

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 12, 2025

NEW ISSUE—BOOK—ENTRY ONLY

Rating: Moody's "Aa2"

See "MISCELLANEOUS—Bond Rating" herein.

In the opinion of Hawley Troxell Ennis & Hawley LLP, assuming continuous compliance with certain covenants described herein, interest on the 2025 Bonds (defined herein) is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2025 Bonds (the "Tax Code"), and interest on the 2025 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. In addition, interest on the 2025 Bonds is excluded from gross income for purposes of income taxation by the State of Idaho. See "TAX MATTERS" herein.



\$15,215,000*

City of Coeur d'Alene, Idaho

General Obligation Bonds, Series 2025

The \$15,215,000* General Obligation Bonds, Series 2025 (the "2025 Bonds") are issued by the City of Coeur d'Alene, Idaho (the "City"), as fully-registered bonds and, when initially issued, will be in book-entry form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2025 Bonds.

Principal of and interest on the 2025 Bonds (interest payable February 1 and August 1 of each year, commencing February 1, 2026) are payable to Zions Bancorporation, National Association, Boise, Idaho, as Paying Agent (the "Paying Agent"), to the registered owners thereof, initially DTC. See "THE 2025 BONDS—Book-Entry System" herein.

The 2025 Bonds are not subject to redemption prior to maturity. See "THE 2025 BONDS—No Redemption" herein.

The 2025 Bonds will be general obligations of the City payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City, fully sufficient to pay the 2025 Bonds as to both principal and interest.

Dated: Date of Delivery¹

Due: August 1, as shown on inside cover

See the inside front cover for the maturity schedule of the 2025 Bonds

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated August __, 2025, and the information contained herein speaks only as of that date.

PIPER | SANDLER

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, September 3, 2025.

City of Coeur d’Alene, Idaho

\$15,215,000*

General Obligation Bonds, Series 2025

Dated: Date of Delivery¹

Due: August 1, as shown below

Due August 1	CUSIP® []	Principal Amount*	Interest Rate	Yield
2026.....		\$1,270,000		
2027.....		1,265,000		
2028.....		1,325,000		
2029.....		1,395,000		
2030.....		1,465,000		
2031.....		1,535,000		
2032.....		1,615,000		
2033.....		1,695,000		
2034.....		1,780,000		
2035.....		1,870,000		

¹ The anticipated date of delivery is Wednesday, September 3, 2025.

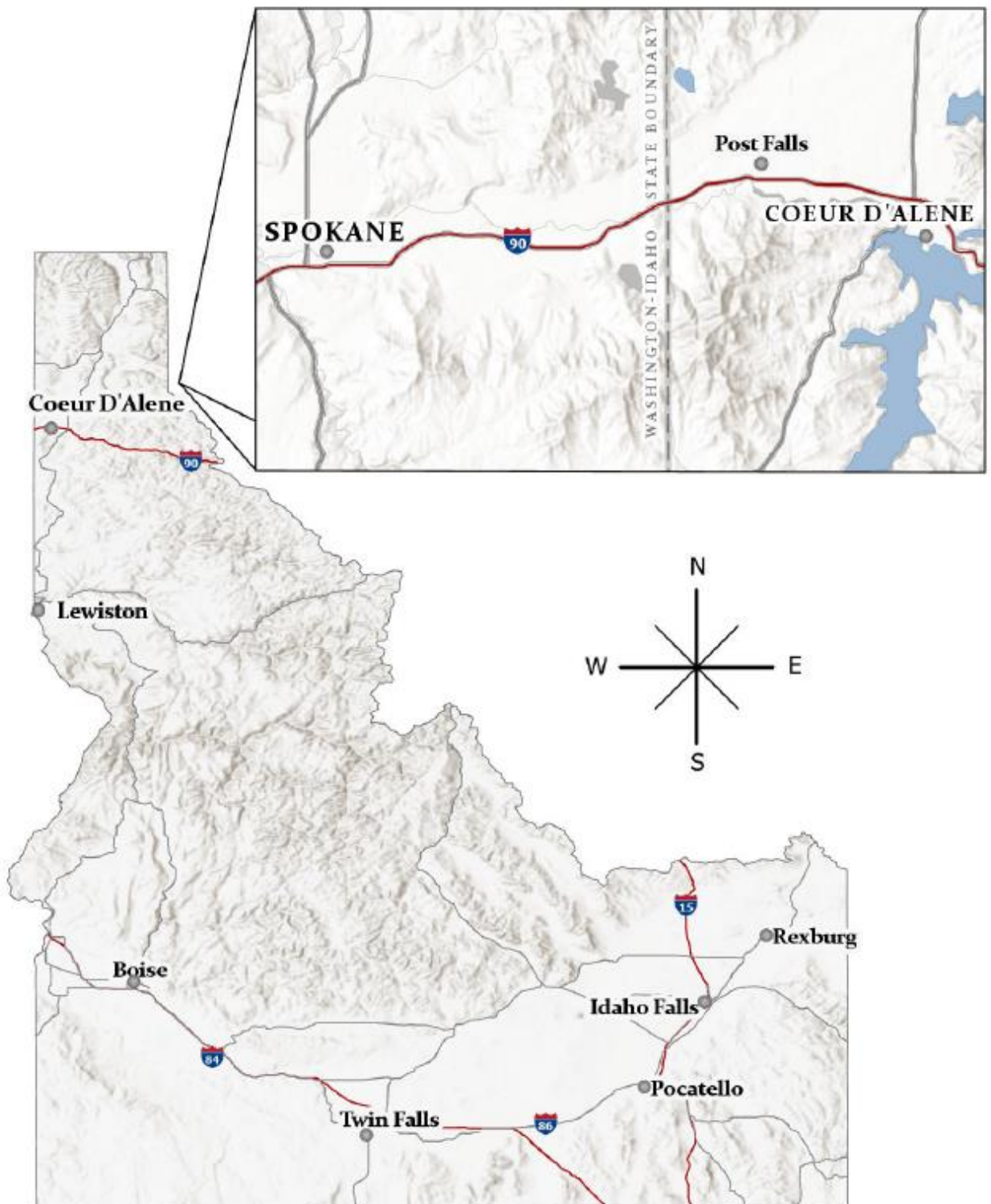
® CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Global Services, managed by FactSet Research Systems, on behalf of the American Bankers Association.

* Preliminary; subject to change.

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Location Map Of Coeur d'Alene, Idaho



This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2025 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by either the City of Coeur d'Alene, Idaho (the "City"); Zions Public Finance, Inc., Boise, Idaho, as Municipal Advisor; Zions Bancorporation, National Association, Boise, Idaho, as Paying Agent; Piper Sandler & Co., Boise, Idaho (the "Underwriter"); or any other entity. All other information contained herein has been obtained from the City, The Depository Trust Company, New York, New York and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery, or exchange of the 2025 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the City since the date hereof.

The 2025 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2025 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this OFFICIAL STATEMENT. In addition, the Underwriter may allow concessions or discounts from the initial offering prices of the 2025 Bonds to dealers and others. In connection with the offering of the 2025 Bonds, the Underwriter may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2025 Bonds. Such transactions may include overallotments in connection with the purchase of 2025 Bonds, the purchase of 2025 Bonds to stabilize their market price and the purchase of 2025 Bonds to cover the Underwriter's short positions. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "project," "forecast," "expect," "estimate," "budget" or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.***

The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover pages of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders. None of the City, the Underwriter, or the Municipal Advisor makes any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the 2025 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2025 Bonds.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this OFFICIAL STATEMENT for purposes of, and as that term is defined in, SEC Rule 15c2-12. In addition, information available on such websites has not been reviewed for accuracy and completeness.

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OFFICIAL STATEMENT RELATED TO

\$15,215,000*

City of Coeur d’Alene, Idaho

General Obligation Bonds, Series 2025

INTRODUCTION

This introduction is only a brief description of the 2025 Bonds, as hereinafter defined, the security and source of payment for the 2025 Bonds and certain information regarding City of Coeur d’Alene, Kootenai County, Idaho (the “City”). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT, as well as of the documents summarized or described herein.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—FINANCIAL STATEMENTS OF CITY OF COEUR D’ALENE, IDAHO FOR FISCAL YEAR 2024”; “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL”; “APPENDIX C—PROPOSED FORM OF INFORMATION REPORTING AGREEMENT”; and “APPENDIX D—BOOK—ENTRY SYSTEM.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] September 30, 20YY” shall refer to the year ended or ending on September 30 of the year indicated and beginning on October 1 of the preceding calendar year. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Bond Ordinance (as defined herein).

City Of Coeur d’Alene, Idaho

The City, located in Kootenai County (the “County”), in the northern panhandle of Idaho, was established in 1887 and became the County seat in 1908. It is situated at the junction of Interstate 90 and U.S. 95, 32 miles east of Spokane, Washington and 8 miles east of Post Falls, Idaho. The City’s estimated population for 2024 is 57,355. The City is governed by a Mayor and a six-member City Council. See “CITY OF COEUR D’ALENE, IDAHO” below.

The 2025 Bonds

This PRELIMINARY OFFICIAL STATEMENT, including the cover page, introduction and Appendices (the “OFFICIAL STATEMENT”), provides information in connection with the issuance and sale of \$15,215,000* aggregate principal amount of General Obligation Bonds, Series 2025 (the “2025 Bonds” or “2025 Bond”), initially issued in book—entry form only.

Authorization For And Purpose Of The 2025 Bonds

Authority. The 2025 Bonds are being issued pursuant to the applicable provisions of (i) Title 50, Chapter 10, Idaho Code, as amended (the “Idaho Code”) and the Public Obligations Registration Act, Title 57, Chapter 9, Idaho Code, as amended, and the Municipal Bond Law, Title 57, Chapter 2, Idaho Code (collectively, the “Act”), (ii) Bond Ordinance No. 25-1015 adopted by the City Council of the City (the “City Council”) and approved by the Mayor on August 5, 2025 (the “Bond Ordinance”), which provides for the sale and issuance of the 2025 Bonds, and (iii) other applicable provisions of law.

* Preliminary; subject to change.

The 2025 Bonds were authorized at a bond election held for that purpose on May 20, 2025 (the “2025 Bond Election”). The proposition submitted to the voters of the City was as follows:

Shall the City of Coeur d’Alene, Idaho (the “City”) be authorized to issue and sell general obligation bonds in the principal amount of up to \$16,400,000 for the purpose of financing the costs of (i) purchasing and acquiring fire protection apparatuses and equipment and (ii) rebuilding and renovating existing fire stations throughout the City, together with all necessary appurtenant facilities and equipment; the final installment of such bonds to fall due not later than ten (10) years from the date of issuance, all as provided in the Bond Election Ordinance No. 3750 adopted by the Council of the City on March 4, 2025?

At the election, there were 3,507 votes cast in favor of the issuance of bonds and 1,177 votes cast against the issuance of bonds, for a total vote count of 4,684, with approximately 74.9% in favor of the issuance of the 2025 Bonds, exceeding the two-thirds voter–approval requirement to authorize issuance of the 2025 Bonds.

Under Idaho law, a challenge to an election outcome must be filed within 40 days of the date of canvass. The County canvassed the final election results on May 29, 2025. Therefore, the 40-day challenge period expired on July 8, 2025.

After the sale and delivery of the 2025 Bonds, the City will have no remaining authorized but unissued bonds from the 2025 Bond Election.

Security

The 2025 Bonds will be general obligations of the City, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the City, fully sufficient to pay the 2025 Bonds as to both principal and interest. See “SECURITY AND SOURCES OF PAYMENT” and “FINANCIAL INFORMATION REGARDING THE CITY OF COEUR D’ALENE, IDAHO—Property Tax Matters” below.

No Redemption Provisions

The 2025 Bonds are not subject to redemption prior to maturity. See “THE 2025 BONDS—No Redemption” herein.

Registration, Denominations, Manner Of Payment

The 2025 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, (“DTC”). DTC will act as securities depository of the 2025 Bonds. Purchases of 2025 Bonds will be made in book–entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC’s Participants (as defined herein). Beneficial Owners (as defined herein) of the 2025 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2025 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX D—BOOK–ENTRY SYSTEM.”

Principal of and interest on the 2025 Bonds (interest payable February 1 and August 1 of each year, commencing February 1, 2026) are payable by Zions Bancorporation, National Association, Boise, Idaho (“Zions Bancorporation”), as paying agent (the “Paying Agent”) for the 2025 Bonds, to the registered owners of the 2025 Bonds. So long as Cede & Co. is the registered owner of the 2025 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2025 Bonds, as described under “APPENDIX D—BOOK–ENTRY SYSTEM” below.

So long as DTC or its nominee is the sole registered owner of the 2025 Bonds, neither the City, the Underwriter, nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2025 Bonds. Under these same circumstances, references herein and in the Bond Ordinance to the “Bondowners” or “Registered Owners” of the 2025 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2025 Bonds.

Tax-Exempt Status Of The 2025 Bonds

In the opinion of Hawley Troxell Ennis & Hawley LLP, assuming continuous compliance with certain covenants described herein, interest on the 2025 Bonds (defined herein) is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2025 Bonds (the “Tax Code”), and interest on the 2025 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. In addition, interest on the 2025 Bonds is excluded from gross income for purposes of income taxation by the State of Idaho.

See “TAX MATTERS” herein.

Professional Services

In connection with the issuance of the 2025 Bonds, the following have served the City in the capacity indicated.

Bond Counsel

Hawley Troxell Ennis & Hawley LLP
877 Main St Ste 200
PO Box 1617
Boise ID 83701-1617
208.388.4855
dquade@hawleytroxell.com

Underwriter

Piper Sandler & Co.
101 S Capitol Blvd, Ste 603
Boise ID 8370
208.344.8561
eric.heringer@psc.com

Paying Agent and Bond Registrar

Zions Bancorporation, National Association
800 W Main St Ste 700
Boise ID 83702
208.501.7495
joseph.dailey@zionsbancorporation.com

Municipal Advisor

Zions Public Finance, Inc.
800 W Main St, Ste 700
Boise ID 83702
208.501.7533
michael.keith@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner And Place Of Delivery

The 2025 Bonds are offered, subject to prior sale, when, as and if issued and received by Piper Sandler & Co., Boise, Idaho (the “Underwriter”) subject to the approval of legality by Hawley, Troxell, Ennis, & Hawley, LLP, Boise, Idaho, Bond Counsel to the City, and certain other conditions. Certain legal matters will be passed on for the City by the City Attorney, Randy Adams. It is expected that the 2025 Bonds, in book-entry form, will be available for delivery to DTC or its agent on or about Wednesday, September 3, 2025.

Continuing Disclosure Undertaking

The City will enter into a Information Reporting Agreement (the “Disclosure Undertaking”) for the benefit of the Owners of the 2025 Bonds. For a detailed discussion of this Disclosure Undertaking, previous undertakings and timing of submissions see “CONTINUING DISCLOSURE UNDERTAKING” below and “APPENDIX C—FORM OF INFORMATION REPORTING AGREEMENT.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date and the information contained herein is subject to change. Brief descriptions of the City, the 2025 Bonds, and the Bond Ordinance are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bond Ordinance are qualified in their entirety by reference to such document and references herein to the 2025 Bonds are qualified in their entirety by reference to the form thereof included in the Bond Ordinance. The “basic documentation” which includes the Bond Ordinance, the closing documents and other documentation, authorizing the issuance of the 2025 Bonds and establishing the rights and responsibilities of the City and other parties to the transaction may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Boise, Idaho, as municipal advisor to the City (the “Municipal Advisor”):

Michael Keith, Vice President, michael.keith@zionsbancorp.com
Zions Public Finance, Inc.
800 W Main St Ste 700
Boise ID 83702
208.501.7533

As of the date of this OFFICIAL STATEMENT, the chief contact persons for the City concerning the 2025 Bonds are:

Troy Tymesen, City Administrator, troy@cdaid.org
Katie Ebner, Finance Director/Treasurer, kebner@cdaid.org
City of Coeur d’Alene
710 Mullan Ave
Coeur d’Alene ID 83814
208.769.2300

CONTINUING DISCLOSURE UNDERTAKING

Disclosure Undertaking

The City will enter into a Disclosure Undertaking for the benefit of the Owners of the 2025 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the 2025 Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment, and remedies, are set forth in the proposed form of Disclosure Undertaking in “APPENDIX C—PROPOSED FORM OF INFORMATION REPORTING AGREEMENT.”

The Disclosure Undertaking requires the City to submit its annual financial report (Fiscal Year Ending September 30) and other operating and financial information on or before June 30 following the close of Fiscal Year. The City will submit the Fiscal Year 2025 financial report and other operating and financial information for the 2025 Bonds on or before June 30, 2026, and annually thereafter on or before each June 30.

During the five years prior to the date of this OFFICIAL STATEMENT, the City has not failed to comply in all material respects with its prior undertakings pursuant to the Rule.

A failure by the City to comply with the Disclosure Undertaking will not constitute a default under the Bond Ordinance and the Beneficial Owners of the 2025 Bonds are limited to the remedies described in the Undertaking. A failure by the City to comply with the annual disclosure requirements of the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2025 Bonds in the secondary market. Consequently, such a failure may adversely affect the marketability and liquidity of the 2025 Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of the Rule.

THE 2025 BONDS

General

The 2025 Bonds will be dated the date of their original issuance and delivery ¹ (the “Dated Date”) and will mature on August 1 of the years and in the amounts and pay interest on the dates and at the rates shown on the inside front cover page.

The 2025 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2025 Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2026. Interest on the 2025 Bonds will be computed on the basis of a 360-day year comprised of 12, 30-day months. Zions Bancorporation is the initial Registrar (the “Registrar”) and Paying Agent for the 2025 Bonds under the Bond Ordinance. If any date for the payment of principal or interest on the 2025 Bonds is not a business day, then the payment will be due on the first day thereafter that is a business day, and no interest will accrue during such period.

The 2025 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The 2025 Bonds are being issued within the constitutional debt limit imposed on cities in the State of Idaho. See “DEBT STRUCTURE OF CITY OF COEUR D’ALENE, IDAHO—General Obligation Legal Debt Limit and Additional Debt Incurring Capacity” below.

Sources And Uses Of Funds

The proceeds from the sale of the 2025 Bonds are estimated to be applied as set forth below:

Sources:

Par amount of 2025 Bonds.....	\$
[Net] original issue premium.....	_____
Total.....	=====

Uses:

Deposit to Project Construction Fund.....	\$
Underwriter’s discount.....	_____
Costs of Issuance ⁽¹⁾	_____
Total.....	=====

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Bond Registrar and Paying Agent fees, rounding amounts, and other miscellaneous costs of issuance.

No Redemption Provisions

The 2025 Bonds are not subject to redemption prior to maturity.

Registration And Transfer; Record Date

In the event the book-entry system is discontinued, any 2025 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner’s duly authorized attorney, upon surrender of such 2025 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2025 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully registered 2025 Bond or 2025 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the City, for a like aggregate principal amount.

¹ The anticipated date of delivery is Wednesday, September 3, 2025.

The 2025 Bonds may be exchanged at the principal corporate office of the Bond Registrar for a like aggregate principal amount of fully registered 2025 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2025 Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2025 Bonds.

The Bond Registrar will not be required to transfer or exchange any 2025 Bond (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such 2025 Bond. The term “Record Date” means (i) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (ii) with respect to any redemption of any 2025 Bond such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will be not less than 15 calendar days before the mailing of such notice of redemption.

The City, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2025 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof (on the 2025 Bonds) and interest due thereon and for all other purposes whatsoever.

Book–Entry System

DTC will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2025 Bond certificate will be issued for each maturity of the 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or a “fast agent” of DTC. See “APPENDIX D—BOOK–ENTRY SYSTEM” for a more detailed discussion of the book–entry system and DTC.

Debt Service On The 2025 Bonds

Payment Date	The 2025 Bonds		Period Total	Fiscal Total
	Principal*	Interest		
February 1, 2026.....	\$ 0.00			
August 1, 2026.....	1,270,000.00			
February 1, 2027.....	0.00			
August 1, 2027.....	1,265,000.00			
February 1, 2028.....	0.00			
August 1, 2028.....	1,325,000.00			
February 1, 2029.....	0.00			
August 1, 2029.....	1,395,000.00			
February 1, 2030.....	0.00			
August 1, 2030.....	1,465,000.00			
February 1, 2031.....	0.00			
August 1, 2031.....	1,535,000.00			
February 1, 2032.....	0.00			
August 1, 2032.....	1,615,000.00			
February 1, 2033.....	0.00			
August 1, 2033.....	1,695,000.00			
February 1, 2034.....	0.00			
August 1, 2034.....	1,780,000.00			
February 1, 2035.....	0.00			
August 1, 2035.....	<u>1,870,000.00</u>			
Totals.....	<u>\$15,215,000.00</u>	<u>\$</u>	<u>\$</u>	

* Preliminary; subject to change.

SECURITY AND SOURCES OF PAYMENT

The 2025 Bonds are general obligations of the City and full faith, credit and resources of the City are pledged for the punctual payment of the principal of and interest on the 2025 Bonds. The 2025 Bonds are secured by ad valorem taxes to be levied against all taxable property within the City. More specifically, for the purpose of paying the principal of and interest on the 2025 Bonds as the same will become due, the City will levy on all taxable property located within the City, in addition to all other taxes, direct annual taxes sufficient in amount to provide for the payment of principal of and interest on the 2025 Bonds. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the 2025 Bonds and for no other purpose.

The City may, subject to applicable laws, apply other funds available to make payments with respect to the 2025 Bonds and thereby reduce the amount of future tax levies for such purpose.

See “FINANCIAL INFORMATION REGARDING THE CITY OF COEUR D’ALENE, IDAHO—Property Tax Matters” below

Bond Fund For The 2025 Bonds

The Bond Ordinance creates a bond fund for the deposit of revenues and disbursement of payments of debt service on the 2025 Bonds (the “Bond Fund”). In the Bond Ordinance, the City covenants to levy and collect property taxes sufficient, together with other funds, to pay debt service on the 2025 Bonds, to deposit such revenues into the Bond Fund and to use the funds on deposit in the Bond Fund for no other purpose than for payment of principal and interest on the 2025 Bonds as they become due.

The Idaho system of ad valorem tax collection and disbursement does not require counties to segregate tax collections dedicated to pay principal and interest on bonded indebtedness of political subdivisions from the other revenues the county collects on behalf of the political subdivision. The City maintains certain policies and internal controls to ensure that monies received from the County are properly allocated to their intended purposes, and that monies received from the bond levy are promptly deposited into the Bond Fund. The City also has policies and internal controls in place to prevent withdrawals from the Bond Fund for any purpose other than payment of principal and interest on the 2025 Bonds.

The Bond Ordinance pledges the revenues from the bond levy and all funds on deposit in the Bond Fund for the payment of principal and interest on the 2025 Bonds.

CITY OF COEUR D’ALENE, IDAHO

General

The City was established in 1887 and became the County Seat in 1908. The U.S. Census estimates the City’s 2024 population was 57,355. It covers an area of approximately 16.8 square miles and is located in Kootenai County, Idaho. The City is located along the I-90 interstate in the northern panhandle of the state of Idaho and is approximately 30 miles east of Spokane, Washington.

The City provides the following services: public safety (police and fire), parks and recreation, culture, community services, community development, public improvements, and general administrative services.

Form Of Government

The City operates under the mayor-council system of government as a city of the first class under the general laws of the State with a mayor (the “Mayor”) and six council members (the “City Council”). The Mayor is elected to a four-year term. City Council members are also elected for four-year terms, three being elected every two years to stagger the terms for continuity. The Council sets policy for the management of the City and hires the City Administrator. Administrative management of the affairs of the City is conducted by the City Administrator at the direction of the City Council.

The following are the current members of the City Council and City Administration:

Office	Person	Years of Service	Expiration of Term
Mayor ⁽¹⁾	Woody McEvers	1	January 2026
Council President	Dan English	9	January 2028
Council Member	Amy Evans	11	January 2026
Council Member	Kenny Gabriel	1	January 2026
Council Member	Dan Gookin	13	January 2028
Council Member	Kiki Miller	11	January 2026
Council Member	Christie Wood	5	January 2028
City Administrator	Troy Tymesen	6	Appointed
Finance Director/Treasurer	Katie Ebner	1	Appointed
City Attorney	Randy Adams	3	Appointed
Fire Chief	Tom Greif	3	Appointed
Deputy Chief - Operations	Jeff Sells	3	Appointed
Deputy Chief - Logistics	Lucas Pichette	6	Appointed

(1) Mayor McEvers' tenure with the City began in 2002, when he was elected as a City Council member. He served for 22 years on the City Council until appointed Mayor in 2024.

Key Administrative Officials

Key administrative officials of the City include the City Administrator, Finance Director/Treasurer, Fire Chief, and City Attorney. All members of the City Executive Leadership team are appointed by the City Administrator and are confirmed by the City Council. The current key administrative officials associated with the 2025 Bonds are described below:

Troy Tymesen, City Administrator. Mr. Tymesen has been working to serve the constituents in the City of Coeur d'Alene for approximately 25 years. He is the current administrator and previously was the finance director. He worked in the banking industry prior to joining the City. He is a graduate of Carthage College located in Kenosha, Wisconsin. He has been involved in many community organizations including Rotary, the Chamber of Commerce, the North Idaho College Foundation and the Ray and Joan Kroc Corps Community Center.

Katie Ebner, Finance Director/Treasurer. With over a decade of experience in governmental financial leadership, Ms. Ebner previously served as Chief Financial Officer for the Post Falls School District for over two years and spent over eight years at the Coeur d'Alene School District as Business Manager/Treasurer and later Director of Finance. Ms. Ebner holds a BBA in Accountancy from Gonzaga University. Ms. Ebner played a key role in the successful \$35.5 million bond issuance for the Coeur d'Alene School District in 2017, along with the subsequent accounting, reporting, and compliance.

