City of Coeur d'Alene IDAHO

City of Coeur d'Alene, Idaho

Audited Financial Statements

September 30, 2025

City of Coeur d'Alene

TABLE OF CONTENTS
September 30, 2025

FINANCIAL SECTION:

City of Coeur d'Alene

TABLE OF CONTENTS
September 30, 2025

Other Supplementary Information:

<u>REQUIRED BY UNIFORM GUIDANCE</u>:

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

ALPINE SUMMIT CPAs

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Coeur d'Alene, Idaho as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Coeur d'Alene, Idaho's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Coeur d'Alene, Idaho as of September 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Coeur d'Alene, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Coeur d'Alene, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Coeur d'Alene, Idaho's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Coeur d'Alene, Idaho's financial statements. The accompanying combining and individual nonmajor fund financial statements schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the City of Coeur d'Alene, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Coeur d'Alene, Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Coeur d'Alene, Idaho's internal control over financial reporting and compliance.

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
June 26, 2026

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025

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, 2025.

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 $423,577,955 (net position). Of this amount, $81,391,482 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased $31,071,771. This increase is made up of an 8.45% increase in business activities and a 7.07% increase in governmental activities.

- At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of $43,703,169—an increase of $16,955,915 over the prior year. This increase is mainly due to the City's receipt of the proceeds from the 2025 Fire Department Bond sale, totaling $16,400,000. The bond sale took place in September 2025.

- At the end of the fiscal year, the unassigned fund balance for the General Fund was $13,771,957 or 21.45% of the amended 2025 budget of general fund expenditures. This represents an increase from 18.45% in the prior year. The increase was primarily due to the removal of assigned fund balance for encumbrances related to multi-year construction projects, which increased the amount reported as unassigned fund balance.

- The City's total debt increased by $12,751,216 during fiscal year 2024-25. Of this increase, the City's compensated absences increased $119,183. Other changes to long-term debt were the addition of the debt for the 2025 Fire Department Bond. This bond sale increased governmental bonds payable by $16,600,601 including principal and premium. Decreases to long term debt include the final payments of $867,422 made on outstanding 2015 A & B Public Safety Bonds. Payments totaling $49,924 were made on capital leases and $2,971,982 on revenue bonds payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position – The City has 74.78% of its total net position 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 6.00% of the City's net position represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 19.21% may be used to meet the City's ongoing obligations to citizens and creditors.

Table 1 below is a comparative summary of the City of Coeur d'Alene's Net Position statement for the years ended September 30, 2025 and 2024:

Table 1
Statements of Net Position
September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	$ 47,639,604	$ 36,782,681	$ 67,724,471	$ 57,200,555	$ 115,364,075	$ 93,983,236
Net pension asset-FRF and Base Plan	24,471,641	21,099,023	-	-	24,471,641	21,099,023
Capital assets	136,713,904	126,749,536	225,363,701	219,949,905	362,077,605	346,699,441
Total assets	208,825,149	184,631,240	293,088,172	277,150,460	501,913,321	461,781,700
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflows-base plan	4,381,440	6,086,696	826,434	1,021,075	5,207,874	7,107,771
Deferred pension outflows-FRF plan	-	678,225	-	-	-	678,225
Total deferred outflows of resources	4,381,440	6,764,921	826,434	1,021,075	5,207,874	7,785,996
LIABILITIES						
Other liabilities	3,054,650	3,153,846	1,448,918	2,787,821	4,503,568	5,941,667
Net pension liability-base plan	15,956,154	24,907,252	2,618,702	3,640,395	18,574,856	28,547,647
Other long-term liabilities	22,379,786	6,714,615	28,697,980	31,611,934	51,077,766	38,326,549
Total liabilities	41,390,590	34,775,713	32,765,600	38,040,150	74,156,190	72,815,863
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue- unearned grant revenue	457,004	6,199,504	-	-	457,004	6,199,504
Unearned lease contract revenue	225,924	399,583	146,033	167,029	371,957	566,612
Deferred pension inflows-base plan	7,241,062	555,251	844,750	81,621	8,085,812	636,872
Deferred pension inflows-FRF plan	472,277	-	-	-	472,277	-
Total deferred inflows of resources	8,396,267	7,154,338	990,783	248,650	9,387,050	7,402,988
NET POSITION						
Net investment in capital assets	119,369,716	124,892,381	197,369,858	189,173,826	316,739,574	314,066,207
Restricted	25,446,899	8,172,610	-	-	25,446,899	8,172,610
Unrestricted	18,603,117	16,401,119	62,788,365	50,708,909	81,391,482	67,110,028
Total net position	$ 163,419,732	$ 149,466,110	$ 260,158,223	$ 239,882,735	$ 423,577,955	$ 389,348,845

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, 2025 and 2024:

Table 2
Changes in Net Position
September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program revenues:						
Charges for services	$ 8,540,088	$ 4,941,694	$ 34,556,381	$ 31,335,187	$ 43,096,469	$ 36,276,881
Operating grants and contributions	809,839	1,452,825	-	-	809,839	1,452,825
Capital grants and contributions	4,890,558	4,448,453	14,082,805	8,167,256	18,973,363	12,615,709
General revenues:						
Property taxes	28,938,256	27,134,606	-	-	28,938,256	27,134,606
Sales tax	6,474,841	6,410,734	-	-	6,474,841	6,410,734
Franchise fees	3,946,770	4,272,792	-	-	3,946,770	4,272,792
Motor fuel taxes	5,077,987	4,073,505	-	-	5,077,987	4,073,505
Alcoholic beverage taxes	1,317,526	1,376,953	-	-	1,317,526	
Grants and contributions not						-
restricted to specific purposes	2,907,357	4,785,353	20,925	1,190,334	2,928,282	5,975,687
Interest and investment earnings	1,541,994	1,601,425	2,767,944	3,108,526	4,309,938	4,709,951
Miscellaneous	1,434,249	1,963,484	-	-	1,434,249	1,963,484
Total revenues	65,879,465	62,461,824	51,428,055	43,801,303	117,307,520	104,886,174
EXPENSES						
General government	8,967,249	8,689,481	-	-	8,967,249	8,689,481
Public safety	33,186,087	34,530,864	-	-	33,186,087	34,530,864
Public works	10,653,284	8,415,909	-	-	10,653,284	8,415,909
Culture and recreation	6,538,661	6,127,885	-	-	6,538,661	6,127,885
Administrative expense	-	-	-	-	-	-
Interest on long-term debt	429,631	178,980	-	-	429,631	178,980
Water services	-	-	7,749,526	7,719,482	7,749,526	7,719,482
Wastewater	-	-	12,026,844	11,903,543	12,026,844	11,903,543
Sanitation	-	-	4,527,072	4,724,778	4,527,072	4,724,778
Other enterprise	-	-	3,029,032	3,005,665	3,029,032	3,005,665
Loss (gain) on asset disposal	(31,097)	1,289,734	(2,435)	(68,794)	(33,532)	1,220,940
Net pension expense (revenue)	1,674,635	6,195,317	444,781	812,057	2,119,416	7,007,374
Total expenses	61,418,450	65,428,170	27,774,820	28,096,731	89,193,270	93,524,901
Increase (decrease) in net position before transfers	4,461,015	(2,966,346)	23,653,235	15,704,572	28,114,250	11,361,273
Transfers	3,377,747	3,280,058	(3,377,747)	(3,280,058)	-	-
Special items	2,957,521	3,605,470	-	-	2,957,521	3,605,470
Change in net position	$ 10,796,283	$ 3,919,182	$ 20,275,488	$ 12,424,514	$ 31,071,771	$ 14,966,743

Major changes in governmental activities were as follows:

Governmental activities increased the City's net position by $ 10,796,283 which impacted the City's Governmental net position by approximately 7.07%.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

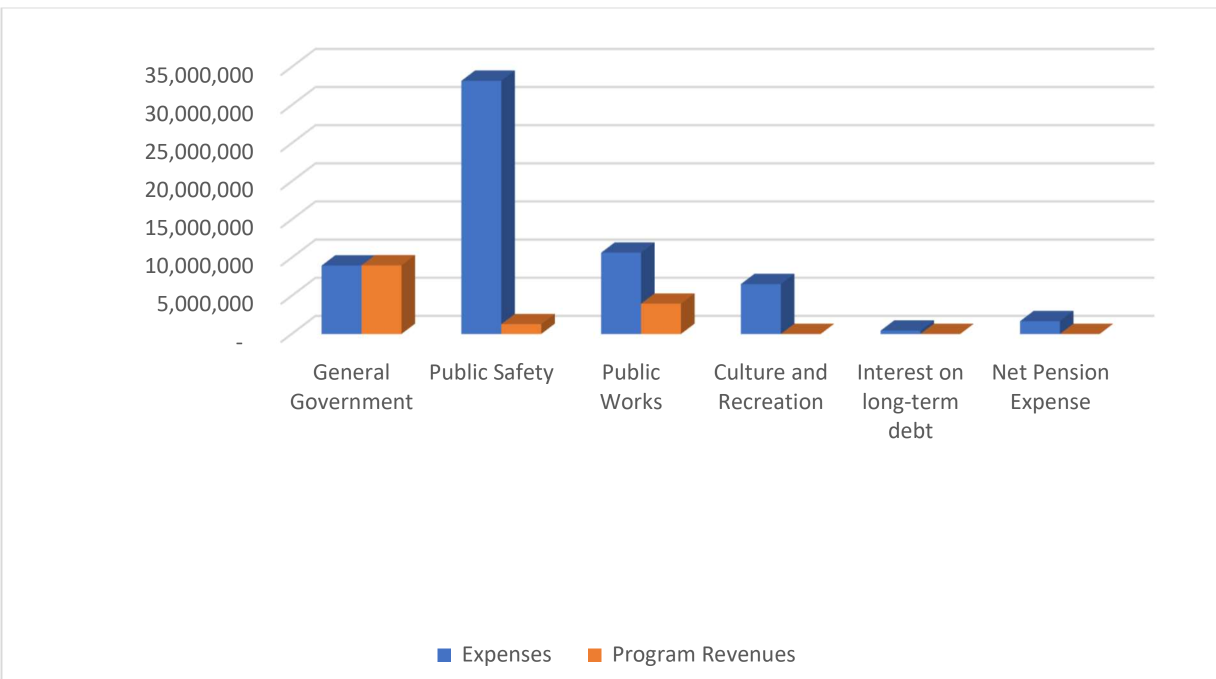
Property tax revenue collected in fiscal year 2024-25 was $1,704,456 higher than the prior year. The increase was primarily due to City Council's decision to increase the levy in response to rising personnel costs. This included $322,197 in formula-allowed new construction revenue, the full 3% allowable increase in property tax revenue, and an additional 1% increase from forgone balances. Overall, revenues from governmental activities increased by $2,338,076 compared to fiscal year 2023-24.

Public safety expenditures increased by $2,487,952 compared to the prior year, primarily due to increases in wages and benefits.

Governmental Activities:

The following graphs depict various governmental activities and show the expenses and revenues for 2025.

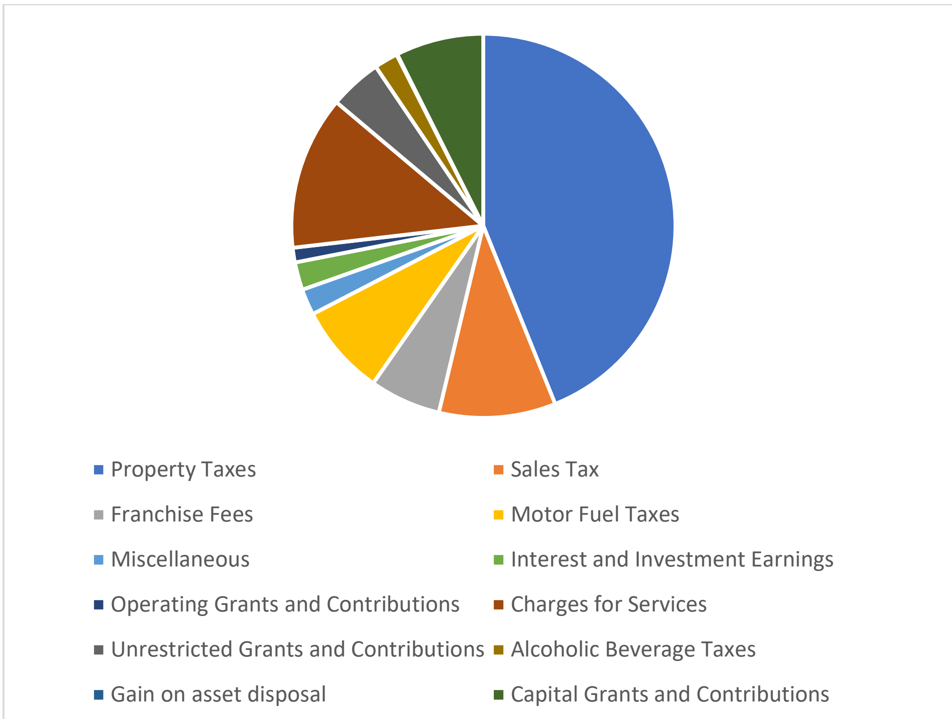
Expenses and Program Revenues – Governmental Activities FY 2024-25



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities:

Revenues by Source – Governmental Activities



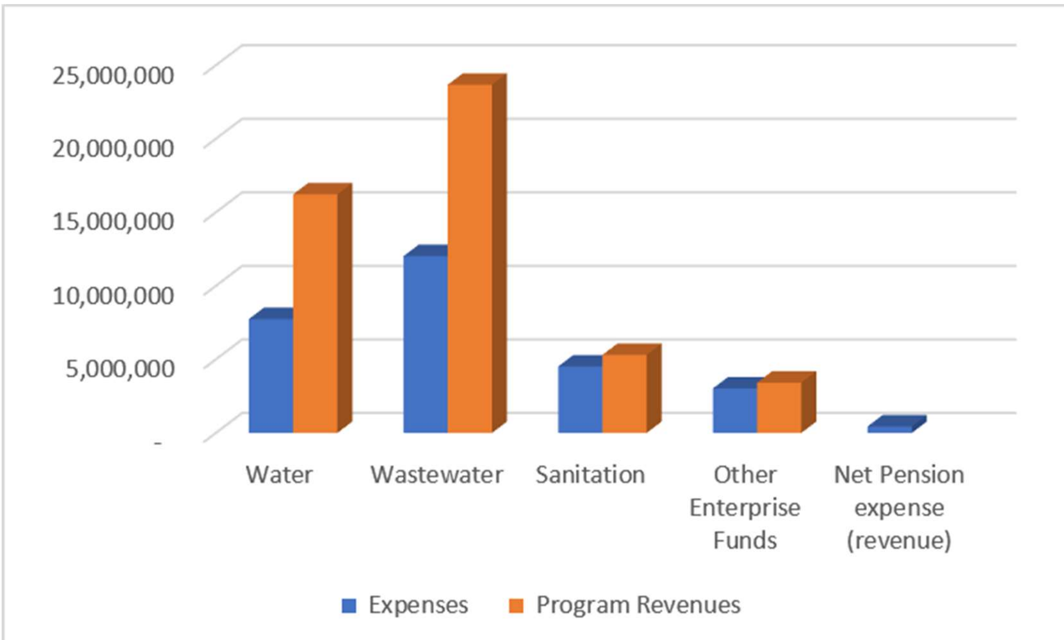
Business-Type Activities:

Business-type activities increased the City's net position by $20,275,488, or 8.45%. Revenue from charges for services increased by $3,221,194. This increase was primarily due to increases in water, wastewater, sanitation, and street lighting rates. Water Fund revenue increased by $1,182,855, Wastewater Fund revenue increased by $1,182,674, and Sanitation Fund revenue increased by $376,863.

