



CITY OF
POSTFALLS, IDAHO



Comprehensive Annual Financial Report

For the Year Ended September 30, 2021

City of Post Falls, Idaho
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2021

Table of Contents

	<u>Exhibit No.</u>	<u>Page No.</u>
INTRODUCTORY SECTION		
Transmittal Letter		1
Certificate of Achievement		9
Organizational Chart		10
City of Post Falls Elected and Appointed Officials		10
 FINANCIAL SECTION		
Independent Auditor's Report		12
Management's Discussion and Analysis		14
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	1	28
Statement of Activities	2	29
Fund Financial Statements		
Balance Sheet – Governmental Funds	3	30
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	4	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	5	32
Statement of Net Position – Proprietary Funds	6	33
Statement of Revenue, Expenses, and Changes in Fund Net Position – Proprietary Funds	7	34
Statement of Cash Flows – Proprietary Funds	8	35
Notes To General Purpose Financial Statements		36
Required Supplementary Information		
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Budgetary Basis) - General Fund - Legal Appropriation Level	A-1	77
Schedule of Employer's Share of Net Pension Liability	A-2	79
Schedule of Employer Contributions	A-3	81
Combining and Individual Fund Statements and Schedules		
Combining Balance Sheet – Nonmajor Governmental Funds	B-1	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	B-2	85
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual: (Non-GAAP Budgetary Basis) - Legal Appropriation Level		
LID 2004-1 Debt Service Fund	C-1	87
Capital Fund	C-2	88
Cemetery Perpetual Care Special Revenue Fund	C-3	89
Special Events Special Revenue Fund	C-4	90
Street Lights Special Revenue Fund	C-5	91
911 Support Special Revenue Fund	C-6	92
Drug Seizure Special Revenue Fund	C-7	93
LID 99-1 Debt Service Fund	C-8	94
LID Guarantee Debt Service Fund	C-9	95

**City of Post Falls, Idaho
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2021**

Table of Contents - continued

Exhibit No. Page No.

STATISTICAL SECTION

Statistical Section	99
Table 1 - Net Position By Components - Last Ten Years	100
Table 2 - Change in Net Position - Last Ten Years	101
Table 3 - Governmental Activities Tax Revenues By Source - Last Ten Years	102
Table 4 - Changes in Fund Balances, Governmental Funds - Last Ten Years	103
Table 5 - Changes in Fund Balances of Governmental Funds - Last Ten Years	104
Table 6 - General Government Tax Revenues By Source - Last Ten Years	105
Table 7 - Assessed Value and Estimated Actual Values of Taxable Property - Last Ten Years	106
Table 8 - Property Tax Rates - Direct and Overlapping Governments	107
Table 9 - Principal Property Taxpayers	108
Table 10 - Property Tax Levies and Collections	109
Table 11 - Ratio of Outstanding Debt By Type - Last Ten Years	110
Table 12 - Ratio of General Bonded Debt Outstanding - Last Ten Years	111
Table 13 - Direct and Overlapping Governmental Activities Debt	112
Table 14 - Legal Debt Margin Information - Last Ten Years	113
Table 15 - Pledged-Revenue Bond Coverage - Reclaimed Water Fund - Last Ten Years	114
Table 16 - Pledged-Revenue Bond Coverage - Water Fund - Last Ten Years	115
Table 17 - Pledged-Revenue Bond Coverage - Special Assessments - Last Ten Years	116
Table 18 - Demographic and Economic Statistics - Last Ten Years	117
Table 19 - Principal Employers	118
Table 20 - Full-Time Equivalent Town Government Employees By Function - Last Ten Years	119
Table 21 - Operating Indicators By Function - Last Ten Years	120
Table 22 - Capital Asset Statistics By Function - Last Ten Years	121
Table 23 - Statistical Information - Water Fund	122
Table 24 - Statistical Information - Reclaimed Water Fund	123
Table 25 - Ten Largest Water Customers	124
Table 26 - Ten Largest Reclaimed Water Customers	125
Table 27 - Insurance Schedule	126

REPORT BY AUDITORS

Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	128
Schedule of Expenditures of Federal Awards	134
Notes to Schedule of Expenditures of Federal Awards	135



Introductory Section



The Post Falls Festival is one of the largest events of the year which includes a community parade, live music, vendor shopping and great food.



CITY OF POST FALLS, IDAHO

2021

Comprehensive Annual Financial Report

For the Year Ended September 30, 2021

Compiled by:
Jason Faulkner
Director of Finance and Support Services



Community events were back in full swing for 2021. It was great to see our community out enjoying their neighbors and friends during the Live After 5 Concert Series.



June 28, 2022

The Honorable Mayor, Members of the City Council and the Citizens of Post Falls, Idaho:

The Comprehensive Annual Financial Report of the City of Post Falls for the year ended September 30, 2021, is hereby submitted as mandated by both local ordinances and state statutes. The City is required to issue an annual report on its financial position and activity. This report must be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Post Falls. All disclosures necessary to enable the reader to gain an understanding of the City of Post Falls' activities have been included.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reports to the City of Post Falls for its comprehensive annual financial report for the fiscal year ended September 30, 2020. This was the twenty-third consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Post Falls' MD&A can be found immediately following the report of the independent auditors.

Governmental Structure

The financial reporting entity, an Idaho municipality, includes all the funds of the City of Post Falls, as well as all its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including water, reclaimed water and sanitation utilities, police, animal control, parks and recreation programs, planning and zoning, cemetery services, urban forestry services, streets, building and engineering functions.

The accompanying financial statements include all aspects controlled by the City Council of the City of Post Falls. Criteria for inclusion is determined by Governmental Accounting Standards Board Statement No. 14 (GASB No. 14) which states, in general, that the legally separate organizations for which the elected officials of the City are financially accountable for must be included in the City's financial statement as a component unit.

Under Idaho Code, in May 1991, the Post Falls City Council passed an ordinance that created the Post Falls 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 in and around the City. A board of seven directors, appointed by the City Council, governs the Agency. This power of the City meets the criteria set forth in GASB No. 14 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.

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 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.

Economic Conditions and Outlook

The City of Post Falls has grown from 7,350 residents in 1990 to approximately 39,452 by the end of 2021. The continued influx of new residents has resulted in a strong construction industry. Post Falls grew at a more modest annual growth rate of approximately 2.4% between 2010 through 2015, compared to the 4.8% annual growth rate experienced between 2000 and 2010. 2015 brought signs of change as Post Falls grew at a higher 3.76% growth rate. Growth pressured have continued since 2015. Due to the number of inquiries and developments of multi-family near commercial corridors within Post Falls, it is a matter of time when additional commercial properties will begin being developed. It is very common for commercial corridors to be supported by high density residential housing nearby. The commercial area along Seltice Way between Spokane Street and Highway 41 is the only area within Post Falls that has some degree of multi-family near a commercial corridor and may be why this area has realized more commercial development than other areas with similar levels of traffic flow. With the additional multi-family being developed nearby and along currently undeveloped commercial corridors, Post Falls have seen additional land that has been sitting vacant for some time be commercially developed in 2021 and should continue through 2022.

Post Falls, Idaho is an inviting place to live, work and play. Its proximity to numerous lakes, rivers and mountains offers a quality of life that is highly desirable. Just minutes to the east is Coeur d'Alene, ID, with a reputation as a world travel destination due to the five-star Coeur d'Alene Resort and golf course with a floating green. To the west is the largest city in the region, Spokane, WA with a population of approximately 250,000. Post Falls' unique location between these two diverse cities offers Post Falls' residents varied opportunities in their lifestyle, recreation and business opportunities. The I-90 corridor, connecting Spokane and Post Falls/Coeur d'Alene, continues to be a hub of business growth. This is reflected in an increasing number of retails, health care, and manufacturing businesses locating in the City.

Historically, Kootenai County's economy was timber-based. The economy has become more diverse with an increase in manufacturing, health care, retail, and tourism. Jobs Plus, Inc., this area's economic development organization, has recruited small to medium sized firms to the county. With the assistance of Jobs Plus, Inc. and the Post Falls Urban Renewal Agency to help build infrastructure, Post Falls can assist in relocating or establishing new businesses within the community. Post Falls also offers an extremely expedited permitting process to assist business development.

The Urban Renewal Agency has also played a key role in developing and creating jobs throughout the community. The Urban Renewal Agency and Community Development Block Grant funds helped pay for the necessary infrastructure in the West Post Falls Urban Renewal District, including the water reservoir, which helped attract Sysco, Cabela's and a second Wal-Mart to Post Falls and will assist with developing

The Pointe at the Post Falls retail area. The joint efforts by Jobs Plus, Inc., Post Falls Urban Renewal Agency, Panhandle Area Council and the City have brought a number of other businesses to Post Falls, including Center Partners, Buck Knives, two Wal-Mart stores, ALK-Abello Source Materials, Ground Force Manufacturing and UnderGround Force, Ednetics, C&S Glass, Love's Travel Center, Carl's Jr., Burger King, Subway, and the State of Idaho Department of Labor. In addition, the infrastructure was completed within the City Center on the first phase of the Post Falls Landing project which has been designed to accommodate a mix of uses including commercial, office and residential when developed. A Community Development Block Grant for \$500,000 helped fund public infrastructure to support the new business venture of Ground Force Worldwide, known as UnderGround Force Manufacturing, which is located along East Seltice Way. In exchange for the funding, the company created more than 50 manufacturing jobs in Post Falls.

The following cites the major business development that has occurred last year:

In 2021, a significant number of rooftops once again were added to the City of Post Falls for a total of 1,363 housing units. There were 466 single family housing unit (HU) permits issued and an additional 897 multi-family housing HU created. Examples of multifamily projects in 2019 are the following with unit counts in (X): Spencer Place Apartments (240), River City Villas II (96), Parkway Place (120), River Falls Apartments (53), and Bluegrass Apartments (300). The following are highlights of commercial projects that commenced in 2020: UPS Distribution Facility, Maverik (HWY41), Romney Motion, KWI II, TFT Post Falls, Summit Mold, Flippen's Storage, Horn Development, Giant Storage, and Kenworth Sales.

In 2021, continued residential and commercial/industrial development is expected to remain strong. There are several proposed multifamily projects that have already commenced in 2021. It will be exciting to see what all develops in 2022.

Major Initiatives

Economic Development and Growth Management – Ongoing efforts on behalf of the City and the Post Falls Urban Renewal Agency continue to provide for growth and business attraction with the City Center area. The Greensferry Overpass was substantially completed in 2015, which adds an additional connection from the north side of Post Falls to the south side of Post Falls. This connection assists the commercial properties in the area, as well as providing more efficient connectivity for emergency services. Spokane Street improvements south of I-90 were substantially completed in 2016, with landscape beautification, traffic signalization, Centennial Trail safety improvements, and spur connections.

The City and Agency continue to work on transportation improvements within other areas of the community, including completing the Spencer Street connection to Seltice Way and a providing multi-use trail along the east side of Highway 41 that received grant funding through the Community Choices for Idaho program. This funding also has matching funds coming from the Urban Renewal Agency.

Staff continued, in 2017 and 2018, with economic development efforts supporting business recruitment, development of an economic development program for Post Falls, expand marketing materials, improve the effectiveness of the economic development webpage, evaluate vacant and underdeveloped land, and evaluate possible incentives to encourage infill development. Staff will also be working with city officials to evaluate existing master plans and the City's vision related to growth and desired development patterns. The City hired a consultant to update the City's Comprehensive Plan and Zoning Code in 2017. The Comprehensive Plan's update is planned to be adopted late Spring of 2020. The PUD section of Title 18: Zoning Code was updated in 2017 to clarify and improve the procedural process, assist development, and more accurately depict developed areas. The City established a new Technology Mixed Zoning District in 2018 that supported a major annexation for a new 300+ acre Industrial Park located on the NW Corner of HWY and Prairie. The newly planned Industrial Park may provide high tech jobs to benefit Post Falls future employment base. The City also adopted a new Wireless Code in 2018 and a Mobile Vending Ordinance in 2019. Additionally, in 2019 the City approved an amendment to PFMC Title 18 to establish 3 new zoning districts, multi-family design standards and vertical mixed-use design standards. The approved Residential Mixed (RM) and Community Commercial (CCM) zoning districts are intended to provide flexible zoning within Post Falls without requiring the use of Title 18A: SmartCode. City Staff continues to look for opportunities in completing Housekeeping Ordinances to assist and provide clarity for current developments utilizing Title 18: Zoning.

Public Health/Environment - The goal of effective and timely maintenance and repair of facilities and equipment is one of our highest priorities. We continue to work towards efficient, effective treatment of pollutants and provide the best service to our community. Equally important is the effort to assure that the infrastructure put in by developers, builders and private contractors is constructed to the highest possible standard while complying with recognized standards and specifications.

The Street Maintenance Division has a program of bi-weekly sweeping citywide through the summer months to help with dust control. This program has worked well to reduce dust from the traffic on our City streets and to reduce contaminants in stormwater leaving the roads.

The City has directed greater emphasis on crack sealing, seal coating and maintenance overlay of streets to preserve current paved surfaces. A program has been initiated to pave or replace badly deteriorated chip sealed streets with new pavement in residential districts. Over the last two years, we invested over \$1,000,000 in this area to improve the traveling service.

Beginning in 2018, the Streets Division has begun to use snow-gates to reduce berms left in driveways and to implement a 24-hour rotation for plowing. This represents a major change in approach to snow removal efforts that has provided better service to residents and has generally been well accepted.

The Water Utility Division operates a water system to serve the City which consists of 9 wells and 5 reservoirs. We have a pumping capacity of 14 million gallons a day with reservoir capacity of 6.5 million gallons. The Water Utility Division has completed the process of ensuring all water rights are properly documented as part of the Water Right Adjudication effort, led by the Idaho Department of Water Resources. At the end of 2020, construction is nearly complete on two new wells which add capacity to the water system.

The Water Reclamation Facility has a capacity of 4.1 million gallons a day. The City now maintains 32 lift stations to serve the community, having removed one from operation in 2020 by constructing a permanent interceptor line. The bio-solids from the plant are continuing to be hauled off site and are composted at a state-of-the-art facility by Barr Tech.

In 2014, the City was issued a 5-year NPDES permit with some of the most stringent phosphorus removal requirements in the nation. The permit contains a ten-year compliance schedule. Currently, the necessary upgrades are under construction. A State Revolving Fund loan to fund the project was secured in late 2017. Other projects for the Water Reclamation Facility include the design of a replacement outfall, to be built in 2021, and several projects to improve the collections system.

The City's Surface Water program continues to maintain the drainage system and associated NPDES permit, which was reissued in 2020. Additionally, the City owns and maintains a large system of bio-infiltration swales which treat runoff prior to infiltration into the soil.

Other Community Services – The Parks and Recreation Department is responsible for the operations of the City's Parks, Recreation, Cemetery, and Urban Forestry divisions and assigned general city facilities. The focus of the department is to help the City meet its strategic plan goals and the more recent Initiatives program by providing programs and facilities that embrace those goals.

The focus of the department is on planning, development, and standardization of infrastructure to increase system efficiency, improving cost effectiveness, safety, and reducing liability. The department continues to comply with Americans with Disabilities Act (ADA), playground safety and environmental regulations.

The last few years the department has made improvements in the following areas: state of the art irrigation systems, ADA compliance, up-graded picnic shelters, modern restroom facilities, trails and pathways, maintenance equipment, trash collection, security cameras, energy efficient lighting, wildlife management, and new playground equipment. The department continues to emphasize good customer service and maximization of resources as it tries to keep up with public demand for services.

The department is faced with a continued need to coordinate its operations with a greater number of service partners and volunteers than in previous years. The increased number of special projects and community events is another area that has had an impact upon the staff and budget for the department.

Departmental Highlights of FY 2021

Police

- Wireless upgrade project is continuing into 2022. The police department conducted a wireless network pilot test in 2019. The pilot was conducted to test the new wireless networking gear to be used to update the city-wide wireless network. Several of the sites have been updated to date, but the project will continue into 2022. Once the network is finished being installed the 11-year-old technology will be replaced with new state of the art wireless gear including adding connectivity to 17 traffic signals for the street department.

Departmental Highlights of FY 2021 – Continued

- We assisted Benewah and Boundary with their Idaho Public Safety Communications Commission E911 Grant applications. Both agencies were awarded the funding to hook into our Deo-diverse E911 phone system.
- A third K9 (Mack) and handler Officer Sporleder were added to our team. Mack was purchased by a generous donation to the K9 program from a local business owner.
- Due to the car shortage in 2019, we were not able to replace outdated police vehicles. In 2020, we were able to make the purchase of 6 cars to bring our fleet back up to date.
- The police department started a Drone program. Seven employees participated in training and acquired their Unmanned Aircraft certification from the FAA.
- We replaced officer's body worn cameras with an updated version that have a longer battery life.
- Fifteen patrol cars were retrofitted with upgraded video cameras and mobile data computers.
- We completed the Blossom Mountain Tower site microwave upgrade to Kootenai County Sheriff's Department. This will allow for high speed for video and data transfer.
- With all the covid restrictions in the court system, we installed a 75-inch touch screen computer for Zoom court testimony and meetings in the Detective's conference room. This purchase was made possible using COVID grant money.
- The Police Department went through its fourth re-accreditation. The Post Falls Police Department was the first agency in northern Idaho to become accredited and we have completed the re-accreditation process every 3 years. This requires an outside group to review our policies to make sure they are current with today's standards.
- Sgt. Justin Anderson traveled to Boise where he was awarded the medal of valor by Governor Little for being shot in the line of duty in March. Very proud moment for Justin and the City of Post Falls.
- The police department overwent a major cosmetic overhaul which included waterproofing of the brickwork, caulking replacement of the expansion joints and repair and repaint of the damaged stucco.
- Detective Neil Uhrig has attended numerous Secret Service courses over the past few years and has proven to be an incredible asset in this position. We were recently notified, by the United States Secret Service, that Det. Uhrig and his lab have assisted with the highest output (forensic examinations) in its history.
- We were awarded a federal grant to replace the outdated Automatic License Plate Reader (ALPR) in one of our cars. This system functions similarly to the cameras on the highways, to detect stolen/missing or vehicles of interest, but gives the officers the ability to get the notifications while driving the streets.
- Through our partnership with Better Together Animal Coalition we were able to provide a free community animal clinic through our animal shelter, where citizens could get free vaccinations and food for their pets last spring. We hope to be able to provide this service annually in the future.

Departmental Highlights of FY 2021 – Continued

Parks, Recreation, and Cemetery

- The department modified its COVID-19 plans to allow for adjusted openings of facilities, and services.
- Construction of the landings; a joint project with Avista
- Capital projects were directed to four city parks including access, playground renovation, maintenance storage and irrigation.
- The department celebrated its 22nd year of being recognized as a Tree City USA
- The department saw continued growth in public use for all areas it is responsible for. The usage grew by over 30% from the previous two years.
- The Cemetery handled 85 services, up 31% from the previous year.
- The department partnered with the chamber to host a farmers' market.
- Falls Park renovation included a new picnic shelter, pathway replacement, expansion of the playground, and fishing bridge rehab. Avista rebuilt the top of the earthing dam along the slough.
- The City's summer camp program was held with record enrolment numbers
- The department hosted five concerts and two movies this summer.

Public Works

- The Water Reclamation Division met all the requirements included in the more stringent NPDES permit.
- Construction of a new major lift station on 12th Avenue is complete, as is a major trunk line running along Highway 41. Both projects are funded through Urban Renewal reimbursements.
- The Water Reclamation Division has completed construction for a lift station bypass interceptor pipeline at the Pioneer Ridge Lift Station.
- The Water Division continued to supply the system with high-quality water which meets state and federal requirements.
- The Water Division completed construction on a new well house. Additionally, an older well was upgraded to improve reliability and capacity.
- The Streets Division repaved several streets using internal staff and equipment and contracted for the full replacement of a street in busy commercial corridor.
- A facilities needs assessment (master plan) is underway to identify and plan for the future facilities needs of the City.

Departmental Highlights of FY 2021 – Continued

Community Development

- The Building Division permitted 165 dwelling units and 12 new commercial buildings which is inclusive of the total valuations of approximately \$50 million.
- The Streets Division worked with a contractor to chip / fog seal approximately 5 center line miles of roadway.
- The Streets Division upgraded signals at Cecil and Mullan.
- Organized and over saw the construction of the new offices in Community Development to include the placement of all the electrical and communication outlets.

Administration

- The Media Division updated the website to include online comment and public testimony submissions for public hearings.
- The Media Division upgraded the City's broadcast equipment to include live streaming to social media outlets for City meetings.
- The Media Division conducted multiple online forums for City projects.
- The Media Division designed the digital and online versions of the Budget, CAFR and PAFR. The Finance Department received GFOA awards for all three documents.

Factors Affecting Financial Condition

In the current economic environment, the main factors affecting the City's financial condition are the increase growth in the area, a reduction in the unemployment, and the stabilization of the investment markets. The City has responded to this upswing in the economy by implementing efficiencies by maintaining the current labor force without a reduction in the level of service. With the changes the City has implemented, it will be ready to address future needs of the citizens.

Other Information – Idaho State statutes require an annual audit by independent auditors. The accounting firm of Anderson Bros. CPA's, P.A. was selected to perform the audit with the approval of the City Council. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report.

Certificate of Achievement – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Post Falls, Idaho for its comprehensive annual financial report for the fiscal year ended September 30, 2020. This was twenty- third consecutive years that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments – Preparation of this report could not be accomplished without the professional, proficient, dedicated staff so I would like to thank the entire staff of the Finance Department and various other City employees who assisted in its production. Further appreciation is extended to Shelly Enderud, the City Administrator, Stephanie Herman, Public Information Specialist, in addition to Mayor Ronald G. Jacobson and City Council for their encouragement, interest, and support in conducting the financial affairs of the City in a sound and progressive manner.

Respectfully submitted,

Jason Faulkner

Jason Faulkner,
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Post Falls
Idaho**

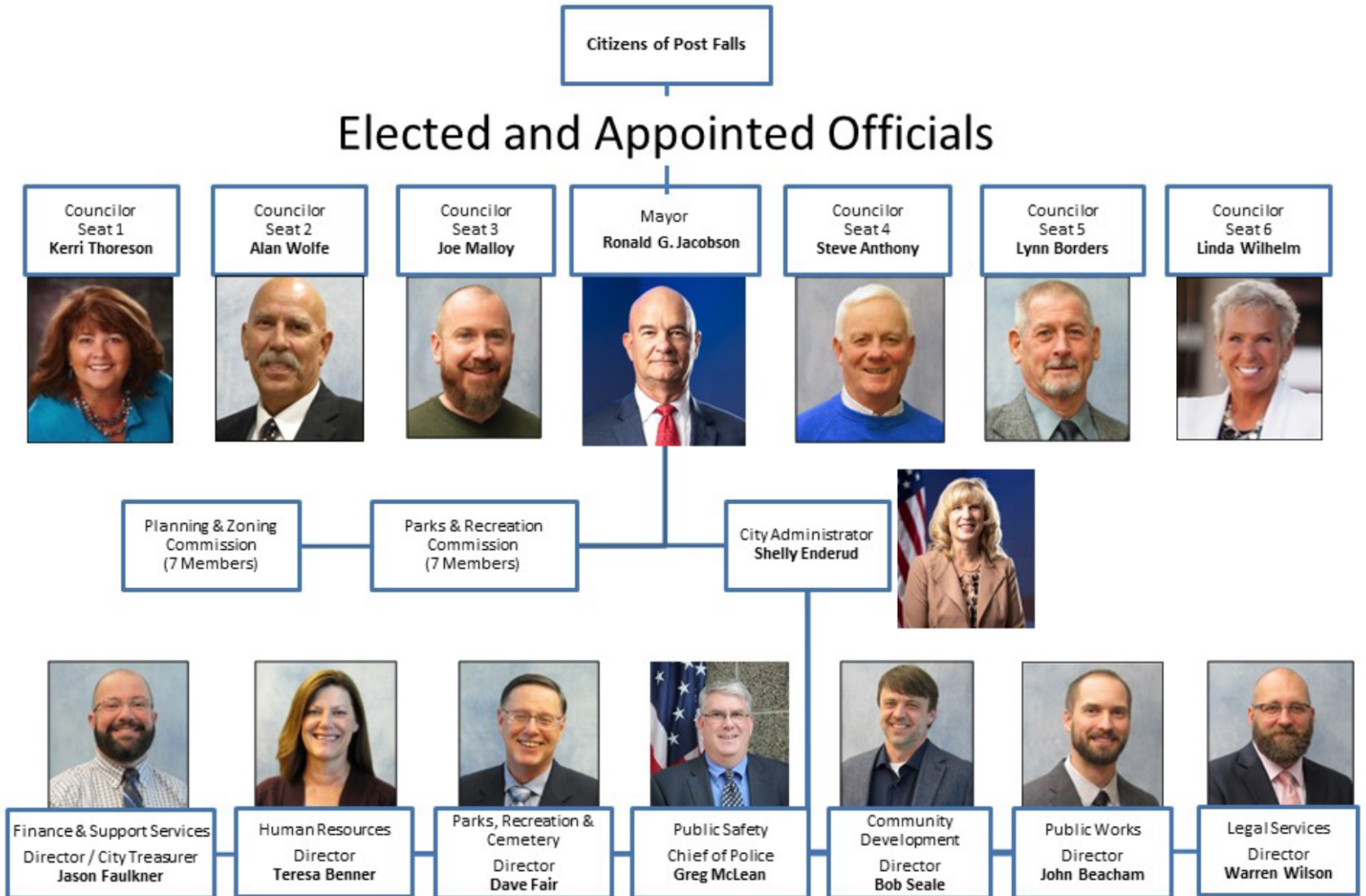
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Post Falls Organizational Chart





Financial Section



The Parks & Recreation Department offers programs for everyone, whether it be Little Athletes, a 5K Fun Run or a Sprint Triathlon.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Post Falls
Post Falls, ID 83854

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Post Falls as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Post Falls' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Post Falls, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Post Falls basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules of revenues, expenditures and changes in fund balance – budget and actual – legal appropriation level, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of the City of Post Falls' 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 Post Falls' 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 Post Falls internal control over financial reporting and compliance.