Randy Adams, City Attorney. Mr. Adams received his bachelor's degree from the University of Southern California in Los Angeles in 1979. He attended law school at the University of Idaho, receiving his Juris Doctor degree in 1983. He was a law clerk for the Idaho Court of Appeals for two years before entering private practice. As a partner in one of the largest law firms in Idaho, first in Boise, then in Coeur d'Alene, and later his own firm, he acted as a litigation attorney concentrating on insurance defense. In thirty years, he tried nearly a hundred cases in the state courts of Idaho and Washington, and federal court in Idaho. He has argued cases before the Idaho Supreme Court, the Idaho and Washington Courts of Appeal, and the United States Ninth Circuit Court of Appeal. He joined the City of Coeur d'Alene as its Chief Civil Deputy City Attorney in 2015. He was appointed City Attorney in March 2022.

Tom Greif, Fire Chief. Fire Chief Greif has over 30 years of experience in Emergency Services, with a distinguished career dedicated to public safety and service in Coeur d'Alene. He joined the Coeur d'Alene Fire Department in 1997, was promoted to Division Chief of EMS in 2003, Deputy Chief in 2010, and became Fire Chief in 2022. A licensed paramedic and seasoned leader in both operations and labor relations, Chief Greif also serves as President of the North Idaho Fire Chiefs Association. Under his leadership, the department continues to enhance emergency response capabilities and foster strong regional partnerships to support the community's growing needs.

Employee Workforce; Pension System, Health Insurance

Employee Workforce. The City currently employs approximately 425 full-time equivalent employees.

Pension System. The City is a member of the Idaho State Public Employees' Retirement System ("PERSI"). PERSI is the administrator of a multiple employer cost-sharing defined benefit public employee retirement system. A retirement board (the "PERSI Board"), appointed by the governor and confirmed by the legislature, manages the system which includes selecting investment managers to direct the investment, exchange, and liquidation of assets in the managed accounts and to establish policy for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the plan.

PERSI is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan ("PERSI Base Plan"), the Firefighters' Retirement Fund ("FRF"), and the Judge's Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 401(k) and 414(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers. Contribution requirements of PERSI and its members are established by the PERSI Board within limitations, as defined by State law. There are currently no FRF employer contributions as of July 1, 2020 following the PERSI Board's approval made at the 2019 December board meeting. However, by statute, one-half of all proceeds from fire insurance premium tax collected throughout the state are automatically assigned to the FRF and are accounted for in employer contributions.

The City reported a liability for its proportionate share of the net pension liability. The net pension liability is measured as of July 1 annually, and the total pension liability used to calculate the net pension liability is determined by an actuarial valuation as of that date. The City's proportion of the net pension liability is based on the City's share of contributions in the PERSI Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. According to the Public Employees Retirement System of Idaho Base Plan Report, on June 30, 2024, the City's proportion was approximately 0.55430051% or \$3,036,959.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information and may be found at <http://www.persi.idaho.gov>. For a detailed discussion of PERSI and the City's contributions see "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF COEUR D'ALENE, IDAHO FOR FISCAL YEAR 2024—Notes to the Financial Statements—Note 13. Pension Plans" (audit page 54).

Health Insurance. The City created the City of Coeur d'Alene Employee Benefits Trust (the "Benefits Plan"), effective January 1, 2020 in order to provide healthcare coverage for its employees and dependents through a self-funded healthcare benefit plan. The Benefits 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 Benefits 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. For additional information related to this additional Health Insurance, see "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF COEUR D'ALENE, IDAHO FOR FISCAL YEAR 2024—Notes to the Financial Statements—Note 9. Insurance" (audit page 50).

Risk Management And Cybersecurity

Risk Management. The City manages its risks through the purchase of a general insurance coverage policy for public entities through the Idaho Counties Risk Management Program ("ICRMP"), a program that is the primary source of property and casualty loss protection for Idaho local governments including counties, cities, and special purpose districts.

The City also participates in the Idaho State Insurance fund (the "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 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, and rates increase for the following year. The premiums for this program are budgeted directly through each department.

As of the date of this OFFICIAL STATEMENT, all policies are current and in force. The City believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the City provides. See “APPENDIX A—FINANCIAL STATEMENTS OF CITY OF COEUR D’ALENE, IDAHO FOR FISCAL YEAR 2024—Notes to the Financial Statements—Note 9. Insurance” (audit page 50).

Cybersecurity. The risk of cyberattacks against local governments has become more prevalent in recent years. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s technology systems for the purposes of misappropriating assets or information or causing operational disruption and damage. In January 2024, the City was victim to a cyberattack. In working with cyber security consultants, the City has made substantial upgrades to security. To mitigate future risk of business operations impact and/or damage by cybersecurity incidents or cyberattacks, the City invests in multiple forms of cybersecurity and operational safeguards and carries insurance for cyber liability. The City believes it has made all reasonable efforts to ensure that any such attack is not successful and that the City’s information systems are secure. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the City’s information systems.

Investment Of Funds

The City has a formal investment policy. Additionally, investments made by the City are governed by Idaho Code Chapter 12 of Title 67, which provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. City procedures are consistent with the Idaho Code. The Code limits investments to the following general types: (i) certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of State and local governmental entities; (ii) time deposits accounts and tax anticipation and interest-bearing notes; (iii) bonds, treasury bills, debentures or other similar obligations issued or guaranteed by agencies or instrumentalities of the government of the State of Idaho or the United States; and (iv) repurchase agreements.

Local governments, including the City, are also authorized to invest in the Local Government Investment Pool (“LGIP”), which is managed by the Idaho State Treasurer’s Office. Information on the LGIP investments is available from the Idaho State Treasurer. The City does invest in the LGIP.

Investments are stated at cost, except for investments in the deferred compensation agency fund, which are reported at market value. Interest income on such investments is recorded as earned in the General Fund of the City unless otherwise specified by law. For additional detail regarding the City’s investment policy, see also “APPENDIX A—FINANCIAL STATEMENTS OF CITY OF COEUR D’ALENE, IDAHO FOR FISCAL YEAR 2024—Note 2. Cash and Investments” (audit page 35).

DEMOGRAPHIC INFORMATION

Population

	The City	% Change from Prior Period	The County	% Change from Prior Period
2024 Estimate ⁽¹⁾	57,355	4.9	188,323	9.9
2020 Census	54,665	23.9	171,362	23.7
2010 Census	44,137	27.9	138,494	27.4
2000 Census	34,514	40.5	108,685	55.7
1990 Census	24,563	23.4	69,795	16.8
1980 Census	19,913	22.7	59,770	69.2

(1) Percent change compared to 2020 Census.

(Source: U.S. Department of Commerce, Bureau of the Census.)

Economic Indicators Of The County

Per Capita, Total Personal Income and Median Income

	2023	2022	2021	2020	2019
Per Capita Income ⁽¹⁾					
Kootenai County	\$63,893	\$59,973	\$58,725	\$51,552	\$47,798
% change from prior year	6.5	2.1	13.9	7.9	6.7
State of Idaho	59,385	57,140	55,417	49,609	45,880
% change from prior year	3.9	3.1	11.7	8.1	6.1
Total Personal Income ⁽¹⁾					
Kootenai County	\$11,820,820	\$10,992,493	\$10,573,916	\$8,907,423	\$8,002,937
% change from prior year	7.5	4.0	18.7	11.3	9.7
State of Idaho	116,675,298	110,794,440	105,544,476	91,743,236	82,967,662
% change from prior year	5.3	5.0	15.0	10.6	8.8
Median Income ⁽²⁾					
Kootenai County	\$75,235	\$75,583	\$68,043	\$66,959	\$62,764
% change from prior year	(0.5)	11.1	1.6	6.7	11.7
State of Idaho	74,859	72,634	69,717	62,603	60,830
% change from prior year	3.1	4.2	11.4	2.9	9.6

(1) Source: Bureau of Economic Analysis, U.S. Department of Commerce.

(2) Source: U.S. Census Bureau. Income information for 2024 is not available as of the date of this OFFICIAL STATEMENT.

Largest Employers

The following is a list of the largest employers in the County:

Firm	Business	Employees
Hagadone Hospitality	Recreation and Hospitality	900–1,000
Kootenai County	Government	800–900
North Idaho College	Education	700–800
Wal-Mart	Retail	700–800
Coeur d'Alene Casino	Government	700–800
City of Coeur d'Alene	Government	400–500
Costco Wholesale Corp	Retail	400–500
North Idaho Day Surgery LLC	Healthcare	300–400
Buck Knives Inc	Manufacturing	300–400
Idaho Forest Group	Natural Resources	200–300
Silverwood	Recreation and Hospitality	200–300
City of Post Falls	Government	200–300
Fred Meyer	Retail	200–300
Parker Toyota	Retail	200–300
Forest Service	Government	200–300
Advanced Input Devices Inc	Manufacturing	100–200
Department of Health and Welfare	Government	100–200
Lakeland School District	Education	100–200
Cabela's	Retail	100–200
Mandere Construction Inc	Construction	100–200

(Source: Idaho Department of Labor, Communication & Research Quarterly Census of Employment Wages -QCEW; Top employers of 2023. (Note: Only employers that have given the Idaho Department of Labor permission to release employment range data are listed.)) Top employers for 2024 are not available as of the date of this OFFICIAL STATEMENT.

Labor Market Data Of The County And Employment By Industry

	2024	2023	2022	2021	2020
Total civilian labor force	90,061	88,796	86,350	84,917	83,253
Unemployed	3,952	3,328	2,986	3,634	5,913
Percent of labor force unemployed	4.400%	3.700%	3.500%	4.300%	7.100%
Total employment	86,109	85,468	83,364	81,283	77,340
Total covered wages	\$3,968,381,000	\$3,754,285,000	\$3,495,541,000	\$3,225,756,000	\$2,810,661,000
Natural resources and mining	501	520	530	1,023	751
Construction	5,714	6,195	6,674	6,956	7,046
Manufacturing	4,836	4,996	5,209	5,428	5,260
Trade, utilities, and transportation	12,353	12,888	13,293	13,517	13,521
Information	565	636	689	701	688
Financial activities	3,609	3,696	3,472	3,246	3,204
Professional and business services	6,584	6,854	6,802	6,771	6,742
Education and health services	8,295	8,616	8,920	9,681	12,811
Leisure and hospitality	8,875	10,137	10,527	10,984	11,207
Other services	2,186	2,368	2,664	2,707	2,811
Public administration	12,225	12,262	12,214	12,503	9,859

(Source: Idaho Department of Labor; Quarterly Census of Employment Wages.)

Construction Value Of The City

Year	Permits Issued	New Residential Value	New Non-Residential Value ⁽¹⁾	Repairs/ Additions/ Remodel	Total Construction Value	% Change From Prior Year
2024.....	1,303	\$105,481,795	\$ 6,297,936	\$86,489,449	\$198,269,180	0.1
2023.....	1,190	70,357,101	69,115,668	58,536,508	198,009,277	4.2
2022.....	1,364	88,751,764	17,974,498	83,330,715	190,056,977	(28.9)
2021.....	1,664	153,730,991	35,271,998	78,225,308	267,228,297	98.4
2020.....	1,275	87,479,523	14,568,143	32,652,993	134,700,659	—

(1) Includes repairs, additions and remodels.

(Source: The City of Coeur d'Alene Construction Activity Report.)

Rate Of Unemployment—Annual Average

Year	Kootenai County ⁽¹⁾	The State of Idaho ⁽¹⁾	United States
2025 ⁽²⁾	4.5%	3.7%	4.2%
2024.....	4.4	3.7	4.0
2023.....	3.6	3.6	3.6
2022.....	3.2	3.2	3.6
2021.....	4.3	4.3	5.3

(1) Source: State of Idaho Department of Labor.

(2) Preliminary; subject to change. As of April 2025 only; seasonally adjusted.

(Source: U.S Bureau of Labor Statistics.)

DEBT STRUCTURE OF THE CITY OF COEUR D'ALENE, IDAHO

Outstanding Municipal Debt

Outstanding General Obligation Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2025 ⁽¹⁾	Fire station	\$15,215,000	August 1, 2035	<u>\$15,215,000</u>

- (1) Preliminary; subject to change. For purposes of this OFFICIAL STATEMENT, the 2025 Bonds will be considered issued and outstanding. Rated "Aa2" by Moody's Investors Service ("Moody's") as of the date of this OFFICIAL STATEMENT.

Outstanding Wastewater Revenue Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2021A ⁽¹⁾	Refunding	\$21,865,000	September 1, 2034	\$21,835,000
2013 ⁽²⁾	Wastewater	13,000,000	September 13, 2033	<u>5,359,748</u>
				<u>\$27,194,748</u>

- (1) Rated "AA" by S&P Global Ratings ("S&P") as of the date of this OFFICIAL STATEMENT.
(2) Not rated; no rating applied for. These bonds were placed with the State of Idaho Department of Environmental Quality.

Other Financial Considerations; Future Issuance Of Debt

Other Financial Considerations. Leases. The City has entered into the following capital lease agreements: (i) totaling \$214,708 to fund John Deere Wheel loaders, payable from the water fund, with the final payment due in Fiscal Year 2029; and (ii) totaling \$644,124 to fund Caterpillar loaders, payable from the general fund, with the final payment due in Fiscal year 2029. For additional information, see "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF COEUR D'ALENE, IDAHO FOR FISCAL YEAR 2024—Notes to the Financial Statements—Note 7. Bonds, Leases and Subscription-Based Information Technology Arrangements" (audit page 47).

Subscription-Based Information Technology Arrangements. The City has obtained Subscription-Based Information Technology Arrangements ("SBITAs") through long-term contracts. The City is required to make annual principal and interest payments through September 2028 with the total balance outstanding at Fiscal Year 2024 of \$216,146. For additional information, see "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF COEUR D'ALENE, IDAHO FOR FISCAL YEAR 2024—Notes to the Financial Statements—Note 7. Bonds, Leases and Subscription-Based Information Technology Arrangements" (audit page 48).

Future issuance of debt. After the issuance of the 2025 Bonds, the City does not anticipate the issuance of any other general obligation debt within the next three years.

The City has identified additional investment needs within its water system infrastructure. To help address these needs, the City may consider issuing bonds to finance a portion of the required improvements. Additionally, the City reserves the right to issue any bonds or other obligations as its capital needs may require.

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Overlapping General Obligation Debt

Taxing Entity	2024 Taxable Value ⁽¹⁾	City's Portion of Taxable Value	City's Percentage	Entity's General Obligation Debt ⁽¹⁾	City's Portion of General Obligation Debt
Coeur d'Alene SD No. 271	\$26,406,557,145	\$12,102,502,235	45.8%	\$29,700,000	\$ <u>13,602,600</u>
Total overlapping and underlying general obligation debt.....					<u>13,602,600</u>
Total direct general obligation bonded indebtedness*.....					<u>\$15,215,000</u>
Total direct and overlapping general obligation debt*.....					<u>\$28,817,600</u>

This table excludes any additional principal amounts attributable to unamortized original issue bond premium and deferred amount on refunding.

* Preliminary; subject to change.

(1) Taxing entity's general obligation debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.

Debt Ratios

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium and deferred amount on refunding) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the City, the estimated market value of such property and the population of the City. *The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	To 2024 Taxable Value ⁽¹⁾	To 2024 Market Value ⁽²⁾	To 2024 Population Estimate Per Capita ⁽³⁾
Direct General Obligation Debt*.....	0.11%	0.13%	\$265
Direct and Overlapping General Obligation Debt*.....	0.24	0.21	502

* Preliminary; subject to change.

(1) Based on a 2024 Taxable Value of \$12,102,502,235, which excludes Urban Renewal Agency ("URA") value.

(2) Based on a 2024 Market Value of \$13,356,210,212, which excludes URA value.

(3) Based on the 2024 U.S. Census population estimate of 57,355.

See "FINANCIAL INFORMATION REGARDING THE CITY OF COEUR D'ALENE, IDAHO—Taxable Value of Property" below.

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

Idaho Code Section 50-1019, establishes limits on voter-approved general obligation debt for Idaho cities to an amount not to exceed 2% of the taxable value for assessment purposes, less the aggregate outstanding voter-approved general obligation bond indebtedness. The legal debt limit and additional debt incurring capacity of the City are based on the taxable value for 2024, and are calculated as follows:

2024 Taxable Value ⁽¹⁾	<u>\$12,102,502,235</u>
"Taxable Value" times 2% equals the "Debt Limit".....	\$242,050,045
Less: current outstanding general obligation debt*.....	<u>(15,215,000)</u>
Estimated additional debt incurring capacity*.....	<u>\$226,835,045</u>

* Preliminary; subject to change.

(1) Includes URA value.

No Defaulted Obligations

The City has never failed to pay principal of and interest on any of its financial obligations when due.

FINANCIAL INFORMATION REGARDING THE CITY OF COEUR D'ALENE, IDAHO

Fund Structure; Accounting Basis

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

Governmental fund financial statements are reported using the current financial resources management focus and modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes available if they are collected within 30 days after year end. A 90-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Property taxes, franchise taxes, licenses, 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.

Budget And Budgetary Process

As required by Idaho Code Section 50–1002, the City Council shall, prior to passing the annual appropriation ordinance, prepare a budget estimating the revenues and expenditures for the ensuing fiscal year. After proper publication, a public hearing is held for any interested person to appear and show cause why such proposed budget should or should not be adopted.

City Council may amend the budget during the fiscal year by following the same procedure as used in adopting the original appropriation ordinance. However, in order to amend the budget to a greater amount than originally adopted, additional revenue must accrue to the City equal to the proposed expenditures.

Sources Of General Fund Revenues

Set forth below are brief descriptions of the various sources of revenues available to the City’s general fund. The percentage of total general fund revenues represented by each source is based on the City’s Fiscal Year 2024 period (total general fund revenues were \$54,972,243).

Property Taxes—Approximately 46.8% (or 24,573,943) of general fund revenues are from property taxes, including interest on delinquent taxes.

Intergovernmental—Approximately 36.2% (or \$19,907,291) of general fund revenues are collected from intergovernmental revenue.

Licenses and permits—Approximately 13.0% (or \$7,126,919) of general fund revenues are collected from licenses and permits revenue.

Miscellaneous—Approximately 3.1% (or \$1,721,134) of general fund revenues are miscellaneous revenue.

Investments earnings—Approximately 1.7% (or \$940,962) of general fund revenues are collected from investment earnings revenue.

Charges for Services—Approximately 1% (or \$356,436) of general fund revenues are from charges for services.

Fines and Forfeits—Approximately 1% (or \$345,555) of general fund revenues are from fines and forfeits revenues.

Financial Summaries

The summaries contained herein were extracted from the City’s audited financial reports. The summaries themselves have not been unaudited.

The administration of the City prepared a narrative discussion, overview, and analysis of the financial activities of the City for Fiscal Year 2024. See “APPENDIX A—FINANCIAL STATEMENTS OF CITY OF COEUR D’ALENE, IDAHO FOR FISCAL YEAR 2024—Management’s Discussion and Analysis” (audit page 4).

Statement of Net Position

(Summary has not been audited)

	As of September 30				
	2024	2023	2022	2021	2020
Assets					
Cash and cash equivalents	\$81,789,722	\$74,724,386	\$73,289,814	\$62,018,890	\$48,596,991
Investments	1,114,970	1,045,295	895,365	1,156,061	1,304,374
Receivables:					
Taxes delinquent	285,415	414,692	513,873	311,380	351,052
Accounts receivable	6,035,798	5,546,174	5,876,736	5,007,198	4,941,246
Special assessments	47,638	94,283	142,047	187,642	250,027
Lease	726,289	687,879	761,845	—	—
Interest	—	—	2,150	—	—
Due from other governments	3,983,403	3,721,688	3,512,793	3,163,330	10,431,440
Deposits					
Net pension asset-FRF plan	21,099,023	19,817,023	17,209,002	22,652,408	12,481,826
Net pension asset-base plan	—	—	—	611,697	—
Capital assets:					
Land	25,622,726	25,622,726	24,435,418	23,367,762	23,256,979
Construction in Progress	13,535,552	7,813,410	7,860,030	5,230,745	1,439,003
Capital assets, net of accumulated depreciation	307,541,163	304,290,753	302,834,171	307,607,706	315,199,783
Total assets	461,781,700	443,778,309	437,333,244	431,314,819	418,252,721
Deferred Outflows of Resources					
Deferred pension outflows-base plan	7,107,771	11,935,501	15,744,833	8,853,625	4,649,611
Deferred pension outflows-FRF plan	678,225	755,817	1,832,021	84,032	599,851
Total deferred outflows of resources	7,785,996	12,691,318	17,576,854	8,937,657	5,249,462
Liabilities					
Accounts payable	5,496,979	4,882,548	5,060,512	3,946,866	4,548,058
Other accrued liabilities	100,000	100,000	100,000	100,000	100,000
Deposits	259,250	290,982	522,965	403,847	417,989
Accrued interest payable	85,438	96,643	110,470	599,203	65,146
Long-term liabilities:					
Due within one year	4,296,020	4,524,118	3,651,477	4,135,521	2,883,594
Due in more than one year	34,030,529	37,233,685	41,356,303	44,911,451	48,780,121
Other liabilities due in more than one year:					
Net pension liability-base plan	28,547,647	29,954,837	29,562,946	—	17,879,292
Total liabilities	72,815,863	77,082,813	80,364,673	54,096,888	74,674,200
Deferred Inflows of Resources					
Unearned grant revenue	6,199,504	5,705,584	8,704,589	—	—
Unearned lease contract revenue	566,612	483,220	580,365	—	—
Deferred pension inflows-base plan	636,872	192,861	445,887	19,674,019	—
Deferred pension inflows-FRF plan	—	—	—	4,860,877	747,943
Total deferred inflows of resources	7,402,988	6,381,665	9,730,841	24,534,896	747,943

Statement of Net Position—continued

(Summary has not been audited)

	As of September 30				
	2024	2023	2022	2021	2020
Net Position					
Net investment in capital assets	\$313,863,980	\$301,469,937	\$295,363,579	\$292,214,816	\$293,170,604
Restricted	8,172,610	7,185,929	7,780,258	6,635,388	5,439,632
Unrestricted	67,312,255	64,349,283	61,640,747	62,770,488	49,469,804
Total net position	\$389,348,845	\$373,005,149	\$364,784,584	\$361,620,692	\$348,080,040

(Source: Information taken from the City's audited financial statements, compiled by the Municipal Advisor.)

Statement of Activities—Total Primary Government

(Summary has not been audited)

	Net (Expense) Revenue and Changes in Net Assets ⁽¹⁾				
	As of September 30				
	2024	2023	2022	2021	2020
Primary government:					
Governmental activities:					
General government	\$(2,907,563)	\$ (1,852,593)	\$ (1,203,828)	\$ (2,534,219)	\$ (4,088,936)
Public safety	(31,468,039)	(27,555,280)	(26,754,891)	(24,627,123)	(16,394,363)
Public works	(6,846,109)	(9,156,243)	(8,723,270)	(8,157,854)	(9,349,966)
Culture and recreation	(5,699,456)	(5,851,287)	(5,672,241)	(5,260,944)	(5,503,910)
Administrative expense	—	—	(2,275)	(7,351)	(50,150)
Interest on long-term debt	(178,980)	(206,741)	(222,762)	(239,677)	(224,243)
Net pension expense (revenue)	(6,195,317)	(5,564,897)	(5,809,447)	4,714,401	(3,435,782)
Total governmental activities	(53,295,464)	(50,187,041)	(48,388,714)	(36,112,767)	(39,047,350)
Business-type activities:					
Water	3,149,053	3,081,785	2,653,156	3,692,415	2,477,522
Wastewater	8,851,378	5,789,230	4,999,293	4,562,754	4,968,373
Sanitation	209,898	198,068	610,780	723,907	705,180
Other Enterprise	(61,354)	38,425	190,946	58,670	20,759
Net pension expense (revenue)	(812,057)	(854,537)	(962,039)	16,815	(748,363)
Total business-type activities	11,336,918	8,252,971	7,492,136	9,054,561	7,423,471
Total primary government	(41,958,546)	(41,934,070)	(40,896,578)	(27,058,206)	(31,623,879)
General revenues:					
Property taxes, levied for general purposes	27,134,606	26,313,054	24,702,687	18,835,947	23,999,708
Sales tax	6,410,734	6,362,186	6,127,597	5,760,465	4,339,452
Franchise fees	4,272,792	3,964,869	3,693,780	3,496,936	3,383,414
Motor fuel taxes	4,073,505	3,833,944	3,858,406	3,166,179	2,410,601
Alcoholic beverage taxes	1,376,953	1,436,322	1,453,820	1,466,428	1,283,567
Grants and contributions not restricted to specific purposes	5,975,687	4,008,589	4,740,446	7,466,917	3,296,519
Interest and investment earnings	4,709,951	3,921,901	1,556,331	365,701	1,039,270
Miscellaneous	1,963,484	247,555	931,925	339,379	924,722
Donated assets	—	—	—	15,578	—
(Loss) gain on disposal of assets	(1,220,940)	66,215	20,118	(52,375)	(995,914)

Statement of Activities—Total Primary Government—*continued*

(Summary has not been audited)

	Net (Expense) Revenue and Changes in Net Assets⁽¹⁾				
	As of September 30				
	2024	2023	2022	2021	2020
Special Items:					
Property donated to (from) City	—	—	883,880	—	(9,172,408)
Gain (loss) on sale of land	—	—	—	(262,297)	619,481
Ignite cda land transfer cost reimbursement	3,605,470	—	—	—	—
Total general revenues, transfer and special items	58,302,242	50,154,635	47,968,990	40,598,858	31,128,412
Change in net position	16,343,696	8,220,565	7,072,412	13,540,652	(495,467)
Net position - beginning, restated	373,005,149	364,784,584	357,712,172	348,080,040	348,575,507
Net position - ending	\$389,348,845	\$373,005,149	\$364,784,584	\$361,620,692	\$348,080,040

(1) This report is presented in summary format concerning the single item of “Net (Expense) Revenue and Changes in Net Assets” and is not intended to be complete.

(Source: Information taken from the City’s audited financial statements, compiled by the Municipal Advisor.)

