



City of
Coeur d'Alene
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City of Coeur d'Alene, Idaho
Audited Financial Statements
September 30, 2021

City of Coeur d'Alene

TABLE OF CONTENTS
September 30, 2021

FINANCIAL SECTION:

Independent Auditor's Report1

Management's Discussion and Analysis3

Basic Financial Statements:

 Government-wide Financial Statements:

 Statement of Net Position13

 Statement of Activities14

 Fund Financial Statements:

 Balance Sheet-Governmental Funds16

 Reconciliation of the Governmental Funds Balance

 Sheet to the Statement of Net Position.....17

 Statement of Revenues, Expenditures and Changes in Fund Balances

 Governmental Funds18

 Reconciliation of the Statement of Revenues, Expenditures and Changes

 in Fund Balances of Governmental Funds to the Statement of Activities19

 Statement of Net Position – Proprietary Funds20

 Statement of Revenues, Expenses and Changes in Fund Net Position

 Proprietary Funds21

 Statement of Cash Flows – Proprietary Funds.....22

 Statement of Fiduciary Net Position – Fiduciary Funds23

 Statement of Changes in Fiduciary Net Position – Fiduciary Funds24

 Notes to the Financial Statements25

Required Supplementary Information:

 Schedule of Revenues, Expenditures and Changes in Fund Balances

 Budget and Actual – General Fund.....72

 Notes to the Budget to Actual Schedule73

 Police Retirement Trust Fund:

 Schedule of Net Pension Liability and Contributions – Police Retirement Pension Plan.....74

 Schedule of Changes in Net Pension Liability and Related Ratios – Police Retirement Pension Plan.75

 Schedule of Investment Returns – Police Retirement Pension Plan76

 Schedule of City's Share of Net Pension Liability and Contributions – PERSI Base Plan.....77

 Schedule of City's Share of Net Pension Liability and Contributions – PERSI FRF Plan78

City of Coeur d'Alene

TABLE OF CONTENTS
September 30, 2021

Other Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	80
Combining Balance Sheet – Nonmajor Special Revenue Funds	81
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Special Revenue Funds	83
Combining Balance Sheet - Nonmajor Debt Service Funds	85
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Debt Service Funds.....	86
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Capital Projects Funds	89
Combining Statement of Net Position – Nonmajor Proprietary Funds	91
Combining Statement of Revenue, Expenses and Changes in Fund Net Position – Nonmajor Proprietary Funds	92
Combining Statement of Cash Flows – Nonmajor Proprietary Funds.....	93
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 <i>Government Auditing Standards</i>	94

SINGLE AUDIT SECTION:

Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133.....	96
Schedule of Expenditures of Federal Awards	98
Notes to Schedule of Expenditures of Federal Awards.....	99
Schedule of Findings and Questioned Costs	100

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

ANDERSONBROS.CPA

TAX, ASSURANCE, ACCOUNTING, ADVISORY

INDEPENDENT AUDITOR'S REPORT

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

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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 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 the ignite cda, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Coeur d'Alene, Idaho, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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1810 E Schneidmiller Ave #310

Post Falls, ID 83854

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration of the City of Coeur d'Alene, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Coeur d'Alene, Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Coeur d'Alene, Idaho's internal control over financial reporting and compliance.



Anderson Bros. CPAs
Post Falls, Idaho
March 29, 2022

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2021

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, 2021.

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 \$361,620,692 (net position). Of this amount, \$62,770,488 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$13,540,652. This increase is made up of a 3.44% increase in the business activities and a 4.55% increase in the governmental activities.
- At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$20,670,914 an increase of \$2,067,557. This increase is attributed to an increase in the general fund of \$1,456,181 due to an increase in revenue from the State of Idaho for sales and gas tax receipts.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$12,407,062, or 26.8% of the amended 2021 budget of general fund expenditures. The percentage for the year before was 19.5%, an increase of 7.3%.
- The City's total debt decreased by \$2,616,743 during fiscal year 2020-2021. The City's compensated absences increased \$151,638. The other changes to long-term debt were payments of \$799,329 on general obligation bond debt and \$1,863,929 on revenue bonds and \$105,123 on capital leases.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation and interest on long-term debt. The business-type activities of the City include water, wastewater, sanitation, drainage, street lighting and public parking.

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

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

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

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net positions – The City has 80.81% 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 1.83% 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, 17.36%, may be used to meet the City's ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Table 1, below is a comparative summary of the City of Coeur d'Alene's Net Position statement for the years ended September 30, 2021 and 2020:

**Table 1
Statements of Net Position
September 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 23,942,611	\$ 23,107,565	\$ 47,901,890	\$ 42,767,565	\$ 71,844,501	\$ 65,875,130
Net pension asset-FRF and Base Plan	23,190,624	12,481,826	73,481	-	23,264,105	12,481,826
Capital assets	127,216,671	131,603,054	208,989,542	208,292,711	336,206,213	339,895,765
Total assets	174,349,906	167,192,445	256,964,913	251,060,276	431,314,819	418,252,721
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflows-base plan	7,790,073	4,131,319	1,063,552	518,292	8,853,625	4,649,611
Deferred pension outflows-FRF plan	84,032	599,851	-	-	84,032	599,851
Total deferred outflows of resources	7,874,105	4,731,170	1,063,552	518,292	8,937,657	5,249,462
LIABILITIES						
Other liabilities	2,971,664	4,167,141	2,078,252	964,052	5,049,916	5,131,193
Net pension liability-base plan	-	15,835,399	-	2,043,893	-	17,879,292
Other long-term liabilities	8,070,035	8,826,953	40,976,937	42,836,762	49,046,972	51,663,715
Total liabilities	11,041,699	28,829,493	43,055,189	45,844,707	54,096,888	74,674,200
DEFERRED INFLOWS OF RESOURCES						
Deferred pension inflows-base plan	17,178,889	707,525	2,495,130	40,418	19,674,019	747,943
Deferred pension inflows-FRF plan	4,860,877	-	-	-	4,860,877	-
Total deferred inflows of resources	22,039,766	707,525	2,495,130	40,418	24,534,896	747,943
NET POSITION						
Net investment in capital assets	123,272,680	126,787,335	168,942,136	166,383,269	292,214,816	293,170,604
Restricted	6,635,388	5,439,632	-	-	6,635,388	5,439,632
Unrestricted	19,234,478	10,159,630	43,536,010	39,310,174	62,770,488	49,469,804
Total net position	\$ 149,142,546	\$ 142,386,597	\$ 212,478,146	\$ 205,693,443	\$ 361,620,692	\$ 348,080,040

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2021

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, 2021 and 2020:

**Table 2
Changes in Net Position
September 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues:						
Charges for services	\$ 5,035,840	\$ 4,210,900	\$ 28,168,394	\$ 25,073,934	\$ 33,204,234	\$ 29,284,834
Operating grants and contributions	1,050,691	8,705,270	-	-	1,050,691	8,705,270
Capital grants and contributions	256,846	436,466	6,246,718	5,157,947	6,503,564	5,594,413
General revenues:						
Property taxes	18,835,947	23,999,708	-	-	18,835,947	23,999,708
Sales tax	5,760,465	4,339,452	-	-	5,760,465	4,339,452
Franchise fees	3,496,936	3,383,414	-	-	3,496,936	3,383,414
Motor fuel taxes	3,166,179	2,410,601	-	-	3,166,179	2,410,601
Alcoholic beverage taxes	1,466,428	1,283,567	-	-	1,466,428	1,283,567
Grants and contributions not restricted to specific purposes	7,466,917	3,296,519	-	-	7,466,917	3,296,519
Interest and investment earnings	46,115	354,965	319,586	684,305	365,701	1,039,270
Miscellaneous	339,379	924,722	-	-	339,379	924,722
Donated assets	15,578	-	-	-	15,578	-
Total revenues	46,937,321	53,345,584	34,734,698	30,916,186	81,672,019	84,261,770
EXPENSES						
General government	8,083,711	8,646,136	-	-	8,083,711	8,646,136
Public safety	25,203,502	25,159,161	-	-	25,203,502	25,159,161
Public works	8,345,604	9,373,704	-	-	8,345,604	9,373,704
Culture and recreation	5,290,700	5,510,810	-	-	5,290,700	5,510,810
Administrative expense	7,351	50,150	-	-	7,351	50,150
Interest on long-term debt	239,677	224,243	-	-	239,677	224,243
Water services	-	-	6,927,695	6,445,007	6,927,695	6,445,007
Wastewater	-	-	11,990,245	9,478,804	11,990,245	9,478,804
Sanitation	-	-	3,805,628	3,610,245	3,805,628	3,610,245
Other enterprise	-	-	2,653,798	2,525,991	2,653,798	2,525,991
Loss (gain) on asset disposal	92,279	657,577	(39,904)	338,337	52,375	995,914
Net pension expense (revenue)	(4,714,401)	3,435,782	(16,815)	748,363	(4,731,216)	4,184,145
Total expenses	42,548,423	53,057,563	25,320,647	23,146,747	67,869,070	76,204,310
Increase (decrease) in net position before transfers	4,388,898	288,021	9,414,051	7,769,439	13,802,949	8,057,460
Transfers	2,629,348	2,782,502	(2,629,348)	(2,782,502)	-	-
Special items	(262,297)	(8,552,927)	-	-	(262,297)	(8,552,927)
Change in net position	\$ 6,755,949	\$ (5,482,404)	\$ 6,784,703	\$ 4,986,937	\$ 13,540,652	\$ (495,467)

Major changes in governmental activities were as follows:

Governmental activities increased the City's net position by \$6,755,949 which impacted the City's Governmental net position by approximately 4.74%.

City of Coeur d Alene

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

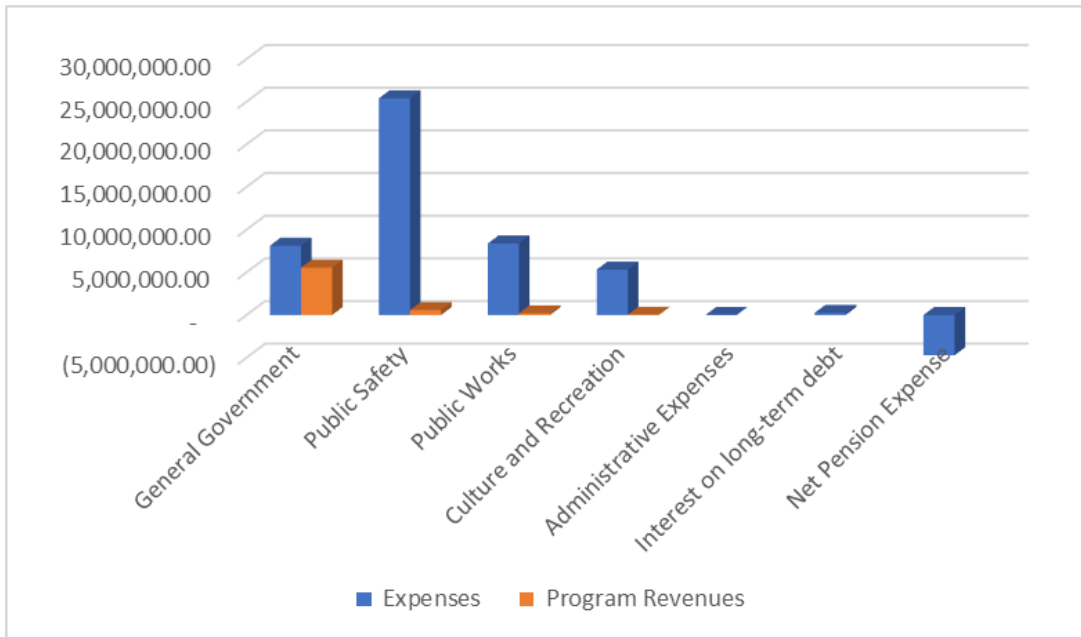
Property taxes collected were \$5,191,119 lower in fiscal year 2020-21 compared to fiscal year 2019-20 due to the City Council opting in to the Governor’s property tax relief CARES Act funding. The City Council did take \$454,272 in new growth property taxes but took 0% of the allowed 3% increase to property tax revenue in fiscal year 2020-21. This was a requirement from the State in order to participate in the Governor’s property tax relief funding. The change in total governmental fund revenue from fiscal year 2020-21 compared to fiscal year 2019-20 was a decrease of \$6,457,369. This decrease was due to the receipt of \$1,766,300 in COVID-19 CARES grant funding from the State of Idaho and \$6,730,459 from the Governor’s property tax relief CARES Act funding that was received in fiscal year 2019-20 that was used to offset a reduction in property tax revenues in fiscal year 2020-21.

Public safety expenses increased \$471,197 from fiscal year 2019-20 to 2020-21. This increase was due to an increase in wages and benefits plus one additional police sergeant and an additional EMS officer in the Fire Department.

Governmental Activities:

The following graphs depict various governmental activities and show the expenses and revenues for 2021 and 2020.

Expenses and Program Revenues – Government Activities FY 2020-21



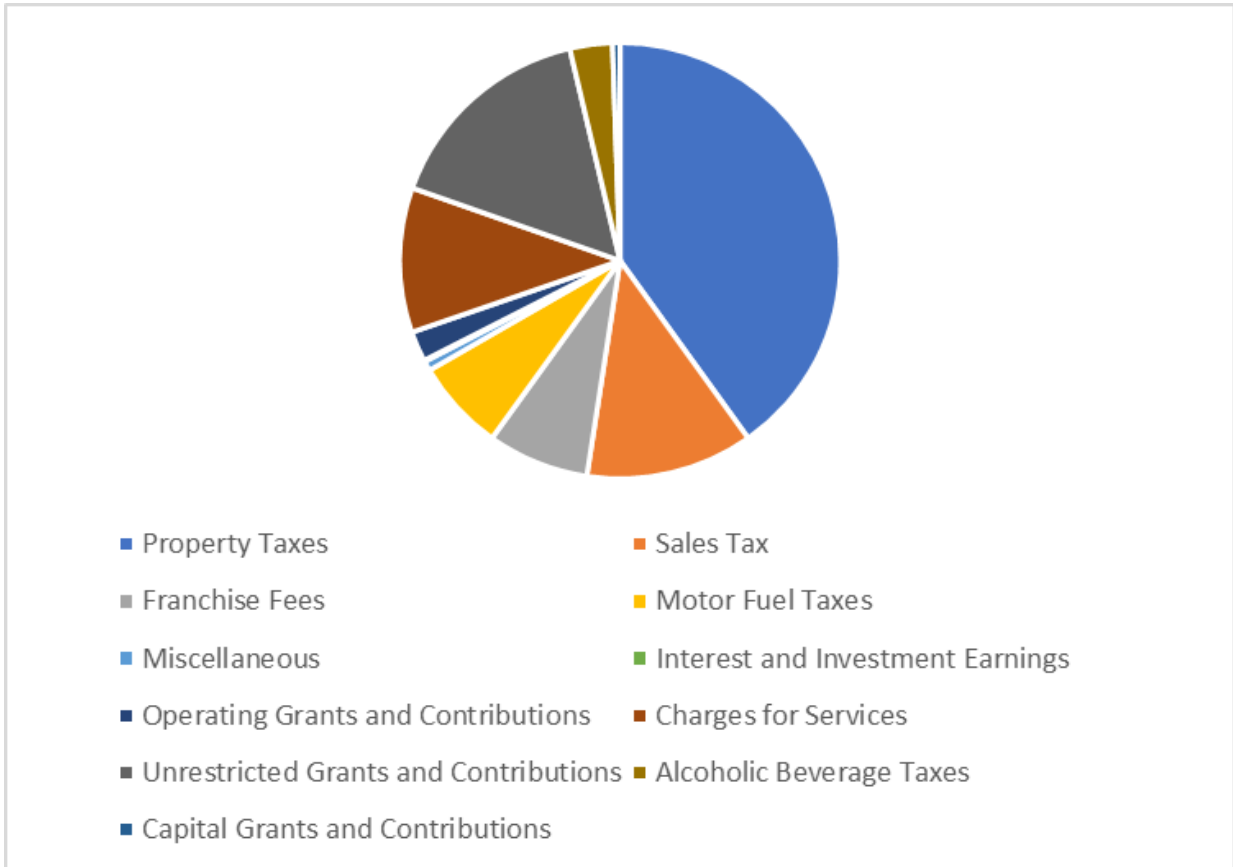
City of Coeur d Alene

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities:

Revenues by Source – Governmental Activities



Business-Type Activities:

Business-type activities increased the City’s net position by \$6,784,703, which impacted the City’s business-type net position by 3.3%. There was an increase in revenue from charges for services in the amount of \$3,094,460. This increase was mainly due to an increase in the number of accounts billed due to growth in the city, increases in water, wastewater, and street lighting rates and a higher usage of water for irrigation due to a very hot and dry summer season. Water fund revenue increased by \$1,241,476, Wastewater fund revenue increased by \$1,473,156, and Sanitation Fund revenue increased by \$214,110.