Anderson Bros. CPAs
Post Falls, ID
June 28, 2022

City of Post Falls, ID

Management's Discussion and Analysis

As management of the City of Post Falls, we offer readers of the City of Post Falls' financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the City of Post Falls exceeded its liabilities at the close of the most recent fiscal year by \$349,334,356 (net position).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,868,560, or 65 percent of total general fund expenditures.
- The governments net position increased by \$39,964,546. Approximately \$5,704,623 of this increase is attributed to one-time infusions of governmental contributions of \$4,518,428 plus proprietary contributions of \$1,186,195 resources from capital contributions. In addition, the City received \$1,043,751 and \$3,898,617 from Coronavirus Aid, Relief and Economic Security Act (CARES) Act and American Rescue Plan Act (ARPA) respectfully. The CARES Act funds were spent for public safety wages while the ARPA funds have went unspent at year end.
- In the City's business-type activities, operating revenues increased by \$6,901,827 (34.2. percent) and operating expenses increased by \$256,793. The increases in operating revenues is primarily due to the increase in utility rates (3.0% for water and a 7.0% for reclaimed water).
- The City of Post Falls is still experiencing tremendous growth as building permits continue to exceed expectations and housing shortages are becoming a reality for both single family and multi-family units. The closing of urban renewal districts, an increase of sales tax, in addition to an increase in liquor taxes will help offset the cost of growth. However, pending legislation has limited the taxing authority associated with new construction and annexations.
- The City of Post Falls holds an AA- water reclamation bond rating and an AA water bond rating with Standard & Poors.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Post Falls' basic financial statements. The City of Post Falls' 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 supplementary 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 of Post Falls' finances, in a manner like a private-sector business.

The statement of net position presents information on all the City of Post Falls' assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Post Falls 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 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 (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Post Falls that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the City of Post Falls include general government, public safety, streets, parks and recreation. The business-type activities of the City of Post Falls include water, reclaimed water and sanitation.

The government-wide financial statements include not only the City of Post Falls itself (known as primary government), but also a legally separate urban renewal district for which the City of Post Falls is not financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28 to 29 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Post Falls, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Post Falls can be divided into categories: governmental funds and proprietary 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 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 of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Post Falls maintains twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, LID 2004-1, and the capital fund, all of which are major funds. Data from the other nine 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 elsewhere in this report.

The City of Post Falls 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.

The basic governmental fund financial statements may be found on pages 28 to 35 of this report.

Proprietary funds. The City of Post Falls maintains three different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Post Falls uses enterprise funds to account for its water, reclaimed water and sanitation 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 the water, reclaimed water and sanitation operations, all of which are major funds of the City of Post Falls.

The basic proprietary fund financial statements may be found on pages 33 to 35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 44 to 79 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds may be found on pages 83 and 85 of this report. Combining and individual fund statements and schedules can be found on pages of this report.

Government-wide Financial Analysis

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as of and for the ended September 30, 2021.

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Post Falls, assets and deferred outflows, exceeded liabilities and deferred inflows by \$349,334,356 at the close of the most recent fiscal year.

By far the largest portion of the City of Post Falls' net position (58.1 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, other improvements, infrastructure, and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City of Post Falls uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Post Falls' net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Post Falls' net position (22.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$62,132,334, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Post Falls can report positive balances in all three categories of net position and fund balance, both for the government as a whole, as well as for its separate governmental and business-type activities.

At the end of the current fiscal year, 50.3 percent of the liabilities are made up of non-current liabilities. This primarily represents bonds and leases discussed in Note 6 of the notes to the financials.

Below is a summary of the City of Post Falls' Net Position statement.

City of Post Falls' Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 61,973,469	\$ 49,171,012	\$ 100,638,624	96,788,342	\$ 162,612,093	\$ 145,959,354
Capital assets	82,211,357	78,249,198	132,962,871	110,949,229	215,174,228	189,198,427
Total assets	144,184,826	127,420,210	233,601,495	207,737,571	377,786,321	335,157,781
DEFERRED OUTFLOW OF RESOURCES						
Proportionate share of collective deferred outflows of resources	3,564,049	1,932,723	447,008	213,076	4,011,057	2,145,799
Total deferred outflows of resources	3,564,049	1,932,723	447,008	213,076	4,011,057	2,145,799
LIABILITIES						
Long-term liabilities outstanding	1,610,457	8,610,320	10,943,333	12,610,301	12,553,790	21,220,621
Other liabilities	5,548,458	4,351,467	6,139,614	2,102,175	11,688,072	6,453,642
Total liabilities	7,158,915	12,961,787	17,082,947	14,712,476	24,241,862	27,674,263
DEFERRED INFLOW OF RESOURCES						
Proportionate share of collective deferred inflows of resources	7,195,378	232,238	1,025,782	27,269	8,221,160	259,507
	7,195,378	232,238	1,025,782	27,269	8,221,160	259,507
NET POSITION						
Net investment in capital assets	81,511,357	77,129,198	122,195,147	99,280,812	203,706,504	176,410,010
Restricted	22,614,996	13,774,649	60,880,522	53,585,272	83,495,518	67,359,921
Unrestricted	29,268,229	25,255,061	32,864,105	40,344,818	62,132,334	65,599,879
Total net position	\$ 133,394,582	\$ 116,158,908	\$ 215,939,774	\$ 193,210,902	\$ 349,334,356	\$ 309,369,810

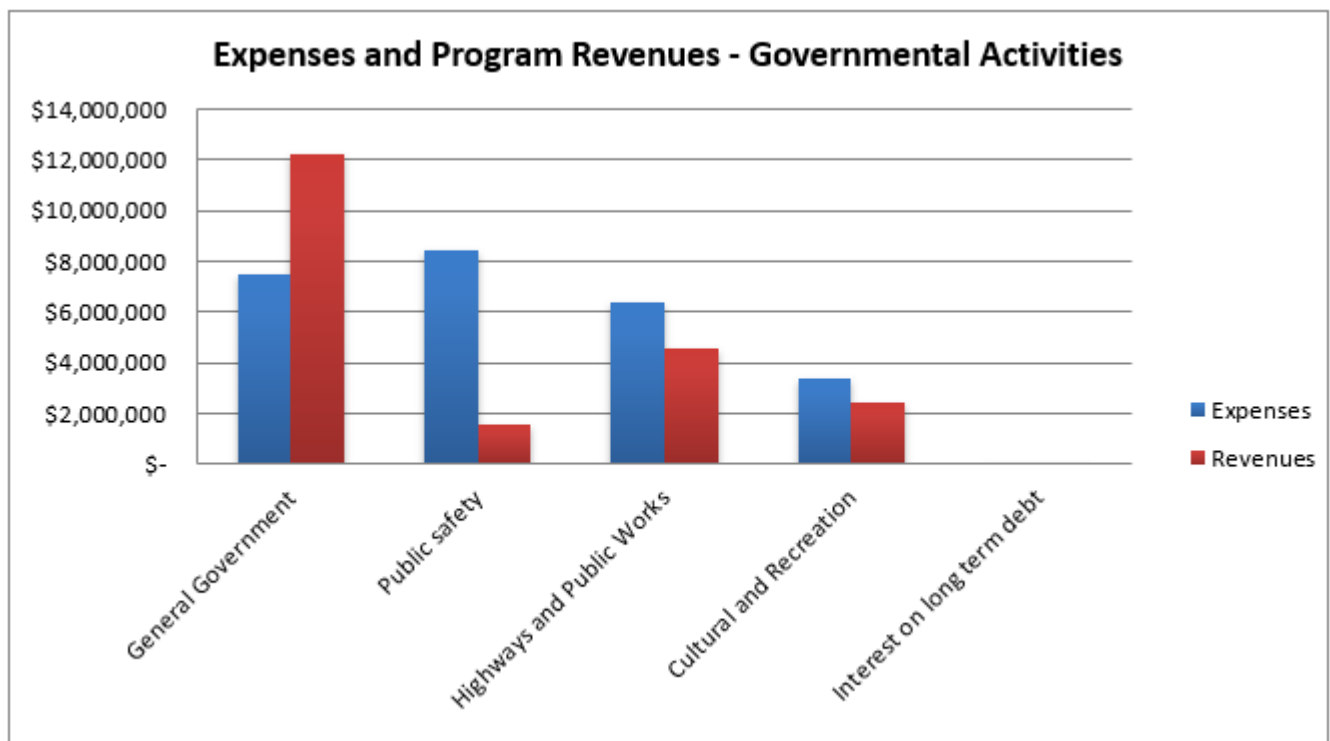
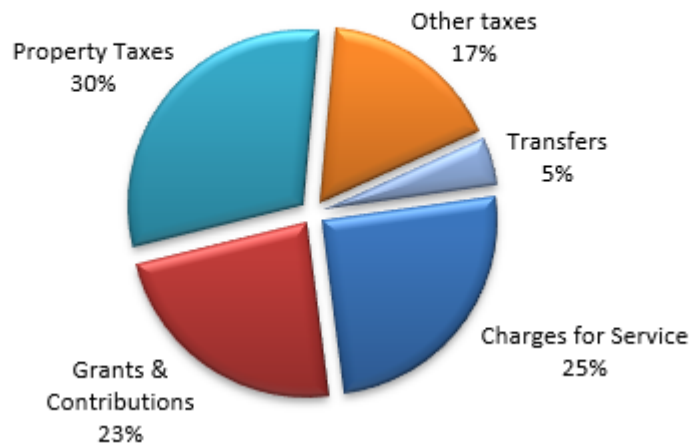
Governmental activities. Governmental activities' key elements are broken down in the following charts. Governmental activities increased net position by \$17,235,674 and business-type activities increased net position by \$22,728,872.

The City's direct charges to users of governmental services made up \$10,850,324 or 26.7 percent of total governmental revenue. These charges are for park rentals, recreation classes, building permits and other fees related to public safety and administration. Public safety includes police, domestic violence assistance, animal control and dispatch services and accounts for \$8,437,213 in expenses, or 32.8 percent of the total. Highway and public works accounts for \$6,375,742 in expenses, or 24.8 percent of the total. Culture and recreation accounts for \$3,410,611 in expenses, or 13.3 percent of the total. General government accounts for \$7,465,327 in expenses, or 29.1 percent of the total. Below is a summary of the City of Post Falls' Changes in Net Position.

City of Post Falls' Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues:						
Charges for services	\$ 10,850,324	\$ 9,681,800	\$ 27,089,829	\$ 20,188,002	\$ 37,940,153	\$ 29,869,802
Operating grants and contributions	5,367,248	593,883	-	-	5,367,248	593,883
Capital grants and contributions	4,604,455	2,930,761	8,401,748	9,860,635	13,006,203	12,791,396
General revenues:						
Property taxes	13,057,484	12,080,133	-	-	13,057,484	12,080,133
Other taxes	7,258,753	5,563,600	-	-	7,258,753	5,563,600
Other	(141,579)	950,630	26,878	1,743,061	(114,701)	2,693,691
Total revenues	<u>\$ 40,996,685</u>	<u>\$ 31,800,807</u>	<u>\$ 35,518,455</u>	<u>\$ 31,791,698</u>	<u>\$ 76,515,140</u>	<u>\$ 63,592,505</u>
EXPENSES						
General government	\$ 7,465,327	\$ 9,404,815	\$ -	\$ -	\$ 7,465,327	\$ 9,404,815
Public safety	8,437,213	8,122,866	-	-	8,437,213	8,122,866
Highway and public works	6,375,742	5,739,041	-	-	6,375,742	5,739,041
Culture and recreation	3,410,611	3,090,477	-	-	3,410,611	3,090,477
Interest on long-term debt	2,588	29,049	-	-	2,588	29,049
Water	-	-	1,967,634	1,994,533	1,967,634	1,994,533
Reclaimed Water	-	-	5,722,414	5,749,970	5,722,414	5,749,970
Sanitation	-	-	3,169,065	2,857,817	3,169,065	2,857,817
Total expenses	<u>\$ 25,691,481</u>	<u>\$ 26,386,248</u>	<u>\$ 10,859,113</u>	<u>\$ 10,602,320</u>	<u>\$ 36,550,594</u>	<u>\$ 36,988,568</u>
INCREASE IN NET POSITION BEFORE TRANSFERS	<u>15,305,204</u>	<u>5,414,559</u>	<u>24,659,342</u>	<u>21,189,378</u>	<u>39,964,546</u>	<u>26,603,937</u>
TRANSFERS IN (OUT)	<u>1,930,470</u>	<u>1,935,359</u>	<u>(1,930,470)</u>	<u>(1,935,359)</u>	<u>-</u>	<u>-</u>
INCREASE IN NET POSITION	<u>17,235,674</u>	<u>7,349,918</u>	<u>22,728,872</u>	<u>19,254,019</u>	<u>39,964,546</u>	<u>26,603,937</u>
NET POSITION beginning	116,158,908	108,808,990	193,210,902	173,956,883	309,369,810	282,765,873
Prior Period Adjustment	-	-	-	-	-	-
NET POSITION ending	<u>\$ 133,394,582</u>	<u>\$ 116,158,908</u>	<u>\$ 215,939,774</u>	<u>\$ 193,210,902</u>	<u>\$ 349,334,356</u>	<u>\$ 309,369,810</u>

Revenue by Source - Government Activities



The majority of the City of Post Falls' governmental activities' revenue is received from property tax (36 percent) with other taxes following at (16 percent).

- When all taxes are added together, they make up 52 percent of the budget.

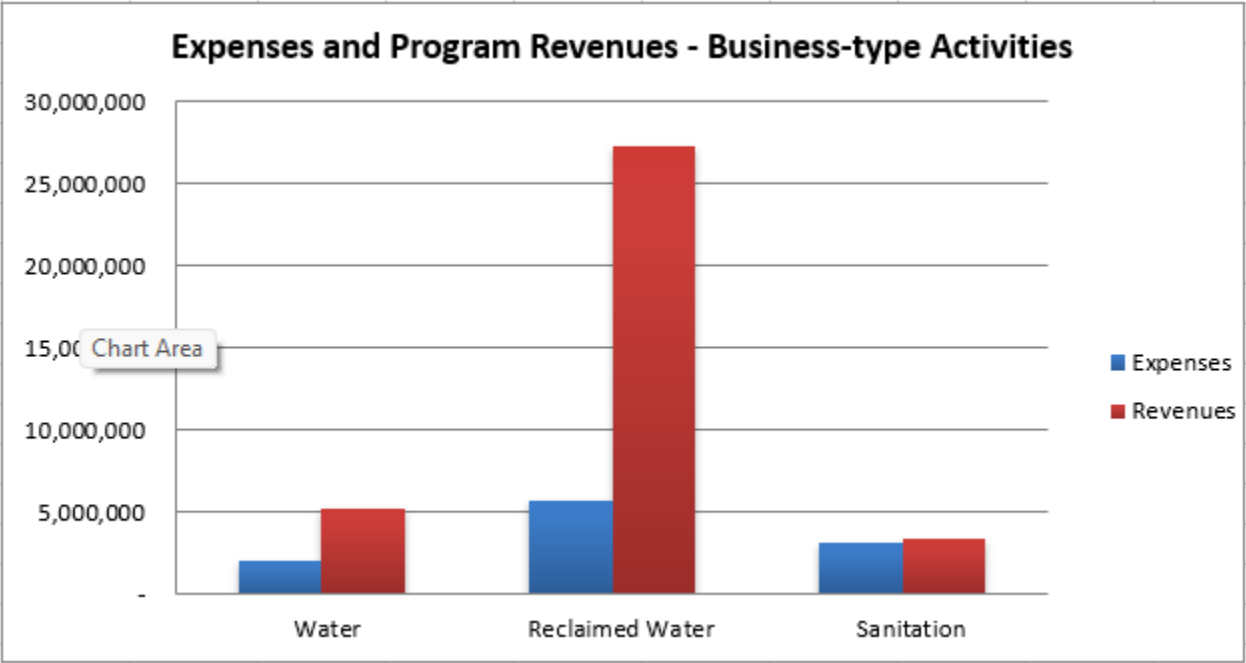
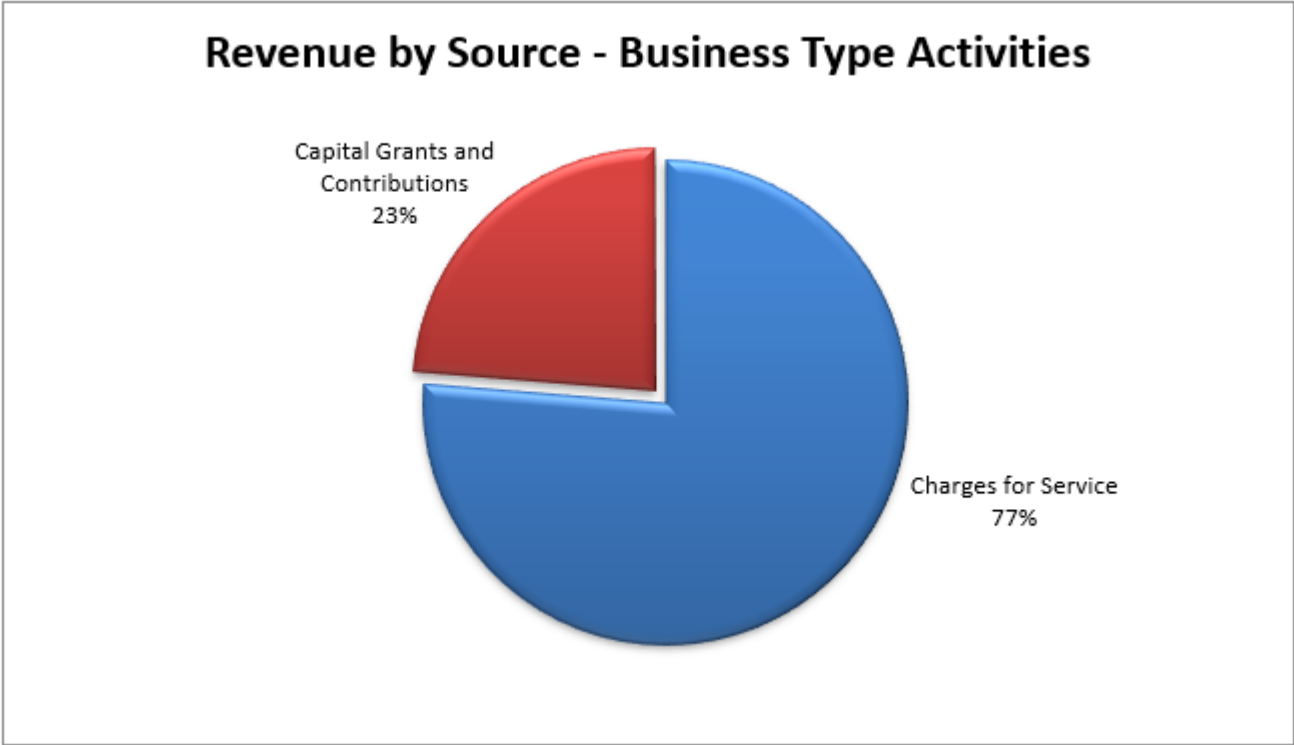
- When revenues are compared to expenses, it shows that none of the City of Post Falls' programs are self-supporting. They all require tax support to continue at their current level of service.
- Grants and contributions are primarily received by public safety and public works. These grants normally have matching requirements by the City yet allow programs and projects that may not happen without those additional funds. The City currently runs a domestic violence program that is significantly funded through federal grants each year.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. No significant transactions occurred outside of the Major funds for FY 2021. No significant losses or revenues were received during the year and building permit revenue has increased during FY 2021.

Major funds in the City are general fund, LID 2004-1 and the capital fund. Significant transactions within the general fund this year mainly consisted of the payment of personnel that has been steadily increasing with the aggressive market in the Pacific Northwest and since health insurance has been increasing each year. The average wage increase in the City for the current fiscal year was 5 percent. This was due to the current economy and the City to maintain and retain current staffing levels with the rebound in the local job market. Last, in the capital fund a focus was placed on completing street related projects during the current year.

The general fund has a significant cash balance at year end. A portion of this cash balance has been designated as a contingency fund and the balance has been reallocated for expenditure in the fiscal year 2021 budget. Last, the capital fund has a large cash balance that is primarily made up of money that is being saved for future capital projects such as a park acquisition, park improvements and future road construction.

Business-type activities. Business-type activities' key elements are broken down in the following charts.



- One of the major sources of the City of Post Falls' business-type activities' revenue is
- received from charges for services (64 percent). Currently, the City of Post Falls' business-type activities do not use property taxes for any type of funding.
- The second major source of revenue is capital construction (31 percent). These contributions are received by water and reclaimed water only. The sanitation for the City of Post Falls is contracted out, and the City has no capital investment in that program.
- When revenues are compared to expenses, it shows that all the City of Post Falls' programs are self-supporting. In reclaimed water this includes capital contributions from developers.

Again, for the most part, increases in expenses closely paralleled inflation and growth in the demand for services. The City had been growing at a very rapid pace and it has slowed considerably over the last several years. The only major transaction during the year was the completion of the Water Reclamation Treatment Plant Upgrade in Reclaimed Water. The City is the only reclaimed water provider within the City limits and is one of three providers of water within the City limits. All sanitation services are provided through the City.

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the City of Post Falls' reported a combined ending fund balance of \$56,106,983, an increase of \$11,567,895 in comparison with the prior year. The current fund balance contains \$519,042 of restricted dollars, \$3,507,2910 of committed dollars, \$18,946,177 of assigned dollars and the balance of \$33,134,473 is unassigned, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the City of Post Falls. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,868,560 with a total fund balance of \$38,322,028. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 81.7 percent of total general fund expenditures, while total fund balance represents 128.4 percent of that same amount.

The other major funds of the City of Post Falls have the following fund balances at year-end: LID 2004-1 has a restricted fund balance of \$(17,288). This balance is due to prepayments on the LID. The Capital Fund has a restricted fund balance of \$- This fund balance will be used towards future capital projects in the City's CIP.

Proprietary funds. The City of Post Falls' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Reclaimed Water and Sanitation funds at the end of the year amounted to \$32,864,106 (Water \$13,044,404; Reclaimed Water \$18,625,398; and Sanitation \$1,194,303). Restricted net position at the end of the year amounted to \$60,880,522 (Water \$10,690,706 and Reclaimed Water \$50,189,816).

