	<u>(164,758)</u>	<u>3,626,706</u>	<u>610,780</u>	<u>148,640</u>	<u>4,221,368</u>
<b>NONOPERATING REVENUES</b>					
<b>(EXPENSES)</b>					
Capitalization fees	1,169,800	2,107,045	-	-	3,276,845
Amortization	-	1,257,773	-	-	1,257,773
Investment income	46,605	182,193	7,165	9,697	245,660
Grant income	-	-	-	16,613	16,613
Gain on sale of assets	4,389	-	-	-	4,389
Interest expense	(6,557)	(1,621,539)	-	-	(1,628,096)
Total non-operating revenues (expenses)	<u>1,214,237</u>	<u>1,925,472</u>	<u>7,165</u>	<u>26,310</u>	<u>3,173,184</u>
Income before contributions and transfers	<u>1,049,479</u>	<u>5,552,178</u>	<u>617,945</u>	<u>174,950</u>	<u>7,394,552</u>
Capital contributions	<u>1,230,385</u>	<u>391,634</u>	<u>-</u>	<u>358,000</u>	<u>1,980,019</u>
Operating transfers in	-	182,522	-	26,400	208,922
Operating transfers out	<u>(619,631)</u>	<u>(830,388)</u>	<u>(695,598)</u>	<u>(949,703)</u>	<u>(3,095,320)</u>
Change in net position	1,660,233	5,295,946	(77,653)	(390,353)	6,488,173
Total net position - beginning - restated	80,154,796	108,606,495	1,820,909	22,129,914	212,712,114
Total net position - ending	<u>\$ 81,815,029</u>	<u>\$ 113,902,441</u>	<u>\$ 1,743,256</u>	<u>\$ 21,739,561</u>	<u>\$ 219,200,287</u>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

City of Coeur d'Alene, Idaho

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds				Total
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 6,700,398	\$ 13,548,666	\$ 4,539,065	\$ 2,880,208	\$ 27,668,337
Payments to suppliers	(2,037,387)	(2,380,394)	(3,922,360)	(1,671,286)	(10,011,427)
Payments to employees	(2,272,744)	(2,774,564)	-	276,677	(4,770,631)
Net cash provided by operating activities	<u>2,390,267</u>	<u>8,393,708</u>	<u>616,705</u>	<u>1,485,599</u>	<u>12,886,279</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating transfers in	-	182,522	-	26,400	208,922
Operating transfers out	(619,631)	(830,388)	(695,598)	(949,703)	(3,095,320)
Net cash (used) by noncapital financing activities	<u>(619,631)</u>	<u>(647,866)</u>	<u>(695,598)</u>	<u>(923,303)</u>	<u>(2,886,398)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Bond payments	-	(34,006,063)	-	-	(34,006,063)
Capital lease payments	(11,309)	(26,000)	-	-	(37,309)
New debt issuance	-	31,929,289	-	-	31,929,289
Interest paid	(6,958)	(2,107,119)	-	-	(2,114,077)
Capital asset purchases	(3,531,465)	(3,711,885)	-	(374,165)	(7,617,515)
Capitalization Fees	1,169,800	2,107,045	-	-	3,276,845
Contributions	-	-	-	-	-
Proceeds from the sale of assets	4,389	-	-	-	4,389
Net cash (used) by financing activities	<u>(2,375,543)</u>	<u>(5,814,733)</u>	<u>-</u>	<u>(374,165)</u>	<u>(8,564,441)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	46,605	182,193	7,165	9,697	245,660
Net cash provided by investing activities	<u>46,605</u>	<u>182,193</u>	<u>7,165</u>	<u>9,697</u>	<u>245,660</u>
Net (decrease) increase in cash and cash equivalents	(558,302)	2,113,302	(71,728)	197,828	1,681,100
Cash and cash equivalents, beginning of year	8,151,308	22,428,164	1,759,141	2,192,569	34,531,182
Cash and cash equivalents, end of year	<u>\$ 7,593,006</u>	<u>\$ 24,541,466</u>	<u>\$ 1,687,413</u>	<u>\$ 2,390,397</u>	<u>\$ 36,212,282</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating (loss) income	\$ (164,758)	\$ 3,626,706	\$ 610,780	\$ 148,640	\$ 4,221,368
Adjustments to reconcile operating (loss) income to net cash provided by (used for) operating activities:					
Depreciation expense	2,892,539	4,319,913	-	1,279,091	8,491,543
(Gain) loss on sale of capital assets	-	-	-	-	-
(Increase) decrease in accounts receivable	(458,066)	(322,725)	(40,443)	2	(821,232)
(Increase) decrease in lease receivable	30,688	-	-	-	30,688
(Increase) decrease in due from special assessment receivable	2,661	-	-	-	2,661
(Increase) decrease in due from other governments	(396)	2,425	-	(16,366)	(14,337)
(Increase) decrease in due from other funds	-	(138,029)	-	-	(138,029)
(Increase) decrease in net pension asset	24,070	37,968	-	11,443	73,481
(Increase) decrease in prepaid expenses	-	-	-	-	-
(Increase) decrease in deferred outflows of resources	(359,434)	(473,521)	-	(38,651)	(871,606)
Increase (decrease) in accounts payable	(170,977)	623,134	46,368	36,587	535,112
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in compensated absences	40,246	30,833	-	15,255	86,334
Increase (decrease) increase in net pension liability	1,549,788	2,035,446	-	157,800	3,743,034
Increase (decrease) increase in deferred inflows of resources	(975,347)	(1,348,442)	-	(108,202)	(2,431,991)
Increase (decrease) increase in unearned contract revenue	(20,747)	-	-	-	(20,747)
Net cash provided by operating activities	<u>\$ 2,390,267</u>	<u>\$ 8,393,708</u>	<u>\$ 616,705</u>	<u>\$ 1,485,599</u>	<u>\$ 12,886,279</u>
<b>Non-cash capital and related financing activities:</b>					
\$1,230,385 of water lines were donated to the water fund by developers.					
\$391,634 of sewer lines were donated to the wastewater fund by developers.					
\$358,000 of public parking space was donated to the public parking fund by ignite cda.					

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

**City of Coeur d'Alene, Idaho**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
September 30, 2022**

	<b>Police Retirement Pension Trust Funds</b>	<b>Sales Tax Custodial Fund</b>	<b>Homeless Custodial Fund</b>	<b>Business Improvement District Custodial Fund</b>	<b>Kootenai County Solid Waste Custodial Fund</b>	<b>City of Coeur d'Alene Employee Benefits Trust</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 80,231	\$ 1,704	\$ 469	\$ 317,823	\$ 236,137	\$ 3,216,593
Investments	330,058	-	-	-	-	-
Due from other government unit	-	-	-	-	-	-
Due from other funds	-	48	-	-	-	-
Prepaid Expense	-	-	-	-	-	-
Accounts receivable	2,952	-	-	50,756	297,250	-
Total assets	<u>413,241</u>	<u>1,752</u>	<u>469</u>	<u>368,579</u>	<u>533,387</u>	<u>3,216,593</u>
<b>LIABILITIES</b>						
Claims payable	-	-	469	-	236,137	90,415
Health claims incurred but not paid	-	-	-	-	-	815,382
Due to other governments	-	48	-	-	-	-
Total liabilities	<u>-</u>	<u>48</u>	<u>469</u>	<u>-</u>	<u>236,137</u>	<u>905,797</u>
<b>NET POSITION</b>						
Restricted for:						
Police retirement	413,241	-	-	-	-	-
Sales tax	-	-	-	-	-	-
Homeless	-	-	-	-	-	-
Business improvement district	-	-	-	368,579	-	-
Kootenai County solid waste	-	-	-	-	297,250	-
City Employee Benefits Trust	-	-	-	-	-	2,310,796
Total net position	<u>\$ 413,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368,579</u>	<u>\$ 297,250</u>	<u>\$ 2,310,796</u>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

**City of Coeur d'Alene, Idaho**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended September 30, 2022**

	<b>Police Retirement Pension Trust Fund</b>	<b>Sales Tax Custodial Fund</b>	<b>Homeless Trust Custodial Fund</b>	<b>Business Improvement District Custodial Fund</b>	<b>Kootenai County Solid Waste Custodial Fund</b>	<b>City of Coeur d'Alene Employee Benefits Trust</b>
<b>ADDITIONS</b>						
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,688,215
Interest	11,895	-	-	1,203	-	-
Net increase (decrease) in the fair value of investments	(36,433)	-	-	-	-	-
Sales tax collected for other governments	-	29,102	-	-	-	-
Contributions for homeless	-	-	8,763	-	-	-
Revenues for the business improvement district	-	-	-	101,910	-	-
Revenues for Kootenai County solid waste	-	-	-	-	2,996,570	-
Interest	-	-	-	-	-	8,109
<b>Total additions</b>	<b>(24,538)</b>	<b>29,102</b>	<b>8,763</b>	<b>103,113</b>	<b>2,996,570</b>	<b>5,696,324</b>
<b>DEDUCTIONS</b>						
Pension expense	176,256	-	-	-	-	-
Payments of sales tax collected for other governments	-	29,102	-	-	-	-
Beneficiary payments to individuals	-	-	8,763	-	-	-
Payments to other entities	-	-	-	51,200	-	-
Payments of solid waste revenue for other governments	-	-	-	-	2,970,152	-
Insurance claim benefits	-	-	-	-	-	4,056,333
Change in health claims incurred but not paid	-	-	-	-	-	216,326
Stop loss premiums	-	-	-	-	-	566,960
Script sourcing	-	-	-	-	-	46,105
Administrative expenses	2,073	-	-	-	-	450,355
<b>Total deductions</b>	<b>178,329</b>	<b>29,102</b>	<b>8,763</b>	<b>51,200</b>	<b>2,970,152</b>	<b>5,336,079</b>
Net increase (decrease) in fiduciary net position	(202,867)	-	-	51,913	26,418	360,245
Net position, beginning of year	616,108	-	-	316,666	270,832	1,950,551
Net position, end of year	<b>\$ 413,241</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 368,579</b>	<b>\$ 297,250</b>	<b>\$ 2,310,796</b>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.



## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Reporting Entity

The City of Coeur d'Alene, Idaho (the "City") was incorporated in 1887. The City is governed by a Mayor and a six-member council, elected by the voters of the City. The Mayor and Council serve as the taxing authority, the contracting body, and the chief administrators of public services for the City.

The services provided by the Mayor and Council, their appointed boards, officials, department heads, division heads and each underlying department, comprise the primary government unit of the City.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (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 most significant of the City's accounting policies are described below:

The accompanying financial statements include all aspects controlled by the City Council of the City of Coeur d'Alene. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Under Idaho Code, in December 1997, the Coeur d'Alene City Council passed an ordinance which created the Coeur d'Alene Urban Renewal Agency (the "Agency"), a legally separate entity from the City. The Agency was established to promote urban development and improvement in blighted areas within the Agency's boundaries. The Agency is governed by a maximum board of nine directors, two of which may be City Council members, who are appointed by the City Council. The City Council has the ability to appoint, hire, reassign, or dismiss those persons having responsibility for the day-to-day operations of the Agency. These powers of the City meet the criteria set forth in GASB No. 61 for having financial accountability for the Agency. Based on the above, the Agency has been discretely presented in the accompanying financial statements of the City as a component unit. Separate financial statements of the component unit are issued. The Agency adopted the name Lake City Development Corporation (LCDC) in fiscal year 2001 and later changed their name to ignite cda in 2015. ignite cda is the only component unit of the City.

Under Idaho Code, the Agency has the authority to issue bonds. Any bonds issued by the Agency are payable solely from the proceeds of tax increment financing (or revenue allocation in Idaho), and are not a debt of the City. The City Council is not responsible for approving the Agency budget or funding any annual deficits. The Agency controls its disbursements independent of the City Council.

The Agency operates on the same fiscal year as the City. Complete financial statements of the Agency can be found at <http://www.ignitecda.org/resources/financials/> or obtained directly from:

ignite cda  
P.O. Box 3450  
Coeur d'Alene, ID 83816-1379

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

##### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the propriety fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, quarterly payments from the State of Idaho, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The government reports the following major governmental funds:

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

The *capital projects fund* accounts for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The government reports the following major proprietary funds:

The *water utility fund* accounts for the provision of water services to individuals and commercial users. All activities necessary to provide such services are accounted for in this fund, including (but not limited to) administration, operations, maintenance and financing and related debt service.

The *wastewater utility fund* accounts for the provision of wastewater services to individuals and commercial users. All activities necessary to provide such services are accounted for in this fund, including (but not limited to) administration, operations, maintenance and financing and related debt service.

The *sanitation utility fund* accounts for the collection of solid wastes from the residents of the City. All activities necessary to provide such services are accounted for in this fund, including (but not limited to) administration, operations and maintenance.

Additionally, the government reports the following fund types:

*Fiduciary fund* financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position. Assets held by the City for other parties (either as a trustee or as an agent) and that cannot be used to finance the City's own operating programs are reported in the fiduciary funds. The City is responsible for ensuring that the activities reported in fiduciary funds are based on their intended purposes.

Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements. The City's fiduciary fund financial statements are presented on pages 25 and 26:

The *pension trust fund* is used to account for the payment of benefits to police officers who were hired before April 12, 1967 and to their eligible surviving spouses. Funding for these benefits comes from interest earnings and invested funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water, wastewater and sanitation functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

*See accompanying independent auditors' report.*

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Measurement Focus, Basis of Accounting and Financial Statement Presentation (Concluded)

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

*Proprietary funds* distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, wastewater and sanitation funds are charges to customers for sales and services. The water and sewer funds also recognize as operating revenue the portion of cap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

##### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

##### Budgetary Accounting - Budgetary Basis

All City departments are required to submit their annual budget requests to the Comptroller.

The Comptroller is the budget officer, and as such, it is the Comptroller's duty to compile and prepare a preliminary budget for consideration by the City Council. On or before the first Tuesday in August, the Comptroller submits the proposed budget to the City Council for their review and approval.

In July or August, the City Council convenes to consider the proposed budget in detail and make any alterations allowable by law and which they deem advisable and agree upon a tentative amount to be allowed and appropriated for the ensuing fiscal year.

After the City Council agrees on tentative appropriations, the Comptroller, not later than the third Wednesday in August, publishes the tentative budget, establishing the amount proposed to be appropriated to each department, service, or activity for the ensuing fiscal year.

On the first Tuesday in September, the City Council meets to hold a public hearing, at which time any taxpayer may appear and be heard upon any part or parts of the tentative budget. Upon the conclusion of the hearing, the City Council determines the amount of the budget for each department, service, or activity of the City. The combined final budget may not exceed the total of the tentative budget.

The City Council adopts the final budget by ordinance and enters the ordinance on the official minutes of the Council. The adopted final budget is filed in the office of the City Clerk, and a copy, certified by the City Clerk, is filed with the County Auditor by the second Tuesday in September.

*See accompanying independent auditors' report.*

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Budgetary Accounting - Budgetary Basis (Concluded)

The City is required by state law to adopt annual budgets for all governmental funds. All adopted budgets for governmental funds and fiduciary funds, with the exception of the pension trust fund, are prepared in accordance with the modified accrual basis of accounting and are adopted on a basis consistent with generally accepted accounting principles (GAAP). The adopted budgets of proprietary funds, internal service funds, and the pension trust fund are prepared in accordance with the accrual basis of accounting and are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for all funds.