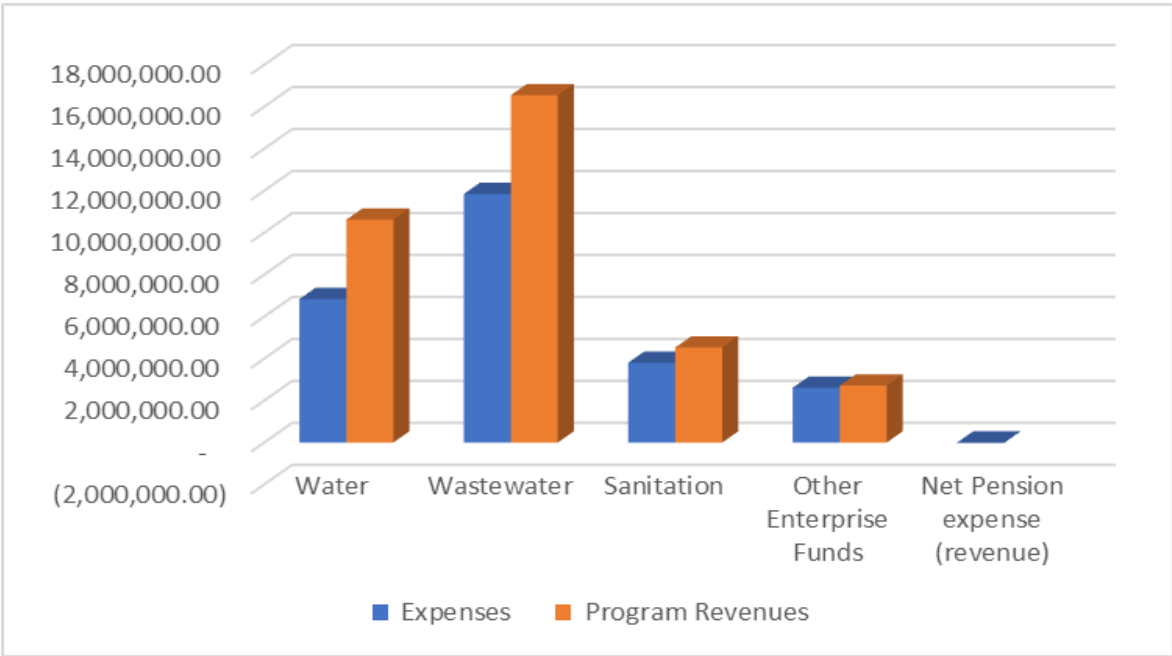
City of Coeur d Alene

**MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

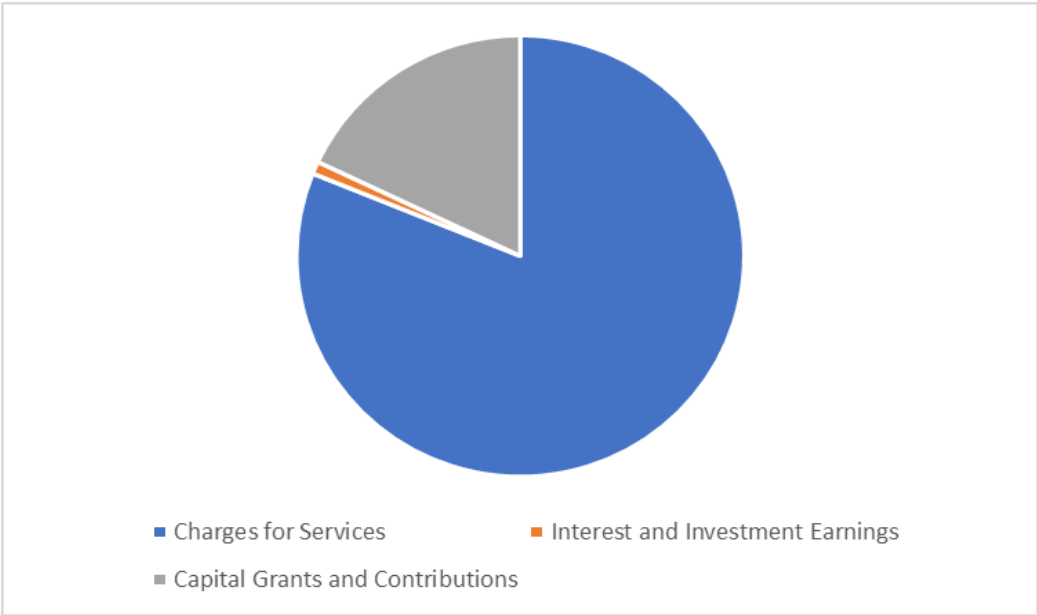
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities:

Expenses and Program Revenue – Business Type Activities



Revenues by Source – Business Type Activities



City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$20,670,914 an increase of \$2,067,557. Of the \$20,670,914 fund balance \$4,941,143 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 \$19,224,555. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total budgeted expenditures. Fund balance represents 41.59% of 2021 budgeted expenditures and the unassigned fund balance of \$12,407,062 represents 26.84% of 2021 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 2022 from the first current-year property tax settlement. Also, important to note is that the capital projects fund borrowed \$7,700,000 from the wastewater capitalization fund in fiscal year 2017-18 to purchase the Atlas Waterfront Site property. Interest on this due to / due from is accruing at an annual rate of 1.5% with the understanding that future tax increment funds from ignite's atlas district will begin to pay this down beginning in 2022.

General Fund cash balance increased by \$7,612,164. This increase can be attributed to the City receiving \$4,329,665 from the American Rescue Plan Act in May of 2021 and an increase in State sales and gas tax revenues of \$2,295,312 for fiscal year 2020-21. The City also had numerous unfilled positions in fiscal year 2020-21 that caused personnel expenses to be less than anticipated.

The unassigned fund balance of the City's General Fund increased \$3,223,394.

The capital projects fund had a fund balance deficit of \$7,465,919 at September 30, 2021. This deficit will disappear as funds are received from ignite cda as development of the Atlas Riverfront Site generates tax increment funding.

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$43,536,010. The total increase in net position for the funds was \$6,784,703. The majority of this increase is attributed to the water and wastewater funds operating revenues and capitalization fees being \$3.9 million dollars higher than the previous year's while operating expenses remained comparable to the previous year. A very long hot summer contributed to an increase in water consumption, These circumstances along with continued growth in the City and a scheduled increase in rates drove the revenue increase for these two departments in fiscal year 2020-21.

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2021

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 \$2,433,881. An amendment in the amount of \$952,406 was approved to provide funds to ignite that the City received from the Governor's property tax relief CARES Act funding to replace funds that ignite would have gotten through property taxes if the City had not opted in to the Governor's program. Other amendments included \$280,000 to cover the expense of constant manning in the fire department and \$146,500 from impact fees to fund remodeling at the police dept and partial funding of a boathouse for the fire department. Amendments were also approved for the street overlay budget in the Street Department in the amount of \$174,312 to account for overlay projects that were not completed in fiscal year 2019-20 and were carried over and completed in fiscal year 2020-21 and \$239,692 for police and fire department expenditures that were paid for with federal and state grants received.

The budget amendment included the use of \$7,273,340 of General Fund, Fund Balance. The majority of these funds were receipted in fiscal year 2019-20 from the Governor's Public Safety Initiative property tax relief that the City then used in fiscal year 2020-21 to cover the decrease of property taxes received as a condition of opting in to the Governor's funding. The unassigned portion of the General Fund, Fund Balance increased by \$3,223,394 from fiscal year 2019-20 to 2020-21.

Overall expenditures before transfers were \$2,764,196 under the final amended budget and \$330,315 under the original budget. Overall revenues before transfers were \$7,198,054 over the final amended budget of \$34,716,707 and \$2,168,095 over the original budget of \$39,746,666.

CAPITAL ASSETS

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of September 30, 2021, amounts to \$336,206,213. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery and equipment and vehicles. This balance represents a net decrease of \$3,689,552 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.

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

LONG-TERM DEBT

The City's long-term bonded debt increased by \$17,836,742 in 2021; leaving a balance of \$43,380,329 at year-end. The City converted a loan payable with the Department of Environmental Quality for expansion, improvements and modifications to the wastewater treatment plant into bonds during the fiscal year that increased long-term bonded debt by \$20,500,000. This loan was converted to revenue bonds in October of 2020 to be repaid in biannual installments over 20 years. The City also paid down long-term debt of \$2,768,381 during fiscal year 2020-21. Additional details of long-term debt activity for the year can be found in Notes 6 and 7 in the notes to basic financial statements. State statutes limit the amount of general obligation debt a government entity may issue to 2% of assessed market value. The current debt limitation for the City is \$134,226,051 which is significantly higher than the City's net outstanding general obligation debt of \$3,370,230.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council chose to take a 0% increase in the amount of property taxes levied of the allowed 3% for the 2020-21 budget. In the last 10 years the Council has only taken a portion of the allowed increase 3 times as follows – fiscal year 2019-20 – 3%, fiscal year 2016-17 – 2.5%, and fiscal year 2012-13 – 2%.

City of Coeur d Alene

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2021

Building growth is still strong in both the residential and commercial real estate sectors. Building permit revenue for fiscal year 2020-21 was \$1,781,999 compared to \$1,325,789 the previous year. The building department issued 1,610 permits in fiscal year 2020-21 with a total valuation of \$231 million and 1,307 in fiscal year 2019-20 with a valuation of \$131 million. Idaho experienced a 17.3% growth in population over the past decade, making it the 2nd fastest growing state in the nation. Kootenai County's population grew 23.7% over that time, making it the 3rd fastest growing county in Idaho. Median housing prices in Kootenai County now exceed \$500,000 and have more than doubled in the last four years. On a per capita level Idaho tends to slightly lag the nation in terms of income growth. Personal income growth has been at 5.6% and is projected at 5% for the next few years. In Coeur d'Alene the unemployment rate in December of 2021 was 3.0% with the unemployment count around 2,507. The Idaho unemployment rate for the same month was 3.1% and the national rate was 3.9%.

There will be scheduled fee increases in 2022 in the water fund, wastewater fund and the street lighting fund. Any increases in other areas of the City greater than 5% will be carefully studied and brought forward to the Mayor and Council at a public hearing.

REQUESTS FOR INFORMATION

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

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

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

City of Coeur d'Alene, Idaho

STATEMENT OF NET POSITION
September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	ignite cda
ASSETS				
Cash and cash equivalents	\$ 27,487,708	\$ 34,531,182	\$ 62,018,890	\$ 6,240,081
Investments	1,156,061	-	1,156,061	-
Receivables:				
Taxes delinquent	311,380	-	311,380	316,444
Accounts receivable	847,052	4,160,146	5,007,198	-
Special assessments	182,326	5,316	187,642	-
Prepaid expenses	-	-	-	-
Internal balances	(9,201,970)	9,201,970	-	-
Due from other governments	3,160,054	3,276	3,163,330	-
Deposits	-	-	-	109,100
Restricted cash - bond reserve	-	-	-	-
Net pension asset-FRF plan	22,652,408	-	22,652,408	-
Net pension asset-Base plan	538,216	73,481	611,697	-
Capital assets:				
Land	19,242,312	4,125,450	23,367,762	1,602,858
Construction in Progress	267,662	4,963,083	5,230,745	12,402,135
Capital assets, net of accumulated depreciation	107,706,697	199,901,009	307,607,706	199,262
Total assets	174,349,906	256,964,913	431,314,819	20,869,880
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows-base plan	7,790,073	1,063,552	8,853,625	-
Deferred pension outflows-FRF plan	84,032	-	84,032	-
Total deferred outflows of resources	7,874,105	1,063,552	8,937,657	-
LIABILITIES				
Accounts payable	2,556,470	1,390,396	3,946,866	323,796
Accrued payroll and related costs	-	-	-	4,014
Other accrued liabilities	-	100,000	100,000	-
Due to other governments	-	-	-	2,322
Deposits	403,847	-	403,847	331,500
Accrued interest payable	11,347	587,856	599,203	-
Long-term liabilities:				
Due within one year	1,107,853	3,027,668	4,135,521	2,992,194
Due in more than one year	6,962,182	37,949,269	44,911,451	57,000
Other liabilities due in more than one year:				
Net pension liability-base plan	-	-	-	-
Total liabilities	11,041,699	43,055,189	54,096,888	3,710,826
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows-base plan	17,178,889	2,495,130	19,674,019	-
Deferred pension inflows-FRF plan	4,860,877	-	4,860,877	-
Total deferred inflows of resources	22,039,766	2,495,130	24,534,896	-
NET POSITION				
Net investment in capital assets	123,272,680	168,942,136	292,214,816	14,204,255
Restricted	6,635,388	-	6,635,388	2,954,799
Unrestricted	19,234,478	43,536,010	62,770,488	-
Total net position	\$ 149,142,546	\$ 212,478,146	\$ 361,620,692	\$ 17,159,054