General Fund Budgetary Highlights

The budget was amended \$3,600,000 to fund various reclaimed water capital projects for Highway 41 gravity sewer trunk line, oversizing construction costs, Crimson King & 12th Avenue lift station and equalization basin, and a potential land acquisition.

Capital Asset and Debt Administration

Capital assets. The City of Post Falls' investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounts to \$215,174,228 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, other improvements, and infrastructure. The total increase in the City of Post Falls' investment in capital assets for the fiscal year was 4.52 percent (a 2.66 percent increase for governmental activities and a 5.87 percent increase for business-type activities).

City of Post Falls' Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 7,591,616	\$ 7,225,866	\$ 20,019,771	\$ 19,604,574	\$ 27,611,387	\$ 26,830,440
Buildings & Imp.	17,444,863	18,184,641	16,166,811	16,662,278	33,611,674	34,846,919
Machinery & Equip.	5,614,717	5,373,388	1,448,264	1,314,753	7,062,981	6,688,141
Infrastructure	49,445,552	46,404,345		-	49,445,552	46,404,345
Wells	-	-	1,908,800	1,975,339	1,908,800	1,975,339
Water System	-	-	13,446,627	13,799,578	13,446,627	13,799,578
Reclaimed Water System	-	-	47,535,058	47,919,298	47,535,058	47,919,298
C.I.P.	2,114,609	1,060,958	32,437,540	9,673,407	34,552,149	10,734,365
				\$		
Total	\$ 82,211,357	\$ 78,249,198	\$ 132,962,871	110,949,227	\$ 215,174,228	\$ 189,198,425

Major capital asset events during the current fiscal year included the following:

- Donated capital assets from developers as they develop commercial areas and subdivisions.
- Upgrades to the cemetery owned by the City.
- Focused on capital street projects during the fiscal year.
- Various Reclaimed Water projects, including a plant upgrade, upgrades to various lift stations, and implementing phase two of construction on the wastewater reclamation plant upgrade in an effort to meet Idaho Department of Environmental Quality for discharging effluent into the Spokane River.

Additional information on the City of Post Falls' capital assets can be found in note 4 on pages 50 to 51 of this report.

Long-term debt. At the end of the current fiscal year, the City of Post Falls had total bonded debt outstanding of \$11,403,652. Of this amount, \$700,000 is a special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City of Post Falls' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds), a water loan from DEQ secured solely by specified revenue sources, leases secured by general fund, and compensated absences accrued by employees and a liability of general fund, \$910,458, water, \$63,712 and Reclaimed Water, \$111,897 for a total of \$1,086,067.

<u>Debt Type</u>	2021 Balance	2020 Balance
Reclaimed Water Revenue		
Bonds:	\$ 9,988,652	\$ 10,683,325
Water - Revenue Bonds, 2012	715,000	905,000
Special Assessment Bonds:	700,000	1,120,000
Premium on bonds payable	64,072	80,090
Compensated Absences:	1,086,067	1,098,551
	<u>\$ 12,553,791</u>	<u>\$ 13,886,966</u>

The State of Idaho mandates a general obligation debt limit of 2% of the assessed market value of taxable property within the City boundaries. The limit totaled \$100,044,629 on September 30, 2021. The City's general obligation bond above is subject to this limit. Therefore, \$100,044,629 is available for future general obligation indebtedness.

Additional information on the City of Post Falls' long-term debt can be found in note 6 on pages 60 and 61 of this report.

Economic Factors and Next Year's Budgets and Rates

- Unemployment in Kootenai County decreased 2021. The seasonally adjusted unemployment rate for Kootenai County in 2021 was 3.3% and the labor force pool was approximately 86,492, which was an increase by 3,837 from 2021. This figure does not include the underemployed. The prior year reflected an unemployment rate of 4.6% in Kootenai County. In comparison, the national unemployment rate was approximately 3.5% and the statewide unemployment rate was 2.6% in 2020.
- Building permits continue to increase significantly during FY 2021 in the City of Post Falls after a strong growth of both single and multi-family residents in the prior year. In the next year, additional growth in both zoning classifications are still anticipated.
- The number of utility accounts has continued to increase at a higher level and that higher-level growth level has been included in the budget process.

All these factors were considered in preparing the City of Post Falls' budget for the 2021 reported fiscal year and the upcoming 2022 fiscal year.

Budget Highlights for Fiscal Year 2020-2021

Governmental Activities. During the current fiscal year, unassigned fund balance in the general fund increased by \$(6,059,071) when compared to the prior fiscal year.

Business-Type Activities. Water and Reclaimed Water operating rates were increased by 3.0 percent and 7.0 percent, respectively, during the 2021 budget year. Sanitation rates were not changed as per the contract with an outside hauler which does not include a fuel surcharge as it has in the previous year. Water and Reclaimed Water rates are set by rate studies that updated every five years. The Reclaimed Water fund completed a s facility plan that recommend increasing the rates to cover new treatment processes to meet discharge permit requirements in the upcoming years.

Requests for information

This financial report is designed to provide a general overview of the City of Post Falls' finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 408 N Spokane St., Post Falls, ID 83854.

Basic Financial Statements

**City of Post Falls
Statement of Net Position
September 30, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Post Falls Urban Renewal Agency
Assets				
Cash and cash equivalents	\$ 26,556,213	\$ 16,839,402	\$ 43,395,615	\$ 3,228,386
Investments	26,008,507	22,484,954	48,493,461	-
Receivables				
Accounts	1,142,294	2,476,186	3,618,480	-
Taxes	222,085	-	222,085	152,767
Miscellaneous	2,004,585	-	2,004,585	-
Special assessments	60,365	-	60,365	-
Internal Balances	(131,240)	131,240	-	-
Accrued interest	80,480	68,081	148,561	3,000
Prepaid items	2,055,154	62,684	2,117,838	2,641
Restricted cash	105,566	58,371,400	58,476,966	-
Restricted investments	3,800,011	-	3,800,011	236,901
Restricted accrued interest	-	17,541	17,541	-
Net Pension Asset	69,449	187,136	256,585	1,070
Capital assets, net of depreciation:				
Land	7,591,616	20,019,771	27,611,387	-
Buildings	17,444,863	16,166,811	33,611,674	-
Machinery and equipment	5,614,717	1,448,264	7,062,981	-
Infrastructure	49,445,552	62,890,485	112,336,037	-
Construction in progress	2,114,609	32,437,540	34,552,149	-
Total assets	<u>144,184,826</u>	<u>233,601,495</u>	<u>377,786,321</u>	<u>3,624,765</u>
Deferred Outflows of Resources				
Proportionate share of collective deferred outflows of resources	<u>3,564,049</u>	<u>447,008</u>	<u>4,011,057</u>	<u>16,602</u>
Total deferred outflows of resources	<u>3,564,049</u>	<u>447,008</u>	<u>4,011,057</u>	<u>16,602</u>
Liabilities				
Accounts payable	1,495,153	5,668,789	7,163,942	204,323
Due to other funds	389,520	-	389,520	-
Accrued payroll	748,556	71,206	819,762	4,472
Bond interest payable	-	55,689	55,689	5,458
Restricted customer deposits	2,915,229	343,930	3,259,159	-
Noncurrent liabilities				
Due within one year	1,209,856	998,528	2,208,384	1,009,553
Due in more than one year	400,601	9,944,805	10,345,406	504,216
Total liabilities	<u>7,158,915</u>	<u>17,082,947</u>	<u>24,241,862</u>	<u>1,728,022</u>
Deferred Inflows of Resources				
Proportionate share of collective deferred inflows of resources	<u>7,195,378</u>	<u>1,025,782</u>	<u>8,221,160</u>	<u>35,304</u>
Total deferred inflows of resources	<u>7,195,378</u>	<u>1,025,782</u>	<u>8,221,160</u>	<u>35,304</u>
Net Position				
Net investment in capital assets	81,511,357	122,195,147	203,706,504	-
Restricted for:				
Special revenue projects	22,614,913	-	22,614,913	-
Debt service	-	37,534,507	37,534,507	236,901
Special assessment debt	83	-	83	-
Capital improvement projects	-	23,346,015	23,346,015	-
Unrestricted	29,268,229	32,864,105	62,132,334	1,641,140
Total net position	<u>\$ 133,394,582</u>	<u>\$ 215,939,774</u>	<u>\$ 349,334,356</u>	<u>\$ 1,878,041</u>

The notes to the financial statements are an integral part of this statement.

**City of Post Falls
Statement of Activities
For the Year Ended September 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	Post Falls Urban Renewal Agency
Governmental activities:								
General government	\$ 7,465,327	\$ 7,248,155	\$ 4,960,674		\$ 4,743,502		\$ 4,743,502	
Public safety	8,437,213	1,277,289	297,256		(6,862,668)		(6,862,668)	
Highways and public works	6,375,742	941	42,187	\$ 4,529,874	(1,802,740)		(1,802,740)	
Culture and recreation	3,410,611	2,323,939	67,131	74,581	(944,960)		(944,960)	
Interest on long-term debt	2,588				(2,588)		(2,588)	
Total governmental activities	25,691,481	10,850,324	5,367,248	4,604,455	(4,869,454)		(4,869,454)	
Business-type activities:								
Water	1,967,634	4,410,777		841,575		\$ 3,284,718	3,284,718	
Reclaimed water	5,722,414	19,302,546		7,560,173		21,140,305	21,140,305	
Sanitation	3,169,065	3,376,506				207,441	207,441	
Total business-type activities	10,859,113	27,089,829		8,401,748		24,632,464	24,632,464	
Total government	\$ 36,550,594	\$ 37,940,153	\$ 5,367,248	\$ 13,006,203	(4,869,454)	24,632,464	19,763,010	
Component units:								
General government	\$ 7,227,375							\$ (7,227,375)
Pension plan expense	(13,547)							13,547
Total component units	\$ 7,213,828							\$ (7,213,828)
General revenues:								
					13,057,484		13,057,484	5,190,551
					3,947,311		3,947,311	
					2,344,369		2,344,369	
					967,073		967,073	
					(150,634)	26,878	(123,756)	5,496
					9,055		9,055	193,121
					20,174,658	26,878	20,201,536	5,389,168
Transfers					1,930,470	(1,930,470)		
					22,105,128	(1,903,592)	20,201,536	5,389,168
Change in net position					17,235,674	22,728,872	39,964,546	(1,824,660)
Net position - beginning					116,158,908	193,627,433	309,786,341	3,702,701
Prior period adjustment						(416,531)	(416,531)	
Net position - beginning - restated					116,158,908	193,210,902	309,369,810	3,702,701
Net position - ending					\$ 133,394,582	\$ 215,939,774	\$ 349,334,356	\$ 1,878,041

The notes to the financial statements are an integral part of this statement.

**City of Post Falls
Balance Sheet
Governmental Funds
September 30, 2021**

	General Fund	Debt Service LID 2004-1 Fund	Capital Fund	Other Governmental Funds	Total Government Funds 2021
Assets					
Cash on hand and cash equivalents	\$ 15,754,646		\$ 8,277,417	\$ 2,524,150	\$ 26,556,213
Investments	21,348,940		4,659,567		26,008,507
Accounts receivable:					
Property taxes - current	31,007				31,007
Property taxes - delinquent	191,078				191,078
Miscellaneous	2,000,399		1,028,989	38,437	3,067,825
Customers		\$ 78,990		64	79,054
Special assessments - delinquent		60,277			60,277
Special assessments - deferred		88			88
Accrued interest	54,677	26	25,777		80,480
Prepaid items			2,055,154		2,055,154
Restricted current assets:					
Cash and cash equivalents				105,566	105,566
Investments	3,537,754	262,257			3,800,011
Total assets and other debts	<u>\$ 42,918,501</u>	<u>\$ 401,638</u>	<u>\$ 16,046,904</u>	<u>\$ 2,668,217</u>	<u>\$ 62,035,260</u>
Liabilities:					
Accounts payable	\$ 978,225		\$ 455,990	\$ 60,938	\$ 1,495,153
Due to other funds		\$ 358,540		30,980	389,520
Interfund payable				131,240	131,240
Accrued payroll and fringe benefits	740,007			8,549	748,556
Restricted customer deposits	2,687,163		122,500	105,566	2,915,229
Total liabilities	<u>4,405,395</u>	<u>358,540</u>	<u>578,490</u>	<u>337,273</u>	<u>5,679,698</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	191,078				191,078
Unavailable revenue - special assessment		60,386			60,386
Total deferred inflows of resources	<u>191,078</u>	<u>60,386</u>			<u>251,464</u>
Fund balances					
Restricted:					
Special revenue projects				519,042	519,042
Committed:					
Revenue stabilization	3,507,291				3,507,291
Assigned:					
Capital improvements	18,946,177				18,946,177
Unassigned	15,868,560	(17,288)	15,468,414	1,814,787	33,134,473
Total fund balances	<u>38,322,028</u>	<u>(17,288)</u>	<u>15,468,414</u>	<u>2,333,829</u>	<u>56,106,983</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 42,918,501</u>	<u>\$ 401,638</u>	<u>\$ 16,046,904</u>	<u>\$ 2,671,102</u>	<u>\$ 62,038,145</u>
Balance sheet out of balance by:				(2,885)	(2,885)
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.				82,211,357	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				251,464	
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				(1,610,458)	
Pension liabilities, pension expense (revenue), deferred outflows of resources and deferred inflows of resources related to pensions.				(3,561,879)	
Net Position of governmental activities			<u>\$ 133,394,582</u>		

City of Post Falls
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	General Fund	Debt Service LID 2004-1 Fund	Capital Fund	Other Governmental Funds	Totals Government Funds 2021
Revenues:					
Taxes	\$ 13,696,049				\$ 13,696,049
Intergovernmental	12,299,796		\$ 1,049,736	\$ 19,699	13,369,231
Charges for services	5,371,148		3,045,364	553,697	8,970,209
Other revenue	487,343			134,148	621,491
Principal		\$ 33,538			33,538
Interest	(84,864)	3,418	(80,899)	11,711	(150,634)
Total revenues	<u>31,769,472</u>	<u>36,956</u>	<u>4,014,201</u>	<u>719,255</u>	<u>36,539,884</u>
Expenditures:					
Current:					
General government	8,270,565	20	12,445	2,885	8,285,915
Public safety	7,637,489			214,263	7,851,752
Highways and public works	4,181,491				4,181,491
Culture and recreation	2,962,814			21,068	2,983,882
Capital outlay	1,337,373		1,804,816	14,193	3,156,382
Debt service:					
Principal		420,000			420,000
Interest		21,000		4,922	25,922
Total expenditures	<u>24,389,732</u>	<u>441,020</u>	<u>1,817,261</u>	<u>257,331</u>	<u>26,905,344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,379,740</u>	<u>(404,064)</u>	<u>2,196,940</u>	<u>461,924</u>	<u>9,634,540</u>
Other financing sources (uses):					
Transfers in	2,010,390		430,558	54,467	2,495,415
Transfers out	(530,334)		(34,461)	(150)	(564,945)
Total other financing sources (uses)	<u>1,480,056</u>		<u>396,097</u>	<u>54,317</u>	<u>1,930,470</u>
Net change in fund balance	8,859,796	(404,064)	2,593,037	516,241	11,565,010
Fund balances, beginning	<u>29,462,232</u>	<u>386,776</u>	<u>12,875,377</u>	<u>1,814,703</u>	<u>44,539,088</u>
Fund balances, ending	<u>\$ 38,322,028</u>	<u>\$ (17,288)</u>	<u>\$ 15,468,414</u>	<u>\$ 2,330,944</u>	<u>\$ 56,104,098</u>
Funds do not reconcile by:				2,885	2,885

The notes to the financial statements are an integral part of this statement.

City of Post Falls
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 11,565,010
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	-556,269
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	4,518,428
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	-52,328
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net positions. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	454,337
The net pension effect related to the pension expense recognized for the year.	<u>1,306,496</u>
Change in net position of governmental activities	<u>\$ 17,235,674</u>

**City of Post Falls
Statement of Net Position
Proprietary Funds
September 30, 2021**

	Business-type Activities - Enterprise Funds			
	Water	Reclaimed Water	Sanitation	Total
Assets				
Current assets:				
Cash	\$ 6,498,040	\$ 9,184,439	\$ 1,156,923	\$ 16,839,402
Pre-paid expense		62,684		62,684
Investments	5,783,910	16,701,044		22,484,954
Utility receivables, net	1,020,872	1,138,550	316,764	2,476,186
Accrued interest	16,505	51,576		68,081
Due from other funds	131,240			131,240
Total current assets	<u>13,450,567</u>	<u>27,138,293</u>	<u>1,473,687</u>	<u>42,062,547</u>
Non-current assets:				
Restricted cash	10,713,633	47,657,767		58,371,400
Restricted accrued interest	2,903	14,638		17,541
Net Pension Asset	17,590	169,546		187,136
Total restricted assets	<u>10,734,126</u>	<u>47,841,951</u>		<u>58,576,077</u>
Capital assets:				
Land	59,096	19,960,675		20,019,771
Building	309,250	22,772,454		23,081,704
Wells	3,594,481			3,594,481
Water system	22,524,807			22,524,807
Equipment	1,804,005	2,131,380		3,935,385
Reclaimed Water system		71,769,960		71,769,960
Construction in progress	3,166,290	29,271,250		32,437,540
Less accumulated depreciation	(11,975,652)	(32,425,125)		(44,400,777)
Total capital assets (net of accumulated depreciation)	<u>19,482,277</u>	<u>113,480,594</u>		<u>132,962,871</u>
Total non-current assets	<u>30,216,403</u>	<u>161,322,545</u>		<u>191,538,948</u>
Total Assets	<u>43,666,970</u>	<u>188,460,838</u>	<u>1,473,687</u>	<u>233,601,495</u>
Deferred Outflows of Resources				
Proportionate share of collective deferred outflows of resources	146,868	300,140		447,008
Total deferred outflows of resources	<u>146,868</u>	<u>300,140</u>		<u>447,008</u>
Liabilities				
Current liabilities:				
Accounts payable	77,701	5,311,704	279,384	5,668,789
Accrued payroll	20,112	51,094		71,206
Bond interest payable	10,938	44,751		55,689
Compensated absences - current maturity	35,679	62,662		98,341
Customer deposits payable	118,695	225,235		343,930
Bond payable - current maturity	195,000	705,187		900,187
Total current liabilities	<u>458,125</u>	<u>6,400,633</u>	<u>279,384</u>	<u>7,138,142</u>
Noncurrent liabilities:				
Noncurrent Compensated absences	28,033	49,235		77,268
Premium on bonds payable (net of amortization)	64,072			64,072
Bonds payable-non current	520,000	9,283,465		9,803,465
Total noncurrent liabilities	<u>612,105</u>	<u>9,332,700</u>		<u>9,944,805</u>
Total Liabilities	<u>1,070,230</u>	<u>15,733,333</u>	<u>279,384</u>	<u>17,082,947</u>
Deferred Inflows of Resources				
Proportionate share of collective deferred inflows of resources	305,293	720,489		1,025,782
Total deferred inflows of resources	<u>305,293</u>	<u>720,489</u>		<u>1,025,782</u>
Net Position				
Net investment in capital assets	18,703,205	103,491,942		122,195,147
Restricted for:				
Debt service	261,606	37,272,901		37,534,507
Capital improvement projects	10,429,100	12,916,915		23,346,015
Unrestricted	13,044,404	18,625,398	1,194,303	32,864,105
Total Net Position	<u>\$ 42,438,315</u>	<u>\$ 172,307,156</u>	<u>\$ 1,194,303</u>	<u>\$ 215,939,774</u>

The notes to the financial statements are an integral part of this statement.

City of Post Falls
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			
	Water	Reclaimed Water	Sanitation	Total
Operating Revenues:				
Charges for services	\$ 4,147,981	\$ 14,400,336	\$ 3,350,988	\$ 21,899,305
Hookups and connections	59,949			59,949
Other revenues	202,847	4,902,210	25,518	5,130,575
Total operating revenues	<u>4,410,777</u>	<u>19,302,546</u>	<u>3,376,506</u>	<u>27,089,829</u>
Operating Expenses:				
Salaries and benefits	674,955	1,639,159		2,314,114
Administrative and supplies	658,013	1,823,104	3,169,065	5,650,182
Depreciation	625,790	2,047,460		2,673,250
Total operating expenses	<u>1,958,758</u>	<u>5,509,723</u>	<u>3,169,065</u>	<u>10,637,546</u>
Operating income	<u>2,452,019</u>	<u>13,792,823</u>	<u>207,441</u>	<u>16,452,283</u>
Nonoperating revenues (expenses):				
Investment income	16,410	14,478	(4,010)	26,878
Interest expense	(8,876)	(212,691)		(221,567)
Total nonoperating revenues (expenses)	<u>7,534</u>	<u>(198,213)</u>	<u>(4,010)</u>	<u>(194,689)</u>
Income before contributions and transfers	2,459,553	13,594,610	203,431	16,257,594
Capital Contributions - cap fees and other	841,575	7,560,173		8,401,748
Transfers in		79,920		79,920
Transfers (out)	(677,695)	(902,595)	(430,100)	(2,010,390)
Changes in net position	<u>2,623,433</u>	<u>20,332,108</u>	<u>(226,669)</u>	<u>22,728,872</u>
Net Position - beginning	39,814,882	152,391,579	1,420,972	193,627,433
Prior period adjustment		(416,531)		(416,531)
Net Position - beginning - restated	<u>39,814,882</u>	<u>151,975,048</u>	<u>1,420,972</u>	<u>193,210,902</u>
Net Position - ending	<u>\$ 42,438,315</u>	<u>\$ 172,307,156</u>	<u>\$ 1,194,303</u>	<u>\$ 215,939,774</u>

The notes to the financial statements are an integral part of this statement.