The annual adopted budget covers a period from October 1 to September 30 annually. The level of budgetary control at which expenditures may not exceed appropriations is the total fund level per Idaho statute. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Administrator. Any changes in the total budget of each fund must be approved by a majority vote of the City Council.

The City Council may only increase the total adopted budget during the year for unanticipated revenues, such as state and federal grants, donations to departments, and other unscheduled revenues. The adopted budget may be increased only by the amount of revenues received. Budget revisions must be advertised, discussed in a public hearing, and adopted through a resolution by the City Council. The budget for the fiscal year ending September 30, 2022, was amended by the amount of unscheduled revenues. The financial statements reflect the amended budget.

All appropriations lapse at the end of the fiscal year. Appropriation accounts remain open until October 31st for the payment of claims incurred against such appropriations prior to the close of the fiscal year. After October 31st, the appropriations, except for the incomplete improvements, become null and void. Any lawful claim presented after that day against any appropriation will be provided for in the ensuing budget. The City of Coeur d'Alene does not utilize encumbrance accounting.

Debt service for capital leases is budgeted in each of the respective lessee departments on a fiscal year basis. Each capital lease agreement has a non-appropriation clause which generally states that each fiscal year's lease payments are subject to City Council approval. The lease payment appropriations are included in the operating budget.

##### Cash and Cash Equivalents, and Investments

The City pools all individual fund cash balances in bank accounts, the State Investment Pool, U.S. Government issued investments and certificates of deposit, except for the investments of the police retirement fund and the cemetery perpetual care fund which are held separately from those of other City funds.

Cash equivalents are defined as investments with maturities of 90 days or less at the time they are purchased by the City. If maturity is greater than 90 days, some investments are classified as cash equivalents since they are part of the City's cash management activity, and readily convertible to known amounts of cash. Balances in checking accounts, State Pooled Investments, certificates of deposit, and U.S. Government issued investments are stated at fair value.

##### Due To and From Other Funds

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed.

*See accompanying independent auditors' report.*

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

The City had no significant inventories on September 30, 2022.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City contracted with an independent appraisal firm to perform a complete inventory of fixed assets in September 2007. Assets were valued at estimated historical costs, when original costs were not available. The City has and will continue to update this inventory. Donated fixed assets are capitalized at fair value on the date donated. Assets valued at \$5,000 or more which have a useful life of more than one year are capitalized.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30-35
Equipment	5-25
Infrastructure	20-30
Other improvements	20-30
Reservoir	20
Wells and booster stations	20-100
Distribution system	50
Collections	40-50
Plant	40
Street lights	20

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of applicable bond premium or discount.

Bond Discounts and Bond Premiums

In government-wide financial statements and proprietary fund types in the fund financial statements, bond premiums and discounts are deferred and amortized over the corresponding term of the bonds.

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Amortization is computed on the straight-line method as follows:

	<u>Years</u>
Bond premium and discounts:	
2021A Sewer Revenue Refunding Bonds	20
2021B Sewer Revenue Refunding Bonds	3

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures and expensed in the period incurred.

Compensated Absences

The Government Accounting Standards Board Codification section C60 specifies that a liability should be accrued for leave benefits that meet the following conditions:

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

For governmental and proprietary funds, the City records a liability for accumulated unused vacation time when earned for all employees. Accumulated unused comp time is recorded as a liability up to 240 hours. Accumulated unpaid sick leave in excess of 720 hours (1,440 for firefighters) is paid out to employees yearly at 33.3%. The only other time accumulated unpaid sick leave is paid by the City is upon retirement. Unpaid sick leave is recorded as a liability at 70% of all employees who have worked for the City for ten years or more.

The liability for vacation, comp time, and sick leave is recorded in the statement of net position for all governmental activities and business-type activities. The entire amount of compensated absences is reported as a fund liability. The City has implemented GASB Statement No. 16, "Accounting for Compensated Absences" which requires the accrual to include related payroll tax and retirement costs. At September 30, 2022, the total compensated absences payable by the City was \$4,896,702.

Compensated absences are reported as follows in the financial statements:

Governmental activities	\$ 4,273,776
Business-type activities	622,926
	\$ 4,896,702

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does have items that qualify for reporting in this category. Note 13 outlines the outflows of resources associated with the PERSI pension base and FRF plans and the police retirement pension plan.

*See accompanying independent auditors' report.*

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of these items, which arise under the government-wide accrual basis of accounting that qualifies for reporting in this category and three items, which arises only under a modified accrual basis of accounting. Deferred property taxes, unavailable grant revenue and unearned lease contract revenues are reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The items reported in the government-wide statements are amounts related to the pension base and FRF plans, unearned grant revenue and unearned lease contract revenues. See note 13 for details on the pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. See note 13 for the police retirement fund deferred outflows of resources disclosures. The unearned grant revenues are federal or state grants that the City has received but will be expended in future fiscal years. See note 5 related to the unearned lease contract revenue.

##### Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned.

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those restricted fund balance classifications can be used.

##### Fund Balance Flow Assumptions

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

##### Net Position Flow Assumptions

Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

*See accompanying independent auditors' report.*



## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Net Position Flow Assumptions (continued)

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

##### Contributed Capital

Contributed capital represents donations by developers, grants restricted for capital construction, and assets whose construction was financed by special assessments. Tap-in fees that exceed the cost of physical connection to the system are recorded as cash in the water fund and the wastewater fund until the fees are spent. Capitalization fees may be used only for expansion of the system, storm sewer separation, improvement or expansion of the present plant, or the construction of additional water and wastewater facilities. When the cash received for capitalization fees is spent, the assets purchased are recorded as plant and equipment.

##### Maximum Property Tax Rates

State statute sets maximum property tax rates for the City of Coeur d'Alene. The City cannot certify a budget request to finance the ad valorem portion of its annual budget that has a dollar amount that exceeds 3% of the dollar amount of ad valorem taxes certified for its annual budget during the last year in which a levy was made. The levy rate for the City of Coeur d'Alene for the 2021-22 fiscal year were as follows: library fund - .00024, general obligation bonds .00014, and general fund -.00324.

##### Property Tax Calendar

Property taxes are levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

##### Pensions

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

For purposes of measuring the net pension asset and pension expense/(revenue), information about the fiduciary net position of the Firefighters' Retirement Fund Plan (FRF Plan) and additions to/deductions from FRF's fiduciary net position have been determined on the same basis as they are reported by the FRF. 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.

*See accompanying independent auditors' report.*

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

##### Deficit Fund Balances

Deficit fund balances as of September 30, 2022 included capital projects funds which had a net deficit fund balance of \$7,931,587. This deficit is primarily related to the Riverstone Mill Site, which has a deficit fund balance of \$8,172,499. This deficit is due the capital projects fund borrowing \$7,700,000 from the wastewater capitalization fund in fiscal year 2017-18 to purchase the Atlas Waterfront Site property. Interest on this due to /due from is accruing at an annual rate of 1.5% with the understanding that future tax increment funds from ignite's atlas district will begin to pay this down beginning in 2023.

##### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

##### Recently issued and Adopted Accounting Pronouncements

As of October 1, 2021, the City adopted GASB Statement No 87, Lease accounting. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position and fund balance is disclosed in Note 5.

##### *Lessor:*

As a result of the implementation of GASB Statement No. 87, the City recognizes a lease receivable for the term of the leases under contract as well as the years that the City has deemed are reasonably certain that the lessee will renew. As a long-term lease, the City also imputes interest into each lease, recognized as interest income. The City recognizes a deferred inflow of resources for the lease activities under contract that have not been recognized as revenue. The deferred inflow of resources is amortized over the contractual or expected term of the lease.

#### NOTE 2 - CASH AND INVESTMENTS

##### General:

State statutes authorize the City's investments and deposits. The City is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

*See accompanying independent auditors' report.*

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**Custodial credit risk:**

Custodial credit risk is the risk that in the event of a failure of a financial institution, the City's deposits and investments may not be returned to it. The City does not have a deposit policy for custodial credit risk. The carrying amount of the City's deposits and investments is \$78,368,194 and the bank balance is \$79,016,064. As of September 30, 2022, the City's deposits and investments were exposed to custodial credit risk as follows:

**Deposits and investments without exposure to custodial credit risk:**

**Deposits:**

Amounts insured by FDIC	\$ 9,966,593
	9,966,593

**Investments:**

Amount registered in the name of the City	1,225,423
Total deposits and investments without exposure to custodial credit risk	11,192,016

**Deposits and investments with exposure to custodial credit risk:**

**Deposits:**

Amounts uninsured	2,104,782
Amount collateralized with securities held in trust, but not in the City's name	65,719,266
	67,824,048

**Investments:**

Amount collateralized with securities held in trust, but not in the City's name	-
Total deposits and investments with exposure to custodial credit risk	67,824,048
Total Deposits and Investments	\$ 79,016,064

**Cash and cash equivalents at September 30, 2022 consist of the following:**

Deposits (checks in excess of deposits)	\$ 7,111,410
Cash on hand	1,350
Short-term certificates of deposit	2,291,098
Money market	2,019,648
Idaho State Investment Pool	65,719,265
Total	77,142,771

**Cash and cash equivalents are presented in the Financial Statements as follows:**

Governmental activities	37,077,532
Business-type activities	36,212,282
Police retirement pension trust fund	80,231
Sales tax agency fund	1,704
Homeless custodial agency fund	469
Business improvement district agency fund	317,823
City of Coeur d'Alene employee benefits trust	3,216,593
Kootenai county solid waste agency fund	236,137
Total	77,142,771

**Investments are presented in the Financial Statements as follows:**

Governmental activities	895,365
Police retirement pension trust fund	330,058
Total	1,225,423
Total Cash and Investments	\$ 78,368,194

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**Credit risk:**

Credit risk is the risk that a debtor will not fulfill its obligations. All the above securities registered in the City's name carry a rating of AAA from Moody's, and Standard and Poor's. The Idaho State Investment Pool does not have an established credit rating but invests in entities with a minimum credit rating of "A" as stipulated by Idaho code.

**Interest rate risk and concentration of credit risk:**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Concentration of credit risk as defined by GASB exists when more than 5% of an investment portfolio is allocated to one security. As of September 30, 2022, the City had the following investments (and associated maturities) in its internal investment portfolio:

Investment	Cost	% of Total	Fair Value & Carrying Amount	Maturity			
				Less than 1 year	Less than 2 years	2-5 years	6-10 years
The Coca Cola Co	\$ 73,628	5%	66,669	-	66,669	-	-
Emerson Elec Co	97,237	7%	85,895	-	-	85,895	-
Toronto Dominion Bank	50,715	4%	44,936	-	-	44,936	-
Bank of Nova Scotia	50,289	4%	43,560	-	-	43,560	-
US Treasury Note	99,977	7%	89,082	-	-	89,082	-
FHLMCMTN	99,559	7%	89,186	-	-	89,186	-
US Treasury Note	102,695	8%	94,516	-	-	94,516	-
US Treasury Note	103,906	7%	91,832	-	-	91,832	-
FNMA	102,946	7%	91,388	-	-	91,388	-
FNMA	51,473	4%	45,694	-	-	45,694	-
Bank of NY Mellon Corp	49,871	4%	44,355	-	-	44,355	-
US Treasury Note	25,977	2%	22,958	-	-	22,958	-
US Treasury Note	51,141	4%	46,433	-	-	46,433	-
Oracle Corp	49,826	4%	49,972	49,972	-	-	-
John Deere Capital Corp	49,244	4%	49,719	49,719	-	-	-
Emerson Elec Co	48,618	4%	42,948	-	-	42,948	-
Federal Home Loan Bks	51,072	4%	49,262	49,262	-	-	-
Caterpillar Financial SE	101,734	8%	99,067	-	99,067	-	-
Federal Home Loan Bks	50,792	4%	48,843	-	48,843	-	-
Simon Property Group LP	30,559	2%	29,108	-	-	29,108	-
	<u>\$ 1,341,259</u>		<u>\$ 1,225,423</u>	<u>\$ 148,953</u>	<u>\$ 214,579</u>	<u>\$ 861,891</u>	<u>\$ -</u>

Investment	Fair Value & Carrying Amount	Maturity			
		Less than 1 year	Less than 2 years	2-5 years	6-10 years
U.S. Treasuries	\$ 420,277	\$ 98,981	\$ -	\$ 321,296	\$ -
U.S. Agencies	257,186	-	48,843	208,343	-
U.S. Corporations	413,942	49,972	165,736	198,234	-
Foreign Corporations	134,018	-	-	134,018	-
	<u>\$ 1,225,423</u>	<u>\$ 148,953</u>	<u>\$ 214,579</u>	<u>\$ 861,891</u>	<u>\$ -</u>

The City does not have a policy for interest rate risk or concentration of credit risk but does manage the portfolio to preserve the principal value. Since all the City's cash needs cannot be anticipated, the above securities are traded in active and secondary or resale markets.

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 2 - CASH AND INVESTMENTS (CONCLUDED)**

**Fair value:**

The securities registered in the City's name were purchased at a cost of \$1,341,259. The net loss of \$115,836 (the difference between cost and fair value) has been recognized in the financial statements as a net loss on investments. There was a current year loss of \$130,007 on these investments.

The City's investments in 2a-7-like pools are valued based upon the value of pool shares. The City invests in one 2a-7-like pool, the Idaho State Investment Pool. The advisory board of the Idaho State Investment Pool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act. The State Investment Pool is duly chartered and administered by the State Treasurer's office and consists of US Treasury bills and notes, collateralized certificates of deposit and repurchase agreements.

The balances that the City has in the State Investment Pool are carried at its fair market value of \$65,719,266. The City's portion of the State Investment Pool had an unrealized loss of \$125,104 as of September 30, 2022, which has been recognized in the financial statements.

The City considers funds held in the State Investment Pool to be cash equivalents, as the average maturity of the underlying securities is less than 90 days, and the City can liquidate the account at any time.

**NOTE 3 - ACCOUNTS RECEIVABLE**

**Governmental activities:**

Accounts receivable consist of the following as of September 30, 2022:

Franchise and utility receivables	\$ 867,712
Miscellaneous receivables	27,646
	<u>\$ 895,358</u>

**Business-type activities:**

Accounts receivable consist of the following as of September 30, 2022:

**NOTE 4 - SPECIAL ASSESSMENTS RECEIVABLE**

Special assessments receivable from benefited property owners of public improvements consist of the following as of September 30, 2022 and are recorded in the debt service fund and water fund:

**Governmental activities:**

Deferred principal amounts not currently due, but due at a future date	<u>\$ 139,392</u>
--	-------------------

**Business-type activities:**

Deferred principal amounts not currently due, but due at a future date	<u>\$ 2,655</u>
--	-----------------

Installment payments of principal and interest due from property owners are billed annually.

Amounts due from customers	\$ 4,989,668
Less allowance for uncollectible accounts	(8,290)
	<u>\$ 4,981,378</u>

*See accompanying independent auditors' report.*

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 5 - LEASE INCOME

A summary of leases receivable are as follows:

During the year ended September 30, 2000 the City established a lease with AT&T Wireless for rack and tower space located at the City's standpipe at 710 West Wilbur. The original lease called for monthly payments of \$900 increasing by 4% each year. The lease was amended in July of 2006 which renewed the terms for up to five additional sixty-month terms. Monthly payments were set at \$842.30 with a 10% increase every five years. A second amendment went into effect in February of 2015. This amendment provided an additional increase in rent of \$373.47 per month for additional antennas and a yearly increase to the monthly rent of 3%. A third amendment was agreed upon in March of 2021. This amendment included a monthly rent increase of \$500 for an increase to the size of the Premises leased to the Tenant. Current monthly payments of \$1,621 are being made to the City.