Balance Sheet—Governmental Fund Types

(Summary has not been audited)

	As of September 30				
	2024	2023	2022	2021	2020
Assets					
Cash and cash equivalents	\$19,526,707	\$23,471,045	\$26,974,182	\$19,144,929	\$11,532,765
Investments					
Receivables:					
Taxes delinquent	224,014	339,438	429,326	245,191	283,682
Accounts receivable	1,009,628	866,949	867,712	827,382	790,713
Special assessments					
Due from other governments	3,152,477	3,354,258	3,427,472	2,979,441	10,413,736
Due from other funds	47,639	94,283	139,392	182,326	241,134
Total assets	23,960,465	28,125,973	31,838,084	23,379,269	23,262,030
Liabilities					
Accounts payable	2,356,986	2,498,727	2,943,307	2,355,430	3,658,737
Due to other funds	0	1,185,012	1,167,500	1,150,246	1,133,247
Deposits	259,250	290,982	552,965	403,847	417,989
Total liabilities	2,616,236	3,974,721	4,663,772	3,909,523	5,209,973
Deferred Inflows of Resources					
Unearned grant revenue	1,857,213	5,665,522	8,454,589	—	—
Unavailable revenue- property taxes	224,014	339,438	429,326	245,191	283,682
Total deferred inflows of resources	2,081,227	6,004,960	8,883,915	245,191	283,682
Fund Balances (Deficits)					
Restricted	875,497	868,301	1,628,627	979,842	971,886
Committed	5,555,605	2,991,809	2,130,691	5,245,608	7,375,262
Assigned	833,689	1,342,251	2,650,987	592,043	237,559
Unassigned	11,998,211	12,943,931	11,880,092	12,407,062	9,183,668
Total fund balances	19,263,002	18,146,292	18,290,397	19,224,555	17,768,375
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$23,960,465	\$28,125,973	\$31,838,084	\$23,379,269	\$23,262,030

(Source: Information taken from the City’s audited financial statements, compiled by the Municipal Advisor.)

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Fund Types—General Fund

(Summary has not been audited)

	As of September 30				
	2024	2023	2022	2021	2020
Revenues					
Taxes	\$24,573,943	\$23,743,320	\$22,001,348	\$16,352,305	21,412,243
Licenses and permits	7,126,919	6,459,674	6,709,616	6,005,093	5,365,788
Intergovernmental	19,907,291	18,839,829	15,199,941	18,730,361	20,159,316
Charges for services	356,436	352,874	298,695	269,473	275,097
Fines and forfeits	345,555	421,924	520,030	451,214	540,033
Assessments collected					
Investment (loss) earnings	940,962	848,531	83,860	31,085	191,178
Contributions	—	—	311,667	—	—
Miscellaneous	1,721,134	105,726	731,177	75,230	713,149
Total Revenues	54,972,243	50,771,878	45,856,334	41,914,761	48,656,804
Expenditures					
Current:					
General government	8,590,086	7,984,243	7,223,374	8,141,606	8,598,743
Public safety	33,070,261	30,439,735	28,278,017	26,677,204	26,206,007
Public works	7,436,829	6,764,010	5,437,781	5,080,960	5,950,285
Culture and recreation	3,543,701	3,480,621	3,091,799	2,855,331	2,918,994
Administrative expense					
Capital outlay	5,563,127	3,785,350	962,409	589,909	1,827,487
Debt service:					
Principal payments	493,491	75,158	72,373	69,710	63,632
Interest and fiscal agent fees	33,881	41,489	44,014	46,423	16,748
Total expenditures	58,731,376	52,570,606	45,109,767	43,461,143	45,581,896
(Deficiency) excess of revenues (under) over expenditures	(3,759,133)	(1,798,728)	746,567	(1,546,382)	3,074,908
Other Financing Sources (Uses)					
Proceeds on sale of capital assets	60,282	28,810	23,755	62,715	—
Proceeds from capital lease financing	722,732	—	—	—	—
Ignite CDA land transfer reimbursement costs	1,185,012	—	—	—	—
Operating transfers in	3,572,817	3,538,813	2,987,798	3,088,848	2,859,770
Operating transfers out	(665,000)	(1,913,000)	(567,323)	(149,000)	(125,000)
Total other financing sources (uses)	4,875,843	1,654,623	2,444,230	3,002,563	2,734,770
Net change in fund balances	1,116,710	(144,105)	3,190,797	1,456,181	5,809,678
Fund balances (deficits) - beginning of year - restated	18,146,292	18,290,397	15,099,630 ⁽¹⁾	17,768,374	11,958,697
Fund balances - end of year	\$19,263,002	\$18,146,292	\$18,290,427	\$19,224,555	\$17,768,375

(1) Restated due to the re-classification of American Rescue Plan Act (“ARPA”) funds received from the federal government.

(Source: Information taken from the City’s audited financial statements, compiled by the Municipal Advisor.)

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Property Tax Matters

Tax Levy Procedure. The City's tax levy is certified to the board of county commissioners in September and taxes are due and payable one-half on December 20 and one-half on June 20 of the following calendar year. The County Treasurer disburses tax receipts to the City approximately one month after the statutory payable dates.

Ad Valorem Tax Limitation. Idaho Code Section 63-802 provides that the City shall not certify a budget request for an amount of ad valorem tax revenues to finance an annual budget that exceeds the highest dollar amount of ad valorem taxes certified for its annual budget for any one of the three tax years preceding the current tax year, which amount may be increased by a growth factor of not to exceed 3% plus the amount of revenue that would have been generated by applying the levy rate of the previous year to 90% of any increase in market value subject to taxation resulting from new construction or annexation. For dissolving or de-annexing urban renewal revenue allocation areas, only 80% of the difference between the most recent increment and the 2006 increment value can be included on the new construction roll. The City's total budget increase from all sources may not exceed 8%; provided, however, that, any increase in new construction market value resulting from a termination, de-annexation, or plan modification of an urban-renewal revenue allocation area is not limited by this 8% cap.

The City may submit to the electors within the City the question of whether the budget from property tax revenues may be increased beyond the amount authorized in Idaho Code Section 63-802, but not beyond the levy authorized by statute. The additional amount must be approved by 66 2/3% or more of the voters voting on the question at an election called for that purpose and held on the May or November dates provided by section 34-106, Idaho Code. If approved by the required minimum 66 2/3% of the voters voting at the election, the new budget amount shall be the base budget for the purposes of Idaho Code Section 63-802. In addition, the board of county commissioners may set a levy that exceeds the limitation above if it has been approved by a majority of the City's electors voting on the question at an election called for that purpose, provided however, that such voter approval shall be for a period of not to exceed two years.

Once the City has approved its annual budget in accordance with the parameters of Idaho Code Section 63-802, it submits its Budget Dollar Certification Form (L-2 Form) and published budget to the board of county commissioners. Using the completed L-2 Form, the board of county commissioners then submits the City's budget request to the State Tax Commission.

The limitation on the amount of property tax revenues to finance an annual budget does not include revenue from non-property tax sources and does not include revenues from levies that are voter approved for bonds, override levies, or supplemental levies.

Ad valorem taxes, including delinquent taxes and penalties, are collected by the Treasurer of the County and are remitted to the City during the month following collection.

Direct And Overlapping Tax Rates Of The City

	Tax Rate (Fiscal Year) ⁽¹⁾				
	2024	2023	2022	2021	2020
Direct Tax Rates:					
The City	0.002470285	0.002277517	0.002212020	0.003596638	0.003106902
Overlapping Rates:					
Kootenai County	0.001322448	0.001260990	0.001227184	0.001988108	0.002267729
Coeur d'Alene School District No. 271	0.000841213	0.000948092	0.000959868	0.001563514	0.001790507
County Hospital	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000
County Ambulance	0.000077741	0.000073316	0.000071357	0.000115613	0.000129823
North Idaho College	0.000384494	0.000374886	0.000382643	0.000649505	0.000746593
Worely Highway District	0.000551323	0.000522782	0.000527200	0.000904702	0.001042739
Total Direct and Overlapping Tax Rate ⁽²⁾	0.005647504	0.005457583	0.005380272	0.008818080	0.009084293

(1) These tax rates represent the core area tax levy rates.

(2) Includes total City tax rate.

(Source: The Associated Taxpayers of Idaho; compiled by the Municipal Advisor.)

Taxable Value Of Property

The County Assessor annually assign “valuation of market value for assessment purposes” to all taxable real and personal property within the County. The following table shows the history of the values for the City during the last five years:

Tax Year	Full Market Value ^{(1) (2)}	% Change	Homeowner's Exemption	Taxable Assessed Value ^{(2) (3)}	% Change	URA Value ⁽⁴⁾
2024.....	\$13,586,210,212	(2.7)	\$1,483,707,977	\$12,102,502,235	(3.0)	\$ 621,473,186
2023.....	13,958,421,910	1.4	1,486,093,777	12,472,328,133	1.4	613,179,220
2022.....	13,771,601,929	50.2	1,473,749,595	12,297,852,334	59.1	480,149,078
2021.....	9,170,812,205	16.2	1,442,190,402	7,728,621,803	14.5	1,015,661,387
2020.....	7,889,946,021	10.8	1,142,878,687	6,747,067,334	12.4	871,199,267

(1) Each year all taxable property must be assessed at 100% of the current market value.

(2) Includes URA value.

(3) “Taxable Assessed Value” is the full market value less statutory exemptions and incremental changes to the base value in any urban renewal area that overlaps the City pursuant to Title 50 of the Code. Statutory exemptions include a homeowner’s exemption, and property tax reductions. The Taxable Assessed Value is the value against which tax levies are applied.

(4) Incremental value assessed to that portion of the URA that lie within the City.

(Source: Reports from the Idaho State Tax Commission.)

Property Tax Exemptions

Idaho law includes many full or partial exemptions, including inventories, livestock, stored property in transit, pollution control facilities, household belongings, clothing, property licensed motor or recreational vehicles, and most property belonging to religious, fraternal, and educational organizations and institutions. Partial exemptions are available for residential improvement and speculative value of agricultural land. Partial tax credits are available to elderly, widowed, and disabled homeowners. Other major exemptions include the following:

Homeowner’s Property Tax Exemption. The homeowner’s exemption provides a permanent exemption from ad valorem taxation for 50% of the Full Market Value of a home-owner’s primary residence (including up to one acre of the land value) subject to a maximum exemption of \$125,000 (the “Homeowner’s Exemption”).

Business Investment Property Tax Exemption: Under Idaho Code Section 63-602NN local county commissioners can declare that all or a portion of the market value of the improvements of a defined project with investments that meet certain tax incentive criteria can be exempt from property tax for a specified period of time. The exemption can be up to 100% per year for up to five years for each project. The investment must be in new manufacturing facilities valued at a minimum of \$500,000 and land is not eligible for the exemption. Any existing buildings are not eligible for the exemption and approval of the exemption is at the discretion of the local county commissioners.

Use of the business investment property tax exemption (“Business Exemption”) only exempts the collection of property taxes on new business investment and does not impact the City’s ability to repay the 2025 Bonds. Following the expiration of the Business Exemption the value of the new investment of property will be included in the City’s Taxable Assessed Value for future tax levy certifications.

Personal Property Tax Exemption: The 2025 Bonds are secured by an unlimited tax on taxable property in the City. Taxable property includes real property and personal property. Idaho currently has a \$3,000 exemption on a de minimus item of taxable property and, effective January 1, 2022, a \$250,000 exemption on business personal property.

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Tax Collection Record

Year ⁽¹⁾	Tax Levy in Dollars	Amount Collected ⁽²⁾	% Collected
2024 ⁽³⁾	\$28,406,456	\$18,000,060	63.4
2023	27,143,753	27,080,340	99.8
2022	26,175,352	26,146,336	99.9
2021	24,259,528	24,259,528	100.0
2020	18,368,890	18,368,890	100.0
2019	23,489,554	23,489,554	100.0

(1) The tax year runs from January 1 to December 31. Ad valorem taxes, including delinquent taxes, penalties and amounts canceled, are collected by the Treasurer of the County and are remitted to the City during the month following collection.

(2) As of June 2025.

(3) First half tax collection paid December 2024. Second half tax collection will be due in June 2025 for tax year 2024.

(Source: The Office of the County Treasurer; compiled by the Municipal Advisor.)

The Largest Taxpayers Of The City

Idaho Code Section 50-2908 allows URA value to be used for calculating the tax rate for voter approved general obligation bonds authorized after December 31, 2007. As such, the taxable assessed valuation applicable to the City's bond levy is larger than the taxable assessed value applicable to the City's regular property tax levy.

The following chart shows the largest taxpayers with URA value included (i.e., bond levy):

Taxpayer	Type of Business	2024 Taxable Value	% of the City's 2024 Taxable Value
Hagadone Hospitality ⁽¹⁾	Hotels and motels	\$113,818,236	0.9
Prairie Point LLC (One, Two, Et Al)	Lessors of residential real estate	73,091,789	0.6
Anderl Development LLC	Real estate development	70,192,415	0.6
Riverview Venture, LLC	Lessors of real estate	55,820,683	0.5
Horowitz Limited Partnership VII	Real estate and financial investment	50,578,508	0.4
Summit Holdings II LLP	Offices of other holding companies	47,200,394	0.4
Rivers Edge Apartments LLC	Lessors of real estate	41,698,910	0.3
Silver Lake Center LLC	Commercial real estate	41,449,586	0.3
CDA Courthouse LLC	N/A	35,630,076	0.3
Costco Wholesale Corporation	Warehouse clubs and supercenters	<u>33,033,227</u>	0.3
Totals Top 10 (includes URA values)		<u>\$562,513,824</u>	4.6
Total City Taxable Value (includes URA values)		\$12,102,502,235	100.0

(1) Hagadone Hospitality Co., founded in 1985, owns and operates the Coeur d'Alene Resort known for the renowned floating green golf course. It also includes a spa, convention facilities, a marina, fitness center, pools, shops, and various restaurants. Additionally, the company operates several eating establishments in the and manages two Best Western Plus hotels in northern Idaho.

(Source: The Office of the County Treasurer; compiled by the Municipal Advisor.)

TAX MATTERS

In the opinion of Hawley Troxell Ennis & Hawley LLP, assuming continuous compliance with certain covenants described below, interest on the 2025 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the 2025 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. In addition, interest on the 2025 Bonds is excluded from gross income for purposes of income taxation by the State of Idaho. For purposes of this paragraph and the

succeeding discussion, “interest” includes the original issue discount on certain of the 2025 Bonds only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the 2025 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the 2025 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2025 Bonds; (b) limitations on the extent to which proceeds of the 2025 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2025 Bonds above the yield on the 2025 Bonds to be paid to the United States Treasury. The Issuer covenants and represents in the Bond Ordinance that it will not take any action or omit to take any action with respect to the 2025 Bonds, the proceeds thereof, any other funds of the Issuer or any facilities financed with the proceeds of the 2025 Bonds if such action or omission (i) would cause the interest on the 2025 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the 2025 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. Bond Counsel’s opinion as to the exclusion of interest on the 2025 Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the Issuer to comply with these requirements could cause the interest on the 2025 Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the Issuer and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 15% alternative minimum tax on the “adjusted financial statement income” of “applicable corporations” (as those terms are defined in Sections 56A and 59(k), respectively, of the Tax Code). “Applicable corporations” are generally corporations with average annual adjusted financial statement income over a three-year period of \$1 billion or more. “Adjusted financial statement income” generally means the net income or loss of a corporation (including interest on the 2025 Bonds) as set forth on the corporation’s applicable financial statement, adjusted as provided in Section 56A of the Tax Code. This 15% alternative minimum tax is applicable for tax years beginning after December 31, 2022. Corporations should consult their tax advisors about whether the corporation is an “applicable corporation” and if the corporation is such an applicable corporation, about the calculation of “adjusted financial statement income” and the alternative minimum tax for the corporation.

With respect to the 2025 Bonds that were sold in the initial offering at a discount (the “Discount Bonds”), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as “original issue discount” for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner’s basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount may be included in “adjusted financial statement income” of “applicable corporations” for the purpose of the corporate alternative minimum tax imposed under Section 55(b) of the Tax Code for taxable years beginning after December 31, 2022. For this purpose, accrued original issue discount on the Discount Bonds may be deemed to be received and included in adjusted financial statement income in the year of accrual even though there will not be a corresponding cash payment. Applicable corporations should consult their tax advisors with respect to the appropriate timing and amount of original issue discount to include in “adjusted financial statement income” in any particular tax year beginning after December 31, 2022.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local

income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the 2025 Bonds. Owners of the 2025 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406, of the Tax Code, backup withholding may be imposed on payments on the 2025 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406 or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the 2025 Bonds were sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the 2025 Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the 2025 Bonds. Owners of the 2025 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2025 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2025 Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the 2025 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2025 Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2025 Bonds. Owners of the 2025 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2025 Bonds. If an audit is commenced, the market value of the 2025 Bonds may be adversely affected. Under current audit procedures the Service will treat the Issuer as the taxpayer and the Bond owners may have no right to participate in such procedures. The Issuer has covenanted in the Bond Ordinance not to take any action that would cause the interest on the 2025 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the Issuer, the Financial Advisors, the Initial Purchaser, Bond Counsel or Special Counsel is responsible for paying or reimbursing any Bond holder with respect to any audit or litigation costs relating to the 2025 Bonds.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the 2025 Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult with their own tax advisors with respect to the effects of any proposed or future legislation.

LEGAL MATTERS

Absence Of Litigation Concerning The 2025 Bonds

The City is a defendant in various legal proceedings arising in connection with its operations. 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.

However, the City Attorney, Randy Adams, has officially advised that, to his knowledge, of such litigation, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the 2025 Bonds or the levy or collection of taxes for the payment of the 2025 Bonds.

Opinions Of Bond Counsel

Legal matters incident to the authorization, issuance and sale of the 2025 Bonds by the City are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL.” Bond Counsel has reviewed this document only to confirm that the portions of it describing the 2025 Bonds and the authority to issue the 2025 Bonds, the security for the Bonds and tax matters relative to the 2025 Bonds present a fair summary of such matters.

Tax Legislative Changes

Current law may change to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the 2025 Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether enacted, could also affect the value and liquidity of the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult with their own tax advisors with respect to the effects of any proposed or future legislation.

Legislative Referrals

Referrals are proposed laws that originate from the State Legislature to be voted on by the people. In Idaho, both houses of the State Legislature must vote and must pass by two-thirds of its members to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. According to the Elections Division of the Idaho Secretary of State, there are no current proposed Legislative referrals.

The Initiative Process

Article I, Section 3 of the Idaho Constitution provides that the people of the State have reserved to themselves the power of initiative and referendum, pursuant to which measures to enact, or repeal laws can be placed on the statewide general election ballot for consideration by the voters. The initiative and referendum powers relate only to laws; the Idaho Supreme Court has ruled that the Idaho Constitution cannot be amended by initiative or referendum.

In 1997, the State Legislature enacted significant procedural prerequisites including signature distribution requirements, to qualify an initiative or referendum measure for submittal to the electors. Any person may file a proposed measure with the signatures of 20 qualified electors of the State with the Idaho Secretary of State's office. The Idaho Attorney General is required by law to review and make recommendations (if any) on the petition to the petitioner before issuing a certificate of review to the Secretary of State. The petitioner then, within 15 working days, files the measure with the Secretary of State for assignment of a ballot title and submittal to the Attorney General. The Attorney General, within 10 working days thereafter, shall provide a ballot title for the measure. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Idaho Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the form of the petition has been approved by the Secretary of State, the proponents of the measure shall print the petition and, during an 18-month circulation period or until April 30 in an election year, whichever occurs first, may start gathering the petition signatures necessary to place the proposed measure on the ballot.

Prior to 2021, to be placed on a general election ballot, the proponents must submit, not less than four months prior to the election, to the Secretary of State petitions signed by a number of qualified voters equal to at least 6% of

the qualified electors in a majority of the State's 35 legislative districts, and the total number of signatures must be 6% of the total registered voters in the State. The 2021 Legislature adopted legislation changing this requirement to provide that petitions must be signed by a number of qualified voters equal to at least 6% of the qualified electors in all of the State's legislative districts. On August 23, 2021, the Idaho Supreme Court struck down the Legislation as violative of the Idaho Constitution's provision for initiatives and referenda. The effect of the Court's actions is that the law reverts to its former form of requiring signatures of 6% of the qualified electors in 18 of the State's 35 legislative districts, and 6% of the total registered voters of the State.

Proponents of measures are permitted to compensate persons obtaining signatures for the petition, but in such instances the petition must contain a notice of such payment to the elector whose signature is being sought.

Historical Initiative Petitions

According to the Elections Division of the Idaho Secretary of State, there have been four initiative petitions and three referendums that qualified for the ballot between 2006 and 2020.

Laws Relating To Municipal Reorganization

Idaho Code Section 67–3903 permits taxing districts of the State, to file a petition for federal bankruptcy relief, in accordance with Chapter 9 of the United States Bankruptcy Code, which permits municipalities to file a voluntary petition for the adjustment of debts. Prior to filing such petition, the taxing district is required to adopt a resolution authorizing the filing. The statute authorizes the taxing district to take actions to consummate a plan of readjustment pursuant to its bankruptcy proceedings, including cancellation and remission of moneys payable under bonds, warrants or other obligations; issuance of refunding bonds on certain conditions, adoption of necessary ordinances, assessment, levy and collection of taxes to enforce collections necessary pursuant to the plan of readjustment, cancellation or reduction in taxes or special assessments for bonds refunded under the plan as a result of reduction in debt service accomplished by such refunding and to take any other actions necessary for accomplishment of the plan. Prior to refunding bonds or levying any taxes or special assessments, the taxing district is required to provide notice and hold a hearing prior to the adoption of the plan for readjustment requiring such actions.

General

Certain legal matters will be passed upon for the City by the City Attorney, Randy Adams. The expected form of the opinion of Bond Counsel is attached to this OFFICIAL STATEMENT as “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL.”

The various legal opinions to be delivered concurrently with the delivery of the 2025 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

MISCELLANEOUS

Bond Rating

As of the date of this OFFICIAL STATEMENT, the 2025 Bonds have been rated “Aa2” by Moody's. An explanation of this rating may be obtained from Moody's. The City has not applied to S&P Global Ratings or Fitch Ratings for a rating on the 2025 Bonds.

Such rating does not constitute a recommendation by the rating agency to buy, sell or hold the 2025 Bonds. Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the rating given the 2025 Bonds will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in their judgment, circumstances

so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2025 Bonds.

Underwriter

The Underwriter has reviewed the information in this OFFICIAL STATEMENT in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter has agreed, subject to certain conditions, to purchase all of the 2025 Bonds from the City at an aggregate price of \$ _____ (which consists of a principal amount of \$ _____, less an Underwriter's discount of \$ _____), and to make a public offering of the 2025 Bonds.

The Underwriter has advised the City that the 2025 Bonds may be offered and sold to certain dealers (including dealers depositing the 2025 Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside cover page of the OFFICIAL STATEMENT and that such public offering prices may be changed from time to time.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing, and brokerage activities. In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of its customers and may at any time hold long and/or short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriter has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

Municipal Advisor

The City has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the 2025 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2025 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty or warranty respecting the accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The basic financial statements of the City as of September 30, 2024 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Alpine Summit CPAs, Post Falls, Idaho ("Alpine Summit"), as stated in their report in "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF COEUR D'ALENE, IDAHO FOR FISCAL YEAR 2024."

Alpine Summit has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

The information set forth herein has been obtained from the City and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, warranty or guarantee by the Underwriters. So far as any statement herein includes matters of opinion, or estimates of future

expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information contained herein should not be construed as representing all conditions affecting the City or the 2025 Bonds. Additional information may be obtained from the City. The statements relating to the Bond Ordinance are in summarized form, and in all respects, are subject to and qualified in their entirety by express reference to the provisions of such document in its complete form.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as a representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final by the City for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the City.

City of Coeur d'Alene, Idaho

APPENDIX A

FINANCIAL STATEMENTS CITY OF COEUR D'ALENE, IDAHO FOR FISCAL YEAR 2024

The City's Financial Statements and Supplementary Information for Fiscal Year 2024 are contained herein, and such page numbers may not be in numerical order. Copies of current and prior financial reports are available upon request from the City's contact person as indicated under "INTRODUCTION—Contact Persons" above.

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City of
Coeur d'Alene
IDAHO

City of Coeur d'Alene, Idaho
Audited Financial Statements
September 30, 2024

City of Coeur d'Alene

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



TAX, ASSURANCE, ACCOUNTING, ADVISORY

Office (208) 777-1099 Fax (202) 773-5108
1810 E. Schneidmiller Ave, Ste 310
Post Falls, ID 83854

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, 2024, 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 referred to above present 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, 2024, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 known 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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 11, 2025, 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.

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
June 11, 2025

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2024

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, 2024.

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 \$389,348,845 (net position). Of this amount, \$67,110,028 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$16,343,696. This increase is made up of a 5.46% increase in business activities and a 2.69% increase in governmental activities.
- At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$26,747,254—an increase of \$5,480,529 over the prior year. A significant portion of this increase came from payments from the City's Urban Renewal District, ignite cda. Although these payments are recorded as revenue, they represent reimbursements for debt incurred by the City to purchase property within the Urban Renewal District. Total payments from ignite cda amounted to just over \$3.6 million, with approximately \$2.4 million recorded as revenue in the Atlas Mill Site Capital Projects Fund and \$1.185 million recorded in the General Fund.

Additionally, the City received a significant insurance settlement of \$1.57 million related to a structure fire that destroyed a Police Department storage annex. The fire resulted in the loss of a BearCat SWAT vehicle, nine vehicles for police and support services, and numerous other items, including equipment for Animal Control, Code Enforcement, Special Intervention Response Team, Volunteers, Honor guard and specialized SWAT equipment. Of the total settlement, \$1.235 million remained unspent as of September 30, 2024, contributing to the increase in the General Fund balance.

- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$11,998,211 or 18.45% of the amended 2024 budget of general fund expenditures. The percentage for the year before was 21.7%, a decrease of 3.25%.
- The City's total debt decreased by \$3,431,256 during fiscal year 2023-2024. The City's compensated absences increased \$384,979. Other changes to long-term debt were payments of \$841,434 on general obligation bond debt, \$873,328 on capital leases and \$2,515,657 on revenue bonds payable.

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).

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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 80.51% 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 2.10% 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, 17.24% may be used to meet the City's ongoing obligations to citizens and creditors.