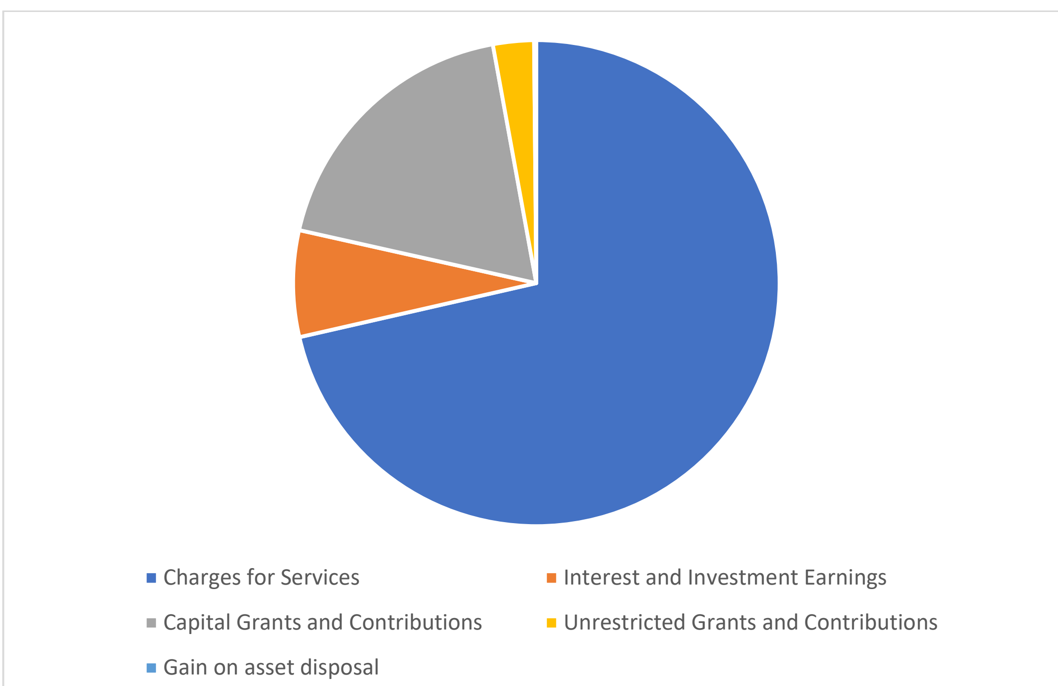
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONCLUDED)

Business-Type Activities:

Expenses and Program Revenue – Business-Type Activities



Revenues by Source – Business-Type Activities



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 $43,703,169, an increase of $16,955,915. Of the $43,703,169 fund balance, $10,217,647 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 $17,616,305. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total budgeted expenditures of $64,213,248. Total fund balance represents 27.43% of 2025 budgeted expenditures, while unassigned fund balance of $13,771,957 represents 21.45% of 2025 budgeted expenditures.

The Government Finance Officers Association recommends, at a minimum, that general-purpose governments maintain unrestricted budgetary fund balance in the General Fund of no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures. The City has established a higher internal benchmark of 25% of budgeted expenditures. At September 30, 2025, the City's unassigned fund balance was 21.45% of budgeted expenditures, which is 3.55 percentage points below the City's 25% benchmark.

Also important to note is that, in fiscal year 2017-18, the Capital Projects Fund borrowed $7,700,000 from the Wastewater Capitalization Fund to purchase the Atlas Waterfront Site property. Interest on this due to/due from balance accrues at an annual rate of 1.5%, with the understanding that future tax increment revenues from ignite cda's Atlas District would begin to pay down the balance. In fiscal year 2023-24, ignite cda repaid the City's General Fund the full amount borrowed of $1,185,012. The payment also included $2,420,458 owed to the Wastewater Fund, bringing the principal balance to $5,989,989. At September 30, 2025, $800,297 of interest on this loan is owed from the City's General Fund to the Wastewater Fund.

The General Fund cash balance decreased by $3,406,397. The majority of this decrease can be attributed to the $1.6 million decrease in General Fund balance, as well as the spend-down of insurance settlement proceeds received in fiscal year 2023-24 related to the Police Department storage facility fire. These proceeds were used for the reconstruction of the Police Department storage facility and replacement of contents following the fire that occurred in spring 2024.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

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

Unrestricted net position of the enterprise funds at the end of the year amounted to $62,788,365. The total increase in net position for the funds was $20,275,488. This increase is attributed to the water and wastewater fund operating revenues being $6,387,987 higher than the previous year's revenues and capitalization fee revenues increased by $3,671,605 over prior year. Interest earnings year-over-year decreased by $210,655, while operating expenses remained comparable to the previous year. Continued growth in the City and a scheduled increase in rates drove the revenue increase in fiscal year 2024-25.

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 $3,041,212. Of this amount, $1.4 million was added to create budget capacity for the reconstruction of the Police Department storage facility and replacement of contents following the fire that occurred in spring 2024.

Expenditures were also amended to cover Fire Department constant staffing overtime costs of $903,728. These staffing costs were significantly over budget due to above-average employee leave in the Fire Department, which required additional overtime wages to safely staff each shift. The remaining amendment amount was related to grants awarded mid-year, unexpected leave payouts for resignations, carryover for IT purchases, and construction expenditure timing in the Streets Department allowing for carryover.

Overall expenditures before transfers were $4,115,228 under the final amended budget and $1,074,015 under the original budget. Overall revenues before transfers were $889,855 under the final amended budget of $53,114,624 and $1,394,789 under the original budget of $52,609,690. During the fiscal year, the General Fund's fund balance decreased by $1,646,697 due to the City's structural budget deficit.

CAPITAL ASSETS

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of September 30, 2025, amounts to $362,077,605. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery and equipment, vehicles and subscription arrangements. This balance represents a net increase of $12,220,825 from the prior year. Additional details of capital asset activity for the year can be found in Note 5 of the notes to the basic financial statements.

LONG-TERM DEBT

The City's long-term bonded debt increased by $12,761,197 in 2025; leaving a balance of $ 44,392,217 at year-end. The City paid down long-term general obligation debt of $867,422 during fiscal year 2024-25. Additional details of long-term debt activity for the year can be found in Note 7 of the notes to the 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 $236,690,676 which is significantly higher than the City's net outstanding general obligation debt of $16,600,601.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's financial condition continues to be affected by population growth, construction activity, inflationary pressure on operating costs, and the need to maintain service levels in a growing community within the constraints of limited revenue growth. For the fiscal year 2024-25 budget, the City Council chose to take the full 3% allowable increase in the amount of property taxes levied, as well as an additional 1% increase from available forgone balances. Over the last 13 years, the City Council has taken a portion or all of the allowable increase in six fiscal years: 4% in fiscal year 2024-25, 3% in fiscal year 2023-24, 3% in fiscal year 2022-23, 3% in fiscal year 2019-20, 2.5% in fiscal year 2016-17, and 2% in fiscal year 2012-13.

Building activity remained strong in both the residential and commercial real estate sectors during fiscal year 2024-25. Building permit revenue for fiscal year 2024-25 was $2,443,628, compared to $1,884,344 in the prior fiscal year, an increase of $559,284. The Building Department issued 1,418 permits during fiscal year 2024-25.

The local economy continues to reflect the effects of sustained population growth in Idaho and Kootenai County. Idaho was the second-fastest growing state in the nation between the 2010 and 2020 Census counts, increasing 17.3% over the decade. Kootenai County also experienced significant growth, increasing from 138,494 residents in 2010 to 171,362 residents in 2020, a 23.7% increase. More recent estimates indicate that growth has continued, with Kootenai County's population estimated at approximately 188,323 in 2024 and continuing to grow in 2025.

Growth has supported local construction, retail, tourism, health care, and service-sector activity, but it has also contributed to increased demand for City services, pressure on staffing levels, and affordability challenges. Labor demand in northern Idaho remained strong during 2025, and housing costs in Kootenai County remained elevated, with the median price of a single-family home reported above $500,000. While Idaho and the Coeur d'Alene area continue to experience growth, per capita personal income in Idaho has generally remained below the national level, which can place additional pressure on residents as housing, utility, and service costs increase.

The fiscal year 2025-26 budget and rates were developed with these factors in mind. The City continues to face budgetary challenges due to the need to fund public safety, infrastructure, and core operating services with limited taxes, fees, and utility rates on residents and businesses. Continued growth in the local economy is expected to support certain revenue sources, including building-related revenues and charges for services; however, personnel costs, capital needs, inflationary pressures, and the City's limited ability to rely on property tax revenue from growth are expected to remain significant factors in future budgets.

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
Katie Ebner
Finance Director
710 Mullan Avenue
Coeur d'Alene, Idaho 83814

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

City of Coeur d'Alene, Idaho
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	ignite cda
ASSETS				
Cash and cash equivalents	$ 47,923,531	$ 55,565,506	$ 103,489,037	$ 11,811,363
Investments	1,138,712	-	1,138,712	-
Receivables:				
Taxes delinquent	255,332	-	255,332	185,780
Accounts	1,210,673	5,734,185	6,944,858	-
Special assessments	-	-	-	-
Lease	205,463	324,016	529,479	-
Internal balances	(6,079,839)	6,079,839	-	-
Prepaid expenses	27,806	-	27,806	-
Due from other governments	2,957,926	20,925	2,978,851	-
Net pension asset-FRF plan	24,471,641	-	24,471,641	-
Capital assets:				
Land	26,087,042	4,667,226	30,754,268	-
Construction in Progress	5,496,015	14,416,889	19,912,904	7,039,756
Capital assets and intangible assets, net of accumulated depreciation and amortization	105,130,847	206,279,586	311,410,433	-
Total assets	208,825,149	293,088,172	501,913,321	19,036,899
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows-base plan	4,381,440	826,434	5,207,874	-
Total deferred outflows of resources	4,381,440	826,434	5,207,874	-
LIABILITIES				
Accounts payable	2,651,889	1,274,666	3,926,555	194,669
Accrued payroll and related costs	-	-	-	10,998
Other accrued liabilities	-	100,000	100,000	-
Due to other governments	-	-	-	30,304
Deposits	346,286	-	346,286	
Accrued interest payable	56,475	74,252	130,727	-
Long-term liabilities:				
Due within one year	1,491,652	3,107,601	4,599,253	-
Due in more than one year	20,888,134	25,590,379	46,478,513	357,000
Net pension liability-base plan	15,956,154	2,618,702	18,574,856	-
Total liabilities	41,390,590	32,765,600	74,156,190	592,971
DEFERRED INFLOWS OF RESOURCES				
Unearned grant revenue	457,004	-	457,004	-
Unearned lease contract revenue	225,924	146,033	371,957	-
Deferred pension inflows-base plan	7,241,062	844,750	8,085,812	-
Deferred pension inflows-FRF plan	472,277	-	472,277	-
Total deferred inflows of resources	8,396,267	990,783	9,387,050	-
NET POSITION				
Net investment in capital assets	119,369,716	197,369,858	316,739,574	7,039,756
Restricted	25,446,899	-	25,446,899	11,404,172
Unrestricted	18,603,117	62,788,365	81,391,482	-
Total net position	$ 163,419,732	$ 260,158,223	$ 423,577,955	$ 18,443,928

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

City of Coeur d'Alene, Idaho
STATEMENT OF ACTIVITIES
September 30, 2025

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	$ 8,967,249	$ 8,540,088	$ 403,858	$ 47,456
Public safety	33,186,087	-	405,981	875,072
Public works	10,653,284	-	-	3,968,030
Culture and recreation	6,538,661	-	-	-
Interest and issuance costs on long-term debt	429,631	-	-	-
Net pension expense (revenue)	1,674,635	-	-	-
Total governmental activities	61,449,547	8,540,088	809,839	4,890,558
Business-type activities:				
Water	7,749,526	9,168,944	-	7,055,855
Wastewater	12,026,844	16,652,785	-	7,026,950
Sanitation	4,527,072	5,311,539	-	-
Other Enterprise	3,029,032	3,423,113	-	-
Net pension expense (revenue)	444,781	-	-	-
Total business-type activities	27,777,255	34,556,381	-	14,082,805
Total primary government	$ 89,226,802	$ 43,096,469	$ 809,839	$ 18,973,363
Component unit:				
Lake City Development Corporation	$ 1,012,151		$ -	$ -
Total component unit	$ 1,012,151	$ -	$ -	$ -

General revenues:
- Property taxes, levied for general purposes
- Sales tax
- Franchise fees
- Motor fuel taxes
- Alcoholic beverage taxes
- Grants and contributions not restricted to specific purposes:
- Interest and investment earnings
- Miscellaneous
- Special assessments
- Gain (loss) on disposal of assets
- Transfers

Special Items:
- Transfer of Atlas Development public right-of-way to City
- Transfer of Atlas Development public tracts to master HOA
- Allowance for estimated costs in excess of net realizable value

Total general revenues, transfer and special items

Change in net position

Net position - beginning

Change related to capital assets being restated

Net position - beginning, as restated

Net position - ending

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

City of Coeur d'Alene, Idaho
STATEMENT OF ACTIVITIES
September 30, 2025

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	ignite cda
$ 24,153	$ -	$ 24,153	$ -
(31,905,034)	-	(31,905,034)	-
(6,685,254)	-	(6,685,254)	-
(6,538,661)	-	(6,538,661)	-
(429,631)	-	(429,631)	-
(1,674,635)	-	(1,674,635)	-
(47,209,062)	-	(47,209,062)	-
-	8,475,273	8,475,273	-
-	11,652,891	11,652,891	-
-	784,467	784,467	-
-	394,081	394,081	-
-	(444,781)	(444,781)	-
-	20,861,931	20,861,931	-
(47,209,062.00)	20,861,931	(26,347,131)	-
			(1,012,151)
			(1,012,151)
28,938,256	-	28,938,256	2,990,620
6,474,841	-	6,474,841	-
3,946,770	-	3,946,770	-
5,077,987	-	5,077,987	-
1,317,526	-	1,317,526	-
2,907,357	20,925	2,928,282	-
1,541,994	2,767,944	4,309,938	76,358
1,434,249	-	1,434,249	2,700
-	-	-	-
31,097	2,435	33,532	-
3,377,747	(3,377,747)	-	-
2,957,521		-	(2,957,521)
-	-	-	(660,915)
-	-	-	(1,079,000)
58,005,345	(586,443)	54,461,381	(1,627,758)
10,796,283	20,275,488	31,071,771	(2,639,909)
149,466,110	239,882,735	389,348,845	23,125,351
3,157,339	-	3,157,339	(2,041,514)
152,623,449	239,882,735	392,506,184	21,083,837
$ 163,419,732	$ 260,158,223	$ 423,577,955	$ 18,443,928

City of Coeur d'Alene, Idaho
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 16,120,310	$ 18,740,696	$ 13,062,525	$ 47,923,531
Investments	-	-	1,138,712	1,138,712
Receivables:				
Taxes delinquent	196,650	-	58,682	255,332
Accounts	1,160,871	-	49,802	1,210,673
Lease	-	-	205,463	205,463
Prepaid items	27,806	-	-	27,806
Due from other governments	2,950,242	-	7,684	2,957,926
Total assets	$ 20,455,879	$ 18,740,696	$ 14,522,868	$ 53,719,443
LIABILITIES				
Accounts payable	$ 2,296,638	$ 245,294	$ 109,957	$ 2,651,889
Due to other funds	-	6,079,839	-	6,079,839
Deposits	346,286	-	-	346,286
Total liabilities	2,642,924	6,325,133	109,957	9,078,014
DEFERRED INFLOWS OF RESOURCES				
Unearned grant revenue	-	457,004	-	457,004
Unearned lease contract revenue	-	-	225,924	225,924
Unavailable revenue- property taxes	196,650	-	58,682	255,332
Total deferred inflows of resources	196,650	457,004	284,606	938,260
FUND BALANCES (DEFICITS)				
Non-spendable	27,806	-	-	27,806
Restricted	905,245	15,512,869	9,028,785	25,446,899
Committed	1,529,443	-	4,064,206	5,593,649
Assigned	1,381,854	-	1,035,314	2,417,168
Unassigned	13,771,957	(3,554,310)	-	10,217,647
Total fund balances	17,616,305	11,958,559	14,128,305	43,703,169
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 20,455,879	$ 18,740,696	$ 14,522,868	$ 53,719,443

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, 2025

Total fund balances at September 30, 2025 - Governmental Funds		$ 43,703,169
Cost of capital assets at September 30, 2025	264,525,410	
Less: Accumulated depreciation and amortization as of September 30, 2025	(127,811,506)	136,713,904
Net pension asset-FRF		24,471,641
Net pension liability-base plan		(15,956,154)
Deferred pension outflows-base plan		4,381,440
Deferred pension outflows-FRF plan		-
Elimination of deferred revenue		255,332
Accrued interest		(56,475)
Deferred pension inflows-base plan		(7,241,062)
Deferred pension inflows-FRF plan		(472,277)
Long-term liabilities at September 30, 2025		
Leases	(606,681)	
Subscription liabilities	(136,906)	
General obligation debt	(15,060,000)	
Bond premium net of amortization	(1,540,601)	
Compensated absences	(5,035,598)	(22,379,786)
Net position at September 30, 2025		$ 163,419,732