**City of Post Falls
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021**

Business-type Activities - Enterprise Funds							
	Water Current Year	Water Prior Year	Reclaimed Water Current Year	Reclaimed Water Prior Year	Sanitation Current Year	Sanitation Prior Year	Totals Current Year
Cash Flows from Operating Activities							
Receipts from customers	\$ 4,170,855	\$ 3,348,667	\$ 19,734,026	\$ 13,809,391	\$ 3,325,516	\$ 3,055,402	\$ 27,230,397
Payments to suppliers	(854,255)	(627,292)	(2,785,379)	(1,862,009)	(3,135,034)	(2,838,700)	(6,774,668)
Payments to employees	(624,845)	(499,084)	(1,509,565)	(1,299,338)	-	-	(2,134,410)
Net cash provided by operating activities	<u>2,691,755</u>	<u>2,222,291</u>	<u>15,439,082</u>	<u>10,648,044</u>	<u>190,482</u>	<u>216,702</u>	<u>18,321,319</u>
Cash Flows from Non-capital Financing Activities							
Transfer from other funds	-	-	79,920	79,920	-	-	79,920
Operating subsidies and transfers to other funds	(677,694)	(628,578)	(902,595)	(837,218)	(430,100)	(549,483)	(2,010,389)
Advances from other funds	32,810	32,810	-	-	-	-	32,810
Net cash (used) by non-capital financing activities	<u>(644,884)</u>	<u>(595,768)</u>	<u>(822,675)</u>	<u>(757,298)</u>	<u>(430,100)</u>	<u>(549,483)</u>	<u>(1,897,659)</u>
Cash Flows from Capital and Related Financing Activities							
Capital contributions	737,227	1,417,825	1,364,501	7,310,285	-	-	2,101,728
Principal payments on capital debt	(190,000)	(185,000)	(694,673)	(673,805)	-	-	(884,673)
Interest payments on capital debt	(28,350)	(34,450)	(232,948)	(247,864)	-	-	(261,298)
Purchase of capital assets	(1,282,530)	(2,033,746)	(12,349,925)	(5,931,016)	-	-	(13,632,455)
Net cash (used) provided by capital and related financing activities	<u>(763,653)</u>	<u>(835,371)</u>	<u>(11,913,045)</u>	<u>457,600</u>	<u>-</u>	<u>-</u>	<u>(12,676,698)</u>
Cash Flows from Investing Activities							
Interest received on investments	24,366	444,289	37,200	1,271,502	(4,007)	56,009	57,559
Net cash provided by investing activities	<u>24,366</u>	<u>444,289</u>	<u>37,200</u>	<u>1,271,502</u>	<u>(4,007)</u>	<u>56,009</u>	<u>57,559</u>
Net increase (decrease) in cash and cash equivalents	1,307,584	1,235,441	2,740,562	11,619,848	(243,625)	(276,772)	3,804,521
Cash and cash equivalents, beginning	21,687,999	20,452,558	70,802,688	59,182,840	1,400,550	1,677,323	93,891,237
Cash and cash equivalents, ending	<u>\$ 22,995,583</u>	<u>\$ 21,687,999</u>	<u>\$ 73,543,250</u>	<u>\$ 70,802,688</u>	<u>\$ 1,156,925</u>	<u>\$ 1,400,551</u>	<u>\$ 97,695,758</u>
Reconciliation of Operating Income to Net Cash							
Provided by operating activities:							
Operating income	\$ 2,452,019	\$ 1,522,683	\$ 13,792,823	\$ 8,117,606	\$ 207,441	\$ 203,854	\$ 16,452,283
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	625,790	600,069	2,047,460	1,984,957	-	-	2,673,250
Changes in assets and liabilities:							
Accounts receivable	(239,922)	(153,211)	431,480	184,938	(50,989)	(6,270)	140,569
Prepaid expense	-	-	\$ (62,684)	-	-	-	\$ (62,684)
Accounts payable	(200,142)	77,384	(899,591)	59,178	34,031	19,118	(1,065,702)
Accrued payroll	(5,453)	16,514	(2,196)	30,605	-	-	(7,649)
Deferred Inflows	-	-	-	-	-	-	-
Deferred Outflow	-	-	-	-	-	-	-
Net change in pension liability	55,563	137,052	131,789	270,760	-	-	187,352
Customer deposits	3,900	21,800	-	-	-	-	3,900
Total adjustments	<u>\$ 2,691,755</u>	<u>\$ 2,222,291</u>	<u>\$ 15,439,082</u>	<u>\$ 10,648,044</u>	<u>\$ 190,482</u>	<u>\$ 216,702</u>	<u>\$ 18,321,319</u>
Noncash investing, capital, and financing activities:							
Contributions of capital assets	\$ 104,348	\$ 317,325	\$ 6,195,672	\$ 815,200	\$ -	\$ -	\$ 6,300,020
Reconciliation of Cash to the Statement of Net Position							
Cash and cash equivalents	\$ 6,498,040	\$ 5,517,535	\$ 9,184,439	\$ 13,999,953	\$ 1,156,925	\$ 22,522	\$ 16,839,404
Investments	5,783,910	5,783,622	16,701,044	14,608,575	-	1,378,029	22,484,954
Restricted Cash, customer deposit	-	-	-	-	-	-	-
Restricted cash,	10,713,633	10,386,842	47,657,767	42,194,160	-	-	58,371,400
	<u>\$ 22,995,583</u>	<u>\$ 21,687,999</u>	<u>\$ 73,543,250</u>	<u>\$ 70,802,688</u>	<u>\$ 1,156,925</u>	<u>\$ 1,400,551</u>	<u>\$ 97,695,758</u>

The notes to the financial statements are an integral part of this statement.

City of Post Falls

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

The accounting methods are procedures adopted by the City of Post Falls conform to generally accepted accounting principles as applied to governmental entities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following notes to the financial statements are an integral part of the City's basic financial statements. During the year ended September 30, 2015, the City implemented GASB No. 68, Accounting and Financial Reporting for Pensions. The implementation of these standards requires governments to calculate and report the costs and obligations associated with pension in their basic financial statements. Employers are required to recognize amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflow of resources and pension expense. Additional disclosures required by these standards are also included (Note 5 – Defined Benefit Pension Plan).

The most significant of the City's accounting policies are described below.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The City of Post Falls (the City) is an Idaho municipality. The City provides public safety, street lighting, street construction and maintenance, recreation, parks, planning and zoning, animal control, cemetery, general administration, construction, water, reclaimed water, and sanitation collection services to its citizens.

The accompanying financial statements include all aspects controlled by the City Council of the City of Post Falls. Criteria for inclusion is determined by Governmental Accounting Standards Board Statement No. 14 (GASB No. 14) which states, in general, that legally separate organizations for which the elected officials of the City are financially accountable for must be included in the City's financial statement as a component unit.

Under Idaho Code, in May 1991, the Post Falls City Council passed an ordinance which created the Post Falls 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 in and around the City. A board of seven directors, which are appointed by the City Council, governs the Agency. 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. 14 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.

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, 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.

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Agency operates on a fiscal year basis from October 1st through September 30th. Complete financial statements of the Agency can be obtained directly from:

Post Falls Urban Renewal Agency
201 E 4th Street
Post Falls, ID 83854

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

The government has one discretely presented component unit. While the Post Falls Urban Renewal Agency is not considered to be a major component unit, they are nevertheless shown in a separate column in the government-wide financial statements.

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 payment in lieu of taxes where the amount are reasonably equivalent in value to the inter-fund services provided and other charges between the government's water, reclaimed water, and general government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds, including its component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

1. The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, charges for services from other funds, intergovernmental revenues, interest and other miscellaneous revenues. Primary expenditures are for general administration.

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. *Debt service fund LID 2004-1* accounts for proceeds and expenditures for a local improvement district that was created for street and reclaimed water improvements. The primary source of revenue is from assessment collection. The primary expenditure is for bond obligations.
3. The *capital fund* accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

The government reports the following major proprietary funds:

1. The *reclaimed water fund* is used to account for the activities of the City's water reclamation division.
2. The *water fund* is used to account for the activities of the City's water division.
3. The *sanitation fund* is used to account for the City's contract for garbage collection services.

Additionally, the government reports the following fund types:

1. *Debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary funds.
2. *Special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

During the course of operations the government has activity between funds for various purposes. Any residual balance outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and post-employment benefits funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurements focus and the accrual basis of accounting, as are the proprietary 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Budgetary Data - Annual operating budgets are adopted each fiscal year for each governmental and enterprise fund through passage of an annual budget ordinance. The budget is prepared on a basis consistent with the basis of accounting utilized for each respective fund type (i.e. the modified accrual basis for the governmental funds and accrual basis for the enterprise funds) with the exception that in the enterprise funds, capitalization fees are budgeted as a revenue source, bond principal payments and capital disbursements are budgeted as a revenue source, bond principal payments and capital disbursements are budgeted as expenses, and depreciation is not budgeted. These items are reconciled to GAAP in the statements of Revenues and Expenses – Budget and Actual.

City of Post Falls

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Obligations under capital leases are budgeted in each of the respective funds on a fiscal year basis. Each capital lease agreement has a nonappropriation 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.

Reported budgeted amounts are as originally adopted or as amended by Council resolution. Presented budgetary information in these financial statements does not include amendments. The level of budgetary control for the City is at the total fund level per Idaho statute. The appropriated budget is prepared by function and department. 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. The legal level of budgetary control is the fund level. Any changes in the total budget of each fund must be approved by a majority vote of the City Council. The original and amended budgets were properly approved by ordinance during the fiscal year. Encumbrance accounting is not employed as an extension of formal budgetary integration. All outstanding encumbrances lapse and are closed to fund balance at the end of each fiscal year and any remaining unencumbered appropriations lapse at fiscal year-end.

Cash and Investments – The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments".

Cash and investments, except for small amounts of cash on hand, are deposited in pooled accounts of the City. The City invests cash surpluses in these accounts, and investments earnings, as well as gains and losses on sales of securities, are allocated to the various funds on the basis of average cash balances. Funds with deficit cash balance averages (inter-fund payables) are charged interest equivalent to the average investment earnings lost in financing the deficits.

The pooled investments are recorded at cost, which approximates fair value. Investments in mutual funds are recorded at their current redemption value.

Investments – Investments are stated at cost and are comprised principally of time certificates of deposit, government backed securities, and Idaho State pooled investments. Cost at September 30, 2021 materially approximates fair value. Investments on hand at September 30, 2021 meet the guidelines as set by regulations of the State of Idaho. These guidelines include securities of the U.S. Government or its agencies, certificates of deposit placed with commercial banks and savings and loans, banker's acceptances, commercial paper, repurchase agreements, State and County investment pools, insured money market accounts, and passbook savings account demand deposits.

City of Post Falls

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable – Utility accounts receivable, net of allowances for doubtful accounts for the enterprise funds as of September 30, 2021 are as follows:

Water:	
Gross accounts receivable	1,052,422
Less allowance for doubtful accounts	(31,550)
Accounts receivable, net	\$ 1,020,872
Reclaimed water:	
Gross accounts receivable	1,595,183
Less allowance for doubtful accounts	(40,102)
Accounts receivable, net	\$ 1,555,081
Sanitation:	
Gross accounts receivable	326,561
Less allowance for doubtful accounts	(9,797)
Accounts receivable, net	\$ 316,764

Due To and From Other Funds – Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed.

Restricted Assets – Certain proceeds of the City’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Land and construction in process are not depreciated. Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

	<u>Estimated Life</u>
Machinery and Equipment	3 - 10 years
Computer Equipment	3 - 5 years
Computer Software	3 - 5 years
Furniture and Fixtures	3 - 15 years
Public Doman infrastructure	20 - 50 years
Building/Improvements	20 - 40 years
Reclaimed Water System/Improvements	20 - 50 years
Water System/Improvements	20 - 50 years
Vehicles	3 - 5 years

Deferred outflow/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 only has one item that qualifies for reporting in this category. It is the deferred outflows relating to the accounting for the net pension obligation on the government-wide and proprietary funds statement of net position, in accordance with GASB 68, Accounting and Financial Reporting for Pensions.

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 inflow 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 only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City has one type of items, which arises under full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred inflows of resources, is reported only on the government-wide and proprietary funds statement of net position. The government-wide

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and proprietary statement of net position reports deferred inflows of resources from one source: accounting for the net pension obligation, in accordance with GASB 68, Accounting and Financial Reporting for Pensions.

Net position flow assumption - 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 government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance classifications and policies – The City has adopted GASB 54 as required for fiscal years beginning after June 15, 2010. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the City's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The City does not have nonspendable funds related to endowments or inventories.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of a resolution or ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution/ordinance remains in place until a similar action is taken (the adoption of another resolution or ordinance or the repeal of either) to remove or revise the limitation.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. This classification of fund balance is intended to be used for a specific purpose but does not meet the criteria to be classified as committed. The governing council may assign fund balance as it does when appropriating fund balance to

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

- Unassigned: fund balances of the general fund that is not constrained for any particular purpose.

Stabilization: Resolution 2005-05 sets a stabilization fund balance account target of 15% of operating costs for General Fund. Expenditures of the amounts in the stabilization reserve may occur only when specific circumstances exist. The adopted resolution directs that these resources may be used to mitigate actual revenue shortfalls (when compared to estimated revenues), fund unanticipated emergencies, generate interest income, reduce the need for short-term borrowing and assist in maintaining an investment grade bond rating. These funds may only be expended with Council approval and any time the account balance falls below the above minimum balance due to usage, the City will budget the amount necessary to get back to the appropriate level within five budget years.

Fund balance flow assumptions - Sometimes the government 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 government's policy to consider restricted fund balance to have been depleted before using any components of unrestricted 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.

Recently issued and Adopted Accounting Pronouncements

Due to the COVID-19 pandemic, The Governmental Accounting Standards Board issued GASB 95 - Postponement of the Effective Dates of Certain Authoritative Guidance. The City will be implementing one new pronouncement for the fiscal year ending September 30, 2021:

GASB 90: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post employment benefit arrangements that are fiduciary activities.

City of Post Falls

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

GASB 87: The City is also preparing for the implementation of GASB 87, Leases. The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. The City is preparing to implement this standard as of October 1, 2021 in order to prepare Fiscal Year 2022 financial statements in compliance with this new standard.

Property Tax Revenues – 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. State statute sets maximum property tax rates for the various funds of the City of Post Falls. For the general fund, the City cannot levy more than 103% of the highest amount in the prior three year's certified property tax amount. For other funds, the 3% increase is not applicable but is limited by statute. Rates are expressed in millage of total market value. The millage rate for the 2020-2021 fiscal year was .0004260466.

Program revenues - Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Compensated Absences – City employees are entitled to certain compensated absences based on their length of employment. Both current and long-term compensated absences are treated by the basic concepts set by GASB-16. Compensated absences are accrued when vested and reported in the government-wide and proprietary financial statements. A liability for these amounts is reported in government funds only if they have matured, for example, as a result of employee resignation and retirement. The General Fund is typically used to liquidate the portion of the City's compensated absences liability pertaining to its governmental activities.

Bond Premiums and Discounts – In the government fund types, bond discounts and premiums are recognized in the current period. For proprietary fund types, such amounts are deferred and amortized over the term of the bonds. Amortization is computed on the straight-line method as follows:

	<u>Years</u>
Water Bond - Premium	10

Proprietary funds operating and nonoperating revenues and expenses - Proprietary funds distinguish operating revenues and expense from nonoperating 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

City of Post Falls

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

revenues of the water and reclaimed water fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customer to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

depreciation on capital assets. All revenues and expense not meeting this definition are reported as nonoperating revenues and expenses.

Statement of Cash Flows – The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan' 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.

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 2: CASH AND INVESTMENTS

Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the Statement of Net Position as "Cash and Investments".

Cash and investments are comprised of the following at September 30, 2021:

Cash on hand	\$	1,633
Deposits with financial institutions:		
Demand deposit		(514,979)
Time certificates of deposit		10,000
Investments		154,669,399
Total	\$	<u>154,166,053</u>

Cash and investments are reflected on the Statement of Net Position as follows:

Cash and cash equivalents	\$	43,395,615
Investments		48,493,461
Restricted cash and investments		62,276,977
Total	\$	<u>154,166,053</u>

Deposits

The carrying amount of the City's deposits with financial institutions was (\$514,981) and the bank balance was \$75,000. Of the bank balance, \$75,000 was covered by federal depository insurance or by collateral held by the government's agent in the government's name. The City currently does not have formal policies regarding custodial risk or foreign currency risk for deposits. The City's investments are categorized into three categories of credit risk. Currently the City does not have a formal policy relating to interest rate risk or relating to the credit risk of investments.

Investments

The City's investment policy was developed by the Finance Department and adopted by the City Council. It was also certified by the Association of Public Treasurers, United States & Canada. The policy provides the Finance Director with the authority to invest in any of the securities identified as eligible investments as defined by State statute with primary emphasis of safety of principal and liquidity.

The City participates in the Idaho State Treasurer's Local Governmental Investment Pool (LGIP) which is under the administrative control of the Idaho State Treasurer's Office. The LGIP is rated "AAA" by Standard and Poor's. The pool seeks to maintain a constant value of \$1 per share. The fair value of the City's investment in this pool is reported in the accompanying financial statements

City of Post Falls

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

NOTE 2: CASH AND INVESTMENTS (Continued)

at amounts based upon the City's pro-rata share of the fair value, same as the value of the pool shares, provided by the State Pool for the entire State Pool portfolio.

Fair Value - The investments the City has in the State Investment Pool are carried at cost which approximates fair market value.

Credit risk – Credit risk is the risk that a debtor will not fulfill its obligations. All securities registered in the City's name carry a rating of AAA from Moody's and Standard and Poor's.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to cover the value of its investment or collateral securities that are in possession of another party. Authorized collateral includes the legal investment described earlier, as well as certain first mortgage notes, and certain other state or local obligations. According to City policy, the market value of the collateral must be a minimum of 105% of deposits not covered by insurance or bonds. None of the City's deposits or investments was subject to custodial credit risk.

Interest rate risk and concentration of credit risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. According to its investment policy, the City manages its exposure to interest rate risk by purchasing a combination of shorter-term and longer-term investments. The City also manages this risk by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity for operations. Further, the City purchases some securities that have interest rates that step-up over time. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Concentration of credit risk as defined by GASB exists when more than 5% of an investment portfolio is allocated to one security. State statutes contain no limitations on the amount that can be invested in any one issuer. As of September 30, 2021, the City held the following investments (and associated maturities and percentage of portfolio) in its internal investment portfolio:

City of Post Falls

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

NOTE 2: CASH AND INVESTMENTS (Continued)

Investment Type	Fair Value	Weighted Ave. Maturity - Years	Percentage of Portfolio
Farmer Mac	\$ 445,540	14.23	0.289%
Federal Farm Credit Bank	11,866,753	12.48	7.692%
Federal Home Loan Bank	10,516,711	10.72	6.817%
Federal Home Loan Mortgage Corp	2,284,686	.11	1.481%
Federal National Mortgage Assoc	3,529,892	12.36	2.288%
AT&T Inc	1,024,400	2.70	0.664%
Banco Santander	1,016,580	0.53	0.659%
Bank of America Corp	1,003,400	1.31	0.650%
Bank of Nova Scotia	699,487	4.96	0.453%
Bank Montreal Senior Unsecured	524,630	2.75	0.340%
Caterpillar Finl Svcs Corp	515,225	1.42	0.334%
Goldman Sachs Group	922,040	1.32	0.598%
HSBC Holdings PLC	543,326	0.27	0.352%
Huntington National Bank	1,017,330	0.77	0.659%
JPMorgan Chase	1,016,820	2.67	0.659%
Keybank Natl Assn Cleveland	507,440	0.69	0.329%
Morgan Stanley SR FLT	1,013,290	1.31	0.657%
Royal Bank of Canada	984,000	4.31	0.638%
Toyota Motor Corp	986,720	4.31	0.640%
UnitedHealth Group	704,249	4.05	0.456%
Wells Fargo & Co	1,134,941	2.23	0.736%
Money Market Funds	135,418	Daily	0.088%
Mountain West Bank - Repurchase Sweep	1,430,622	Daily	0.927%
State Investment Pool	110,456,382	Daily	71.595%
	<u>\$ 154,279,881</u>		

NOTE 3: SPECIAL ASSESSMENTS RECEIVABLE

Special assessments receivable from benefited property owners of public improvements consist of the following as of September 30, 2021:

	LID 2004 - 1	LID 99 - 1	Total
Beginning Assessment - principal	\$ 82,248	\$ 2,622	\$ 84,870
Assessments collected - principal*	(21,862)	(2,622)	(24,484)
Ending Assessment - principal**	<u>\$ 60,386</u>	<u>\$ -</u>	<u>\$ 60,386</u>
Delinquent amounts	\$ 60,277	\$ -	\$ 60,277
Guarantee/Reserve funds	\$ 262,257	\$ 17,364	\$ 279,621

City of Post Falls

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

NOTE 4: CAPITAL ASSETS

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

	September 30, 2020	Additions	Adjustments Transfers	Deletions	September 30, 2021
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated					
Land	\$ 7,225,866	\$ 365,750	-	-	\$ 7,591,616
C.I.P.	1,060,958	1,482,908	\$ (429,257)	-	2,114,609
Total capital assets, not being depreciated	<u>8,286,824</u>	<u>1,848,658</u>	<u>(429,257)</u>	<u>-</u>	<u>9,706,225</u>
Capital assets, being depreciated:					
Buildings and improvements	26,502,903	25,000	-	-	26,527,903
Equipment	10,274,410	821,409	-	(27,740)	11,068,079
Vehicles	5,522,516	452,015	-	(75,645)	5,898,886
Infrastructure	62,437,668	4,518,428	429,257	-	67,385,353
Total capital assets, being depreciated	<u>104,737,497</u>	<u>5,816,852</u>	<u>429,257</u>	<u>(103,385)</u>	<u>110,880,221</u>
Less: accumulated depreciation					
Buildings and improvements	<u>8,318,263</u>	764,777	-	-	9,083,040
Equipment	6,007,466	657,328	-	27,740	6,637,054
Vehicles	4,416,071	374,767	-	75,645	4,715,193
Infrastructure	16,033,324	1,906,478	-	-	17,939,802
Total accumulated depreciation	<u>34,775,123</u>	<u>3,703,350</u>	<u>-</u>	<u>103,385</u>	<u>38,375,089</u>
Total capital assets being depreciated, net	<u>69,962,374</u>	<u>2,113,502</u>	<u>429,257</u>	<u>-</u>	<u>72,505,132</u>
Governmental activities capital assets, net	<u>\$ 78,249,198</u>	<u>\$ 3,962,160</u>	<u>-</u>	<u>-</u>	<u>\$ 82,211,357</u>

City of Post Falls

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

NOTE 4: CAPITAL ASSETS (Continued)

	September 30,	Adjustments			September 30,
	2020	Additions	Transfers	Deletions	2021
BUSINESS-TYPE ACTIVITIES:					
Capital assets, not being depreciated:					
Land	19,604,575	415,196	-	-	20,019,771
C.I.P.	9,673,407	22,764,133	-	-	32,437,540
Total capital assets, not being depreciated	29,277,982	23,179,329	-	-	52,457,311
Capital assets, being depreciated:					
Wells	3,594,481	-	-	-	3,594,481
Water System	22,742,582	91,476	-	-	22,834,058
Equipment	3,614,016	321,369	-	-	3,935,385
Reclaimed Water System	93,447,692	1,094,721	-	-	94,542,413
Total capital assets, being depreciated	123,398,771	1,507,566	-	-	124,906,337
Less: accumulated depreciation					
Wells	1,619,142	66,538	-	-	1,685,680
Water System	8,793,021	450,611	-	-	9,243,632
Equipment	2,299,264	187,858	-	-	2,487,122
Reclaimed Water System	29,016,100	1,968,243	-	-	30,984,343
Total accumulated depreciation	41,727,527	2,673,250	-	-	44,400,777
Total capital assets being depreciated, net	81,671,244	(1,165,684)	-	-	80,505,560
Business-type activities capital assets, net	\$ 110,949,226	\$ 22,013,645	-	-	\$ 132,962,871

Depreciation expense was charged to functions/programs for the primary government as follows:

Governmental activities:	
General government	\$ 496,910
Public safety	585,461
Highways and public works	2,194,250
Culture and recreation	426,729
Total depreciation expense - governmental activities	<u>\$ 3,703,350</u>
Business-type activities:	
Water	\$ 625,790
Reclaimed water	2,047,460
Total depreciation expense - business-type activities	<u>\$ 2,673,250</u>

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN

Plan Description - The City 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 maybe 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.

Employee membership data related to the PERSI Base Plan, as of June 30, 2021 was as follows:

Members:	
Active plan	73,563
Terminated and vested	14,539
Retirees and beneficiaries	50,891
	<u>138,993</u>

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

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

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of July 1, 2021, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and as of July 1, 2021 12.28% for police and firefighters, and 11.94% for general employees. The City contributions were \$1,472,313 for the year ended September 30, 2021.

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

At September 30, 2021, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the City's proportion was 0.32488149 percent.

City of Post Falls

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

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended September 30, 2021, the City recognized pension expense (revenue) of (\$26,340) at September 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 378,043	\$ 149,144
Changes of assumptions	2,945,262	-
Net difference between projected and actual earnings on pension plan investments	-	8,059,128
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	279,208	12,888
City of Post Fall's contributions subsequent to the measurement date	408,544	-
Total	\$ 4,011,057	\$ 8,221,160

\$408,544, reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2021

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019 the beginning of the measurement period ended June 30, 2020 is 4.8 years and 4.6 for the measurement period June 30, 2021.

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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:

2022	\$ (1,049,685)
2023	(962,129)
2024	(834,111)
2025	(1,772,722)

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

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

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

*net of pension plan investment expense

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

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

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

City of Post Falls

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

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2021.

City of Post Falls

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

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

Capital Market Assumptions from Callen 2021	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Asset Class			
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%
Investment Policy Assumptions from PERSI November 2019			
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Economic/Demographic Assumptions from Milliman 2021			
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation*			2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			6.35%

*2.3% was approved by the Board dated August 2021

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

City of Post Falls

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

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Decrease (5.35)%	Current Disocunt Rate (6.35%)	1% Increase (7.35)%
Employer's net position liability (asset) - Employer	\$ 8,919,431	\$ (256,585)	\$ (7,778,349)

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 6: LONG-TERM DEBT

Reclaimed Water Revenue Bonds

On March 15, 1982, the requisite majority of the qualified voters of the City authorized the issuance of Reclaimed water Revenue Bonds in the principal amount of \$3,900,000 to finance the acquisition and construction of improvements and additions to the reclaimed water system of the City. The City issued these bonds on the following dates and in the following amounts: Series 1985, issued May 15, 1985 in the amount of \$929,300; Series 1989, issued May 5, 1989 in the amount of \$1,500,000; and Series 1994, issued April 1, 1994 in the amount of \$1,470,700, for a total issuance of \$3,900,000.