Table 1, below is a comparative summary of the City of Coeur d'Alene's Net Position statement for the years ended September 30, 2024 and 2023:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 36,782,681	\$ 30,737,217	\$ 57,200,555	\$ 55,497,180	\$ 93,983,236	\$ 86,234,397
Net pension asset-FRF and Base Plan	21,099,023	19,817,023	-	-	21,099,023	19,817,023
Capital assets	126,749,536	126,254,017	219,949,905	211,472,872	346,699,441	337,726,889
Total assets	184,631,240	176,808,257	277,150,460	266,970,052	461,781,700	443,778,309
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflows-base plan	6,086,696	10,417,799	1,021,075	1,517,702	7,107,771	11,935,501
Deferred pension outflows-FRF plan	678,225	755,817	-	-	678,225	755,817
Total deferred outflows of resources	6,764,921	11,173,616	1,021,075	1,517,702	7,785,996	12,691,318
LIABILITIES						
Other liabilities	3,153,846	3,060,801	2,787,821	2,309,372	5,941,667	5,370,173
Net pension liability-base plan	24,907,252	26,169,685	3,640,395	3,785,152	28,547,647	29,954,837
Other long-term liabilities	6,714,615	7,046,765	31,611,934	34,711,038	38,326,549	41,757,803
Total liabilities	34,775,713	36,277,251	38,040,150	40,805,562	72,815,863	77,082,813
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue- unearned grant revenue	6,199,504	5,705,584	-	-	6,199,504	5,705,584
Unearned lease contract revenue	399,583	295,195	167,029	188,025	566,612	483,220
Deferred pension inflows-base plan	555,251	156,915	81,621	35,946	636,872	192,861
Deferred pension inflows-FRF plan	-	-	-	-	-	-
Total deferred inflows of resources	7,154,338	6,157,694	248,650	223,971	7,402,988	6,381,665
NET POSITION						
Net investment in capital assets	124,892,381	124,116,766	189,173,826	177,353,171	314,066,207	301,469,937
Restricted	8,172,610	7,185,929	-	-	8,172,610	7,185,929
Unrestricted	16,401,119	14,244,233	50,708,909	50,105,050	67,110,028	64,349,283
Total net position	\$ 149,466,110	\$ 145,546,928	\$ 239,882,735	\$ 227,458,221	\$ 389,348,845	\$ 373,005,149

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2024

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, 2024 and 2023:

Table 2
Changes in Net Position
September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program revenues:						
Charges for services	\$ 4,941,694	\$ 5,227,180	\$ 31,335,187	\$ 30,480,113	\$ 36,276,881	\$ 35,707,293
Operating grants and contributions	1,452,825	1,804,673	-	-	1,452,825	1,804,673
Capital grants and contributions	4,448,453	2,711,046	8,167,256	4,603,006	12,615,709	7,314,052
General revenues:						
Property taxes	27,134,606	26,313,054	-	-	27,134,606	26,313,054
Sales tax	6,410,734	6,362,186	-	-	6,410,734	6,362,186
Franchise fees	4,272,792	3,964,869	-	-	4,272,792	3,964,869
Motor fuel taxes	4,073,505	3,833,944	-	-	4,073,505	3,833,944
Alcoholic beverage taxes	1,376,953	1,436,322	-	-	1,376,953	1,436,322
Grants and contributions not restricted to specific purposes	4,785,353	3,489,207	1,190,334	519,382	5,975,687	4,008,589
Interest and investment earnings	1,601,425	1,395,939	3,108,526	2,525,962	4,709,951	3,921,901
Miscellaneous	1,963,484	247,555	-	-	1,963,484	247,555
Donated assets	-	-	-	-	-	-
Total revenues	62,461,824	56,785,975	43,801,303	38,128,463	106,263,127	94,914,438
EXPENSES						
General government	8,689,481	8,297,113	-	-	8,689,481	8,297,113
Public safety	34,530,864	29,118,146	-	-	34,530,864	29,118,146
Public works	8,415,909	10,368,353	-	-	8,415,909	10,368,353
Culture and recreation	6,127,885	6,374,690	-	-	6,127,885	6,374,690
Interest on long-term debt	178,980	206,741	-	-	178,980	206,741
Water services	-	-	7,719,482	7,394,888	7,719,482	7,394,888
Wastewater	-	-	11,903,543	11,272,346	11,903,543	11,272,346
Sanitation	-	-	4,724,778	4,545,808	4,724,778	4,545,808
Other enterprise	-	-	3,005,665	2,762,569	3,005,665	2,762,569
Loss (gain) on asset disposal	1,289,734	(26,634)	(68,794)	(39,581)	1,220,940	(66,215)
Net pension expense (revenue)	6,195,317	5,564,897	812,057	854,537	7,007,374	6,419,434
Total expenses	65,428,170	59,903,306	28,096,731	26,790,567	93,524,901	86,693,873
Increase (decrease) in net position before Transfers	(2,966,346)	(3,117,331)	15,704,572	11,337,896	12,738,226	8,220,565
Transfers	3,280,058	3,079,962	(3,280,058)	(3,079,962)	-	-
Special items	3,605,470	-	-	-	3,605,470	-
Change in net position	\$ 3,919,182	\$ (37,369)	\$ 12,424,514	\$ 8,257,934	\$ 16,343,696	\$ 8,220,565

Major changes in governmental activities were as follows:

Governmental activities increased the City's net position by 3,919,182 which impacted the City's Governmental net position by approximately 2.69%.

City of Coeur d Alene

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

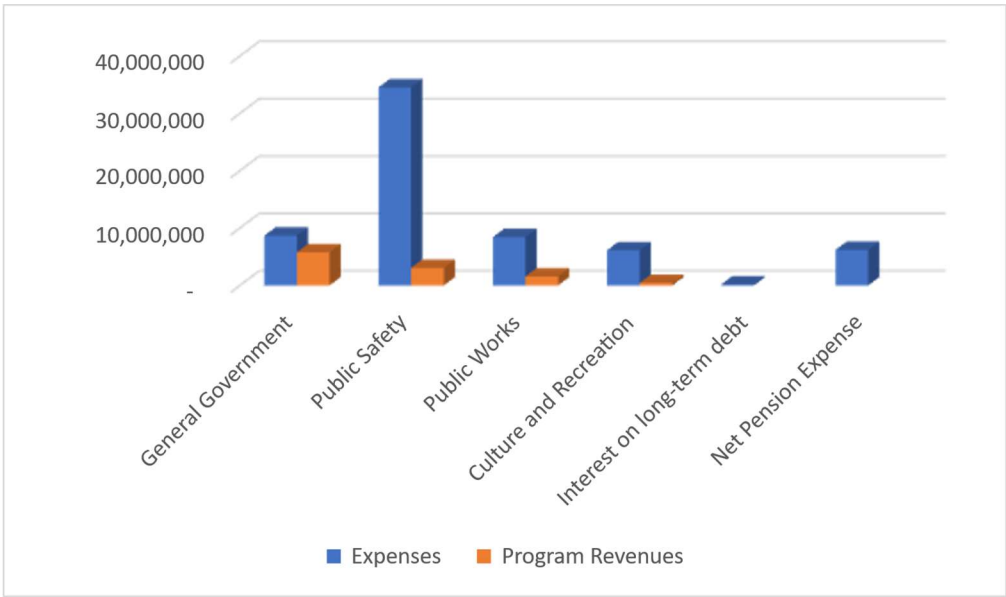
Property taxes collected in fiscal year 2023-24 were \$851,648 higher than the prior year, primarily due to City Council’s decision to increase the levy in response to rising personnel costs. This included \$224,239 in the formula allotted new construction revenue and the full 3% allowable increase in property tax revenue. Overall, governmental fund revenues increased by \$5,675,849 compared to fiscal year 2022-23. However, this increase was mainly driven by non-recurring revenue sources. These included the recognition of ARPA federal funds, and a \$1.6 million insurance settlement associated with the fire loss of the Police Department’s storage facility. While these revenues temporarily boosted fund balances, they do not reflect a structural improvement in the City’s financial outlook and should not be interpreted as an ongoing funding capacity to offset ongoing expenditures.

Public safety expenses increased \$2,630,526 from fiscal year 2022-23 to 2023-24. This increase was due to an increase in wages and benefits.

Governmental Activities:

The following graphs depict various governmental activities and show the expenses and revenues for 2024.

Expenses and Program Revenues – Government Activities FY 2023-24



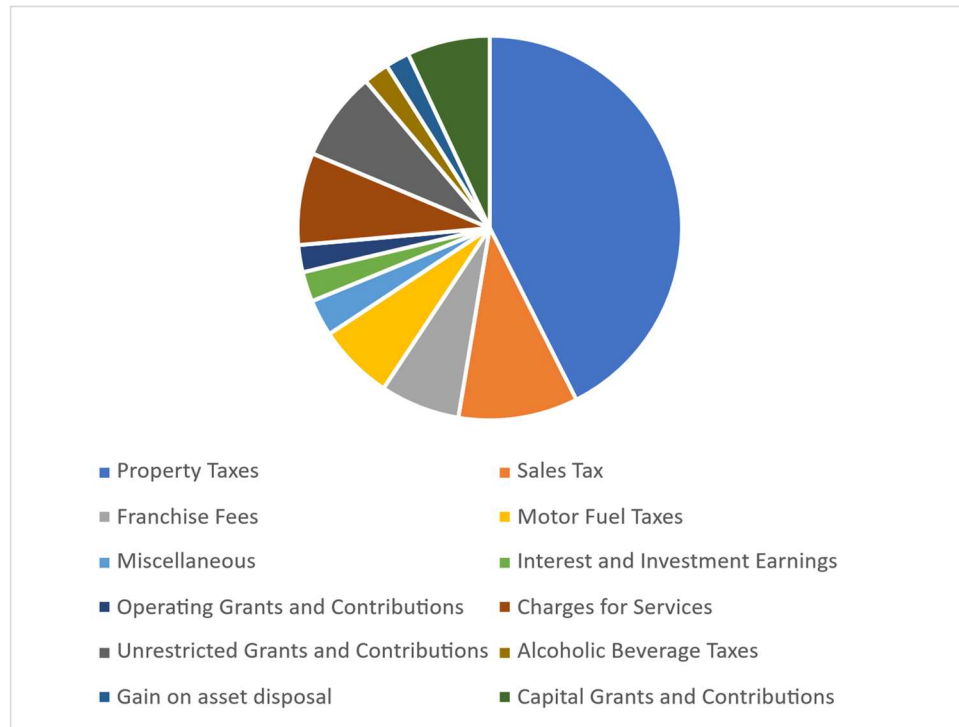
City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2024

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 \$12,424,514, which impacted the City's business-type net position by 5.46%. There was an increase in revenue from charges for services in the amount of \$855,074. 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. Water fund revenue decreased slightly by \$118,902, Wastewater fund revenue increased by \$639,859 and Sanitation Fund revenue increased by \$190,800.

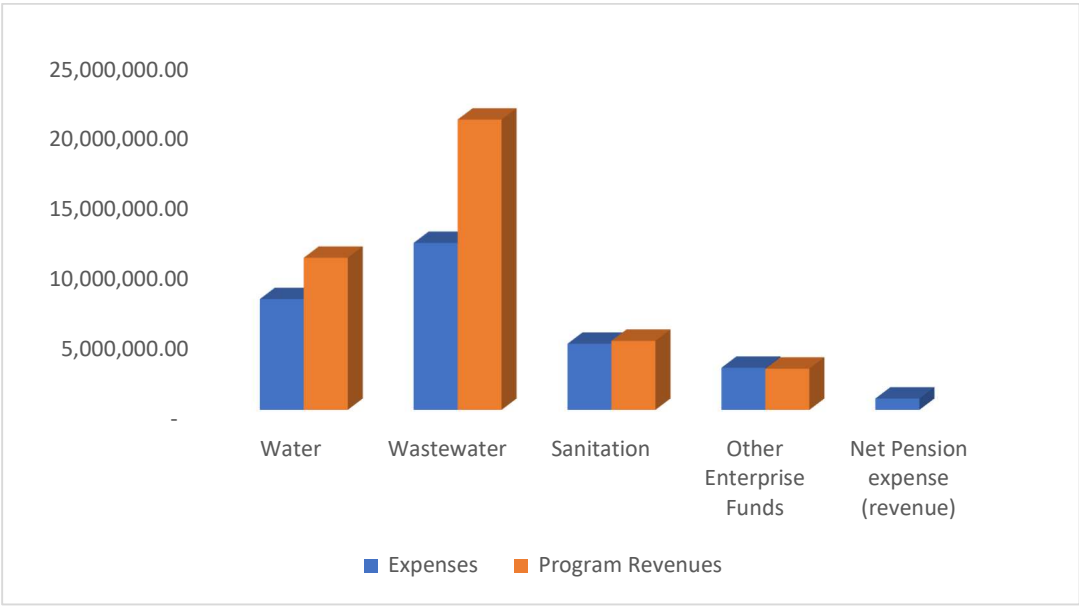
City of Coeur d Alene

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

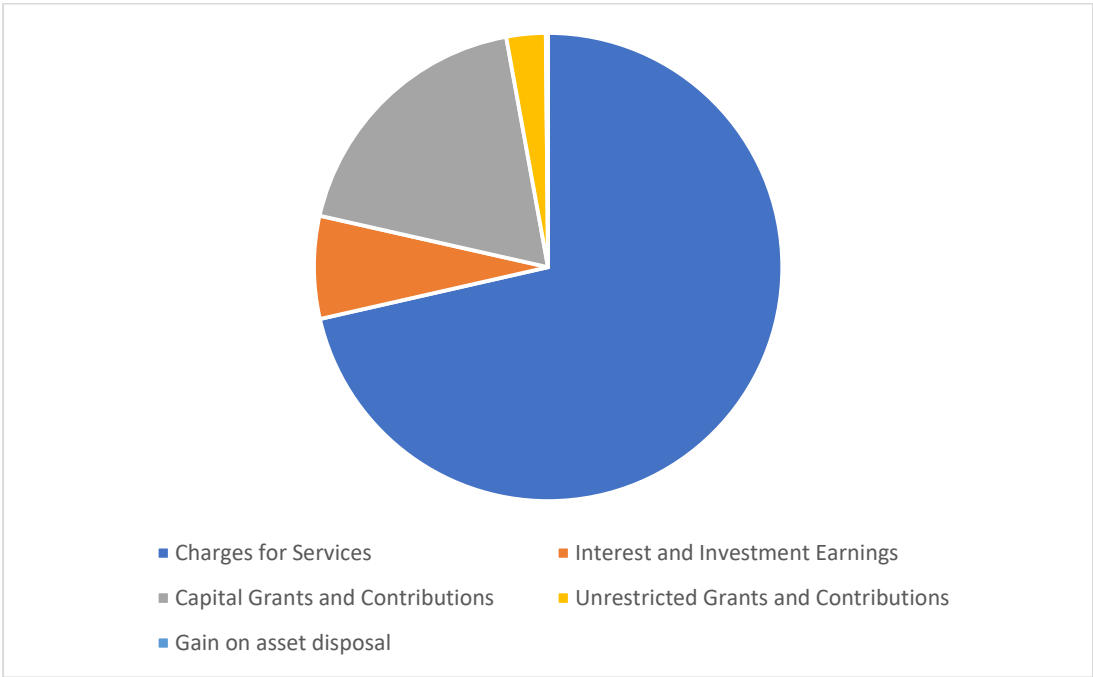
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONCLUDED)

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, 2024

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 \$26,747,254, an increase of \$5,480,529. Of the \$26,747,254 fund balance \$8,151,773 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 \$ 19,263,002. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to \$65,014,042 total budgeted expenditures. Fund balance represents 29.63% of 2024 budgeted expenditures and the unassigned fund balance of \$11,998,211 represents 18.45% of 2024 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 2025 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. In 2023-24 ignite repaid the City's general fund the full amount borrowed of \$1,185,012. The payment also included a payment of \$ 2,420,458 owed to the Wastewater fund. This brought the principal balance to \$5,989,989. At September 30, 2024, \$710,447 of interest on this loan is owed from the City's general fund to the Wastewater fund.

General Fund cash balance decreased by \$3,944,338. This majority of this decrease can be attributed to the City spending \$2,403,718 from the American Rescue Plan Act funding that was received the year before. General Fund revenues increased by \$4,200,365 mostly due to recognizing the American Rescue Plan Act funds as revenues in fiscal year 23-24. However, as discussed above, this increase was mainly driven by nonrecurring revenue sources. Including ARPA federal funds, one-time revenue from a large insurance settlement associated with the fire loss of the Police Department's storage facility. General Fund expenses increased by \$6,160,770 between fiscal year 2022-23 and 2023-24 due to a \$1,777,777 increase in capital outlay spending, a \$2,630,530 increase in public safety expenditures and a \$672,819 increase in spending in public works.

The unassigned fund balance of the City's General Fund decreased \$945,719.

The capital projects fund had a fund balance deficit of \$3,846,438 on September 30, 2024. This deficit will disappear as funds are received from ignite cda as development of the Atlas Riverfront Site generates tax increment funding.

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2024

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

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 \$50,911,136. The total increase in net position for the funds was \$12,424,514. This increase is attributed to the water and wastewater fund operating revenues being \$520,957 higher than the previous year's, the capitalization fees revenue increasing by \$1,805,781 and interest earnings year over year increasing by \$582,564 while operating expenses remained comparable to the previous year. Continued growth in the City and a scheduled increase in rates drove the revenue increase in fiscal year 2023-24.

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 \$9,178,798. \$4.3 million of the amendment was to create capacity for the PD expansion project, funded by ARPA grant revenue and general fund balance. Just over \$1 million of the amendment was to create budget capacity for the Streets department remodel and \$726,739 was for overlay projects budgeted in 2022-23 fiscal year and continued into the 2023-24 fiscal year. \$735,500 was added to the budget to create capacity for the repurchase of property destroyed in the Police Department storage facility fire and a \$722,735 lease of 3 loaders for the Streets Department

Overall expenditures before transfers were \$6,282,666 under the final amended budget and \$2,896,132 over the original budget. Overall revenues before transfers were \$1,040,651 under the final amended budget of \$55,116,604 and \$5,862,906 under the original budget of \$50,294,349. During the fiscal year, the General Fund's fund balance increased by \$1.116 million due to a large insurance settlement and the payoff of an interfund loan originally received from the Wastewater fund. The loan was repaid as detailed earlier on the City's behalf by ignite. This revenue from ignite eliminated the outstanding liability and resulted in a corresponding increase in fund balance. However, this increase does not reflect the receipt of new cash or budgetary savings within the General Fund. The borrowed funds were previously expended at the time of the loan, and this transaction simply removed the obligation to repay. As such, while the transaction improves the General Fund's balance sheet position, it does not represent a gain in financial resources available for future spending.

CAPITAL ASSETS

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of September 30, 2024, amounts to \$346,699,441. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery and equipment, vehicles and subscription arrangements. This balance represents a net increase of \$8,972,552 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.

LONG-TERM DEBT

The City's long-term bonded debt decreased by \$3,851,634 in 2024; leaving a balance of \$31,631,020 at year-end. The City paid down long-term general obligation debt of \$841,434 during fiscal year 2023-24. Additional details of long-term debt activity for the year can be found in Note 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 \$228,438,208 which is significantly higher than the City's net outstanding general obligation debt of \$859,683.

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council chose to take a 3% increase in the amount of property taxes levied of the allowed 3%, and 1% of the increase allowable for recapturing forgone taxes for the 2024-25 budget. In the last 13 years the Council has only taken a portion of the allowed increase 5 times as follows – fiscal year 2023-24 – 3%, fiscal year 2022-23 – 3%, 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 2024-25. Building permit revenue for fiscal year 2024-25 was \$1,884,334 compared to \$1,567,452 the previous year. The building department issued 1,281 permits in fiscal year 2024-25. Idaho experienced a 17.9% growth in population over the past decade, making it the 2nd largest percentage growth state in the nation between 2022 and 2023 and the 10th largest numeric growth state with 34,719 new residents. Kootenai County's population grew 34.47% over that time, making it the 3rd fastest growing county in Idaho. Median housing prices in Kootenai County 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 first quarter of 2025 increased 3.1%. In Coeur d'Alene the unemployment rate in January 2025 was 4.3% with the unemployment count around 3,963. The Idaho unemployment rate for the same month was also 3.8% and the national rate was 4.0%.

There will be scheduled fee increases in 2025 in the water fund, wastewater fund, sanitation 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.

On May 20th, 2025 the City's voters passed a 10-year General Obligation Bond in the amount of \$16.4 million. This bond will pay for fire apparatus replacements, renovations and upgrades to fire stations in the City. The City expects a bond sale late summer early fall of 2025.

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
Finance Director
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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	ignite cda
ASSETS				
Cash and cash equivalents	\$ 35,953,521	\$ 45,836,201	\$ 81,789,722	\$ 10,999,187
Investments	1,114,970	-	1,114,970	-
Receivables:				
Taxes delinquent	285,415	-	285,415	163,656
Accounts	1,023,421	5,012,377	6,035,798	-
Special assessments	47,638	-	47,638	-
Lease	365,467	360,822	726,289	-
Internal balances	(5,989,988)	5,989,988	-	-
Due from other governments	3,982,237	1,167	3,983,404	-
Restricted cash - bond reserve	-	-	-	-
Net pension asset-FRF plan	21,099,023	-	21,099,023	-
Capital assets:				
Land	20,955,500	4,667,226	25,622,726	-
Construction in Progress	4,406,820	9,128,732	13,535,552	12,468,052
Capital assets and intangible assets, net of accumulated depreciation and amortization	101,387,216	206,153,947	307,541,163	-
Total assets	184,631,240	277,150,460	461,781,700	23,630,895
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows-base plan	6,086,696	1,021,075	7,107,771	-
Deferred pension outflows-FRF plan	678,225	-	678,225	-
Total deferred outflows of resources	6,764,921	1,021,075	7,785,996	-
LIABILITIES				
Accounts payable	2,891,675	2,605,304	5,496,979	118,992
Accrued payroll and related costs	-	-	-	10,946
Other accrued liabilities	-	100,000	100,000	-
Due to other governments	-	-	-	18,606
Deposits	259,250	-	259,250	-
Accrued interest payable	2,921	82,517	85,438	-
Long-term liabilities:				
Due within one year	1,276,910	3,019,110	4,296,020	-
Due in more than one year	5,437,705	28,592,824	34,030,529	357,000
Net pension liability-base plan	24,907,252	3,640,395	28,547,647	-
Total liabilities	34,775,713	38,040,150	72,815,863	505,544
DEFERRED INFLOWS OF RESOURCES				
Unearned grant revenue	6,199,504	-	6,199,504	-
Unearned lease contract revenue	399,583	167,029	566,612	-
Deferred pension inflows-base plan	555,251	81,621	636,872	-
Deferred pension inflows-FRF plan	-	-	-	-
Total deferred inflows of resources	7,154,338	248,650	7,402,988	-
NET POSITION				
Net investment in capital assets	124,892,381	188,971,599	313,863,980	12,468,052
Restricted	8,172,610	-	8,172,610	10,657,299
Unrestricted	16,401,119	50,911,136	67,312,255	-
Total net position	\$ 149,466,110	\$ 239,882,735	\$ 389,348,845	\$ 23,125,351

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, 2024

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,689,481	\$ 4,941,694	\$ 840,224	\$ -
Public safety	34,530,864	-	582,196	2,480,629
Public works	8,415,909	-		1,569,800
Culture and recreation	6,127,885	-	30,405	398,024
Interest on long-term debt	178,980	-	-	-
Net pension expense (revenue)	6,195,317	-	-	-
Total governmental activities	64,138,436	4,941,694	1,452,825	4,448,453
Business-type activities:				
Water	7,719,482	7,986,089	-	2,882,446
Wastewater	11,903,543	15,470,111	-	5,284,810
Sanitation	4,724,778	4,934,676	-	-
Other Enterprise	3,005,665	2,944,311	-	-
Net pension expense (revenue)	812,057	-	-	-
Total business-type activities	28,165,525	31,335,187	-	8,167,256
Total primary government	\$ 92,303,961	\$ 36,276,881	\$ 1,452,825	\$ 12,615,709
Component unit:				
ignite cda	\$ 891,646		\$ -	\$ -
Total component unit	\$ 891,646	\$ -	\$ -	\$ -

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
- Gain (loss) on disposal of assets
- Transfers
- Special Item - ignite land transfer cost reimbursement
- Special Items - ignite cda
- Total general revenues, transfer and special items
- Change in net position
- Net position - beginning
- 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			
Primary Government			Component
Governmental Activities	Business-type Activities	Total	Unit
			ignite cda
\$ (2,907,563)	\$ -	\$ (2,907,563)	\$ -
(31,468,039)	-	(31,468,039)	-
(6,846,109)	-	(6,846,109)	-
(5,699,456)	-	(5,699,456)	-
(178,980)	-	(178,980)	-
(6,195,317)	-	(6,195,317)	-
(53,295,464)	-	(53,295,464)	-
-	3,149,053	3,149,053	-
-	8,851,378	8,851,378	-
-	209,898	209,898	-
-	(61,354)	(61,354)	-
-	(812,057)	(812,057)	-
-	11,336,918	11,336,918	-
(53,295,464.00)	11,336,918	(41,958,546)	-
			(891,646)
			(891,646)
27,134,606	-	27,134,606	2,656,322
6,410,734	-	6,410,734	-
4,272,792	-	4,272,792	-
4,073,505	-	4,073,505	-
1,376,953	-	1,376,953	-
4,785,353	1,190,334	5,975,687	-
1,601,425	3,108,526	4,709,951	139,451
1,963,484	-	1,963,484	56,282
(1,289,734)	68,794	(1,220,940)	1,323,796
3,280,058	(3,280,058)	-	-
3,605,470	-	3,605,470	(3,605,470)
-	-	-	(8,521,000)
57,214,646	1,087,596	58,302,242	(7,950,619)
3,919,182	12,424,514	16,343,696	(8,842,265)
145,546,928	227,458,221	373,005,149	31,967,616
\$ 149,466,110	\$ 239,882,735	\$ 389,348,845	\$ 23,125,351