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
September 30, 2025

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	26,093,907	$ -	$ 2,874,432	$ 28,968,339
Licenses and permits	7,682,787	-	-	7,682,787
Intergovernmental	17,516,222	3,956,885	5,001	21,478,108
Charges for services	389,449	-	4,082,553	4,472,002
Fines and forfeits	332,005	-	64	332,069
Investment (loss) earnings	697,750	292,781	551,463	1,541,994
Miscellaneous	1,292,359	-	141,890	1,434,249
Total revenues	54,004,479	4,249,666	7,655,403	65,909,548
EXPENDITURES				
Current:				
General government	8,876,020	-	404,033	9,280,053
Public safety	35,558,213	-	-	35,558,213
Public works	7,161,334	-	-	7,161,334
Culture and recreation	3,650,930	-	2,062,442	5,713,372
Capital outlay	4,772,916	4,894,819	301,429	9,969,164
Debt service:				
Principal payments	37,443	-	859,683	897,126
Interest and fiscal agent fees	41,164	89,850	52,201	183,215
Total expenditures	60,098,020	4,984,669	3,679,788	68,762,477
(Deficiency) excess of revenues (under) over expenditures	(6,093,541)	(735,003)	3,975,615	(2,852,929)
OTHER FINANCING SOURCES (USES)				
Proceeds on sale of capital assets	31,097	-	-	31,097
Proceeds from general obligation bonds	-	16,400,000		16,400,000
Operating transfers in	4,435,747	140,000	564,250	5,139,997
Operating transfers out	(20,000)	-	(1,742,250)	(1,762,250)
Total other financing sources (uses)	4,446,844	16,540,000	(1,178,000)	19,808,844
Net change in fund balances	(1,646,697)	15,804,997	2,797,615	16,955,915
Fund balances (deficits) - beginning of year	19,263,002	(3,846,438)	11,330,690	26,747,254
Fund balances (deficits) - end of year	17,616,305	$ 11,958,559	$ 14,128,305	$ 43,703,169

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
September 30, 2025

Total net changes in fund balances for year ended September 30, 2025	$ 16,955,915
Add: Capital outlay which is considered expenditures	9,969,164
Less: Depreciation and amortization expense for the year ended September 30, 2025	(6,119,656)
Add: Donated assets	2,957,521
Less: Proceeds from asset disposal	(31,097)
Add: Gain on asset disposal	31,097
Add: Current year PERSI contributions	4,456,782
Less: PERSI pension plan expense	(1,674,635)
Elimination of interfund revenues and expenditures:	
Add: Interfund transfers out	1,762,250
Less: Interfund transfers in	(1,762,250)
Less: Change in compensated absence accrual for the year ended September 30, 2025	(48,675)
Add: Debt principal payments considered as an expenditure	897,126
Add: Net change in subscription based liabilities/expense	79,240
Less: Bond financing	(16,400,000)
Less: Bond issue costs	(197,680)
Add: Change in accrued interest	(56,475)
Add: Bond Premium Amortization	7,739
Less: Difference between revenue earned on property taxes on modified accrual basis versus revenue on property taxes on accrual basis	(30,083)
Change in net position for year ended September 30, 2025	$ 10,796,283

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, 2025

	Business-type Activities - Enterprise Funds				
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	Total Current Year
ASSETS					
Current assets:					
Cash and cash equivalents	$ 10,654,968	$ 41,261,481	$ 794,268	$ 2,854,789	$ 55,565,506
Receivables:					
Accounts, net of allowance for uncollectible accounts	2,288,115	2,300,438	441,821	703,811	5,734,185
Lease receivable	324,016	-	-	-	324,016
Due from other governments	-	-	-	20,925	20,925
Due from other funds	-	6,079,839	-	-	6,079,839
Total current assets	13,267,099	49,641,758	1,236,089	3,579,525	67,724,471
Capital assets:					
Land	566,534	1,528,020	-	2,572,672	4,667,226
Construction in Progress	3,558,743	10,581,694	-	276,452	14,416,889
Capital assets, net of accumulated depreciation	79,914,451	111,387,546	-	14,977,589	206,279,586
Total capital assets, net	84,039,728	123,497,260	-	17,826,713	225,363,701
Total non-current assets	84,039,728	123,497,260	-	17,826,713	225,363,701
Total assets	97,306,827	173,139,018	1,236,089	21,406,238	293,088,172
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension outflows	315,401	482,246	-	28,787	826,434
LIABILITIES					
Current liabilities:					
Accounts payable	291,997	482,332	390,310	110,027	1,274,666
Claims liability	-	100,000	-	-	100,000
Accrued interest	9,101	65,151	-	-	74,252
Current portion of compensated absences	24,363	16,155	-	-	40,518
Current portion of leases payable	13,279	-	-	-	13,279
Current portion of bonds/loan payable	-	3,053,804	-	-	3,053,804
Total current liabilities	338,740	3,717,442	390,310	110,027	4,556,519
Non-current liabilities:					
Compensated absences	275,722	337,432	-	50,465	663,619
Leases Payable	188,948	-	-	-	188,948
Bonds/loan payable, net of unamortized discounts	-	24,737,812	-	-	24,737,812
Net pension liability	1,069,001	1,438,113	-	111,588	2,618,702
Total non-current liabilities	1,533,671	26,513,357	-	162,053	28,209,081
Total liabilities	1,872,411	30,230,799	390,310	272,080	32,765,600
DEFERRED INFLOWS OF RESOURCES					
Deferred pension inflows	360,115	449,811	-	34,824	844,750
Unearned contract revenue	146,033	-	-	-	146,033
	506,148	449,811	-	34,824	990,783
NET POSITION					
Net investment in capital assets	83,837,501	95,705,644	-	17,826,713	197,369,858
Unrestricted	11,406,168	47,235,010	845,779	3,301,408	62,788,365
Total net position	$ 95,243,669	$ 142,940,654	$ 845,779	$ 21,128,121	$ 260,158,223

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
September 30, 2025

	Business-type Activities - Enterprise Funds				
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	Total
OPERATING REVENUES					
Services	$ 9,168,944	$ 16,652,785	$ 5,311,539	$ 3,423,113	$ 34,556,381
OPERATING EXPENSES					
Administration	3,102,856	1,281,725	33,824	238,903	4,657,308
Maintenance	-	-	-	437,687	437,687
Pumping	1,298,878	-	-	-	1,298,878
Treatment	56,544	4,136,021	-	-	4,192,565
Collection	-	954,799	-	-	954,799
Transportation and distribution	84,613	-	-	-	84,613
Supplies	46,894	-	-	88,738	135,632
Contracted services	-	-	4,490,347	932,853	5,423,200
Depreciation	3,145,149	4,758,149	-	1,330,361	9,233,659
Bad debt	2,708	4,432	2,901	490	10,531
Net pension expense (revenue)	190,023	236,538	-	18,220	444,781
Total operating expenses	7,927,665	11,371,664	4,527,072	3,047,252	26,873,653
Operating (loss) income	1,241,279	5,281,121	784,467	375,861	7,682,728
NONOPERATING REVENUES (EXPENSES)					
Capitalization fees	1,658,641	5,960,059	-	-	7,618,700
Amortization	-	356,885	-	-	356,885
Investment income	480,927	1,771,849	33,353	124,930	2,411,059
Grant income	-	-	-	20,925	20,925
Gain on sale of assets	2,435	-	-	-	2,435
Interest expense	(11,884)	(891,718)	-	-	(903,602)
Total non-operating revenues (expenses)	2,130,119	7,197,075	33,353	145,855	9,506,402
Income before contributions and transfers	3,371,398	12,478,196	817,820	521,716	17,189,130
Capital contributions	5,397,214	1,066,891	-	-	6,464,105
Operating transfers in	-	-	-	-	-
Operating transfers out	(761,351)	(902,982)	(788,082)	(925,332)	(3,377,747)
Change in net position	8,007,261	12,642,105	29,738	(403,616)	20,275,488
Total net position - beginning	87,236,408	130,298,549	816,041	21,531,737	239,882,735
Total net position - ending	$ 95,243,669	$ 142,940,654	$ 845,779	$ 21,128,121	$ 260,158,223

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
September 30, 2025

	Business-type Activities - Enterprise Funds				
	Water Fund	Wastewater Fund	Sanitation Fund	Other Enterprise	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 8,735,988	$ 16,352,565	$ 5,321,243	$ 3,330,979	$ 33,740,775
Payments to suppliers	(2,363,397)	(4,311,539)	(4,510,887)	(1,474,377)	(12,660,200)
Payments to employees	(2,774,243)	(3,291,488)	-	(238,115)	(6,303,846)
Net cash provided by operating activities	3,598,348	8,749,538	810,356	1,618,487	14,776,729
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating transfers out	(761,351)	(902,982)	(788,082)	(925,332)	(3,377,747)
Net cash (used) by noncapital financing activities	(761,351)	(902,982)	(788,082)	(925,332)	(3,377,747)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond payments	-	(2,615,097)	-	-	(2,615,097)
Capital lease payments	(12,481)	-	-	-	(12,481)
Interest paid	(13,721)	(898,146)	-	-	(911,867)
Capital asset purchases	(4,599,499)	(2,893,842)	-	(690,009)	(8,183,350)
Capitalization Fees	1,658,641	5,960,059	-	-	7,618,700
Contributions	-	-	-	20,925	20,925
Proceeds from the sale of assets	2,435	-	-	-	2,435
Net cash (used) by financing activities	(2,964,625)	(447,026)	-	(669,084)	(4,080,735)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	480,927	1,771,849	33,352	124,929	2,411,057
Net cash provided by investing activities	480,927	1,771,849	33,352	124,929	2,411,057
Net (decrease) increase in cash and cash equivalents	353,299	9,171,379	55,626	149,000	9,729,304
Cash and cash equivalents, beginning of year	10,301,669	32,090,102	738,642	2,705,789	45,836,202
Cash and cash equivalents, end of year	$ 10,654,968	$ 41,261,481	$ 794,268	$ 2,854,789	$ 55,565,506
Reconciliation of operating income to net cash provided by operating activities:					
Operating (loss) income	$ 1,241,279	$ 5,281,121	$ 784,467	$ 375,861	$ 7,682,728
Adjustments to reconcile operating (loss) income to net cash provided by (used for) operating activities:					
Depreciation expense	3,145,149	4,758,149	-	1,330,361	9,233,659
(Increase) decrease in accounts receivable	(449,933)	(210,369)	9,704	(71,209)	(721,807)
(Increase) decrease in lease receivable	36,806	-	-	-	36,806
(Increase) decrease in due from other governments	1,167	-	-	(20,925)	(19,758)
(Increase) decrease in due from other funds	-	(89,851)	-	-	(89,851)
(Increase) decrease in deferred outflows of resources	83,156	103,512	-	7,973	194,641
Increase (decrease) in accounts payable	(348,654)	(1,001,780)	16,185	3,611	(1,330,638)
Increase (decrease) in compensated absences	20,839	46,263	-	3,407	70,509
Increase (decrease) increase in net pension liability	(436,495)	(543,345)	-	(41,853)	(1,021,693)
Increase (decrease) increase in deferred inflows of resources	326,030	405,838	-	31,261	763,129
Increase (decrease) increase in uneared contract revene	(20,996)	-	-	-	(20,996)
Net cash provided by operating activities	$ 3,598,348	$ 8,749,538	$ 810,356	$ 1,618,487	$ 14,776,729

Non-cash capital and related financing activities:
$5,397,214 of water lines were donated to the water fund by developers.
$1,066,891 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, 2025

	Police Retirement Pension Trust Funds	Sales Tax Custodial Fund	Homeless Custodial Fund	Business Improvement District Custodial Fund	Kootenai County Solid Waste Custodial Fund	EMS Impact Fees Custodial Fund	City of Coeur d'Alene Employee Benefits Trust
ASSETS							
Cash and cash equivalents	$ 272,235	$ 2,996	$ 471	$ 458,621	$ 340,296	$ 6,072	$ 4,126,487
Investments	204,119	-	-	-	-	-	-
Due from other government unit	397	-	-	-	-	-	-
Due from other funds	-	20	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	1,609
Taxes receivable	(890)	-	-	-	-	-	-
Accounts receivable	-	-	-	41,068	350,066	-	74,929
Total assets	475,861	3,016	471	499,689	690,362	6,072	4,203,025
LIABILITIES							
Accounts payable	-	-	-	15,750	340,296	-	-
Claims payable	-	-		-	-	-	131,525
Deferred revenues	(890)	-	-	-	-	-	-
Health claims incurred but not paid	-	-	-	-	-	-	472,422
Management fees payable	-	-	-	-	-	-	26,000
Due to other governments	-	3,016	-	-	-	6,072	-
Total liabilities	(890)	3,016	-	15,750	340,296	6,072	629,947
NET POSITION							
Restricted for:							
Police retirement	476,751	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-
Homeless	-	-	471	-	-	-	-
Business improvement district	-	-	-	483,939	-	-	-
Kootenai County solid waste	-	-	-	-	350,066	-	-
City Employee Benefits Trust	-	-	-	-	-	-	3,573,078
Total net position	$ 476,751	$ -	$ 471	$ 483,939	$ 350,066	$ -	$ 3,573,078

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
September 30, 2025

	Police Retirement Pension Trust Fund	Sales Tax Custodial Fund	Homeless Trust Custodial Fund	Business Improvement District Custodial Fund	Kootenai County Solid Waste Custodial Fund	EMS Impact Fees Custodial Fund	City of Coeur d'Alene Employee Benefits Trust
ADDITIONS							
Contributions	$ 146,179	$ -	$ -	$ -	$ -	$ -	$ 6,661,500
Interest	9,967	-	-	18,354	-	-	124,931
Net increase (decrease) in the fair value of investments	4,135	-	-	-	-	-	-
Sales tax collected for other governments	-	35,594	-	-	-	-	-
Contributions for homeless	-	-	5,938	-	-	-	-
Revenues for the business improvement district	-	-	-	53,571	-	-	-
Revenues for Kootenai County solid waste	-	-	-	-	3,704,286	-	-
Revenues for Kootenai County EMS	-	-	-	-	-	92,720	-
Interest	-	-	-	-	-	-	-
Total additions	160,281	35,594	5,938	71,925	3,704,286	92,720	6,786,431
DEDUCTIONS							
Pension expense	146,927	-	-	-	-	-	-
Payments of sales tax collected for other governments	-	35,594	-	-	-	-	-
Beneficiary payments to individuals	-	-	5,467	-	-	-	-
Payments to other entities	-	-	-	75,750	-	-	-
Payments of solid waste revenue for other governments	-	-	-	-	3,653,595	-	-
Payments of impact fee revenue for other governments	-	-	-	-	-	92,720	-
Insurance claim benefits	-	-	-	-	-	-	5,380,305
Change in health claims incurred but not paid	-	-	-	-	-	-	(165,592)
Stop loss premiums	-	-	-	-	-	-	670,229
Script sourcing	-	-	-	-	-	-	-
Administrative expenses	1,226	-	-	-	-	-	482,681
Total deductions	148,153	35,594	5,467	75,750	3,653,595	92,720	6,367,623
Net increase (decrease) in fiduciary net position	12,128	-	471	(3,825)	50,691	-	418,808
Net position, beginning of year	464,623	-	-	487,764	299,375	-	3,154,270
Net position, end of year	$ 476,751	$ -	$ 471	$ 483,939	$ 350,066	$ -	$ 3,573,078

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

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

See accompanying independent auditors' report.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government–Wide and Fund Financial Statements

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

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

Additionally, the government reports the following fund types:

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

Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements. The City's fiduciary fund financial statements are presented on pages 24 and 25:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Prepaid Items

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

Budgetary Accounting - Budgetary Basis

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting - Budgetary Basis (Concluded)

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

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

The City Council may only increase the total adopted budget during the year for unanticipated revenues, such as state and federal grants, donations to departments, and other unscheduled revenues. The adopted budget may be increased only by the amount of revenues received. Budget revisions must be advertised, discussed in a public hearing, and adopted through a resolution by the City Council. The budget for the fiscal year ending September 30, 2025, 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables/Interfund Payables

During the fiscal year, the City has activity between funds for various purposes. Any outstanding balances between funds at year end are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Inventory

The City had no significant inventories on September 30, 2025.