The Series 1985 bonds and the Series 1989 bonds have been paid in full.

Repayment terms on the Series 1994 Bonds are semi-annual payments, due April 1 and October 1, in the amount of \$53,762.54, including interest at 4.00%

City of Post Falls

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

NOTE 6: LONG-TERM DEBT (Continued)

On December 30, 2004, the City issued \$3,969,500 of Reclaimed water Revenue bonds, named the City of Post Falls Reclaimed water Revenue Bond, 2004. The proceeds of these bonds, along with other resources of the City, were used to purchase land for land application of reclaimed water.

Currently, the City pumps all reclaimed water into the Spokane River. Future DEQ requirements may restrict this access and alternative means are needed to dispose of this reclaimed water.

Repayment terms on the bonds are annual principal payments (in the amount of \$396,950), due November 1 and quarterly interest payments, due each January 1, April 1, July 1, and November 1. The interest rate is 4.00% for all bonds.

On June 15, 2005, the City issued \$2,100,000 of Reclaimed water Revenue Bonds, named the City of Post Falls Reclaimed water Revenue Bond, 2005. The proceeds of these bonds, along with other resources of the City, were used to purchase land for land application of reclaimed water. This land will be used in conjunction with the land purchased with the City of Post Falls Reclaimed water Revenue Bond, 2004.

Repayment terms on the bonds are semi-annual payments due June 1 and December 1 of each year with interest rates ranging from 3.25% to 4.05 % on the bonds.

On March 19, 2008, the City issued \$3,430,000 of Reclaimed water Revenue Bonds, named the City of Post Falls Reclaimed water Revenue Bond, 2008. The proceeds of these bonds, along with other resources of the City, were used to purchase land next to the water reclamation treatment plant and make improvements to said land. This land will be used for future expansion of the plant and to maintain the vehicle maintenance shop.

Repayment terms on the bonds are semi-annual payments due March 1 and September 1 of each year with interest rates ranging from 3.00% to 5.00% on the bonds.

On March 1, 2016, the City issued \$2,970,000 of Reclaimed water Revenue Bonds, named the City of Post Falls Wastewater Revenue Refunding Bonds, Series 2016. The proceeds of these bonds were used to refund the outstanding bonds for the 2005 Bonds and the 2008 Bonds.

Repayment terms on the bonds on the bonds are semi-annual payments due in March 1 and September 1 of each ear with a fixed interest rate of 1.84% on the bonds.

City of Post Falls

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

NOTE 6: LONG-TERM DEBT (Continued)

Presented below is a summary of debt service requirements to maturity by years:

<u>RECLAIMED WATER REVENUE BONDS 2016:</u>			
<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2022	\$ 230,000	\$ 17,480	\$ 247,480
2023	230,000	13,248	243,248
2024	240,000	9,016	249,016
2025	250,000	4,600	254,600
	<u>\$ 950,000</u>	<u>\$ 44,344</u>	<u>\$ 994,344</u>

On June 13, 2017, the City finalized a loan with the Department of Environmental Quality (DEQ) of \$10,836,000. The proceeds from the loan were used to finance the acquisition and construction of improvements and additions to the reclaimed water system of the City. The primary impetus for the facility planning effort is to meet the increasing stringent National Pollutant Discharge Elimination System (NPDES) discharge limits in the Spokane River. The NPDES Permits are being driven by a concern for diminished dissolved oxygen and fish tissue concentration to toxic compounds. Repayment terms on the loan are semi-annual payments due June 13th and December 13th of each year with interest rate of 2.25%.

<u>RECLAIMED WATER REVENUE BONDS 2017:</u>			
<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2022	475,187	200,722	675,909
2023	485,939	189,970	675,909
2024	496,451	179,458	675,909
2025	508,167	167,742	675,909
2026	519,665	156,244	675,909
2027-2031	2,779,731	599,814	3,379,545
2032-2036	3,108,850	270,695	3,379,545
2037	664,662	11,247	675,909
	<u>\$ 9,038,652</u>	<u>\$ 1,775,892</u>	<u>\$ 10,814,544</u>

City of Post Falls

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

NOTE 6: LONG-TERM DEBT (Continued)

Water Revenue Bonds

The City issued \$2,255,000 in revenue bonds with interest rates ranging from 2.0% to 3.5%. The proceeds were used to advance refund \$2,405,655.57 of outstanding DEQ 2005 Bonds. The net proceeds of \$2,666,188.35 (including \$220,250 debt service requirement and after \$40,282.78 in costs of issuance associated with the 2012 bonds) were deposited and distributed accordingly. As a Result, the DEQ 2005 bonds were considered defeased and the liability for those bonds has been removed from the statement of net position.

Presented below is a summary of debt service requirements to maturity by years:

WATER REVENUE REFUNDING BONDS, SERIES 2012:

<u>Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt</u> <u>Service</u>
2022	\$ 195,000	\$ 21,613	\$ 216,613
2023	205,000	14,613	219,613
2024	210,000	7,350	217,350
2025	105,000	1,838	106,838
	<u>\$ 715,000</u>	<u>\$ 45,414</u>	<u>\$ 760,414</u>

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

	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt</u> <u>Service</u>
L.I.D. 2004-1:	5/01/21	5.00	\$ 700,000	\$ 23,334	\$ 723,334
			<u>\$ 700,000</u>	<u>\$ 23,334</u>	<u>\$ 723,334</u>

City of Post Falls

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

NOTE 6: LONG-TERM DEBT (Continued)

Changes in long-term liabilities

The City is fully obligated for the local improvement debt, placing liens against the property owners to ensure payment to the City. The LID Guarantee Fund was established by ordinance to provide additional security for the local improvement district bondholders. This fund is maintained at a level equivalent to 7% of the outstanding LID bonds, excluding LID 2004-1, which has its own debt service reserve. The required balance for this fund at September 30, 2021 is \$0. As of September 30, 2021, \$17,364 is set-aside in this fund.

Changes in governmental activity long-term debt are as follows:

	Balance 10/1/20	<u>Additions</u>	<u>Deletions</u>	Balance 9/30/21
Compensated absences	\$ 921,462	\$ 38,983	\$ 49,987	\$ 910,458
Local imp. bonds payable	1,120,000		420,000	700,000
	<u>\$ 2,041,462</u>	<u>\$ 38,983</u>	<u>\$ 469,987</u>	<u>\$ 1,610,458</u>
	Due in <u>One Year</u>			
Compensated absences	\$ 509,856			
Local imp. bond payable	700,000			
	<u>\$ 1,209,856</u>			

Changes in business-type activity long-term debt are as follows:

	Balance 10/1/20	<u>Additions</u>	<u>Deletions</u>	Balance 9/30/21
Compensated absences	\$ 177,089		1,480	\$ 175,609
Premium on bonds payable	80,090		16,018	64,072
DEQ Loan	9,503,325		464,673	9,038,652
Bonds payable	2,085,000		420,000	1,665,000
	<u>\$ 11,845,504</u>	<u>\$ 0</u>	<u>\$ 900,691</u>	<u>\$ 10,943,333</u>
	Due in <u>One Year</u>			
Compensated absences	\$ 98,341			
Bonds payable	900,187			
	<u>\$ 998,528</u>			

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 7: COMPONENT UNIT DISCLOSURES

As disclosed in Note 1, the Post Falls Urban Renewal Agency 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.

Long-Term Debt

At the end of FY 2021, the Post Falls Urban Renewal Agency has outstanding debt totaling \$1,398,020 for project financing from Washington Trust Bank.

Agency Cash and Investments

Deposit Insurance Corporation up to \$250,000. As of September 30, 2021, the Agency had uninsured balances totaling \$0.

The carrying amount of the Agency’s deposits and investments as of September 30, 2021 is categorized as follows:

Cash and cash equivalents	\$	9,576
Equity in the state investment pool		3,218,810
Amount insured by the FDIC or other agencies		<u>236,901</u>
Total	\$	<u><u>3,465,287</u></u>

State statues authorize the Agency’s investments. The Agency is authorized to invest in U.S. Government obligations and its agencies, obligations of Idaho and it agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, government pools, and money market funds consisting of any of these securities listed. No unauthorized investment transactions were carried out by the Agency during the year.

Investments in 2a7-like pools are valued based upon the value of pool shares. The Agency invests in one 2a7-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. GASB Statement No. 3 requires the Agency to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. The Pool has not been assigned a risk category since the Agency is not issued securities, but rather it owns an undivided beneficial interest in the assets of the Pool. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body nor is any balance insured by the Federal Deposit Insurance Corporation. Financial reports are available from the Idaho State Treasurer’s Office upon request.

City of Post Falls

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

NOTE 7: COMPONENT UNIT DISCLOSURES (Continued)

The balances above that the Agency has in the State Investment Pool are carried at amortized costs, which is permitted pursuant to GASB 31. The Agency's portion of the State Investment Pool had an unrealized gain of \$22,215 as of September 30, 2021, which has not been reflected in the financial statements.

State statues authorize the Agency to invest in 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, government pools, and money market funds consisting of any of these securities listed. No unauthorized investment transactions were carried out by the Agency during the year.

GASB Statement No. 40 requires the Agency to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The short term investment pools are not evidenced by securities that exist in physical or book entry form and accordingly, are not categorized for credit risk.

The Agency's investments have been classified into the following three categories or credit risk:

1. Insured or registered, or securities held by the Agency or its agent in the Agency's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Agency's name.
3. Uninsured and unregistered, with securities held by the counter party or by the counter party's trust department or agent, but not in the Agency's name.

The following schedule classifies the investments of the Agency as of September 30, 2021, in the above categories:

	Category			Carrying Amount
	1	2	3	
Certificated of Deposit	\$ 236,901	-	-	236,901
Total Investments	\$ 236,901	-	-	236,901

Receivables

The following is a schedule of property taxes assessed for the year, collected, and remaining to be received.

<u>Year</u>	Beginning Balance	Assessment Levied	Adjustments & Collections	Ending Balance
2007-2021	\$ 39,068	\$ 5,079,048	\$ (4,965,349)	\$ 152,767

City of Post Falls

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

NOTE 7: COMPONENT UNIT DISCLOSURES (Continued)

In accordance with NCGA Interpretation #3, revenue, which is not received within 60 days of the year-end, has been reflected as unavailable revenue – property taxes. The balance as of September 30, 2021 is as follows:

Taxes Due at September 30, 2021	\$ 152,767
Received October 2021	(7,974)
Received November 2021	(910)
Total	<u>\$ 143,883</u>

Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Office Furniture	\$ 1,714	-	-	\$ 1,714
Less Accumulated Depreciation	<u>1,714</u>	<u>-</u>	<u>-</u>	<u>1,714</u>
Capital Assets, Net	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

Long Term Obligations & Commitments

Watson and Associates (Expo) – During the 2007 fiscal year, the Agency entered into a Settlement Agreement with Watson and Associates for the Expo Urban Renewal District in an amount not to exceed \$4,702,827. Under this Agreement, the Agency will reimburse the cost of infrastructure improvements made within the Expo Urban Renewal District. Seven (7) separate costs submittals totaling \$4365983 have been approved. In March 2014, financing cost reimbursements totally \$96,509 was approved. It is anticipated that as infrastructure improvements are completed, further reimbursement requests will be made. The Agency is only obligated to reimburse Watson and Associates from tax increment revenues of the Agency generated within the district. The Agency receives tax increment revenue and then deducts the amounts necessary to cover administrative costs, fund the district reserve, and pay any district debt. The amount remaining is the reimbursement. Of the total amount the Agency has agreed to reimburse, \$3,548,055 was reimbursed in previous fiscal years and \$463,260 was reimbursed in fiscal year 2021, leaving a balance of \$451,177.

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 7: COMPONENT UNIT DISCLOSURES (Continued)

Copper Basin Construction, Inc(Tullamore) – During the 2008 fiscal year, the Agency entered into an Owner Participation Agreement with Tullamore Properties, LLC. Under this agreement, the Agency will reimburse the cost of infrastructure improvements made within the East Post Falls Urban Renewal District totaling \$2,724,027. During fiscal year 2016 reimbursements totaling \$1,741,887 were approved and added to the obligation. The Agency is only obligated to reimburse Tullamore Properties, LLC if tax increment revenues of the Agency, directly resulting from the project improvements made by Tullamore Properties, LLC are available. The Agency receives increment revenue and then deducts the amounts necessary to cover administrative costs, fund the district reserve, and pay any district debt. The amount remaining is the reimbursement. Of the total amount the Agency has agreed to reimburse, \$4,605,151 was reimbursed in previous fiscal years, and \$1,107,007 was reimbursed in fiscal year 2021, leaving a balance of \$786,802.

Tulamore Commons II, LLC (East Post Falls) – During the 2013 fiscal year, the Agency entered into an Owner Participation Agreement with Tullamore Commons II, LLC. Under this agreement, the Agency will reimburse the cost of infrastructure improvements made within the East Post Falls Urban Renewal District in an amount not to exceed \$325,000. The Agency is only obligated to reimburse Tullamore Commons II, LLC. If tax increment revenues of the Agency, directly resulting from the project improvements made by Tullamore Commons II, LLC are available. The Agency receives increment revenue and then deducts the amounts necessary to cover administrative costs, fund the district reserve, and pay any district debt. The amount remaining is the reimbursement. Of the total amount the Agency has agreed to reimburse, \$153,002 was reimbursed in previous fiscal years, and \$22,163 was reimbursed in fiscal year 2021, leaving a balance of \$149,835.

Pointe Partners, LLC (Center Point) – During the 2013 fiscal year, the Agency entered into an Owner Participation Agreement with The Point, LLC. Under this agreement, the Agency will reimburse the cost of infrastructure improvements made within the Center Point Urban Renewal District. The Agency is only obligated to reimburse The Point, LLC if tax increment revenues of the Agency, directly resulting from the project improvements made by The Point, LLC are available. The Agency receives increment revenue and then deducts the amounts necessary to cover administrative costs, fund the district reserve, and pay any district debt. The amount remaining is the reimbursement. Of the initial reimbursement request totaling \$6,975,760, the amount of \$3,552,954 was approved for payment in fiscal year 2012, with the balance of \$3,422,806 was approved in fiscal year 2013, and \$91,554 was approved in fiscal year 2015 for reimbursement and \$497,313 was approved in fiscal year 2018 and \$573,947 was approved in FY 2021 totaling approved reimbursements of \$8,138,574. Of the total amount the Agency has agreed to reimburse, \$7,547,637 was reimbursed in previous fiscal years, and \$590,937 was reimbursed in fiscal year 2021, leaving a balance of \$56,156.

Beyond Green, Inc. (Post Falls Technology) - The Post Falls Technology District Plan was approved by City Council on October 16,2018. The main focus of the District is a 335 acre Technology Park (Inland NW Tech Park) located on the northwest corner of Highway 41 and Prairie Avenue and a 50 acre Regional Shopping Center (41 Prairie Retail Center) located on the

NOTE 7: COMPONENT UNIT DISCLOSURES (Continued)

northeast corner of Highway 41 and Prairie Avenue. The Agency entered into an Owner Participation and projects slated to begin in the near future, but to date nothing has been built in the Tech Park or Shopping Center.

City of Post Falls

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

In August 2021 the Agency reimburse the proponent for the prepaid cost of \$15,000 for the urban renewal plan as outlined in the OPA.

East Post Falls (EPF) District - On May 20, 2021, the Agency entered into two separate Memorandum of Understandings (MOU's) with the City of Post Falls. One MOUS states that the Agency will reimburse the City for Traffic Signals on Highway 41 totaling \$1,014,711.75. The other MOU is for intersection improvements at Cecil and Poleline and Cecil and Mullan. The City understands the Agency's financial obligations under these Agreements will be satisfied after obligations to proponents within the District have been made including repayment of the Agency's outstanding bonds for the Greensferry Overpass. Upon completion of the Cecil Rd intersection improvements a construction summary and copies of all third-party invoices will be presented the Agency for the reimbursement not to exceed \$1,410,000. At September 30, 2021, previously approved sewer projects totaling \$6.3M had an outstanding balance of \$1,494,209:

East Post Falls District Accrued Contingent Liability

The City of Post Falls entered into an agreement with the Idaho Transportation to share the cost of transportation improvements at State Highway 41 and Poleline Avenue, and Highway 41 and 16th Avenue. These improvements are consistent with transportation improvements set forth in the Agency's approved urban renewal plan for the East Post Falls Urban Renewal District and are designed to facilitate economic growth and improve transportation safety.

On May 20, the Agency entered into a Memorandum of Understanding with the City of Post Falls wherein the Agency agreed subject to specific conditions, to reimburse a portion of the improvement cost using tax increment dollars arising from the East Post Falls District.

The Agency's financial obligation under ths MOU are subject to the full repayment of all of the Agency's existing debt for the construction of the Greensferry overpass and full repayment of all obligations to proponents within the District for reimbursement of approved public improvements.

The Agency's obligation under the MOU are also contingent on the transportation improvements being completed and approved by the City with all costs fully documented and approved by the Agency. Additionally, since the East Post Falls urban renewal district has a finite life, the obligations are also contingent on this process being completed on or before August 31, 2022. The City of Post Falls has acknowledged that any costs or other obligations associated with the transportation improvements which are not documented and provided to the Agency by August 31, 2022 will not be reimbursed and will not be an obligation or liability of the Agency..

Lease - The Agency also leases its office space. The term of the lease is 36 months beginning October 1, 2015 with annual payments of \$7,740. Rent expense for the year ended September 30, 2019 was \$7740. This lease was renewed in September 2018 for three years beginning October 1, 2018 under the same terms.

Revenue Allocation Note - In October 2013, the Post Falls Urban Renewal Agency signed loan documents for a Revenue Allocation Note, Series 2013 (the "Note") in the amount up to \$13,000,000. The Note is subject to a tax exempt rate of 3.10% per annum from the date of the first draw under the Note through September 23, 2018. On September 24, 2018, the annual interest rate was reset to 3.75%. The original terms of the Note were amended on September 18, 2014 wherein the first payment due date was changed to September 1, 2015. The note shall be payable in semi-annual payments, consisting of principal and accrued interest, commencing on

NOTE 7: COMPONENT UNIT DISCLOSURES (Continued)

September 1, 2015, continuing thereafter on the 1st day of each March and September until September 1, 2023. Payment made on March 1 and September 1 will be in the amount of

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

\$469,000 each. The Post Falls Urban Renewal Agency has established and maintains a Reserve Fund in the amount of \$236,901 at Washington Trust Bank pursuant to loan covenants. The loan covenant requires a 10 percent reserve fund.

NOTE 8: DEFICIT FUND EQUITY

The following funds had deficit fund equity at September 30, 2021:

Fund	Deficit
Debt Service:	
LID99-1	\$ 30,980
LID 2004	17,288

Management is aware of this deficit and is taking appropriate action.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Commitments – The City is currently working on a few reclaimed water, parks and street projects. The first and largest project is the reclaimed water facility plan. In parks, rebuilding a major hiking/walking trail along Hwy.41, the continuation of a cemetery expansion, and beginning to update the Water Master Plan, Wastewater Master Plan, Impact Fees, and the Comprehensive Plan.

Litigation – The City is a party to legal actions arising in the ordinary course of its business. In management’s opinion, the City has adequate legal defenses and/or insurance coverage relative to each of these actions. Management does not believe any other actions will materially affect the City’s operations or financial position.

Intergovernmental Grants – The City has received several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to request for reimbursement 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.

City of Post Falls

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

NOTE 10: DEFERRED COMPENSATION PLANS

Employees of the City may elect to participate in a Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, retirement or unforeseeable emergency.

As per GASB Statement No. 32, the City does not list this plan on its Financial Statements.

NOTE 11: TRANSFERS

The composition of inter-fund transfers as of September 30, 2021, is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,010,390	\$ 530,334
Capital Fund	430,558	34,461
Nonmajor Governmental Funds	54,467	150
Enterprise Funds	79,920	2,010,390
Totals	<u>\$ 2,575,335</u>	<u>\$ 2,575,335</u>

The principal purposes for the transfer of funds from the Enterprise funds to the General fund to cover the administration costs of operating the City's utility division (water, reclaimed water, and sanitation). The principal purpose of the transfer of funds from General fund to the Enterprise funds was to cover the lease costs of the street and fleet shop housed at the water reclamation plant. The principal purpose for the transfer of funds from the Capital fund to the General fund was to establish a reserve for land acquisitions. The principal purpose for the transfer of funds from the Nonmajor governmental funds to the General fund is to cover the administrative costs of the Street Light fund and cover the administrative costs of the 911 Support fund.

NOTE 12: PRIOR PERIOD ADJUSTMENT

During the fiscal year ended September 30, 2021, the City discovered a financial statement error that caused the overstatement of the September 30, 2020 net position and an overstatement of revenues in the financial statements for the sewer fund, in the amount of \$416,531. The error occurred due to the overstatement of unbilled receivables.

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 13: INTERFUND RECEIVABLES/PAYABLES

The composition of inter-fund balances as of September 30, 2021 is as follows:

	Receivable	Payable
Nonmajor Governmental Funds	-	\$ 131,240
Enterprise Funds	\$ 131,240	-
Totals	<u>\$ 131,240</u>	<u>\$ 131,240</u>

The current purposes for the inter-fund/payables in the City is or borrowing from other funds. The 911 Support Fund owes \$131,240 Water Fund for construction of a wireless communication tower in 2016 that will be paid over the next five to ten years.

City of Post Falls

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

NOTE 14: RISK MANAGEMENT

The City faces a considerable number of risks of loss, including: a) damage to and loss of property and contents, b) employee torts, c) professional liability, i.e., errors and omissions, d) environmental damage, e) workers' compensation, i.e., employee injuries, and f) medical insurance costs of employees. A variety of methods are used to provide insurance for these risks.

The only area they do not have insurance coverage for is environmental damage. This is due to lack of available coverage. During the last three years, the City has not had a claim in excess of insurance coverage. Therefore, there have been no outstanding claims at the end of those three years.

The first method the City provides is participation in a risk management program called the Idaho Counties Reciprocal Management Program (ICRMP). ICRMP is an insurance pool which serves all public entities in Idaho through provision of property, general liability (employee torts), auto liability and physical damages, and public officials' insurance (errors and omissions). ICRMP provides loss prevention training to enable its subscribers to minimize their exposure to loss through implementation of proper policies and procedures.

The costs of these insurance premiums are charged to the Comprehensive Liability Insurance fund for governmental fund operations and enterprise funds for proprietary fund operations. The Comprehensive Liability Insurance fund has the power to levy an annual property tax to provide for 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 would increase the employee ratings where the use was excessive, causing the rates to increase for the following year.

In the past, the City has received refunds on a regular basis. The premiums for this program are budgeted directly through each department.

Last the City provides various types of employee insurance. The City has chosen to not be self-insured in this area. The City provides a benefit amount to each eligible employee. This benefit amount can be used towards the purchase of eligible insurance premiums, dictated by Internal Revenue Service codes. Currently, the City makes available for the employee to purchase medical, dental, life, and some supplemental insurance. Any insurance premiums not covered by this benefit amount are taken from the employee's wages. Excessive use of these insurance programs would be reflected in increased premiums in the following year. The benefit amount paid by the City is budgeted directly through each department.