During the year ended September 30, 2003 the City established a lease with VoiceStream PV/SS PCS L.P. for rack and tower space located at the City's standpipe at 4945 Industrial Avenue. The original lease called for monthly payments of \$950 increasing by 3% each year. The lease was amended in February of 2015 which increased the rent to \$1,486.80 a month and continued the annual increase of 3%. A second amendment went into effect in May of 2016. This amendment provided an additional increase in rent making the monthly rent \$1,368 for additional equipment to the "Communications Facilities". A third amendment was agreed upon in October of 2016. This amendment included a monthly rent increase of \$500 for an increase to the size of the Premises leased to the Tenant. The agreement automatically renews for five additional five-year terms. As of September 30, 2023 the lease has been renewed for four of the successive five-year terms with the fifth term ending November 30, 2033. Current monthly payments of \$2,230.49 are being made to the City.

During the year ended September 30, 2022 the City established a lease with Paul Mason for a mobile food concession at Atlas Mill Park. Under the terms of this lease, yearly payments of \$5,000 are made to the City over a three-year period. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change.

During the year ended September 30, 2018 the City established a lease with Luntenterprises, LLC for Bay 5 on the south side of the City dock. On September 7, 2021 this lease was assigned to Scenic Adventure Flights, LLC. Under the terms of this lease, yearly payments of \$5,992.60 are made to the City for a five-year period commencing April 1, 2018. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change.

During the year ended September 30, 2022 the City established a lease with Lake Coeur d'Alene Cruises, Inc. for Bays 1, 2 and 3 on the east side of the City dock and Bays 6, 7 and 8 on the west side of the City dock. Under the terms of this lease, yearly payments of \$47,014.33 are made to the City for a five-year period commencing April 1, 2022. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change.

During the year ended September 30, 2021 the City established a lease with Indy Point Concessions LLC for a mobile food concession at Independence Point. Under the terms of this lease, yearly payments of \$9,000 are made to the City over a three-year period commencing May 1, 2021. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change.

During the year ended September 30, 2017 the City established a lease with the Coeur d'Alene Arts and Culture Alliance for operating and managing the Riverstone Concert Series held at Riverstone Park. Under the terms of this lease, yearly payments of \$3,500 are made to the City over a three-year period and can be renewed for three additional years.

*See accompanying independent auditors' report.*

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 5 - LEASE INCOME (CONTINUED)

During the year ended September 30, 2019 the City established a lease with Coeur d'Alene Parasail and Watersports, Inc. for Bay 4 on the east side of the City dock and Bay 9 on the west side of the City dock. Under the terms of this lease, yearly payments of \$10,117.48 are made to the City for a four-year period commencing May 1, 2019. The lessee may request a four-year extension. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change.

During the year ended September 30, 2018 the City established a lease with Davis Enterprises, Inc. for the use of McEuen Park on Wednesday evenings for "Live After Five" concert events. Under the terms of this lease, Davis Enterprises will pay the City \$500 per concert and for the yearly three big ticketed shows, an additional \$3 per ticket sold. This lease includes a renewable option at the conclusion of the 2020 season which extended the lease through the 2023 season.

During the year ended September 30, 2021 the City established a lease with The Buoy, LLC for use of the McEuen Park Rotary Harbor House for the purpose of operating and maintaining food, beer and wine concessions. Under the terms of this lease, yearly payments of \$16,000 are made to the City over a three-year period commencing April 1, 2021. This lease includes a three-year renewable option at the conclusion of the 2023 season. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change.

During the year ended September 30, 2021 the City extended a lease with Eleventh Street Dock Owners Association, Inc for five years for the right to maintain movable docks and dock storage and booms fronting or adjacent to the shoreline. Under the terms of this lease, yearly payments of \$7,182.67 are made to the City for a five-year period commencing November 2, 2021. The lessee may request a five-year extension. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change.

During the year ended September 30, 2022 the City established a lease with Coeur d'Alene on Ice, LLC for use of the Avista Pavilion and McEuen Park for the purpose of operating a seasonal ice-skating rink. Under the terms of this lease, yearly payments of \$6,000 are made to the City over a five-year period commencing October 15, 2021. This lease includes a renewable option at the conclusion of the 2026 season for an additional five years. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. The five-year extension will begin with yearly payments of \$10,000 and also increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change.

The following is a schedule of future payments included in the measurement of the lease receivable as of September 30, 2022:

Parks Capital Improvement Fund:

Year Ended September 30,	Principal	Interest	Total
2023	\$ 114,237	\$ 6,611	\$ 120,848
2024	72,369	4,325	76,694
2025	73,557	2,878	76,435
2026	70,338	1,407	71,745
	<u>\$ 330,501</u>	<u>\$ 15,221</u>	<u>\$ 345,722</u>

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 5 - LEASE INCOME (CONCLUDED)**

Water Fund:

Year Ended September 30,	Principal	Interest	Total
2023	\$ 32,556	\$ 13,796	\$ 46,352
2024	34,512	12,648	47,160
2025	36,558	11,433	47,991
2026	38,697	10,150	48,847
2027	42,748	8,764	51,512
2028-2032	204,734	21,457	226,191
2033-2037	41,539	787	42,326
	<u>\$ 431,344</u>	<u>\$ 79,035</u>	<u>\$ 510,379</u>

**NOTE 6- CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2022 is as follows:

Plant and equipment and accumulated depreciation for governmental activities are as follows:

	September 30, 2021	Additions	Deletions	Transfers Adjustments	September 30, 2022
Governmental activities:					
Land	\$ 19,242,312	\$ 525,880	\$ -	\$ -	\$ 19,768,192
Construction in progress	267,662	401,613	-	(42,780)	626,495
Total capital assets, not being depreciated	<u>19,509,974</u>	<u>927,493</u>	<u>-</u>	<u>(42,780)</u>	<u>20,394,687</u>
Buildings	25,450,462	252,525	-	-	25,702,987
Other Improvements	18,007,301	431,973	-	-	18,439,274
Equipment	30,337,574	984,826	217,322	95,376	31,200,454
Infrastructure	138,426,380	1,098,006	-	42,780	139,567,166
	<u>212,221,717</u>	<u>2,767,330</u>	<u>217,322</u>	<u>138,156</u>	<u>214,909,881</u>
Less: accumulated depreciation					
Buildings	11,789,746	727,716	-	-	12,517,462
Other Improvements	5,712,698	572,151	-	-	6,284,849
Equipment	19,975,484	1,376,157	209,296	95,376	21,237,721
Infrastructure	67,037,092	3,209,971	-	-	70,247,063
	<u>104,515,020</u>	<u>5,885,995</u>	<u>209,296</u>	<u>95,376</u>	<u>110,287,095</u>
Total capital assets being depreciated, net	<u>107,706,697</u>	<u>(3,118,665)</u>	<u>8,026</u>	<u>233,532</u>	<u>104,622,786</u>
Governmental activities capital assets net	<u>\$ 127,216,671</u>	<u>\$ (2,191,172)</u>	<u>\$ 8,026</u>	<u>\$ 190,752</u>	<u>\$ 125,017,473</u>

Depreciation expense was charged to functions/programs for the governmental activities as follows:

See accompanying independent auditors' report.



**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

**Governmental activities:**

General government	\$ 173,920
Public Works	3,752,822
Culture and Recreation	1,114,440
Public Safety	844,813
	<u>\$ 5,885,995</u>

Plant and equipment and accumulated depreciation for business-type activities are as follows:

	<u>September 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>September 30, 2022</u>
<b>Business-type activities:</b>					
Land	\$ 4,125,450	\$ 541,776	\$ -	\$ -	\$ 4,667,226
Construction in progress	4,963,082	4,046,031	-	(1,775,578)	7,233,535
Total capital assets, not being depreciated'	<u>9,088,532</u>	<u>4,587,807</u>	<u>-</u>	<u>(1,775,578)</u>	<u>11,900,761</u>
Reservoir	7,020,237	-	-	-	7,020,237
Wells and booster stations	10,726,834	519,127	-	1,775,578	13,021,539
Distribution system	100,762,554	2,737,242	-	-	103,499,796
Collection	51,753,054	655,463	-	-	52,408,517
Plant	140,252,093	461,211	-	-	140,713,304
Street lights	790,986	-	-	-	790,986
Equipment	13,561,087	411,155	-	(95,376)	13,876,866
Improvements	25,715,915	242,142	-	-	25,958,057
	<u>350,582,760</u>	<u>5,026,340</u>	<u>-</u>	<u>1,680,202</u>	<u>357,289,302</u>
Less: accumulated depreciation					
Reservoir	5,271,187	204,446	-	-	5,475,633
Wells and booster stations	5,233,016	199,354	-	-	5,432,370
Distribution system	44,318,108	2,165,415	-	-	46,483,523
Collection	15,948,009	884,353	-	-	16,832,362
Plant	61,673,675	3,313,793	-	-	64,987,468
Street lights	723,951	9,470	-	-	733,421
Equipment	8,098,717	671,468	-	(95,376)	8,674,809
Improvements	9,415,087	1,043,244	-	-	10,458,331
	<u>150,681,750</u>	<u>8,491,543</u>	<u>-</u>	<u>(95,376)</u>	<u>159,077,917</u>
Total capital assets being depreciated, net	<u>199,901,010</u>	<u>(3,465,203)</u>	<u>-</u>	<u>1,584,826</u>	<u>198,211,385</u>
Business-type activities capital assets net	<u>\$ 208,989,542</u>	<u>\$ 1,122,604</u>	<u>\$ -</u>	<u>\$ (190,752)</u>	<u>\$ 210,112,146</u>

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 6 - CAPITAL ASSETS (CONCLUDED)**

Depreciation expense was charged to business-type activities as follows:

**Business-type activities:**

Water	\$ 2,892,539
Wastewater	4,319,913
Street Lighting	9,470
Drainage	392,746
Public Parking	876,875
	<u>\$ 8,491,543</u>

**NOTE 7 - CHANGES IN LONG-TERM DEBT**

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Balance 10/1/2021	Additions	Deletions	Balance 9/30/2022	Due Within One Year	Due in More Than One Year
<b>Governmental activities:</b>						
General obligation bonds payable	\$ 3,339,298	\$ -	\$ 809,951	\$ 2,529,347	\$ 828,230	\$ 1,701,117
Deferred amounts:						
For issuance premium	30,932	-	7,731	23,201	-	23,201
Total bonds payable	3,370,230	-	817,682	2,552,548	828,230	1,724,318
Capital leases	562,414	-	72,373	490,041	75,158	414,883
Compensated absences	4,137,391	136,385	-	4,273,776	250,932	4,022,844
<b>Governmental activities</b>						
Long-term liabilities	<u>\$ 8,070,035</u>	<u>\$ 136,385</u>	<u>\$ 890,055</u>	<u>\$ 7,316,365</u>	<u>\$ 1,154,320</u>	<u>\$ 6,162,045</u>
<b>Business-type activities:</b>						
Revenue bonds payable	\$ 39,239,140	\$ 26,900,000	\$ 34,006,063	\$ 32,133,077	\$ 2,422,672	\$ 29,710,405
Deferred amounts:						
For issuance premium	770,959	5,029,286	1,257,771	4,542,474	-	4,542,474
Total bonds payable	40,010,099	31,929,286	35,263,834	36,675,551	2,422,672	34,252,879
Capital Leases	430,246	-	37,308	392,938	39,304	353,634
Compensated absences	536,592	86,334	-	622,926	35,182	587,744
<b>Business-type activities:</b>						
Long-term liabilities	<u>\$ 40,976,937</u>	<u>\$ 32,015,620</u>	<u>\$ 35,301,142</u>	<u>\$ 37,691,415</u>	<u>\$ 2,497,158</u>	<u>\$ 35,194,257</u>

**The City's long-term obligations at year-end consist of the following:**

Revenue bonds payable from the wastewater fund at September 30, 2022, are composed of the following issues:

On December 15, 2009, the City entered into a loan agreement with the State of Idaho, Department of Environmental Quality for an amount not to exceed \$13,000,000 at a .5% interest rate to be repaid in biannual installments over 20 years. The State of Idaho is authorized by Title 39, Chapter 36, Idaho Code, to make loans from the Wastewater Treatment Facility Loan Account to assist municipalities in the construction of wastewater treatment facilities. The loan to the City of Coeur d'Alene was for a wastewater treatment plant upgrade. The upgrade was being driven by the necessity to meet changing National Pollutant Discharge Elimination System discharge limits. The upgrade added a new sludge digester, a digester control building, a digester handling building, an administration/lab building and a maintenance shop building. On March 13, 2013, this loan was closed out and converted to Sewer Revenue Bond, Series 2013, with a principal amount owing of \$12,257,859. The City pledges income derived on the acquired or constructed assets to pay debt service.

*See accompanying independent auditors' report.*

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)**

Revenue bonds payable from the wastewater fund at September 30, 2022 (continued):

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2013 Sewer Revenue Bonds	2023	0.50%	\$ 612,672	\$ 32,169	\$ 644,841
	2024	0.50%	615,657	29,184	644,841
	2025	0.50%	618,821	26,020	644,841
	2026	0.50%	621,919	22,922	644,841
	2027	0.50%	625,033	19,808	644,841
	2028	0.50%	628,114	16,727	644,841
	2029	0.50%	631,306	13,535	644,841
	2030	0.50%	634,467	10,374	644,841
	2031	0.50%	637,643	7,198	644,841
	2032	0.50%	640,822	4,019	644,841
	2033	0.50%	321,623	797	322,420
Total 2013 Sewer Revenue Bonds			<u>\$6,588,077</u>	<u>\$182,753</u>	<u>\$6,770,830</u>

On December 1, 2021, the City issued the "Series 2021 Bonds" sewer revenue bonds. The Series 2021 A Bonds with a principal amount owing of \$21,865,000 were issued to refund outstanding principal amounts of the City's Sewer Revenue Bond, Series 2015 and the City's Revenue Bonds, Series 2020, and to pay to costs of issuance of the Series 2021 A Bonds. The Series 2021 B Bonds with a principal amount of \$5,035,000 were issued to taxably advance refund the outstanding principal amount of the City's Sewer Revenue Refunding Bond, Series 2012 and to pay the costs of issuance of the Series 2021 B Bonds. The Series 2021 Bonds bear interest payable semiannually on each March 1 and September 1, beginning March 1, 2022 to the maturity of the Series 2021 Bonds. Principal will be payable annually each September 1.

The refunded bonds were all issued to finance or refinance various capital improvements to the City's wastewater system and all are privately held. The Series 2021 Bonds are revenue obligations of the system. Neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Series 2021 Bonds.