Lease Receivable

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The City is the lessor on a significant amount of nonfinancial assets. The related lease receivables are presented in the amounts equal to the present value of lease receipts, during the remaining lease terms. As a lessor, a lease receivable and the associated leases deferred inflow of resources is recognized on the government-wide Statement of Net Position, the Balance Sheet - Governmental Funds, and Statement of Net Position - Proprietary Funds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), intangible assets and SBITAs are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, as well as the proprietary fund 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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

Long-Term Obligations

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

Bond Discounts and Bond Premiums

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

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

	Years
Bond premium and discounts:	
2022A Sewer Revenue Refunding Bonds	20
2022B Sewer Revenue Refunding Bonds	3
2025 Fire Department General Obligation Bonds	10

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The City has implemented GASB Statement No. 101, Compensated Absences. Under GASB Statement No. 101, a liability is recognized for leave that has not been used if it is attributable to:

1. Services already rendered
2. Accumulates
3. And is more likely than not to be used for time off or otherwise settled through cash or noncash means.

Unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

The liabilities also include directly associated salary-related payments, such as the employer's share of Social Security and Medicare taxes as well as PERSI.

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 for non-public saftey staff, and up to 480 hours for public safety staff. 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 73% 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.

At September 30, 2025, the total compensated absences payable by the City totaled $5,739,734.

Compensated absences are reported as follows in the financial statements:

Governmental activities	$ 5,035,598
Business-type activities	704,136
	$ 5,739,734

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Equity

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

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

Fund Balance Flow Assumptions

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

Net Position Flow Assumptions

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 establishes maximum property tax rates for the City of Coeur d'Alene. The City may not certify a budget request to fund the ad valorem portion of its annual budget in an 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 City may also include an additional increase of up to 1% using available forgone taxes. For the 2024–25 fiscal year, the City levied a total property tax budget request increase of 4%, including the 3% allowable increase and 1% of available forgone taxes.

The levy rate for the City of Coeur d'Alene for the 2024-25 fiscal year were as follows: library fund - .000172, general obligation bonds .000142, police retirement .000012 and general fund -.00223.

Property Tax Calendar

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

Pensions

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

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

Deficit Fund Balances

As of September 30, 2025, the Capital Projects Fund reported a positive fund balance overall. However, the Atlas Waterfront project continued to report a project-level deficit fund balance of $6,079,839.

The deficit is related to the fiscal year 2017–18 purchase of the Atlas Waterfront Site property, which was funded through a $7,700,000 interfund loan from the Wastewater Capitalization Fund. Interest on the due to/due from balance accrues at an annual rate of 1.5%.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future tax increment revenues from ignite cda's Atlas District are expected to be used to repay the outstanding balance. The first repayments were made during the 2023–24 fiscal year.

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.

Lease and Subscription-based IT Arrangement Obligations

A lease is defined as a lease contractual agreement or Subscription-based IT Arrangement (SBITA) that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The City does not currently have any lease obligations. The City does have subscription-based IT arrangement obligations. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining terms. A subscription-based IT liability and the associated asset is recognized on the government-wide Statement of Net Position. The present value of subscription-based IT payments are discounted based on the incremental borrowing rate determined by the City.

Unearned Revenue

Unearned revenues represent revenues collected in advance of services performed and will be recognized when the services are rendered. Unearned revenues also represent prepaid grants, revenues will be recognized when the expense/expenditure occurs.

Recently issued and Adopted Accounting Pronouncements

As of October 1, 2025, the City has adopted GASB Statement No. 101, *Compensated Absences*. This statement establishes a unified, principles-based model for state and local governments to recognize and measure liabilities for employee leave. It requires governments to record a liability for unused leave benefits that accumulate and are "more likely than not" to be used or paid out in the future. The adoption of GASB Statement No. did not result in any material changes to the City's financial statements

As of October 1, 2025, the City adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. GASB 102 establishes disclosure requirements for risks and uncertainties that could have a substantial impact on a government's financial position, including risks related to concentrations, constraints, or vulnerabilities resulting from external events or conditions. Management has evaluated potential risks and uncertainties in accordance with the standard and determined that the City does not have any known risks or vulnerabilities that meet the disclosure thresholds established by GASB 102. Accordingly, the adoption of GASB 102 did not have an impact on the City's financial statements and no additional risk disclosures were required.

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.

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 $110,039,046 and the bank balance is $95,793,402. As of September 30, 2025, 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	$ 77,313,856
	77,313,856
Investments:	
Amount registered in the name of the City	1,342,831
Total deposits and investments without exposure to custodial credit risk	78,656,687
Deposits and investments with exposure to custodial credit risk:	
Deposits:	
Amounts uninsured	16,933,442
Amount collateralized with securities held in trust, but not in the City's name	-
	16,933,442
Investments:	
Amount collateralized with securities held in trust, but not in the City's name	-
Total deposits and investments with exposure to custodial credit risk	16,933,442
Total Deposits and Investments	$ 95,793,402

Cash and cash equivalents at September 30, 2025 consist of the following:	
Deposits (checks in excess of deposits)	$ 1,761,279
Cash on hand	1,350
Short-term certificates of deposit	20,023,514
Money market	18,590,748
Idaho State Investment Pool	68,319,324
Total	108,696,215
Cash and cash equivalents are presented in the Financial Statements as follows:	
Governmental activities	47,923,531
Business-type activities	55,565,506
Police retirement pension trust fund	272,235
Sales tax agency fund	2,996
Homeless custodial agency fund	471
Business improvement district agency fund	458,621
Kootenai County Emergency Medical Services System impact fees	6,072
City of Coeur d'Alene employee benefits trust	4,126,487
Kootenai county solid waste agency fund	340,296
Total	108,696,215
Investments are presented in the Financial Statements as follows:	
Governmental activities	1,138,712
Police retirement pension trust fund	204,119
Total	1,342,831
Total Cash and Investments	$ 110,039,046

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, 2025, the City had the following investments (and associated maturities) in its internal investment portfolio:

					Maturity			
Maturity	Investment	Cost	% of Total	Fair Value & Carrying Amount	Less than 1 year	Less than 2 years	2-5 years	6-10 years
2/15/2026	U S Treasury Note	25,977	2%	$ 24,786	$ 24,786	$ -	$ -	$ -
2/15/2026	U S Treasury Note	103,906	7%	99,145	99,145	-	-	-
2/28/2026	U S Treasury Note	102,695	7%	99,420	99,420	-	-	-
6/24/2026	Bank Of Nova Sco	50,289	4%	49,046	49,046	-	-	-
9/24/2026	F N M A - 3135G0Q22	51,473	4%	49,115	49,115	-	-	-
9/24/2026	F N M A - 3135G0Q22	102,946	7%	98,230	98,230	-	-	-
10/5/2026	Morgan Stanley Bk N A Salt Lak	140,000	11%	141,821	-	141,821	-	-
10/15/2026	Emerson Elec Co	97,237	7%	96,945	-	96,945	-	-
3/15/2027	Ubs Bk USA Salt Lake City Ut	99,850	8%	101,151	-	101,151	-	-
3/15/2027	Ubs Bk USA Salt Lake City Ut	49,925	4%	50,576	-	50,576	-	-
6/14/2027	Forbright Bk Potomac Md	39,940	3%	40,744	-	40,744	-	-
9/30/2027	U S Treasury Note	39,900	3%	39,914	-	39,914	-	-
12/6/2027	Wells Fargo Bk N A Sioux Falls	100,000	8%	102,305	-	-	102,305	-
7/10/2028	Morgan Stanley Private Bk Natl	54,918	4%	55,490	-	-	55,490	-
9/11/2028	Morgan Stanley Private	54,600	4%	55,298	-	-	55,298	-
9/15/2028	U S Treasury Note	39,713	3%	39,728	-	-	39,728	-
9/19/2029	Bmw Bk North Amer Salt Lake City	99,800	7%	99,633	-	-	99,633	-
8/31/2030	U S Treasury Note	99,674	7%	99,484	-	-	99,484	-
		$ 1,352,842		$ 1,342,831	$ 419,742	$ 471,151	$ 451,938	$ -

		Maturity			
Investment	Fair Value & Carrying Amount	Less than 1 year	Less than 2 years	2-5 years	6-10 years
U.S. Treasuries	$ 402,477	$ 223,351	$ 39,914	$ 139,212	$ -
U.S. Agencies	-	-	-	-	-
U.S. Corporations	891,308	147,345	431,237	312,726	-
Foreign Corporations	49,046	49,046	-	-	-
	$ 1,342,831	$ 419,742	$ 471,151	$ 451,938	$ -

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

See accompanying independent auditors' report.

NOTE 2 - CASH AND INVESTMENTS (CONCLUDED)

Fair value:

The securities registered in the City's name were purchased at a cost of $1,352,842. The net loss of $10,012 (the difference between cost and fair value) has been recognized in the financial statements as a net loss on investments. There was a current year gain of $23,165 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 $68,319,324. The City's portion of the State Investment Pool had an unrealized gain of $109,136 as of September 30, 2025, 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, 2025:

Franchise and utility receivables	$ 912,976
Miscellaneous receivables	297,697
	$ 1,210,673

Business-type activities:
Accounts receivable consist of the following as of September 30, 2025:

Amounts due from customers	$ 5,742,475
Less allowance for uncollectible accounts	(8,290)
	$ 5,734,185

NOTE 4 - SPECIAL ASSESSMENTS RECEIVABLE

Special assessments receivable from benefited property owners of public improvements consist of the following as of September 30, 2025 and are recorded in the debt service fund:

Governmental activities:

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

Deferred principal amounts not currently due, but due at a future date	$ 33,695

See accompanying independent auditors' report.

NOTE 5 - LEASE INCOME

A summary of leases receivable are as follows:

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

During the year ended September 30, 2003 the City established a lease with VoiceStream PV/SS PCS L.P. for rack and tower space located at the City's standpipe at 4945 Industrial Avenue. The original lease called for monthly payments of $950 increasing by 3% each year. The lease was amended in February of 2015 which increased the rent to $1,486.80 a month and continued the annual increase of 3%. A second amendment went into effect in May of 2016. This amendment provided an additional increase in rent making the monthly rent $1,368 for additional equipment to the "Communications Facilities". A third amendment was agreed upon in October of 2016. This amendment included a monthly rent increase of $500 for an increase to the size of the Premises leased to the Tenant. The agreement automatically renews for five additional five-year terms. As of September 30, 2025 the lease has been renewed for four of the successive five-year terms with the fifth term ending November 30, 2033. Current monthly payments of $2,437 are being made to the City.

During the year ended September 30, 2018 the City established a lease with Luntenterprises, LLC for Bay 5 on the south side of the City dock. On September 7, 2021 this lease was assigned to Scenic Adventure Flights, LLC. Under the terms of this lease, yearly payments of $5,992.60 are made to the City for a five-year period commencing April 1, 2018. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. In 2023, the company changed hands from the Luntsenterprises to No Limits Aviation Inc., dba Brooke's Seaplane Service, and Scenic Adventure Flights LLC. The contract with Brookes Seaplanes was extended to March 31st, 2028. The yearly payment for fiscal year 2024-25 was $7,538.

During the year ended September 30, 2022 the City established a lease with Lake Coeur d'Alene Cruises, Inc. for Bays 1, 2 and 3 on the east side of the City dock and Bays 6, 7 and 8 on the west side of the City dock. Under the terms of this lease, yearly payments of $47,014.33 are made to the City for a five-year period commencing April 1, 2022. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. The yearly payment for fiscal year 2024-25 was $53,070.

During the year ended September 30, 2025, the City established a lease with Majestic Eagle LLC for a mobile food concession at Independence Point. Under the terms of this lease, the 2025 season lease revenue is pro-rated due to the late start of the season. Year two fees will be $5,000 and year three fees will be $6,000. The yearly payment for fiscal year 2024-25 was $6,000.

During the year ended September 30, 2017 the City established a lease with the Coeur d'Alene Arts and Culture Alliance for operating and managing the Riverstone Concert Series held at Riverstone Park. Under the terms of this lease, yearly payments of $3,500 were made to the City over a three-year period and in February 2023 the lease agreement was extended for three more years. In the extension of the lease, the lease fee was increased to $5,000 per year and will be subject to an increase based on the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. The yearly payment for fiscal year 2024-25 was $4,596.

NOTE 5 - LEASE INCOME (CONTINUED)

During the year ended September 30, 2019 the City established a lease with Coeur d’Alene Parasail and Watersports, Inc. for Bay 4 on the east side of the City dock and Bay 9 on the west side of the City dock. Under the terms of this lease, yearly payments of $10,117.48 are made to the City for a four-year period commencing May 1, 2019. Per the terms of the contract, the lessee may request an extension for three years. In September 2023, the lessee requested an extension which the City granted. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. The yearly payment for fiscal year 2024-25 was $12,635.

During the year ended September 30, 2021 the City established a lease with The Buoy, LLC for use of the McEuen Park Rotary Harbor House for the purpose of operating and maintaining food, beer and wine concessions. Under the terms of this lease, yearly payments of $16,000 are made to the City over a three-year period commencing April 1, 2021. This lease includes a three-year renewable option at the conclusion of the 2023 season. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. The yearly payment for fiscal year 2024-25 was $19,014.

During the year ended September 30, 2021 the City extended a lease with Eleventh Street Dock Owners Association, Inc for five years for the right to maintain movable docks and dock storage and booms fronting or adjacent to the shoreline. Under the terms of this lease, yearly payments of $7,182.67 are made to the City for a five-year period commencing November 2, 2021. The lessee may request a five-year extension. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. The yearly payment for fiscal year 2024-25 was $8,823.

During the year ended September 30, 2022 the City established a lease with Coeur d’Alene on Ice, LLC for use of the Avista Pavilion and McEuen Park for the purpose of operating a seasonal ice-skating rink. This lease was assigned to VMC Northwest LLC in the fall of 2023. Under the terms of this lease, yearly payments of $6,000 are made to the City over a five-year period commencing October 15, 2021. This lease includes a renewable option at the conclusion of the 2026 season for an additional five years. The annual lease fee will increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. The five-year extension will begin with yearly payments of $10,000 and also increase by the Bureau of Labor Statistics Consumer Price Index (CPI-U) West Region annual change. The yearly payment for fiscal year 2024-25 was $6,913.

During the year ended September 30, 2022 the City established a lease with King Morton, LLC for five years for the right to operate a water-based boat delivery system, available to the public, for rental of watercraft, captained surf boats, and pontoon boats on the Spokane River near Harbor Center. Under the terms of this lease, yearly payments of $20,000 are made to the City for a five-year period commencing June 7, 2022. The lessee may request a five-year extension. The yearly payment for fiscal year 2024-25 was $20,000.

During the year ended September 30, 2025, the City established an agreement with Koep Concerts for use of a portion of McEuen Park for the purpose of operating and managing the McEuen Concert Series. The concert series is generally held on Wednesdays beginning as early as mid-June through the first Wednesday in September. Under the terms of this agreement, Koep Concerts pays the City a fee of $400 per concert and an annual refundable deposit of $5,000 prior to the start of each season. Koep Concerts is also responsible for porta-potty fees related to use of the park during the concert series. The agreement is effective for the 2025 through 2030 seasons and may be renewed for an additional five years upon written request made no later than August 1, 2030. The payment for fiscal year 2024-25 was $5,300.

During the year ended September 30, 2022, the City established a lease with KJ Watersports LLC for the right to construct, operate, and maintain a commercial boat dock on the Spokane River near Harbor Center. Under the terms of this lease, seasonal payments of $30,000 are made to the City for a five-year period commencing May 1, 2023, and terminating September 30, 2027. The lessee may request an extension for an additional five

NOTE 5 - LEASE INCOME (CONTINUED)

years, upon terms and conditions mutually agreed to by the parties, by submitting a written request at least 60 days and no more than 120 days before the end of the term. The yearly payment for fiscal year 2024-25 was $30,000.