City of Post Falls

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

NOTE 15: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,610,458 difference are as follows:

Bonds payable	\$	700,000
Compensated absences		910,458
 <i>Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities</i>		 \$ 1,610,458

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains the “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and report as depreciation expense.” The details of this \$(556,269) are as follows:

Capital outlay	\$	3,147,081
Depreciation		(3,703,350)
 <i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>		 \$ (556,269)

City of Post Falls

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

**NOTE 15: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)**

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” The details of this \$4,518,428 difference are as follows:

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>\$ 4,518,428</u>
---	---------------------

<i>Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ 4,518,428</u></u>
---	----------------------------

Another element of that reconciliation states that “Some revenues in the statement of activities do not provide current financial resources and are not reported as revenue in the funds. The details of this \$52,328 difference are as follows:

Property taxes	\$ 27,845
Special assessment debt issued and repaid	<u>24,483</u>

<i>Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ 52,328</u></u>
---	-------------------------

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(454,337) difference are as follows:

Debt issued or incurred:	
Compensated absences	\$ (11,004)
Principal repayments:	
Special assessment debt	(420,000)
Accrued interest payable	<u>(23,333)</u>

<i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ (454,337)</u></u>
---	----------------------------

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

**NOTE 15: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)**

The net pension effect related to the pension expense recognized for the year. \$ 1,306,494

NOTE 16: RECONCILIATION OF INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

Governmental Activities:

Capital assets, net of depreciation	\$ 82,211,357
Local improvement bonds payable	(700,000)
Net investment in capital assets	<u>\$ 81,511,357</u>

Business-Type Activities:

Capital assets, net of depreciation	\$ 132,962,871
Idaho Department of Environmental Quality Bond	(9,038,652)
Reclaimed water bonds payable	(950,000)
Water bonds payable	(715,000)
Premium on bond	<u>(64,072)</u>

Net investment in capital assets \$ 122,195,147

NOTE 17: SUBSEQUENT EVENT

The City has evaluated its September 30, 2021 financial statements for subsequent events through the date the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the City's operations and cash flows. The potential impact to the City is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

The following schedule is a budgetary comparison schedule for the General Fund.

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted at a legal appropriation level while on a GAAP budgetary basis.

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual**

**Major Governmental Funds
(required supplementary information)**

General Fund

**City of Post Falls
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 13,414,826	\$ 13,414,826	\$ 13,696,049	\$ 281,223
Intergovernmental	5,200,317	5,975,317	12,299,796	6,324,479
Charges for services	3,011,725	3,011,725	5,371,148	2,359,423
Other revenue	281,295	281,295	487,343	206,048
Interest	245,000	245,000	(84,864)	(329,864)
Total revenues	<u>22,153,163</u>	<u>22,928,163</u>	<u>31,769,472</u>	<u>8,841,309</u>
Expenditures				
Current:				
General government	9,212,814	8,648,916	8,270,565	378,351
Public safety	7,490,056	8,012,196	7,637,489	374,707
Highways and public works	4,029,714	4,442,670	4,181,491	261,179
Culture and recreation	2,776,674	3,045,507	2,962,814	82,693
Capital outlay	1,891,845	3,191,433	1,337,373	1,854,060
Debt service				
Total expenditures	<u>25,401,103</u>	<u>27,340,722</u>	<u>24,389,732</u>	<u>2,950,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,247,940)</u>	<u>(4,412,559)</u>	<u>7,379,740</u>	<u>11,792,299</u>
Other financing sources (uses)				
Transfers in	2,010,390	2,010,390	2,010,390	
Transfers out	(704,920)	(704,920)	(530,334)	174,586
Total other financing sources (uses)	<u>1,305,470</u>	<u>1,305,470</u>	<u>1,480,056</u>	<u>174,586</u>
Net changes in fund balance	(1,942,470)	(3,107,089)	8,859,796	11,966,885
Fund balances - beginning	<u>29,462,232</u>	<u>29,462,232</u>	<u>29,462,232</u>	
Fund balances - ending	<u>\$ 27,519,762</u>	<u>\$ 26,355,143</u>	<u>\$ 38,322,028</u>	<u>\$ 11,966,885</u>

**Schedule of Employer's Share of
Net Pension Liability**

(required supplementary information)

City of Post Falls
Schedule of Employer's Share of Net Pension Liability
For the Year Ended September 30, 2021
PERSI - Base Plan
Last 10 - Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability.	0.3248815%	0.3158156%	0.3024775%	0.3047801%	0.2942458%	0.2940635%	0.2854469%
Employer's proportionate share of the net pension liability.	\$-256,585	\$ 7,333,656	\$ 3,452,696	\$ 4,495,560	\$ 4,625,039	\$ 5,961,119	\$ 3,758,871
Employer's covered payroll.	12,180,906	11,516,715	10,431,018	9,771,522	9,051,120	8,605,857	8,100,621
Employer's proportionate share of the net pension liability as a percentage of covered payroll.	-2.11%	63.68%	33.10%	46.01%	51.10%	69.27%	46.40%
Plan fiduciary net position as a percentage of the total pension liability.	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

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

** Date reported in measured as of June 30, 2021 (measurement date)

The notes to the financial statements are an integral part of the statement.

**Schedule of Employer
Contributions**

(required supplementary information)

**City of Post Falls
Schedule of Employer Contributions
For the Year Ended September 30, 2021
PERSI - Base Plan
Last 10 - Fiscal Years***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution.	\$ 1,282,726	\$ 1,239,074	\$ 1,157,401	\$ 1,183,588	\$ 992,233	\$ 874,140	\$ 933,702
Contributions in relation to the statutorily required contribution.	<u>(1,465,058)</u>	<u>(1,360,022)</u>	<u>(1,179,907)</u>	<u>(1,125,063)</u>	<u>(1,048,596)</u>	<u>(982,273)</u>	<u>(957,989)</u>
Contribution deficiency (excess).	<u>(182,332)</u>	<u>(120,948)</u>	<u>(22,506)</u>	<u>58,525</u>	<u>(56,363)</u>	<u>(108,133)</u>	<u>(24,287)</u>
Employer's covered-employee payroll.	\$ 12,180,906	\$ 11,516,715	\$ 10,431,018	\$ 9,771,522	\$ 9,051,120	\$ 8,605,857	\$ 8,100,621
Contributions as a percentage of covered employee payroll.	12.03%	11.81%	11.31%	11.51%	11.59%	11.41%	11.83%

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

** Date reported in measured as of June 30, 2021

The notes to the financial statements are an integral part of this statement.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Cemetery Perpetual Care - accounts for revenue received from cemetery lot sales used to maintain and expand cemetery capital expenditures.

HUD Loan Fund - accounts for loans made to low-income citizens requiring assistance in connecting to the City sewer systems along with other community enhancement projects.

Falls Park Signs - accounts for revenues and expenditures on special Falls Park projects funded by donations.

Special Events - accounts for tourism and community-oriented events that are self-supporting.

Street Lights - accounts for the component of City utilities that were billed out monthly to pay for the cost of lighting the City's streets.

911 Support - accounts for the capital investment in the City's 911 Center with money collected by the County from each resident's phone bill.

Drug Seizure – accounts for monies acquired during drug seizure activities.

Debt Service Funds

The debt service funds are used to account for the accumulation of resources and payment of special assessment bond principal and interest from special assessment levies.

LID 99-1 - accounts for the accumulation of resources and payment of special assessment bond principal and interest from special assessment levies.

LID Guarantee – accounts for additional security for the LID bonds. This fund is established by ordinance.

**City of Post Falls
Combining Balance Sheet
Nonmajor Government Funds
September 30, 2021**

	<u>Special Revenue Funds</u>					<u>Debt Service Funds</u>		Total Other Governmental Funds
	Cemetery Perpetual Care	Special Events	Street Lights	911 Support	Drug Seizure	LID 99-1	LID Guarantee	
Assets								
Cash	\$ 243,894	\$ 237,659	\$ 128,536	\$ 1,861,452	\$ 35,245		\$ 17,364	\$ 2,524,150
Accounts receivable:								
Miscellaneous				38,437				38,437
Customers			64					64
Restricted current assets:								
Cash and cash equivalents					105,566			105,566
Total assets	<u>\$ 243,894</u>	<u>\$ 237,659</u>	<u>\$ 128,600</u>	<u>\$ 1,899,889</u>	<u>\$ 140,811</u>	<u>\$ -</u>	<u>\$ 17,364</u>	<u>\$ 2,668,217</u>
Liabilities								
Accounts payable	\$ (5)	\$ 40		\$ 55,530	\$ 5,373			\$ 60,938
Due to other funds						\$ 30,980		30,980
Interfund payable				131,240				131,240
Accrued payroll and fringe benefits				8,549				8,549
Restricted customer deposits					105,566			105,566
Total liabilities	<u>(5)</u>	<u>40</u>		<u>195,319</u>	<u>110,939</u>	<u>30,980</u>		<u>337,273</u>
Deferred Inflows of Resources								
Total deferred inflows of resources								
Fund Balance								
Restricted:								
Special revenue projects	68,900	55,089	\$ 565	402,363	(7,875)			519,042
Special assessment debt						(17,364)	\$ 17,364	
Unassigned	174,999	185,415	128,035	1,302,207	37,747	(13,616)		1,814,787
Total fund balance	<u>243,899</u>	<u>240,504</u>	<u>128,600</u>	<u>1,704,570</u>	<u>29,872</u>	<u>(30,980)</u>	<u>17,364</u>	<u>2,333,829</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 243,894</u>	<u>\$ 240,544</u>	<u>\$ 128,600</u>	<u>\$ 1,899,889</u>	<u>\$ 140,811</u>	<u>\$ -</u>	<u>\$ 17,364</u>	<u>\$ 2,671,102</u>
Balance sheet out of balance by:		(2,885)						(2,885)

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual
Nonmajor Governmental Funds**

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Cemetery Perpetual Care - accounts for revenue received from cemetery lot sales used to maintain and expand cemetery capital expenditures.

HUD Loan Fund - accounts for loans made to low-income citizens requiring assistance in connecting to the City sewer systems along with other community enhancement projects.

Falls Park Signs - accounts for revenues and expenditures on special Falls Park projects funded by donations.

Special Events - accounts for tourism and community-oriented events that are self-supporting.

Street Lights - accounts for the component of City utilities that were billed out monthly to pay for the cost of lighting the City's streets.

911 Support - accounts for the capital investment in the City's 911 Center with money collected by the County from each resident's phone bill.

Drug Seizure – accounts for monies acquired during drug seizure activities.

Debt Service Funds

The debt service funds are used to account for the accumulation of resources and payment of special assessment bond principal and interest from special assessment levies.

LID 99-1 - accounts for the accumulation of resources and payment of special assessment bond principal and interest from special assessment levies.

LID Guarantee – accounts for additional security for the LID bonds. This fund is established by ordinance.

City of Post Falls
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Government Funds
For the fiscal year ended September 30, 2021

	Special Revenue Funds					Debt Service Funds		Total Other Governmental Funds
	Cemetery Perpetual Care	Special Events	Street Lights	911 Support	Drug Seizure	LID 99-1	LID Guarantee	
Revenues:								
Intergovernmental					\$ 19,699			\$ 19,699
Charges-services/program remittances		\$ 41,572		\$ 512,125				553,697
Other revenue	\$ 75,025	13,750		13,825	31,548			134,148
Interest	1,068	979	\$ 565	8,392	624		\$ 83	11,711
Total revenues	<u>76,093</u>	<u>56,301</u>	<u>565</u>	<u>534,342</u>	<u>51,871</u>		<u>83</u>	<u>719,255</u>
Expenditures:								
Current:								
General government						\$ 2,885		2,885
Public safety				154,517	59,746			214,263
Culture and recreation		21,068						21,068
Capital outlay	7,193			7,000				14,193
Debt service:								
Interest				4,922				4,922
Total expenditures	<u>7,193</u>	<u>21,068</u>		<u>166,439</u>	<u>59,746</u>	<u>2,885</u>		<u>257,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>68,900</u>	<u>35,233</u>	<u>565</u>	<u>367,903</u>	<u>(7,875)</u>	<u>(2,885)</u>	<u>83</u>	<u>461,924</u>
Other financing sources (uses):								
Transfers in		19,856		34,461			150	54,467
Transfers out							(150)	(150)
Total other financing sources (uses)		<u>19,856</u>		<u>34,461</u>				<u>54,317</u>
Net change in fund balance	68,900	55,089	565	402,364	(7,875)	(2,885)	83	516,241
Fund balance - beginning	<u>174,999</u>	<u>182,530</u>	<u>128,035</u>	<u>1,302,206</u>	<u>37,747</u>	<u>(28,095)</u>	<u>17,281</u>	<u>1,814,703</u>
Fund balance - ending	<u>\$ 243,899</u>	<u>\$ 237,619</u>	<u>\$ 128,600</u>	<u>\$ 1,704,570</u>	<u>\$ 29,872</u>	<u>\$ (30,980)</u>	<u>\$ 17,364</u>	<u>\$ 2,330,944</u>
Funds do not reconcile by:		2,885						2,885

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual**

Major Governmental Funds

LID 2004-1 - accounts for the accumulation of resources and payment of special assessment bond principal and interest from special assessment levies.

CAPITAL FUND - accounts for money restricted for capital improvements to be made to streets, parks, public safety, and general government.

**City of Post Falls
Debt Service Fund
LID 2004-1
Statement of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Principal	\$ 116,000	\$ 116,000	\$ 33,538	\$ (82,462)
Interest	12,000	12,000	3,418	(8,582)
Total revenues	<u>128,000</u>	<u>128,000</u>	<u>36,956</u>	<u>(91,044)</u>
Expenditures				
Current:				
General government			20	(20)
Debt service				
Principal	500,000	500,000	420,000	80,000
Interest	28,000	28,000	21,000	7,000
Total expenditures	<u>528,000</u>	<u>528,000</u>	<u>441,020</u>	<u>86,980</u>
Net change in fund balance	(400,000)	(400,000)	(404,064)	(4,064)
Fund balance - beginning	<u>386,776</u>	<u>386,776</u>	<u>386,776</u>	
Fund balance - ending	<u>\$ (13,224)</u>	<u>\$ (13,224)</u>	<u>\$ (17,288)</u>	<u>\$ (4,064)</u>

**City of Post Falls
Capital Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$		\$ 1,049,736	\$ 1,049,736
Charges for services	1,250,000	1,250,000	3,045,364	1,795,364
Interest	65,000	65,000	(80,899)	(145,899)
Total revenues	<u>1,315,000</u>	<u>1,315,000</u>	<u>4,014,201</u>	<u>2,699,201</u>
Expenditures				
Current:				
General government	5,562,888	5,562,888	12,445	5,550,443
Capital outlay	6,784,025	6,784,025	1,804,816	4,979,209
Debt service				
Total expenditures	<u>12,346,913</u>	<u>12,346,913</u>	<u>1,817,261</u>	<u>10,529,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,031,913)</u>	<u>(11,031,913)</u>	<u>2,196,940</u>	<u>13,228,853</u>
Other financing sources (uses)				
Transfers in	625,000	625,000	430,558	(194,442)
Transfers out	(34,461)	(34,461)	(34,461)	
Total other financing sources (uses)	<u>590,539</u>	<u>590,539</u>	<u>396,097</u>	<u>(194,442)</u>
Net change in fund balance	(10,441,374)	(10,441,374)	2,593,037	13,034,411
Fund balance - beginning	<u>12,875,377</u>	<u>12,875,377</u>	<u>12,875,377</u>	
Fund balance - ending	<u>\$ 2,434,003</u>	<u>\$ 2,434,003</u>	<u>\$ 15,468,414</u>	<u>\$ 13,034,411</u>

City of Post Falls
Cemetery Perpetual Care Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2021

	2021		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Other revenue	\$ 27,500	\$ 75,025	\$ 47,525
Interest	-	1,068	1,068
Total revenues	<u>27,500</u>	<u>76,093</u>	<u>48,593</u>
Expenditures:			
General government	40,000	-	40,000
Capital outlay	-	7,193	(7,193)
Total expenditures	<u>40,000</u>	<u>7,193</u>	<u>32,807</u>
Net change in fund balance	(12,500)	68,900	81,400
Fund balance - beginning	<u>174,999</u>	<u>174,999</u>	<u>-</u>
Fund balance - ending	<u>\$ 162,499</u>	<u>\$ 243,899</u>	<u>\$ 81,400</u>

City of Post Falls
Special Events Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2021

	2021		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Charges for services	\$ 39,498	\$ 41,572	\$ 2,074
Other revenue	6,750	13,750	7,000
Interest	-	979	979
Total revenues	<u>46,248</u>	<u>56,301</u>	<u>10,053</u>
Expenditures:			
Culture and recreation	46,248	21,068	25,180
Total expenditures	<u>46,248</u>	<u>21,068</u>	<u>25,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>35,233</u>	<u>35,233</u>
Other financing sources (uses):			
Transfers in	-	19,856	19,856
Total other financing sources (uses)	<u>-</u>	<u>19,856</u>	<u>19,856</u>
Net change in fund balance	-	55,089	55,089
Fund balance - beginning	182,530	182,530	-
Fund balance - ending	<u>\$ 182,530</u>	<u>\$ 237,619</u>	<u>\$ 55,089</u>

**City of Post Falls
Street Lights Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2021**

	2021		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Interest	\$ -	\$ 565	\$ 565
Total revenues	<u>-</u>	<u>565</u>	<u>565</u>
Net change in fund balance	-	565	565
Fund balance - beginning	<u>128,035</u>	<u>128,035</u>	<u>-</u>
Fund balance - ending	<u>\$ 128,035</u>	<u>\$ 128,600</u>	<u>\$ 565</u>

City of Post Falls
911 Support Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2021

	2021		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Charges for services	\$ 371,559	\$ 512,125	\$ 140,566
Other revenue	121,639	13,825	(107,814)
Interest	10,000	8,392	(1,608)
Total revenues	<u>503,198</u>	<u>534,342</u>	<u>31,144</u>
Expenditures:			
Public safety	613,752	154,517	459,235
Capital outlay	329,746	7,000	322,746
E_Interest	39,700	4,922	34,778
Total expenditures	<u>983,198</u>	<u>166,439</u>	<u>816,759</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(480,000)</u>	<u>367,903</u>	<u>847,903</u>
Other financing sources (uses):			
Transfers in	34,461	34,461	-
Total other financing sources (uses)	<u>34,461</u>	<u>34,461</u>	<u>-</u>
Net change in fund balance	(445,539)	402,364	847,903
Fund balance - beginning	<u>1,302,206</u>	<u>1,302,206</u>	<u>-</u>
Fund balance - ending	<u>\$ 856,667</u>	<u>\$ 1,704,570</u>	<u>\$ 847,903</u>

City of Post Falls
Drug Seizure Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2021

	2021		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Intergovernmental	\$ -	\$ 19,699	\$ 19,699
Other revenue	60,000	31,548	(28,452)
Interest	-	624	624
Total revenues	<u>60,000</u>	<u>51,871</u>	<u>(8,129)</u>
Expenditures:			
Public safety	60,000	59,746	254
Total expenditures	<u>60,000</u>	<u>59,746</u>	<u>254</u>
Net change in fund balance	-	(7,875)	(7,875)
Fund balance - beginning	<u>37,747</u>	<u>37,747</u>	-
Fund balance - ending	<u>\$ 37,747</u>	<u>\$ 29,872</u>	<u>\$ (7,875)</u>

**City of Post Falls
LID 99-1 Debt Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2021**

	2021		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Expenditures:			
Current:			
General government		\$ 2,885	\$ (2,885)
Debt service			
Total expenditures		<u>2,885</u>	<u>(2,885)</u>
Net change in fund balance		(2,885)	(2,885)
Fund balance - beginning	<u>(28,095)</u>	<u>(28,095)</u>	
Fund balance - ending	<u>\$ (28,095)</u>	<u>\$ (30,980)</u>	<u>\$ (2,885)</u>

**City of Post Falls
LID Guarantee Debt Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
For the Year Ended September 30, 2021**

	2021		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Interest		\$ 83	\$ 83
Total revenues		83	83
Other financing sources (uses):			
Transfers in	\$ 150	150	
Transfers out	(150)	(150)	
Total other financing sources (uses)			
Net change in fund balance		83	83
Fund balance - beginning	17,281	17,281	
Fund balance - ending	\$ 17,281	\$ 17,364	\$ 83



Statistical Section



Staff is always excited to get in the holiday spirit, whether it's dressing up for Halloween or creating a winter wonderland for Winterfest.

Statistical Section

Financial Trends Information

Financial trends schedules are intended to provide users with information to assist them in understanding and assessing how the City's financial position has changed over time.

Table 1 Net position by components	99
Table 2 Changes in net position	100
Table 3 Governmental activities tax revenues by sources	102
Table 4 Changes in fund balances, government funds	103
Table 5 Changes in fund balances of governmental fund	104

Revenue Capacity Information

Financial trends schedules are intended to provide users with information to assist them in understanding and assessing how the City's financial position has changed over time.

Table 6 General government tax revenues by sources	105
Table 7 Assessed value and estimated actual values of taxable property	106
Table 8 Property tax rates – direct and overlapping governments	107
Table 9 Principal property taxpayers	108
Table 10 Property tax levies and collections	109

Debt Capacity Information

Debt capacity information is intended to assist users to understand and assess the City's current levels of outstanding debt and ability to issue additional debt in the future.

Table 11 Ratio of outstanding debt by type	110
Table 12 Ratio of general bonded debt outstanding	111
Table 13 Direct and overlapping governmental activities debt	112
Table 14 Legal debt margin information	113
Table 15 Pledged-revenue bond coverage-reclaimed water fund	114
Table 16 Pledged-revenue bond coverage-water fund	115
Table 17 Pledged-revenue bond coverage-special assessments	116

Demographic and Economic Information

These schedules offer demographic and economic information to assist users in understanding certain aspects of the environment within which the City operates and to provide information that facilitates comparisons of financial statement information over time and across governmental units.