City of Coeur d'Alene, Idaho

**BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024**

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 19,526,707	\$ 6,036,156	\$ 10,390,658	\$ 35,953,521
Investments	-	-	1,114,970	1,114,970
Receivables:				
Taxes delinquent	224,014	-	61,401	285,415
Accounts	1,009,628	-	13,793	1,023,421
Special assessments	-	-	47,638	47,638
Lease	-	-	365,467	365,467
Due from other governments	3,152,477	823,080	6,680	3,982,237
Due from other funds	47,639	-	-	47,639
Total assets	<u>\$ 23,960,465</u>	<u>\$ 6,859,236</u>	<u>\$ 12,000,607</u>	<u>\$ 42,820,308</u>
LIABILITIES				
Accounts payable	\$ 2,356,986	\$ 373,394	\$ 161,295	\$ 2,891,675
Due to other funds	-	5,989,989	47,638	6,037,627
Deposits	259,250	-	-	259,250
Total liabilities	<u>2,616,236</u>	<u>6,363,383</u>	<u>208,933</u>	<u>9,188,552</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned grant revenue	1,857,213	4,342,291	-	6,199,504
Unearned lease contract revenue	-	-	399,583	399,583
Unavailable revenue- property taxes	224,014	-	61,401	285,415
Total deferred inflows of resources	<u>2,081,227</u>	<u>4,342,291</u>	<u>460,984</u>	<u>6,884,502</u>
FUND BALANCES (DEFICITS)				-
Restricted	875,497	-	7,297,113	8,172,610
Committed	5,555,605	-	3,449,023	9,004,628
Assigned	833,689	-	584,554	1,418,243
Unassigned	11,998,211	(3,846,438)	-	8,151,773
Total fund balances	<u>\$ 19,263,002</u>	<u>(3,846,438)</u>	<u>11,330,690</u>	<u>26,747,254</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 23,960,465</u>	<u>\$ 6,859,236</u>	<u>\$ 12,000,607</u>	<u>\$ 42,820,308</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, 2024**

Total fund balances at September 30, 2024 - Governmental Funds		\$ 26,747,254
Cost of capital assets at September 30, 2024	248,579,500	
Less: Accumulated depreciation and amortization as of September 30, 2024	(121,829,964)	126,749,536
Net pension asset-FRF		21,099,023
Net pension liability-base plan		(24,907,252)
Deferred pension outflows-base plan		6,086,696
Deferred pension outflows-FRF plan		678,225
Elimination of deferred revenue		285,415
Accrued interest		(2,921)
Deferred pension inflows-base plan		(555,251)
Deferred pension inflows-FRF plan		-
Long-term liabilities at September 30, 2024		
Leases	(644,124)	
Subscription liabilities	(216,146)	
General obligation debt	(859,683)	
Bond premium net of amortization	(7,739)	
Compensated absences	(4,986,923)	(6,714,615)
Net position at September 30, 2024		<u>\$ 149,466,110</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, 2024**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	24,573,943	\$ -	\$ 2,689,940	\$ 27,263,883
Licenses and permits	7,126,919	-	-	7,126,919
Intergovernmental	19,907,291	2,119,939	425,484	22,452,714
Charges for services	356,436	-	1,385,460	1,741,896
Fines and forfeits	345,555	-	116	345,671
Assessments collected	-	-	-	-
Investment (loss) earnings	940,962	88,650	571,813	1,601,425
Contributions	-	20,231	-	20,231
Miscellaneous	1,721,137	-	317,225	2,038,362
Total revenues	<u>54,972,243</u>	<u>2,228,820</u>	<u>5,390,038</u>	<u>62,591,101</u>
EXPENDITURES				
Current:				
General government	8,590,086	-	406,732	8,996,818
Public safety	33,070,261	-	-	33,070,261
Public works	7,436,829	15,218	-	7,452,047
Culture and recreation	3,543,701	-	1,907,689	5,451,390
Capital outlay	5,563,127	1,697,359	1,029,073	8,289,559
Debt service:				
Principal payments	493,491	-	841,434	1,334,925
Interest and fiscal agent fees	33,881	115,360	34,873	184,114
Total expenditures	<u>58,731,376</u>	<u>1,827,937</u>	<u>4,219,801</u>	<u>64,779,114</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(3,759,133)</u>	<u>400,883</u>	<u>1,170,237</u>	<u>(2,188,013)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds on sale of capital assets	60,282	-	-	60,282
Proceeds from capital lease financing	722,732	-	-	722,732
ignite CDA land transfer reimbursement costs	1,185,012	2,420,458	-	3,605,470
Operating transfers in	3,572,817	941,979	299,068	4,813,864
Operating transfers out	<u>(665,000)</u>	<u>(160,687)</u>	<u>(708,119)</u>	<u>(1,533,806)</u>
Total other financing sources (uses)	<u>4,875,843</u>	<u>3,201,750</u>	<u>(409,051)</u>	<u>7,668,542</u>
Net change in fund balances	1,116,710	3,602,633	761,186	5,480,529
Fund balances (deficits) - beginning of year	18,146,292	(7,449,071)	10,569,504	21,266,725
Fund balances (deficits) - end of year	<u><u>19,263,002</u></u>	<u><u>\$ (3,846,438)</u></u>	<u><u>\$ 11,330,690</u></u>	<u><u>\$ 26,747,254</u></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, 2024**

Total net changes in fund balances for year ended September 30, 2024	\$ 5,480,529
Add: Capital outlay which is considered expenditures	8,289,559
Add: Subscription based information technology expense	27,183
Less: Depreciation and amortization expense for the year ended September 30, 2024	(6,471,207)
Add: Donated assets	-
Less: Proceeds from asset disposal	(60,282)
Add: Gain on asset disposal	(1,289,734)
Add: Current year PERSI contributions	3,932,719
Less: PERSI pension plan expense	(6,195,317)
Elimination of interfund revenues and expenditures:	
Add: Interfund transfers out	1,533,806
Less: Interfund transfers in	(1,533,806)
Less: Change in compensated absence accrual for the year ended September 30, 2024	(342,691)
Add: Debt principal payments considered as an expenditure	1,334,925
Add: Net change in subscription based liabilities/expense	54,914
Less: Proceeds from capital lease	(722,732)
Add: Change in accrued interest	2,859
Add: Bond Premium Amortization	7,734
Less: Difference between revenue earned on property taxes on modified accrual basis versus revenue on property taxes on accrual basis	<u>(129,277)</u>
Change in net position for year ended September 30, 2024	<u><u>\$ 3,919,182</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, 2024**

	Business-type Activities - Enterprise Funds				
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	Total Current Year
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,301,669	\$ 32,090,102	\$ 738,641	\$ 2,705,789	\$ 45,836,201
Receivables:					
Accounts, net of allowance for uncollectible accounts	1,838,182	2,090,069	451,525	632,601	5,012,377
Lease receivable	360,822	-	-	-	360,822
Due from other governments	1,167	-	-	-	1,167
Due from other funds	-	5,989,988	-	-	5,989,988
Prepaid expenses	-	-	-	-	-
Total current assets	12,501,840	40,170,159	1,190,166	3,338,390	57,200,555
Capital assets:					
Land	566,534	1,528,020	-	2,572,672	4,667,226
Construction in Progress	1,286,060	7,842,672	-	-	9,128,732
Capital assets, net of accumulated depreciation	75,335,570	114,923,984	-	15,894,393	206,153,947
Total capital assets, net	77,188,164	124,294,676	-	18,467,065	219,949,905
Total non-current assets	77,188,164	124,294,676	-	18,467,065	219,949,905
Total assets	89,690,004	164,464,835	1,190,166	21,805,455	277,150,460
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension outflows	398,557	585,758	-	36,760	1,021,075
LIABILITIES					
Current liabilities:					
Accounts payable	640,651	1,484,112	374,125	106,416	2,605,304
Claims liability	-	100,000	-	-	100,000
Accrued interest	10,938	71,579	-	-	82,517
Current portion of compensated absences	23,457	12,466	-	-	35,923
Current portion of leases payable	12,481	-	-	-	12,481
Current portion of bonds/loan payable	-	2,970,706	-	-	2,970,706
Total current liabilities	687,527	4,638,863	374,125	106,416	5,806,931
Non-current liabilities:					
Compensated absences	255,789	294,858	-	47,058	597,705
Leases Payable	202,227	-	-	-	202,227
Bonds/loan payable, net of unamortized discounts	-	27,792,892	-	-	27,792,892
Net pension liability	1,505,496	1,981,458	-	153,441	3,640,395
Total non-current liabilities	1,963,512	30,069,208	-	200,499	32,233,219
Total liabilities	2,651,039	34,708,071	374,125	306,915	38,040,150
DEFERRED INFLOWS OF RESOURCES					
Deferred pension inflows	34,085	43,973	-	3,563	81,621
Unearned contract revenue	167,029	-	-	-	167,029
	201,114	43,973	-	3,563	248,650
NET POSITION					
Net investment in capital assets	76,973,456	93,531,078	-	18,467,065	188,971,599
Unrestricted	10,262,952	36,767,471	816,041	3,064,672	50,911,136
Total net position	\$ 87,236,408	\$ 130,298,549	\$ 816,041	\$ 21,531,737	\$ 239,882,735

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, 2024**

	Business-type Activities - Enterprise Funds				Total
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	
OPERATING REVENUES					
Services	\$ 7,986,089	\$ 15,470,111	\$ 4,934,676	\$ 2,944,311	\$ 31,335,187
OPERATING EXPENSES					
Administration	3,079,073	1,074,290	5,878	271,253	4,430,494
Maintenance	-	-	-	389,815	389,815
Pumping	1,221,734	-	-	-	1,221,734
Treatment	34,587	4,191,802	-	-	4,226,389
Collection	-	883,178	-	-	883,178
Transportation and distribution	114,588	-	-	-	114,588
Supplies	12,538	-	-	69,802	82,340
Contracted services	-	-	4,717,769	882,400	5,600,169
Depreciation	3,242,212	4,761,607	-	1,391,667	9,395,486
Bad debt	7,654	3,160	1,131	728	12,673
Net pension expense (revenue)	364,863	447,194	-	-	812,057
Total operating expenses	8,077,249	11,361,231	4,724,778	3,005,665	27,168,923
Operating (loss) income	(91,160)	4,108,880	209,898	(61,354)	4,166,264
NONOPERATING REVENUES (EXPENSES)					
Capitalization fees	961,765	2,985,330	-	-	3,947,095
Amortization	-	486,812	-	-	486,812
Investment income	493,132	1,958,213	49,757	120,612	2,621,714
Grant income	236,651	-	-	953,683	1,190,334
Gain on sale of assets	27,322	16,735	-	24,737	68,794
Interest expense	(7,096)	(989,506)	-	-	(996,602)
Total non-operating revenues (expenses)	1,711,774	4,457,584	49,757	1,099,032	7,318,147
Income before contributions and transfers	1,620,614	8,566,464	259,655	1,037,678	11,484,411
Capital contributions	1,920,681	2,299,480	-	-	4,220,161
Operating transfers in	-	-	-	-	-
Operating transfers out	(739,176)	(903,923)	(741,200)	(895,759)	(3,280,058)
Change in net position	2,802,119	9,962,021	(481,545)	141,919	12,424,514
Total net position - beginning	84,434,289	120,336,528	1,297,586	21,389,818	227,458,221
Total net position - ending	\$ 87,236,408	\$ 130,298,549	\$ 816,041	\$ 21,531,737	\$ 239,882,735

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, 2024**

	Business-type Activities - Enterprise Funds				
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 7,898,060	\$ 18,854,259	\$ 4,897,660	\$ 3,182,640	\$ 34,832,619
Payments to suppliers	(1,969,723)	(2,782,973)	(4,749,348)	(1,943,559)	(11,445,603)
Payments to employees	(2,659,808)	(3,101,922)	-	277,293	(5,484,437)
Net cash provided by operating activities	3,268,529	12,969,364	148,312	1,516,374	17,902,579
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating transfers in	-	-	-	-	-
Operating transfers out	(739,176)	(903,923)	(741,200)	(895,759)	(3,280,058)
Net cash (used) by noncapital financing activities	(739,176)	(903,923)	(741,200)	(895,759)	(3,280,058)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond payments	-	(2,515,657)	-	-	(2,515,657)
Capital lease payments	-	(246,796)	-	-	(246,796)
New debt issuance	107,870	-	-	-	107,870
Interest paid	-	(1,004,948)	-	-	(1,004,948)
Capital asset purchases	(3,020,880)	(9,329,560)	-	(265,002)	(12,615,442)
Capitalization Fees	961,765	2,985,330	-	-	3,947,095
Contributions	236,651	-	-	24,737	261,388
Proceeds from the sale of assets	27,322	16,735	-	-	44,057
Net cash (used) by financing activities	(1,687,272)	(10,094,896)	-	(240,265)	(12,022,433)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	493,132	1,958,213	49,757	120,612	2,621,714
Net cash provided by investing activities	493,132	1,958,213	49,757	120,612	2,621,714
Net (decrease) increase in cash and cash equivalents	1,335,213	3,928,758	(543,131)	500,962	5,221,802
Cash and cash equivalents, beginning of year	8,966,456	28,161,344	1,281,772	2,204,827	40,614,399
Cash and cash equivalents, end of year	\$ 10,301,669	\$ 32,090,102	\$ 738,641	\$ 2,705,789	\$ 45,836,201
Reconciliation of operating income to net cash provided by operating activities:					
Operating (loss) income	\$ (91,160)	\$ 4,108,880	\$ 209,898	\$ (61,354)	\$ 4,166,264
Adjustments to reconcile operating (loss) income to net cash provided by (used for) operating activities:					
Depreciation expense	3,158,978	4,761,607	-	1,391,667	9,312,252
(Gain) loss on sale of capital assets	-	-	-	-	-
(Increase) decrease in accounts receivable	(100,615)	(105,963)	(37,016)	(118,929)	(362,523)
(Increase) decrease in lease receivable	34,749	-	-	-	34,749
(Increase) decrease in due from special assessment receivable	-	-	-	-	-
(Increase) decrease in due from other governments	(1,167)	-	-	357,258	356,091
(Increase) decrease in due from other funds	-	3,490,111	-	-	3,490,111
(Increase) decrease in net pension asset	-	-	-	-	-
(Increase) decrease in prepaid expenses	-	-	-	-	-
(Increase) decrease in deferred outflows of resources	213,557	261,746	-	21,324	496,627
Increase (decrease) in accounts payable	96,589	478,962	(24,570)	(64,186)	486,795
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in compensated absences	21,201	26,242	-	(5,152)	42,291
Increase (decrease) increase in net pension liability	(62,248)	(76,294)	-	(6,215)	(144,757)
Increase (decrease) increase in deferred inflows of resources	19,641	24,073	-	1,961	45,675
Increase (decrease) increase in unearned contract revenue	(20,996)	-	-	-	(20,996)
Net cash provided by operating activities	\$ 3,268,529	\$ 12,969,364	\$ 148,312	\$ 1,516,374	\$ 17,902,579
Non-cash capital and related financing activities:					
\$1,920,681,219 of water lines were donated to the water fund by developers.					
\$2,299,480 of sewer lines were donated to the wastewater fund by developers.					

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, 2024**

	Police Retirement Pension Trust Funds	Sales Tax Custodial Fund	Homeless Custodial Fund	Business Improvement District Custodial Fund	Kootenai County Solid Waste Custodial Fund	EMS Impact Fees Custodial Fund	City of Coeur d'Alene Employee Benefits Trust
ASSETS							
Cash and cash equivalents	\$ 166,637	\$ 1,710	\$ 350	\$ 422,111	\$ 264,648	\$ 4,972	\$ 1,352,969
Investments	297,667	-	-	-	-	-	2,661,271
Due from other government unit	319	-	-	-	-	-	-
Due from other funds	-	34	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-
Taxes receivable	1,196	-	-	-	-	-	-
Accounts receivable	-	-	-	65,653	-	-	58,528
Total assets	<u>465,819</u>	<u>1,744</u>	<u>350</u>	<u>487,764</u>	<u>264,648</u>	<u>4,972</u>	<u>4,072,768</u>
LIABILITIES							
Claims payable	-	-	350	-	264,648	-	280,483
Deferred revenues	1,196	-	-	-	-	-	-
Health claims incurred but not paid	-	-	-	-	-	-	696,672
Due to other governments	-	1,744	-	-	-	4,972	-
Total liabilities	<u>1,196</u>	<u>1,744</u>	<u>350</u>	<u>-</u>	<u>264,648</u>	<u>4,972</u>	<u>977,155</u>
NET POSITION							
Restricted for:							
Police retirement	464,623	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-
Homeless	-	-	-	-	-	-	-
Business improvement district	-	-	-	487,764	-	-	-
Kootenai County solid waste	-	-	-	-	299,375	-	-
City Employee Benefits Trust	-	-	-	-	-	-	3,154,270
Total net position	<u>\$ 464,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 487,764</u>	<u>\$ 299,375</u>	<u>\$ -</u>	<u>\$ 3,154,270</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, 2024**

	Police Retirement Pension Trust Fund	Sales Tax Custodial Fund	Homeless Trust Custodial Fund	Business Improvement District Custodial Fund	Kootenai County Solid Waste Custodial Fund	EMS Impact Fees Custodial Fund	City of Coeur d'Alene Employee Benefits Trust
ADDITIONS							
Contributions	\$ 145,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,616,270
Interest	10,256	-	-	21,027	-	-	104,379
Net increase (decrease) in the fair value of investments	14,281	-	-	-	-	-	-
Sales tax collected for other governments	-	29,379	-	-	-	-	-
Contributions for homeless	-	-	5,895	-	-	-	-
Revenues for the business improvement district	-	-	-	172,464	-	-	-
Revenues for Kootenai County solid waste	-	-	-	-	3,261,598	-	-
Revenues for Kootenai County EMS	-	-	-	-	-	45,117	-
Interest	-	-	-	-	-	-	-
Total additions	170,169	29,379	5,895	193,491	3,261,598	45,117	6,720,649
DEDUCTIONS							
Pension expense	143,344	-	-	-	-	-	-
Payments of sales tax collected for other governments	-	29,379	-	-	-	-	-
Beneficiary payments to individuals	-	-	5,895	-	-	-	-
Payments to other entities	-	-	-	1,200	-	-	-
Payments of solid waste revenue for other governments	-	-	-	-	3,256,053	-	-
Payments of impact fee revenue for other governments	-	-	-	-	-	45,117	-
Insurance claim benefits	-	-	-	-	-	-	5,350,126
Change in health claims incurred but not paid	-	-	-	-	-	-	(82,490)
Stop loss premiums	-	-	-	-	-	-	610,392
Script sourcing	-	-	-	-	-	-	173,720
Administrative expenses	1,452	-	-	125,000	-	-	446,184
Total deductions	144,796	29,379	5,895	126,200	3,256,053	45,117	6,497,932
Net increase (decrease) in fiduciary net position	25,373	-	-	67,291	5,545	-	222,717
Net position, beginning of year	439,250	-	-	420,473	293,830	-	2,931,553
Net position, end of year	\$ 464,623	\$ -	\$ -	\$ 487,764	\$ 299,375	\$ -	\$ 3,154,270

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, 2024

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, 2024

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 proprietary 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, 2024

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 24 and 25:

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 property taxes, 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, 2024

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 Finance Director is the budget officer, and as such, it is the Finance Director's duty to compile and prepare a preliminary budget for consideration by the City Council. On or before the first Tuesday in August, the Finance Director 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 Finance Director, 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, 2024

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, 2024, 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.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Inventory

The City had no significant inventories on September 30, 2024.

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.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

	<u>Years</u>
Bond premium and discounts:	
2022A Sewer Revenue Refunding Bonds	20
2022B 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 71% 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, 2024, the total compensated absences payable by the City was \$5,620,551.

Compensated absences are reported as follows in the financial statements:

Governmental activities	\$ 4,986,923
Business-type activities	633,628
	<u>\$ 5,620,551</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 2023-24 fiscal year were as follows: library fund - .000153, general obligation bonds .000070, police retirement .000012 and general fund -.002035.

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.

Deficit Fund Balances

Deficit fund balances as of September 30, 2024 included capital projects funds which had a net deficit fund balance of \$3,846,438. This deficit is primarily related to the Riverstone Mill Site, which has a deficit fund balance of \$5,989,989. 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, the first payments were made in the 2023-24 fiscal year.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

As of October 1, 2022, the City adopted GASB Statement No, 96, Subscription-Based Information Technology Arrangements (SBITA) with the fiscal year ending September 30, 2024. This statement will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. Implementation of GASB 96 restated the capital assets and long-term liability balances but had no effect on beginning net position.

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.

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 \$88,077,027 and the bank balance is \$89,442,196. As of September 30, 2024, the City's deposits and investments were exposed to custodial credit risk as follows:

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Deposits and investments without exposure to custodial credit risk:

Deposits:

Amounts insured by FDIC	\$ 74,255,854
	<u>74,255,854</u>

Investments:

Amount registered in the name of the City	1,412,636
Total deposits and investments without exposure to custodial credit risk	<u>75,668,490</u>

Deposits and investments with exposure to custodial credit risk:

Deposits:

Amounts uninsured	13,570,435
Amount collateralized with securities held in trust, but not in the City's name	-
	<u>13,570,435</u>

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	<u>13,570,435</u>
Total Deposits and Investments	<u>\$ 89,442,196</u>

Cash and cash equivalents at September 30, 2024 consist of the following:

Deposits (checks in excess of deposits)	\$ 3,392,624
Cash on hand	1,350
Short-term certificates of deposit	18,662,884
Money market	17,768,909
Idaho State Investment Pool	46,838,623
Total	<u>86,664,389</u>

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

Governmental activities	35,953,522
Business-type activities	45,836,200
Police retirement pension trust fund	166,637
Sales tax agency fund	1,710
Homeless custodial agency fund	350
Business improvement district agency fund	422,111
Kootenai County Emergency Medical Services System impact fees	4,972
City of Coeur d'Alene employee benefits trust	4,014,240
Kootenai county solid waste agency fund	264,648
Total	<u>86,664,390</u>

Investments are presented in the Financial Statements as follows:

Governmental activities	1,114,970
Police retirement pension trust fund	297,667
Total	<u>1,412,637</u>
Total Cash and Investments	<u>\$ 88,077,027</u>

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.

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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, 2024, the City had the following investments (and associated maturities) in its internal investment portfolio:

Maturity	Investment	Cost	% of Total	Fair Value & Carrying Amount	Maturity			
					Less than 1 year	Less than 2 years	2-5 years	6-10 years
10/1/2024	Simon Property Group LP	30,559	2%	30,000	30,000			-
10/31/2024	U S Treasury Note	50,000	4%	49,976	49,976			-
2/28/2025	U S Treasury Note	51,141	3%	49,324	49,324			-
6/12/2025	Toronto Dominion Bank	50,715	3%	48,837	48,837			-
8/31/2025	U S Treasury Note	99,977	7%	96,613	96,613			-
9/23/2025	F H L M C M T N	99,559	7%	96,533	96,533			-
2/15/2026	U S Treasury Note	25,977	2%	24,277		24,277		-
2/15/2026	U S Treasury Note	103,906	7%	97,106		97,106		-
2/28/2026	U S Treasury Note	102,695	7%	98,234		98,234		-
6/24/2026	Bank Of Nova Sco	50,289	3%	47,763		47,763		-
9/24/2026	F N M A	51,473	3%	48,245		48,245		-
9/24/2026	F N M A	102,946	7%	96,489		96,489		-
10/5/2026	Morgan Stanley Bk N A Salt Lak	140,000	10%	143,492			143,492	-
10/15/2026	Emerson Elec Co	48,619	3%	47,079			47,079	-
10/16/2026	Emerson Elec Co	97,237	7%	94,157			94,157	-
1/26/2027	Bank Of Ny Mellon Corp	47,877	3%	47,877			47,877	-
3/15/2027	Ubs Bk USA Salt Lake City Ut	49,925	4%	50,867			50,867	-
3/15/2027	Ubs Bk USA Salt Lake City Ut	99,850	7%	101,734			101,734	-
6/14/2027	Forbright Bk Potomac Md	39,940	3%	41,053			41,053	-
12/6/2027	Wells Fargo Bk N A Sioux Falls	100,000	7%	102,984			102,984	-
		<u>\$ 1,442,684</u>		<u>\$ 1,412,636</u>	<u>\$ 371,282</u>	<u>\$ 412,113</u>	<u>\$ 629,241</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	\$ 415,529	\$ 195,912	\$ 219,617	\$ -	\$ -
U.S. Agencies	\$ 241,267	\$ 96,533	\$ 144,734	\$ -	-
U.S. Corporations	\$ 659,241	\$ 30,000	\$ -	\$ 629,241	-
Foreign Corporations	\$ 96,600	\$ 48,837	\$ 47,763	\$ -	-
	<u>\$ 1,412,636</u>	<u>\$ 371,282</u>	<u>\$ 412,113</u>	<u>\$ 629,241</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.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 2 - CASH AND INVESTMENTS (CONCLUDED)

Fair value:

The securities registered in the City's name were purchased at a cost of \$1,442,684. The net loss of \$30,047 (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 gain of \$64,169 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 \$46,838,623. The City's portion of the State Investment Pool had an unrealized gain of \$121,465 as of September 30, 2024, 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, 2024:

Franchise and utility receivables	\$ 923,649
Miscellaneous receivables	99,772
	<u>\$ 1,023,421</u>

Business-type activities:

Accounts receivable consist of the following as of September 30, 2024:

Amounts due from customers	\$ 5,020,667
Less allowance for uncollectible accounts	(8,290)
	<u>\$ 5,012,377</u>

NOTE 4 - SPECIAL ASSESSMENTS RECEIVABLE

Special assessments receivable from benefited property owners of public improvements consist of the following as of September 30, 2024 and are recorded in the debt service fund:

Governmental activities:

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

Deferred principal amounts not currently due, but due at a future date	<u>\$ 47,639</u>
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See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

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, 2024 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 \$2,437 are being made to the City.