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, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,083,711	\$ 5,035,840	\$ 513,652	\$ -
Public safety	25,203,502	-	507,283	69,096
Public works	8,345,604	-	-	187,750
Culture and recreation	5,290,700	-	29,756	-
Administrative expense	7,351	-	-	-
Interest on long-term debt	239,677	-	-	-
Net pension expense (revenue)	(4,714,401)	-	-	-
Total governmental activities	42,456,144	5,035,840	1,050,691	256,846
Business-type activities:				
Water	6,927,695	7,740,217	-	2,879,893
Wastewater	11,990,245	13,186,174	-	3,366,825
Sanitation	3,805,628	4,529,535	-	-
Other Enterprise	2,653,798	2,712,468	-	-
Net pension expense (revenue)	(16,815)	-	-	-
Total business-type activities	25,360,551	28,168,394	-	6,246,718
Total primary government	\$ 67,816,695	\$ 33,204,234	\$ 1,050,691	\$ 6,503,564
Component unit:				
Lake City Development Corporation	\$ 2,662,973	\$ 7,567	\$ -	\$ -
Total component unit	\$ 2,662,973	\$ 7,567	\$ -	\$ -
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				
Donated assets				
Special assessments				
(Loss) gain on disposal of assets				
Transfers				
Special Items:				
Gain (loss) on land swap with ignite				
Gain on sale of assets				
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 Unit
Governmental Activities	Business-type Activities	Total	ignite cda
\$ (2,534,219)	\$ -	\$ (2,534,219)	\$ -
(24,627,123)	-	(24,627,123)	-
(8,157,854)	-	(8,157,854)	-
(5,260,944)	-	(5,260,944)	-
(7,351)	-	(7,351)	-
(239,677)	-	(239,677)	(136,089)
4,714,401	-	4,714,401	-
<u>(36,112,767)</u>	<u>-</u>	<u>(36,112,767)</u>	<u>(136,089)</u>
-	3,692,415	3,692,415	-
-	4,562,754	4,562,754	-
-	723,907	723,907	-
-	58,670	58,670	-
-	16,815	16,815	-
<u>-</u>	<u>9,054,561</u>	<u>9,054,561</u>	<u>-</u>
<u>(36,112,767.00)</u>	<u>9,054,561.00</u>	<u>(27,058,206)</u>	<u>(136,089)</u>
			<u>(2,670,540)</u>
			<u>(2,806,629)</u>
18,835,947	-	18,835,947	7,032,996
5,760,465	-	5,760,465	-
3,496,936	-	3,496,936	-
3,166,179	-	3,166,179	-
1,466,428	-	1,466,428	-
7,466,917	-	7,466,917	-
46,115	319,586	365,701	5,751
339,379	-	339,379	28,892
15,578	-	15,578	-
-	-	-	-
(92,279)	39,904	(52,375)	-
2,629,348	(2,629,348)	-	-
<u>(262,297)</u>	<u>-</u>	<u>(262,297)</u>	<u>268,885</u>
<u>42,868,716</u>	<u>(2,269,858)</u>	<u>40,598,858</u>	<u>2,162,369</u>
6,755,949	6,784,703	13,540,652	6,692,264
142,386,597	205,693,443	348,080,040	10,466,790
<u>\$ 149,142,546</u>	<u>\$ 212,478,146</u>	<u>\$ 361,620,692</u>	<u>\$ 17,159,054</u>

City of Coeur d'Alene, Idaho

**BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 19,144,929	\$ 544,108	\$ 7,798,671	\$ 27,487,708
Investments	-	-	1,156,061	1,156,061
Receivables:			-	-
Taxes delinquent	245,191	-	66,189	311,380
Accounts receivable	827,382	-	19,670	847,052
Special assessments	-	-	182,326	182,326
Due from other governments	2,979,441	175,000	5,613	3,160,054
Due from other funds	182,326	-	-	182,326
Total assets	<u>\$ 23,379,269</u>	<u>\$ 719,108</u>	<u>\$ 9,228,530</u>	<u>\$ 33,326,907</u>
LIABILITIES				
Accounts payable	\$ 2,355,430	\$ 133,303	\$ 67,737	\$ 2,556,470
Due to other funds	1,150,246	8,051,724	182,326	9,384,296
Deposits	403,847	-	-	403,847
Total liabilities	<u>3,909,523</u>	<u>8,185,027</u>	<u>250,063</u>	<u>12,344,613</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue- property taxes	245,191	-	66,189	311,380
Unavailable revenue- special assessments	-	-	-	-
Total deferred inflows of resources	<u>245,191</u>	<u>-</u>	<u>66,189</u>	<u>311,380</u>
FUND BALANCES (DEFICITS)				
Restricted	979,842	-	5,655,546	6,635,388
Committed	5,245,608	-	3,256,405	8,502,013
Assigned	592,043	-	327	592,370
Unassigned	12,407,062	(7,465,919)	-	4,941,143
Total fund balances	<u>19,224,555</u>	<u>(7,465,919)</u>	<u>8,912,278</u>	<u>20,670,914</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 23,379,269</u>	<u>\$ 719,108</u>	<u>\$ 9,228,530</u>	<u>\$ 33,326,907</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, 2021**

Total fund balances at September 30, 2021 - Governmental Funds		\$ 20,670,914
Cost of capital assets at September 30, 2021	\$ 231,731,688	
Less: Accumulated depreciation as of September 30, 2021		
Buildings	(11,789,745)	
Equipment	(19,975,484)	
Infrastructure	(67,037,090)	
Other improvements	<u>(5,712,698)</u>	127,216,671
Net pension asset-FRF		22,652,408
Net pension asset-base plan		538,216
Deferred pension outflows-base plan		7,790,073
Deferred pension outflows-FRF plan		84,032
Elimination of deferred revenue		311,380
Accrued interest		(11,347)
Deferred pension inflows-base plan		(17,178,889)
Deferred pension inflows-FRF plan		(4,860,877)
Long-term liabilities at September 30, 2021		
Leases	(562,414)	
General obligation debt	(3,339,298)	
Bond premium net of amortization	(30,932)	
Compensated absences	<u>(4,137,391)</u>	<u>(8,070,035)</u>
Net position at September 30, 2021		<u>\$ 149,142,546</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, 2021**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 16,352,305	\$ -	\$ 2,523,314	\$ 18,875,619
Licenses and permits	6,005,093	-	-	6,005,093
Intergovernmental	18,730,361	175,000	262,165	19,167,526
Charges for services	269,473	-	1,806,945	2,076,418
Fines and forfeits	451,214	-	51	451,265
Assessments collected	-	-	51	51
Investment (loss) earnings	31,085	1,737	13,293	46,115
Contributions	-	-	-	-
Miscellaneous	75,230	-	264,149	339,379
Total revenues	<u>41,914,761</u>	<u>176,737</u>	<u>4,869,968</u>	<u>46,961,466</u>
EXPENDITURES				
Current:				
General government	8,141,606	-	320,229	8,461,835
Public safety	26,677,204	-	-	26,677,204
Public works	5,080,960	-	-	5,080,960
Culture and recreation	2,855,331	-	1,650,429	4,505,760
Administrative expense	-	7,351	-	7,351
Capital outlay	589,909	323,124	828,424	1,741,457
Debt service:	-	-	-	-
Principal payments	69,710	-	791,598	861,308
Interest and fiscal agent fees	46,423	118,991	84,683	250,097
Total expenditures	<u>43,461,143</u>	<u>449,466</u>	<u>3,675,363</u>	<u>47,585,972</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(1,546,382)</u>	<u>(272,729)</u>	<u>1,194,605</u>	<u>(624,506)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds on sale of capital assets	62,715	-	-	62,715
Operating transfers in	3,088,848	5,351	243,248	3,337,447
Operating transfers out	(149,000)	-	(559,099)	(708,099)
Total other financing sources (uses)	<u>3,002,563</u>	<u>5,351</u>	<u>(315,851)</u>	<u>2,692,063</u>
Net change in fund balances	1,456,181	(267,378)	878,754	2,067,557
Fund balances (deficits) - beginning of year	17,768,374	(7,198,541)	8,033,524	18,603,357
Fund balances (deficits) - end of year	<u>\$ 19,224,555</u>	<u>\$ (7,465,919)</u>	<u>\$ 8,912,278</u>	<u>\$ 20,670,914</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, 2021**

Total net changes in fund balances for year ended September 30, 2021	\$ 2,067,557
Add: Capital outlay which is considered expenditures	1,741,457
Less: Depreciation expense for the year ended September 30, 2021	(5,912,112)
Add: Donated assets	15,578
Less: Proceeds from asset disposal	30,990
Less: Loss on asset disposal	(262,297)
Add: Current year PERSI contributions	3,640,490
Less: PERSI pension plan expense (revenue)	4,714,401
Elimination of interfund revenues and expenditures:	
Add: Interfund transfers out	708,099
Less: Interfund transfers in	(708,099)
Less: Change in compensated absence accrual for the year ended September 30, 2021	(112,120)
Add: Debt principal payments considered as an expenditure	861,308
Less: Proceeds from capital lease	-
Add: Change in accrued interest	2,689
Add: Bond Premium Amortization	7,731
Less: Difference between revenue earned on property taxes on modified accrual basis versus revenue on property taxes on accrual basis	(39,672)
Less: Difference between revenue earned on special assessments on modified accrual basis versus revenue on special assessments on accrual basis	<u>(51)</u>
Change in net position for year ended September 30, 2021	<u><u>\$ 6,755,949</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, 2021

	Business-type Activities - Enterprise Funds				Total Current Year
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 8,151,308	\$ 22,428,164	\$ 1,759,141	\$ 2,192,569	\$ 34,531,182
Receivables:					
Accounts, net of allowance for uncollectible accounts	1,560,265	1,737,088	375,954	486,839	4,160,146
Special assessments receivable	5,316	-	-	-	5,316
Due from other governments	604	2,425	-	247	3,276
Due from other funds	-	9,201,970	-	-	9,201,970
Prepaid expenses	-	-	-	-	-
Net pension asset	24,070	37,968	-	11,443	73,481
Total current assets	9,741,563	33,407,615	2,135,095	2,691,098	47,975,371
Capital assets:					
Land	382,758	1,528,020	-	2,214,672	4,125,450
Construction in Progress	3,972,461	990,622	-	-	4,963,083
Capital assets, net of accumulated depreciation	67,442,932	115,048,351	-	17,409,726	199,901,009
Total capital assets, net	71,798,151	117,566,993	-	19,624,398	208,989,542
Total non-current assets	71,798,151	117,566,993	-	19,624,398	208,989,542
Total assets	81,539,714	150,974,608	2,135,095	22,315,496	256,964,913
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension outflows	430,653	595,073	-	37,826	1,063,552
LIABILITIES					
Current liabilities:					
Accounts payable	679,109	319,104	314,186	77,997	1,390,396
Claims liability	-	100,000	-	-	100,000
Accrued interest	4,613	583,243	-	-	587,856
Current portion of compensated absences	20,535	11,326	-	-	31,861
Current portion of leases payable	11,309	25,999	-	-	37,308
Current portion of bonds/loan payable	-	2,958,499	-	-	2,958,499
Total current liabilities	715,566	3,998,171	314,186	77,997	5,105,920
Non-current liabilities:					
Compensated absences	213,837	256,485	-	34,409	504,731
Leases Payable	118,752	274,187	-	-	392,939
Bonds/loan payable, net of unamortized discounts	-	37,051,599	-	-	37,051,599
Total non-current liabilities	332,589	37,582,271	-	34,409	37,949,269
Total liabilities	1,048,155	41,580,442	314,186	112,406	43,055,189
DEFERRED INFLOWS OF RESOURCES					
Deferred pension inflows	1,001,384	1,382,744	-	111,002	2,495,130
NET POSITION					
Net investment in capital assets	71,786,842	77,530,896	-	19,624,398	168,942,136
Unrestricted	8,133,986	31,075,599	1,820,909	2,505,516	43,536,010
Total net position	\$ 79,920,828	\$ 108,606,495	\$ 1,820,909	\$ 22,129,914	\$ 212,478,146

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, 2021**

	Business-type Activities - Enterprise Funds				
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	Total
OPERATING REVENUES					
Services	\$ 7,740,217	\$ 13,186,174	\$ 4,529,535	\$ 2,712,468	\$ 28,168,394
OPERATING EXPENSES					
Administration	2,499,794	943,945	-	257,664	3,701,403
Maintenance	-	-	-	282,657	282,657
Pumping	1,199,024	-	-	-	1,199,024
Treatment	33,951	3,489,228	-	-	3,523,179
Collection	-	800,976	-	-	800,976
Transportation and distribution	187,250	-	-	-	187,250
Supplies	95,316	-	-	35,566	130,882
Contracted services	-	-	3,803,098	795,280	4,598,378
Depreciation	2,902,469	4,299,642	-	1,281,982	8,484,093
Bad debt	2,740	3,859	2,530	649	9,778
Net pension expense (revenue)	(15,124)	-	-	(1,691)	(16,815)
Total operating expenses	6,905,420	9,537,650	3,805,628	2,652,107	22,900,805
Operating (loss) income	834,797	3,648,524	723,907	60,361	5,267,589
NONOPERATING REVENUES (EXPENSES)					
Capitalization fees	1,366,001	2,806,401	-	-	4,172,402
Amortization	-	128,493	-	-	128,493
Investment income	16,920	167,743	3,085	3,345	191,093
Gain on sale of assets	39,904	-	-	-	39,904
Interest expense	(7,151)	(2,452,595)	-	-	(2,459,746)
Total non-operating revenues (expenses)	1,415,674	650,042	3,085	3,345	2,072,146
Income before contributions and transfers	2,250,471	4,298,566	726,992	63,706	7,339,735
Capital contributions	1,513,892	560,424	-	-	2,074,316
Operating transfers in	-	-	-	129,000	129,000
Operating transfers out	(604,518)	(810,135)	(687,664)	(656,031)	(2,758,348)
Change in net position	3,159,845	4,048,855	39,328	(463,325)	6,784,703
Total net position - beginning	76,760,983	104,557,640	1,781,581	22,593,239	205,693,443
Total net position - ending	\$ 79,920,828	\$ 108,606,495	\$ 1,820,909	\$ 22,129,914	\$ 212,478,146

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, 2021**

	Business-type Activities - Enterprise Funds				Total
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 7,836,021	\$ 12,983,108	\$ 4,546,820	\$ 2,643,228	\$ 28,009,177
Payments to suppliers	(1,373,894)	(2,558,292)	(3,808,211)	(1,640,437)	(9,380,834)
Payments to employees	(2,233,227)	(2,656,423)	-	286,890	(4,602,760)
(Decrease) in due to other funds	-	-	-	-	-
Net cash provided by operating activities	4,228,900	7,768,393	738,609	1,289,681	14,025,583
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating transfers in	-	-	-	129,000	129,000
Operating transfers out	(604,518)	(810,135)	(687,664)	(656,031)	(2,758,349)
Net cash (used) by noncapital financing activities	(604,518)	(810,135)	(687,664)	(527,031)	(2,629,349)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond payments	-	(1,735,437)	-	-	(1,735,437)
Capital lease payments	(10,735)	(24,678)	-	-	(35,413)
New debt issuance	-	-	-	-	-
Interest paid	(7,532)	(1,915,467)	-	-	(1,922,999)
Capital asset purchases	(5,209,152)	(1,655,788)	-	(241,667)	(7,106,607)
Capitalization Fees	1,366,001	2,806,401	-	-	4,172,402
Contributions	-	-	-	-	-
Proceeds from the sale of assets	39,904	-	-	-	39,904
Net cash (used) by financing activities	(3,821,514)	(2,524,969)	-	(241,667)	(6,588,150)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	16,920	167,743	3,085	3,345	191,093
Net cash provided by investing activities	16,920	167,743	3,085	3,345	191,093
Net (decrease) increase in cash and cash equivalents	(180,212)	4,601,032	54,030	524,328	4,999,179
Cash and cash equivalents, beginning of year	8,331,520	17,827,132	1,705,111	1,668,241	29,532,004
Cash and cash equivalents, end of year	\$ 8,151,308	\$ 22,428,164	\$ 1,759,141	\$ 2,192,569	\$ 34,531,182
Reconciliation of operating income to net cash provided by operating activities:					
Operating (loss) income	834,797	3,648,524	723,907	60,361	5,267,589
Adjustments to reconcile operating (loss) income to net cash provided by (used for) operating activities:					
Depreciation expense	2,902,469	4,299,642	-	1,281,982	8,484,094
(Gain) loss on sale of capital assets	-	-	-	-	-
(Increase) decrease in accounts receivable	115,744	(74,094)	17,285	(69,308)	(10,374)
(Increase) decrease in due from special assessment receivable	3,577	-	-	-	3,577
(Increase) decrease in due from other governments	553	7,017	-	68	7,638
(Increase) decrease in due from other funds	-	(135,990)	-	-	(135,990)
(Increase) decrease in net pension asset	(24,070)	(37,968)	-	(11,443)	(73,481)
(Increase) decrease in prepaid expenses	-	-	-	-	-
(Increase) decrease in deferred outflows of resources	(218,688)	(302,114)	-	(24,458)	-
Increase (decrease) in accounts payable	449,707	142,977	(2,583)	(12,648)	577,453
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in compensated absences	26,090	6,019	-	7,409	39,518
Increase (decrease) increase in net pension liability	(845,794)	(1,145,710)	-	(52,389)	(2,043,893)
Increase (decrease) increase in deferred inflows of resources	984,515	1,360,090	-	110,107	2,454,712
Net cash provided by operating activities	\$ 4,228,900	\$ 7,768,393	\$ 738,609	\$ 1,289,681	\$ 14,025,583

