



Comprehensive Annual Financial Report

 CITY OF
POSTFALLS, IDAHO

For the Year Ended September 30, 2020



CITY OF POST FALLS, IDAHO 2020

Comprehensive Annual Financial For the Year Ended September 30, 2020

Compiled by:
Jason Faulkner
Director of Finance and Support Services



Above: Entryway water feature in early spring bloom.

Cover Photo: The Plaza at City Hall in spring.

Spring sweeps the city with budding flowers and pops of color. As the sun starts warming things up, it is great for walks in the park or biking along the Centennial Trail.

**City of Post Falls, Idaho
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020**

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Introductory Section



Summer brings warm sunshine, perfect for boating on the Spokane River, movies in the park or enjoying your favorite pastime.



March 24, 2021

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, 2020, 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, 2019. This was the twenty-second 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 39,452 by the end of 2020. 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 2020 and should continue through 2021.

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 2020, 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 2021.

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 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. The Comprehensive Plan's update was completed in 2020. In 2021, the City will be seeking to annexation and establish an Urban Renewal District for additional industrial lands (250 acres) along Pleasantview Rd. 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 2020

Police

- Wireless upgrade project is continuing into 2021. 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 2021. 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.
- Due to COVID-19 Kootenai County stood up an Emergency Operations Center to control and direct potential confusion and keep individual informed about the Virus. We had two of our Command Staff devoted to the Operations Center for several weeks.

Departmental Highlights of FY 2020 – Continued

- The Police Department installed a software known as Duo. This is a two-factor security authentication software that helps to ensure security into our network.
- We were able to purchase Virtual Server upgrades in FY20 as well. This allowed for eight-year-old servers and 23 virtual servers to be upgraded and or replaced.
- The Police Department started a License Plate Recognition (ALPR) Program in 2007. Most of those cameras were outdated, not functioning correctly and had other issues. In FY20 we were able to replace 13 ALPR Cameras. The new cameras allow for a single camera to monitor two lanes of travel, where we had one camera for each lane prior to the upgrade.
- We were able to rebuild and upgrade all the police vehicles Mobile Data Computers with Windows 10.
- Replaced the wireless link to Kootenai County which carries all of the data traffic between Coeur d' Alene City, Kootenai County and the City of Post Falls.
- Dispatch Center remodel. This was a large project to bring our Communications Center and equipment into the 21st century. The cost was \$447,619.00 and we had a grant cover \$340,878.00 of the cost.
- The annual Holidays and Heroes event, as a collective group we sponsored 125 kids. Post Falls Police Department helped 50 of those families. That's huge when you consider the larger agencies were not able to assist that many.
- We participated in the National Drug Take Back event on Saturday October 24, 2020.
- The Coeur d' Alene Police Department conducted an audit of our property and evidence room in January of 2020. They were impressed with our processed, we passed with 100% accuracy which is exemplary.
- The final radio programming should be complete in the coming week to complete the long-standing radio project.
- In FY20 we were allocated two new patrol officers and an emergency communications officer. Those were important positions to fill, as we continue to struggle to keep up with the growth rate in our community.
- Started a "Community Taking Care" program in FY20. This program works directly with the Boys and Girls Club in educating our children of the importance of community involvement and what our community has to offer.
- In FY20 The Police Department issued out two awards for the first time in history. The Purple Heart was awarded, along with the Medal of Valor. This was a very emotional and proud moment for this Department.
- Detective Neil Uhrig has been sent off to numerous Secret Service courses over the past few years. Det. Uhrig has proven to be an incredible asset in this position. We were notified recently by the United States Secret Service that Det. Uhrig and his lab have assisted with the highest output (forensic examinations) in its history.