*See accompanying independent auditors' report.*

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)**

Revenue bonds payable from the wastewater fund at September 30, 2022 (continued):

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2021A Sewer Revenue Refunding Bonds	2023	4.00%	\$ -	\$ 874,600	\$ 874,600
	2024	4.00%	30,000	874,600	904,600
	2025	4.00%	1,995,000	873,400	2,868,400
	2026	4.00%	2,075,000	793,600	2,868,600
	2027	4.00%	2,160,000	710,600	2,870,600
	2028	4.00%	2,245,000	624,200	2,869,200
	2029	4.00%	2,335,000	534,400	2,869,400
	2030	4.00%	2,425,000	441,000	2,866,000
	2031	4.00%	2,525,000	344,000	2,869,000
	2032	4.00%	2,625,000	243,000	2,868,000
	2033	4.00%	3,050,000	138,000	3,188,000
	2034	4.00%	400,000	16,000	416,000
				<u>\$21,865,000</u>	<u>\$6,467,400</u>

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2012B Sewer Revenue Refunding Bonds	2023	5.00%	\$ 1,810,000	\$ 184,000	\$ 1,994,000
	2024	5.00%	1,870,000	93,500	1,963,500
			<u>\$3,680,000</u>	<u>\$277,500</u>	<u>\$3,957,500</u>

General Obligation Bonds payable for the governmental activities at September 30, 2022, consist of the following issue:

On August 4, 2015 the City issued \$6,000,000 in General Obligation Bonds for construction, acquisition and equipping of shared police / fire facilities and a mobile command / crime scene trailer and vehicle; construction and equipping of certain covered parking areas for police vehicles; acquisition and installation of a public safety camera network; and acquisition of certain fire protection vehicles and equipment; together with all necessary appurtenant facilities, improvements and equipment. The principal of the 2015A Bonds shall be payable annually on the 1<sup>st</sup> of August and shall bear interest at the rate of 2.05% payable semiannually on February 1<sup>st</sup> and August 1<sup>st</sup> in each year until maturity.

The City also issued \$1,719,106 in General Obligation Bonds on August 4, 2015 for the purpose of refunding the 2006 General Obligation Bonds. The principal of the 2015B Bonds shall be payable annually on August 1<sup>st</sup> and shall bear interest at the rate of 2.05% payable semiannually on February 1<sup>st</sup> and August 1<sup>st</sup> in each year until maturity.

*See accompanying independent auditors' report.*

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)**

General Obligation Bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 10-year serial bonds.

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2015A Public Safety Bonds:	2023	2.05%	\$ 641,638	\$ 40,272	\$ 681,910
	2024	2.05%	654,792	27,122	681,914
	2025	2.05%	668,215	13,698	681,913
Total 2015A Public Safety Bonds			\$1,964,645	\$81,092	\$2,045,737
Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2015B Public Safety Bonds:	2023	2.05%	186,592	11,577	198,169
	2024	2.05%	186,642	7,751	194,393
	2025	2.05%	191,468	3,925	195,393
Total 2015B Public Safety Bonds			564,702	23,253	587,955
Total General Obligation Bonds			\$2,529,347	\$104,345	\$2,633,692

Capital Leases – The City of Coeur d'Alene entered into a master-lease purchase agreement with John Deere Financial on November 25, 2013 for the purchase of six loaders and a snow blower. The City chose not to make the final balloon payment on this lease and returned the loaders to John Deere in fiscal year 2018-19 removing the liability to the City.

An additional lease was entered into with John Deere on December 31, 2014 for the purchase of a grader. The total purchase price for the grader was \$238,075. Annual payments of \$20,591 were due December 31<sup>st</sup> of each year for five years beginning on December 31, 2014. A balloon payment of \$156,700 was due on December 31, 2019. The City chose not to make the balloon payment and instead renegotiated and extended the lease for an additional 5 years on June 30, 2020. Annual payments of \$33,881 are due June 30<sup>th</sup> of each year for five years beginning on June 30, 2020.

The City entered into a lease with Caterpillar Global Services LLC on January 28, 2019 for the purchase of 4 loaders. Three of the loaders will be used for governmental activities and one will be used for business-type activities in the water fund. An additional lease was entered into on March 19, 2019 also with Caterpillar for the purchase of 2 loaders that will be used for business-type activities in the wastewater fund.

The total purchase price for the business-type loaders for the water and wastewater funds was \$556,815. Annual payments of \$42,059 for the wastewater loaders are due March 5<sup>th</sup> of each year for five years beginning on March 5, 2019 with a balloon payment of \$246,796 due on March 5, 2024. Annual payments for the water fund loader of \$18,267 are due each year on Dec 15<sup>th</sup> for five years beginning on January 1, 2019 with a balloon payment of \$106,838 due on January 31, 2024. The total purchase price for the governmental loaders was \$607,397. Annual payments of \$65,253 are due January 31<sup>st</sup> of each year for five years beginning on January 31, 2019. A balloon payment of \$381,650 is due on January 31, 2024. The interest rate 5.35%.

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)**

Capital leases payable from governmental activities at September 30, 2022 consist of the following:

Minimum lease payments under capital leases for governmental activities are as follows:

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
General Fund - John Deere Financial Lease for 2014 Grader	2023	1.9%	\$ 32,598	\$ 1,283	\$ 33,881
	2024		33,233	648	33,881
			65,831	1,931	67,762
Issue	FY End 30-Sep	Rate	Principal	Interest	Total
General Fund - Caterpillar Financial Lease for 2018 Loaders	2023	5.35%	42,560	22,693	65,253
	2024		381,650	20,417	402,067
			424,210	43,110	467,320
			\$ 490,041	\$ 45,041	\$ 535,082

Minimum lease payments under capital leases for governmental activities are as follows:

Year ending September 30	Governmental Activities
2023	\$ 99,134
2024	435,948
Total minimum lease payments	535,082
Less: amount representing interest	45,041
Present value of minimum lease payments	\$ 490,041

Capital leases payable from business-type activities at September 30, 2022 consist of the following issues:

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
Wastewater Fund - John Deere Financial Lease for a 2018 Wheel Loader	2023	5.35%	\$ 13,781	\$ 7,593	\$ 21,374
	2024		128,144	6,856	135,000
			141,925	14,449	156,374
Wastewater Fund - John Deere Financial Lease for a 2018 Wheel Loaders	2023	5.35%	13,609	7,076	20,685
	2024		118,652	6,348	125,000
			132,261	13,424	145,685
Water Fund - John Deere Financial Lease for a 2018 Wheel Loader	2023	5.35%	11,914	6,353	18,267
	2024		106,838	5,715	112,553
			118,752	12,068	130,820
			\$ 392,938	\$ 39,941	\$ 432,879

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 7 - BONDS AND LEASES PAYABLE (CONCLUDED)**

Minimum lease payments under capital leases for business-type activities are as follows:

Year ending September 30	Business-type Activities
2023	\$ 60,326
2024	372,553
Total minimum lease payments	432,879
Less: amount representing interest	39,941
Present value of minimum lease payments	<u>\$ 392,938</u>

The following is a schedule of maturities of bonds, lease and loan obligations for all governmental activities:

Year	General Obligation Bonds	Capital Leases	Compensated Absences	Total (Memo Only)
Unknown	\$ -	\$ -	\$ 4,022,844	\$ 4,022,844
2023	828,230	75,158	250,932	1,154,320
2024	841,434	414,883	-	1,256,317
2025	859,683	-	-	859,683
	<u>2,529,347</u>	<u>490,041</u>	<u>4,273,776</u>	<u>7,293,164</u>
Plus issuance premium- net	23,201	-	-	23,201
	<u>\$ 2,552,548</u>	<u>\$ 490,041</u>	<u>\$ 4,273,776</u>	<u>\$ 7,316,365</u>

The following is a schedule of maturities of bonds, lease and loan obligations for all business-type activities:

Business-type Activities

Year	Wastewater 2013 Revenue Bonds	Wastewater 2021A Revenue Bonds	Wastewater 2021B Revenue Bonds	Capital Leases	Compensated Absences	Total (Memo Only)
Unknown	\$ -	\$ -	\$ -	\$ -	\$ 587,744	\$ 587,744
2023	612,672	-	1,810,000	39,304	35,182	2,497,158
2024	615,657	30,000	1,870,000	353,634	-	2,869,291
2025	618,821	1,995,000	-	-	-	2,613,821
2026	621,919	2,075,000	-	-	-	2,696,919
2027	625,033	2,160,000	-	-	-	2,785,033
Thereafter	3,493,975	15,605,000	-	-	-	19,098,975
	<u>6,588,077</u>	<u>21,865,000</u>	<u>3,680,000</u>	<u>392,938</u>	<u>622,926</u>	<u>33,148,941</u>
Plus issuance premium- net	-	4,282,620	259,854	-	-	4,542,474
	<u>\$ 6,588,077</u>	<u>\$ 26,147,620</u>	<u>\$ 3,939,854</u>	<u>\$ 392,938</u>	<u>\$ 622,926</u>	<u>\$ 37,691,415</u>

There are a number of covenants, limitations and other requirements contained in the various bond indentures. The City is in substantial compliance with these requirements at September 30, 2022.

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 8 - INTERFUND TRANSACTIONS**

Due to/from other funds as of September, 30 2022:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Non-major governmental funds	\$ 139,392
Wastewater fund	General fund	1,167,500
Wastewater fund	Capital projects fund	8,172,499
		<u>\$ 9,479,391</u>

The interfund receivable between the general fund and debt service funds – LID 151 originated when the City financed the special assessments for improvements on Front Street through the general fund as opposed to selling bonds. The LID 151 receivable will be paid back by the end of fiscal year 2025. The benefitted property owners are billed annually each year in April. LID 151 is billed with an interest rate of 4%.

The interfund receivable between wastewater and the general fund and between wastewater and the capital projects fund – Atlas Waterfront Site commenced when the City began the process of buying 47 acres of property along and near the Spokane River. The parcel is parallel to Seltice Way and has ingress at Seltice Way and Atlas Road. The general fund is accruing interest on this receivable on a quarterly basis at 1.5%. The projected payback period is approximately nine years with payments projected to come from ignite cda, the City's urban renewal district, as tax increment on the property becomes available. The City donated approximately 45.48 acres of this property to ignite cda, the City's urban renewal agency during fiscal year 2019-20 with the desire that the Agency facilitate the development of the property. Ignite cda intends to reimburse the City for the City's acquisition costs for the property to the extent that ignite's board determines its revenues from development of the property exceed ignite's costs of development.

Interfund transfers as of September 30, 2022:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 2,987,798	\$ 567,353
Capital projects fund	891,953	216,435
Non major governmental funds	542,644	752,209
Water fund	-	619,631
Wastewater fund	182,522	830,388
Sanitation fund	-	695,598
Non major enterprise funds	26,400	949,703
	<u>\$ 4,631,317</u>	<u>\$ 4,631,317</u>

The principal purposes for the transfer of funds from the enterprise funds to the general fund are to cover the administration costs of operating the City's utility division.

**NOTE 9 - INSURANCE**

The City of Coeur d'Alene participates in the Idaho Counties Reciprocal Management Program (ICRMP) for insurance. ICRMP is an insurance pool which serves all public entities in Idaho through provision of property, general liability (employee torts), auto liability and physical damages, and public officials' insurance (errors and omissions). ICRMP provides loss prevention training to enable its subscribers to minimize their exposure to loss through funds to pay premiums and settlements.

*See accompanying independent auditors' report.*



## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 9 – INSURANCE (CONTINUED)

The City also participates in the Idaho State Insurance Fund. This statewide program provides coverage for workers' compensation claims. The City is charged premiums by a rating method the program uses. This rating method is based on a per employee job risk basis. After the end of every year, the City is audited, and based on their claims throughout the year, can be eligible for a refund. If the usage was excessive throughout the year, the Insurance Fund increases the employee ratings where the use was excessive, causing the rates to increase for the following year.

The premiums for this program are budgeted directly through each department.

#### Health Insurance

The City of Coeur d'Alene created the City of Coeur d'Alene Employee Benefits Trust, "The Plan", effective January 1, 2020 in order to provide healthcare coverage for its employees and dependents through a self-funded healthcare benefit plan. The Plan provides optional health care benefits to employees of the City who are full time regular employees who work at least 30 hours per week, their dependents, or COBRA eligible participants. Ignite cda, the City's urban renewal district employees are also eligible to participate in the Plan. Coverage commences on the first day of the month following a sixty-day waiting period.

There were no significant reductions in insurance coverage from coverage in the prior year.

#### NOTE 10 - CONTINGENCIES

Intergovernmental Grants – The City has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

Litigation – The City is a defendant in various legal proceedings arising in connection with its operations. Several legal matters exist at September 30, 2022, which are in various stages of discovery and proceedings. Certain of these matters involve claimed amounts, which are material to the City's basic financial statements. Claims subject to Idaho law are limited to a statutory maximum of \$500,000. Claims subject to federal law are not limited. The City intends to vigorously defend itself in these pending actions. In accordance with the applicable accounting guidelines, management has recognized an estimated loss only for those matters which it has deemed an unfavorable outcome is probable and the amount of loss is reasonably estimable.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The government issued revenue bonds to finance its wastewater department. Investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment.

CONDENSED STATEMENT OF NET POSITION

	Wastewater Funds
Assets:	
Current assets	\$ 35,941,278
Capital assets	117,350,599
Total assets	153,291,877
Deferred outflows of resources:	1,068,594
Liabilities:	
Current liabilities	3,602,076
Noncurrent liabilities	36,821,652
Total liabilities	40,423,728
Deferred inflows of resources:	34,302
Net position:	
Net investment in capital assets	80,647,658
Unrestricted	33,254,783
Total net position	\$ 113,902,441

CONDENSED STATEMENT OF  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Wastewater Funds
Charges for services	\$ 14,006,995
Depreciation expense	(4,319,913)
Other operating expenses	(5,564,929)
Net pension expense (revenue)	(495,447)
Operating income	3,626,706
Non-operating revenues (expenses):	
Capitalization fees	2,107,045
Investment earnings	182,193
Interest expense	(1,621,539)
Amortization	1,257,773
Gain on sale of assets	-
Capital contributions	391,634
Operating transfer out	(647,866)
Change in net position	5,295,946
Beginning net position	108,606,495
Ending net position	\$ 113,902,441

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONCLUDED)**

CONDENSED STATEMENT OF CASH FLOWS

	Wastewater Funds
Net cash provided (used) by:	
Operating activities	\$ 8,393,708
Noncapital financing activities	(647,866)
Capital and related financing activities	(5,814,733)
Investing activities	182,193
Net increase (decrease)	2,113,302
Beginning cash and cash equivalents	22,428,164
Ending cash and cash equivalents	\$ 24,541,466

**NOTE 12 - FUND BALANCE CLASSIFICATIONS**

The City has adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the City to classify and report amounts in the appropriate fund balance classifications. The City's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of non-spendable, restricted, committed, assigned, or unassigned.