Table 18 Demographic and economic statistics	117
Table 19 Principal employers	118

Operating Information

These schedules contain service and infrastructure data to help users understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Table 20 Full-time equivalent town government employees by function	119
Table 21 Operating indicators by function	120
Table 22 Capital asset statistics by function	121
Table 23 Statistical information – water fund	122
Table 24 Statistical information – reclaimed water fund	123
Table 25 Ten largest water customers...	124
Table 26 Ten largest reclaimed water customers	125
Table 27 Insurance schedule	126

Table #1

**City of Post Falls
Net Position By Components
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year									
	2012	2013	2014 (*)	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 51,656,401	\$ 55,794,197	\$ 55,949,062	\$ 57,104,396	\$ 59,777,448	\$ 63,752,894	\$ 68,773,638	\$ 75,024,036	\$ 77,129,198	\$ 81,511,357
Restricted	4,581,294	5,322,972	5,979,420	6,541,874	8,410,596	9,127,103	8,580,329	10,867,837	13,774,649	22,614,996
Unrestricted	14,833,773	12,689,355	13,962,539	11,884,616	14,764,439	17,055,401	19,739,160	22,917,117	25,255,061	29,268,229
Total governmental activities net position	\$ 71,071,468	\$ 73,806,524	\$ 75,891,021	\$ 75,530,886	\$ 82,952,483	\$ 89,935,398	\$ 97,093,127	\$ 108,808,990	\$ 116,158,908	\$ 133,394,582
Business-type activities:										
Net investment in capital assets	\$ 69,909,303	\$ 70,423,309	\$ 71,501,031	\$ 73,700,678	\$ 82,999,908	\$ 85,068,308	\$ 86,658,524	\$ 92,346,968	\$ 99,280,812	\$ 122,195,147
Restricted	16,889,219	19,012,094	21,400,534	24,615,196	26,971,504	32,480,908	39,127,957	45,918,882	53,585,272	60,880,522
Unrestricted	16,862,151	18,698,221	20,028,840	22,090,622	21,496,883	24,420,221	28,772,478	35,691,033	40,344,818	32,864,105
Total business-type activities net position	\$ 103,660,673	\$ 108,133,624	\$ 112,930,405	\$ 120,406,496	\$ 131,468,295	\$ 141,969,437	\$ 154,558,959	\$ 173,956,883	\$ 193,210,902	\$ 215,939,774
Primary government										
Net investment in capital assets	\$ 121,565,704	\$ 126,217,506	\$ 127,450,093	\$ 130,805,074	\$ 142,777,356	\$ 148,821,202	\$ 155,432,162	\$ 167,371,004	\$ 176,410,010	\$ 203,706,504
Restricted	21,470,513	24,335,066	27,379,954	31,157,070	35,382,100	41,608,011	47,708,286	56,786,719	67,359,921	83,495,518
Unrestricted	31,695,924	31,387,576	33,991,379	33,975,238	36,261,322	41,475,622	48,511,638	58,608,150	65,599,879	62,132,334
Total primary government net position	\$ 174,732,141	\$ 181,940,148	\$ 188,821,426	\$ 195,937,382	\$ 214,420,778	\$ 231,904,835	\$ 251,652,086	\$ 282,765,873	\$ 309,369,810	\$ 349,334,356

**City of Post Falls
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2012 (*)	2013 (*)	2014 (*)	2015 (*)	2016 (*)	2017 (*)	2018 (*)	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 4,934,403	\$ 5,357,269	\$ 5,243,100	\$ 5,308,266	\$ 5,329,285	\$ 6,336,780	\$ 6,921,961	\$ 7,473,377	\$ 9,404,815	\$ 7,465,327
Public safety	5,480,365	5,691,276	5,985,540	6,319,746	6,426,096	6,808,217	6,808,754	7,647,031	8,122,866	8,437,213
Highways and public works	3,795,333	3,878,422	3,869,930	3,911,463	4,205,220	4,562,035	4,895,812	5,100,089	5,739,041	6,375,742
Cultural and recreation	1,717,205	1,751,145	1,798,034	2,046,169	2,128,314	2,308,641	2,376,302	2,763,303	3,090,477	3,410,611
Interest on long term debt	322,596	197,187	137,296	140,031	108,825	52,040	35,558	29,094	29,049	2,588
Total governmental activities expenses	16,249,902	16,875,299	17,033,900	17,725,675	18,197,740	20,067,713	21,038,387	23,012,894	26,386,248	25,691,481
Business-type activities:										
Water	1,464,224	1,591,485	1,508,132	1,445,501	1,519,132	1,598,994	1,627,378	1,708,614	1,994,533	1,967,634
Reclaimed Water	3,387,658	3,733,341	3,663,184	3,664,041	4,038,968	4,253,783	4,741,739	4,788,808	5,749,970	5,722,414
Sanitation	1,647,114	1,759,914	1,878,746	1,952,196	1,966,222	2,134,098	2,334,610	2,607,409	2,857,817	3,169,065
Total business-type activities expenses	6,498,996	7,084,740	7,050,062	7,061,738	7,524,322	7,986,875	8,703,727	9,104,831	10,602,320	10,859,113
Total primary government expenses	\$ 22,748,898	\$ 23,960,039	\$ 24,083,962	\$ 24,787,413	\$ 25,722,062	\$ 28,054,588	\$ 29,742,114	\$ 32,117,725	\$ 36,988,568	\$ 36,550,594
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,354,409	\$ 1,731,925	\$ 1,484,917	\$ 2,688,266	\$ 3,986,484	\$ 3,626,508	\$ 4,514,537	\$ 5,854,340	\$ 5,609,999	\$ 7,248,155
Public safety	384,853	681,988	686,542	816,362	1,125,348	858,741	973,012	1,340,696	1,420,787	1,277,289
Highways and public works	236,362	984,488	235,115	1,898	26,612	3,486	13,145	632	10,373	941
Cultural and recreation	801,510	887,040	768,994	1,115,780	1,707,998	1,734,784	1,759,358	2,504,975	2,640,641	2,323,939
Operating grants and contributions	2,473,455	536,096	1,121,500	948,524	1,110,119	478,166	838,194	870,451	593,883	5,367,248
Capital grants and contributions	2,375,607	1,084,241	1,042,294	1,325,403	2,623,618	4,104,434	2,956,528	4,470,104	2,930,761	4,604,455
Total governmental activities program revenues	7,626,196	5,905,778	5,339,362	6,896,233	10,580,179	10,806,119	11,054,774	15,041,198	13,206,444	20,822,027
Business-type activities:										
Charges for services:										
Water	2,374,588	2,595,523	2,636,527	3,118,366	3,017,584	3,098,184	3,420,877	3,422,511	3,501,878	4,410,777
Reclaimed Water	5,368,506	5,571,994	6,424,275	7,650,826	8,597,718	9,696,490	10,894,587	12,958,873	13,624,453	19,302,546
Sanitation	2,036,475	2,172,214	2,309,538	2,393,561	2,409,124	2,613,423	2,761,741	2,910,970	3,061,671	3,376,506
Capital grants and contributions	1,683,866	2,184,364	1,398,432	2,761,625	5,465,175	4,710,856	5,311,226	8,713,016	9,860,635	8,401,748
Total business-type activities program revenues	11,463,435	12,524,095	12,768,772	15,924,378	19,489,601	20,118,953	22,388,431	28,005,370	30,048,637	35,491,577
Total primary government program revenues	\$ 19,089,631	\$ 18,429,873	\$ 18,108,134	\$ 22,820,611	\$ 30,069,780	\$ 30,925,072	\$ 33,443,205	\$ 43,046,568	\$ 43,255,081	\$ 56,313,604

(*) The prior years amounts were note restated with GASB 68 implementation.

**Table #2
(Continued)**

**City of Post Falls
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2012 (*)	2013 (*)	2014 (*)	2015 (*)	2016 (*)	2017 (*)	2018 (*)	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	(8,623,706)	(10,969,521)	(11,694,538)	(10,829,442)	(7,617,561)	(9,261,594)	(9,983,613)	(7,971,696)	(13,179,804)	(4,869,454)
Business-type activities	4,964,439	5,439,355	5,718,710	8,862,640	11,965,279	12,132,078	13,684,704	18,900,539	19,446,317	19,763,010
Total primary government net (expense)/revenue	\$ (3,659,267)	\$ (5,530,166)	\$ (5,975,828)	\$ (1,966,802)	\$ 4,347,718	\$ 2,870,484	\$ 3,701,091	\$ 10,928,843	\$ 6,266,513	\$ 14,893,556
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	8,609,294	8,863,691	8,878,092	9,519,735	9,530,731	10,072,449	10,743,680	11,433,684	12,080,133	13,057,484
Other taxes and licenses	3,384,489	3,634,693	3,583,611	3,605,032	4,075,023	4,252,949	4,570,089	4,928,664	5,563,600	7,258,753
Unrestricted intergovernmental revenues										
Grants and contributions not restricted to specific programs										
Unrestricted investment earnings	334,228	175,192	188,504	276,560	212,953	358,483	31,279	1,574,964	984,347	-150,634
Gains (losses) on sale of capital assets		(161,247)	6,319	7,038	11,021	(321,300)	99,665	(76,563)	-33,717	9,055
Transfers	1,078,899	1,192,248	1,122,509	1,191,003	1,209,430	14,362,581	1,696,630	1,826,809	1,935,359	1,930,470
Total governmental activities	13,406,910	13,704,577	13,779,035	14,599,368	15,039,158	28,725,162	17,141,343	19,687,558	20,529,722	22,105,128
Business-type activities:										
Unrestricted investment earnings	253,205	225,844	200,580	303,190	305,950	250,992	601,448	2,324,194	1,743,061	26,878
Gains (losses) on sale of capital assets										
Transfers	(1,078,899)	(1,192,248)	(1,122,509)	(1,191,003)	(1,209,430)	250,992	-1,696,630	-1,826,809	-1,935,359	-1,930,470
Total business-type activities	(825,694)	(966,404)	(921,929)	(887,813)	(903,480)	501,984	(1,095,182)	497,385	(192,298)	(1,903,592)
Total primary government	\$ 12,581,216	\$ 12,738,173	\$ 12,857,106	\$ 13,711,555	\$ 14,135,678	\$ 29,227,146	\$ 16,046,161	\$ 20,184,943	\$ 20,337,424	\$ 20,201,536
Changes in Net Position										
Governmental activities	\$ 4,783,204	\$ 2,735,056	\$ 2,084,497	\$ 3,769,926	\$ 7,421,597	\$ 19,463,568	\$ 7,157,730	\$ 11,715,862	\$ 7,349,918	\$ 11,715,862
Business-type activities	4,138,745	4,472,951	4,796,781	7,974,827	11,061,799	12,634,062	12,589,522	19,397,924	19,254,019	19,397,924
Total primary government	\$ 8,921,949	\$ 7,208,007	\$ 6,881,278	\$ 11,744,753	\$ 18,483,396	\$ 32,097,630	\$ 19,747,252	\$ 31,113,786	\$ 26,603,937	\$ 31,113,786

(*) = The prior years amounts were not restated with the GASB 68 implementation.

Table #3

**City of Post Falls
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)**

Fiscal Year	Property Tax	Sales Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Total
2011-12	8,609,294	1,348,216	1,175,883	860,390	11,993,783
2012-13	8,863,691	1,482,662	1,212,413	911,944	12,470,710
2013-14	9,407,052	1,563,722	1,172,456	847,433	12,990,663
2014-15	9,754,151	1,695,430	1,257,331	652,271	13,359,183
2015-16	10,003,936	1,835,684	1,591,720	647,619	14,078,959
2016-17	10,862,381	1,976,711	1,608,345	667,893	15,115,330
2017-18	10,743,680	2,207,293	1,657,368	705,428	15,313,769
2018-19	11,433,684	2,422,040	1,753,635	752,989	16,362,348
2019-20	12,080,133	2,950,522	1,794,278	818,800	17,643,733
2020-21	\$ 13,057,484	\$ 3,947,311	\$ 2,344,369	\$ 967,073	\$ 20,316,237

* Note: Property tax reduction is due to the Library moving from the City's authority to the Library District's authority.

Source: City of Post Falls

Table #4

City of Post Falls
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable:										
Inventory	\$ 2,148	\$ 2,605	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepays	98,409	226,308	127,801	137,610	9,119	-	-	-	-	-
Committed:										
Revenue stabilization	3,148,740	3,178,233	3,211,508	3,262,353	3,321,283	3,773,386	3,833,107	3,896,525	3,979,009	3,507,291
Assigned:										
Capital improvements	1,307,499	1,388,966	1,405,919	1,653,761	1,922,966	2,379,282	2,738,850	3,129,517	3,555,592	18,946,177
Capital lease redemption	2,345,500	28,673	-	-	-	-	-	-	-	-
Unassigned:	7,099,892	7,606,444	9,260,675	10,633,958	13,297,458	14,431,148	19,278,388	21,927,631	15,868,560	15,868,560
Total General Fund	\$ 14,002,188	\$ 12,431,229	\$ 14,005,934	\$ 15,687,682	\$ 18,550,826	\$ 20,583,816	\$ 25,850,345	\$ 28,953,673	\$ 23,403,161	\$ 38,322,028
All Other Governmental Funds										
Nonspendable:										
Prepays	-	-	-	-	-	-	-	-	-	-
Restricted:										
Special revenue projects	\$ 326,935	\$ 369,003	\$ 431,495	\$ 365,311	\$ 253,471	\$ 229,532	\$ 301,203	\$ 397,869	\$ 523,311	\$ 519,042
Capital public safety debt service	351,934	-	-	-	-	-	-	-	-	-
Special assessment debt	716,769	1,012,313	1,027,479	1,089,690	428,393	436,505	430,209	423,317	375,962	
Capital improvements projects	3,185,656	3,941,656	4,520,446	5,086,873	7,728,732	8,461,066	7,848,917	10,046,652	12,875,377	
Unassigned:	(77,055)	(52,119)	(175,892)	(78,409)	206,274	392,693	535,792	704,590	1,302,206	1,814,787
Total all other governmental funds	\$ 4,504,239	\$ 5,270,853	\$ 5,803,528	\$ 6,463,465	\$ 8,616,870	\$ 9,519,796	\$ 9,116,121	\$ 11,572,428	\$ 15,076,856	\$ 2,333,829

Table #5

City of Post Falls
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 9,216,527	\$ 9,456,450	\$ 9,407,052	\$ 9,754,151	\$ 10,003,936	\$ 10,862,381	\$ 11,269,119	\$ 11,994,620	\$ 12,689,928	\$ 13,696,049
Intergovernmental	5,690,820	4,166,853	4,008,438	4,023,477	6,405,322	4,597,495	4,982,594	5,688,848	6,189,176	13,369,231
Charges for services	2,671,750	3,125,357	2,865,780	4,455,311	6,643,875	5,595,715	6,641,692	9,296,216	8,892,247	8,970,209
Other revenue	639,519	763,273	784,006	518,641	526,185	555,802	629,979	629,979	657,170	621,491
Special assessment revenue	214,120	372,584	139,144	189,988	165,080	113,481	99,665	88,614	47,427	33,538
Interest	265,379	273,046	188,504	276,560	225,301	104,666	1,574,965	1,574,965	984,347	-150,634
Total Revenues	18,698,115	18,157,563	17,392,924	19,218,128	23,969,699	21,829,540	25,198,014	29,273,242	29,460,295	36,539,884
Expenditures:										
Current										
General government	4,515,375	4,829,281	4,846,187	5,140,344	5,815,435	6,151,035	6,583,566	6,948,089	7,635,323	8,285,915
Public safety	5,118,157	5,341,068	5,577,511	5,923,789	6,048,126	6,411,094	6,418,961	7,193,220	7,563,151	7,851,752
Highways and public works	2,765,314	2,742,083	2,639,659	2,636,539	2,853,328	3,030,104	3,225,339	3,295,814	3,713,383	4,181,491
Cultural and recreation	1,585,977	1,633,007	1,658,863	1,897,091	1,976,585	2,151,157	2,179,677	2,452,237	2,717,500	2,983,882
Capital Outlay	1,408,658	2,506,693	1,472,194	2,260,920	2,578,856	2,900,722	4,806,957	5,349,936	2,998,486	3,156,382
Debt Service										
Principal	458,935	2,880,000	75,000	80,000	780,000	85,000	85,000	90,000	75,000	420,000
Interest	326,312	222,024	138,639	128,763	110,251	46,437	41,284	36,080	30,581	25,922
Total Expenditures	16,178,728	20,154,156	16,408,053	18,067,446	20,162,581	20,775,549	23,340,784	25,365,376	24,733,424	26,905,344
Excess (deficiency) of revenues over (under) expenditures	2,519,387	(1,996,593)	984,871	1,150,682	3,807,118	1,053,991	1,857,230	3,907,866	4,726,871	9,634,540
Other financing sources (uses):										
Debt issued	-	-	-	-	-	-	-	-	-	-
Operating transfers in	1,864,163	2,801,971	1,591,619	2,279,124	1,573,893	2,935,229	2,029,233	2,106,515	2,316,556	2,495,415
Operating transfers out	(785,264)	(1,609,723)	(469,110)	(1,088,121)	(364,463)	(1,053,301)	(332,603)	(279,706)	(381,197)	(564,945)
Total other financing sources (uses)	1,078,899	1,192,248	1,122,509	1,191,003	1,209,430	1,881,928	1,696,630	1,826,809	1,935,359	1,930,470
Net change in fund balances	\$ 3,598,286	\$ (804,345)	\$ 2,107,380	\$ 2,341,685	\$ 5,016,548	\$ 2,935,919	\$ 3,553,860	\$ 5,734,675	\$ 6,662,230	\$ 11,565,010
Debt service as a percentage of noncapital expenditures	5.3%	17.6%	1.4%	1.3%	5.1%	0.7%	0.7%	0.6%	0.5%	1.9%

Table #6

**City of Post Falls
General Government Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)**

Fiscal Year	Property Tax	Sales Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Total
2011-12	8,785,069	1,348,216	1,175,883	860,390	12,169,558
2012-13	9,033,377	1,482,662	1,212,413	911,944	12,640,396
2013-14	8,878,092	1,563,722	1,172,456	847,433	12,461,703
2014-15	9,519,735	1,695,430	1,257,331	652,271	13,124,767
2015-16	9,530,731	1,835,684	1,591,720	647,619	13,605,754
2016-17	10,072,449	1,976,711	1,608,345	667,893	14,325,398
2017-18	10,743,680	2,207,293	1,657,368	705,428	15,313,769
2018-19	11,373,832	2,422,040	1,753,635	752,989	16,302,496
2019-20	12,080,133	2,950,522	1,794,278	818,800	<u>17,643,733</u>
2020-21	\$ 13,057,484	\$ 3,947,311	\$ 2,344,369	\$ 967,073	\$ 20,316,237

*Note: Property tax reduction is due to the Library moving from the City's authority to the Library District's authority.

Source: City of Post Falls

Table #7

**City of Post Falls
Assessed Valuation and Tax Rate
Last Ten Fiscal Years**

Tax Year	Assessed Valuation	Exemptions	Net Taxable Value	Valuation Change		Tax Rate Per \$1,000 Value
				Amount	Percentage	
2012	1,905,961,040	450,130,458	1,455,830,582	17,572,796	1.22%	5.71
2013	1,969,801,802	463,509,216	1,506,292,586	50,462,004	3.47%	6.00
2014	2,128,571,353	511,868,844	1,616,702,509	110,409,923	7.33%	5.79
2015	2,267,675,363	559,343,439	1,708,331,924	91,629,415	5.67%	5.55
2016	2,408,068,560	607,634,803	1,800,433,757	92,101,833	5.39%	5.45
2017	2,685,861,331	694,982,763	1,990,878,568	190,444,811	10.58%	5.59
2018	3,073,065,742	768,424,824	2,304,640,918	313,762,350	15.76%	5.25
2019	3,615,505,167	847,994,695	2,767,510,472	462,869,554	20.08%	4.83
2020	4,126,513,143	900,075,259	<u>3,226,437,884</u>	<u>458,927,412</u>	16.58%	4.26
2021	\$ 5,002,231,436	\$ 1,169,643,948	\$ 3,832,587,488	\$ 606,149,604	18.79%	3.91

Note: The County is unable to provide the City with a breakdown of assessed value by property classes, so the assessed value is presented as a whole.

Source: Kootenai County Assessor

Table #8

**City of Post Falls
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Governmental Unit	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City of Post Falls - Operating	3.41	3.91	4.26	4.83	5.25	5.59	5.45	5.55	5.79	5.89
Library Bond	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.11
Total Direct Rate	3.41	3.91	4.26	4.83	5.25	5.59	5.45	5.55	5.79	6.00
North Idaho College	0.65	0.75	0.80	0.89	0.98	1.04	1.10	1.12	1.20	1.22
Kootenai County	1.99	2.27	2.49	2.74	2.97	3.13	3.18	3.28	3.51	3.47
Kootenai Hospital District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kootenai Ambulance District	0.13	0.13	0.14	0.15	0.16	0.17	0.17	0.17	0.18	0.18
Community Library Network	0.24	0.29	0.32	0.36	0.35	0.40	0.40	0.41	0.42	0.41
School District #273	1.39	1.70	2.07	2.08	2.44	2.63	2.82	3.08	3.16	3.16
Post Falls Highway District #1	0.35	0.40	0.45	0.51	0.57	0.61	0.65	0.67	0.69	0.68
Kootenai Fire & Rescue	1.62	1.59	1.70	1.88	1.89	1.89	1.93	1.92	2.01	1.98
Total	9.78	11.04	12.23	13.44	14.61	15.46	15.70	16.20	16.96	17.10
% CHANGE FOR TOTAL	-11.41%	-9.73%	-9.00%	-8.10%	-5.41%	-1.51%	-3.14%	-4.44%	-0.82%	7.68%

Notes:

(1) Tax rates are expressed as per \$1,000 of net taxable market value

Source: Kootenai County Assessor

Table #9

**City of Post Falls
Principal Property Taxpayers
December 31, 2021**

Taxpayer	Type Of Business	2021	
		Property Assessed Valuation	Percentage of Total Assessed Valuation
1124 E 4TH (POST FALLS) LLC	Multi-Family Housing	\$ 43,505,112	1.13%
North Idaho Surgical Hospital Bldg, LLC	Medical	\$ 36,644,455	0.95%
Fieldstone Apartments, LLC	Multi-Family Housing	\$ 33,913,067	0.88%
Avista Corporation	Utilities	\$ 32,946,160	0.85%
Biopol Laboraory Inc	Pharmaceutical Company	\$ 26,365,119	0.68%
Crown Point Aprtments	Multi-Family Housing	\$ 23,589,998	0.61%
AMG Del Sol Apartments LP	Multi-Family Housing	\$ 21,265,719	0.55%
Buck Knives	Manufacturing- Retail	\$ 17,385,423	0.45%
Jacklin Land Company LP	Land Developer	\$ 16,155,985	0.42%
OG Post Falls ID Landlord, LLC	Land Developer	\$ 15,331,504	0.40%
Subtotal - Ten Of City's Largest Taxpayers		\$ 267,102,542	6.9%
All Other Taxpayers		3,590,889,908	93.1%
Total City Taxpayers		\$ 3,857,992,450	100.00%

Taxpayer	Type Of Business	2012	
		Property Assessed Valuation	Percentage of Total Assessed Valuation
Post Falls Retirement Real Estate Investors LLC	Retirement Facility	\$ 31,475,729	11.78%
Wal-Mart Real Estate Business	Retail	\$ 20,988,306	7.86%
North Idaho Surgical Hospital Bldg LLC	Medical	\$ 19,129,093	7.16%
Kimball International Mkt, Inc.	Manufacturing-Furniture	\$ 14,378,962	5.38%
Sysco Food Services Inc.	Food Distribution Center	\$ 12,855,074	4.81%
Biopol Laboratory Inc.	Research & Development	\$ 12,485,659	4.67%
Cabelas Retail Inc.	Retail	\$ 12,438,813	4.66%
Puryear Family LPT	Homeowner	\$ 11,707,472	4.38%
Pointe LLC (The)	Commercial Developer	\$ 10,852,788	4.06%
Health Care Riet Inc.	Medical	\$ 9,878,179	3.70%
Subtotal - Ten Of City's Largest Taxpayers		\$ 156,190,075	6.89%
All Other Taxpayers		2,110,410,852	93.11%
Total City Taxpayers		\$ 2,266,600,927	100.00%

Source: Kootenai County Assessor

Table #10

**City of Post Falls
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended 9/30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 8,475,541	\$ 8,314,811	98.10%	\$ 160,730	\$ 8,475,541	100.00%
2013	\$ 8,739,197	\$ 8,641,589	98.88%	\$ 97,608	\$ 8,739,197	100.00%
2014	\$ 8,720,259	\$ 8,619,493	98.84%	\$ 19,627	\$ 8,720,259	100.00%
2015	\$ 8,973,609	\$ 8,907,750	99.27%	\$ 20,140	\$ 8,973,609	100.00%
2016	\$ 9,304,925	\$ 9,200,505	98.88%	\$ 104,420	\$ 9,304,925	100.00%
2017	\$ 10,071,262	\$ 9,998,871	99.28%	\$ 72,391	\$ 10,071,262	100.00%
2018	\$ 10,408,290	\$ 10,375,578	99.69%	\$ 32,712	\$ 10,408,290	100.00%
2019	\$ 11,119,382	\$ 11,099,702	99.82%	\$ 19,680	\$ 11,119,382	100.00%
2020	\$ 11,758,207	\$ 11,611,735	98.75%	\$ 146,472	\$ 11,758,207	100.00%
2021	\$ 12,554,598	\$ 12,554,598	100.00%	\$ 0	\$ 12,554,598	100.00%

Source: Kootenai County Auditor

City of Post Falls
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Water Bonds	Reclaimed Water Bonds			
2011-12	185,000	1,760,000	2,625,000	2,397,288	5,618,685	12,585,973	1.33%	456
2012-13	-	1,690,000	-	2,090,000	4,933,900	8,713,900	0.85%	293
2013-14	-	1,615,000	-	1,935,000	4,296,950	7,846,950	0.72%	255
2014-15	-	1,535,000	-	1,775,000	3,645,000	6,955,000	0.63%	217.81
2015-16	-	1,455,000	-	1,610,000	2,255,000	5,320,000	0.48%	157.82
2016-17	-	1,370,000	-	1,445,000	12,661,000	15,476,000	1.22%	485.67
2017-18	-	1,285,000	-	1,270,000	12,016,481	14,571,481	1.15%	437.71
2018-19	-	1,195,000	-	1,090,000	11,357,130	13,642,130	0.49%	349.80
2019-20		1,120,000	-	920,000	10,683,325	12,723,325	4.6%	322.50
2020-21	\$ -	\$ 700,000	\$ -	\$ 715,000	\$ 9,988,652	\$ 11,403,652	5.6%	221.95

Note: Details regarding the City's outstanding debt can be found in Note 6 of the financial statements.