The following is a schedule of future payments included in the measurement of the lease receivable as of September 30, 2025:

Parks Capital Improvement Fund:

Year Ended September 30,	Principal	Interest	Total
2026	$ 152,171	$ 4,147	$ 156,318
2027	39,954	1,242	41,196
2028	13,338	269	13,607
	$ 205,463	$ 5,658	$ 211,121

Water Fund:

Year Ended September 30,	Principal	Interest	Total
2026	38,957	$ 10,036	$ 48,993
2027	43,020	8,643	51,663
2028	45,613	7,125	52,738
2029	48,155	5,523	53,678
2030	47,238	3,842	51,080
2031-2034	101,033	4,814	105,847
	$ 324,016	$ 39,983	$ 363,999

NOTE 6- CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2025 is as follows:

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

	September 30, 2024	Additions	Deletions	Transfers Adjustments	September 30, 2025
Governmental activities:					
Land	$ 20,955,500	$ -	$ -	$ 5,131,542	$ 26,087,042
Construction in progress	4,406,820	2,934,928	-	(1,845,733)	5,496,015
Total capital assets, not being depreciated	25,362,320	2,934,928	-	3,285,809	31,583,057
Buildings	26,950,038	4,455,181	-	2,782,383	34,187,602
Other Improvements	19,924,780	48,599	-	37,500	20,010,879
Equipment	34,071,496	2,530,456	196,479	76,434	36,481,907
Infrastructure	141,891,601	-	-	-	141,891,601
Subscription arrangements	379,266	-	8,902	-	370,364
Total capital assets, being depreciated and amortized	223,217,181	7,034,236	205,381	2,896,317	232,942,353
Less: accumulated depreciation and amortization					
Buildings	13,854,032	777,297	-	-	14,631,329
Other Improvements	7,480,795	627,960	-	-	8,108,755
Equipment	23,550,380	1,374,767	196,479	67,266	24,795,934
Infrastructure	76,840,595	3,257,961	-	-	80,098,556
Subscription arrangements	104,163	81,671	8,902	-	176,932
	121,829,965	6,119,656	205,381	67,266	127,811,506
Total capital assets being depreciated, net	101,387,216	914,580	-	2,963,583	105,130,847
Governmental activities capital assets net	$ 126,749,536	$ 3,849,508	$ -	$ 6,249,392	$ 136,713,904

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

Governmental activities:	
General government	$ 179,491
Public Works	3,822,818
Culture and Recreation	1,153,202
Public Safety	964,145
	$ 6,119,656

See accompanying independent auditors' report.

NOTE 6 - CAPITAL ASSETS (CONCLUDED)

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

	September 30, 2024	Additions	Deletions	Transfers/ Adjustments	September 30, 2025
Business-type activities:					
Land	$ 4,667,226	$ -	$ -	$ -	$ 4,667,226
Construction in progress	9,128,733	5,214,674	-	38,564	14,381,971
Total capital assets, not being depreciated	13,795,959	5,214,674	-	38,564	19,049,197
Reservoir	7,020,237	-	-	-	7,020,237
Wells and booster stations	17,783,516	159,369	-	-	17,942,885
Distribution system	109,752,370	6,822,492	-	-	116,574,862
Collection	59,750,212	1,066,891	-	(38,564)	60,778,539
Plant	144,380,764	-	-	-	144,380,764
Street lights	790,986	-	-	-	790,986
Equipment	15,857,887	1,338,812	-	(66,842)	17,129,857
Improvements	27,710,840	41,612	-	-	27,752,452
	383,046,812	9,429,176	-	(105,406)	392,370,582
Less: accumulated depreciation					
Reservoir	5,884,526	172,471	-	-	6,056,997
Wells and booster stations	6,013,816	350,387	1,204	-	6,362,999
Distribution system	50,979,551	2,241,844	-	-	53,221,395
Collection	18,827,566	1,024,016	1,285	-	19,850,297
Plant	71,847,248	3,472,318	-	-	75,319,566
Street lights	746,136	4,474	-	-	750,610
Equipment	9,956,687	858,053	-	(67,266)	10,747,474
Improvements	12,637,336	1,110,530	1,126	-	13,746,740
	176,892,866	9,234,093	3,615	(67,266)	186,056,078
Total capital assets being depreciated, net	206,153,946	195,083	(3,615)	(172,672)	206,314,504
Business-type activities capital assets net	$ 219,949,905	$ 5,409,757	$ (3,615)	$ (134,108)	$ 225,363,701

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

Business-type activities:	
Water	$ 3,145,068
Wastewater	4,758,664
Street Lighting	4,474
Drainage	450,279
Public Parking	875,608
	$ 9,234,093

See accompanying independent auditors' report.

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

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Balance 10/1/2025	Additions	Deletions	Balance 9/30/2025	Due Within One Year	Due Within More Than One Year
Governmental activities:						
General obligation bonds payable	$ 859,683	$ 15,060,000	$ 859,683	$ 15,060,000	$ 1,105,000	$ 13,955,000
Deferred amounts:						
For issuance premium	7,739	1,540,601	7,739	1,540,601	154,060	1,386,541
Total bonds payable	867,422	16,600,601	867,422	16,600,601	1,259,060	15,341,541
Capital leases	644,124	-	37,443	606,681	39,837	566,844
Subscription liabilities	216,146	-	79,240	136,906	42,384	68,985
Compensated absences	4,986,923	48,675	-	5,035,598	304,431	4,731,167
Governmental activities Long-term liabilities	$ 6,714,615	$ 16,649,276	$ 984,105	$ 22,379,786	$ 1,645,712	$ 20,708,537
Business-type activities:						
Revenue bonds payable	$ 27,194,748	$ -	$ 2,615,097	$ 24,579,651	$ 2,696,919	$ 21,882,732
Deferred amounts:						
For issuance premium	3,568,850	-	356,885	3,211,965	356,885	2,855,080
Total bonds payable	30,763,598	-	2,971,982	27,791,616	3,053,804	24,737,812
Capital Leases	214,708	-	12,480	202,228	13,279	188,949
Compensated absences	633,628	70,508	-	704,136	40,518	663,618
Business-type activities: Long-term liabilities	$ 31,611,934	$ 70,508	$ 2,984,462	$ 28,697,980	$ 3,107,601	$ 25,590,379

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

Revenue bonds payable from the wastewater fund at September 30, 2025, are composed of the following issues:

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

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

Revenue bonds payable from the wastewater fund at September 30, 2025 (continued):

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2013 Sewer Revenue Bonds	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%	320,347	797	321,144
Total 2013 Sewer Revenue Bonds			$4,739,651	$95,380	$4,835,031

On December 1, 2022, the City issued the "Series 2022 Bonds" sewer revenue bonds. The Series 2022 A Bonds with a principal amount owing of $21,865,000 were issued to refund outstanding principal amounts of the City's Sewer Revenue Bond, Series 2015 and the City's Revenue Bonds, Series 2020, and to pay to costs of issuance of the Series 2022 A Bonds. The Series 2022 B Bonds with a principal amount of $5,035,000 were issued to taxably advance refund the outstanding principal amount of the City's Sewer Revenue Refunding Bond, Series 2012 and to pay the costs of issuance of the Series 2022 B Bonds. The Series 2022 Bonds bear interest payable semiannually on each March 1 and September 1, beginning March 1, 2023 to the maturity of the Series 2022 Bonds. Principal will be payable annually each September 1.

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2021A Sewer Revenue Refunding Bonds	2026	4.00%	2,075,000	793,600	2,868,600
	2027	4.00%	2,160,000	710,600	2,870,600
	2028	4.00%	2,245,000	624,200	2,869,200
	2029	4.00%	2,335,000	534,400	2,869,400
	2030	4.00%	2,425,000	441,000	2,866,000
	2031	4.00%	2,525,000	344,000	2,869,000
	2032	4.00%	2,625,000	243,000	2,868,000
	2033	4.00%	3,050,000	138,000	3,188,000
	2034	4.00%	400,000	16,000	416,000
			$19,840,000	$3,844,800	$23,684,800

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

General Obligation Bonds payable for the governmental activities at September 30, 2025, consist of the following issue:

On September 3, 2025, the City issued $15,060,000 in General Obligation Bonds, Series 2025. Bond proceeds, including a premium of $1,540,601, totaled $16,600,601, of which $16,400,000 was deposited to the 2025 Fire Bond Project Fund. The principal of the 2025 Bonds is payable annually on August 1, beginning August 1, 2026, and interest is payable semiannually on February 1 and August 1 of each year until maturity. The first interest payment is due February 1, 2026. The bonds mature on August 1, 2035, and bear interest at a stated rate of 5.00%.

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

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
2025 Fire Department Bonds:	2026	5.00%	$1,105,000	$ 686,067	$ 1,791,067
	2027	5.00%	1,265,000	697,750	1,962,750
	2028	5.00%	1,330,000	634,500	1,964,500
	2029	5.00%	1,395,000	568,000	1,963,000
	2030	5.00%	1,465,000	498,250	1,963,250
	2031	5.00%	1,540,000	425,000	1,965,000
	2032	5.00%	1,615,000	348,000	1,963,000
	2033	5.00%	1,695,000	267,250	1,962,250
	2034	5.00%	1,780,000	182,500	1,962,500
	2035	5.00%	1,870,000	93,500	1,963,500
Total 2025 Fire Department Bonds:			$15,060,000	$4,400,817	$19,460,817

There are a number of covenants, limitations and other requirements contained in the bond indenture. The City is in substantial compliance with these requirements at September 30, 2025.

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

Capital leases payable from governmental activities at September 30, 2025 consist of the following:

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
General Fund - Caterpillar Financial	2026	6.39%	39,837	38,769	78,606
Lease for 2023 Loaders	2027	6.39%	42,384	36,222	78,606
	2028	6.39%	45,093	33,513	78,606
	2029	6.39%	479,367	30,633	510,000
			606,681	139,137	745,818

See accompanying independent auditors' report.

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

Capital leases payable from business-type activities at September 30, 2025 consist of the following issues:

Issue	FY End 30-Sep	Rate	Principal	Interest	Total
Water Fund - John Deere Financial	2026	6.39%	$ 13,279	$ 12,923	$ 26,202
Lease for a 2023 Wheel Loader	2027	6.39%	14,128	12,074	26,202
	2028	6.39%	15,031	11,171	26,202
	2029	6.39%	159,790	10,211	170,001
			$ 202,228	$ 46,379	$ 248,607

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

Govenmental Activities

Fiscal Year Ending	Principal	Interest	Total Payments
2026	$ 68,985	$ 2,763	$ 71,748
2027	65,377	1,371	66,748
2028	2,545	51	2,596
	$ 136,907	$ 4,186	$ 141,093

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

Governmental Activities

Year	General Obligation Bonds	Capital Leases	Compensated Absences	SBITA	Total (Memo Only)
Unknown	$ -	$ -	$ 4,731,167	$ -	$ 4,731,167
2026	1,105,000	39,837	304,431	68,986	1,518,254
2027	1,265,000	42,384	-	65,377	1,372,761
2028	1,330,000	45,093		2,544	1,377,637
2029	1,395,000	479,367			1,874,367
2030	1,465,000				1,465,000
Therafter	8,500,000	-	-	-	8,500,000
	15,060,000	606,681	5,035,598	136,907	20,839,186
Plus issuance premium- net	1,540,601	-	-	-	1,540,601
	$ 16,600,601	$ 606,681	$ 5,035,598	$ 136,907	$ 22,379,787

See accompanying independent auditors' report.

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

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

Year	Wastewater 2013 Revenue Bonds	Wastewater 2021A Revenue Bonds	Capital Leases	Compensated Absences	Total (Memo Only)
Unknown	$ -	$ -	$ -	$ 663,618	$ 663,618
2026	621,919	2,075,000	13,279	40,518	2,750,716
2027	625,033	2,160,000	14,128	-	2,799,161
2028	628,114	2,245,000	15,031	-	2,888,145
2029	631,306	2,335,000	159,790	-	3,126,096
2030	634,467	2,425,000	-	-	3,059,467
Thereafter	1,598,812	8,600,000	-	-	10,198,812
	4,739,651	19,840,000	202,228	704,136	25,486,015
Plus issuance premium- net	-	3,211,965	-	-	3,211,965
	$ 4,739,651	$ 23,051,965	$ 202,228	$ 704,136	$ 28,697,980

NOTE 8 - INTERFUND TRANSACTIONS

Due to/from other funds as of September, 30 2025:

Receivable Fund	Payable Fund	Amount
Wastewater fund	Capital projects fund	$ 6,079,839

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

NOTE 8 - INTERFUND TRANSACTIONS (CONCLUDED)

Interfund transfers as of September 30, 2025:

Fund	Transfers In	Transfers Out
General fund	$ 4,435,747	$ 20,000
Capital projects fund	140,000	-
Non major governmental funds	564,250	1,742,250
Water fund		761,351
Wastewater fund		902,982
Sanitation fund		788,082
Non major enterprise funds		925,332
	$ 5,139,997	$ 5,139,997

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

NOTE 9 - INSURANCE

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

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

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

Health Insurance

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

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

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, 2025, which are in various stages of discovery and proceedings. Certain of these matters involve claimed amounts, which are material to the City's basic financial statements. Claims subject to Idaho law are limited to a statutory maximum of $500,000. Claims subject to federal law are not limited. The City intends to vigorously defend itself in these pending actions. In accordance with the applicable accounting guidelines, management has recognized an estimated loss only for those matters which it has deemed an unfavorable outcome is probable and the amount of loss is reasonably estimable.

NOTE 11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

CONDENSED STATEMENT OF NET POSITION

	Wastewater Funds
Assets:	
Current assets	$ 49,641,758
Capital assets	123,497,260
Total assets	173,139,018
Deferred outflows of resources:	482,246
Liabilities:	
Current liabilities	3,717,442
Noncurrent liabilities	26,513,357
Total liabilities	30,230,799
Deferred inflows of resources:	449,811
Net position:	
Net investment in capital assets	95,705,644
Unrestricted	47,235,010
Total net position	$ 142,940,654

See accompanying independent auditors' report.

NOTE 11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONCLUDED)

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

	Wastewater Funds
Charges for services	$ 16,652,785
Depreciation expense	(4,758,149)
Other operating expenses	(6,376,977)
Net pension expense (revenue)	(236,538)
Operating income	5,281,121
Non-operating revenues (expenses):	
Capitalization fees	5,960,059
Investment earnings	1,771,849
Interest expense	(891,718)
Amortization	356,885
Gain on sale of assets	-
Capital contributions	1,066,891
Operating transfer out	(902,982)
Change in net position	12,642,105
Beginning net position	130,298,549
Ending net position	$ 142,940,654

CONDENSED STATEMENT OF CASH FLOWS

	Wastewater Funds
Net cash provided (used) by:	
Operating activities	$ 8,749,538
Noncapital financing activities	(902,982)
Capital and related financing activities	(447,026)
Investing activities	1,771,849
Net increase (decrease)	9,171,379
Beginning cash and cash equivalents	32,090,102
Ending cash and cash equivalents	$ 41,261,481

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.

NOTE 12 - FUND BALANCE CLASSIFICATIONS (CONTINUED)

The City reports the following classifications:

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

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

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

General Fund	
Restricted	
KCJA drug task force	73,807
Coeur d'Alene Lake Drive - funds from Idaho Department of Transportation	808,392
Bellerive subdivision agreement	23,046
	905,245
Committed	
Police training carryover per contract	14,335
PD Training Center	129,760
Insurance Settlement for Police Department Storage Annex	388,484
Interest due to Wastewater Fund for ignite cda loan	800,297
Sick leave option 2	196,567
	1,529,443
Assigned	
Recreation department reserve	5,560
City wide automation carryover from fiscal year 2023-24	196,309
Streets Overlay / Chip Seal Carryover	344,867
Opioid Lawsuit Settlement Funds	235,971
Lake District URD remaining funds distribution	599,147
	1,381,854

See accompanying independent auditors' report.

NOTE 12 - FUND BALANCE CLASSIFICATIONS (CONCLUDED)

Capital Projects Fund	
Restricted	
2025 Bond - Fire Department Projects	15,512,869
	15,512,869
Other Governmental Funds	
Restricted	
Special revenue funds - Impact fees	8,748,141
Special revenue funds - Jewett House	140,344
Debt Service funds - General Obligation Bonds	140,300
	9,028,785
Committed	
Special revenue funds - Library	51,277
Special revenue funds - Cemetery	(12,194)
Special revenue funds - Parks capital improvements	1,835,513
Special revenue funds - Cemetery perpetual care	1,339,319
Special revenue funds - Reforestation	162,282
Special revenue funds - Public art	688,009
	4,064,206
Assigned	
Special revenue funds - Annexation fees	1,035,314
	1,035,314

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.

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN

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 Base Plan contribution rates for employees are set by statute at 60% of the employer rate for general employees and school employees, and 72% for police and firefighters. As of June 30, 2025, the employee rate was 7.18% for general employees, 8.08% for school employees, and 10.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.96% for general employees, 13.48% for school employees, and 13.98% for police and firefighters. Police and firefighters employee and employer rates for the period from July 1, 2024 through March 31, 2025 were 10.83% and 14.65%, respectively. Effective April, 2025, employee and employer rates were changed to 10.36% and 13.98%, respectively.

The City's contributions were $4,797,568 for the year ended September 30, 2025.