The City reports the following classifications:

Restricted Fund Balance — Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds. Legal enforceability means that the City can be compelled by an external party (e.g., citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance — Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the City Council. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance — Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances do not have to be made by the City Council, they are more easily imposed and removed and they may be assigned for specific purposes even after the City's year end.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 12 - FUND BALANCE CLASSIFICATIONS (CONCLUDED)**

<u>General Fund</u>	
Restricted	
KCJA drug task force	\$ 17,871
Funds from ignite cda for Seltice conduit to Atlas	35,000
Funds from ignite cda for Library stairs revitalization	12,710
Funds from ignite cda for Museum of North Idaho	700,000
Coeur d'Alene Lake Drive - funds from Idaho Department of Transportation	840,000
Bellerive subdivision agreement	23,046
	<b>\$ 1,628,627</b>
Committed	
Police training carryover per contract	16,000
Highway User Fees	1,915,482
Sick leave option 2	199,209
	<b>\$ 2,130,691</b>
Assigned	
Recreation department reserve	12,643
Land Purchase for Police Station Expansion	1,187,300
Lake District URD remaining funds distribution	599,147
Dump Truck Purchase - Streets Department	350,000
Carryover for overlay / chipseal program	501,897
	<b>\$ 2,650,987</b>
<u>Other Governmental Funds</u>	
Restricted	
Special revenue funds - Impact fees	\$ 5,887,926
Special revenue funds - Jewett House	156,383
Debt Service funds - General Obligation Bonds	107,322
	<b>\$ 6,151,631</b>
Committed	
Special revenue funds - Library	\$ 167,683
Special revenue funds - Cemetery	222,724
Special revenue funds - Parks capital improvements	1,522,497
Special revenue funds - Cemetery perpetual care	1,079,546
Special revenue funds - Reforestation	186,379
Special revenue funds - Public art	645,731
	<b>\$ 3,824,560</b>
Assigned	
Special revenue funds - Annexation fees	<b>\$ 394,872</b>

See accompanying independent auditors' report.

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 13 - PENSION PLANS

##### **PERSI BASE PLAN**

###### Plan Description

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

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

###### 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.

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. 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) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2022, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters, as of June 30, 2022. The City's contributions were \$3,191,823 for the year ended September 30, 2022.

*See accompanying independent auditors' report.*

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 13 - PENSION PLANS (CONTINUED)

##### **PERSI BASE PLAN**

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

At September 30, 2022, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City'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, 2022, the City's proportion was .7505651 percent.

For the year ended September 30, 2022, the City recognized pension (revenue) expense of \$7,606,210. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,250,843	\$ 131,948
Changes in assumptions or other inputs	4,819,646	-
Net difference between projected and actual earnings on pension plan investments	6,802,084	-
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	89,522	313,939
City's contributions subsequent to the measurement date	782,738	-
Total	\$ 15,744,833	\$ 445,887

\$782,738 reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2020 the beginning of the measurement period ended June 30, 2021 is 4.6 years and 4.6 years for the measurement period June 30, 2022.

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

Year ended June 30:	
2023	3,445,361
2024	3,789,495
2025	1,707,068
2026	5,574,481

See accompanying independent auditors' report.

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 13 - PENSION PLANS (CONTINUED)

##### **PERSI BASE PLAN (continued)**

###### Actuarial Assumptions

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

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases**	3.05%
Investment rate of return*	6.35%
Cost-of-living (COLA) adjustments	1.00%

\*net of pension plan investment expense

\*\*there is an individual additional component of assumed salary grown (on top of the 3.05%) that varies for each individual member based on the 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

An experience study was performed for the period July 1, 2015, through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2022, is based on the results of an actuarial valuation date of July 1, 2022.

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

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

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

*See accompanying independent auditors' report.*

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 13 - PENSION PLANS (CONTINUED)**

***PERSI BASE PLAN (continued)***

Actuarial Assumptions (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
City's proportionate share of the net pension liability (asset)			
Total Plan	<u>\$ 52,181,671</u>	<u>\$ 29,566,327</u>	<u>\$ 11,056,253</u>

See accompanying independent auditors' report.



## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 13 - PENSION PLANS (CONTINUED)

##### ***PERSI BASE PLAN (concluded)***

###### Pension plan fiduciary net position

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

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

###### Payables to the pension plan

At September 30, 2022, the City reported payables to the defined benefit pension plan of \$108,070 for which legally required employer contributions and \$70,922 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

##### ***PERSI FRF PENSION PLAN***

###### Plan Description

The City of Coeur d'Alene contributes to the FRF which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The cost to administer the plan is financed through the contributions and investment earnings of the FRF. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

Responsibility for administration of the FRF 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 System members with at least ten years of service and three members who are Idaho citizens not members of the System except by reason of having served on the Board.

###### Pension Benefits

The FRF provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have 5 years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

###### Member and Employer Contributions

Member and employer contributions paid to the FRF are set by statute and are established as a percent of covered compensation. 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) that are adequate to accumulate sufficient assets to pay benefits when due.

*See accompanying independent auditors' report.*

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 13 - PENSION PLANS (CONTINUED)**

***PERSI FRF PENSION PLAN (continued)***

As of June 30, 2022, the total FRF employer contribution rate was 12.28%. The FRF member rate for the year for class B is 11.45% which is 3.00% above the class 2 rate of 8.81%. The City's contributions were \$360,101 for the year ended September 30, 2022.

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

At September 30, 2022, the City reported a liability for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2022, the City's proportion was 8.3827379 percent.

For the year ended September 30, 2022, the City recognized pension expense (revenue) of (\$834,723). At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	1,747,992	-
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	-	-
City's contributions subsequent to the measurement date	84,029	-
Total	\$ 1,832,021	\$ -

\$84,029 reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending September 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2020 the beginning of the measurement period ended June 30, 2021 is 1 year and 1 year for the measurement period June 30, 2022.

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

Year ended June 30:	
2023	184,604
2024	260,559
2025	(39,504)
2026	1,342,334

See accompanying independent auditors' report.

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 13 - PENSION PLANS (CONTINUED)

##### **PERSI FRF PENSION PLAN (continued)**

###### Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. Unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore, there is not an unfunded liability to amortize at this time. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

The total pension asset in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation**	3.05%*
Investment rate of return-net of investment fees	6.35%
Cost-of-living (COLA) adjustments	**

\*3.05 percent COLA is assumed for the gross benefit paid to members of FRF. A 1.00 percent COLA is assumed for PERSI benefit offsets used to determine the benefits paid by FRF.

\*\*there is an individual additional component of assumed salary grown (on top of the 3.05%) that varies for each individual member based on the years of service.

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

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

An experience study was performed for the period July 1, 2015, through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2017 for the period from July 1, 2011 through June 30, 2017. The Total Pension Asset as of June 30, 2022, is based on the results of an actuarial valuation date of July 1, 2021.

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

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

*See accompanying independent auditors' report.*

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 13 - PENSION PLANS (CONTINUED)**

***PERSI FRF PENSION PLAN (continued)***

Actuarial Assumptions (continued)

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. These rates were adopted for the valuation dated July 1, 2021.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the City's proportionate share of the net pension asset to changes in the discount rate

The following presents the Employer's proportionate share of the net pension asset calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
City's proportionate share of the net pension liability (asset)			
Total Plan	\$ (15,410,835)	\$ (17,209,002)	\$ (18,770,517)

See accompanying independent auditors' report.

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 13 - PENSION PLANS (CONTINUED)

##### ***PERSI FRF PENSION PLAN (concluded)***

###### Pension plan fiduciary net position

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

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

At September 30, 2022, the City reported payables to the defined benefit pension plan of \$32,741 for which legally required employer contributions and \$24,342 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

##### ***POLICE RETIREMENT FUND***

###### Single-Employer Defined Benefit Pension Plan

Plan Description: The City of Coeur d'Alene maintains a single-employer defined benefit pension plan, the police retirement fund. Title 50, Chapter 15, of the Idaho Code allowed the City of Coeur d'Alene to create a policemen's retirement fund. Title 2, Chapter 2.80, of the City of Coeur d'Alene Code, created the police retirement fund. A Board of police retirement Commissioners consisting of the Council and three members of the Police Department is the administrator of the fund and has the authority to establish and amend benefits and contributions. The police retirement fund is responsible for the payment of benefits to police officers who were hired before April 12, 1967 and their eligible surviving spouses. Funding for these benefits come from two sources:

- (1) Investment earnings on the fund
- (2) Property taxes

The City's police retirement fund is a closed group. No new members are permitted and no active members remained in the fund as of May 31, 1991. All members have retired and all benefit obligations except for future cost-of-living increases have been determined. There are two members and three spouses currently receiving benefits. There are no terminated members entitled to but not yet receiving benefits. Separate financial statements are not issued for the police retirement fund.

Police officers may retire after 25 years of service or at attainment of age 60. The amount of annual pension is 50% of the average annual salary in the five highest salary years out of the ten years of service preceding retirement.

There is no age and service requirement for disability retirement. Disabled members are paid an annual pension equal to 50% of the annual salary attached to the rank held by the disabled member, payable if the disablement was wholly attributable to service. If the disablement was only partially attributable to service, the benefit is proportionately reduced.

If a retired member has been married for at least five years prior to death, a pension of 75% of the retirement benefit to which the member was entitled at the time of their death is payable to their widow(er) until their death or remarriage. This benefit is increased to the full retirement benefit if there are minor children.

*See accompanying independent auditors' report.*

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 13 - PENSION PLANS (CONTINUED)**

***POLICE RETIREMENT FUND (continued)***

The police retirement fund is accounted for on a flow of economic resources measurements focus and uses the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The fair value of investments is determined by the trust department of the bank that administers the fund's investment portfolio. Publicly traded assets are valued in accordance with market quotations. Assets which are not publicly traded may reflect values from other external sources or special valuations prepared by the trust department.

Pension Liabilities, Pension Expense (Revenue) and deferred outflows of resources Related to Pensions

At September 30, 2022, the City reported a net pension liability of \$1,569,022 for the police retirement trust fund. The City recognized \$178,329 of pension expense related to the police retirement pension plan.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 258,575	\$ 66,415
Changes in assumptions	485,652	50,776
Net difference between projected and actual earnings on pension plan investments	22,221	10,332
	\$ 766,448	\$ 127,523

Changes in the Net Pension Liability

Amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2022	109,670
2023	109,670
2024	98,106
2025	98,106
2026	98,106
2027	36,594
2028	5,507
2029	2,339

The investment return was .45% for 2021 as is projected to not be materially different for 2022.

*See accompanying independent auditors' report.*

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 13 - PENSION PLANS (CONTINUED)**

***POLICE RETIREMENT FUND (continued)***

Funding Policy: The funding policy and cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Board of police retirement fund Commissioners. The costs of administering the plan are financed by investment earnings. The City decided to not fund the plan for fiscal year 2016-17 and has continued to not fund it through 2021-22. Funding is set to begin again in fiscal year 2022-23 when the City will receive additional funding as one of the urban renewal districts closes. The City's latest actuarial valuation was dated September 30, 2021. The City's contributions to the fund are set to amortize the fund's benefit liabilities over the period ending September 30, 2027. This represents a 30-year amortization of the fund's unfunded actuarial liability. The actuary recommends a minimum yearly contribution of \$152,000 to adequately satisfy future expected cash flow requirements. The fund's asset balance is not expected to decrease for at least the next ten years. These calculations are based on the actuarial assumptions, including annual post-retirement benefits increases of 0% and investment returns of 2.25%. Any adverse future experience of the fund will require an increase in the minimum recommended contribution of \$152,000.

There are no long-term contracts for contributions to the plan or any legally required reserves. Investments at year end included cash equivalents of \$80,231 and U.S. Government issues of \$330,058. The actuarial value of assets is fair market value.

Discount Rate

The following presents the City's net pension liability calculated using the discount rate of 2.25, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	<b>1% Decrease (1.25%)</b>	<b>Current Discount Rate (2.25%)</b>	<b>1% Increase (3.25%)</b>
City's proportionate share of the net pension liability (asset)	\$ 1,735,078	\$ 1,481,135	\$ 1,278,579

Changes in the Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at 9/30/20	\$ 2,220,099	\$ 797,095	\$ 1,423,004
Changes for the year:			
Interest cost	42,561	-	42,561
Experience (gain) loss	76,745	-	76,745
Changes of assumptions	(58,030)	-	(58,030)
Employer contributions	-	-	-
Net investment income	-	5,975	(5,975)
Benefit payments	(184,132)	(184,132)	-
Administrative Expenses	-	(2,829)	2,829
Net changes	(122,856)	(180,986)	58,130
Balances at 9/30/21	\$ 2,097,243	\$ 616,109	\$ 1,481,134

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 13 - PENSION PLANS (CONCLUDED)**

***POLICE RETIREMENT FUND (concluded)***

Actuarial Assumptions

Actuaries must make assumptions as to what the expected experience of the Plan will be for future years. Plan experiences include investment return (interest rate), cost of living adjustments, mortality rates, turnover rates, disability rates, and retirement rates. Actuarial assumptions must be determined as reasonable both on an individual and aggregate basis and must represent a best estimate of costs to the Plan.

The actuarial assumptions were changed as of September 30, 2022 to better reflect past and projected future experience of the plan. As required under accounting standards, the mortality table was updated along with implementing and improvement rate. This resulted in a significant actuarial loss.

The actuarial assumptions used to calculate the funding results are as follows:

- Long-Term Rate of Return: 2.05%
- 20-Year AAA Municipal Bond Rate: 2.0%
- Return on Assets: 2.25%
- Discount Rate - Pre- and post-retirement interest rates were assumed at 2.25% per year.
- Cost of Living Adjustments - Benefits has been assumed to increase at 0% per year.
- Expenses - No assumption of asset expenses were made.
- Mortality Rates - RP2014 Mortality with 2020 Improvement Rates.
- Turnover Rates-T2 Turnover Table.
- Disability Rates - None assumed.
- Early Retirement Rates –None assumed.
- Actuarial Value of Assets - Same as market value of assets.

Schedule of Amortizations

	Year	Experience (Gain)/Loss	Recognized Period	Amortized Amount	Amortization Balance	Deferred Outflows	Deferred Inflows
Experience (Gain)/Loss	2021	76,745	8	9,593	67,152	67,152	-
	2020	28,507	9	3,167	22,172	22,172	-
	2019	111,764	9	12,418	74,509	74,509	-
	2018	(63,527)	10	(6,353)	(38,116)	-	(38,116)
	2017	(56,597)	10	(5,660)	(28,299)	-	(28,299)
	2016	208,433	11	18,948	94,742	94,742	-
Assumption (Gain)/Loss	2021	(58,030)	8	(7,254)	(50,776)	-	(50,776)
	2020	225,197	9	25,022	175,153	175,153	-
	2019	104,074	9	11,564	69,383	69,383	-
	2018	-	10	-	-	-	-
	2017	39,502	10	3,950	19,751	19,751	-
	2016	487,003	11	44,273	221,365	221,365	-
Asset (Gain)/Loss	2021	12,718	5	2,544	10,174	10,174	-
	2020	(4,528)	5	(906)	(2,717)	-	(2,717)
	2019	(19,038)	5	(3,808)	(7,615)	-	(7,615)
	2018	60,233	5	12,047	12,047	12,047	-
	2017	60,691	5	12,138	-	-	-

See accompanying independent auditors' report.



**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 14 – PRIOR PERIOD ADJUSTMENTS**

During the current year, the City discovered a financial statement error that caused the overstatement of the September 30, 2021 net position in the governmental funds in the amount of \$4,124,925, as well as the overstatement of the general fund, fund balance in the same amount. The error occurred due to the recording of advance federal grant funds received in the September 30, 2021, fiscal year as revenue rather than unearned revenue as the funds had not yet been spent at year end.

During the current year, the City implemented GASB Statement No. 87, *Leases*. The City has qualifying lease receivables under this new standard. The net position and fund balance on September 30, 2021 has been restated by \$17,563 to account for this change.