Non-cash capital and related financing activities:

\$1,513,892 of water lines were donated to the water fund by developers.
\$560,464 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, 2021**

	Police Retirement Pension Trust Funds	Sales Tax Custodial Fund	Business Improvement District Custodial Fund	Kootenai County Solid Waste Custodial Fund	City of Coeur d'Alene Employee Benefits Trust
ASSETS					
Cash and cash equivalents	\$ 7,740	\$ 2,010	\$ 258,441	\$ -	\$ 2,623,284
Investments	608,368	-	-	-	-
Due from other government unit	-	-	-	-	-
Due from other funds	-	20	-	-	-
Prepaid Expense	-	-	-	-	1,893
Accounts receivable	-	-	58,225	270,832	5,530
Total assets	<u>616,108</u>	<u>2,030</u>	<u>316,666</u>	<u>270,832</u>	<u>2,630,707</u>
LIABILITIES					
Claims payable	-	-	-	-	81,099
Health claims incurred but not paid	-	-	-	-	599,057
Due to other governments	-	2,030	-	-	-
Total liabilities	<u>-</u>	<u>2,030</u>	<u>-</u>	<u>-</u>	<u>680,156</u>
NET POSITION					
Restricted for:					
Police retirement	616,108	-	-	-	-
Sales tax	-	-	-	-	-
Homeless	-	-	-	-	-
Business improvement district	-	-	316,666	-	-
Kootenai County solid waste	-	-	-	270,832	-
City of Coeur d'Alene Employee Benefits Trust	-	-	-	-	1,950,551
Total net position	<u>\$ 616,108</u>	<u>\$ -</u>	<u>\$ 316,666</u>	<u>\$ 270,832</u>	<u>\$ 1,950,551</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, 2021**

	Police Retirement Pension Trust Fund	Sales Tax Custodial Fund	Homeless Trust Custodial Fund	Business Improvement District Custodial Fund	Kootenai County Solid Waste Custodial Fund	City of Coeur d'Alene Employee Benefits Trust
ADDITIONS						
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,727,478
Interest	14,879	-	-	404	-	-
Net increase (decrease) in the fair value of investments	(8,904)	-	-	-	-	-
Sales tax collected for other governments	-	25,555	-	-	-	-
Contributions for homeless	-	-	6,251	-	-	-
Revenues for the business improvement district	-	-	-	103,767	-	-
Revenues for Kootenai County solid waste	-	-	-	-	2,925,395	-
Interest	-	-	-	-	-	10,105
Total additions	5,975	25,555	6,251	104,171	2,925,395	5,737,583
DEDUCTIONS						
Pension expense	184,132	-	-	-	-	-
Payments of sales tax collected for other governments	-	25,555	-	-	-	-
Beneficiary payments to individuals	-	-	6,251	-	-	-
Payments to other entities	-	-	-	41,000	-	-
Payments of solid waste revenue for other governments	-	-	-	-	2,919,497	-
Insurance claim benefits	-	-	-	-	-	4,548,504
Change in health claims incurred but not paid	-	-	-	-	-	219,392
Stop loss premiums	-	-	-	-	-	564,690
Administrative expenses	2,830	-	-	-	-	396,973
Total deductions	186,962	25,555	6,251	41,000	2,919,497	5,729,559
Net increase (decrease) in fiduciary net position	(180,987)	-	-	63,171	5,898	8,024
Net position, beginning of year, restated *	797,095	-	-	253,495	264,934	1,942,527
Net position, end of year	\$ 616,108	\$ -	\$ -	\$ 316,666	\$ 270,832	\$ 1,950,551

* The police retirement pension trust fund, beginning net position has been restated, as an actuarial study is only performed every other year and the prior study was performed in the fiscal year September 30, 2019.

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, 2021

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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

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

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government reports the following major governmental funds:

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

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

The government reports the following major proprietary funds:

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Prepaid Items

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

Budgetary Accounting - Budgetary Basis

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

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

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

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

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

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

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

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 enterprise 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, 2021, 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, 2021

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, 2021.

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, 2021

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:	
2012D Sewer Revenue Refunding Bonds	15

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

Compensated Absences

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

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

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

The liability for vacation, comp time, and sick leave is recorded in the statement of net position for all governmental activities and business-type activities. The entire amount of compensated absences is reported as a fund liability. The City has implemented GASB Statement No. 16, "Accounting for Compensated Absences" which requires the accrual to include related payroll tax and retirement costs. At September 30, 2021, the total compensated absences payable by the City was \$4,673,983.

Compensated absences are reported as follows in the financial statements:

Governmental activities	\$ 4,137,391
Business-type activities	536,592
	<u>\$ 4,673,983</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

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 one type of these items, which arise under the government-wide accrual basis of accounting that qualifies for reporting in this category and one item, which arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source; property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The other item (reported in the government-wide statements) is an amount related to the pension base and FRF plans. 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.

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.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 2020-21 fiscal year were as follows: library fund - .000276, general obligation bonds .000130, and general fund -.00270.

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.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions (continued)

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, 2021 included capital projects funds which had a net deficit fund balance of \$7,465,919. This deficit is primarily related to the Riverstone Mill Site, which has a deficit fund balance of \$8,051,724.

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

Due to the COVID-19 pandemic, the Governmental Accounting Standards Board issued GASB 95 - Postponement of the Effective Dates of Certain Authoritative Guidance. The City will be implementing one new pronouncement for the fiscal year ending September 30, 2022:

GASB 87: The City is also preparing for the implementation of GASB 87, Leases. 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 and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The City is preparing to implement this standard as of October 1, 2021 in order to prepare Fiscal Year 2022 financial statements in compliance with this new standard.

NOTE 2 - CASH AND INVESTMENTS

General:

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

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Custodial credit risk:

Custodial credit risk is the risk that in the event of a failure of a financial institution, the City's deposits and investments may not be returned to it. The City does not have a deposit policy for custodial credit risk. The carrying amount of the City's deposits and investments is \$66,674,794 and the bank balance is \$68,087,148. As of September 30, 2021, the City's deposits and investments were exposed to custodial credit risk as follows:

Deposits and investments without exposure to custodial credit risk:

Deposits:

Amounts insured by FDIC	\$ 3,807,535
	3,807,535

Investments:

Amount registered in the name of the City	1,764,429
Total deposits and investments without exposure to custodial credit risk	5,571,964

Deposits and investments with exposure to custodial credit risk:

Deposits:

Amounts uninsured	1,970,093
Amount collateralized with securities held in trust, but not in the City's name	59,733,702
	61,703,795

Investments:

Amount registered in the name of the City	811,389
Total deposits and investments with exposure to custodial credit risk	62,515,184
Total Deposits and Investments	\$ 68,087,148

Cash and cash equivalents at September 30, 2021 consist of the following:

Deposits (checks in excess of deposits)	\$ 4,973,165
Cash on hand	1,350
Short-term certificates of deposit	1,561,389
Money market	1,014,044
Idaho State Investment Pool	57,360,417
Total	64,910,365

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

Governmental activities	27,487,708
Business-type activities	34,531,182
Police retirement pension trust fund	7,740
Sales tax agency fund	2,010
Business improvement district agency fund	258,441
City of Coeur d'Alene employee benefits trust	2,623,284
Kootenai county solid waste agency fund	-
Total	64,910,365

Investments are presented in the Financial Statements as follows:

Governmental activities	1,156,061
Police retirement pension trust fund	608,368
Total	1,764,429
Total Cash and Investments	\$ 66,674,794

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Credit risk:

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

Interest rate risk and concentration of credit risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Concentration of credit risk as defined by GASB exists when more than 5% of an investment portfolio is allocated to one security. As of September 30, 2021, 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
09/06/24	The Coca Cola Co	\$ 73,628	5%	\$ 72,567	\$ -	\$ -	72,567	\$ -
12/15/21	United Health Group Inc	50,773	3%	50,262	50,262	-	-	-
06/24/26	Bank of Nova Scotia	50,289	5%	50,037	-	-	50,037	-
08/31/25	US Treasury Note	99,977	5%	97,957	-	-	97,957	-
06/12/25	Toronto Dominion Bank	50,715	3%	50,111	-	-	50,111	-
09/30/25	FHLMCMTN	99,559	2%	98,373	-	-	98,373	-
01/15/22	US Treasury Inflation Protected	60,951	3%	60,740	60,740	-	-	-
02/28/25	US Treasury Note	51,141	5%	50,834	-	-	50,834	-
02/15/26	US Treasury Note	103,906	1%	103,180	-	-	103,180	-
12/01/21	Federal Home Loan Bks	100,162	5%	100,300	100,300	-	-	-
12/01/21	Federal Home Loan Bks	49,688	5%	50,150	50,150	-	-	-
12/15/21	United Health Group Inc	50,685	2%	50,262	50,262	-	-	-
01/15/25	Air Products Chemical	31,109	3%	30,545	-	-	30,545	-
01/15/22	Branch Banking Trust	50,105	3%	50,245	50,245	-	-	-
02/15/26	US Treasury Note	25,977	3%	25,795	-	-	25,795	-
01/15/22	Branch Banking Trust	70,147	3%	70,342	70,342	-	-	-
02/15/22	US Treasury Note	96,367	4%	100,727	100,727	-	-	-
05/13/22	Apple Inc	50,592	5%	50,749	50,749	-	-	-
06/10/22	Federal Home Loan Bks	104,495	3%	101,580	101,580	-	-	-
09/09/22	Federal Home Loan Bks	49,792	5%	50,898	50,898	-	-	-
10/15/22	Oracle Corp	49,826	3%	51,133	-	51,133	-	-
03/06/23	John Deere Capital Corp	49,244	3%	51,766	-	51,766	-	-
04/25/23	JP Morgan Chase Co	50,110	2%	50,671	-	50,671	-	-
05/16/23	Chevron Corporation	51,164	2%	51,576	-	51,576	-	-
06/09/23	Federal Home Loan Bks	51,072	3%	51,578	-	51,578	-	-
11/24/23	Caterpillar Financial SE	101,734	3%	107,245	-	-	107,245	-
03/08/24	Federal Home Loan Bks	50,792	3%	52,704	-	-	52,704	-
10/01/24	Simon Property Group LP	30,559	3%	32,108	-	-	32,108	-
		<u>\$ 1,754,556</u>		<u>\$ 1,764,429</u>	<u>\$ 736,252</u>	<u>\$ 256,723</u>	<u>\$ 771,454</u>	<u>\$ -</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 2 - CASH AND INVESTMENTS (CONCLUDED)

Investment	Fair Value & Carrying Amount	Maturity			
		Less than 1 year	Less than 2 years	2-5 years	6-10 years
U.S. Treasuries	\$ 439,233	\$ 161,467		\$ 277,766	\$ -
U.S. Agencies	505,582	302,928	51,578	151,077	-
U.S. Corporations	719,468	271,858	205,145	242,465	-
Foreign Corporations	100,147		-	100,147	-
	<u>\$ 1,764,429</u>	<u>\$ 736,252</u>	<u>\$ 256,723</u>	<u>\$ 771,454</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.

Fair value:

The securities registered in the City's name were purchased at a cost of \$1,754,556. The net gain of \$9,873 (the difference between cost and fair value) has been recognized in the financial statements as a net gain on investments. There was a current year loss of \$32,759 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 \$57,360,417. The City's portion of the State Investment Pool had an unrealized gain of \$131,626 as of September 30, 2021, 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, 2021:

Franchise and utility receivables	\$ 827,383
Miscellaneous receivables	19,669
	<u>\$ 847,052</u>

Business-type activities:

Accounts receivable consist of the following as of September 30, 2021:

Amounts due from customers	\$ 4,168,436
Less allowance for uncollectible accounts	(8,290)
	<u>\$ 4,160,146</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 4 - SPECIAL ASSESSMENTS RECEIVABLE

Special assessments receivable from benefited property owners of public improvements consist of the following as of September 30, 2021 and are recorded in the debt service fund and water fund:

Governmental activities:

Deferred principal amounts not currently due, but due at a future date	<u>\$ 182,326</u>
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Business-type activities:

Deferred principal amounts not currently due, but due at a future date	<u>\$ 5,316</u>
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Installment payments of principal and interest due from property owners are billed annually.

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2021 is as follows:

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

	September 30, 2020	Additions	Deletions	Transfers Adjustments	September 30, 2021
Governmental activities:					
Land	\$ 19,131,529	\$ 110,783	\$ -	\$ -	\$ 19,242,312
Construction in progress	101,403	166,259	-	-	267,662
Total capital assets, not being depreciated	19,232,932	277,042	-	-	19,509,974
Buildings	25,074,745	375,717	-	-	25,450,462
Other Improvements	17,952,865	316,733	262,297	-	18,007,301
Equipment	29,705,024	771,965	154,993	15,578	30,337,574
Infrastructure	138,426,380	-	-	-	138,426,380
	211,159,014	1,464,415	417,290	15,578	212,221,717
Less: accumulated depreciation					
Buildings	11,058,253	731,493	-	-	11,789,746
Other Improvements	5,184,430	574,837	46,569	-	5,712,698
Equipment	18,689,001	1,425,898	154,993	15,578	19,975,484
Infrastructure	63,857,208	3,179,884	-	-	67,037,092
	98,788,892	5,912,112	201,562	15,578	104,515,020
Total capital assets being depreciated, net	112,370,122	(4,447,697)	215,728	31,156	107,706,697
Governmental activities capital assets net	\$ 131,603,054	\$ (4,170,655)	\$ 215,728	\$ 31,156	\$ 127,216,671

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Governmental activities:

General government	\$ 172,657
Public Works	3,697,013
Culture and Recreation	1,140,063
Public Safety	902,379
	<u>\$ 5,912,112</u>

	September 30, 2020	Additions	Deletions	Transfers/ Adjustments	September 30, 2021
Business-type activities:					
Land	\$ 4,125,450	\$ -	\$ -	\$ -	\$ 4,125,450
Construction in progress	1,337,600	3,625,482	-	-	4,963,082
Total capital assets, not being depreciated'	<u>5,463,050</u>	<u>3,625,482</u>	<u>-</u>	<u>-</u>	<u>9,088,532</u>
Reservoir	7,020,237	-	-	-	7,020,237
Wells and booster stations	10,507,198	219,636	-	-	10,726,834
Distribution system	97,993,816	2,768,738	-	-	100,762,554
Collection	50,605,534	1,147,520	-	-	51,753,054
Plant	139,930,200	321,893	-	-	140,252,093
Street lights	790,986	-	-	-	790,986
Equipment	12,768,329	892,827	84,491	(15,578)	13,561,087
Improvements	25,511,088	204,827	-	-	25,715,915
	<u>345,127,388</u>	<u>5,555,441</u>	<u>84,491</u>	<u>(15,578)</u>	<u>350,582,760</u>
Less: accumulated depreciation					
Reservoir	5,020,202	250,985	-	-	5,271,187
Wells and booster stations	5,042,550	190,466	-	-	5,233,016
Distribution system	42,201,360	2,116,748	-	-	44,318,108
Collection	15,074,497	873,512	-	-	15,948,009
Plant	58,361,929	3,311,746	-	-	61,673,675
Street lights	714,277	9,674	-	-	723,951
Equipment	7,501,850	696,936	84,491	(15,578)	8,098,717
Improvements	8,381,062	1,034,025	-	-	9,415,087
	<u>142,297,727</u>	<u>8,484,092</u>	<u>84,491</u>	<u>(15,578)</u>	<u>150,681,750</u>
Total capital assets being depreciated, net	<u>202,829,661</u>	<u>(2,928,651)</u>	<u>-</u>	<u>(31,156)</u>	<u>199,901,010</u>
Business-type activities capital assets net	<u>\$ 208,292,711</u>	<u>\$ 696,831</u>	<u>\$ -</u>	<u>\$ (31,156)</u>	<u>\$ 208,989,542</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 5 - CAPITAL ASSETS (CONCLUDED)