Parks, Recreation, and Cemetery

- The department initiated multiple COVID-19 plans to allow for quicker openings of facilities, modification of services, and safety protocol for the public and staff.
- Increased use of Park Spaces as COVID Staged response rolled out resulted in 150% of typical daily usage at many sites such as the Community Forest and Falls Park.
- Three neighborhood parks were upgraded with capital projects: a picnic shelter at Beck Park, a picnic shelter at the Park in the Meadows, and Hilde Kellogg Park received a new parking lot, new shelters, ADA pathways and relocation of the playground.
- The opening of the Black Bay Depot.
- The adoption of the Park and Recreation Master Plan
- Completion of feasibilities' studies for a downtown space and a community center.
- The Cemetery installed a second 96-unit niche in its new section.
- The department adjusted the following special event to be drive through events due to COVID-19, Halloween and Winterfest.
- Playgrounds opened during pandemic, with Maintenance Crews implementing daily sanitization plan
- The City's summer camp program was held in a modified/reduced format to meet COVID protocol.
- The department hosted four concerts and two movies this summer.
- A virtual recreation center was run for six months.

Public Works

- The Water Reclamation Division met all the new reporting requirements included in the more stringent NPDES permit.
- Construction of a new major lift station on 12th Avenue is underway, as is a major truck 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 Howell Lift Station.
- The Water Division continued to supply the system with high-quality water which meets state and federal requirements.
- The Water Division drilled two new wells and has nearly completed construction on the associated well houses. Additionally, an older well was upgraded to improve reliability and capacity.

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.
- 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, 2019. This was twenty- second 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 the Mayor 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,
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Post Falls
Idaho**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