The following summarizes the prior period adjustments referred to above:

The following summarizes the prior period adjustment referred to above:

Fund Balance at September 30, 2021, as previously reported	\$ 20,670,914
Prior period adjustment - advance federal funds	(4,124,925)
Implementation of GASB 87, Leases	<u>(17,563)</u>
Fund Balance at September 30, 2021, as restated	<u>\$ 16,528,426</u>

The following summarizes the prior period adjustment referred to above:

Net Position Balance at September 30, 2021, as previously reported	\$ 149,142,546
Prior period adjustment - advance federal funds	(4,124,925)
Implementation of GASB 87, Leases	<u>(17,563)</u>
Net Position Balance at September 30, 2021, as restated	<u>\$ 145,000,058</u>

During the current year, the City implemented GASB Statement No. 87, *Leases*. The City has qualifying lease receivables under this new standard. The net position of the water fund on September 30, 2021 has been restated by \$233,968 to account for this change.

The following summarizes the prior period adjustment referred to above:

Net Position Balance at September 30, 2021, as previously reported	\$ 79,920,828
Implementation of GASB 87, Leases	233,968
Net Position Balance at September 30, 2021, as restated	<u>\$ 80,154,796</u>

**NOTE 15 – SPECIAL ITEMS**

During fiscal year ending September 30, 2022, the City had the following transactions with ignite cda, which qualify as and are presented as special items in the accompanying statement of activities.

Transfer of land from ignite cda to the City:

- 1) Public parkland of .18 acres located at 316 E Sherman Avenue and known as the Rotary Centennial Park or Sherman Park Square. The total cost of the property transferred was \$525,880.
- 2) Two parcels of land that are existing parking lots and are known as the Midtown Parking Lots located at 839 N 3<sup>rd</sup> Street and 845 N 4<sup>th</sup> Street. The total cost of the property transferred was \$358,000.

*See accompanying independent auditors' report.*

## City of Coeur d'Alene

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2022

#### NOTE 16 - COMPONENT UNIT DISCLOSURES

As disclosed in Note 1, ignite cda meets the criteria for discrete presentation in the City's financial statements as a component unit. The following paragraphs describe significant transactions between the two entities and provide relevant disclosures related to the Agency.

#### Agency Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a failure of a financial institution, the Agency's deposits and investments may not be returned to it. The Agency does not have a deposit policy for custodial credit risk, but has charged management with ensuring the Agency's exposure to custodial credit risk is minimal. The carrying amount of the Agency's deposits is \$13,197,777 and the bank balance is \$14,267,859. As of September 30, 2022, the Agency's bank balance was not exposed to custodial credit risk. Details are as follows:

Amounts insured by the FDIC and or collateralized with securities: \$14,267,859

State statutes authorize the Agency's investments and deposits. The Agency is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

#### Capital Assets

Activity for ignite cda's capital assets for the fiscal year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,602,858		\$ 1,602,858	\$ -
Construction in Progress	12,402,135	11,419,640	4,751,305	19,070,470
Total Capital assets not being depreciated	<u>14,004,993</u>	<u>11,419,640</u>	<u>6,354,163</u>	<u>\$ 19,070,470</u>
Capital assets being depreciated:				
Buildings and sites	209,750	-	209,750	-
Total capital assets being depreciated	<u>209,750</u>	<u>-</u>	<u>209,750</u>	<u>-</u>
Less accumulated depreciation for:				
Buildings and sites	10,488	-	10,488	-
Total accumulated depreciation	<u>10,488</u>	<u>-</u>	<u>10,488</u>	<u>-</u>
Total capital assets being depreciated, net	<u>199,262</u>	<u>-</u>	<u>199,262</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 14,204,255</u>	<u>\$ 11,419,640</u>	<u>\$ 6,553,425</u>	<u>\$ 19,070,470</u>

#### Bond Payable – Washington Trust (2017 Series):

On May 23, 2017, the Agency entered into a second Revenue Allocation Bond agreement with Washington Trust Bank (2017 Series). The Agency may borrow up to \$10,000,000. This financing was intended for projects within the Agency's Lake District including but not limited to certain costs of (i) the downtown structured parking facility, (ii) the Memorial Park element of the Four Corners Master Plan, and (iii) other eligible capital expenditure projects within the Lake District. The interest rate was at 2.2% per annum. The Agency made its final scheduled semi-annual payments of principal and interest in the total amount of \$3,036,632 during the fiscal year ended September 30, 2022, satisfying the obligation in full.

See accompanying independent auditors' report.

**City of Coeur d'Alene**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE 16 - COMPONENT UNIT DISCLOSURES (CONCLUDED)**

Bond Payable – Washington Trust (2019 Series)

On January 11, 2019, the Agency entered into a third Revenue Allocation Bond agreement with Washington Trust Bank (2019 Series). The Agency may borrow up to \$7,000,000. This financing is intended to fund eligible strategic capital expenditure projects within the Agency’s River District. Maturity was set for August 1, 2028 and the interest rate was set at the fixed rate of 3.3% per annum.

Payments on the Note are due in semi-annual installments based on the aggregate principal amount drawn, plus accrued interest, pursuant to an amortization schedule. The first amortized payment is payable on the first February or August 1 following draws totaling \$1,000,000. As of September 30, 2022, the District has drawn a total of \$357,000 on the Note. Accordingly, a schedule of future payments for the Note has not been presented, as the amounts and timing of the District’s remaining draws are still unknown. The Bond is secured by the District’s pledge of the tax increment revenue allocation proceeds, subject to prior liens as described in the Note Purchase and Security Agreement.

The following is a summary of debt activity for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Principal Additions</u>	<u>Principal Payments</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Bond Payable- Washington Trust 2019 Series	\$ 57,000	\$ 300,000	\$ -	\$ 357,000	\$ -
Bond Payable- Washington Trust 2017 Series	2,992,194	-	2,992,194	-	
	<u>\$ 3,049,194</u>	<u>\$ 300,000</u>	<u>\$ 2,992,194</u>	<u>\$ 357,000</u>	<u>\$ -</u>

FINANCIAL SECTION  
REQUIRED SUPPLEMENTARY INFORMATION

**City of Coeur d'Alene, Idaho**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended September 30, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 22,051,829	\$ 22,051,829	\$ 22,001,348	\$ (50,481)
Licenses and permits	5,617,493	5,741,243	6,709,616	968,373
Intergovernmental	14,062,133	14,525,731	15,199,941	674,210
Charges for services	280,100	280,100	298,695	18,595
Fines and forfeits	368,000	368,000	520,030	152,030
Investment (loss) earnings	45,000	45,000	83,860	38,860
Contributions	-	-	311,667	311,667
Miscellaneous	311,000	586,000	731,177	145,177
Total revenues	<u>42,735,555</u>	<u>43,597,903</u>	<u>45,856,334</u>	<u>2,258,431</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,634,782	7,730,332	7,223,374	506,958
Public safety	29,300,498	29,469,796	28,278,017	1,191,779
Public works	5,985,793	6,575,692	5,437,781	1,137,911
Culture and recreation	3,372,884	3,386,884	3,091,799	295,085
Capital outlay	539,840	1,310,392	962,409	347,983
Debt service:				
Principal payments	72,373	72,373	72,373	-
Interest and fiscal agent fees	26,761	26,761	44,014	(17,253)
Total expenditures	<u>46,932,931</u>	<u>48,572,230</u>	<u>45,109,767</u>	<u>3,462,463</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(4,197,376)</u>	<u>(4,974,327)</u>	<u>746,567</u>	<u>5,720,894</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	15,000	15,000	23,755	8,755
Debt Issuance	-	-	-	-
Operating transfers in	2,973,198	3,333,198	2,987,798	(345,400)
Operating transfers out	(46,400)	(46,400)	(567,353)	(520,953)
Total other financing sources (uses)	<u>2,941,798</u>	<u>3,301,798</u>	<u>2,444,200</u>	<u>(857,598)</u>
Net change in fund balances	<u>(1,255,578)</u>	<u>(1,672,529)</u>	<u>3,190,767</u>	<u>4,863,296</u>
Fund balances - beginning of year - restated	1,255,578	1,672,529	15,099,630	13,427,101
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,290,397</u>	<u>\$ 18,290,397</u>

**City of Coeur d'Alene**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
September 30, 2022**

**NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Data**

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund.

This is in conformance with Idaho State Statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation. The budget was amended in the current fiscal year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a) The City publishes a proposed budget for public review.
- b) Public hearings are set to obtain taxpayer comments.
- c) Prior to October 1, the budget is adopted by resolution of the City Council and published.

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

The City properly prepared and published its budget for the year, as required by US generally accepted accounting principles and Idaho Code 33-2713A. The budget is adopted on a modified accrual basis, consistent with the fund financial statements and was amended during the year ended September 30, 2022.

**City of Coeur d'Alene**

**SCHEDULE OF CITY'S SHARE OF NET PENSION LIABILITY  
Police Retirement Pension Plan  
Last 10 - Fiscal Years \***

	<u>9/30/22</u>	<u>9/30/21</u>	<u>9/30/20</u>	<u>9/30/19</u>	<u>9/30/18</u>	<u>9/30/17</u>	<u>9/30/16</u>	<u>9/30/15</u>
City of Coeur d'Alene's net pension liability percentage	100%	100%	100%	100%	100%	100%	100%	100%
City of Coeur d'Alene's net pension liability	\$ 1,481,135	\$ 1,481,135	\$ 1,423,004	\$ 1,142,378	\$ 913,577	\$ 903,304	\$ 852,633	\$ 273,211
City of Coeur d'Alene's total pension liability	\$ 2,097,243	\$ 2,097,243	\$ 2,220,099	\$ 2,088,884	\$ 1,981,905	\$ 2,150,043	\$ 2,265,698	\$ 1,671,680
City of Coeur d'Alene's fiduciary net position	\$ 413,241	\$ 616,108	\$ 797,095	\$ 946,506	\$ 1,068,328	\$ 1,246,739	\$ 1,413,065	\$ 1,398,468
City of Coeur d'Alene's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Coeur d'Alene's net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	19.70%	29.38%	35.90%	45.31%	53.90%	57.99%	62.37%	83.66%

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

Data reported is measured as of September 30, 2022 (measurement date)

**SCHEDULE OF CITY OF COEUR D'ALENE'S CONTRIBUTIONS  
Police Retirement Pension Plan  
Last 10 - Fiscal Years \***

	<u>9/30/22</u>	<u>9/30/21</u>	<u>9/30/20</u>	<u>9/30/19</u>	<u>9/30/18</u>	<u>9/30/17</u>	<u>9/30/16</u>	<u>9/30/15</u>
City contributions	\$ -	\$ -	\$ -	\$ 74	\$ 539	\$ 2,133	\$ 154,962	\$ 155,893
City's actuarially determined contributions	\$ 152,000	\$ 152,000	\$ 152,000	\$ 152,000	\$ 152,000	\$ 152,000	\$ 151,999	\$ 152,000
Difference between the actuarially determined contribution and the actual contribution	\$ (152,000)	\$ (152,000)	\$ (152,000)	\$ (151,926)	\$ (151,461)	\$ (149,867)	\$ 2,963	\$ 3,893
City's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Data reported is measured as of September 30, 2022 (measurement date)

## City of Coeur d'Alene

### Police Retirement Pension Plan Schedule of Changes in Net Pension Liability and Related Ratios

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest cost	42,561	42,561	57,152	66,401	66,374	69,072	62,928	59,255
Changes in benefit terms	-	-	-	-	-	-	-	-
Experience (gain) loss	76,745	76,745	28,507	111,764	(63,527)	(56,597)	208,433	-
Changes of assumptions	(58,030)	(58,030)	225,197	104,074	-	39,502	487,003	-
Benefit payments	(184,132)	(184,132)	(179,641)	(175,260)	(170,985)	(167,632)	(164,346)	(161,123)
Net change in total pension liability	(122,856)	(122,856)	131,215	106,979	(168,138)	(115,655)	594,018	(101,868)
Total pension liability - beginning of year	2,220,099	2,220,099	2,088,884	1,981,905	2,150,043	2,265,698	1,671,680	1,773,548
Total pension liability - end of year (a)	\$ 2,097,243	\$ 2,097,243	\$ 2,220,099	\$ 2,088,884	\$ 1,981,905	\$ 2,150,043	\$ 2,265,698	\$ 1,671,680
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ -	\$ -	\$ -	\$ 74	\$ 539	\$ 2,133	\$ 154,962	\$ 155,892
Net investment income	(24,538)	5,975	33,688	57,352	(3,394)	4,419	29,411	30,210
Benefit payments	(176,256)	(184,132)	(179,641)	(175,260)	(170,985)	(167,632)	(164,346)	(161,123)
Administrative expense	(2,073)	(2,830)	(3,458)	(3,988)	(4,571)	(5,246)	(5,430)	(5,448)
Net change in fiduciary net position	(202,867)	(180,987)	(149,411)	(121,822)	(178,411)	(166,326)	14,597	19,531
Plan fiduciary net position - beginning of year	616,108	797,095	946,506	1,068,328	1,246,739	1,413,065	1,398,468	1,378,937
Plan fiduciary net position - end of year (b)	\$ 413,241	\$ 616,108	\$ 797,095	\$ 946,506	\$ 1,068,328	\$ 1,246,739	\$ 1,413,065	\$ 1,398,468
<b>Net pension liability (a) - (b)</b>	\$ 1,684,002	\$ 1,481,135	\$ 1,423,004	\$ 1,142,378	\$ 913,577	\$ 903,304	\$ 852,633	\$ 273,212

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



**City of Coeur d'Alene**

**Police Retirement Pension Plan  
Schedule of the Investment Returns over Last 10 Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Experience	0.45%	0.45%	3.53%	5.44%	-0.69%	-0.06%	1.72%	1.80%

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

**City of Coeur d'Alene**  
**SCHEDULE OF CITY'S SHARE OF NET PENSION LIABILITY**  
**PERSI - Base Plan**  
**Last 10 - Fiscal Years \***

	<b>9/30/22</b>	<b>9/30/21</b>	<b>9/30/20</b>	<b>9/30/19</b>	<b>9/30/18</b>	<b>9/30/17</b>	<b>9/30/16</b>	<b>9/30/15</b>
City of Coeur d'Alene's portion of the net pension liability	0.7506510%	0.7745166%	0.7699514%	0.7627450%	0.7816001%	0.7684929%	0.7700966%	0.7758284%
City of Coeur d'Alene's proportionate share of the net pension liability (asset)	\$ 29,562,945	\$ (611,698)	\$ 17,879,292	\$ 8,706,522	\$ 11,528,738	\$ 12,079,388	\$ 15,611,041	\$ 10,216,398
City of Coeur d'Alene's covered-employee payroll	\$ 29,542,150	\$ 28,821,099	\$ 27,551,112	\$ 25,516,046	\$ 24,756,509	\$ 23,500,332	\$ 22,186,905	\$ 21,318,402
City of Coeur d'Alene's proportional share of the net pension liability as a percentage of its covered-employee payroll	100.07%	-2.12%	64.89%	34.12%	46.57%	51.40%	70.36%	47.92%
Plan fiduciary net position as a percentage of the total pension liability	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

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Data reported is measured as of June 30, 2022 (measurement date)