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

Business-type activities:

Water	\$ 2,902,469
Wastewater	4,299,642
Street Lighting	9,674
Drainage	380,430
Public Parking	891,877
	\$ 8,484,092

NOTE 6 - CHANGES IN LONG-TERM DEBT

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Balance 10/1/2020	Additions	Deletions	Balance 9/30/2021	Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 4,130,896	\$ -	\$ 791,598	\$ 3,339,298	\$ 809,951
Deferred amounts:					
For issuance premium	38,663	-	7,731	30,932	-
Total bonds payable	4,169,559	-	799,329	3,370,230	809,951
Capital leases	632,123	-	69,709	562,414	72,373
Compensated absences	4,025,271	112,120	-	4,137,391	225,529
Governmental activities Long-term liabilities	\$ 8,826,953	\$ 112,120	\$ 869,038	\$ 8,070,035	\$ 1,107,853
Business-type activities:					
Revenue bonds payable	\$ 20,474,575	\$ 20,500,000	\$ 1,735,435	\$ 39,239,140	\$ 2,958,498
Deferred amounts:					
For issuance premium	899,453	-	128,494	770,959	-
Total bonds payable	21,374,028	20,500,000	1,863,929	40,010,099	2,958,498
Capital Leases	465,660	-	35,414	430,246	37,308
State loan payable	20,500,000	-	20,500,000	-	-
Compensated absences	497,074	39,518	-	536,592	31,862
Business-type activities: Long-term liabilities	\$ 42,836,762	\$ 20,539,518	\$ 22,399,343	\$ 40,976,937	\$ 3,027,668

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 6 - CHANGES IN LONG-TERM DEBT (CONCLUDED)

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

Revenue bonds payable from the wastewater fund at September 30, 2021, are composed of the following issues:

In December of 2007, the City of Coeur d'Alene issued \$15,000,000 of sewer revenue bonds. This obligation was issued for the purpose of paying a portion of the cost of construction and installation of additions and betterments to the sewer system of the City. The Series 2007 Bonds were sold to the State of Idaho Department of Environmental Quality at an aggregate price plus accrued interest. On December 20, 2012, the City of Coeur d'Alene entered into an agreement with the Idaho Bond Bank for an Authority loan to be used to refund the City's 2007 revenue bonds.

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2012D Sewer Revenue Refunding Bonds	2022	3.00%	765,000	240,700	1,005,700
	2023	5.00%	790,000	217,750	1,007,750
	2024	5.00%	825,000	178,250	1,003,250
	2025	5.00%	870,000	137,000	1,007,000
	2026	5.00%	910,000	93,500	1,003,500
	2027	5.00%	960,000	48,000	1,008,000
Total 2012D Sewer Revenue Refunding Bonds			\$5,120,000	\$915,200	\$6,035,200

NOTE 7 - BONDS AND LEASES PAYABLE

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 is for a wastewater treatment plant upgrade. The upgrade is being driven by the necessity to meet changing National Pollutant Discharge Elimination System discharge limits. The upgrade will add 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.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2013 Sewer Revenue Bonds	2022	0.50%	609,620	35,221	644,841
	2023	0.50%	612,672	32,169	644,841
	2024	0.50%	615,657	29,184	644,841
	2025	0.50%	618,821	26,020	644,841
	2026	0.50%	621,919	22,922	644,841
	2027	0.50%	625,033	19,808	644,841
	2028	0.50%	628,114	16,727	644,841
	2029	0.50%	631,306	13,535	644,841
	2030	0.50%	634,467	10,374	644,841
	2031	0.50%	637,643	7,198	644,841
	2032	0.50%	640,822	4,019	644,841
	2033	0.50%	321,623	797	322,420
	Total 2013 Sewer Revenue Bonds			<u>\$7,197,697</u>	<u>\$217,974</u>

On May 30, 2013, the City entered into a loan agreement with the State of Idaho, Department of Environmental Quality for an amount not to exceed \$8,670,367 at a 2% interest rate to be repaid in biannual installments over 20 years. The State of Idaho is authorized by Title 30, 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 is for a new membrane filtration equipment building. The upgrade will add new mixing aeration and membrane tanks, new secondary effluent transfer pumping station, modifications to chemical systems center and installation of owner-purchased submerged membrane filtration system. On July 30, 2015, this loan was closed out and converted to Sewer Revenue Bond, Series 2015, with a principal amount owing of \$8,670,367. The City pledges income derived on the acquired or constructed assets to pay debt service.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2015 Sewer Revenue Bonds	2022	2.00%	401,770	126,452	528,222
	2023	2.00%	409,846	118,376	528,222
	2024	2.00%	417,788	110,434	528,222
	2025	2.00%	426,481	101,741	528,222
	2026	2.00%	435,054	93,168	528,222
	2027	2.00%	443,798	84,424	528,222
	2028	2.00%	452,518	75,704	528,222
	2029	2.00%	461,814	66,408	528,222
	2030	2.00%	471,096	57,125	528,221
	2031	2.00%	480,566	47,656	528,222
	2032	2.00%	490,127	38,094	528,221
	2033	2.00%	500,076	28,145	528,221
	2034	2.00%	510,128	18,094	528,222
	2035	2.00%	520,381	7,840	528,221
Total 2015 Sewer Revenue Refunding Bonds			\$6,421,443	\$973,661	\$7,395,104

On September 16, 2015, the City entered into a loan agreement with the State of Idaho, Department of Environmental Quality for an amount not to exceed \$20,000,000 at a 2% interest rate to be repaid in biannual installments over 20 years. The State of Idaho is authorized by Title 30, 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 is for the construction of additional primary treatment (including a new primary clarifier), secondary treatment improvement (including a new secondary clarifier), expansion of the tertiary filtration system to treat current and future plant flows, and modifications to existing chemical systems. On April 3, 2018 an addendum to the loan was approved to increase the loan amount to \$20,500,000. On October 9, 2020, this loan was closed out and converted to Sewer Revenue Bond, Series 2020, with a principal amount owing of \$20,500,000. 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, 2021**

NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)

2020 Sewer Revenue Bonds	2022	1,182,109	834,120	2,016,229
	2023	813,806	525,710	1,339,516
	2024	834,977	504,540	1,339,516
	2025	859,459	480,057	1,339,516
	2026	883,257	456,259	1,339,516
	2027	907,714	431,803	1,339,516
	2028	931,751	407,766	1,339,516
	2029	958,647	380,870	1,339,516
	2030	985,191	354,326	1,339,516
	2031	1,012,470	327,047	1,339,516
	2032	1,039,704	299,812	1,339,516
	2033	1,069,292	270,224	1,339,516
	2034	1,098,900	240,616	1,339,516
	2035	1,129,328	210,189	1,339,516
	2036	1,160,129	179,387	1,339,516
	2037	1,192,721	146,796	1,339,516
	2038	1,225,746	113,771	1,339,516
	2039	1,259,686	79,831	1,339,516
	2040	1,294,466	45,050	1,339,516
	2041	660,649	9,109	669,758
		<u>\$20,500,000</u>	<u>\$6,297,283</u>	<u>\$26,797,283</u>
Total revenue refunding bonds payable		<u>\$39,239,140</u>	<u>\$8,404,118</u>	<u>\$47,643,258</u>

General Obligation Bonds payable for the governmental activities at September 30, 2021, consist of the following issue:

<u>Issue</u>	<u>FY End 30-Sep</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015A Public Safety Bonds:	2022	2.05%	628,749	53,164	681,913
	2023	2.05%	641,638	40,272	681,910
	2024	2.05%	654,792	27,122	681,914
	2025	2.05%	668,215	13,698	681,913
Total 2015A Public Safety Bonds			<u>\$2,593,394</u>	<u>\$134,256</u>	<u>\$2,727,650</u>
<u>Issue</u>	<u>FY End 30-Sep</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015B Public Safety Bonds:	2022	2.05%	181,202	15,291	196,493
	2023	2.05%	186,592	11,577	198,169
	2024	2.05%	186,642	7,751	194,393
	2025	2.05%	191,468	3,925	195,393
Total 2015B Public Safety Bonds			<u>\$745,904</u>	<u>\$38,544</u>	<u>\$784,448</u>
Total General Obligation Bonds			<u>\$3,339,298</u>	<u>\$172,800</u>	<u>\$3,512,098</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)

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.

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

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

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

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

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)

Capital leases payable from governmental activities at September 30, 2021 consist of the following:

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

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
General Fund - John Deere Financial Lease for 2014 Grader	2022	1.9%	31,974	1,907	33,881
	2023		32,598	1,283	33,881
	2024		33,233	648	33,881
			<u>97,805</u>	<u>3,838</u>	<u>101,643</u>

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
General Fund - Caterpillar Financial Lease for 2018 Loaders	2022	5.35%	40,399	24,854	65,253
	2023		42,560	22,693	65,253
	2024		381,650	20,417	402,067
			<u>464,609</u>	<u>67,964</u>	<u>532,573</u>
			<u>\$ 562,414</u>	<u>\$ 71,802</u>	<u>\$ 634,216</u>

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

Year ending September 30	Governmental Activities
2022	\$ 99,134
2023	99,134
2024	<u>435,948</u>
Total minimum lease payments	634,216
Less: amount representing interest	<u>71,802</u>
Present value of minimum lease payments	<u>\$ 562,414</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 7 - BONDS AND LEASES PAYABLE (CONTINUED)

Capital leases payable from business-type activities at September 30, 2021 consist of the following issues:

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
Wastewater Fund - John Deere Financial Lease for a 2018 Wheel Loader	2022	5.35%	13,081	8,293	21,374
	2023		13,781	7,593	21,374
	2024		128,144	6,856	135,000
			<u>155,006</u>	<u>22,742</u>	<u>177,748</u>
Wastewater Fund - John Deere Financial Lease for a 2018 Wheel Loaders	2022	5.35%	12,918	7,767	20,685
	2023		13,609	7,076	20,685
	2024		118,652	6,348	125,000
			<u>145,179</u>	<u>21,191</u>	<u>166,370</u>
Water Fund - John Deere Financial Lease for a 2018 Wheel Loader	2022	5.35%	11,309	6,958	18,267
	2023		11,914	6,353	18,267
	2024		106,838	5,715	112,553
			<u>130,061</u>	<u>19,026</u>	<u>149,087</u>
			<u>\$ 430,246</u>	<u>\$ 62,959</u>	<u>\$ 493,205</u>

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

Year ending September 30	Business-type Activities
2022	\$ 60,326
2023	60,326
2024	<u>372,553</u>
Total minimum lease payments	493,205
Less: amount representing interest	<u>62,959</u>
Present value of minimum lease payments	<u>\$ 430,246</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 7 - BONDS AND LEASES PAYABLE (CONCLUDED)

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

Year	General Obligation Bonds	Capital Leases	Compensated Absences	Total (Memo Only)
Unknown	\$ -	\$ -	\$ 4,137,391	\$ 4,137,391
2022	809,951	72,373	-	882,324
2023	828,230	75,158	-	903,388
2024	841,434	414,883	-	1,256,317
2025	859,683	-	-	859,683
	<u>3,339,298</u>	<u>562,414</u>	<u>4,137,391</u>	<u>8,039,103</u>
Plus issuance premium- net	30,932	-	-	30,932
	<u>\$ 3,370,230</u>	<u>\$ 562,414</u>	<u>\$ 4,137,391</u>	<u>\$ 8,070,035</u>

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

Year	Wastewater 2015 Revenue Bonds	Wastewater 2012D Revenue Bonds	Wastewater 2013 Revenue Bonds	Wastewater 2020 Revenue Bonds	Capital Leases	Compensated Absences	Total (Memo Only)
Unknown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 536,592	\$ 536,592
2022	401,770	765,000	609,620	1,182,109	37,308	-	2,995,807
2023	409,846	790,000	612,672	813,806	39,304	-	2,665,628
2024	417,788	825,000	615,657	834,977	353,634	-	3,047,056
2025	426,481	870,000	618,821	859,459	-	-	2,774,761
2026	435,054	910,000	621,919	883,257	-	-	2,850,230
Thereafter	4,330,504	960,000	4,119,008	15,926,392	-	-	25,335,904
	<u>6,421,443</u>	<u>5,120,000</u>	<u>7,197,697</u>	<u>20,500,000</u>	<u>430,246</u>	<u>536,592</u>	<u>40,205,978</u>
Plus issuance premium- net	770,959	-	-	-	-	-	770,959
	<u>\$ 7,192,402</u>	<u>\$ 5,120,000</u>	<u>\$ 7,197,697</u>	<u>\$ 20,500,000</u>	<u>\$ 430,246</u>	<u>\$ 536,592</u>	<u>\$ 40,976,937</u>

There are a number of covenants, limitations and other requirements contained in the various bond indentures. The City is in substantial compliance with these requirements at September 30, 2021.

NOTE 8 - INTERFUND TRANSACTIONS

Due to/from other funds as of September, 30 2021:

Receivable Fund	Payable Fund	Amount
General fund	Non-major governmental funds	\$ 182,326
Wastewater fund	General fund	1,150,246
Wastewater fund	Capital projects fund	8,051,724
		<u>\$ 9,384,296</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 8 - INTERFUND TRANSACTIONS (CONCLUDED)

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. Both LIDs are 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, the City's urban renewal district, as tax increment on the property becomes available. The City donated approximately 45.48 acres of this property to ignite cda, the City's urban renewal agency during fiscal year 2019-20 with the desire that the Agency facilitate the development of the property. Ignite cda intends to reimburse the City for the City's acquisition costs for the property to the extent that ignite's board determines its revenues from development of the property exceed ignite's costs of development.

Interfund transfers as of September 30, 2021:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 3,088,848	\$ 149,000
Capital projects fund	5,351	-
Non major governmental funds	243,248	559,099
Water fund	-	604,518
Wastewater fund	-	810,135
Sanitation fund	-	687,664
Non major enterprise funds	129,000	656,031
	<u>\$ 3,466,447</u>	<u>\$ 3,466,447</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.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 9 - INSURANCE

In September of 2014 the City Council voted to discontinue the City's self-insurance program and to purchase insurance from the Idaho Counties Reciprocal Management Program (ICRMP). 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, the City's urban renewal district employees are also eligible to participate in the Plan. Coverage commences on the first day of the month following a sixty-day waiting period.