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

At September 30, 2025, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, 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, 2025, the City's proportion was .76813927 percent.

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (continued)

For the year ended September 30, 2025, the City recognized pension (revenue) expense of $4,383,665. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,500,317	$ -
Changes in assumptions or other inputs	-	3,266,338
Net difference between projected and actual earnings on pension plan investments	-	4,774,967
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	291,281	44,507
City's contributions subsequent to the measurement date	1,416,276	-
Total	$ 5,207,874	$ 8,085,812

$1,416,276 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, 2025.

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, 2024 the beginning of the measurement period ended June 30, 2024 is 4.4 years and 4.4 years for the measurement period June 30, 2025.

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:	
2026	3,239,322
2027	(2,997,456)
2028	(2,777,375)
2029	(1,758,705)

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.

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (continued)

The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases including inflation	3.15%
Investment rate of return-net of investment fees	6.55%
Cost-of-living (COLA) adjustments	1.00%

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

Contributing Members, Service Retirement Members, and Beneficiaries

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

An experience study was performed for the period July 1, 2020, through June 30, 2024, which reviewed all economic and demographic assumptions other than mortality.

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries, as well as for the Judicial members. These rates were adopted for the valuation dated July 1, 2025.

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 2025.

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap US Equity	22.00%	4.75%
Small/Mid Cap US Equity	10.00%	4.95%
International Equity	11.00%	4.75%
Emerging Markets Equity	11.00%	4.95%
Domestic Fixed	20.00%	2.25%
TIPS	10.00%	2.05%
Core Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.55%. 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 6.55 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 (5.55 percent) or 1-percentage-point higher (7.55 percent) than the current rate:

	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
City's proportionate share of the net pension liability (asset)			
Total Plan	$ 44,691,198	$ 18,574,855	$ (2,761,032)

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.

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI BASE PLAN (concluded)

At September 30, 2025, the City reported payables to the defined benefit pension plan of $157,691 for which legally required employer contributions and $88,980 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

PERSI FRF PENSION PLAN

Plan Description

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

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, 2025, the total FRF employer contribution rate was 13.98%. The City's contributions were $-0- for the year ended September 30, 2025.

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

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

At September 30, 2025, the City reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2025, and the total pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2025, the City's proportion was 8.3827379 percent.

For the year ended September 30, 2025, the City recognized pension expense (revenue) of ($2,222,115). At September 30, 2025, 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	-	472,277
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	-	-
City's contributions subsequent to the measurement date	-	-
Total	$ -	$ 472,277

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

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024 the beginning of the measurement period ended June 30, 2024 is 1 year and 1 year for the measurement period June 30, 2025.

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:	
2026	786,552
2027	(555,782)
2028	(353,889)
2029	(349,158)

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

Actuarial Assumptions

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

The total pension asset in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases including inflation	3.15%
Investment rate of return-net of investment fees	6.55%
Cost-of-living (COLA) adjustments	1.00%

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, 2020, through June 30, 2024, which reviewed all economic and demographic assumptions other than mortality.

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries, as well as for the Judicial members. These rates were adopted for the valuation dated July 1, 2025.

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.

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (continued)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. These rates were adopted for the valuation dated July 1, 2023.

Actuarial Assumptions (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap US Equity	22.00%	4.75%
Small/Mid Cap US Equity	10.00%	4.95%
International Equity	11.00%	4.75%
Emerging Markets Equity	11.00%	4.95%
Domestic Fixed	20.00%	2.25%
TIPS	10.00%	2.05%
Core Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.55%. 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 6.55 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 (5.55 percent) or 1-percentage-point higher (7.55 percent) than the current rate:

	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
City's proportionate share of the net pension liability (asset)			
Total Plan	$ (22,931,741)	$ (24,471,641)	$ (25,824,196)

See accompanying independent auditors' report.

NOTE 13 - PENSION PLANS (CONTINUED)

PERSI FRF PENSION PLAN (concluded)

Pension plan fiduciary net position

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

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

POLICE RETIREMENT FUND

Single-Employer Defined Benefit Pension Plan

The plan is required to have an actuarial study every two years. The study was done in the current year ending September 30, 2025.

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

(1) Investment earnings on the fund

(2) Property taxes

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

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

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

NOTE 13 - PENSION PLANS (CONTINUED)

POLICE RETIREMENT FUND (continued)

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

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

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

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

At September 30, 2025, the City reported a net pension liability of $837,117 for the police retirement trust fund. The City recognized $113,486 of pension expense related to the police retirement pension plan.

At September 30, 2025, 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	$ 237,406	$ 224,194
Changes in assumptions	189,641	146,053
Net difference between projected and actual earnings on pension plan investments	16,593	7,394
	$ 443,640	$ 377,641

Changes in the Net Pension Liability

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

Year ended June 30:	
2026	73,859
2027	4,649
2028	(13,688)
2029	(43,323)
2030	28,579
2031	15,922

The investment return was 2.43% for 2025.

See accompanying independent auditors' report.

NOTE 13 - PENSION PLANS (CONTINUED)

POLICE RETIREMENT FUND (continued)

Funding Policy: The funding policy and cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Board of police retirement fund Commissioners. The costs of administering the plan are financed by investment earnings. The City decided to not fund the plan for fiscal year 2016-17 and continued to not fund it through 2021-22. Funding began again fiscal year 2022-23. The City's latest actuarial valuation was dated September 30, 2025. The City's contributions to the fund are set to amortize the fund's benefit liabilities over the period ending September 30, 2031. This represents a 30-year amortization of the fund's unfunded actuarial liability. The actuary recommends a minimum yearly contribution of $152,000 to adequately satisfy future expected cash flow requirements. The fund's asset balance is not expected to decrease for at least the next ten years. These calculations are based on the actuarial assumptions, including annual post-retirement benefits increases of 0% and investment returns of 3.75%. Any adverse future experience of the fund will require an increase in the minimum recommended contribution of $152,000.

There are no long-term contracts for contributions to the plan or any legally required reserves. Investments at September 30, 2025 included cash equivalents of $272,235 and U.S. Government issues of $204,119. 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 4.25, 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 (3.25%) or 1-percentage-point higher (5.25%) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
City's proportionate share of the net pension liability (asset)	$ 952,224	$ 837,117	$ 740,319

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 9/30/24	$ 1,281,982	$ 465,819	$ 816,163
Changes for the year:			
Interest cost	51,362	-	51,362
Experience (gain) loss	76,131	-	76,131
Changes of assumptions	50,429	-	50,429
Employer contributions	-	145,685	(145,685)
Net investment income	-	14,102	(14,102)
Benefit payments	(146,927)	(146,927)	-
Administrative Expenses	-	(2,819)	2,819
Net changes	30,995	10,041	20,954
Balances at 9/30/25	$ 1,312,977	$ 475,860	$ 837,117

See accompanying independent auditors' report.

NOTE 13 - PENSION PLANS (CONTINUED)

POLICE RETIREMENT FUND (continued)

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, 2025 to better reflect past and projected future experience of the plan. As required under accounting standards, the mortality table was updated along with implementing and improvement rate. This resulted in a significant actuarial loss.

Actuarial Assumptions

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

- Long-Term Rate of Return: 3.86%
- 20-Year AAA Municipal Bond Rate: 4.50%
- Return on Assets: 3.75%
- Discount Rate - Pre- and post-retirement interest rates were assumed at 3.75% per year.
- Cost of Living Adjustments - Benefits has been assumed to increase at 3% per year.
- Expenses - No assumption of asset expenses were made.
- Mortality Rates – PUB-2010 Mortality with MP-2021 Improvement Table.
- Turnover Rates - T2 Turnover Table.
- Disability Rates - None assumed.
- Early Retirement Rates – None assumed.
- Actuarial Value of Assets - Same as market value of assets.

NOTE 13 - PENSION PLANS (CONCLUDED)

POLICE RETIREMENT FUND (Concluded)

Schedule of Amortizations

	Year	Experience (Gain)/Loss	Recognized Period	Amortized Amount	Amortization Balance	Deferred Outflows	Deferred Inflows
Experience (Gain)/Loss	2025	76,131	7	10,876	65,255	65,255	-
	2024	56,800	7	8,114	40,572	40,572	-
	2023	79,203	8	9,900	49,503	49,503	-
	2022	(411,666)	8	(51,458)	(205,834)	-	(205,834)
	2021	76,745	8	9,593	28,780	28,780	-
	2020	28,507	9	3,167	9,505	9,505	-
	2019	111,764	9	12,418	24,838	24,838	-
	2018	(63,527)	10	(6,353)	(12,703)	-	(12,703)
	2017	(56,597)	10	(5,660)	(5,657)	-	(5,657)
	2016	208,433	11	18,948	18,953	18,953	-
					13,212	237,406	(224,194)
Assumption (Gain)/Loss							
	2025	50,429	7	7,204	43,225	43,225	-
	2024	(52,626)	7	(7,518)	(37,590)	-	(37,590)
	2023	-	8	-	-	-	-
	2022	(173,403)	8	(21,675)	(86,703)	-	(86,703)
	2021	(58,030)	8	(7,254)	(21,760)	-	(21,760)
	2020	225,197	9	25,022	75,065	75,065	-
	2019	104,074	9	11,564	23,126	23,126	-
	2018	-	10	-	-	-	-
	2017	39,502	10	3,950	3,952	3,952	
	2016	487,003	11	44,273	44,273	44,273	
					43,588	189,641	(146,053)
Asset (Gain)/Loss	2025	6,162	5	1,232	4,930	4,930	-
	2024	(4,468)	5	(894)	(2,680)	-	(2,680)
	2023	3,555	5	711	1,422	1,422	-
	2022	38,491	5	7,698	7,699	7,699	-
	2021	12,718	5	2,542	2,542	2,542	-
	2020	(4,528)	5	(906)	(906)	-	(906)
	2019	(19,038)	5	(3,808)	(3,808)	-	(3,808)
					9,199	16,593	(7,394)

NOTE 14 – SPECIAL ITEMS

During fiscal year ending September 30, 2025, ignite cda and the city had the following transaction which qualifies and are presented as a special item in the accompanying statement of activities:

Ignite cda transferred the following Atlas Development Public Right-of-Way Infrastructure to City:

• River District – During the first quarter of fiscal year 2025, ignite cda transferred $1,788,355 in total accumulated Atlas Development Phase 1 road public right-of-way infrastructure to the City of Coeur d'Alene.

• Atlas District – During the first quarter of fiscal year 2025, ignite cda transferred $1,169,166 in total accumulated Atlas Development Phase 1 road public right-of-way infrastructure to the City of Coeur d'Alene.

NOTE 15 – CORRECTION OF AN ERROR

During fiscal year 2025, the City identified an error related to the cutoff of construction costs in the prior fiscal year. A construction pay application related to work performed prior to September 30, 2024 was not recorded as an expenditure and related liability in fiscal year 2024. The invoice was received and recorded in fiscal year 2025; however, the underlying work had been performed prior to the end of fiscal year 2024 and should have been accrued in that period.

The correction resulted in the recognition of a prior-year construction expenditure and related liability. Because the project was eligible for grant reimbursement, the related revenue was also recognized for the same reporting period. As a result, the correction increased both expenditures and revenues for the prior fiscal year and did not change beginning fund balance.

The correction had no effect on the City's fiscal year 2025 cash balances.

The following summarizes the prior period adjustment referred to above:	
Fund Balance at September 30, 2024, as previously reported	$ 19,263,002
Construction invoice cutoff error - Expenditure recognized	(980,371)
Construction invoice cutoff error - ARPA revenue recognized	980,371
Fund Balance at September 30, 2024, as restated	$ 19,263,002

During fiscal year 2025, ignite cda identified errors related to transactions with the city. See Note 16 – Component Unit - correction of an error describing the adjustments. The city's financial statements have been adjusted to reflect this error.

The following summarizes the prior period adjustment referred to above:	
Net Position Balance at September 30, 2024, as previously reported	149,466,110
Capital assets understated	3,157,339
Net Position Balance at September 30, 2024, as restated	$ 152,623,449

NOTE 16 – COMPONENT UNIT

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

Agency Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a failure of a financial institution, the Agency's deposits and investments may not be returned to it. The Agency does not have a deposit policy for custodial credit risk. The carrying amount of the Agency's deposits is $11,811,384 and the bank balance is $11,811,363. At September 30, 2025, the Agency's deposits were exposed to custodial credit risk as follows:

Deposits without exposure to custodial credit risk:	
Amounts insured by FDIC	$ 187,500
Deposits with exposure to custodial credit risk:	
Amount collateralized with securities held in trust, but not in ignite cda's name	11,623,884
Total Deposits	$ 11,811,384
Cash and cash equivalents at September 30, 2024 consist of the following:	
Deposits	$ 11,811,363
Total	11,811,363
Cash and cash equivalents are presented in the Financial Statements as follows:	
Cash and cash equivalents	11,811,363
Total	$ 11,811,363

Capital Assets

Activity for ignite cda's capital assets for the fiscal year ending September 30, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Construction in Progress (as restated)	18,947,538	1,310,654	3,618,436	16,639,756
Less: allowance for estimated costs in excess of NRV	(8,521,000)	(1,079,000)		(9,600,000)
Total Capital assets not being depreciated	10,426,538	231,654	3,618,436	7,039,756
Governmental activities capital assets, net	$ 10,426,538	$ 231,654	$ 3,618,436	$ 7,039,756

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

NOTE 16 - COMPONENT UNIT DISCLOSURES (CONCLUDED)

Long-term debt

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, 2025, the District has drawn a total of $357,000 on the Note. Accordingly, a schedule of future payments for the Note has not been presented, as the amounts and timing of the District's remaining draws are still unknown. The Bond is secured by the River District's pledge of the tax increment revenue allocation proceeds, subject to prior liens as described in the Note Purchase and Security Agreement.

The following is a summary of debt activity for the year ended September 30, 2025:

	Beginning Balance	Principal Additions	Principal Payments	Ending Balance	Due in One Year
Bond Payable- Washington Trust 2019 Series	$ 357,000		$ -	$ 357,000	$ -
	$ 357,000	$ -	$ -	$ 357,000	$ -

Correction of an error

The following prior period adjustments have been made to the accompanying government-wide financial statements:

• The Agency removed the Atlas Development Project River District Phase 1 public right-of-way land costs in the amount of $761,936 from construction in progress. The land portion of Phase 1 public right-of-way within the River District was transferred to the City upon final platting prior to fiscal 2025. Accordingly, the beginning balance of construction in progress, and beginning net position have been reduced/restated by $761,936.

• The Agency removed the Atlas Development Project Atlas District Phase 1 public right-of-way land costs in the amount of $327,873 from construction in progress. The land portion of Phase 1 public right-of-way within the Atlas District was transferred to the City upon final platting prior to fiscal 2025. Accordingly, the beginning balance of construction in progress, and beginning net position have been reduced/restated by $327,873.

• The Agency removed the Atlas Development Project Atlas District Phase 2 public right-of-way land costs in the amount of $1,084,212 from construction in progress. The land portion of Phase 2 public right-of-way within the Atlas District was transferred to the City upon final platting prior to fiscal 2025. Accordingly, the beginning balance of construction in progress, and beginning net position have been reduced/restated by $1,084,212.

In 2023 the Agency re-allocated the Atlas District portion of the City-transferred land value of the Atlas Development Project. This was the result of: 1) approximately one acre of property intended for dedication as public right-of-way was switched from Phase 1 to Phase 2 for construction sequencing reasons, and 2) an additional acre of property was retained by Ignite for eventual transfer to the master HOA. These changes resulted in a re-allocation of the land costs across the various Areas within the Atlas District portion of the overall Project. These updated land values were inadvertently not reflected in the original calculations of the reported gains/losses upon disposition of the Areas sold in prior years. After taking into consideration the change in land values by each Area, the cumulative net gain from dispositions to date was increased by $132,507. Accordingly, beginning net position and construction in progress has been increased by $132,507.