**SCHEDULE OF CITY OF COEUR D'ALENE'S CONTRIBUTIONS**  
**PERSI - Base Plan**  
**Last 10 - Fiscal Years \***

	<b>9/30/22</b>	<b>9/30/21</b>	<b>9/30/20</b>	<b>9/30/19</b>	<b>9/30/18</b>	<b>9/30/17</b>	<b>9/30/16</b>	<b>9/30/15</b>
Statutorily required contribution	\$ 3,476,014	\$ 3,058,016	\$ 3,020,835	\$ 2,918,570	\$ 3,035,277	\$ 2,591,451	\$ 2,289,207	\$ 2,537,750
Contributions in relation to the statutorily required contribution	\$ 3,576,227	\$ 3,492,695	\$ 3,315,704	\$ 2,975,323	\$ 2,885,192	\$ 2,738,658	\$ 2,572,387	\$ 2,603,758
Contribution (deficiency) excess	\$ 100,214	\$ 434,679	\$ 294,869	\$ 56,752	\$ (150,086)	\$ 147,207	\$ 283,180	\$ 66,009
City's covered-employee payroll	\$ 29,542,150	\$ 28,821,099	\$ 27,551,112	\$ 25,516,046	\$ 24,756,509	\$ 23,500,332	\$ 22,186,905	\$ 21,318,402
Contributions as a percentage of covered-employee payroll	12.11%	12.12%	12.03%	11.66%	11.65%	11.65%	11.59%	12.21%

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Data reported is measured as of June 30, 2022 (measurement date)

**City of Coeur d'Alene**

**SCHEDULE OF CITY'S SHARE OF NET PENSION LIABILITY  
PERSI - FRF Plan  
Last 10 - Fiscal Years \***

	<b>9/30/22</b>	<b>9/30/21</b>	<b>9/30/20</b>	<b>9/30/19</b>	<b>9/30/18</b>	<b>9/30/17</b>	<b>9/30/16</b>	<b>9/30/15</b>
City of Coeur d'Alene's portion of the net pension asset	8.3827379%	8.3827379%	8.3827379%	7.7156242%	7.9375918%	7.5070873%	7.3277629%	7.3707911%
City of Coeur d'Alene's proportionate share of the net pension asset	\$ 17,209,002	\$ 22,652,408	\$ 12,481,826	\$ 11,091,489	\$ 8,982,985	\$ 6,440,753	\$ 3,938,556	\$ 3,981,015
City of Coeur d'Alene's covered-employee payroll	\$ 7,202,076	\$ 7,049,344	\$ 6,636,100	\$ 6,059,963	\$ 5,942,693	\$ 5,480,973	\$ 5,010,150	\$ 4,738,865
City of Coeur d'Alene's proportional share of the net pension asset as a percentage of its covered-employee payroll	238.95%	321.34%	188.09%	183.03%	151.16%	117.51%	78.61%	84.01%
Plan fiduciary net position as a percentage of the total pension asset	184.72%	211.83%	155.55%	152.74%	140.15%	129.65%	118.42%	118.08%

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Data reported is measured as of June 30, 2022 (measurement date)

**SCHEDULE OF CITY OF COEUR D'ALENE'S CONTRIBUTIONS  
PERSI - FRF Plan  
Last 10 - Fiscal Years \***

	<b>9/30/22</b>	<b>9/30/21</b>	<b>9/30/20</b>	<b>9/30/19</b>	<b>9/30/18</b>	<b>9/30/17</b>	<b>9/30/16</b>	<b>9/30/15</b>
Statutorily required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the statutorily required contribution	\$ (243,260)	\$ (213,715)	\$ (725,978)	\$ (636,371)	\$ (611,689)	\$ (559,502)	\$ (527,496)	\$ (833,303)
Contribution (deficiency) excess	\$ (243,260)	\$ (213,715)	\$ (725,978)	\$ (636,371)	\$ (611,689)	\$ (559,502)	\$ (527,496)	\$ (833,303)
City's covered-employee payroll	\$ 7,202,076	\$ 7,049,344	\$ 6,636,100	\$ 6,059,963	\$ 5,942,693	\$ 5,480,973	\$ 5,010,150	\$ 4,738,865
Contributions as a percentage of covered-employee payroll	-3.38%	-3.03%	-10.94%	-10.50%	-10.29%	-10.21%	-10.53%	-17.58%

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

Data reported is measured as of June 30, 2022 (measurement date)

FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

City of Coeur d'Alene, Idaho

**COMBINING BALANCE SHEET - BY FUND TYPE  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2022**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,746,960	\$ 105,719	\$ 9,852,679
Investments	895,365	-	895,365
Receivables:			
Taxes delinquent	45,017	39,530	84,547
Accounts receivable	27,646	-	27,646
Assessments:			
Delinquent	-	-	-
Deferred	-	139,392	139,392
Lease receivables	330,501	-	330,501
Interest receivable	2,150	-	2,150
Due from other governments	9,353	1,603	10,956
Due from other funds	-	-	-
Total assets	<u>\$ 11,056,992</u>	<u>\$ 286,244</u>	<u>\$ 11,343,236</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 125,186	\$ -	\$ 125,186
Due to other funds	-	139,392	139,392
Total liabilities	<u>125,186</u>	<u>139,392</u>	<u>264,578</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned grant revenue	250,000		250,000
Unearned lease contract revenue	373,048		373,048
Unavailable revenue- property taxes	45,017	39,530	84,547
Total deferred inflows of resources	<u>668,065</u>	<u>39,530</u>	<u>707,595</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	6,044,309	107,322	6,151,631
Committed	3,824,560	-	3,824,560
Assigned	394,872	-	394,872
Unassigned	-	-	-
Total fund balances (deficits)	<u>10,263,741</u>	<u>107,322</u>	<u>10,371,063</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 11,056,992</u>	<u>\$ 286,244</u>	<u>\$ 11,343,236</u>

City of Coeur d'Alene, Idaho

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2022**

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 1,621,094	\$ 877,752	\$ 2,498,846
Intergovernmental	988,067	-	988,067
Charges for services	1,873,838	-	1,873,838
Fines and forfeits	23	-	23
Assessments collected	-	-	-
Investment (loss) earnings	(31,462)	-	(31,462)
Miscellaneous	199,403	-	199,403
Penalty and interest	-	1,345	1,345
Total revenues	<u>4,650,963</u>	<u>879,097</u>	<u>5,530,060</u>
<b>EXPENDITURES</b>			
Current:			
General government	434,347	-	434,347
Culture and recreation	1,728,877	-	1,728,877
Administrative expenses	-	-	-
Capital outlay	802,516	-	802,516
Debt service:			
Principal payments	-	809,951	809,951
Interest, fees and other	-	68,456	68,456
Total expenditures	<u>2,965,740</u>	<u>878,407</u>	<u>3,844,147</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,685,223</u>	<u>690</u>	<u>1,685,913</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	542,644	-	542,644
Operating transfers out	(752,209)	-	(752,209)
Total other financing sources (uses)	<u>(209,565)</u>	<u>-</u>	<u>(209,565)</u>
Net change in fund balances	1,475,658	690	1,476,348
Fund balances (deficits) - beginning of year	8,788,083	106,632	8,894,715
Fund balances (deficits) - end of year	<u>\$ 10,263,741</u>	<u>\$ 107,322</u>	<u>\$ 10,371,063</u>

***Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The following are the City's special revenue funds:***

**Library Fund:** To administer expenditures for the purpose of providing a library for the citizens of the City of Coeur d'Alene. The primary revenue source for this fund is property taxes.

**Cemetery Fund:** To administer expenditures for the purpose of providing cemetery lots, niches, and openings and closings. The primary revenue sources for this fund are sales of cemetery lots and niches, and a transfer of interest from the cemetery perpetual care trust fund.

**Annexation Fees Fund:** Annexation fees are charged when a new subdivision is annexed into the City. These funds are then transferred to the General Fund and used for one-time capital purchases.

**Impact Fees Fund:** Developmental impact fees are charged on new construction. The revenue generated from these fees will be used for capital improvements for Parks, Police, Fire and Streets.

**Parks Capital Improvements Fund:** To administer expenditures for the purpose of developing new parkland for the citizens of the City of Coeur d'Alene. The primary revenue source for this fund is grants, impact fees, park fees, parking and boat launch user fees.

**Cemetery Perpetual Care Fund:** To account for funds set aside to be used to maintain the City's cemeteries into perpetuity. Funding for this fund comes from interest earnings and 30% of the funds generated from cemetery lot sales.

**Reforestation Fund:** To account for funds collected for the purpose of replacing trees in the right of ways and planting trees in the right of ways of new subdivisions or new construction.

**Jewett House Fund:** To account for donations received for the operation and maintenance of the Jewett House, an estate donated to the City to be used for senior citizen activities.

**Public Art Fund:** To account for funds received from construction projects of the City of Coeur d'Alene and contributions from ignitecda (urban renewal district) to be used for the purchase and maintenance of public art.

**City of Coeur d'Alene, Idaho**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2022**

	<u>Library</u>	<u>Cemetery</u>	<u>Annexation Fees</u>	<u>Impact Fees</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 208,414	\$ 238,521	\$ 394,872	\$ 5,887,926
Investments	-	-	-	-
Receivables:				
Taxes delinquent	45,017	-	-	-
Accounts receivable	787	1,653	-	-
Lease receivables	-	-	-	-
Interest receivable	-	-	-	-
Due from other governments	2,964	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 257,182</u>	<u>\$ 240,174</u>	<u>\$ 394,872</u>	<u>\$ 5,887,926</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 44,482	\$ 17,450	\$ -	\$ -
Total liabilities	<u>44,482</u>	<u>17,450</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned grant revenue	-	-	-	-
Unearned lease contract revenue	-	-	-	-
Unavailable revenue- property taxes	45,017	-	-	-
Total deferred inflows of resources	<u>45,017</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	-	-	5,887,926
Committed	167,683	222,724	-	-
Assigned	-	-	394,872	-
Total fund balances (deficits)	<u>167,683</u>	<u>222,724</u>	<u>394,872</u>	<u>5,887,926</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 257,182</u>	<u>\$ 240,174</u>	<u>\$ 394,872</u>	<u>\$ 5,887,926</u>



<b>Parks Capital Improvements</b>	<b>Cemetery Perpetual Care</b>	<b>Reforestation</b>	<b>Jewett House</b>	<b>Public Art</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 1,796,285	\$ 192,863	\$ 197,452	\$ 164,620	\$ 666,007	\$ 9,746,960
-	895,365	-	-	-	895,365
-	-	-	-	-	45,017
25,206	-	-	-	-	27,646
330,501	-	-	-	-	330,501
2,150	-	-	-	-	2,150
6,389	-	-	-	-	9,353
-	-	-	-	-	-
<u>\$ 2,160,531</u>	<u>\$ 1,088,228</u>	<u>\$ 197,452</u>	<u>\$ 164,620</u>	<u>\$ 666,007</u>	<u>\$ 11,056,992</u>
<u>\$ 14,986</u>	<u>\$ 8,682</u>	<u>\$ 11,073</u>	<u>\$ 8,237</u>	<u>\$ 20,276</u>	<u>\$ 125,186</u>
<u>14,986</u>	<u>8,682</u>	<u>11,073</u>	<u>8,237</u>	<u>20,276</u>	<u>125,186</u>
250,000	-	-	-	-	250,000
373,048	-	-	-	-	373,048
-	-	-	-	-	45,017
<u>623,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,065</u>
-	-	-	156,383	-	6,044,309
1,522,497	1,079,546	186,379	-	645,731	3,824,560
-	-	-	-	-	394,872
<u>1,522,497</u>	<u>1,079,546</u>	<u>186,379</u>	<u>156,383</u>	<u>645,731</u>	<u>10,263,741</u>
<u>\$ 2,160,531</u>	<u>\$ 1,088,228</u>	<u>\$ 197,452</u>	<u>\$ 164,620</u>	<u>\$ 666,007</u>	<u>\$ 11,056,992</u>

City of Coeur d'Alene, Idaho

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended September 30, 2022**

	<u>Library</u>	<u>Cemetery</u>	<u>Annexation Fees</u>	<u>Impact Fees</u>
<b>REVENUES</b>				
Taxes	\$ 1,621,094	\$ -	\$ -	\$ -
Intergovernmental	5,100	-	-	-
Charges for services	2,969	293,220	568,210	795,459
Fines and forfeits	23	-	-	-
Investment (loss) earnings	1,301	889	1,335	25,589
Miscellaneous	13,460	12,580	-	-
Total revenues	<u>1,643,947</u>	<u>306,689</u>	<u>569,545</u>	<u>821,048</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	287,691	-	-
Culture and recreation	1,586,328	-	-	-
Capital outlay	171,665	96,113	-	-
Total expenditures	<u>1,757,993</u>	<u>383,804</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(114,046)</u>	<u>(77,115)</u>	<u>569,545</u>	<u>821,048</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	159,996	-	-
Operating transfers out	-	(59,625)	(175,000)	(357,588)
Total other financing sources (uses)	<u>-</u>	<u>100,371</u>	<u>(175,000)</u>	<u>(357,588)</u>
Net change in fund balances	(114,046)	23,256	394,545	463,460
Fund balances - beginning of year -restated	281,729	199,468	327	5,424,466
Fund balances (deficits) - end of year	<u>\$ 167,683</u>	<u>\$ 222,724</u>	<u>\$ 394,872</u>	<u>\$ 5,887,926</u>

<b>Parks Capital Improvements</b>	<b>Cemetery Perpetual Care</b>	<b>Reforestation</b>	<b>Jewett House</b>	<b>Public Art</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,621,094
982,967	-	-	-	-	988,067
162,680	-	51,300	-	-	1,873,838
-	-	-	-	-	23
6,991	(71,867)	806	613	2,881	(31,462)
-	-	-	49,129	124,234	199,403
<u>1,152,638</u>	<u>(71,867)</u>	<u>52,106</u>	<u>49,742</u>	<u>127,115</u>	<u>4,650,963</u>
-	4,635	-	17,807	124,214	434,347
76,106	-	66,443	-	-	1,728,877
355,255	-	-	-	179,483	802,516
<u>431,361</u>	<u>4,635</u>	<u>66,443</u>	<u>17,807</u>	<u>303,697</u>	<u>2,965,740</u>
<u>721,277</u>	<u>(76,502)</u>	<u>(14,337)</u>	<u>31,935</u>	<u>(176,582)</u>	<u>1,685,223</u>
303,023	79,625	-	-	-	542,644
-	(159,996)	-	-	-	(752,209)
<u>303,023</u>	<u>(80,371)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(209,565)</u>
1,024,300	(156,873)	(14,337)	31,935	(176,582)	1,475,658
498,197	1,236,419	200,716	124,448	822,313	8,788,083
<u>\$ 1,522,497</u>	<u>\$ 1,079,546</u>	<u>\$ 186,379</u>	<u>\$ 156,383</u>	<u>\$ 645,731</u>	<u>\$ 10,263,741</u>

***Debt service funds are established to account for the invoicing and collecting of special assessment payments owed to the City from property owners included in specific local improvement City projects:***

**LID #151**: Accounts for the accumulation of resources from special assessment levies created for the purpose of paving, installing curbs, sidewalks and for beautification of Front Avenue.

**General Obligation Bonds**: Accounts for the accumulation of resources from property taxes for the purpose of paying bonds and interest when due for the 2015 General Obligation Bond Issue.