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

NOTE 10 - CONTINGENCIES

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

Litigation – The City is a defendant in various legal proceedings arising in connection with its operations. Several legal matters exist at September 30, 2021, which are in various stages of discovery and proceedings. Certain of these matters involve claimed amounts, which are material to the City's basic financial statements. Claims subject to Idaho law are limited to a statutory maximum of \$500,000. Claims subject to federal law are not limited. The City intends to vigorously defend itself in these pending actions. In accordance with the applicable accounting guidelines, management has recognized an estimated loss only for those matters which it has deemed an unfavorable outcome is probable and the amount of loss is reasonably estimable.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

CONDENSED STATEMENT OF NET POSITION

	Wastewater Funds
Assets:	
Current assets	\$ 33,407,615
Capital assets	117,566,993
Total assets	<u>150,974,608</u>
Deferred outflows of resources:	<u>595,073</u>
Liabilities:	
Current liabilities	3,998,171
Noncurrent liabilities	37,582,271
Total liabilities	<u>41,580,442</u>
Deferred inflows of resources:	<u>1,382,744</u>
Net position:	
Net investment in capital assets	77,530,896
Unrestricted	31,075,599
Total net position	<u>\$ 108,606,495</u>

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

	Wastewater Funds
Charges for services	\$ 13,186,174
Depreciation expense	(4,299,642)
Other operating expenses	(5,238,008)
Net pension expense (revenue)	-
Operating income	<u>3,648,524</u>
Non-operating revenues (expenses):	
Capitalization fees	2,806,401
Investment earnings	167,743
Interest expense	(2,452,595)
Amortization	128,493
Gain on sale of assets	-
Capital contributions	560,424
Operating transfer out	(810,135)
Change in net position	<u>4,048,855</u>
Beginning net position	104,557,640
Ending net position	<u>\$ 108,606,495</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONCLUDED)

CONDENSED STATEMENT OF CASH FLOWS

	Wastewater Funds
Net cash provided (used) by:	
Operating activities	\$ 7,768,393
Noncapital financing activities	(810,135)
Capital and related financing activities	(2,524,969)
Investing activities	167,743
Net increase (decrease)	4,601,032
Beginning cash and cash equivalents	17,827,132
Ending cash and cash equivalents	\$ 22,428,164

NOTE 12 - FUND BALANCE CLASSIFICATIONS

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

The City reports the following classifications:

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

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

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

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 12 - FUND BALANCE CLASSIFICATIONS (CONCLUDED)

<u>General Fund</u>	
Restricted	
KCJA drug task force	\$ 116,796
Coeur d'Alene Lake Drive - funds from Idaho Department of Transportation	840,000
Bellerive subdivision agreement	23,046
	<u>\$ 979,842</u>
Committed	
American Rescue Plan Act	\$ 4,329,665
Police training carryover per contract	15,080
Highway User Fees	588,258
Sick leave option 2	312,605
	<u>\$ 5,245,608</u>
Assigned	
Recreation department reserve	14,644
Carryover for overlay / chipseal program	577,399
	<u>\$ 592,043</u>
<u>Other Governmental Funds</u>	
Restricted	
Special revenue funds - Impact fees	\$ 5,424,466
Special revenue funds - Jewett House	124,448
Debt Service funds - General Obligation Bonds	106,632
	<u>\$ 5,655,546</u>
Committed	
Special revenue funds - Library	\$ 281,729
Special revenue funds - Cemetery	199,468
Special revenue funds - Parks capital improvements	515,760
Special revenue funds - Cemetery perpetual care	1,236,419
Special revenue funds - Reforestation	200,716
Special revenue funds - Public art	822,313
	<u>\$ 3,256,405</u>
Assigned	
Special revenue funds - Annexation fees	<u>\$ 327</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

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.

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 72% for police and firefighters. As of June 30, 2021, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters, as of June 30, 2021. The City's contributions were \$3,113,231 for the year ended September 30, 2021.

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN

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

At September 30, 2021, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the City's proportion was .7745166 percent.

For the year ended September 30, 2021, the City recognized pension (revenue) expense of \$(290,743). At September 30, 2021, 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	\$ 901,250	\$ 355,559
Changes in assumptions or other inputs	7,021,495	-
Net difference between projected and actual earnings on pension plan investments	-	19,212,939
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	165,033	105,521
City's contributions subsequent to the measurement date	765,847	-
Total	\$ 8,853,625	\$ 19,674,019

\$765,847 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, 2021.

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, 2019 the beginning of the measurement period ended June 30, 2020 is 4.8 years and 4.6 years for the measurement period June 30, 2021.

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

Year ended June 30:	
2022	(2,739,471)
2023	(2,468,823)
2024	(2,157,470)
2025	(4,279,988)

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (continued)

Actuarial Assumptions

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

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

*net of pension plan investment expense

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

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

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

An experience study was performed for the period July 1, 2015, through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2021, is based on the results of an actuarial valuation date of July 1, 2021.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (continued)

Actuarial Assumptions (continued)

Capital Market Assumptions from Callen 2021

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Inves		5.15%	3.06%

Investment Policy Assumptions from PERSI November 2019

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

Economic/Demographic Assumptions from Milliman 2021

Valuation Assumptions Chosen by PERSI Board

Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation*	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	6.35%

*2.30% was approved by the Board dated August 2021

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (continued)

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	\$ 21,263,899	\$ (611,698)	\$ (18,543,562)

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, 2021, the City reported payables to the defined benefit pension plan of \$102,871 for which legally required employer contributions and \$66,476 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 13 - PENSION PLANS (CONTINUED)

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.

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, 2021, the total FRF employer contribution rate was 12.28%. The FRF member rate for the year for class B is 11.45% which is 3.00% above the class 2 rate of 8.81%. The City's contributions were \$354,246 for the year ended September 30, 2021.

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

At September 30, 2021, the City reported a liability for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2021, the City's proportion was 8.3827379 percent.

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

For the year ended September 30, 2021, the City recognized pension expense (revenue) of (\$4,461,367). At September 30, 2021, 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	-	4,860,877
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	-	-
City's contributions subsequent to the measurement date	84,032	-
Total	<u>\$ 84,032</u>	<u>\$ 4,860,877</u>

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

\$84,032 reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending September 30, 2021.

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, 2019 the beginning of the measurement period ended June 30, 2020 is 1 year and 1 year for the measurement period June 30, 2021.

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

<u>Year ended June 30:</u>	
2022	(1,239,534)
2023	(1,157,730)
2024	(1,081,775)
2025	(1,381,838)

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, 2021

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

The total pension asset in the July 1, 2021, 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 or 1.00 depending on whether the member was hired on or before July 1, 2012

**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.

Actuarial Assumptions (continued)

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, 2021, is based on the results of an actuarial valuation date of July 1, 2021.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

Actuarial Assumptions (continued)

Capital Market Assumptions from Callen 2021

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Inves		5.15%	3.06%

Investment Policy Assumptions from PERSI November 2019

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

Economic/Demographic Assumptions from Milliman 2021

Valuation Assumptions Chosen by PERSI Board

Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation*	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	6.35%

*2.30% was approved by the Board dated August 2021

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

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%	Discount Rate 6.35%	1% Increase 7.35%
City's proportionate share of the net pension liability (asset)			
Total Plan	<u>\$ (20,803,777)</u>	<u>\$ (22,652,408)</u>	<u>\$ (24,252,223)</u>

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, 2021, the City reported payables to the defined benefit pension plan of \$34,244 for which legally required employer contributions and \$13,943 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 13 - PENSION PLANS (CONTINUED)

POLICE RETIREMENT FUND

Single-Employer Defined Benefit Pension Plan

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

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

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

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

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

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

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.

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 13 - PENSION PLANS (CONTINUED)

POLICE RETIREMENT FUND (continued)

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

At September 30, 2021, the City reported a net pension liability of \$1,481,135 for the police retirement trust fund. The City recognized \$186,961 of pension expense related to the police retirement pension plan.

At September 30, 2021, 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	\$ 258,575	\$ 66,415
Changes in assumptions	485,652	50,776
Net difference between projected and actual earnings on pension plan investments	22,221	10,332
	<u>\$ 766,448</u>	<u>\$ 127,523</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:

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

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

Funding Policy: The funding policy and cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Board of police retirement fund Commissioners. The costs of administering the plan are financed by investment earnings. The City decided to not fund the plan for fiscal year 2016-17 and has continued to not fund it through 2020-21. Funding is set to begin again in fiscal year 2021-22 when the City will receive additional funding as one of the urban renewal districts closes. The City's latest actuarial valuation was dated September 30, 2021. The City's contributions to the fund are set to amortize the fund's benefit liabilities over the period ending September 30, 2027. This represents a 30-year amortization of the fund's unfunded actuarial liability. The actuary recommends a minimum yearly contribution of \$152,000 to adequately satisfy future expected cash flow requirements. The fund's asset balance is not expected to decrease for at least the next ten years. These calculations are based on the actuarial assumptions, including annual post-retirement benefits increases of 0% and investment returns of 2.25%. Any adverse future experience of the fund will require an increase in the minimum recommended contribution of \$152,000.

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 13 - PENSION PLANS (CONTINUED)

POLICE RETIREMENT FUND (continued)

There are no long-term contracts for contributions to the plan or any legally required reserves. Investments at year end included cash equivalents of \$7,740 and U.S. Government issues of \$608,368. The actuarial value of assets is fair market value.

Discount Rate

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

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

Changes in the Net Pension Liability

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

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

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, 2021 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.

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE 13 - PENSION PLANS (CONCLUDED)

POLICE RETIREMENT FUND (continued)

Actuarial Assumptions

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

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

Schedule of Amortizations

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

See accompanying independent auditors' report.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 14 - SPECIAL ITEMS

During fiscal year ending September 30, 2021, the City had the following transactions with ignite cda, which qualify as and are presented as special items in the accompanying statement of activities.

Transfer of land from the City to ignite:

During fiscal year 2020-21 the City transferred a piece of land to ignite along Seltice Way in the Atlas Waterfront area. This property was transferred with the desire that ignite facilitate the development of this piece along with the development of the Atlas Mill property. The City's acquisition cost of this property was \$262,297

NOTE 15 - SUBSEQUENT EVENTS

On December 1, 2021 the City issued Series 2021A Bonds, in the amount of \$22,075,000, in order to refund the outstanding principal amounts of the City's Sewer Revenue Bond, Series 2015 and the City's Sewer Revenue Bond, Series 2020, and to pay the costs of issuance of the Series 2021A Bonds. On the same day the City issued Series 2021B Bonds, in the amount of \$5,085,000, 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 2021B Bonds. The refunded bonds were all issued to finance certain capital improvements to the City's wastewater system. The Series 2021 Bonds are revenue obligations of the System. Neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Series 2021 Bonds. The City pursued the Refunding Plan solely for debt service savings. A portion of the proceeds of the Series 2021A Bonds will be irrevocably deposited with Zions Bancorporation, National Association, as escrow agent and shall be used to prepay and refund the outstanding principal amount of the Series 2015 Bond and the Series 2020 Bond, plus accrued interest to the date of redemption. A portion of the Series 2021B Bonds will be irrevocably deposited with the Escrow Agent and shall be used to defease and advance refund the Series 2012 Bond. Interest on the Series 2021 Bonds is due on March 1st of each year and principal and interest is due on September 1st of each year. The 2021A Series will mature on September 1, 2034.

City of Coeur d'Alene

NOTES TO THE FINANCIAL STATEMENTS September 30, 2021

NOTE 16 - COMPONENT UNIT DISCLOSURES

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

Agency Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a failure of a financial institution, the Agency's deposits and investments may not be returned to it. The Agency does not have a deposit policy for custodial credit risk, but has charged management with ensuring the Agency's exposure to custodial credit risk is minimal. The carrying amount of the Agency's deposits is \$6,240,081 and the bank balance is \$5,549,776. As of September 30, 2021, the Agency's bank balance was not exposed to custodial credit risk. Details are as follows:

Amounts insured by the FDIC and or collateralized with securities: \$5,549,776

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

Capital Assets

Activity for ignite cda's capital assets for the fiscal year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,303,264	\$ 794,765	\$ 495,171	\$ 1,602,858
Construction in Progress	11,041,885	3,432,555	2,072,305	12,402,135
Total Capital assets not being depreciated	<u>12,345,149</u>	<u>4,227,320</u>	<u>2,567,476</u>	<u>\$ 14,004,993</u>
Capital assets being depreciated:				
Buildings and sites	209,750	-	-	209,750
Total capital assets being depreciated	<u>209,750</u>	<u>-</u>	<u>-</u>	<u>209,750</u>
Less accumulated depreciation for:				
Buildings and sites	10,488	-	-	10,488
Total accumulated depreciation	<u>10,488</u>	<u>-</u>	<u>-</u>	<u>10,488</u>
Total capital assets being depreciated, net	<u>199,262</u>	<u>-</u>	<u>-</u>	<u>199,262</u>
Governmental activities capital assets, net	<u>\$ 12,544,411</u>	<u>\$ 4,227,320</u>	<u>\$ 2,567,476</u>	<u>\$ 14,204,255</u>

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 17 - COMPONENT UNIT DISCLOSURES (CONTINUED)

Bond Payable – Washington Trust (2016 Series):

On August 25, 2011, the Agency received a Revenue Allocation Bond. The Agency was approved to borrow up to \$16,700,000. This financing was used on various Lake District Redevelopment Projects over the years. Maturity was set for August 1, 2021 and the interest rate was set at 3.26% per annum for the first five years. The Agency refunded the note in November of 2016, resulting in a principal of \$8,763,375 with a 1.25% interest rate and a term ending in 2021. The Agency made its final scheduled payment of principal and interest in the amount of \$1,819,851 during the fiscal year ended September 30, 2021, satisfying the obligation in full.

Bond Payable – Washington Trust (2017 Series):

On May 23, 2017, the Agency entered into a second Revenue Allocation Bond agreement with Washington Trust Bank (2017 Series). The Agency may borrow up to \$10,000,000. This financing was intended for projects within the Agency's Lake District including but not limited to certain costs of (i) the downtown structured parking facility, (ii) the Memorial Park element of the Four Corners Master Plan, and (iii) other eligible capital expenditure projects within the Lake District. The loan matures in August of 2022. The interest rate is set at 2.2% per annum.

Payments on the Note are due in semi-annual installments based on the aggregate principal amount drawn, plus accrued interest, pursuant to an amortization schedule. The Bond is secured by the District's pledge of the tax increment revenue allocation proceeds of the Lake District, subject to prior liens as described in the Note Purchase and Security Agreement. As of September 30, 2021, the outstanding principal balance was \$2,992,194.

As of September 30, 2021, the annual requirements to retire the outstanding balance are as follows:

Fiscal year ending September 30,	Rate	Principal	Interest	Total
2022	1.25%	2,992,195	50,194	3,042,389
		2,992,195	50,194	3,042,389

Bond Payable – Washington Trust (2019 Series)

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

Payments on the Note are due in semi-annual installments based on the aggregate principal amount drawn, plus accrued interest, pursuant to an amortization schedule. The first amortized payment is payable on the first February or August 1 following draws totaling \$1,000,000. As of September 30, 2021, the District has drawn a total of \$57,000 on the Note. Accordingly, a schedule of future payments for the Note has not been presented, as the amounts and timing of the District's remaining draws are still unknown. The Bond is secured by the District's pledge of the tax increment revenue allocation proceeds, subject to prior liens as described in the Note Purchase and Security Agreement.

See accompanying independent auditors' report.