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
September 30, 2025

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Taxes	$25,916,295	$ 26,086,295	$ 26,093,907	$ 7,612
Licenses and permits	6,744,300	7,418,300	7,682,787	264,487
Intergovernmental	18,387,495	18,117,529	17,516,222	(601,307)
Charges for services	346,100	354,500	389,449	34,949
Fines and forfeits	382,700	287,500	332,005	44,505
Investment (loss) earnings	750,000	850,000	697,750	(152,250)
Contributions	-	-	-	-
Miscellaneous	82,800	500	1,292,359	1,291,859
Total revenues	52,609,690	53,114,624	54,004,479	889,855
EXPENDITURES				
Current:				
General government	9,037,579	9,325,672	8,876,020	449,652
Public safety	35,573,192	36,615,916	35,558,213	1,057,703
Public works	7,598,519	7,646,890	7,161,334	485,556
Culture and recreation	3,780,767	3,799,468	3,650,930	148,538
Capital outlay	5,084,978	6,728,302	4,772,916	1,955,386
Debt service:				
Principal payments	-	-	-	-
Interest and fiscal agent fees	97,000	97,000	78,607	18,393
Total expenditures	61,172,035	64,213,248	60,098,020	4,115,228
(Deficiency) excess of revenues (under) over expenditures	(8,562,345)	(11,098,624)	(6,093,541)	5,005,083
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	25,000	20,000	31,097	11,097
Operating transfers in	4,505,127	4,505,127	4,435,747	(69,380)
Operating transfers out	(20,000)	(20,000)	(20,000)	-
Total other financing sources (uses)	4,510,127	4,505,127	4,446,844	(58,283)
Net change in fund balances	(4,052,218)	(6,593,497)	(1,646,697)	4,946,800
Fund balances - beginning of year			19,263,002	19,263,002
Fund balances - end of year	$ (4,052,218)	$ (6,593,497)	$ 17,616,305	$ 24,209,802

City of Coeur d'Alene

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2025

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, 2025.

City of Coeur d'Alene, Idaho

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

	9/30/25	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16
City of Coeur d Alene's net pension liability percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
City of Coeur d'Alene's net pension liability	$ 837,117	$ 816,163	$ 933,558	$ 967,882	$ 1,481,135	$ 1,423,004	$ 1,142,378	$ 913,577	$ 903,304	$ 852,633
City of Coeur d'Alene's total pension liability	$ 1,312,977	$ 1,281,982	$ 1,372,375	$ 1,381,123	$ 2,097,243	$ 2,220,099	$ 2,088,884	$ 1,981,905	$ 2,150,043	$ 2,265,698
City of Coeur d'Alene's fiduciary net position	475,860	$ 465,819	$ 438,817	$ 413,241	$ 616,108	$ 797,095	$ 946,506	$ 1,068,328	$ 1,246,739	$ 1,413,065
City of Coeur d'Alene's covered-employee payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City of Coeur d'Alene's net pension liability as a percentage of it's covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	36.24%	36.34%	31.98%	29.92%	29.38%	35.90%	45.31%	53.90%	57.99%	62.37%

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

	9/30/25	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16
City contributions	$ 145,685	$ 147,147	$ 150,556	$ -	$ -	$ -	$ 74	$ 539	$ 2,133	$ 154,962
City's actuarially determined contributions	$ 152,000	$ 152,000	$ 152,000	$ 152,000	$ 152,000	$ 152,000	$ 152,000	$ 152,000	$ 152,000	$ 151,999
Difference between the actuarially determined contribution and the actual contribution	$ (6,315)	$ (4,853)	$ (1,444)	$ (152,000)	$ (152,000)	$ (152,000)	$ (151,926)	$ (151,461)	$ (149,867)	$ 2,963
City's covered-employee payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City of Coeur d'Alene, Idaho

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest cost	51,362	48,776	49,220	45,205	42,561	57,152	66,401	66,374	69,072	62,928
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Experience (gain) loss	76,131	56,800	79,203	(411,666)	76,745	28,507	111,764	(63,527)	(56,597)	208,433
Changes of assumptions	50,429	(52,626)	-	(173,403)	(58,030)	225,197	104,074	-	39,502	487,003
Benefit payments	(146,927)	(143,344)	(137,171)	(176,256)	(184,132)	(179,641)	(175,260)	(170,985)	(167,632)	(164,346)
Net change in total pension liability	30,995	(90,394)	(8,748)	(716,120)	(122,856)	131,215	106,979	(168,138)	(115,655)	594,018
Total pension liability - beginning of year	1,281,981	1,372,375	1,381,123	2,097,243	2,220,099	2,088,884	1,981,905	2,150,043	2,265,698	1,671,680
Total pension liability - end of year (a)	$ 1,312,976	$ 1,281,981	$ 1,372,375	$ 1,381,123	$ 2,097,243	$ 2,220,099	$ 2,088,884	$ 1,981,905	$ 2,150,043	$ 2,265,698
Plan fiduciary net position										
Contributions - employer	$ 145,685	$ 147,147	$ 150,556	$ -	$ -	$ -	$ 74	$ 539	$ 2,133	$ 154,962
Net investment income	14,102	24,537	13,763	(24,538)	5,975	33,688	57,352	(3,394)	4,419	29,411
Benefit payments	(146,927)	(143,344)	(137,171)	(176,256)	(184,132)	(179,641)	(175,260)	(170,985)	(167,632)	(164,346)
Administrative expense	(2,819)	(1,338)	(1,572)	(2,073)	(2,830)	(3,458)	(3,988)	(4,571)	(5,246)	(5,430)
Net change in fiduciary net position	10,041	27,002	25,576	(202,867)	(180,987)	(149,411)	(121,822)	(178,411)	(166,326)	14,597
Plan fiduciary net position - beginning of year	465,819	438,817	413,241	616,108	797,095	946,506	1,068,328	1,246,739	1,413,065	1,398,468
Plan fiduciary net position - end of year (b)	$ 475,860	$ 465,819	$ 438,817	$ 413,241	$ 616,108	$ 797,095	$ 946,506	1,068,328	1,246,739	1,413,065
Net pension liability (a) - (b)	$ 837,116	$ 816,162	$ 933,558	$ 967,882	$ 1,481,135	$ 1,423,004	$ 1,142,378	$ 913,577	$ 903,304	$ 852,633

City of Coeur d'Alene, Idaho

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Experience	2.43%	5.26%	2.90%	-5.04%	0.45%	3.53%	5.44%	-0.69%	-0.06%	1.72%

City of Coeur d'Alene, Idaho

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

	9/30/25	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16
City of Coeur d Alene's porti net pension liability	0.7681393%	0.7631744%	0.7506216%	0.7506510%	0.7745166%	0.7699514%	0.7627450%	0.7816001%	0.7684929%	0.7700966%
City of Coeur d'Alene's proportionate share of the net pension liability (asset)	$ 18,574,855	$ 28,547,645	$ 29,954,835	$ 29,562,945	$ (611,698)	$ 17,879,292	$ 8,706,522	$ 11,528,738	$ 12,079,388	$ 15,611,041
City of Coeur d'Alene's covered-employee payroll	$ 36,620,177	$ 34,966,640	$ 31,955,212	$ 29,542,150	$ 28,821,099	$ 27,551,112	$ 25,516,046	$ 24,756,509	$ 23,500,332	$ 22,186,905
City of Coeur d'Alene's proportional share of the net pension liability as a percentage of its covered-employee payroll	50.72%	81.64%	93.74%	100.07%	-2.12%	64.89%	34.12%	46.57%	51.40%	70.36%
Plan fiduciary net position as a percentage of the total pension liability	90.89%	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%

Data reported is measured as of June 30, 2025 (measurement date)

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

	9/30/25	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16
Statutorily required contribution	$ 4,776,520	$ 4,964,071	$ 3,278,399	$ 3,476,014	$ 3,058,016	$ 3,020,835	$ 2,918,570	$ 3,035,277	$ 2,591,451	$ 2,289,207
Contributions in relati statutorily required contribution	$ 4,776,520	$ 4,231,111	$ 3,856,906	$ 3,576,227	$ 3,492,695	$ 3,315,704	$ 2,975,323	$ 2,885,192	$ 2,738,658	$ 2,572,387
Contribution (deficiency) excess	$ -	$ (732,959)	$ 578,507	$ 100,214	$ 434,679	$ 294,869	$ 56,752	$ (150,086)	$ 147,207	$ 283,180
City's covered-employee payroll	$ 36,620,177	$ 34,966,640	$ 31,955,212	$ 29,542,150	$ 28,821,099	$ 27,551,112	$ 25,516,046	$ 24,756,509	$ 23,500,332	$ 22,186,905
Contributions as a percentage of covered-employee payroll	13.04%	12.10%	12.07%	12.11%	12.12%	12.03%	11.66%	11.65%	11.65%	11.59%

Data reported is measured as of June 30, 2025 (measurement date)

City of Coeur d'Alene, Idaho

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

	9/30/25	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16
City of Coeur d Alene's portion of the net pens asset	8.3827379%	8.3827379%	8.3827379%	8.3827379%	8.3827379%	8.3827379%	7.7156242%	7.9375918%	7.5070873%	7.3277629%
City of Coeur d'Alene's proportionate share of the net pension asset	$ 24,471,641	$ 19,817,023	$ 19,817,023	$ 17,209,002	$ 22,652,408	$ 12,481,826	$ 11,091,489	$ 8,982,985	$ 6,440,753	$ 3,938,556
City of Coeur d'Alene's covered-employee payroll	$ 9,627,466	$ 8,849,096	$ 8,364,953	$ 7,202,076	$ 7,049,344	$ 6,636,100	$ 6,059,963	$ 5,942,693	$ 5,480,973	$ 5,010,150
City of Coeur d'Alene's proportional share of the pension asset as a percentage of its covered-employee payroll	254.19%	223.94%	236.91%	238.95%	321.34%	188.09%	183.03%	151.16%	117.51%	78.61%
Plan fiduciary net position as a percentage of the t pension asset	227.13%	207.66%	200.58%	184.72%	211.83%	155.55%	152.74%	140.15%	129.65%	118.42%

Data reported is measured as of June 30, 2025 (measurement date)

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

	9/30/25	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16
Statutorily required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the statutorily required contribution	$ -	$ -	$ -	$ -	$ -	$ (725,978)	$ (636,371)	$ (611,689)	$ (559,502)	$ (527,496)
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ (725,978)	$ (636,371)	$ (611,689)	$ (559,502)	$ (527,496)
City's covered-employee payroll	$ 9,627,466	$ 8,849,096	$ 8,364,953	$ 7,202,076	$ 7,049,344	$ 6,636,100	$ 6,059,963	$ 5,942,693	$ 5,480,973	$ 5,010,150
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	-10.94%	-10.50%	-10.29%	-10.21%	-10.53%

Data reported is measured as of June 30, 2025 (measurement date)

FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

City of Coeur d'Alene, Idaho
COMBINING BALANCE SHEET - BY FUND TYPE
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 12,904,853	$ 157,672	$ 13,062,525
Investments	1,138,712	-	1,138,712
Receivables:			
Taxes delinquent	28,189	30,493	58,682
Accounts receivable	49,802	-	49,802
Lease receivables	205,463	-	205,463
Due from other governments	5,307	2,377	7,684
Total assets	$ 14,332,326	$ 190,542	$ 14,522,868
LIABILITIES			
Accounts payable	$ 90,208	$ 19,749	$ 109,957
Total liabilities	90,208	19,749	109,957
DEFERRED INFLOWS OF RESOURCES			
Unearned lease contract revenue	225,924	-	225,924
Unavailable revenue- property taxes	28,189	30,493	58,682
Total deferred inflows of resources	254,113	30,493	284,606
FUND BALANCES (DEFICITS)			
Restricted	8,888,485	140,300	9,028,785
Committed	4,064,206	-	4,064,206
Assigned	1,035,314	-	1,035,314
Total fund balances (deficits)	13,988,005	140,300	14,128,305
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 14,332,326	$ 190,542	$ 14,522,868

City of Coeur d'Alene, Idaho
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ 1,995,707	$ 878,725	$ 2,874,432
Intergovernmental	5,000	-	5,000
Charges for services	4,082,553	-	4,082,553
Fines and forfeits	64	-	64
Investment (loss) earnings	551,463	-	551,463
Miscellaneous	124,172	-	124,172
Penalty and interest	-	17,718	17,718
Total revenues	6,758,959	896,443	7,655,402
EXPENDITURES			
Current:			
General government	404,033	-	404,033
Culture and recreation	2,062,442	-	2,062,442
Capital outlay	301,429	-	301,429
Debt service:			
Principal payments	-	859,683	859,683
Interest, fees and other	-	52,201	52,201
Total expenditures	2,767,904	911,884	3,679,788
Excess (deficiency) of revenues over (under) expenditures	3,991,055	(15,441)	3,975,614
OTHER FINANCING SOURCES (USES)			
Operating transfers in	564,250	-	564,250
Operating transfers out	(1,742,250)	-	(1,742,250)
Total other financing sources (uses)	(1,178,000)	-	(1,178,000)
Net change in fund balances	2,813,055	(15,441)	2,797,614
Fund balances (deficits) - beginning of year	11,174,949	155,741	11,330,690
Fund balances (deficits) - end of year	$ 13,988,004	$ 140,300	$ 14,128,304

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, 2025

	Library	Cemetery	Annexation Fees	Impact Fees
ASSETS				
Cash and cash equivalents	$ 76,078	$ (3,649)	$ 1,035,314	$ 8,748,141
Investments	-	-	-	-
Receivables:				
Taxes delinquent	28,189	-	-	-
Accounts receivable	929	3,095	-	-
Lease receivables	-	-	-	-
Due from other governments	5,307	-	-	-
Total assets	$ 110,503	$ (554)	$ 1,035,314	$ 8,748,141
LIABILITIES				
Accounts payable	31,037	11,640	-	-
Total liabilities	31,037	11,640	-	-
DEFERRED INFLOWS OF RESOURCES				
Unearned lease contract revenue	-	-	-	-
Unavailable revenue- property taxes	28,189	-	-	-
Total deferred inflows of resources	28,189	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	8,748,141
Committed	51,277	(12,194)	-	-
Assigned	-	-	1,035,314	-
Total fund balances (deficits)	51,277	(12,194)	1,035,314	8,748,141
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 110,503	$ (554)	$ 1,035,314	$ 8,748,141

City of Coeur d'Alene, Idaho
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2025

Parks Capital Improvements	Cemetery Perpetual Care	Reforestation	Jewett House	Public Art	Total Nonmajor Special Revenue Funds
$ 1,814,867	$ 223,197	$ 163,943	$ 158,912	$ 688,050	$ 12,904,853
-	1,138,712	-	-	-	1,138,712
-	-	-	-	-	28,189
45,778	-	-	-	-	49,802
205,463	-	-	-	-	205,463
-	-	-	-	-	5,307
$ 2,066,108	$ 1,361,909	$ 163,943	$ 158,912	$ 688,050	$ 14,332,326
4,671	22,590	1,661	18,568	41	90,208
4,671	22,590	1,661	18,568	41	90,208
225,924	-	-	-	-	225,924
-	-	-	-	-	28,189
225,924	-	-	-	-	254,113
-	-	-	140,344	-	8,888,485
1,835,513	1,339,319	162,282	-	688,009	4,064,206
-	-	-	-	-	1,035,314
1,835,513	1,339,319	162,282	140,344	688,009	13,988,005
$ 2,066,108	$ 1,361,909	$ 163,943	$ 158,912	$ 688,050	$ 14,332,326

City of Coeur d'Alene, Idaho
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2025

	Library	Cemetery	Annexation Fees	Impact Fees
REVENUES				
Taxes	$ 1,995,707	$ -	$ -	$ -
Intergovernmental	5,000	-	-	-
Charges for services	4,194	237,316	1,000,000	2,443,879
Fines and forfeits	64	-	-	-
Investment (loss) earnings	6,964	2,692	30,760	355,020
Miscellaneous	9,401	25,545	-	-
Total revenues	2,021,330	265,553	1,030,760	2,798,899
EXPENDITURES				
Current:				
General government	-	344,324	-	-
Culture and recreation	1,813,462	-	-	-
Capital outlay	188,203	11,099	-	-
Total expenditures	2,001,665	355,423	-	-
Excess (deficiency) of revenues over (under) expenditures	19,665	(89,870)	1,030,760	2,798,899
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	15,000	-	-
Operating transfers out	-	(54,250)	(580,000)	(1,093,000)
Total other financing sources (uses)	-	(39,250)	(580,000)	(1,093,000)
Net change in fund balances	19,665	(129,120)	450,760	1,705,899
Fund balances - beginning of year	31,611	116,926	584,554	7,042,242
Fund balances (deficits) - end of year	$ 51,277	$ (12,194)	$ 1,035,314	$ 8,748,141

City of Coeur d'Alene, Idaho
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2025

Parks Capital Improvements	Cemetery Perpetual Care	Reforestation	Jewett House	Public Art	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ 1,995,707
-	-	-	-	-	5,000
346,189	-	50,975	-	-	4,082,553
-	-	-	-	-	64
62,327	50,664	7,763	5,651	29,622	551,463
11,145	-	2,750	57,334	17,997	124,172
419,661	50,664	61,488	62,985	47,619	6,758,959
-	4,912	-	21,771	33,026	404,033
175,178	-	73,802	-	-	2,062,442
61,027	-	-	-	41,100	301,429
236,205	4,912	73,802	21,771	74,126	2,767,904
183,456	45,752	(12,314)	41,214	(26,507)	3,991,055
475,000	74,250	-	-	-	564,250
-	(15,000)	-	-	-	(1,742,250)
475,000	59,250	-	-	-	(1,178,000)
658,456	105,002	(12,314)	41,214	(26,507)	2,813,055
1,177,057	1,234,317	174,596	99,130	714,516	11,174,949
$ 1,835,513	$ 1,339,319	$ 162,282	$ 140,344	$ 688,009	$ 13,988,005

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:

General Obligation Bonds: Accounts for the accumulation of resources from property taxes for the purpose of paying bonds and interest when due for the 2025 General Obligation Bond Issue.