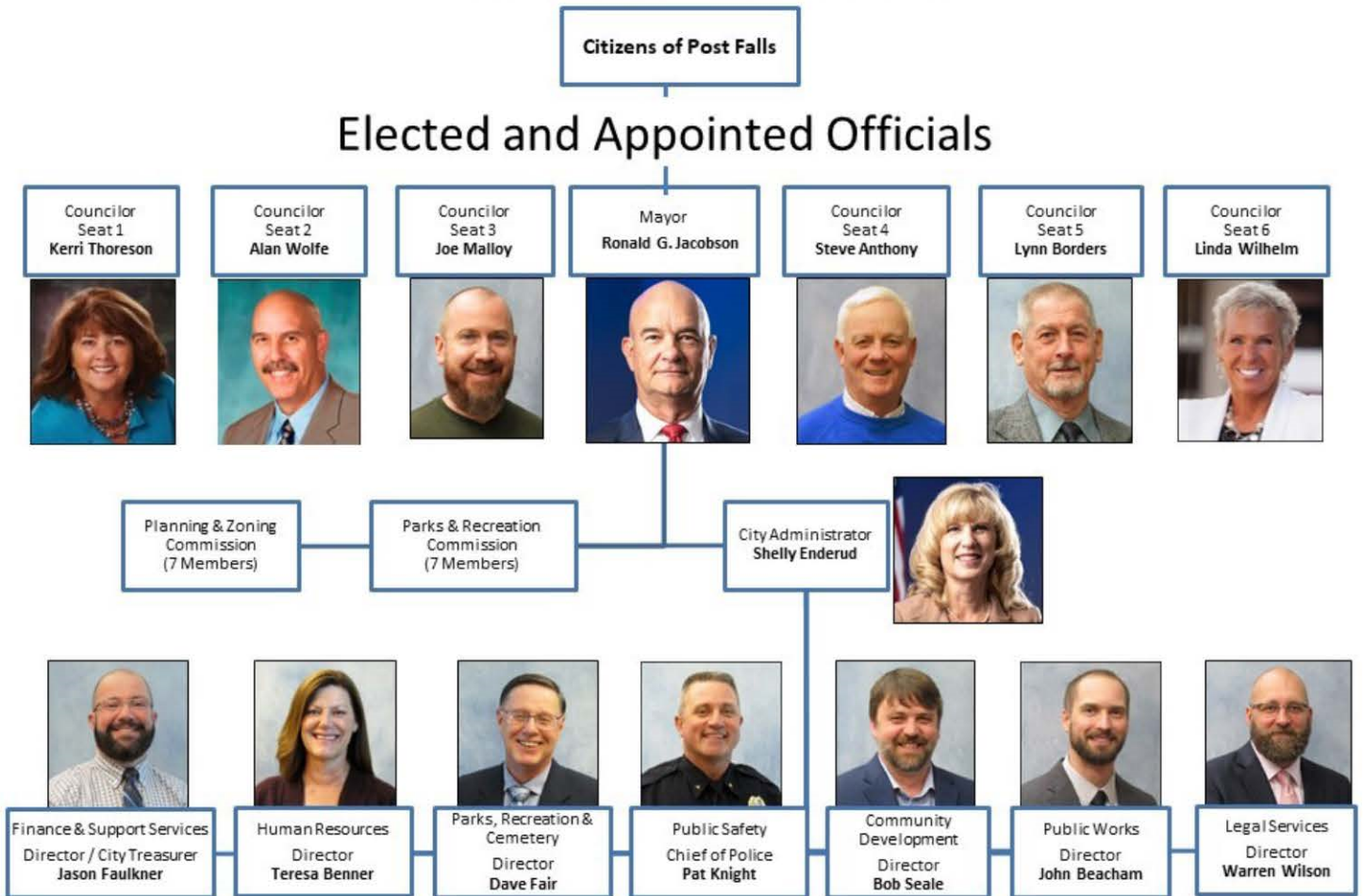
September 30, 2019

Christopher P. Morrill

Executive Director/CEO

City of Post Falls Organizational Chart

City of Post Falls Organizational Chart



CITY OF POST FALLS, IDAHO

Listing of City Officials As of September 30, 2020 Elected Officials

MAYOR AND CITY COUNCIL



ELECTED OFFICIALS

NAME	OFFICE	OCCUPATION	TERM EXPIRES
Ronald G. Jacobson	Mayor	Senior VP – bankcda	2021
Linda Wilhelm	Council President - Seat 6	Realtor – Coldwell Banker	2021
Kerri Thoreson	Councilor - Seat 1	Self Employed	2023
Alan Wolfe	Councilor - Seat 2	Self Employed	2021
Joe Malloy	Councilor - Seat 3	Project Coordinator - Outotec Energy Products	2023
Steve Anthony	Councilor - Seat 4	Retired	2021
Lynn Borders	Councilor - Seat 5	Retired	2023

APPOINTED OFFICIALS

NAME	Title
Shelly Enderud	City Administrator
Jason Faulkner	Director of Finance and Support Services
Pat Knight	Chief of Police
Bob Seale	Community Development Director
David Fair	Parks & Recreation Director
John Beacham	Public Services Director
Teresa Benner	Human Resources Director
Warren Wilson	Legal Services Director
Shannon Howard	City Clerk



Financial Section



Enjoy the crisp fall air whether you're taking a hike with friends or watching the kids play soccer. The streets are decorated with the beautiful fall colored trees.



1810 E Schneidmiller Ave. Ste.
310 Post Falls, Idaho 83854
208-777-1099 (phone) 208-773-5108 (fax)

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Post Falls as of and for the year ended September 30, 2020, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Post Falls, as of September 30, 2020, 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 combining and individual nonmajor fund financial statements, the schedules of revenues, expenditures and changes in fund balance – budget and actual – legal appropriation level 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 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 March 24, 2021 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.

A handwritten signature in cursive script that reads "Anderson Bros".

Anderson Bros. CPA's, P.A.
March 24, 2021

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, 2020. 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 \$309,369,810 (net position).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$21,927,631, or 95 percent of total general fund expenditures.
- The governments net position increased by \$26,603,937. Approximately \$3,693,274 of this increase is attributed to one-time infusions of governmental contributions of \$2,560,749 plus proprietary contributions of \$1,132,525 resources from capital contributions.
- In the City's business-type activities, operating revenues increased by \$895,648 (4.6 percent) and operating expenses increased by \$1,497,489. 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 experiencing tremendous growth as building permits continue to exceed expectations as 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 may limit 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 34 to 35 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 36 to 41 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 41 to 43 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 88 and 90 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, 2020.