City of Coeur d'Alene

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE 17 - COMPONENT UNIT DISCLOSURES (CONCLUDED)

The following is a summary of debt activity for the year ended September 30, 2021:

	Beginning Balance	Principal Additions	Principal Payments	Ending Balance	Due in One Year
Bond Payable- Washington Trust 2019 Series	\$ 57,000	\$ -	\$ -	\$ 57,000	\$ -
Bond Payable- Washington Trust 2017 Series	5,984,389	-	2,992,195	2,992,194	2,992,194
Bond Payable- Washington Trust 2016 Series	1,819,851	-	1,819,851	-	-
	<u>\$ 7,861,240</u>	<u>\$ -</u>	<u>\$ 4,812,046</u>	<u>\$ 3,049,194</u>	<u>\$ 2,992,194</u>

See accompanying independent auditors' report.

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, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 16,159,748	\$ 16,159,748	\$ 16,352,305	\$ 192,557
Licenses and permits	5,601,000	5,640,000	6,005,093	365,093
Intergovernmental	16,919,169	11,864,210	18,730,361	6,866,151
Charges for services	330,549	317,549	269,473	(48,076)
Fines and forfeits	340,200	340,200	451,214	111,014
Investment (loss) earnings	100,000	100,000	31,085	(68,915)
Miscellaneous	296,000	295,000	75,230	(219,770)
Total revenues	<u>39,746,666</u>	<u>34,716,707</u>	<u>41,914,761</u>	<u>7,198,054</u>
EXPENDITURES				
Current:				
General government	7,204,869	8,600,457	8,141,606	458,851
Public safety	27,317,231	27,984,212	26,677,204	1,307,008
Public works	5,804,682	5,879,859	5,080,960	798,899
Culture and recreation	3,193,938	3,193,938	2,855,331	338,607
Capital outlay	270,738	467,738	589,909	(122,171)
Debt service:				
Principal payments	-	69,710	69,710	-
Interest and fiscal agent fees	-	29,425	46,423	(16,998)
Total expenditures	<u>43,791,458</u>	<u>46,225,339</u>	<u>43,461,143</u>	<u>2,764,196</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(4,044,792)</u>	<u>(11,508,632)</u>	<u>(1,546,382)</u>	<u>9,962,250</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	15,000	59,000	62,715	3,715
Debt Issuance	-	-	-	-
Operating transfers in	2,938,686	3,085,186	3,088,848	3,662
Operating transfers out	(149,000)	(149,000)	(149,000)	-
Total other financing sources (uses)	<u>2,804,686</u>	<u>2,995,186</u>	<u>3,002,563</u>	<u>7,377</u>
Net change in fund balances	<u>(1,240,106)</u>	<u>(8,513,446)</u>	<u>1,456,181</u>	<u>9,969,627</u>
Fund balances - beginning of year	1,240,106	8,513,446	17,768,374	9,254,928
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,224,555</u>	<u>\$ 19,224,555</u>

City of Coeur d'Alene

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION September 30, 2021

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, 2021.

City of Coeur d'Alene

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

	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%
City of Coeur d'Alene's net pension liability	\$ 1,481,135	\$ 1,423,004	\$ 1,142,378	\$ 913,577	\$ 903,304	\$ 852,633	\$ 273,211
City of Coeur d'Alene's total pension liability	\$ 2,097,243	\$ 2,220,099	\$ 2,088,884	\$ 1,981,905	\$ 2,150,043	\$ 2,265,698	\$ 1,671,680
City of Coeur d'Alene's fiduciary net position	\$ 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
Plan fiduciary net position as a percentage of the total pension liability	29.38%	35.90%	45.31%	53.90%	57.99%	62.37%	83.66%

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

Data reported is measured as of September 30, 2021 (measurement date)

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

	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
City contributions	\$ -	\$ -	\$ 74	\$ 539	\$ 2,133	\$ 154,962	\$ 155,893
City's actuarially determined contributions	\$ 152,000	\$ 152,000	\$ 152,000	\$ 152,000	\$ 152,000	\$ 151,999	\$ 152,000
Difference between the actuarially determined contribution and the actual contribution	\$ (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

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

Data reported is measured as of September 30, 2021 (measurement date)

City of Coeur d'Alene

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

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest cost	42,561	57,152	66,401	66,374	69,072	62,928	59,255
Changes in benefit terms	-	-	-	-	-	-	-
Experience (gain) loss	76,745	28,507	111,764	(63,527)	(56,597)	208,433	-
Changes of assumptions	(58,030)	225,197	104,074	-	39,502	487,003	-
Benefit payments	(184,132)	(179,641)	(175,260)	(170,985)	(167,632)	(164,346)	(161,123)
Net change in total pension liability	(122,856)	131,215	106,979	(168,138)	(115,655)	594,018	(101,868)
Total pension liability - beginning of year	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)	<u>\$ 2,097,243</u>	<u>\$ 2,220,099</u>	<u>\$ 2,088,884</u>	<u>\$ 1,981,905</u>	<u>\$ 2,150,043</u>	<u>\$ 2,265,698</u>	<u>\$ 1,671,680</u>
Plan fiduciary net position							
Contributions - employer	\$ -	\$ -	\$ 74	\$ 539	\$ 2,133	\$ 154,962	\$ 155,892
Net investment income	5,975	33,688	57,352	(3,394)	4,419	29,411	30,210
Benefit payments	(184,132)	(179,641)	(175,260)	(170,985)	(167,632)	(164,346)	(161,123)
Administrative expense	(2,830)	(3,458)	(3,988)	(4,571)	(5,246)	(5,430)	(5,448)
Other adjustment to agree to 9/30/20	-	-	-	-	-	-	-
Net change in fiduciary net position	(180,987)	(149,411)	(121,822)	(178,411)	(166,326)	14,597	19,531
Plan fiduciary net position - beginning of year	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)	<u>\$ 616,108</u>	<u>\$ 797,095</u>	<u>\$ 946,506</u>	<u>\$ 1,068,328</u>	<u>\$ 1,246,739</u>	<u>\$ 1,413,065</u>	<u>\$ 1,398,468</u>
Net pension liability (a) - (b)	<u>\$ 1,481,135</u>	<u>\$ 1,423,004</u>	<u>\$ 1,142,378</u>	<u>\$ 913,577</u>	<u>\$ 903,304</u>	<u>\$ 852,633</u>	<u>\$ 273,212</u>

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

City of Coeur d'Alene

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

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

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

City of Coeur d'Alene

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

	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	0.7745166%	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)	\$ (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	\$ 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	-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	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

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

Data reported is measured as of June 30, 2021 (measurement date)

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

	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
Statutorily required contribution	\$ 3,058,016	\$ 3,020,835	\$ 2,918,570	\$ 3,035,277	\$ 2,591,451	\$ 2,289,207	\$ 2,537,750
Contributions in relation to the statutorily required contribution	\$ 3,492,695	\$ 3,315,704	\$ 2,975,323	\$ 2,885,192	\$ 2,738,658	\$ 2,572,387	\$ 2,603,758
Contribution (deficiency) excess	\$ 434,679	\$ 294,869	\$ 56,752	\$ (150,086)	\$ 147,207	\$ 283,180	\$ 66,009
City's covered-employee payroll	\$ 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	12.12%	12.03%	11.66%	11.65%	11.65%	11.59%	12.21%

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

Data reported is measured as of June 30, 2021 (measurement date)

City of Coeur d'Alene

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

	9/30/21	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%	7.7156242%	7.9375918%	7.5070873%	7.3277629%	7.3707911%
City of Coeur d'Alene's proportionate share of the net pension asset	\$ 22,652,408	\$ 12,481,826	\$ 11,091,489	\$ 8,982,985	\$ 6,440,753	\$ 3,938,556	\$ 3,981,015
City of Coeur d'Alene's covered-employee payroll	\$ 7,049,344	\$ 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	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	211.83%	155.55%	152.74%	140.15%	129.65%	118.42%	118.08%

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

Data reported is measured as of June 30, 2021 (measurement date)

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

	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	\$ (725,978)	\$ (725,978)	\$ (636,371)	\$ (611,689)	\$ (559,502)	\$ (527,496)	\$ (833,303)
Contribution (deficiency) excess	\$ (725,978)	\$ (725,978)	\$ (636,371)	\$ (611,689)	\$ (559,502)	\$ (527,496)	\$ (833,303)
City's covered-employee payroll	\$ 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	-10.30%	-10.94%	-10.50%	-10.29%	-10.21%	-10.53%	-17.58%

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

Data reported is measured as of June 30, 2021 (measurement date)

FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

City of Coeur d'Alene, Idaho

**COMBINING BALANCE SHEET - BY FUND TYPE
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021**

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,693,681	\$ 104,990	\$ 7,798,671
Investments	1,156,061	-	1,156,061
Receivables:			
Taxes delinquent	33,263	32,926	66,189
Accounts	19,670	-	19,670
Assessments:			
Delinquent	-	-	-
Deferred	-	182,326	182,326
Due from other governments	3,971	1,642	5,613
Due from other funds	-	-	-
Total assets	<u>\$ 8,906,646</u>	<u>\$ 321,884</u>	<u>\$ 9,228,530</u>
LIABILITIES			
Accounts payable	\$ 67,737	\$ -	\$ 67,737
Due to other funds	-	182,326	182,326
Total liabilities	<u>67,737</u>	<u>182,326</u>	<u>250,063</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue- property taxes	33,263	32,926	66,189
Unavailable revenue- special assessments	-	-	-
Total deferred inflows of resources	<u>33,263</u>	<u>32,926</u>	<u>66,189</u>
FUND BALANCES (DEFICITS)			
Restricted	5,548,914	106,632	5,655,546
Committed	3,256,405	-	3,256,405
Assigned	327	-	327
Unassigned	-	-	-
Total fund balances (deficits)	<u>8,805,646</u>	<u>106,632</u>	<u>8,912,278</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 8,906,646</u>	<u>\$ 321,884</u>	<u>\$ 9,228,530</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, 2021**

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 1,638,497	\$ 884,817	\$ 2,523,314
Intergovernmental	262,165	-	262,165
Charges for services	1,806,945	-	1,806,945
Fines and forfeits	51	-	51
Assessments collected	-	51	51
Investment (loss) earnings	(23,855)	-	(23,855)
Interest	37,148	-	37,148
Miscellaneous	263,471	-	263,471
Penalty and interest	-	678	678
Total revenues	<u>3,984,422</u>	<u>885,546</u>	<u>4,869,968</u>
EXPENDITURES			
Current:			
General government	320,229	-	320,229
Culture and recreation	1,650,429	-	1,650,429
Administrative expenses	-	-	-
Capital outlay	828,424	-	828,424
Debt service:			
Principal payments	-	791,598	791,598
Interest, fees and other	-	84,683	84,683
Total expenditures	<u>2,799,082</u>	<u>876,281</u>	<u>3,675,363</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,185,340</u>	<u>9,265</u>	<u>1,194,605</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	243,248	-	243,248
Operating transfers out	(559,099)	-	(559,099)
Total other financing sources (uses)	<u>(315,851)</u>	<u>-</u>	<u>(315,851)</u>
Net change in fund balances	869,489	9,265	878,754
Fund balances (deficits) - beginning of year	7,936,157	97,367	8,033,524
Fund balances (deficits) - end of year	<u>\$ 8,805,646</u>	<u>\$ 106,632</u>	<u>\$ 8,912,278</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, 2021

	<u>Library</u>	<u>Cemetery</u>	<u>Annexation Fees</u>	<u>Impact Fees</u>
ASSETS				
Cash and cash equivalents	\$ 314,833	\$ 208,723	\$ 327	\$ 5,424,466
Investments	-	-	-	-
Receivables:				
Taxes delinquent	33,263	-	-	-
Accounts	-	1,409	-	-
Due from other governments	3,971	-	-	-
Total assets	<u>\$ 352,067</u>	<u>\$ 210,132</u>	<u>\$ 327</u>	<u>\$ 5,424,466</u>
LIABILITIES				
Accounts payable	<u>\$ 37,075</u>	<u>\$ 10,664</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>37,075</u>	<u>10,664</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue- property taxes	<u>33,263</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>33,263</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	5,424,466
Committed	281,729	199,468	-	-
Assigned	-	-	327	-
Total fund balances (deficits)	<u>281,729</u>	<u>199,468</u>	<u>327</u>	<u>5,424,466</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 352,067</u>	<u>\$ 210,132</u>	<u>\$ 327</u>	<u>\$ 5,424,466</u>

Parks Capital Improvements	Cemetery Perpetual Care	Reforestation	Jewett House	Public Art	Total Nonmajor Special Revenue Funds
\$ 498,791	\$ 80,358	\$ 205,716	\$ 136,852	\$ 823,615	\$ 7,693,681
-	1,156,061	-	-	-	1,156,061
-	-	-	-	-	33,263
18,261	-	-	-	-	19,670
-	-	-	-	-	3,971
<u>\$ 517,052</u>	<u>\$ 1,236,419</u>	<u>\$ 205,716</u>	<u>\$ 136,852</u>	<u>\$ 823,615</u>	<u>\$ 8,906,646</u>
<u>\$ 1,292</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 12,404</u>	<u>\$ 1,302</u>	<u>\$ 67,737</u>
<u>1,292</u>	<u>-</u>	<u>5,000</u>	<u>12,404</u>	<u>1,302</u>	<u>67,737</u>
-	-	-	-	-	33,263
-	-	-	-	-	33,263
-	-	-	124,448	-	5,548,914
515,760	1,236,419	200,716	-	822,313	3,256,405
-	-	-	-	-	327
<u>515,760</u>	<u>1,236,419</u>	<u>200,716</u>	<u>124,448</u>	<u>822,313</u>	<u>8,805,646</u>
<u>\$ 517,052</u>	<u>\$ 1,236,419</u>	<u>\$ 205,716</u>	<u>\$ 136,852</u>	<u>\$ 823,615</u>	<u>\$ 8,906,646</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, 2021**

	<u>Library</u>	<u>Cemetery</u>	<u>Annexation Fees</u>	<u>Impact Fees</u>
REVENUES				
Taxes	\$ 1,638,497	\$ -	\$ -	\$ -
Intergovernmental	16,227	-	-	-
Charges for services	1,564	278,502	88,940	1,216,712
Fines and forfeits	51	-	-	-
Unrealized gain (loss) on investments	-	-	-	-
Interest	471	133	48	7,580
Miscellaneous	6,894	10,400	-	-
Total revenues	<u>1,663,704</u>	<u>289,035</u>	<u>88,988</u>	<u>1,224,292</u>
EXPENDITURES				
Current:				
General government	-	262,339	-	-
Culture and recreation	1,477,827	-	-	-
Capital outlay	183,008	-	-	-
Total expenditures	<u>1,660,835</u>	<u>262,339</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,869</u>	<u>26,696</u>	<u>88,988</u>	<u>1,224,292</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	159,996	-	-
Operating transfers out	-	(63,252)	(184,000)	(151,851)
Total other financing sources (uses)	<u>-</u>	<u>96,744</u>	<u>(184,000)</u>	<u>(151,851)</u>
Net change in fund balances	2,869	123,440	(95,012)	1,072,441
Fund balances - beginning of year	278,860	76,028	95,339	4,352,025
Fund balances (deficits) - end of year	<u>\$ 281,729</u>	<u>\$ 199,468</u>	<u>\$ 327</u>	<u>\$ 5,424,466</u>