City of Coeur d'Alene, Idaho
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2025

	General Obligation Bonds	Total Nonmajor Debt Service Funds
ASSETS		
Cash and cash equivalents	$ 157,672	$ 157,672
Receivables:		
Taxes Delinquent	30,493	30,493
Due from other governments	2,377	2,377
Total assets	$ 190,542	$ 190,542
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 19,749	$ 19,749
Total liabilities	19,749	19,749
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	30,493	30,493
Total deferred inflows of resources	30,493	30,493
FUND BALANCES (DEFICITS)		
Restricted	140,300	140,300
Total fund balances (deficits)	140,300	140,300
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 190,542	$ 190,542
	-	-

City of Coeur d'Alene, Idaho
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
September 30, 2025

	General Obligation Bonds	Total Nonmajor Debt Service Funds
REVENUES		
Taxes	$ 878,725	$ 878,725
Penalty and interest	17,718	17,718
Total revenues	896,443	896,443
EXPENDITURES		
Bond principal	859,683	859,683
Interest, fees and other	52,201	52,201
Total expenditures	911,884	911,884
Excess (deficiency) of revenues over (under) expenditures	(15,441)	(15,441)
Net change in fund balances	(15,441)	(15,441)
Fund balances (deficits)-beginning of year	155,741	155,741
Fund balances (deficits) - end of year	$ 140,300	$ 140,300

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.

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

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

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

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

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

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

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

2025 Fire Bond: To administer expenditures for the purpose of fire apparatus replacement, equipment purchases, and fire station facility improvements funded by the 2025 General Obligation Bond Issue.

City of Coeur d'Alene, Idaho
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2025

	Misc. Capital Projects	Public Transit Sidewalk Access	Wilbur - Ramsey Signal	Govt Way Signal Improve-ments
ASSETS				
Cash and cash equivalents	$ 15,388	$ 27,573	$ 142,312	$ 729,701
Investments	-	-	-	-
Total assets	$ 15,388	$ 27,573	$ 142,312	$ 729,701
LIABILITIES				
Accounts payable	$ -	$ -	$ 63,686	$ 172,697
Due to other funds	-	-	-	-
Total liabilities	-	-	63,686	172,697
DEFERRED INFLOWS OF RESOURCES				
Unearned grant revenue	-	-	-	457,004
Total deferred inflows of resources	-	-	-	457,004
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	15,388	27,573	78,626	100,000
Total fund balances (deficits)	15,388	27,573	78,626	100,000
Total liabilities and fund balances (deficits)	$ 15,388	$ 27,573	$ 142,312	$ 729,701

City of Coeur d'Alene, Idaho
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2025

15th St Harrison to Best	LHTAC Pedestrian Safety Improvements	Traffic Calming	Atlas Waterfront Site	2025 Fire Bond	Total Capital Projects Funds
$ 2,262,018	$ 7,237	$ 34,687	$ -	$ 15,521,780	$ 18,740,696
-	-		-	-	-
$ 2,262,018	$ 7,237	$ 34,687	$ -	$ 15,521,780	$ 18,740,696
$ -	$ -	$ -	$ -	$ 8,911	$ 245,294
-	-	-	6,079,839	-	6,079,839
-	-	-	6,079,839	8,911	6,325,133
-	-	-	-	-	457,004
-	-	-	-	-	457,004
-	-	-	-	15,512,869	15,512,869
-	-	-	-	-	-
2,262,018	7,237	34,687	(6,079,839)	-	(3,554,310)
2,262,018	7,237	34,687	(6,079,839)	15,512,869	11,958,559
$ 2,262,018	$ 7,237	$ 34,687	$ -	$ 15,521,780	$ 18,740,696

City of Coeur d'Alene, Idaho
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2025

	Misc. Capital Projects	Public Transit Sidewalk Access	Wilbur-Ramsey Signal	Govt Way Signal Improve-ments
REVENUES				
Intergovernmental	$ -	$ -	$ 71,598	$ 3,885,287
Investment income	-	-	-	-
Total revenues	-	-	71,598	3,885,287
EXPENDITURES				
Interest and fiscal agent fees	-	-	-	-
Capital outlay	-	-	148,659	3,584,171
Total expenditures	-	-	148,659	3,584,171
Excess (deficiency) of revenues over (under) expenditures	-	-	(77,061)	301,116
OTHER FINANCING SOURCES (USES)				
Proceeds from general obligation bonds	-	-	-	-
Operating transfers in	-	-	-	100,000
Total other financing sources (uses)	-	-	-	100,000
Net change in fund balances	-	-	(77,061)	401,116
Fund balance (deficit) - beginning of year	15,388	27,573	155,687	(301,116)
Fund balance (deficit) - end of year	$ 15,388	$ 27,573	$ 78,626	$ 100,000

City of Coeur d'Alene, Idaho
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2025

15th St Harrison to Best	LHTAC Pedestrian Safety Improvements	Traffic Calming	Atlas Waterfront Site	2025 Fire Bond	Total Nonmajor Capital Projects Funds
$ -	$ -	$ -	$ -	$ -	$ 3,956,885
216,077	-	-	-	76,704	292,781
216,077	-	-	-	76,704	4,249,666
-	-	-	89,850	-	89,850
185,416	-	12,738	-	963,835	4,894,819
185,416	-	12,738	89,850	963,835	4,984,669
30,661	-	(12,738)	(89,850)	(887,131)	(735,003)
-	-	-	-	16,400,000	16,400,000
-	-	40,000	-	-	140,000
-	-	40,000	-	16,400,000	16,540,000
30,661	-	27,262	(89,850)	15,512,869	15,804,997
2,231,357	7,237	7,425	(5,989,989)	-	(3,846,438)
$ 2,262,018	$ 7,237	$ 34,687	$ (6,079,839)	$ 15,512,869	$ 11,958,559

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, 2025

	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	$ 75,978	$ 76,078	$ 1,807,199	$ 895,534	$ 2,854,789
Receivables:					
Accounts, net of allowance for uncollectible accounts	-	88,623	512,726	102,462	703,811
Due from other governments	-	-	-	20,925	20,925
Total current assets	75,978	164,701	2,319,925	1,018,921	3,579,525
Non-current assets:					
Capital assets:					
Land	-	-	2,572,672	-	2,572,672
Construction in Progress	-	-	-	276,452	276,452
Other capital assets, net of	-	-	-	-	-
accumulated depreciation	-	40,376	9,123,515	5,813,698	14,977,589
Total non-current assets	-	40,376	11,696,187	6,090,150	17,826,713
Total assets	75,978	205,077	14,016,112	7,109,071	21,406,238
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension outflows	-	-	-	28,787	28,787
LIABILITIES					
Current liabilities:					
Accounts payable	-	79,124	9,804	21,099	110,027
Total current liabilities	-	79,124	9,804	21,099	110,027
Non-current liabilities:					
Compensated absences	-	-	-	50,465	50,465
Net pension liability	-	-	-	111,588	111,588
Total non-current liabilities	-	-	-	162,053	162,053
Total liabilities	-	79,124	9,804	183,152	272,080
DEFERRED INFLOWS OF RESOURCES					
Deferred pension inflows	-	-	-	34,824	34,824
NET POSITION					
Net investment in capital assets	-	40,376	11,696,187	6,090,150	17,826,713
Unrestricted	75,978	85,577	2,310,121	829,732	3,301,408
Total net position	$ 75,978	$ 125,953	$ 14,006,308	$ 6,919,882	$ 21,128,121

City of Coeur d'Alene, Idaho
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
September 30, 2025

	Business-type Activities - Nonmajor Enterprise Funds				
	Wastewater Property Management	Street Lighting	Public Parking Lot	Drainage	Total Nonmajor Enterprise Funds
OPERATING REVENUES					
Services	$ -	$ 814,185	$ 1,523,572	$ 1,085,356	$ 3,423,113
OPERATING EXPENSES					
Administration	-	-	-	238,903	238,903
Maintenance	-	1,442	77,553	358,692	437,687
Supplies	-	-	-	88,738	88,738
Contracted services	-	785,690	114,378	32,785	932,853
Depreciation	-	4,475	875,607	450,279	1,330,361
Bad debt expense	-	244	-	246	490
Net pension expense (revenue)	-	-	-	18,220	18,220
Total operating expenses	-	791,851	1,067,538	1,187,863	3,047,252
Operating income (loss)	-	22,334	456,034	(102,507)	375,861
NONOPERATING REVENUES					
Investment income	3,212	3,288	69,296	49,134	124,930
Grant income	-	-	-	20,925	20,925
Total nonoperating revenues	3,212	3,288	69,296	70,059	145,855
Income (loss) before contributions and transfers	3,212	25,622	525,330	(32,448)	521,716
Capital contributions	-	-	-	-	-
Operating transfers out	-	-	(717,241)	(208,091)	(925,332)
Change in net position	3,212	25,622	(191,911)	(240,539)	(403,616)
Total net position - beginning	72,766	100,331	14,198,219	7,160,421	21,531,737
Total net position - ending	$ 75,978	$ 125,953	$ 14,006,308	$ 6,919,882	$ 21,128,121

City of Coeur d'Alene, Idaho
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUND TYPES
September 30, 2025

	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	$ -	$ 793,428	$ 1,475,886	$ 1,061,665	$ 3,330,979
Payments to suppliers	-	(784,271)	(202,784)	(487,322)	(1,474,377)
Payments to employees	-	-	-	(238,115)	(238,115)
Net cash provided (used) by operating activities	-	9,157	1,273,102	336,228	1,618,487
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	(717,241)	(208,091)	(925,332)
Net cash provided (used) by noncapital financing activities	-	-	(717,241)	(208,091)	(925,332)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital asset purchases	-	-	-	(690,009)	(690,009)
Grants	-	-	-	20,925	20,925
Proceeds from the sale of assets	-	-	-	-	-
Net cash provided (used) by financing activities	-	-	-	(669,084)	(669,084)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	3,212	3,288	69,296	49,133	124,929
Net cash provided (used) by investing activities	3,212	3,288	69,296	49,133	124,929
Net increase (decrease) in cash and cash equivalents	3,212	12,445	625,157	(491,814)	149,000
Cash and cash equivalents, beginning of year	72,766	63,633	1,182,042	1,387,348	2,705,789
Cash and cash equivalents, end of year	$ 75,978	$ 76,078	$ 1,807,199	$ 895,534	$ 2,854,789
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ -	$ 22,334	$ 456,034	$ (102,507)	$ 375,861
Adjustments to reconcile operating income (loss)	-	-	-	-	-
to net cash provided (used) by operating activities:	-	-	-	-	-
(Increase) decrease in assets:					
Depreciation	-	4,475	875,607	450,279	1,330,361
Accounts receivable	-	(20,757)	(47,686)	(2,766)	(71,209)
Due from other governments	-	-	-	(20,925)	(20,925)
Net pension asset	-	-	-	-	-
Deferred outflows of resources	-	-	-	7,973	7,973
Increase (decrease) in liabilities:					
Accounts payable	-	3,105	(10,853)	11,359	3,611
Due to other funds	-	-	-	-	-
Compensated absences	-	-	-	3,407	3,407
(Decrease) increase in net pension liability	-	-	-	(41,853)	(41,853)
(Decrease) increase in deferred inflows of resources	-	-	-	31,261	31,261
Net cash provided by operating activities	$ -	$ 9,157	$ 1,273,102	$ 336,228	$ 1,618,487

REPORT REQUIRED BY THE GAO

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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, 2025, and the related notes to the financial statements, which collectively comprise the City of Coeur d'Alene, Idaho's basic financial statements and have issued our report thereon dated June 26, 2026. Our report includes a reference to other auditors who audited the financial statements of ignite cda, as described in our report on the City of Coeur d'Alene, Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2025-01.

Report on Compliance and Other Matters

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

ALPINE SUMMIT CPAs
office (208) 777-1099 fax (208) 773-5108
1810 E Schneidmiller Ave #310
Post Falls, ID 83854

City of Coeur d'Alene, Idaho's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Coeur d'Alene, Idaho's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Coeur d'Alene, Idaho's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
June 26, 2026

Single Audit Report

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY
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Post Falls, ID 83854

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Coeur d'Alene, Idaho's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Coeur d'Alene, Idaho's major federal programs for the year ended September 30, 2025. The City of Coeur d'Alene, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Coeur d'Alene, Idaho complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of City of Coeur d'Alene, Idaho and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Coeur d'Alene, Idaho's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
June 26, 2026

City of Coeur d'Alene, Idaho
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2025

Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Direct programs:			
CDBG Block Grants / Entitlement Grants	14.218		$ 358,820
U.S. Department of Justice			
Direct programs:			
Bulletproof Vest Partnership Program	16.607		12,002
Edward Byrne Memorial Justice Assistance Grant Program	16.738		59,145
Subtotal direct			71,147
Passed through the State of Idaho:			
Internet Crimes Against Children	16.543		115,177
STOP Violence Against Women	16.588	826000176	87,102
Subtotal passed through the State of Idaho			202,279
Total U.S. Department of Justice			273,426
U.S. Department of Transportation			
Passed through the State of Idaho:			
Transportation Cluster:			
State and Community Highway Safety	20.600	826000176	13,455
Department of the Treasury			
Direct programs:			
Coronavirus State and Local Fiscal Recovery Funds	21.027		876,842
DEQ Subward - ARPA	21.027	826000176	20,925
Total U.S. Department of the Treasury			897,767
Institute of Museum and Library Services			
Passed through the State of Idaho:			
Grants to States	45.310	826000176	5,000
U.S. Department of Homeland Security			
Passed through the State of Idaho:			
Hazard Mitigation Grant Program - Fire	97.039	826000176	45,686
			$ 1,594,154

See notes to the schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2025

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, 2025. 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 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Pass-through entity identifying numbers are presented where available.

NOTE 3: - MATCHING REQUIREMENTS

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

City of Coeur d'Alene, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

• Material weakness(es) identified	_____ Yes	__X__ No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)	_____ Yes	__X__ None reported

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

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

Identification of major programs:

CFDA Number(s)	*Name of Federal Program or Cluster*
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish. between type A and type B programs:	$1,000,000	
Auditee qualified as low-risk auditee	__X__ Yes	_____ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2025

Section II - Findings – Financial Statement Audit

2025-1 – Cut-off Issue Relating to Accounts Payable and Related Expenses

Condition: An error relating to the recording of an expense and related liability for the fiscal year ending September 30, 2024, was discovered during audit procedures for the fiscal year ending September 30, 2025, resulting in an understatement of liabilities and expenses in the fiscal year ending September 30, 2024.

Criteria: The City of Coeur d'Alene's management is responsible for identifying and making adjusting and closing entries to their trial balance accounts for them to be materially stated.

Cause: The invoice for the related expenses was submitted to the City more than 90 days after the invoice date. The City's internal control system did not identify this.

Effect of Condition: The aggregate effect was material to the financial statements.

Recommendation: We recommend the financial management of the City implement formal processes that would assist in identifying such transactions.

Response: Management agrees with the finding and has implemented additional procedures to strengthen year-end accounts payable cut-off controls. Beginning in fiscal year 2026, the City is implementing purchase orders for purchases over $25,000, which will provide an additional mechanism to identify significant obligations prior to year-end. Outstanding encumbrances will be reviewed with departmental staff after the fiscal year end to identify any prior year invoices expected. In addition, management will review construction projects near fiscal year-end to ensure that draw requests and pay applications related to work performed prior to September 30 have been received and evaluated for proper accrual.

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.