¹See the Schedule of Demographic and Economics Statistics for personal income and population data.

Source: City of Post Falls

Table #12

City of Post Falls
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Ratio of Net Long-Term Debt to Assessed Value	Net Long-Term Debt Per Capita
2011-12	29,700	2,266,600,927	185,000	259,049	(74,049)	0.00%	6
2012-13	30,075	1,905,964,040	-	259,321	(259,321)	-0.01%	-
2013-14	30,774	1,969,801,802	-	259,590	(259,590)	-0.01%	-
2014-15	31,932	2,128,571,353	-	260,018	(260,018)	-0.01%	-
2015-16	33,709	2,267,675,363	-	269,990	(269,990)	-0.01%	-
2016-17	31,865	2,408,068,560	-	272,070	(272,070)	-0.01%	-
2017-18	33,290	2,685,861,331	-	267,948	(267,948)	-0.01%	-
2018-19	36,250	3,073,065,742	-	273,736	(273,736)	-0.01%	-
2019-20	37,851	3,615,505,167	-	278,195	(278,195)	-0.01%	-
2020-21	39,452	\$ 4,126,513,143	\$ -	\$ 279,621	\$ (279,621)	-0.01%	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. No funds are available in the Debt Service Fund to apply to General Obligation bonds.

Source: City of Post Falls

Table #13

City of Post Falls
Direct and Overlapping Governmental Activities Debt
September 30, 2021

Governmental Unit	Bond Debt	Government's Net Market Value	Percentage Applicable to City	City Share of Debt
City of Post Falls	\$ 700,000	3,832,587,448	100.0%	<u>\$ 700,000</u>
Kootenai County	-	26,716,188,333		-
School District #273	30,025,000	5,179,900,933	74.0%	22,215,374
Post Falls Highway District	-	8,806,059,116	43.5%	-
Kootenai County Fire & Rescue	-	7,327,871,045	52.3%	-
Subtotal of overlapping debt				<u>\$ 22,215,374</u>
Total direct and overlapping debt				<u>\$ 22,915,374</u>

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the city's boundaries and dividing it by the county's total assessed value.

Please refer to Note 6 of the financial statements for additional information regarding governmental long term debt.

Source: Kootenai County Auditor

Table #14

**City of Post Falls
Legal Debt Margin Information
Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 11,919,221	\$ 39,396,036	\$ 42,571,427	\$ 45,353,507	\$ 48,161,371	\$ 52,623,515	\$ 60,143,705	\$ 71,250,922	\$ 63,339,418	\$ 100,044,629
Total net debt applicable to limit	185,000	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 11,734,221</u>	<u>\$ 39,396,036</u>	<u>\$ 42,571,427</u>	<u>\$ 45,353,507</u>	<u>\$ 48,161,371</u>	<u>\$ 52,623,515</u>	<u>\$ 60,143,705</u>	<u>\$ 71,250,922</u>	<u>\$ 63,339,418</u>	<u>\$ 100,044,629</u>
Total net debt applicable to the limit as a percentage of debt limit	1.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Assessed value	\$ 3,832,587,488
Add back: exempt real property	<u>\$ 1,169,643,948</u>
Total assessed value	<u>\$ 5,002,231,436</u>
Debt limit* (2% of total assessed value)	100,044,629
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	<u>\$ 100,044,629</u>
Debt margin percentage available	100.00%

Idaho Code 50-1019 states that general obligation debt should not exceed 2 percent of total assessed property value. There is no amount set aside to offset the general obligation debt.

Source: Kootenai County Assessor

Table #15

**City of Post Falls
Pledged-Revenue Bond Coverage
Reclaimed Water Fund
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2012	5,552,569	2,035,773	3,516,796	724,286	238,403	962,689	3.65
2013	5,738,623	2,106,788	3,631,835	684,788	213,558	898,346	4.04
2014	6,576,442	2,064,614	4,511,828	636,950	189,565	826,515	5.46
2015	7,879,042	2,073,471	5,805,571	651,950	162,875	814,825	7.12
2016	8,809,352	2,359,312	6,450,040	265,000	148,955	413,955	15.58
2017	9,852,659	2,522,147	7,330,512	644,519	274,970	919,489	7.97
2018	11,307,876	2,887,087	8,420,789	659,351	259,296	918,647	9.17
2019	14,652,954	3,014,950	11,638,004	673,805	245,840	919,645	12.65
2020	14,873,669	3,521,890	11,351,779	694,673	232,948	927,621	12.24
2021	\$ 19,317,024	\$ 3,462,263	\$ 15,854,761	\$ 705,187	\$ 218,202	\$ 923,389	17.17

(1) Total revenues (including interest) exclusive of cap fees.

(2) Total operating expenses exclusive of depreciation

(3) Includes principal and interest of revenue bonds only

Table #16

**City of Post Falls
Pledged-Revenue Bond Coverage
Water Fund
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2012	2,437,483	840,659	1,596,824	147,946	94,088	242,034	6.60
2013	2,646,219	988,382	1,657,837	99,054	63,030	162,084	10.23
2014	2,680,252	920,309	1,759,943	155,000	62,500	217,500	8.09
2015	3,187,451	881,086	2,306,365	160,000	68,950	228,950	10.07
2016	3,106,821	917,297	2,189,524	165,000	54,888	219,888	9.96
2017	3,189,507	1,014,250	2,175,257	175,000	45,250	220,250	9.88
2018	3,600,117	1,038,357	2,561,760	180,000	39,925	219,925	11.65
2019	4,002,023	1,111,751	2,890,272	185,000	34,450	219,450	13.17
2020	3,939,715	1,379,126	\$ 2,560,589	195,000	28,788	\$ 223,788	11.44
2021	\$ 4,427,187	\$ 1,332,968	\$ 3,094,219	\$ 195,000	\$ 21,613	\$ 216,613	14.28

(1) Total revenues (including interest) exclusive of cap fees.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only.

Table #17

**City of Post Falls
Pledged-Revenue Bond Coverage
Special Assessment Bonds
Last Ten Fiscal Years**

Fiscal Year	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest	Total	
2012	307,787	65,000	89,940	154,940	2.25
2013	470,131	70,000	87,000	157,000	2.22
2014	192,036	75,000	83,777	158,777	2.20
2015	239,110	80,000	80,258	160,258	1.49
2016	203,127	80,000	76,447	156,447	1.30
2017	140,229	85,000	76,447	161,447	0.87
2018	124,899	90,000	64,190	154,190	0.81
2019	117,633	90,000	29,190	119,190	0.99
2020	57,988	70,000	59,675	129,675	0.45
2021	33,538	700,000	23,334	723,334	0.05

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

¹ During 2011, the City redeemed \$280,000 in bonds on LID 2004-1

Source: City of Post Falls

Table #18

**City of Post Falls
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population ¹	Personal Income (amounts expressed in thousands)	Per Capita Personal Income ²	Public School Enrollment ³	Unemployment Rate ⁴
2012	28,651	\$ 943,277	\$ 32,923	5,675	8.90%
2013	29,700	\$ 1,029,283	\$ 34,656	5,718	6.90%
2014	29,896	\$ 1,090,546	\$ 36,478	5,673	6.40%
2015	30,123	\$ 1,104,189	\$ 36,656	5,733	5.80%
2016	30,453	\$ 1,175,638	\$ 38,605	5,838	4.60%
2017	31,865	\$ 1,268,864	\$ 39,820	6,006	4.20%
2018	33,290	\$ 1,405,637	\$ 42,224	6,080	3.60%
2019	36,250	\$ 1,630,779	\$ 44,987	6,152	3.70%
2020	37,851	\$ 1,765,560	\$ 44,645	5,938	4.40%
2021	39,452	\$ 2,027,004	\$ 51,379	6,079	2.30%

Data Sources

¹ U.S. Census Bureau

² Bureau of Economic Analysis

³ School District website - enrollment history chart

⁴ Department of Labor

Table #19

**City of Post Falls
Principal Employers
Q2 2021**

		2021		
Employer ¹	Type of Business	Range of Employees	Percentage of Total City Employment	
1 Post Falls School District	Public Education	700 - 799	4.1% - 4.7%	
2 Pleasant View Surgury Center	Healthcare	200 - 299	1.2% - 1.8%	
3 Rehabilitation Hospital of thr Northwest	Healthcare	200 - 299	4.1% - 4.7%	
4 North Idaho Day Surgery	Healthcare	200 - 299	4.1% - 4.7%	
5 Buck Knives	Manufacuring	200 - 299	4.1% - 4.7%	
6 City of Post Falls	Government	200 - 299	4.1% - 4.7%	
7 Walmart Supercenter	Retail	200 - 299	4.1% - 4.7%	
8 Tedder Industries	Manufacturing	150 - 199	0.9% - 1.2%	
9 Red Lion Hotels	Hotel	100 - 149	0.6% - 0.9%	
10 All Wall Contracting	Construction	100 - 199	0.6% - 0.9%	
Number of employees in Post Falls		17,056		

Note: Ten year comparison information is available for this table.

* Preliminary 3rd quarter 2021 data

Includes only those employers who have signed a consent form with IDOL to release such information

Source: Idaho Department of Labor

Table #20

**City of Post Falls
Full-Time Equivalent Town Government Employees By Function
Last Ten Fiscal years**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	43.21	42.25	41.50	41.10	40.10	44.10	45.10	45.60	47.60	49.00
Public safety	67.12	67.71	70.10	72.30	73.28	76.28	79.28	81.28	84.28	86.28
Highways and public works	17.04	17.03	17.00	17.00	19.03	19.03	19.03	21.08	23.11	23.60
Cultural and Recreation	35.28	38.27	38.30	37.30	37.32	39.32	40.32	41.32	43.32	43.32
Water	6.83	6.75	6.80	7.00	6.75	6.75	6.75	7.80	7.80	7.75
Reclaimed Water	14.65	13.59	13.60	14.30	13.59	13.59	13.59	14.60	14.60	14.60
Total	184.13	185.60	187.30	189.00	190.07	199.07	204.07	211.68	220.71	224.55

Note: This schedule represents number of persons employed as of September 30 of each year. Vacant positions are included in the above numbers. Full time personnel work 2,080 hours per year.
No Sanitation FYE number is provided since the City contracts out its sanitation services.

Source: City Finance Department

Table #21

**City of Post Falls
Operating Indicators By Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Calls for service	31,543	29,722	30,959	33,061	36,659	43,323	40,870	41,178	40,536	43,803
Burglary	185	88	125	99	128	92	77	56	85	75
Phone harassment	9	11	11	18	9	11	3	19	9	15
Motor vehicle theft	42	50	57	25	45	41	30	36	43	39
Highways and streets										
Street resurfacing - paving (miles)	3.08	2.44	2.84	2.38	2.07	1.58	1.12	1.38	2.24	1.16
Street resurfacing - chip seal (miles)	11.26	11.07	11.55	13.24	9.13	4.50	4.29	3.79	6.76	6.19
Culture and recreation										
Sports leagues programs enrollment	4,825	5,251	5,388	6,016	5,716	5,000	5,135	5,830	3,819	2,738
Special interest programs enrollment	1,646	1,425	1,978	2,003	2,742	1,885	2,964	6,099	4,514	9,928
Water										
New connections	15	36	13	45	53	72	120	225	256	331
Average daily consumption (thousands of gallons)	4,200	4,300	4,365	4,695	4,798	4,542	5,181	4,774	4,651	5,792
Reclaimed Water										
Average daily sewage treatment (millions of gallons)	2.5	2.5	2.5	2.6	2.6	2.7	2.7	2.8	2.7	3.0

Source: Various city departments.

Note: Indicators are available for the general government function.

Table #22

**City of Post Falls
Capital Asset Statistics By Function
Last Ten Fiscal Years**

Function	Fiscal Years									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Units	66	70	74	69	76	80	80	81	77	77
Highways and streets										
Streets (miles)	156	156.59	157.79	159.24	168.35	171.17	172.07	177.96	181.66	194.00
Culture and recreation										
Park acreage	442.7	442.7	456	464.54	464.54	635.06	882.6	873.8	873.8	883.6
Parks	27	27	27	28	28	29	29	33	33	34
Sports Fields	15*	15	15	15	15	15	15	15	15	16
Tennis/Pickle Ball Courts	5	8	8	8	8	11	11	15	15	15
Water										
Water mains (miles)	116.67	116.84	116.85	126.44	118.07	118.82	119.43	121.28	130.75	136.00
Fire hydrants	901	913	918	918	942	940	954	969	985	989
Maximum daily capacity (millions of gallons)	16.99	18.54	18.54	18.54	18.54	18.54	18.54	18.54	18.54	21.91
Reclaimed Water										
Sanitary sewer (miles)	163.30	163.90	164.46	166.02	169.71	174.71	177.92	183.28	196.29	204.00
Surface water (miles)	4.89	4.89	4.89	4.94	4.94	4.94	4.94	4.94	4.94	4.94
Maximum daily treatment capacity (millions of gallons)	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10

Note: The city contracts out Sanitation services.

No capital asset indicators are available for the general government function.

* The city reclassified the sports fields for a more accurate representation of the fields available for use.

Source: Various city departments.

**City of Post Falls
Statistical Information
Water Fund
September 30, 2021**

**Schedule of Water Revenue and Production
For Residential, Commercial and Governmental Accounts**

Total Revenue	\$4,291,324
Estimated number of active customers	7,573
Total water produced (gallons)	2,114,067,971

Schedule of Water Rates

Monthly Base Fee (by meter size)

1" or less	\$11.71	1½"	\$ 19.62
2"	29.16	3"	51.52
4"	83.24	6"	162.76

Metered water usage: \$1.29 per 1,000 gallons for 0 – 49,000 gallons
 \$1.85 per gallon for 50,000+ gallons

Source: City of Post Falls

**City of Post Falls
Statistical Information
Reclaimed Water Fund
September 30, 2021**

Schedule of Treatment Volume

Average Volume	3.03 million gallons per day
Total Volume	1,107,436,000 gallons
Active number of customers	13,266

Schedule of Monthly Reclaimed Water Rates

The residential rate is \$60.89 for 94% of the City's customers.

The non-residential rate per customer is \$60.89 + \$12.20 per 1,000 gallons of water consumption over 5,000 gallons.

Source: *City of Post Falls*

Table #25

**City of Post Falls
Ten Largest Water Customers
For the Year Ended September 30, 2021**

	<u>Customer</u>	<u>Amount</u>	<u>Percentage of Total Revenue</u>
1	Lucky Pines Estates	\$ 42,248.00	0.98%
2	PF School District	\$ 37,415.54	0.87%
3	Coeur d'Alene RV Resort	\$ 24,689.05	0.58%
4	Century Park & Associates	\$ 22,689.95	0.53%
5	Arundel Moile Park	\$ 21,031.50	0.49%
6	Post Falls Hotel LLC	\$ 17,780.84	0.41%
7	Kootenai Medical	\$ 14,692.14	0.34%
8	Centennial Trail Homes	\$ 12,530.91	0.29%
9	Northwest Specialty Hospital	\$ 10,107.25	0.24%
10	St Vincent DePaul	\$ 10,094.89	0.24%

Source: City of Post Falls

Table #26

**City of Post Falls
Ten Largest Reclaimed Water Customers
For the Year Ended September 30, 2021**

	Customer	Amount	Percentage of Total Revenue
1	LLYD LLC Woodland Meadows	\$ 216,762	1.65%
2	Tullamore Commons, Senrios II	\$ 209,705	1.59%
3	Camelot Estates	\$ 141,021	1.07%
4	Fielstone Apartments	\$ 139,560	1.06%
5	Bel cielo Apartments	\$ 129,330	0.98%
6	CDA RV Resort	\$ 123,353	0.94%
7	Montrose Properties & Seniors	\$ 89,312	0.68%
8	Flying J Inc	\$ 83,210	0.63%
9	Century Park & Associates	\$ 81,495	0.62%
10	Lucky Pines	\$ 77,452	0.59%

Source: City of Post Falls

**City of Post Falls
Insurance Schedule
September 30, 2021**

The City is insured through the Idaho Counties Reciprocal Management Program (ICRMP), Policy No. 40A02152100120. Coverage is as follows:

	<u>Coverage</u>
Auto:	
Liability	\$ 3,000,000 per occurrence
Uninsured/underinsured	\$ 100,000 per person
	\$ 300,000 per accident
Medical	\$ 5,000 per person
	\$ 100,000 per accident
Crime	\$ 500,000 per occurrence
Law Enforcement	\$ 3,000,000 per occurrence
General Liability	\$ 3,000,000 per occurrence
Errors & Omissions	\$ 3,000,000 per claim
Flood and Earthquake	\$50,000,000 (Annual aggregate all ICRMP members)

The City is also enrolled in the Workmen's Compensation Insurance Program through the State of Idaho.

Source: City of Post Falls



Audit Section



Families enjoy the splash pads during the warm summer months.

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 Post Falls
Post Falls, ID 83854

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Post Falls, Idaho, as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the City of Post Falls, Idaho's basic financial statements and have issued our report thereon dated June 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Post Falls, 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 Post Falls, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Post Falls, 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-1 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Post Falls, 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*.

City of Post Falls, Idaho's Response to Findings

City of Post Falls, Idaho's response to the findings identified in our audit and is described in the accompanying schedule of findings and questioned costs. City of Post Falls, 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.



Anderson Bros. CPAs
Post Falls, ID
June 28, 2022

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 Post Falls
Post Falls, ID 83854

Report on Compliance for Each Major Federal Program

We have audited the City of Post Falls, Idaho's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Post Falls, Idaho's major federal programs for the year ended September 30, 2021. The City of Post Falls, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Post Falls, Idaho complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

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

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

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

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



Anderson Bros., CPAs
Post Falls, Idaho
June 28, 2022

City of Post Falls

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)

21.019

Name of Federal Program or Cluster

Coronavirus Relief Fund

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

\$750,000

Auditee qualified as low-risk auditee Yes No

City of Post Falls

SCHEDULE OF FINDINGS AND QUESTIONED COSTS September 30, 2021

Section II - Findings – Financial Statement Audit

- a. **CONDITION:** During our financial statement audit, we noted that there were expenses incurred related to services performed during the fiscal year that had not been recorded as an expense or liability. Additionally, we noted that there were revenues related to the current fiscal year that had not been recorded as revenue or a related receivable, as well as revenue that should not have been accrued as a receivable and related revenue.
- b. **CRITERIA :** Generally accepted accounting principles and the accrual basis of accounting require that all expenses and revenues incurred during the year are recognized as an expense and as revenue, regardless of the timing of the payments or receipts.
- c. **CAUSE OF CONDITION:** The City's current year end closing procedures did not identify all material adjustments that needed to be made to materially reflect all liabilities and expenses as well as all receivables and revenues for the year.
- d. **POTENTIAL EFFECT OF CONDITION:** Financial Statement balances would be materially misstated.
- e. **RECOMMENDATION:** We recommend that the City analyze payments and receipts before and after year-end and determine the proper period for recognition.
- f. **CLIENT RESPONSE:** The City of Post Falls hold their responsibility for enabling internal controls to ensure accurate financial reporting at the highest regard. During fiscal year 2021, the finance department experienced turnover in staffing. Looking forward, the City recognizes the issue and has taken steps to ensure all year-end processes are reviewed prior to the year-end. This will ensure that the revenue and payables are properly made in the correct fiscal year.

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.

City of Post Falls

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

Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	2021 Federal Expenditures
<u>Department of Justice:</u>			
Passed through State of Idaho State Police:			
Crime Victim Assistance	16.575	826000245 00	<u>45,773</u>
Total Department of Justice			45,773
 Department of Transportation:			
Passed through State of Idaho Department of Transportation:			
<i>Transportaion Cluster</i>			
State and Community Highway Safety	20.600	826000245 00	8,577
National Priority Safety Programs	20.616	826000245 00	<u>3,000</u>
Total Department of Transportation			11,577
 Department of Treasury:			
Passed through State of Idaho Controller:			
Coronavirus Relief Fund	21.019	826000245 00	<u>1,043,751</u>
Total Department of Treasury			1,043,751
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,101,101</u></u>

City of Post Falls

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021**

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

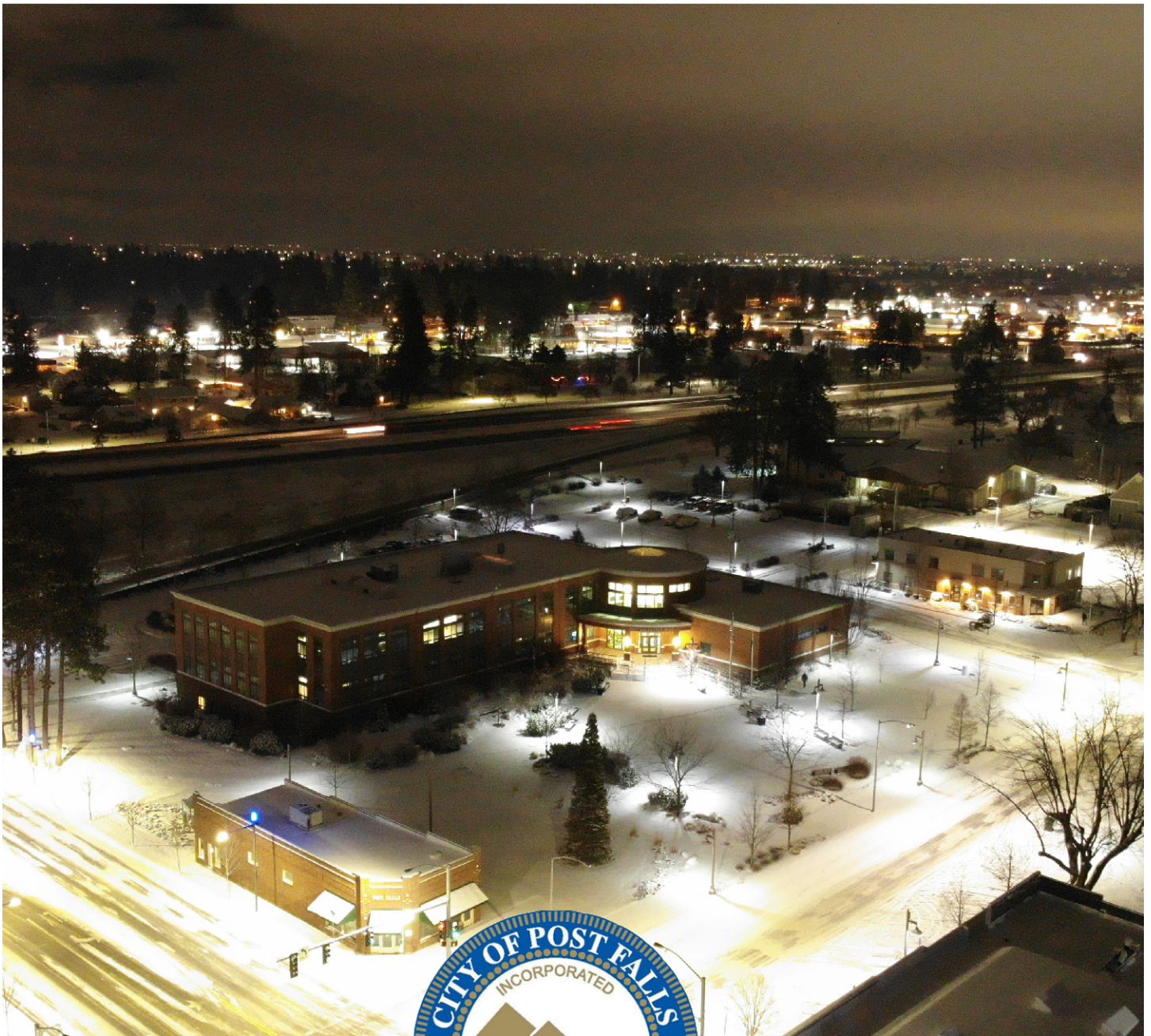
Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal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

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

Pass-through entity identifying numbers are presented where available.

NOTE 3: - MATCHING REQUIREMENTS

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



City of Post Falls
408 N. Spokane St.
Post Falls, ID 83854
(208)773-3511

www.postfallsidaho.org

The City of Post Falls : Where opportunities flow and community is a way of life