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 \$309,369,810 at the close of the most recent fiscal year.

By far the largest portion of the City of Post Falls' net position (57 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 (21.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$65,599,879, 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, 76.04 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	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and other assets	\$ 49,171,012	\$ 43,295,538	\$ 96,788,342	84,203,849	\$ 145,959,354	\$ 127,499,387
Capital assets	78,249,198	76,219,036	110,949,229	104,794,094	189,198,427	181,013,130
Total assets	127,420,210	119,514,574	207,737,571	188,997,943	335,157,781	308,512,517
DEFERRED OUTFLOW OF RESOURCES						
Proportionate share of collective deferred outflows of resources	1,932,723	895,502	213,076	91,287	2,145,799	986,789
Total deferred outflows of resources	1,932,723	895,502	213,076	91,287	2,145,799	986,789
LIABILITIES						
Long-term liabilities outstanding	8,610,320	5,135,680	12,610,301	13,044,717	21,220,621	18,180,397
Other liabilities	4,351,467	5,020,821	2,102,175	1,918,009	6,453,642	6,938,830
Total liabilities	12,961,787	10,156,501	14,712,476	14,962,726	27,674,263	25,119,227
DEFERRED INFLOW OF RESOURCES						
Proportionate share of collective deferred inflows of resources	232,238	1,444,585	27,269	169,621	259,507	1,614,206
	232,238	1,444,585	27,269	169,621	259,507	1,614,206
NET POSITION						
Net investment in capital assets	77,129,198	75,024,036	99,280,812	92,346,968	176,410,010	167,371,004
Restricted	13,774,649	10,867,837	53,585,272	45,918,882	67,359,921	56,786,719
Unrestricted	25,255,061	22,917,117	40,344,818	35,691,033	65,599,879	58,608,150
		\$				
Total net position	\$ 116,158,908	108,808,990	\$ 193,210,902	\$ 173,956,883	\$ 309,369,810	\$ 282,765,873

Governmental activities. Governmental activities' key elements are broken down in the following charts. Governmental activities increased net position by \$7,349,918 and business-type activities increased net position by \$19,254,019.

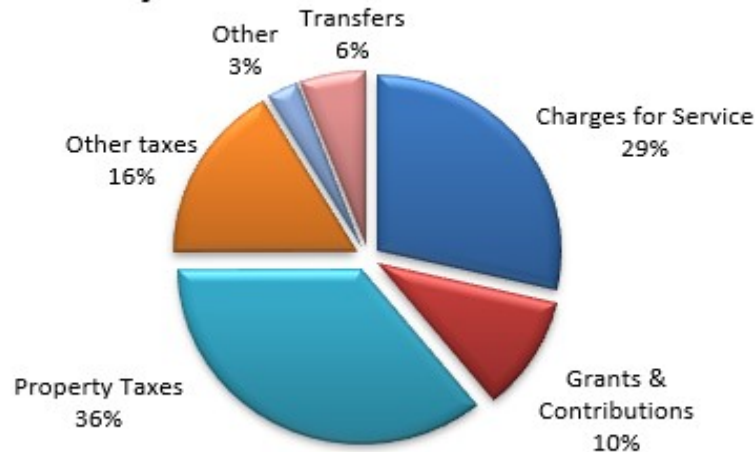
The City's direct charges to users of governmental services made up \$9,681,800 or 27.6 percent of total governmental revenue. These charges are for park rentals, recreation classes, building permits and other fees related to public safety and administration. Public safety includes police, domestic violence assistance, animal control and dispatch services and accounts for \$8,122,866 in expenses, or 30.8 percent of the total. Highway and public works accounts for \$5,739,041 in expenses, or 21.7 percent of the total. Culture and recreation accounts for \$3,090,477 in expenses, or 11.7 percent of the total. General government accounts for \$9,404,815 in expenses, or 35.7 percent of the total.