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. In 2023, the company changed hands from the Luntsenterprises to No Limits Aviation Inc., dba Brooke's Seaplane Service, and Scenic Adventure Flights LLC. The contract with Brookes Seaplanes was extended to March 31st, 2024. The yearly payment for fiscal year 2023-24 was \$7,355.

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. The yearly payment for fiscal year 2022-23 was \$49,976.

During the year ended September 30, 2024, the City established a lease with Majestic Eagle LLC for a mobile food concession at Independence Point. Under the terms of this lease, the 2024 season lease revenue is pro-rated due to the late start of the season. Year two fees will be \$5,000 and year three fees will be \$6,000. The yearly payment for fiscal year 2023-24 was \$4,500.

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 were made to the City over a three-year period and in February 2023 the lease agreement was extended for three more years. In the extension of the lease, the lease fee was increased to \$5,000 per year and will be subject to an increase based on the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

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. Per the terms of the contract, the lessee may request an extension for three years. In September 2023, the lessee requested an extension which the City granted. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. The yearly payment for fiscal year 2023-24 was \$12,327.

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. The yearly payment for fiscal year 2023-24 was \$18,551.

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. The yearly payment for fiscal year 2023-24 was \$11,665.

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. This lease was assigned to VMC Northwest LLC in the fall of 2023. 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 yearly payment for fiscal year 2023-24 was \$13,651.

During the year ended September 30, 2022 the City established a lease with King Morton, LLC for five years for the right to operate a water-based boat delivery system, available to the public, for rental of watercraft, captained surf boats, and pontoon boats on the Spokane River near Harbor Center. Under the terms of this lease, yearly payments of \$20,000 are made to the City for a five-year period commencing June 7, 2022. The lessee may request a five-year extension.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 5 - LEASE INCOME (CONTINUED)

The following is a schedule of future payments included in the measurement of the lease receivable as of September 30, 2024:

Parks Capital Improvement Fund:

Year Ended September 30,	Principal	Interest	Total
2025	\$ 160,004	\$ 7,377	\$ 167,381
2026	152,171	4,147	156,318
2027	39,954	1,242	41,196
2028	13,338	269	13,607
	<u>\$ 365,467</u>	<u>\$ 13,035</u>	<u>\$ 378,502</u>

Water Fund:

Year Ended September 30,	Principal	Interest	Total
2025	36,806	\$ 11,327	\$ 48,133
2026	38,957	10,036	48,993
2027	43,020	8,643	51,663
2028	45,613	7,125	52,738
2029	48,154	5,523	53,677
2030-2034	148,272	8,656	156,928
	<u>\$ 360,822</u>	<u>\$ 51,310</u>	<u>\$ 412,132</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 6- CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2024 is as follows:

Plant, equipment and intangibles and accumulated depreciation/amortization for governmental activities are as follows:

	September 30, 2023	Additions	Deletions	Transfers Adjustments	September 30, 2024
Governmental activities:					
Land	\$ 20,955,500	\$ -	\$ -	\$ -	\$ 20,955,500
Construction in progress	693,311	3,775,672	-	(62,163)	4,406,820
Total capital assets, not being depreciated	<u>21,648,811</u>	<u>3,775,672</u>	<u>-</u>	<u>(62,163)</u>	<u>25,362,320</u>
Buildings	26,426,633	1,454,811	993,569	62,163	26,950,038
Other Improvements	19,311,402	664,501	51,123	-	19,924,780
Equipment	33,453,483	2,048,487	1,430,474	-	34,071,496
Infrastructure	141,545,512	346,089	-	-	141,891,601
Subscription arrangements	352,083	27,183	-	-	379,266
Total capital assets, being depreciated and amortized	<u>221,089,113</u>	<u>4,541,071</u>	<u>2,475,166</u>	<u>62,163</u>	<u>223,217,181</u>
Less: accumulated depreciation and amortization					
Buildings	13,249,992	777,855	173,815	-	13,854,032
Other Improvements	6,896,379	635,539	51,123	-	7,480,795
Equipment	22,775,598	1,674,994	900,212	-	23,550,380
Infrastructure	73,541,598	3,298,997	-	-	76,840,595
Subscription arrangements	20,341	83,822	-	-	104,163
	<u>116,483,908</u>	<u>6,471,207</u>	<u>1,125,150</u>	<u>-</u>	<u>121,829,965</u>
Total capital assets being depreciated, net	<u>104,605,205</u>	<u>(1,930,136)</u>	<u>1,350,016</u>	<u>62,163</u>	<u>101,387,216</u>
Governmental activities capital assets net	<u>\$ 126,254,016</u>	<u>\$ 1,845,536</u>	<u>\$ 1,350,016</u>	<u>\$ -</u>	<u>\$ 126,749,536</u>

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

Governmental activities:

General government	\$ 253,203
Public Works	1,219,233
Culture and Recreation	1,005,486
Public Safety	3,993,285
	<u>\$ 6,471,207</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 6 - CAPITAL ASSETS (CONCLUDED)

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

	September 30, 2023	Additions	Deletions	Transfers/ Adjustments	September 30, 2024
Business-type activities:					
Land	\$ 4,667,226	\$ -	\$ -	\$ -	\$ 4,667,226
Construction in progress	7,120,098	7,092,716	-	(5,084,081)	9,128,733
Total capital assets, not being depreciated	<u>11,787,324</u>	<u>7,092,716</u>	<u>-</u>	<u>(5,084,081)</u>	<u>13,795,959</u>
Reservoir	7,020,237	-	-	-	7,020,237
Wells and booster stations	13,453,650	345,547	-	3,984,319	17,783,516
Distribution system	106,330,679	3,421,691	-	-	109,752,370
Collection	56,464,794	3,285,418	-	-	59,750,212
Plant	141,957,667	1,323,335	-	1,099,762	144,380,764
Street lights	790,986	-	-	-	790,986
Equipment	14,850,196	1,335,869	328,178	-	15,857,887
Improvements	26,559,664	1,151,176	-	-	27,710,840
	<u>367,427,873</u>	<u>10,863,036</u>	<u>328,178</u>	<u>5,084,081</u>	<u>383,046,812</u>
Less: accumulated depreciation					
Reservoir	5,680,080	204,446	-	-	5,884,526
Wells and booster stations	5,660,996	352,820	-	-	6,013,816
Distribution system	48,701,067	2,278,484	-	-	50,979,551
Collection	17,802,264	1,025,302	-	-	18,827,566
Plant	68,373,273	3,473,975	-	-	71,847,248
Street lights	739,779	6,357	-	-	746,136
Equipment	9,260,087	941,545	244,945	-	9,956,687
Improvements	11,524,779	1,112,557	-	-	12,637,336
	<u>167,742,325</u>	<u>9,395,486</u>	<u>244,945</u>	<u>-</u>	<u>176,892,866</u>
Total capital assets being depreciated, net	<u>199,685,548</u>	<u>1,467,550</u>	<u>83,233</u>	<u>5,084,081</u>	<u>206,153,946</u>
Business-type activities capital assets net	<u>\$ 211,472,872</u>	<u>\$ 8,560,266</u>	<u>\$ 83,233</u>	<u>\$ -</u>	<u>\$ 219,949,905</u>

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

Business-type activities:	
Water	\$ 3,242,212
Wastewater	4,761,607
Street Lighting	6,357
Drainage	503,877
Public Parking	881,433
	<u>\$ 9,395,486</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 7 – BONDS, LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Balance 10/1/2023	Additions	Deletions	Balance 9/30/2024	Due Within One Year	Due Within More Than One Year
Governmental activities:						
General obligation bonds payable	\$ 1,701,117	\$ -	\$ 841,434	\$ 859,683	\$ 859,683	\$ -
Deferred amounts:						
For issuance premium	15,470	-	7,731	7,739	7,739	-
Total bonds payable	1,716,587	-	849,165	867,422	867,422	-
Capital leases	414,883	722,732	493,491	644,124	37,443	606,681
Subscription IT liabilities	271,060	19,586	74,499	216,147	79,240	136,907
Compensated absences	4,644,235	342,688	-	4,986,923	292,805	4,694,118
Governmental activities Long-term liabilities	<u>\$ 7,046,765</u>	<u>\$ 1,085,006</u>	<u>\$ 1,417,155</u>	<u>\$ 6,714,616</u>	<u>\$ 1,276,910</u>	<u>\$ 5,437,706</u>
Business-type activities:						
Revenue bonds payable	\$ 29,710,405		\$ 2,515,657	\$ 27,194,748	\$ 2,613,821	\$ 24,580,927
Deferred amounts:						
For issuance premium	4,055,662		486,812	3,568,850	356,885	3,211,965
Total bonds payable	33,766,067	-	3,002,469	30,763,598	2,970,706	27,792,892
Capital Leases	353,634	240,911	379,837	214,708	12,481	202,227
Compensated absences	591,337	42,291		633,628	35,923	597,705
Business-type activities Long-term liabilities	<u>\$ 34,711,038</u>	<u>\$ 283,202</u>	<u>\$ 3,382,306</u>	<u>\$ 31,611,934</u>	<u>\$ 3,019,110</u>	<u>\$ 28,592,824</u>

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

Revenue bonds payable from the wastewater fund at September 30, 2024, 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, 2024**

**NOTE 7 – BONDS, LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY
ARRANGEMENTS (CONTINUED)**

Revenue bonds payable from the wastewater fund at September 30, 2024 (continued):

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2013 Sewer Revenue Bonds	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>\$5,359,748</u>	<u>\$121,400</u>	<u>\$5,481,148</u>

On December 1, 2022, the City issued the "Series 2022 Bonds" sewer revenue bonds. The Series 2022 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 2022 A Bonds. The Series 2022 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 2022 B Bonds. The Series 2022 Bonds bear interest payable semiannually on each March 1 and September 1, beginning March 1, 2023 to the maturity of the Series 2022 Bonds. Principal will be payable annually each September 1.

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2021A Sewer Revenue Refunding Bonds	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>\$21,835,000</u>	<u>\$4,718,200</u>	<u>\$26,553,200</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 7 – BONDS, LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

General Obligation Bonds payable for the governmental activities at September 30, 2024, 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 1st of August and shall bear interest at the rate of 2.05% payable semiannually on February 1st and August 1st 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 1st and shall bear interest at the rate of 2.05% payable semiannually on February 1st and August 1st in each year until maturity.

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:	2025	2.05%	668,215	13,698	681,913
Total 2015A Public Safety Bonds			\$668,215	\$13,698	\$681,913
Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2015B Public Safety Bonds:	2025	2.05%	191,468	3,925	195,393
Total 2015B Public Safety Bonds			191,468	3,925	195,393
Total General Obligation Bonds			\$859,683	\$17,623	\$877,306

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, 2024.

Capital Leases – On December 31, 2014, the City of Coeur d'Alene entered into a lease-purchase agreement with John Deere Financial for the acquisition of a grader, with a total purchase price of \$238,075. The agreement required annual payments of \$20,591, due each December 31 for a period of five years beginning in 2014. A balloon payment of \$156,700 was due on December 31, 2019. Rather than exercising the balloon payment option, the City renegotiated the terms of the lease on June 30, 2020, extending the agreement for an additional five years. Under the revised terms, annual payments of \$33,881 were due each June 30, beginning in 2020. The final payment was made in June 2024. As of September 30, 2024, the lease obligation was fully satisfied, and the grader was capitalized and reported as a governmental activity asset.

On January 28, 2019, the City entered into a lease agreement with Caterpillar Global Services LLC for the acquisition of four loaders. Of the four units, three were allocated for governmental activities, and one was assigned to the Water Fund. On March 19, 2019, the City executed a second lease agreement with Caterpillar for the purchase of two additional loaders to be used in the Wastewater Fund.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 7 – BONDS, LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

The total purchase price for the loaders designated for business-type activities (Water and Wastewater Funds) was \$556,815. For the Wastewater Fund loaders, annual lease payments of \$42,059 were due each March 5 for five years beginning March 5, 2019, with a final balloon payment of \$246,796 due on March 5, 2024. For the Water Fund loader, annual lease payments of \$18,267 were due each December 15 for five years beginning in 2019, with a final balloon payment of \$106,838 due January 31, 2024. The combined purchase price for the three governmental-use loaders was \$607,397. Annual lease payments of \$65,253 were due each January 31 for five years beginning January 31, 2019, with a final balloon payment of \$381,650 due January 31, 2024. All leases under this agreement carried an interest rate of 5.35%.

On January 23, 2024, the City exercised the buyout option for the two loaders in the Wastewater Fund, remitting the balloon payment of \$246,796 and satisfying the lease obligation. The City capitalized and reported the two loaders as a business-type capital asset. The loaders assigned to governmental activities and the Water Fund were returned to the lessor, releasing the City from the four remaining 2019 lease obligations.

To replace the returned units, the City entered into a new lease agreement with Caterpillar Financial Services on November 7, 2023, for the acquisition of four loaders. One loader, with a purchase price of \$240,810, was assigned to the Water Fund. The lease requires annual payments of \$26,202 due each December 31 for five years, with a final balloon payment of \$170,000. The remaining three loaders, designated for governmental activities, were acquired at a combined purchase price of \$722,430. Annual payments of \$78,606 are due each December 31 for five years, with a balloon payment of \$510,000. The stated interest rate on this lease is 6.39%. Capital leases payable from governmental activities at September 30, 2024 consist of the following:

Issue	30-Sep	Rate	Principal	Interest	Total
General Fund - Caterpillar Financial	2025	6.39%	37,443	41,163	78,606
Lease for 2023 Loaders	2026	6.39%	39,837	38,769	78,606
	2027	6.39%	42,384	36,222	78,606
	2028	6.39%	45,093	33,513	78,606
	2029	6.39%	479,367	30,633	510,000
					-
			644,124	180,300	824,424
			<u>\$ 644,124</u>	<u>\$ 180,300</u>	<u>\$ 824,424</u>

Capital leases payable from business-type activities at September 30, 2024 consist of the following issues:

Water Fund - John Deere Financial	2025	6.39%	12,481	13,721	26,202
Lease for a 2023 Wheel Loader	2026	6.39%	13,279	12,923	26,202
	2027	6.39%	14,128	12,074	26,202
	2028	6.39%	15,031	11,171	26,202
	2029	6.39%	159,789	10,211	170,000
					-
			214,708	60,100	274,808
			<u>\$ 214,708</u>	<u>\$ 60,100</u>	<u>\$ 274,808</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 7 – BONDS, LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

Subscription based information technology arrangements – The City has obtained subscription-based information technology arrangements through long-term contracts. The terms and conditions of these contracts vary. Some contracts are fixed, and others are period payments over the contract terms. The interest rates on these leases are 2%.

Governmental Activities

Fiscal Year	Principal	Interest	Total Payments
2025	79,240	4,363	83,603
2026	68,985	2,763	71,748
2027	65,377	1,371	66,748
2028	2,544	51	2,595
	216,146	8,548	224,694

The following is a schedule of maturities of bonds, lease, compensated absences and subscription liabilities for all governmental activities:

Year	General Obligation Bonds	Capital Leases	Compensated Absences	Total (Memo Only)
Unknown	\$ -	\$ -	\$ 4,694,118	\$ 4,694,118
2025	859,683	37,443	292,805	1,189,931
2026	-	39,837	-	39,837
2027	-	42,384	-	42,384
2028	-	45,093	-	45,093
2029	-	479,367	-	479,367
	859,683	644,124	4,986,923	6,490,730
Plus issuance premium- net	7,739	-	-	7,739
	<u>\$ 867,422</u>	<u>\$ 644,124</u>	<u>\$ 4,986,923</u>	<u>\$ 6,498,469</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 7 – BONDS, LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY INFORMATION TECHNOLOGY ARRANGEMENTS (CONCLUDED)

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

Year	Wastewater 2013 Revenue Bonds	Wastewater 2021A Revenue Bonds	Capital Leases	Compensated Absences	Total (Memo Only)
Unknown	\$ -	\$ -	\$ -	\$ 597,705	\$ 597,705
2025	618,821	1,995,000	12,481	35,923	2,662,225
2026	621,919	2,075,000	13,279	-	2,710,198
2027	625,033	2,160,000	14,128	-	2,799,161
2028	628,114	2,245,000	15,031	-	2,888,145
2029	631,306	2,335,000	159,789	-	3,126,095
Thereafter	2,234,555	11,025,000	-	-	13,259,555
	5,359,748	21,835,000	214,708	633,628	28,043,084
Plus issuance premium- net	-	3,568,850	-	-	3,568,850
	<u>\$ 5,359,748</u>	<u>\$ 25,403,850</u>	<u>\$ 214,708</u>	<u>\$ 633,628</u>	<u>\$ 31,611,934</u>

NOTE 8 - INTERFUND TRANSACTIONS

Due to/from other funds as of September, 30 2024:

Receivable Fund	Payable Fund	Amount
General fund	Non-major governmental funds	\$ 47,638
Wastewater fund	General fund	-
Wastewater fund	Capital projects fund	5,989,989
		<u>\$ 6,037,627</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.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE 8 - INTERFUND TRANSACTIONS (CONCLUDED)

Interfund transfers as of September 30, 2024:

Fund	Transfers In	Transfers Out
General fund	\$ 3,572,817	\$ 665,000
Capital projects fund	781,292	-
Non major governmental funds	299,068	708,119
Water fund	-	739,176
Wastewater fund	-	903,923
Sanitation fund	-	741,200
Non major enterprise funds	-	895,759
	<u>\$ 4,653,177</u>	<u>\$ 4,653,177</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.

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.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

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, 2024, 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.

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.

	Wastewater Funds
Assets:	
Current assets	\$ 40,170,159
Capital assets	124,294,676
Total assets	<u>164,464,835</u>
Deferred outflows of resources:	<u>585,758</u>
Liabilities:	
Current liabilities	4,638,863
Noncurrent liabilities	30,069,208
Total liabilities	<u>34,708,071</u>
Deferred inflows of resources:	<u>43,973</u>
Net position:	
Net investment in capital assets	93,531,078
Unrestricted	36,767,471
Total net position	<u>\$ 130,298,549</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONCLUDED)

	Wastewater Funds
Charges for services	\$ 15,470,111
Depreciation expense	(4,761,607)
Other operating expenses	(6,152,430)
Net pension expense (revenue)	(447,194)
Operating income	<u>4,108,880</u>
Non-operating revenues (expenses):	
Capitalization fees	2,985,330
Investment earnings	1,958,213
Interest expense	(989,506)
Amortization	486,812
Gain on sale of assets	16,735
Capital contributions	2,299,480
Operating transfer out	<u>(903,923)</u>
Change in net position	9,962,021
Beginning net position	120,336,528
Ending net position	<u><u>\$ 130,298,549</u></u>

CONDENSED STATEMENT OF CASH FLOWS

	Wastewater Funds
Net cash provided (used) by:	
Operating activities	\$ 12,969,364
Noncapital financing activities	(903,923)
Capital and related financing activities	(10,094,896)
Investing activities	<u>1,958,213</u>
Net increase (decrease)	3,928,758
Beginning cash and cash equivalents	28,161,344
Ending cash and cash equivalents	<u><u>\$ 32,090,102</u></u>

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.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 12 - FUND BALANCE CLASSIFICATIONS (CONTINUED)

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.

Restricted Fund Balance (continued) —

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.

General Fund

Restricted

KCJA drug task force	44,059
Coeur d'Alene Lake Drive - funds from Idaho Department of Transportation	808,392
Bellerive subdivision agreement	23,046
	<u>875,497</u>

Committed

Police training carryover per contract	11,005
Police Department Expansion / Remodel	3,402,007
Insurance Settlement for Police Department Storage Annex	1,235,579
Interest due to Wastewater Fund for ignite cda loan	710,447
Sick leave option 2	196,567
	<u>5,555,605</u>

Assigned

Recreation department reserve	5,560
City wide automation carryover from fiscal year 2023-24	228,982
Lake District URD remaining funds distribution	599,147
	<u>833,689</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 12 - FUND BALANCE CLASSIFICATIONS (CONCLUDED)

Other Governmental Funds

Restricted

Special revenue funds - Impact fees	7,042,242
Special revenue funds - Jewett House	99,130
Debt Service funds - General Obligation Bonds	155,741
	<u>7,297,113</u>

Committed

Special revenue funds - Library	31,611
Special revenue funds - Cemetery	116,926
Special revenue funds - Parks capital improvements	1,177,057
Special revenue funds - Cemetery perpetual care	1,234,317
Special revenue funds - Reforestation	174,596
Special revenue funds - Public art	714,516
	<u>3,449,023</u>

Assigned

Special revenue funds - Annexation fees	<u>584,554</u>
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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.

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.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN

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 July 1, 2023, through June 30, 2024, the employee rate was 6.71% for general employees and 9.83% for police and firefighters. As of July 1, 2024, the employee rate increased to 7.18% for general employees and increased to 10.83% for police and firefighters. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters during the period July 1, 2023, through June 30, 2024. As of July 1, 2024, the employer rates for general employees decreased to 11.96% and increased for police and firefighters to 14.65%.

The City's contributions were \$4,181,359 for the year ended September 30, 2024.

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

At September 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the City's proportion was .76317442 percent.

For the year ended September 30, 2024, the City recognized pension (revenue) expense of \$8,248,215. At September 30, 2024, 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	\$ 4,545,048	\$ -
Changes in assumptions or other inputs	1,130,911	-
Net difference between projected and actual earnings on pension plan investments	-	518,186
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	257,457	118,686
City's contributions subsequent to the measurement date	1,174,355	-
Total	<u>\$ 7,107,771</u>	<u>\$ 636,872</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (continued)

\$1,174,355 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, 2024.

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, 2023 the beginning of the measurement period ended June 30, 2024 is 4.4 years and 4.4 years for the measurement period June 30, 2023.

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:	
2025	1,418,574
2026	5,350,650
2027	(845,529)
2028	(627,151)

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, 2024 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.

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries, as well as for the Judicial members. These rates were adopted for the valuation dated July 1, 2021.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (continued)

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%.
 General Employees and All Beneficiaries - Females Pub-2010 General Tables, increased 21%.
 Teachers - Males Pub-2010 Teacher Tables, increased 12%.
 Teachers - Females Pub-2010 Teacher Tables, increased 21%.
 Fire & Police - Males Pub-2010 Safety Tables, increased 21%.
 Fire & Police - Females Pub-2010 Safety Tables, increased 26%.
 Disabled Members - Males Pub-2010 Disabled Tables, increased 38%.
 Disabled Members - Females Pub-2010 Disabled Tables, increased 36%.

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, 2024, is based on the results of an actuarial valuation date of July 1, 2024.

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.

Asset Class	Long-Term Expected	
	Target Allocation	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%

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (concluded)

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	\$ 54,249,419	\$ 28,547,645	\$ 7,555,846

Pension plan fiduciary net position

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

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

Payables to the pension plan

At September 30, 2024, the City reported payables to the defined benefit pension plan of \$274,832 for which legally required employer contributions and \$165,340 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.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

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.

As of June 30, 2024, the total FRF employer contribution rate was 13.26%. The FRF member rate for the year for class B is 11.45% which is 3.00% above the class 2 rate of 9.83%. The City's contributions were \$-0- for the year ended September 30, 2024.

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

At September 30, 2024, the City reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total 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, 2024, the City's proportion was 8.3827379 percent.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

For the year ended September 30, 2024, the City recognized pension expense (revenue) of (\$1,204,408). At September 30, 2024, 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	678,225	-
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	-	-
Total	<u>\$ 678,225</u>	<u>\$ -</u>

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

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, 2022 the beginning of the measurement period ended June 30, 2023 is 1 year and 1 year for the measurement period June 30, 2024.

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:	
2025	(246,128)
2026	1,135,710
2027	(206,624)
2028	(4,733)

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.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

The total pension asset in the July 1, 2024, 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 growth (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, 2024, is based on the results of an actuarial valuation date of July 1, 2023.

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. These rates were adopted for the valuation dated July 1, 2023.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION 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 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	<u>\$ (19,470,081)</u>	<u>\$ (21,099,023)</u>	<u>\$ (22,523,765)</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

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.

At September 30, 2024, the City reported payables to the defined benefit pension plan of \$117,930 for which legally required employer contributions and \$93,524 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

The plan is required to have an actuarial study every other year. The study was done in the prior year ending September 30, 2023, therefore, the information, calculations, amounts and tables are as of September 30, 2023.

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.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE 13 - PENSION PLANS (CONTINUED)

POLICE RETIREMENT FUND (continued)

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.

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, 2023, the City reported a net pension liability of \$933,558 for the police retirement trust fund. The City recognized \$87,721 of pension expense related to the police retirement pension plan.

At September 30, 2023, 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
Difference between expected and actual experience	\$ 239,594	\$ 351,140
Changes in assumptions	316,034	166,321
Net difference between projected and actual earnings on pension plan investments	31,026	906
	<u>\$ 586,654</u>	<u>\$ 518,367</u>

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:	
2024	56,485
2025	57,387
2026	54,846
2027	(14,365)
2028	(32,704)
2029	(63,233)
2030	9,869

The investment return was .45% for 2022 as is projected to not be materially different for 2023.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

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 continued to not fund it through 2021-22. Funding began again fiscal year 2023-23. The City's latest actuarial valuation was dated September 30, 2023. 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 3.75%. 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 September 30, 2023 included cash equivalents of \$155,357 and U.S. Government issues of \$283,460. 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 3.75, 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 (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease	Current	1% Increase
	(2.75%)	Discount Rate	(4.75%)
		(3.75%)	
City's proportionate share of the net pension liability (asset)	\$ 1,060,907	\$ 933,558	\$ 827,065

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 13 - PENSION PLANS (CONTINUED)

POLICE RETIREMENT FUND (continued)

Changes in the Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/22	\$ 1,381,123	\$ 413,241	\$ 967,882
Changes for the year:			
Interest cost	49,220	-	49,220
Experience (gain) loss	79,203	-	79,203
Changes of assumptions	-	-	-
Employer contributions	-	150,556	(150,556)
Net investment income	-	13,763	(13,763)
Benefit payments	(137,171)	(137,171)	-
Administrative Expenses	-	(1,571)	1,571
Net changes	(8,748)	25,577	(34,325)
Balances at 9/30/23	<u>\$ 1,372,375</u>	<u>\$ 438,818</u>	<u>\$ 933,557</u>

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, 2023 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.