Parks Capital Improvements	Cemetery Perpetual Care	Reforestation	Jewett House	Public Art	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,638,497
245,938	-	-	-	-	262,165
164,739	-	56,488	-	-	1,806,945
-	-	-	-	-	51
-	(23,855)	-	-	-	(23,855)
1,183	25,825	393	25	1,490	37,148
-	-	-	122,124	124,053	263,471
<u>411,860</u>	<u>1,970</u>	<u>56,881</u>	<u>122,149</u>	<u>125,543</u>	<u>3,984,422</u>
-	5,039	-	16,004	36,847	320,229
106,420	-	66,182	-	-	1,650,429
562,916	-	-	-	82,500	828,424
<u>669,336</u>	<u>5,039</u>	<u>66,182</u>	<u>16,004</u>	<u>119,347</u>	<u>2,799,082</u>
<u>(257,476)</u>	<u>(3,069)</u>	<u>(9,301)</u>	<u>106,145</u>	<u>6,196</u>	<u>1,185,340</u>
-	83,252	-	-	-	243,248
-	(159,996)	-	-	-	(559,099)
-	(76,744)	-	-	-	(315,851)
<u>(257,476)</u>	<u>(79,813)</u>	<u>(9,301)</u>	<u>106,145</u>	<u>6,196</u>	<u>869,489</u>
773,236	1,316,232	210,017	18,303	816,117	7,936,157
<u>\$ 515,760</u>	<u>\$ 1,236,419</u>	<u>\$ 200,716</u>	<u>\$ 124,448</u>	<u>\$ 822,313</u>	<u>\$ 8,805,646</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, 2021**

	LID #151	General Obligation Bonds	Total Nonmajor Debt Service Funds
	<hr/>	<hr/>	<hr/>
ASSETS			
Cash and cash equivalents	\$ -	\$ 104,990	\$ 104,990
Receivables:			
Taxes Delinquent	-	32,926	32,926
Assessments			
Delinquent	-	-	-
Deferred	182,326	-	182,326
Due from other governments	-	1,642	1,642
Total assets	<u>\$ 182,326</u>	<u>\$ 139,558</u>	<u>\$ 321,884</u>
 LIABILITIES AND FUND BALANCE			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Due to other funds	182,326	-	182,326
Total liabilities	<u>182,326</u>	<u>-</u>	<u>182,326</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	32,926	32,926
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>32,926</u>	<u>32,926</u>
 FUND BALANCES (DEFICITS)			
Restricted	-	106,632	106,632
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>106,632</u>	<u>106,632</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 182,326</u>	<u>\$ 139,558</u>	<u>\$ 321,884</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, 2021**

	LID #149	General Obligation Bonds	Total Nonmajor Debt Service Funds
REVENUES			
Taxes	\$ -	\$ 884,817	\$ 884,817
Assessments collected	51	-	51
Penalty and interest	-	678	678
Total revenues	<u>51</u>	<u>885,495</u>	<u>885,546</u>
EXPENDITURES			
Bond principal	-	791,598	791,598
Interest, fees and other	-	84,683	84,683
Total expenditures	<u>-</u>	<u>876,281</u>	<u>876,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51</u>	<u>9,214</u>	<u>9,265</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	51	9,214	9,265
Fund balances (deficits)-beginning of year	(51)	97,418	97,367
Fund balances (deficits) - end of year	<u>\$ -</u>	<u>\$ 106,632</u>	<u>\$ 106,632</u>

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

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

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

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

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

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

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, 2021

	Misc. Capital Projects	LaCrosse Project	Govt Way Hanley to Prairie
ASSETS			
Cash and cash equivalents	\$ 15,388	\$ 69,973	\$ 41,435
Accounts Receivable	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 15,388</u>	<u>\$ 69,973</u>	<u>\$ 41,435</u>
LIABILITIES			
Accounts payable	\$ -	\$ 89,456	\$ -
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>89,456</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Unassigned	<u>15,388</u>	<u>(19,483)</u>	<u>41,435</u>
Total fund balances (deficits)	<u>15,388</u>	<u>(19,483)</u>	<u>41,435</u>
Total liabilities and fund balances (deficits)	<u>\$ 15,388</u>	<u>\$ 69,973</u>	<u>\$ 41,435</u>

Northwest Boulevard Traffic Signals	15th St Harrison to Best	Kathleen Avenue Widening	Traffic Calming	Atlas Waterfront Site	Total Capital Projects Funds
\$ -	\$ 42,627	\$ 340,124	\$ 34,561	\$ -	\$ 544,108
-	-	-	-	-	-
175,000	-	-	-	-	175,000
-	-	-	-	-	-
<u>\$ 175,000</u>	<u>\$ 42,627</u>	<u>\$ 340,124</u>	<u>\$ 34,561</u>	<u>\$ -</u>	<u>\$ 719,108</u>
\$ -	\$ -	\$ 43,847	\$ -	\$ -	\$ 133,303
-	-	-	-	8,051,724	8,051,724
-	-	43,847	-	8,051,724	8,185,027
175,000	42,627	296,277	34,561	(8,051,724)	(7,465,919)
175,000	42,627	296,277	34,561	(8,051,724)	(7,465,919)
<u>\$ 175,000</u>	<u>\$ 42,627</u>	<u>\$ 340,124</u>	<u>\$ 34,561</u>	<u>\$ -</u>	<u>\$ 719,108</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, 2021**

	Misc. Capital Projects	LaCrosse Project	Govt Way Hanley to Prairie	Northwest Boulevard Signal Improve- ments
REVENUES				
Contributions	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	175,000
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,000</u>
EXPENDITURES				
Services and supplies	-	-	-	5,351
Interest and fiscal agent fees	-	-	-	-
Capital outlay	-	186,642	-	-
Total expenditures	<u>-</u>	<u>186,642</u>	<u>-</u>	<u>5,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(186,642)</u>	<u>-</u>	<u>169,649</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	5,351
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,351</u>
Net change in fund balances	-	(186,642)	-	175,000
Fund balance (deficit) - beginning of year	15,388	167,159	41,435	-
Fund balance (deficit) - end of year	<u>\$ 15,388</u>	<u>\$ (19,483)</u>	<u>\$ 41,435</u>	<u>\$ 175,000</u>

15th St Harrison to Best	Kathleen Avenue Widening	Traffic Calming	Atlas Waterfront Site	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	175,000
95	1,642	-	-	1,737
<u>95</u>	<u>1,642</u>	<u>-</u>	<u>-</u>	<u>\$ 176,737</u>
-	-	2,000	-	7,351
-	-	-	118,991	118,991
11,070	117,760	7,652	-	323,124
<u>11,070</u>	<u>117,760</u>	<u>9,652</u>	<u>118,991</u>	<u>449,466</u>
<u>(10,975)</u>	<u>(116,118)</u>	<u>(9,652)</u>	<u>(118,991)</u>	<u>(272,729)</u>
-	-	-	-	5,351
-	-	-	-	-
-	-	-	-	5,351
(10,975)	(116,118)	(9,652)	(118,991)	(267,378)
53,602	412,395	44,213	(7,932,733)	(7,198,541)
<u>\$ 42,627</u>	<u>\$ 296,277</u>	<u>\$ 34,561</u>	<u>\$ (8,051,724)</u>	<u>\$ (7,465,919)</u>

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

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

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

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

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

City of Coeur d'Alene, Idaho

**COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
September 30, 2021**

	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	\$ 60,668	\$ 143,589	\$ 579,767	\$ 1,408,545	\$ 2,192,569
Receivables:					
Accounts, net of allowance for uncollectible accounts	-	52,584	342,532	91,723	486,839
Due from other governments	-	-	-	247	247
Net pension asset	-	-	-	11,443	11,443
Total current assets	60,668	196,173	922,299	1,511,958	2,691,098
Non-current assets:					
Capital assets:					
Land	-	-	2,214,672	-	2,214,672
Construction in Progress	-	-	-	-	-
Other capital assets, net of accumulated depreciation	-	67,035	12,506,800	4,835,891	17,409,726
Total non-current assets	-	67,035	14,721,472	4,835,891	19,624,398
Total assets	60,668	263,208	15,643,771	6,347,849	22,315,496
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension outflows	-	-	-	37,826	37,826
LIABILITIES					
Current liabilities:					
Accounts payable	-	69,234	5,810	2,953	77,997
Due to other Funds	-	-	-	-	-
Total current liabilities	-	69,234	5,810	2,953	77,997
Non-current liabilities:					
Compensated absences	-	-	-	34,409	34,409
Total non-current liabilities	-	-	-	34,409	34,409
Total liabilities	-	69,234	5,810	37,362	112,406
DEFERRED INFLOWS OF RESOURCES					
Deferred pension inflows	-	-	-	111,002	111,002
NET POSITION					
Net investment in capital assets	-	67,035	14,721,472	4,835,891	19,624,398
Unrestricted	60,668	126,939	916,489	1,401,420	2,505,516
Total net position	\$ 60,668	\$ 193,974	\$ 15,637,961	\$ 6,237,311	\$ 22,129,914

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, 2021**

	Business-type Activities - Nonmajor Enterprise Funds				Total Nonmajor Enterprise Funds
	Wastewater Property Management	Street Lighting	Public Parking Lot	Drainage	
OPERATING REVENUES					
Services	\$ -	\$ 633,895	\$ 1,001,238	\$ 1,077,335	\$ 2,712,468
OPERATING EXPENSES					
Administration	-	-	-	257,664	257,664
Maintenance	-	27,103	63,676	191,878	282,657
Supplies	-	-	-	35,566	35,566
Contracted services	-	664,113	120,777	10,390	795,280
Depreciation	-	9,674	891,878	380,430	1,281,982
Bad debt expense	-	107	-	542	649
Net pension expense (revenue)	-	-	-	(1,691)	(1,691)
Total operating expenses	-	700,997	1,076,331	874,779	2,652,107
Operating income (loss)	-	(67,102)	(75,093)	202,556	60,361
NONOPERATING REVENUES					
Investment income	-	315	541	2,489	3,345
Gain on sale of assets	-	-	-	-	-
Total nonoperating revenues	-	315	541	2,489	3,345
Income (loss) before contributions and transfers	-	(66,787)	(74,552)	205,045	63,706
Capital contributions	-	-	-	-	-
Operating transfers in	-	129,000	-	-	129,000
Operating transfers out	-	-	(469,336)	(186,695)	(656,031)
Change in net position		62,213	(543,888)	18,350	(463,325)
Total net position - beginning	60,668	131,761	16,181,849	6,218,961	22,593,239
Total net position - ending	\$ 60,668	\$ 193,974	\$ 15,637,961	\$ 6,237,311	\$ 22,129,914

City of Coeur d'Alene, Idaho

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUND TYPES
For the Year Ended September 30, 2021**

	Business-type Activities - Enterprise Funds				
	Waste- water Property Mgmt	Street Lighting	Public Parking Lot	Drainage	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ -	\$ 634,753	\$ 924,704	\$ 1,083,771	\$ 2,643,228
Payments to suppliers	-	(690,271)	(190,571)	(759,595)	(1,640,437)
Payments to employees	-	-	-	286,890	286,890
Net cash provided (used) by operating activities	-	(55,518)	734,133	611,066	1,289,681
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating transfers in	-	129,000	-	-	129,000
Operating transfers out	-	-	(469,336)	(186,695)	(656,031)
Net cash provided (used) by noncapital financing activities	-	129,000	(469,336)	(186,695)	(527,031)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital asset purchases	-	-	-	(241,667)	(241,667)
Contributions	-	-	-	-	-
Proceeds from the sale of assets	-	-	-	-	-
Net cash provided (used) by financing activities	-	-	-	(241,667)	(241,667)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	-	315	541	2,489	3,345
Net cash provided (used) by investing activities	-	315	541	2,489	3,345
Net increase (decrease) in cash and cash equivalents	-	73,797	265,338	185,193	524,328
Cash and cash equivalents, beginning of year	60,668	69,792	314,429	1,223,352	1,668,241
Cash and cash equivalents, end of year	<u>\$ 60,668</u>	<u>\$ 143,589</u>	<u>\$ 579,767</u>	<u>\$ 1,408,545</u>	<u>\$ 2,192,569</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ -	\$ (67,102)	\$ (75,093)	\$ 202,556	\$ 60,361
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(Increase) decrease in assets:					
Depreciation	-	9,674	891,878	380,430	1,281,982
Accounts receivable	-	858	(76,534)	6,368	(69,308)
Due from other governments	-	-	-	68	68
Net pension asset	-	-	-	(11,443)	(11,443)
Deferred outflows of resources	-	-	-	(24,458)	(24,458)
Increase (decrease) in liabilities:					
Accounts payable	-	1,052	(6,118)	(7,582)	(12,648)
Due to other funds	-	-	-	-	-
Compensated absences	-	-	-	7,409	7,409
(Decrease) increase in net pension liability	-	-	-	(52,389)	(52,389)
(Decrease) increase in deferred inflows of resources	-	-	-	110,107	110,107
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ (55,518)</u>	<u>\$ 734,133</u>	<u>\$ 611,066</u>	<u>\$ 1,289,681</u>

REPORT REQUIRED BY THE GAO

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, 2021, 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 March 29, 2022. Our report includes a reference to other auditors who audited the financial statements of ignite cda, as described in our report on the City of Coeur d'Alene, Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Anderson Bros. CPAs
Post Falls, Idaho
March 29, 2022

SINGLE AUDIT REPORT

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

We have audited the City of Coeur d'Alene, Idaho's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Coeur d'Alene, Idaho's major federal programs for the year ended September 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Coeur d'Alene's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control over Compliance

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

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

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

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



Anderson Bros., CPAs
Post Falls, Idaho
March 29, 2022

City of Coeur d'Alene, Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2021

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		\$ 513,652
<u>U.S. National Park Service</u>			
<i>Passed through the State of Idaho:</i>			
Historic Preservation Fund Grants-in-Aid to State Historic Preservation Offices	15.904	826000176	14,329
<u>U.S. Department of Justice</u>			
<i>Direct programs:</i>			
Bulletproof Vest Partnership Program	16.607		13,099
Edward Byrne Memorial Justice Assistance Grant Program	16.738		113,799
Subtotal direct			126,898
<i>Passed through the State of Idaho:</i>			
STOP Violence Against Women	16.588	826000176	73,862
Subtotal passed through the State of Idaho			73,862
Total U.S. Department of Justice			200,760
<u>U.S. Department of Transportation</u>			
<i>Passed through the State of Idaho:</i>			
<i>Highway Planning and Construction Cluster:</i>			
Highway Planning and Construction-FAHP	20.205	826000176	175,000
			175,000
<i>Passed through the State of Idaho:</i>			
<i>Transportation Cluster:</i>			
State and Community Highway Safety	20.600	826000176	77,385
National Priority Safety Programs	20.616	826000176	20,639
Total Transportation Cluster			98,024
Total U.S. Department of Transportation			273,024
<u>Department of the Treasury</u>			
<i>Passed through the State of Idaho:</i>			
The Coronavirus Aid, Relief, and Economics Security Act	21.019	826000176	44,460
<i>Direct programs:</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027		204,740
Total U.S. Department of the Treasury			249,200
<u>Institute of Museum and Library Services</u>			
<i>Passed through the State of Idaho:</i>			
Grants to States	45.310	826000176	15,427
<u>U.S. Department of Environmental Quality:</u>			
<i>Passed through the State of Idaho:</i>			
Nonpoint Source Implementation Grants	66.460	826000176	12,750
<u>U.S. Department of Health and Human Services:</u>			
<i>Passed through the State of Idaho:</i>			
Special Programs for the Aging-Title III Part B	93.044	826000176	12,640
<u>U.S. Department of Homeland Security</u>			
<i>Passed through the State of Idaho:</i>			
Disaster Grants - Public Assistance	97.036	826000176	5,299
Homeland Security Grant Program	97.067	826000176	10,457
Total U.S. Department of Homeland Security			15,756
			\$ 1,307,538

City of Coeur d'Alene

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS September 30, 2021

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2021

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:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.218	CDBG Block Grants/Entitlement Grants
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

City of Coeur d'Alene

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2021**

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.