**City of Coeur d'Alene, Idaho**

**COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2022**

	<b>LID #151</b>	<b>General Obligation Bonds</b>	<b>Total Nonmajor Debt Service Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 105,719	\$ 105,719
Receivables:			
Taxes Delinquent	-	39,530	39,530
Assessments			
Delinquent	-	-	-
Deferred	139,392	-	139,392
Due from other governments	-	1,603	1,603
Total assets	<u>\$ 139,392</u>	<u>\$ 146,852</u>	<u>\$ 286,244</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Due to other funds	<u>139,392</u>	<u>-</u>	<u>139,392</u>
Total liabilities	<u>139,392</u>	<u>-</u>	<u>139,392</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	39,530	39,530
Unavailable revenue-special assessments	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>39,530</u>	<u>39,530</u>
 <b>FUND BALANCES (DEFICITS)</b>			
Restricted	-	107,322	107,322
Committed	-	-	-
Assigned	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>107,322</u>	<u>107,322</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 139,392</u>	<u>\$ 146,852</u>	<u>\$ 286,244</u>

**City of Coeur d'Alene, Idaho**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
For the Year Ended September 30, 2022**

	<b>General Obligation Bonds</b>	<b>Total Nonmajor Debt Service Funds</b>
	<u>          </u>	<u>          </u>
<b>REVENUES</b>		
Taxes	\$ 877,752	\$ 877,752
Assessments collected	-	-
Penalty and interest	1,345	1,345
Total revenues	<u>879,097</u>	<u>879,097</u>
 <b>EXPENDITURES</b>		
Bond principal	809,951	809,951
Interest, fees and other	68,456	68,456
Total expenditures	<u>878,407</u>	<u>878,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>690</u>	<u>690</u>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in	-	-
Operating transfers out	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	690	690
Fund balances (deficits)-beginning of year	106,632	106,632
Fund balances (deficits) - end of year	<u>\$ 107,322</u>	<u>\$ 107,322</u>

***Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.***

**LaCrosse Project:** To administer expenditures for the purpose of constructing an extension of LaCrosse Ave from Northwest Boulevard to Lakewood Drive and installing a traffic signal at Northwest Boulevard

**Government Way – Hanley to Prairie:** To administer expenditures for the purpose of reconstructing and widening of Government Way from Hanley Avenue to Prairie Avenue.

**Northwest Boulevard Signal Improvements:** To administer expenditures for the purpose of improving traffic signal lighting on Northwest Boulevard.

**15th Harrison to Best:** To administer expenditures for the purpose of reconstruction and widening of 15th Street from Harrison Avenue to Best Avenue.

**Kathleen Avenue Widening:** To administer expenditures for the purpose of property acquisition and widening Kathleen Avenue to 5 lanes from Government Way to Highway 95.

**LHTAC Pedestrian Safety Improvements:** To administer expenditures for the purpose of installing seven rectangular rapid flashing beacon crossings and improve the crossing at multiple locations.

**Traffic Calming:** To administer expenditures for various equipment and construction to reduce traffic speeds throughout the City.

**Atlas Waterfront Site:** to administer expenditures for the purchase of land and improvements to the Atlas Waterfront Site.

**City of Coeur d'Alene, Idaho**

**COMBINING BALANCE SHEET**

**NONMAJOR CAPITAL PROJECTS FUNDS**

**September 30, 2022**

	<b>Misc. Capital Projects</b>	<b>LaCrosse Project</b>	<b>Govt Way Hanley to Prairie</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 15,388	\$ 52,634	\$ 140,559
Accounts Receivable	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	51,042
Total assets	<u>\$ 15,388</u>	<u>\$ 52,634</u>	<u>\$ 191,601</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 413	\$ -
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>413</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Unassigned	15,388	52,221	191,601
Total fund balances (deficits)	<u>15,388</u>	<u>52,221</u>	<u>191,601</u>
Total liabilities and fund balances (deficits)	<u>\$ 15,388</u>	<u>\$ 52,634</u>	<u>\$ 191,601</u>



<b>LHTAC Pedestrian Safety Improvements</b>	<b>15th St Harrison to Best</b>	<b>Kathleen Avenue Widening</b>	<b>Traffic Calming</b>	<b>Atlas Waterfront Site</b>	<b>Total Capital Projects Funds</b>
\$ -	\$ 40,440		\$ 1,650	\$ -	\$ 250,671
-	-	-	-	-	-
56,752	-	-	-	-	56,752
-	-	-	-	-	51,042
<u>\$ 56,752</u>	<u>\$ 40,440</u>	<u>\$ -</u>	<u>\$ 1,650</u>	<u>\$ -</u>	<u>\$ 358,465</u>
\$ 10,205	\$ -	\$ 50,730	\$ 5,163	\$ -	\$ 66,511
51,042	-	-	-	8,172,499	8,223,541
<u>61,247</u>	<u>-</u>	<u>50,730</u>	<u>5,163</u>	<u>8,172,499</u>	<u>8,290,052</u>
(4,495)	40,440	(50,730)	(3,513)	(8,172,499)	(7,931,587)
<u>(4,495)</u>	<u>40,440</u>	<u>(50,730)</u>	<u>(3,513)</u>	<u>(8,172,499)</u>	<u>(7,931,587)</u>
<u>\$ 56,752</u>	<u>\$ 40,440</u>	<u>\$ -</u>	<u>\$ 1,650</u>	<u>\$ -</u>	<u>\$ 358,465</u>

City of Coeur d'Alene, Idaho

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended September 30, 2022**

	<u>Misc. Capital Projects</u>	<u>LaCrosse Project</u>	<u>Govt Way Hanley to Prairie</u>	<u>Northwest Boulevard Signal Improve- ments</u>
<b>REVENUES</b>				
Contributions	\$ -	\$ 137,029	\$ -	\$ -
Intergovernmental	-	-	191,601	-
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>137,029</u>	<u>191,601</u>	<u>-</u>
<b>EXPENDITURES</b>				
Services and supplies	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
Capital outlay	-	65,325	-	-
Total expenditures	<u>-</u>	<u>65,325</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>71,704</u>	<u>191,601</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(41,435)	(175,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(41,435)</u>	<u>(175,000)</u>
Net change in fund balances	-	71,704	150,166	(175,000)
Fund balance (deficit) - beginning of year	15,388	(19,483)	41,435	175,000
Fund balance (deficit) - end of year	<u>\$ 15,388</u>	<u>\$ 52,221</u>	<u>\$ 191,601</u>	<u>\$ -</u>

<b>15th St Harrison to Best</b>	<b>Kathleen Avenue Widening</b>	<b>LHTAC Pedestrian Safety Improvements</b>	<b>Traffic Calming</b>	<b>Atlas Waterfront Site</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,029
		56,752	-	-	248,353
88	412		-	-	500
<u>88</u>	<u>412</u>	<u>56,752</u>	<u>-</u>	<u>-</u>	<u>\$ 385,882</u>
2,275		-		-	2,275
		-		120,775	120,775
	1,239,372	61,247	38,074	-	1,404,018
<u>2,275</u>	<u>1,239,372</u>	<u>61,247</u>	<u>38,074</u>	<u>120,775</u>	<u>1,527,068</u>
<u>(2,187)</u>	<u>(1,238,960)</u>	<u>(4,495)</u>	<u>(38,074)</u>	<u>(120,775)</u>	<u>(1,141,186)</u>
	891,953		-	-	891,953
	-	-	-	-	(216,435)
-	<u>891,953</u>	-	-	-	<u>675,518</u>
<u>(2,187)</u>	<u>(347,007)</u>	<u>(4,495)</u>	<u>(38,074)</u>	<u>(120,775)</u>	<u>(465,668)</u>
<u>42,627</u>	<u>296,277</u>		<u>34,561</u>	<u>(8,051,724)</u>	<u>(7,465,919)</u>
<u>\$ 40,440</u>	<u>\$ (50,730)</u>	<u>\$ (4,495)</u>	<u>\$ (3,513)</u>	<u>\$ (8,172,499)</u>	<u>\$ (7,931,587)</u>

*The enterprise funds are used to account for the City's wastewater property management, street lighting, public parking operations and stormwater management. These operations are financed and operated in a manner similar to a private business enterprise. The intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following are descriptions of each nonmajor enterprise fund.*

**Wastewater Property Management Fund:** To account for funds being held for building maintenance expenses for the Harbor Center building, which is currently being leased by the University of Idaho.

**Street Lighting Utility Fund:** To account for the provision of street lighting services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including (but not limited to) administration, operations and maintenance.

**Public Parking Lot Fund:** To account for the provision of downtown parking to the residents and visitors of the City. All activities necessary to provide such services are accounted for in this fund, including (but not limited to) operations and maintenance.

**Drainage:** To account for the provision of drainage management. All activities necessary to provide such services are accounted for in this fund including (but not limited to) administration, operations and maintenance.

**City of Coeur d'Alene, Idaho**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**September 30, 2022**

	<b>Business-type Activities - Nonmajor Enterprise Funds</b>				
	<b>Wastewater Property Management</b>	<b>Street Lighting</b>	<b>Public Parking Lot</b>	<b>Drainage</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 55,403	\$ 108,131	\$ 804,600	\$ 1,422,263	\$ 2,390,397
Receivables:					
Accounts, net of allowance for uncollectible accounts	-	61,956	324,000	100,881	486,837
Due from other governments	-	-		16,613	16,613
Total current assets	<u>55,403</u>	<u>170,087</u>	<u>1,128,600</u>	<u>1,539,757</u>	<u>2,893,847</u>
Non-current assets:					
Capital assets:					
Land	-	-	2,572,672	-	2,572,672
Construction in Progress	-	-	-	66,613	66,613
Other capital assets, net of accumulated depreciation	-	57,565	11,665,299	4,731,936	16,454,800
Total non-current assets	<u>-</u>	<u>57,565</u>	<u>14,237,971</u>	<u>4,798,549</u>	<u>19,094,085</u>
Total assets	<u>55,403</u>	<u>227,652</u>	<u>15,366,571</u>	<u>6,338,306</u>	<u>21,987,932</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,477</u>	<u>76,477</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	-	67,689	9,970	36,925	114,584
Total current liabilities	<u>-</u>	<u>67,689</u>	<u>9,970</u>	<u>36,925</u>	<u>114,584</u>
Non-current liabilities:					
Compensated absences	-	-	-	49,664	49,664
Net pension liability	-	-	-	157,800	157,800
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,464</u>	<u>207,464</u>
Total liabilities	<u>-</u>	<u>67,689</u>	<u>9,970</u>	<u>244,389</u>	<u>322,048</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,800</u>	<u>2,800</u>
<b>NET POSITION</b>					
Net investment in capital assets	-	57,565	14,237,971	4,798,549	19,094,085
Unrestricted	55,403	102,398	1,118,630	1,369,045	2,645,476
Total net position	<u>\$ 55,403</u>	<u>\$ 159,963</u>	<u>\$ 15,356,601</u>	<u>\$ 6,167,594</u>	<u>\$ 21,739,561</u>

City of Coeur d'Alene, Idaho

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended September 30, 2022**

	<b>Business-type Activities - Nonmajor Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Wastewater Property Management</b>	<b>Street Lighting</b>	<b>Public Parking Lot</b>	<b>Drainage</b>	
<b>OPERATING REVENUES</b>					
Services	\$ 177,257	\$ 671,499	\$ 978,750	\$ 1,069,066	\$ 2,896,572
<b>OPERATING EXPENSES</b>					
Administration	-	-	-	239,032	239,032
Maintenance	-	16,619	63,037	247,160	326,816
Supplies	-	-	-	41,817	41,817
Contracted services	-	706,151	105,332	6,800	818,283
Depreciation	-	9,470	876,875	392,746	1,279,091
Bad debt expense	-	179	-	408	587
Net pension expense (revenue)	-	-	-	42,306	42,306
Total operating expenses	-	732,419	1,045,244	970,269	2,747,932
Operating income (loss)	177,257	(60,920)	(66,494)	98,797	148,640
<b>NONOPERATING REVENUES</b>					
Investment income	-	509	2,953	6,235	9,697
Grant income	-	-	-	16,613	16,613
Total nonoperating revenues	-	509	2,953	22,848	26,310
Income (loss) before contributions and transfers	177,257	(60,411)	(63,541)	121,645	174,950
Capital contributions	-	-	358,000	-	358,000
Operating transfers in	-	26,400	-	-	26,400
Operating transfers out	(182,522)	-	(575,819)	(191,362)	(949,703)
Change in net position	(5,265)	(34,011)	(281,360)	(69,717)	(390,353)
Total net position - beginning	60,668	193,974	15,637,961	6,237,311	22,129,914
Total net position - ending	\$ 55,403	\$ 159,963	\$ 15,356,601	\$ 6,167,594	\$ 21,739,561

City of Coeur d'Alene, Idaho

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUND TYPES  
For the Year Ended September 30, 2022**

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Waste- water Property Mgmt	Street Lighting	Public Parking Lot	Drainage	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 177,257	\$ 662,127	\$ 997,282	\$ 1,043,542	\$ 2,880,208
Payments to suppliers	-	(724,494)	(164,209)	(782,583)	(1,671,286)
Payments to employees	-	-	-	276,677	276,677
Net cash provided (used) by operating activities	177,257	(62,367)	833,073	537,636	1,485,599
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating transfers in	-	26,400	-	-	26,400
Operating transfers out	(182,522)	-	(575,819)	(191,362)	(949,703)
Net cash provided (used) by noncapital financing activities	(182,522)	26,400	(575,819)	(191,362)	(923,303)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital asset purchases	-	-	(35,374)	(338,791)	(374,165)
Contributions	-	-	-	-	-
Proceeds from the sale of assets	-	-	-	-	-
Net cash provided (used) by financing activities	-	-	(35,374)	(338,791)	(374,165)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	-	509	2,953	6,235	9,697
Net cash provided (used) by investing activities	-	509	2,953	6,235	9,697
Net increase (decrease) in cash and cash equivalents	(5,265)	(35,458)	224,833	13,718	197,828
Cash and cash equivalents, beginning of year	60,668	143,589	579,767	1,408,545	2,192,569
Cash and cash equivalents, end of year	\$ 55,403	\$ 108,131	\$ 804,600	\$ 1,422,263	\$ 2,390,397
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss)	\$ 177,257	\$ (60,920)	\$ (66,494)	\$ 98,797	\$ 148,640
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(Increase) decrease in assets:					
Depreciation	-	9,470	876,875	392,746	1,279,091
Accounts receivable	-	(9,372)	18,532	(9,158)	2
Due from other governments	-	-	-	(16,366)	(16,366)
Net pension asset	-	-	-	11,443	11,443
Deferred outflows of resources	-	-	-	(38,651)	(38,651)
Increase (decrease) in liabilities:					
Accounts payable	-	(1,545)	4,160	33,972	36,587
Due to other funds	-	-	-	-	-
Compensated absences	-	-	-	15,255	15,255
(Decrease) increase in net pension liability	-	-	-	157,800	157,800
(Decrease) increase in deferred inflows of resources	-	-	-	(108,202)	(108,202)
Net cash provided by operating activities	\$ 177,257	\$ (62,367)	\$ 833,073	\$ 537,636	\$ 1,485,599

\$358,000 of public parking space was donated to the public parking fund by developers.

# ANDERSONBROS.CPA

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## 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 Honorable Mayor and City Council  
City of Coeur d'Alene  
Coeur d'Alene, ID 83814

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The City of Coeur d'Alene, Idaho, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Coeur d'Alene, Idaho's basic financial statements and have issued our report thereon dated June 1, 2023. Our report includes a reference to other auditors who audited the financial statements of ignite cda, as described in our report on the City of Coeur d'Alene, Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Coeur d'Alene, 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 the City of Coeur d'Alene, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Coeur d'Alene, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Coeur d'Alene, 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Anderson Bros. CPAs  
Post Falls, Idaho  
June 1, 2023