Actuarial Assumptions

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

- Long-Term Rate of Return: 3.80%
- 20-Year AAA Municipal Bond Rate: 4.87%
- Return on Assets: 3.75%
- Discount Rate - Pre- and post-retirement interest rates were assumed at 3.75% per year.
- Cost of Living Adjustments - Benefits has been assumed to increase at 3 % per year.
- Expenses - No assumption of asset expenses were made.
- Mortality Rates – PUB-2010 Mortality with MP-2021 Improvement Table.
- Turnover Rates–T2 Turnover Table.
- Disability Rates - None assumed.
- Early Retirement Rates –None assumed.
- Actuarial Value of Assets - Same as market value of assets.

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 13 - PENSION PLANS (CONCLUDED)

POLICE RETIREMENT FUND (continued)

Schedule of Amortizations

	Year	Experience (Gain)/Loss	Recognized Period	Amortized Amount	Amortization Balance	Deferred Outflows	Deferred Inflows
Experience (Gain)/Loss	2023	79,203	8	9,900	69,303	69,303	-
	2022	(411,666)	8	(51,458)	(308,750)	-	(308,750)
	2021	76,745	8	9,593	47,966	47,966	-
	2020	28,507	9	3,167	15,837	15,837	-
	2019	111,764	9	12,418	49,643	49,643	-
	2018	(63,527)	10	(6,353)	(25,411)	-	(25,411)
	2017	(56,597)	10	(5,660)	(16,979)	-	(16,979)
	2016	208,433	11	18,948	56,845	56,845	0
Assumption (Gain)/Loss	2023	-	8	-	-	-	-
	2022	(173,403)	8	(21,675)	(130,052)	-	(130,052)
	2021	(58,030)	8	(7,254)	(36,269)	-	(36,269)
	2020	225,197	9	25,022	125,109	125,109	-
	2019	104,074	9	11,564	46,255	46,255	-
	2018	-	10	-	-	-	-
	2017	39,502	10	3,950	11,851	11,851	-
	2016	487,003	11	44,273	132,819	132,819	-
Asset (Gain)/Loss	2023	3,555	5	711	2,844	2,844	-
	2022	38,491	5	7,698	23,095	23,095	0
	2021	12,718	5	2,544	5,087	5,087	-
	2020	(4,528)	5	(906)	(906)	-	(906)
	2019	(19,038)	5	(3,808)	-	-	-

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2024

NOTE 14 - 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. The carrying amount of the Agency's deposits is \$10,999,187 and the bank balance is \$11,008,399. At September 30, 2024, the Agency's deposits were exposed to custodial credit risk as follows:

<u>Deposits without exposure to custodial credit risk:</u>	
Amounts insured by FDIC	<u>187,500</u>
<u>Deposits with exposure to custodial credit risk:</u>	
Amount collateralized with securities held in trust, but not in ignite cda's name	<u>10,820,899</u>
Total Deposits	<u><u>11,008,399</u></u>
<u>Cash and cash equivalents at September 30, 2024 consist of the following:</u>	
Deposits	<u>11,008,399</u>
Total	<u><u>11,008,399</u></u>
<u>Cash and cash equivalents are presented in the Financial Statements as follows:</u>	
Cash and cash equivalents	<u>10,999,187</u>
Total	<u><u>10,999,187</u></u>

Capital Assets

Activity for ignite cda's capital assets for the fiscal year ending September 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Construction in Progress	<u>20,273,824</u>	<u>(4,282,652)</u>	<u>3,523,120</u>	<u>12,468,052</u>
Total Capital assets not being depreciated	<u>20,273,824</u>	<u>(4,282,652)</u>	<u>3,523,120</u>	<u>\$ 12,468,052</u>
Governmental activities capital assets, net	<u>\$ 20,273,824</u>	<u>\$ (4,282,652)</u>	<u>\$ 3,523,120</u>	<u>\$ 12,468,052</u>

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 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.

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 14 - COMPONENT UNIT DISCLOSURES (CONCLUDED)

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, 2024, 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 River 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, 2024:

	Beginning Balance	Principal Additions	Principal Payments	Ending Balance	Due in One Year
Bond Payable- Washington Trust 2019 Series	\$ 357,000		\$ -	\$ 357,000	\$ -
	<u>\$ 357,000</u>	<u>\$ -</u>	<u>\$ -</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, 2024**

	Budget Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$24,759,593	\$24,759,593	24,573,943	\$ (185,650)
Licenses and permits	6,699,300	6,949,300	7,126,919	177,619
Intergovernmental	17,630,951	21,176,228	19,907,291	(1,268,937)
Charges for services	304,100	304,100	356,436	52,336
Fines and forfeits	390,000	415,000	345,555	(69,445)
Investment (loss) earnings	428,283	677,367	940,962	263,595
Contributions	-	-	-	-
Miscellaneous	82,122	835,016	1,721,137	886,121
Total revenues	<u>50,294,349</u>	<u>55,116,604</u>	<u>54,972,243</u>	<u>(144,361)</u>
EXPENDITURES				
Current:				
General government	8,044,128	9,047,065	8,590,086	456,979
Public safety	33,588,993	34,661,554	33,070,261	1,591,293
Public works	7,517,926	8,268,519	7,436,829	831,690
Culture and recreation	3,735,290	3,858,147	3,543,701	314,446
Capital outlay	2,811,026	9,040,876	5,563,127	3,477,749
Debt service:				
Principal payments	82,816	82,816	493,491	(410,675)
Interest and fiscal agent fees	55,065	55,065	33,881	21,184
Total expenditures	<u>55,835,244</u>	<u>65,014,042</u>	<u>58,731,376</u>	<u>6,282,666</u>
(Deficiency) excess of revenues				
(under) over expenditures	<u>(5,540,895)</u>	<u>(9,897,438)</u>	<u>(3,759,133)</u>	<u>6,138,305</u>
	-	-		
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	18,000	56,000	60,282	4,282
Proceeds from capital lease financing	-	-	722,732	722,732
ignite CDA land transfer reimbursement costs	-	-	1,185,012	1,185,012
Operating transfers in	3,545,599	4,023,599	3,572,817	(450,782)
Operating transfers out	<u>(2,000,267)</u>	<u>(2,000,267)</u>	<u>(665,000)</u>	<u>1,335,267</u>
Total other financing sources (uses)	<u>1,563,332</u>	<u>2,079,332</u>	<u>4,875,843</u>	<u>2,796,511</u>
Net change in fund balances	<u>(3,977,563)</u>	<u>(7,818,106)</u>	<u>1,116,710</u>	<u>8,934,816</u>
Fund balances - beginning of year	3,977,563	7,818,106	18,146,292	10,328,186
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,263,002</u>	<u>\$ 19,263,002</u>

City of Coeur d'Alene

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION September 30, 2024

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, 2024.

City of Coeur d'Alene

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

	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
City of Coeur d'Alene's net pension liability percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%
City of Coeur d'Alene's net pension liability	\$ 933,558	\$ 967,882	\$ 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	\$ 1,372,375	\$ 1,381,123	\$ 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	\$ 438,818	\$ 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 it's covered-employee payroll	N/A	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	31.98%	29.92%	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

Data reported is measured as of September 30, 2023 (measurement date)

The City is only required to have an actuarial study every two years; the last study was performed in fiscal year ending September 30, 2023

September 30, 2024 amounts will be presented upon completion of the next study

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

	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
City contributions	\$ 150,556	\$ -	\$ -	\$ -	\$ 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	\$ 152,000	\$ 151,999	\$ 152,000
Difference between the actuarially determined contribution and the actual contribution	\$ (1,444)	\$ (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	N/A

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City of Coeur d'Alene

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest cost	49,220	45,205	42,561	57,152	66,401	66,374	69,072	62,928	59,255
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Experience (gain) loss	79,203	(411,666)	76,745	28,507	111,764	(63,527)	(56,597)	208,433	-
Changes of assumptions	-	(173,403)	(58,030)	225,197	104,074	-	39,502	487,003	-
Benefit payments	(137,171)	(176,256)	(184,132)	(179,641)	(175,260)	(170,985)	(167,632)	(164,346)	(161,123)
Net change in total pension liability	(8,748)	(716,120)	(122,856)	131,215	106,979	(168,138)	(115,655)	594,018	(101,868)
Total pension liability - beginning of year	1,381,123	2,097,243	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)	\$ 1,372,375	\$ 1,381,123	\$ 2,097,243	\$ 2,220,099	\$ 2,088,884	\$ 1,981,905	\$ 2,150,043	\$ 2,265,698	\$ 1,671,680
Plan fiduciary net position									
Contributions - employer	\$ 150,556	\$ -	\$ -	\$ -	\$ 74	\$ 539	\$ 2,133	\$ 154,962	\$ 155,892
Net investment income	13,763	(24,538)	5,975	33,688	57,352	(3,394)	4,419	29,411	30,210
Benefit payments	(137,171)	(176,256)	(184,132)	(179,641)	(175,260)	(170,985)	(167,632)	(164,346)	(161,123)
Administrative expense	(1,571)	(2,073)	(2,830)	(3,458)	(3,988)	(4,571)	(5,246)	(5,430)	(5,448)
Net change in fiduciary net position	25,577	(202,867)	(180,987)	(149,411)	(121,822)	(178,411)	(166,326)	14,597	19,531
Plan fiduciary net position - beginning of year	413,241	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)	\$ 438,818	\$ 413,241	\$ 616,108	\$ 797,095	\$ 946,506	\$ 1,068,328	\$ 1,246,739	\$ 1,413,065	\$ 1,398,468
Net pension liability (a) - (b)	\$ 933,557	\$ 967,882	\$ 1,481,135	\$ 1,423,004	\$ 1,142,378	\$ 913,577	\$ 903,304	\$ 852,633	\$ 273,212

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September 30, 2024 amounts will be presented upon completion of the next study

City of Coeur d'Alene

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

	<u>2023</u>	<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	2.90%	-5.04%	0.45%	3.53%	5.44%	-0.69%	-0.06%	1.72%	1.80%

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City of Coeur d'Alene

SCHEDULE OF CITY'S SHARE OF NET PENSION LIABILITY

PERSI - Base Plan

Last 10 - Fiscal Years *

	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
City of Coeur d'Alene's portion of the net pension liability	0.7631744%	0.7506216%	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)	\$ 28,547,647	\$ 29,954,835	\$ 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	\$ 34,966,640	\$ 31,955,212	\$ 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	81.64%	93.74%	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	85.54%	83.83%	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, 2024 (measurement date)

SCHEDULE OF CITY OF COEUR D'ALENE'S CONTRIBUTIONS

PERSI - Base Plan

Last 10 - Fiscal Years *

	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
Statutorily required contribution	\$ 4,964,071	\$ 3,278,399	\$ 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	\$ 4,231,111	\$ 3,856,906	\$ 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	\$ (732,959)	\$ 578,507	\$ 100,214	\$ 434,679	\$ 294,869	\$ 56,752	\$ (150,086)	\$ 147,207	\$ 283,180	\$ 66,009
City's covered-employee payroll	\$ 34,966,640	\$ 31,955,212	\$ 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	12.10%	12.07%	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, 2024 (measurement date)

City of Coeur d'Alene

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

	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
City of Coeur d'Alene's portion of the net pension asset	8.3827379%	8.3827379%	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	\$ 21,099,023	\$ 19,817,023	\$ 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	\$ 8,849,096	\$ 8,364,953	\$ 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	238.43%	236.91%	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	207.66%	200.58%	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, 2024 (measurement date)

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

	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
Statutorily required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the statutorily required contribution	\$ (325,934)	\$ (280,529)	\$ (243,260)	\$ (213,715)	\$ (725,978)	\$ (636,371)	\$ (611,689)	\$ (559,502)	\$ (527,496)	\$ (833,303)
Contribution (deficiency) excess	\$ (325,934)	\$ (280,529)	\$ (243,260)	\$ (213,715)	\$ (725,978)	\$ (636,371)	\$ (611,689)	\$ (559,502)	\$ (527,496)	\$ (833,303)
City's covered-employee payroll	\$ 8,849,096	\$ 8,364,953	\$ 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	-3.68%	-3.35%	-3.38%	-3.03%	-10.94%	-10.50%	-10.29%	-10.21%	-10.53%	-17.58%

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Data reported is measured as of June 30, 2024 (measurement date)

FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

City of Coeur d'Alene, Idaho

**COMBINING BALANCE SHEET - BY FUND TYPE
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024**

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 10,237,118	\$ 153,540	\$ 10,390,658
Investments	1,114,970	-	1,114,970
Receivables:			
Taxes delinquent	29,462	31,939	61,401
Accounts receivable	13,793	-	13,793
Assessments:			
Delinquent	-	-	-
Deferred	-	47,638	47,638
Lease receivables	365,467	-	365,467
Due from other governments	4,479	2,201	6,680
Due from other funds	-	-	-
Total assets	<u>\$ 11,765,289</u>	<u>\$ 235,318</u>	<u>\$ 12,000,607</u>
LIABILITIES			
Accounts payable	\$ 161,295	\$ -	\$ 161,295
Due to other funds	-	47,638	47,638
Total liabilities	<u>161,295</u>	<u>47,638</u>	<u>208,933</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned grant revenue	-		-
Unearned lease contract revenue	399,583		399,583
Unavailable revenue- property taxes	29,462	31,939	61,401
Total deferred inflows of resources	<u>429,045</u>	<u>31,939</u>	<u>460,984</u>
FUND BALANCES (DEFICITS)			
Restricted	7,141,372	155,741	7,297,113
Committed	3,449,023	-	3,449,023
Assigned	584,554	-	584,554
Unassigned	-	-	-
Total fund balances (deficits)	<u>11,174,949</u>	<u>155,741</u>	<u>11,330,690</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 11,765,289</u>	<u>\$ 235,318</u>	<u>\$ 12,000,607</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, 2024**

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 1,815,379	\$ 874,561	\$ 2,689,940
Intergovernmental	425,483	-	425,483
Charges for services	1,385,460	-	1,385,460
Assessments collected	-	-	-
Investment (loss) earnings	571,813	-	571,813
Miscellaneous	293,550	-	293,550
Penalty and interest	-	23,675	23,675
Total revenues	<u>4,491,801</u>	<u>898,236</u>	<u>5,390,037</u>
EXPENDITURES			
Current:			
General government	406,732	-	406,732
Culture and recreation	1,907,689	-	1,907,689
Administrative expenses	-	-	-
Capital outlay	1,029,073	-	1,029,073
Debt service:			
Principal payments	-	841,434	841,434
Interest, fees and other	-	34,873	34,873
Total expenditures	<u>3,343,494</u>	<u>876,307</u>	<u>4,219,801</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,148,307</u>	<u>21,929</u>	<u>1,170,236</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	299,068	-	299,068
Operating transfers out	(708,119)	-	(708,119)
Total other financing sources (uses)	<u>(409,051)</u>	<u>-</u>	<u>(409,051)</u>
Net change in fund balances	739,256	21,929	761,185
Fund balances (deficits) - beginning of year	10,435,692	133,812	10,569,504
Fund balances (deficits) - end of year	<u><u>\$ 11,174,948</u></u>	<u><u>\$ 155,741</u></u>	<u><u>\$ 11,330,689</u></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, 2024**

	<u>Library</u>	<u>Cemetery</u>	<u>Annexation Fees</u>	<u>Impact Fees</u>
ASSETS				
Cash and cash equivalents	\$ 57,376	\$ 124,022	\$ 584,554	\$ 7,042,242
Investments	-	-	-	-
Receivables:				
Taxes delinquent	29,462	-	-	-
Accounts receivable	5,584	1,209	-	-
Lease receivables	-	-	-	-
Due from other governments	4,479	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 96,901</u>	<u>\$ 125,231</u>	<u>\$ 584,554</u>	<u>\$ 7,042,242</u>
LIABILITIES				
Accounts payable	<u>35,828</u>	<u>8,305</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>35,828</u>	<u>8,305</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned grant revenue	-	-	-	-
Unearned lease contract revenue	-	-	-	-
Unavailable revenue- property taxes	<u>29,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>29,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	7,042,242
Committed	31,611	116,926	-	-
Assigned	<u>-</u>	<u>-</u>	<u>584,554</u>	<u>-</u>
Total fund balances (deficits)	<u>31,611</u>	<u>116,926</u>	<u>584,554</u>	<u>7,042,242</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 96,901</u>	<u>\$ 125,231</u>	<u>\$ 584,554</u>	<u>\$ 7,042,242</u>

Parks Capital Improvements	Cemetery Perpetual Care	Reforestation	Jewett House	Public Art	Total Nonmajor Special Revenue Funds
\$ 1,294,594	\$ 119,347	\$ 179,326	\$ 112,533	\$ 723,124	\$ 10,237,118
-	1,114,970	-	-	-	1,114,970
-	-	-	-	-	29,462
7,000	-	-	-	-	13,793
365,467	-	-	-	-	365,467
-	-	-	-	-	4,479
-	-	-	-	-	-
<u>\$ 1,667,061</u>	<u>\$ 1,234,317</u>	<u>\$ 179,326</u>	<u>\$ 112,533</u>	<u>\$ 723,124</u>	<u>\$ 11,765,289</u>
90,421	-	4,730	13,403	8,608	161,295
<u>90,421</u>	<u>-</u>	<u>4,730</u>	<u>13,403</u>	<u>8,608</u>	<u>161,295</u>
-	-	-	-	-	-
399,583	-	-	-	-	399,583
-	-	-	-	-	29,462
<u>399,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>429,045</u>
-	-	-	99,130	-	7,141,372
1,177,057	1,234,317	174,596	-	714,516	3,449,023
-	-	-	-	-	584,554
<u>1,177,057</u>	<u>1,234,317</u>	<u>174,596</u>	<u>99,130</u>	<u>714,516</u>	<u>11,174,949</u>
<u>\$ 1,667,061</u>	<u>\$ 1,234,317</u>	<u>\$ 179,326</u>	<u>\$ 112,533</u>	<u>\$ 723,124</u>	<u>\$ 11,765,289</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, 2024**

	<u>Library</u>	<u>Cemetery</u>	<u>Annexation Fees</u>	<u>Impact Fees</u>
REVENUES				
Taxes	\$ 1,815,379	\$ -	\$ -	\$ -
Intergovernmental	50,478	5,942	-	-
Charges for services	2,621	246,878	-	850,367
Fines and forfeits	116	-	-	-
Investment (loss) earnings	8,800	8,154	33,194	328,467
Miscellaneous	22,676	19,933	-	-
Total revenues	<u>1,900,070</u>	<u>280,907</u>	<u>33,194</u>	<u>1,178,834</u>
EXPENDITURES				
Current:				
General government	-	309,490	-	28,190
Culture and recreation	1,813,966	-	-	-
Capital outlay	188,257	-	-	-
Total expenditures	<u>2,002,223</u>	<u>309,490</u>	<u>-</u>	<u>28,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(102,153)</u>	<u>(28,583)</u>	<u>33,194</u>	<u>1,150,644</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	(51,827)	(520,000)	(136,292)
Total other financing sources (uses)	<u>-</u>	<u>(51,827)</u>	<u>(520,000)</u>	<u>(136,292)</u>
Net change in fund balances	(102,153)	(80,410)	(486,806)	1,014,352
Fund balances - beginning of year	133,763	197,336	1,071,360	6,027,890
Fund balances (deficits) - end of year	<u>\$ 31,611</u>	<u>\$ 116,926</u>	<u>\$ 584,554</u>	<u>\$ 7,042,242</u>

Parks Capital Improvements	Cemetery Perpetual Care	Reforestation	Jewett House	Public Art	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,815,379
369,063	-	-	-	-	425,483
237,660	-	47,934	-	-	1,385,460
-	-	-	-	-	116
68,079	78,184	9,176	5,677	32,082	571,813
28,962	-	-	135,636	86,343	293,550
<u>703,764</u>	<u>78,184</u>	<u>57,110</u>	<u>141,313</u>	<u>118,425</u>	<u>4,491,801</u>
-	4,639	-	38,416	25,997	406,732
35,338	-	58,385	-	-	1,907,689
638,623	-	-	159,693	42,500	1,029,073
<u>673,961</u>	<u>4,639</u>	<u>58,385</u>	<u>198,109</u>	<u>68,497</u>	<u>3,343,494</u>
<u>29,803</u>	<u>73,545</u>	<u>(1,275)</u>	<u>(56,796)</u>	<u>49,928</u>	<u>1,148,307</u>
200,000	71,827	-	-	27,241	299,068
-	-	-	-	-	(708,119)
<u>200,000</u>	<u>71,827</u>	<u>-</u>	<u>-</u>	<u>27,241</u>	<u>(409,051)</u>
229,803	145,372	(1,275)	(56,796)	77,169	739,256
947,254	1,088,945	175,871	155,926	637,347	10,435,692
<u>\$ 1,177,057</u>	<u>\$ 1,234,317</u>	<u>\$ 174,596</u>	<u>\$ 99,130</u>	<u>\$ 714,516</u>	<u>\$ 11,174,949</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, 2024**

	LID #151	General Obligation Bonds	Total Nonmajor Debt Service Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 153,540	\$ 153,540
Receivables:			
Taxes Delinquent	-	31,939	31,939
Assessments			
Delinquent	-	-	-
Deferred	47,638	-	47,638
Due from other governments	-	2,201	2,201
Total assets	<u>\$ 47,638</u>	<u>\$ 187,680</u>	<u>\$ 235,318</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Due to other funds	47,638	-	47,638
Total liabilities	<u>47,638</u>	<u>-</u>	<u>47,638</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	31,939	31,939
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>31,939</u>	<u>31,939</u>
FUND BALANCES (DEFICITS)			
Restricted	-	155,741	155,741
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>155,741</u>	<u>155,741</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 47,638</u>	<u>\$ 187,680</u>	<u>\$ 235,318</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, 2024**

	General Obligation Bonds	Total Nonmajor Debt Service Funds
REVENUES		
Taxes	\$ 874,561	\$ 874,561
Assessments collected	-	-
Penalty and interest	23,675	23,675
Total revenues	<u>898,236</u>	<u>898,236</u>
EXPENDITURES		
Bond principal	841,434	841,434
Interest, fees and other	34,873	34,873
Total expenditures	<u>876,307</u>	<u>876,307</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,929</u>	<u>21,929</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	-
Operating transfers out	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	21,929	21,929
Fund balances (deficits)-beginning of year	133,812	133,812
Fund balances (deficits) - end of year	<u><u>\$ 155,741</u></u>	<u><u>\$ 155,741</u></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

Public Transit Sidewalk Access: To administer expenditures for the purpose of constructing sidewalk for improving transit access.

Wilbur-Ramsey Singal: To administer expenditures for the purpose of improving traffic signals on Ramsey Road.

Government Way Signal Improvements: To administer expenditures for the purpose of improving traffic signal lighting on Government Way.

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

Ramsey Road/Northwest Boulevard - Lakewood to Appleway: To administer expenditures for the purpose of reconstruction and overlaying of Ramsey Road/Northwest Boulevard from Lakewood to Appleway.

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, 2024**

	Misc. Capital Projects	Public Transit Sidewalk Access	Ramsey Rd Wilbur Signal	Govt Way Signal Improve- ments
ASSETS				
Cash and cash equivalents	\$ 15,388	\$ 27,573	\$ 155,687	\$ 3,842,661
Accounts Receivable	-	-	-	-
Due from other governments	-	-	-	540,000
Due from other funds	-	-	-	-
Total assets	<u>\$ 15,388</u>	<u>\$ 27,573</u>	<u>\$ 155,687</u>	<u>\$ 4,382,661</u>
LIABILITIES				
Accounts payable	-	-	-	341,486
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,486</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned grant revenue				4,342,291
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,342,291</u>
FUND BALANCES (DEFICITS)				
Unassigned	15,388	27,573	155,687	(301,116)
Total fund balances (deficits)	<u>15,388</u>	<u>27,573</u>	<u>155,687</u>	<u>(301,116)</u>
Total liabilities and fund balances (deficits)	<u>\$ 15,388</u>	<u>\$ 27,573</u>	<u>\$ 155,687</u>	<u>4,382,661</u>

15th St Harrison to Best	Ramsey Rd NW Blvd Lakewood to Appleway	LHTAC Pedestrian Safety Improvements	Traffic Calming	Atlas Waterfront Site	Total Capital Projects Funds
\$ 1,958,154	\$ -	\$ 7,237	\$ 29,456	\$ -	\$ 6,036,156
-	-	-	-	-	-
283,080	-	-	-	-	823,080
-	-	-	-	-	-
<u>\$ 2,241,234</u>	<u>\$ -</u>	<u>\$ 7,237</u>	<u>\$ 29,456</u>	<u>\$ -</u>	<u>\$ 6,859,236</u>
9,877	-	-	22,031	-	373,394
-	-	-	-	5,989,989	5,989,989
<u>9,877</u>	<u>-</u>	<u>-</u>	<u>22,031</u>	<u>5,989,989</u>	<u>6,363,383</u>
					4,342,291
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,342,291</u>
2,231,357	-	7,237	7,425	(5,989,989)	(3,846,438)
<u>2,231,357</u>	<u>-</u>	<u>7,237</u>	<u>7,425</u>	<u>(5,989,989)</u>	<u>(3,846,438)</u>
<u>\$ 2,241,234</u>	<u>\$ -</u>	<u>\$ 7,237</u>	<u>\$ 29,456</u>	<u>\$ -</u>	<u>\$ 6,859,236</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, 2024**

	Misc. Capital Projects	LaCrosse Project	Public Transit Sidewalk Access	Wilbur- Ramsey Signal
REVENUES				
Contributions	\$ -	\$ -	\$ -	\$ -
Intergovernmental	22,233	-	283,080	-
Investment income	-	-	-	-
Total revenues	<u>22,233</u>	<u>-</u>	<u>283,080</u>	<u>-</u>
EXPENDITURES				
Services and supplies	-	-	-	5,000
Interest and fiscal agent fees	-	-	-	-
Capital outlay	-	79,724	319,766	-
Total expenditures	<u>-</u>	<u>79,724</u>	<u>319,766</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,233</u>	<u>(79,724)</u>	<u>(36,686)</u>	<u>(5,000)</u>
OTHER FINANCING SOURCES (USES)				
ignite CDA land transfer reimbursement costs	-	-	-	-
Operating transfers in	(22,233)	49,266	64,259	160,687
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>(22,233)</u>	<u>49,266</u>	<u>64,259</u>	<u>160,687</u>
Net change in fund balances	-	(30,458)	27,573	155,687
Fund balance (deficit) - beginning of year	15,388	30,458	-	-
Fund balance (deficit) - end of year	<u>\$ 15,388</u>	<u>\$ -</u>	<u>\$ 27,573</u>	<u>\$ 155,687</u>

Govt Way Signal Improve- ments	15th St Harrison to Best	Ramsey Rd NW Blvd Lakewood to Appleway	LHTAC Pedestrian Safety Improvements	Traffic Calming	Atlas Waterfront Site	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ 20,231	\$ -	\$ 20,231
483,709	1,330,917	-	-	-	-	2,119,939
-	47,184	-	-	41,466	-	88,650
483,709	1,378,101	-	-	61,697	0	2,228,820
-	-	-	-	10,218	-	15,218
-	-	-	-	-	115,360	115,360
792,825	460,990	-	-	44,054	-	1,697,359
792,825	460,990	-	-	54,272	115,360	1,827,937
(309,116)	917,111	-	-	7,425	(115,360)	400,883
-	-	-	-	-	2,420,458	2,420,458
45,000	645,000	-	-	-	-	941,979
-	-	(160,687)	-	-	-	(160,687)
45,000	645,000	(160,687)	-	-	2,420,458	3,201,750
(264,116)	1,562,111	(160,687)	-	7,425	2,305,098	3,602,633
(37,000)	669,246	160,687	7,237	-	(8,295,087)	(7,449,071)
\$ (301,116)	\$ 2,231,357	\$ -	\$ 7,237	\$ 7,425	\$ (5,989,989)	\$ (3,846,438)

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, 2024

	Business-type Activities - Nonmajor Enterprise Funds				
	Wastewater Property Management	Street Lighting	Public Parking Lot	Drainage	Total Nonmajor Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 72,766	\$ 63,633	\$ 1,182,042	\$ 1,387,348	\$ 2,705,789
Receivables:					
Accounts, net of allowance	-	-	-	-	-
for uncollectible accounts	-	67,866	465,040	99,695	632,601
Due from other governments	-	-	-	-	-
Total current assets	<u>72,766</u>	<u>131,499</u>	<u>1,647,082</u>	<u>1,487,043</u>	<u>3,338,390</u>
Non-current assets:					
Capital assets:					
Land	-	-	2,572,672	-	2,572,672
Construction in Progress	-	-	-	-	-
Other capital assets, net of					
accumulated depreciation	-	44,851	9,999,122	5,850,420	15,894,393
Total non-current assets	<u>-</u>	<u>44,851</u>	<u>12,571,794</u>	<u>5,850,420</u>	<u>18,467,065</u>
Total assets	<u>72,766</u>	<u>176,350</u>	<u>14,218,876</u>	<u>7,337,463</u>	<u>21,805,455</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,760</u>	<u>36,760</u>
LIABILITIES					
Current liabilities:					
Accounts payable	-	76,019	20,657	9,740	106,416
Total current liabilities	<u>-</u>	<u>76,019</u>	<u>20,657</u>	<u>9,740</u>	<u>106,416</u>
Non-current liabilities:					
Compensated absences	-	-	-	47,058	47,058
Net pension liability	-	-	-	153,441	153,441
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,499</u>	<u>200,499</u>
Total liabilities	<u>-</u>	<u>76,019</u>	<u>20,657</u>	<u>210,239</u>	<u>306,915</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred pension inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,563</u>	<u>3,563</u>
NET POSITION					
Net investment in capital assets	-	44,851	12,571,794	5,850,420	18,467,065
Unrestricted	72,766	55,480	1,626,425	1,310,001	3,064,672
Total net position	<u>\$ 72,766</u>	<u>\$ 100,331</u>	<u>\$ 14,198,219</u>	<u>\$ 7,160,421</u>	<u>\$ 21,531,737</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, 2024**

	Business-type Activities - Nonmajor Enterprise Funds				
	Wastewater Property Management	Street Lighting	Public Parking Lot	Drainage	Total Nonmajor Enterprise Funds
OPERATING REVENUES					
Services	\$ -	\$ 717,022	\$ 1,185,012	\$ 1,042,277	\$ 2,944,311
					0
OPERATING EXPENSES					0
Administration	-	5,878	-	265,375	271,253
Maintenance	11,944	13,522	51,942	312,407	389,815
Supplies	-	-	-	69,802	69,802
Contracted services	-	768,370	114,030	-	882,400
Depreciation	-	6,357	881,433	503,877	1,391,667
Bad debt expense	-	282	-	446	728
Net pension expense (revenue)	-	-	-	-	-
Total operating expenses	11,944	794,409	1,047,405	1,151,907	3,005,665
Operating income (loss)	(11,944)	(77,387)	137,607	(109,630)	(61,354)
NONOPERATING REVENUES					
Investment income	-	4,979	52,525	63,108	120,612
Insurance Proceeds	24,737	-	-	-	24,737
Grant income	-	-	-	953,683	953,683
Total nonoperating revenues	24,737	4,979	52,525	1,016,791	1,099,032
Income (loss) before contributions and transfers	12,793	(72,408)	190,132	907,161	1,037,678
Capital contributions	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	(693,729)	(202,030)	(895,759)
Change in net position	12,793	(72,408)	(503,597)	705,131	141,919
Total net position - beginning	59,973	172,739	14,701,816	6,455,290	21,389,818
Total net position - ending	\$ 72,766	\$ 100,331	\$ 14,198,219	\$ 7,160,421	\$ 21,531,737

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, 2024**

	Business-type Activities - Nonmajor Enterprise Funds				
	Wastewater Property Management	Street Lighting	Public Parking Lot	Drainage	Total Nonmajor Enterprise Funds
OPERATING REVENUES					
Services	\$ -	\$ 717,022	\$ 1,185,012	\$ 1,042,277	\$ 2,944,311
					0
OPERATING EXPENSES					0
Administration	-	5,878	-	265,375	271,253
Maintenance	11,944	13,522	51,942	312,407	389,815
Supplies	-	-	-	69,802	69,802
Contracted services	-	768,370	114,030	-	882,400
Depreciation	-	6,357	881,433	503,877	1,391,667
Bad debt expense	-	282	-	446	728
Net pension expense (revenue)	-	-	-	-	-
Total operating expenses	11,944	794,409	1,047,405	1,151,907	3,005,665
Operating income (loss)	(11,944)	(77,387)	137,607	(109,630)	(61,354)
NONOPERATING REVENUES					
Investment income	-	4,979	52,525	63,108	120,612
Insurance Proceeds	24,737	-	-	-	24,737
Grant income	-	-	-	953,683	953,683
Total nonoperating revenues	24,737	4,979	52,525	1,016,791	1,099,032
Income (loss) before contributions and transfers	12,793	(72,408)	190,132	907,161	1,037,678
Capital contributions	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	(693,729)	(202,030)	(895,759)
Change in net position	12,793	(72,408)	(503,597)	705,131	141,919
Total net position - beginning	59,973	172,739	14,701,816	6,455,290	21,389,818
Total net position - ending	\$ 72,766	\$ 100,331	\$ 14,198,219	\$ 7,160,421	\$ 21,531,737

REPORT REQUIRED BY THE GAO



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1810 E. Schneidmiller Ave, Ste 310
Post Falls, ID 83854

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, 2024, 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 11, 2025. 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.

Report on 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.

Report on 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.

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
June 11, 2025

SINGLE AUDIT REPORT



TAX, ASSURANCE, ACCOUNTING, ADVISORY

Office (208) 777-1099 Fax (202) 773-5108
1810 E. Schneidmiller Ave, Ste 310
Post Falls, ID 83854

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Coeur d'Alene, Idaho's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Coeur d'Alene, Idaho's major federal programs for the year ended September 30, 2024. The City of Coeur d'Alene, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Coeur d'Alene, Idaho complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Coeur d'Alene, Idaho and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Coeur d'Alene, Idaho's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Coeur d'Alene, Idaho's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Coeur d'Alene, Idaho's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Coeur d'Alene, Idaho's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Coeur d'Alene, Idaho's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Coeur d'Alene, Idaho's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Coeur d'Alene, Idaho's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
June 11, 2025

City of Coeur d'Alene, Idaho

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2024**

Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development:</u>			
<i>Direct programs:</i>			
CDBG Block Grants / Entitlement Grants	14.218		\$ 306,142
<u>U.S. Department of Justice</u>			
<i>Direct programs:</i>			
Bulletproof Vest Partnership Program	16.607		7,001
Edward Byrne Memorial Justice Assistance Grant Program	16.738		53,650
Subtotal direct			60,651
<i>Passed through the State of Idaho:</i>			
Internet Crimes Against Children	16.543		34,161
STOP Violence Against Women	16.588	826000176	93,553
Subtotal passed through the State of Idaho			127,714
Total U.S. Department of Justice			188,365
<u>U.S. Department of Transportation</u>			
<i>Passed through the State of Idaho:</i>			
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	826000176	283,080
			283,080
<i>Passed through the State of Idaho:</i>			
<i>Transportation Cluster:</i>			
State and Community Highway Safety	20.600	826000176	9,083
Total Transportation Cluster			9,083
Total U.S. Department of Transportation			292,163
<u>Department of the Treasury</u>			
<i>Direct programs:</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027		3,898,333
Total U.S. Department of the Treasury			3,898,333
<u>Institute of Museum and Library Services</u>			
<i>Passed through the State of Idaho:</i>			
Grants to States	45.310	826000176	4,125
<u>U.S. Department of Environmental Quality</u>			
<i>Direct programs:</i>			
Source Water Protection	32.009	826000176	7,733
<u>U.S. Federal Communications Committee</u>			
<i>Direct programs:</i>			
Emergency Connectivity Fund Program	66.468	826000176	48,000
<u>U.S. Department of Homeland Security</u>			
<i>Passed through the State of Idaho:</i>			
Hazard Mitigation Grant Program - Fire	97.039	826000176	9,168
2022 Homeland Security Grant Program-Police	97.067	826000176	59,526
2020 Homeland Security Grant Program-Fire	97.067	826000176	14,000
2022 Homeland Security Grant Program-Fire	97.067	826000176	13,910
2020 Homeland Security Grant Program-Fire	97.067	826000176	580
Total U.S. Department of Homeland Security			97,184
			\$ 4,842,045

City of Coeur d'Alene, Idaho

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS September 30, 2024

NOTE 1: - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Coeur d'Alene (the Government's) under programs of the federal government for the year ended September 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Government, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Government.

NOTE 2: - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

The Government has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Pass-through entity identifying numbers are presented where available.

NOTE 3: - MATCHING REQUIREMENTS

Certain Federal programs require the Government to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Government has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

City of Coeur d'Alene, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiency(ies) identified that are not considered to be material weakness(es) ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) ☐ Yes ☒ None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a) ☐ Yes ☒ No

Identification of major programs:

CFDA Number(s)

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

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

\$750,000

Auditee qualified as low-risk auditee

☐ Yes ☒ No

City of Coeur d'Alene, Idaho

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2024**

Section II - Findings – Financial Statement Audit

We noted no findings relating to the Financial Statement Audit which are required to be reported in accordance with generally accepted *Government Auditing Standards*.

Section III - Findings and Questioned Costs – Major Federal Award Programs Audit

We noted no findings relating to the Federal Awards Programs, which are required to be reported in accordance with generally accepted *Government Auditing Standards*.

Section IV – Summary of Prior Year Audit Findings Relating to Federal Awards

No prior year audit findings relating to Federal Awards.

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APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2025 Bonds, Hawley, Troxell, Ennis, & Hawley, LLP, Bond Counsel to the City, propose to issue its final approving opinion in substantially the following form:

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[Closing Date]

City of Coeur d'Alene, Idaho
710 E. Mullan Avenue
Coeur d'Alene, Idaho 83814

Piper Sandler & Co.
101 S. Capitol Blvd., Suite 603
Boise, Idaho

Re: *City of Coeur d'Alene, Idaho -- General Obligation Bonds, Series 2025*

Ladies and Gentlemen:

This is to certify that we have acted as Bond Counsel in connection with the issuance by the City of Coeur d'Alene, Idaho (the "City"), of its General Obligation Bonds, Series 2025 in the principal amount of \$[15,245,000] (the "Bonds"), dated the date hereof, and issued pursuant to a Bond Ordinance of the City adopted on August [___], 2025 (the "Authorizing Ordinance") and the Certificate as to Bond Pricing and Related Matters dated August [___], 2025, authorized pursuant to the Authorizing Ordinance (the "Pricing Certificate," and together with the Authorizing Ordinance, the "Ordinance"). The Bonds represent general obligation bonds authorized in the aggregate principal amount of up to \$16,400,000 pursuant to an election held in the City on May 20, 2025, are being issued under the authority of Sections 50-1019 and 50-1026, and chapters 2 and 9 of Title 57, Idaho Code, as amended, for the purpose of financing the costs of (i) purchasing and acquiring fire protection apparatuses and equipment and (ii) demolishing, rebuilding, renovating, expanding and improving existing fire stations throughout the City, together with all necessary appurtenant facilities and equipment. The terms of the Bonds are described in the Ordinance.

We have examined the Constitution and laws of the State of Idaho and such certified proceedings and other papers as we deem necessary to render this opinion.

Our services as Bond Counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Bonds under the applicable laws of the State of Idaho and to a review of the transcript of such proceedings and certifications. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by

independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any change in law that may hereafter occur.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized, executed, and delivered under the Constitution and the laws of the State of Idaho, and are valid and binding general obligations of the City.

2. Provision has been made for the levy and collection each year of ad valorem taxes on all the taxable property within the City sufficient to pay the principal of and interest on the Bonds as the same become due, and all of the taxable property in the City is subject to the levy of ad valorem taxes to pay the same without limitation as to rate or amount.

3. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the City's certified proceedings and in certain other documents and certain other certifications furnished to us.

4. To the extent that interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes, interest on the Bonds is exempt from taxes imposed by the Idaho Income Tax Act, as amended.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

Ownership of tax-exempt obligations, including the Bonds, may result in collateral federal income tax consequences to certain taxpayers. Prospective purchasers of the Bonds should consult their own tax advisors as to the applicability of any such collateral consequences. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

[Closing Date]
Page 3

Very truly yours,

HAWLEY TROXELL ENNIS & HAWLEY LLP

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APPENDIX C

PROPOSED FORM OF INFORMATION REPORTING AGREEMENT

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CITY OF COEUR D'ALENE, IDAHO

INFORMATION REPORTING AGREEMENT

Re: \$[15,245,000] initial principal amount of General Obligation Bonds, Series 2025 (the "Bonds"), of the City of Coeur d'Alene, Idaho (the "Issuer") and issued pursuant to a Bond Ordinance No. _____ Authorizing the Issuance and Providing for the Sale of the Bonds (the "Ordinance") which appoints Zions Bancorporation, National Association, as Paying Agent (the "Paying Agent")

THIS INFORMATION REPORTING AGREEMENT (the "Agreement") is executed and delivered by the Issuer and the Paying Agent (also known for purposes of this Agreement as the "Disclosure Agent") as of the date set forth below in order for the Issuer to authorize and direct the Disclosure Agent, as the agent of the Issuer, to make certain information available to the public in compliance with Section (b)(5)(i) of Rule 15c2-12, as hereinafter defined.

WITNESSETH:

1. **Background.** The Issuer issued the Bonds pursuant to the Ordinance. The CUSIP number assigned to the final maturity of the Bonds is [_____].

2. **Appointment of Disclosure Agent.** The Issuer hereby appoints the Disclosure Agent, and any successor Disclosure Agent acting as such under the Ordinance, as its agent under this Agreement to disseminate the financial information and notices furnished by the Issuer hereunder in the manner and at the times as herein provided and to discharge the other duties assigned.

3. **Information to be Furnished by the Issuer.** The Issuer hereby covenants for the benefit of the registered and beneficial owners of the Bonds that, as long as the Bonds are outstanding under the Ordinance, the Issuer will deliver the following information to the Disclosure Agent:

a. Not later than June 30 following the close of each fiscal year of the Issuer (October 1 – September 30), the audited financial statements of the Issuer prepared in accordance with generally-accepted accounting principles, together with the report thereon of the Issuer's independent auditors, beginning with fiscal year ending September 30, 2025. If audited financial statements are not available by the time specified herein, unaudited financial statements will be provided and audited financial statements will be provided when, and if, available. The Issuer shall include with each submission a written representation addressed to the Disclosure Agent to the effect that the financial statements are the financial statements required by this Agreement and that they comply with the applicable requirements of this Agreement. For the purposes of determining whether information received from the Issuer is the required financial

statements, the Disclosure Agent shall be entitled conclusively to rely on the Issuer's written representation made pursuant to this Section.

b. Not later than June 30 following the close of each fiscal year of the Issuer, beginning with fiscal year ending September 30, 2025, the other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical and operating data contained in the Issuer's Official Statement, specifically the tables and/or information contained under the following headings and subheadings of the Official Statement reflected on the referenced pages of the Official Statement:

DEBT STRUCTURE OF THE CITY OF COEUR D'ALENE, IDAHO

- Outstanding General Obligation Bonded Indebtedness

FINANCIAL INFORMATION REGARDING THE CITY OF COEUR D'ALENE, IDAHO – Property Tax Matters

- Direct and Overlapping Tax Rates of the City
- Taxable Value of Property
- Tax Collection Record
- The Largest Taxpayers of the City

c. The Disclosure Agent shall provide notice to the Issuer of its requirement to provide the information listed in Sections 3.a. and 3.b. at least thirty (30) days prior to the date such information is to be provided to the Disclosure Agent by the Issuer. Any or all of the items listed above in Sections 3.a. or 3.b. may be incorporated by reference from other documents, including official statements of debt issues of the Issuer which have been previously submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference.

d. Within eight (8) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment-related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material, and tender offers:

(9) Defeasances;

(10) Release, substitution or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation or agreement, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;

(16) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties; and

¹

For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(17) In a timely manner, notice of a failure of the Issuer or the obligated person to provide the required annual financial information specified in Sections 3.a and 3.b above, on or before the date specified therein.

e. Although the Disclosure Agent disclaims any affirmative obligation to monitor occurrences affecting the Issuer, the Disclosure Agent shall promptly advise the Issuer whenever, in the course of performing its duties under the Ordinance, the Disclosure Agent identifies an occurrence which would require the Issuer to provide a notice of the occurrence of any of the events listed in Section 3.d. above; provided that the failure of the Disclosure Agent so to advise the Issuer of such occurrence shall not constitute a breach by the Disclosure Agent of any of its duties and responsibilities hereunder.

4. Manner and Time by Which Information is to be Made Public by the Disclosure Agent.

a. The information required to be delivered to the Disclosure Agent pursuant to Sections 3.a and 3.b hereof shall be referred to as the Continuous Disclosure Information (the "Continuous Disclosure Information"), and the notices required to be delivered to the Disclosure Agent pursuant to Section 3.d hereof shall be referred to as the Event Information (the "Event Information").

b. After the receipt of any Continuous Disclosure Information or any Event Information, the Disclosure Agent will deliver the information as provided in the following Section 4.c.

c. It shall be the Disclosure Agent's duty

(1) to deliver the Continuous Disclosure Information to the Repository once it is received from the Issuer not later than five (5) days after receipt thereof;

(2) to deliver the Event Information to the Repository no later than two (2) business days after receipt from the Issuer;

(3) to determine the identity and address of the then existing Repository to which Continuous Disclosure Information and Event Information must be sent under rules and regulations promulgated by the MSRB or by the SEC.

d. The Disclosure Agent shall have no duty or obligation to disclose to the Repository any information other than (i) Continuous Disclosure Information that the Disclosure Agent actually has received from the Issuer and (ii) Event Information about which the Disclosure Agent has received notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Agreement. The Disclosure Agent's duties and obligations are only those specifically set forth in this Agreement, and the Disclosure Agent shall have no implied duties or obligations.

e. All Continuous Disclosure Information and Event Information, or other financial information and notices pursuant to this undertaking are to be provided to the

Repository in electronic PDF format (word-searchable) as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

5. Indemnification.

a. The Disclosure Agent shall have no obligation to examine or review the Continuous Disclosure Information and shall have no liability or responsibility for the accurateness or completeness of the Continuous Disclosure Information disseminated by the Disclosure Agent hereunder.

b. The Issuer hereby agrees to hold harmless and to indemnify the Disclosure Agent, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Disclosure Agent by reason of or in connection with the disclosure of information in accordance with this Agreement, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful or negligent conduct of the Disclosure Agent in the performance of its duties under this Agreement.

6. Compensation. The Issuer hereby agrees to compensate the Disclosure Agent for the services provided and the expenses incurred pursuant to this Agreement in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition to any fees previously agreed upon with respect to the fiduciary services of the Disclosure Agent in its capacity as the Disclosure Agent.

7. Enforcement. The obligations of the Issuer under this Agreement shall be for the benefit of the registered and beneficial owners of the Bonds. Any holder of the Bonds then outstanding, including any beneficial owner of the Bonds (as defined in the Ordinance), may enforce specific performance of such obligations by any judicial proceeding available. However, any failure by the Issuer to perform in accordance with this Agreement shall not constitute a default under the Ordinance. Neither the Issuer nor the Disclosure Agent shall have any power or duty to enforce this Agreement.

This Agreement shall inure solely to the benefit of the Issuer, the Disclosure Agent and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

8. Definitions. As used herein, the following terms shall have the following meanings:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"obligated person" as defined in Rule 15c2-12 shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in the offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" shall mean the final official statement relating to the Bonds dated August [], 2025.

"Repository" shall mean MSRB through its Electronic Municipal Market Access system ("EMMA") at <http://emma.msrb.org>, or such other nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to the Rule.

"Rule 15c2-12" shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

"SEC" shall mean the Securities and Exchange Commission.

9. Amendments and Termination. This Agreement may be amended with the mutual agreement of the Issuer and the Disclosure Agent and without the consent of any registered or beneficial owners of the Bonds under the following conditions:

a. the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

b. this Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

c. the amendment does not materially impair the interests of holders of the Bonds, as determined by parties unaffiliated with the Issuer (such as the Disclosure Agent or nationally recognized bond counsel).

Any party to this Agreement may terminate this Agreement by giving written notice of an intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The undertaking contained in this Agreement shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid pursuant to the terms of the Ordinance; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities

laws, acceptable to the Issuer or the Disclosure Agent, otherwise, do not apply to the Bonds. The Issuer shall notify the Repository if this Agreement is terminated pursuant to (iii), above.

10. Successor Disclosure Agent. Upon the transfer of the duties created under the Ordinance from the current Disclosure Agent to a successor Disclosure Agent, such successor Disclosure Agent shall succeed to the duties under this Agreement without any further action on the part of any party, and the then current Disclosure Agent shall have no further duties or obligations upon the transfer to a successor Disclosure Agent. Such Successor Disclosure Agent may terminate this Agreement or cause it to be amended as provided in paragraph 9.

11. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating (or cause the Disclosure Agent to disseminate) any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Continuous Disclosure Information or notice of the occurrence of any Event Information, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Continuous Disclosure Information or Event Information in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Continuous Disclosure Information or notice of occurrence of any Event Information.

If the Issuer provides to the Disclosure Agent information relating to the Issuer or the Bonds, which information is not designated as Event Information, and directs the Disclosure Agent to provide such information to the Repository, the Disclosure Agent shall provide such information in a timely manner to the Repository.

12. Notices. Notices and the required information under this Agreement shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Agreement may designate from time to time.

13. Counterparts. This Agreement may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Agreement.

14. Governing Law. This Agreement shall be governed by the laws of the State of Idaho

15. Certifications Required by Idaho Law.

a. The Disclosure Agent hereby certifies, pursuant to Section 67-2346, Idaho Code, that the Disclosure Agent, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities or business associations, is not currently engaged in, and will not for the duration of this Agreement engage in, a boycott of goods or services from Israel or territories under its control. The terms in this Section defined in Section 67-2346, Idaho Code, shall have the meanings set forth therein.

b. The Disclosure Agent hereby certifies, pursuant to Section 67-2359, Idaho Code, that the Disclosure Agent, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities or business associations, is not

currently owned or operated by the Government of China and will not for the duration of this Agreement be owned or operated by the Government of China. The terms in this Section defined in Section 67-2359, Idaho Code, shall have the meanings set forth therein.

c. The Disclosure Agent hereby certifies, pursuant to Section 67-2347A, Idaho Code, that the Disclosure Agent, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities or business associations, is not currently engaged in, and will not for the duration of this Agreement engage in, a boycott of any individual or company because the individual or company: (i) engages in or supports the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, minerals, hydroelectric power, nuclear energy, or agriculture; or (ii) engages in or supports the manufacture, distribution, sale, or use of firearms, as defined in Section 18-3302(2)(d), Idaho Code. The terms in this Section defined in Section 67-2347A, Idaho Code, shall have the meanings set forth therein.

[The following page is the signature page]

IN WITNESS WHEREOF, the Issuer and the Disclosure Agent have caused this Agreement to be executed and delivered by a duly authorized officer of each of them, all as of this ____ day of _____, 2025.

ISSUER: CITY OF COEUR D'ALENE, IDAHO

By: _____
Troy Tymesen, City Administrator

DISCLOSURE AGENT: ZIONS BANCORPORATION, NATIONAL
ASSOCIATION

By: _____
Authorized Signatory, Zions Bank Division

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APPENDIX D

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at dtcc.com.

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2025 Bonds may wish to ascertain that the nominee holding the 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede

& Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its 2025 Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and shall effect delivery of such 2025 Bonds by causing the Direct Participant to transfer the Participant's interest in the 2025 Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of 2025 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2025 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2025 Bonds to the Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2025 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

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