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

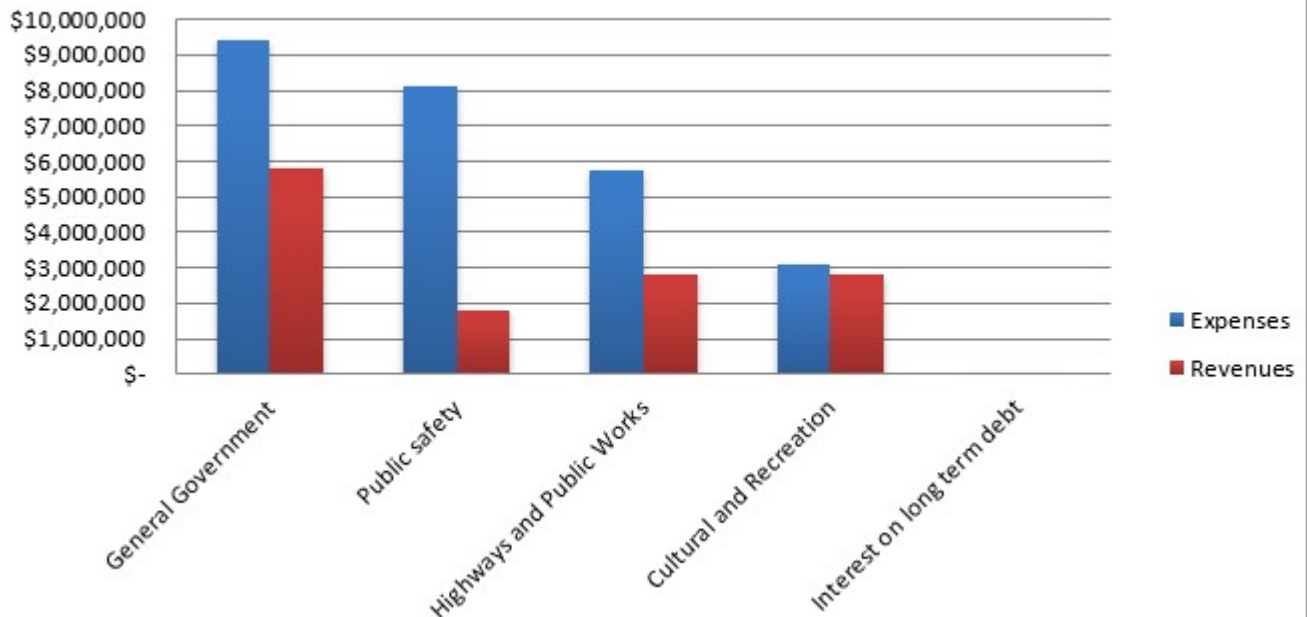
City of Post Falls' Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program revenues:						
Charges for services	\$ 9,681,800	\$ 9,700,643	\$ 20,188,002	\$ 19,292,354	\$ 29,869,802	\$ 28,992,997
Operating grants and contributions	593,883	870,451	-	-	593,883	870,451
Capital grants and contributions	2,930,761	4,470,104	9,860,635	8,713,016	12,791,396	13,183,120
General revenues:						
Property taxes	12,080,133	11,433,684	-	-	12,080,133	11,433,684
Other taxes	5,563,600	4,928,664	-	-	5,563,600	4,928,664
Other	950,630	1,498,401	1,743,061	2,324,194	2,693,691	3,822,595
Total revenues	<u>\$ 31,800,807</u>	<u>\$ 32,901,947</u>	<u>\$ 31,791,698</u>	<u>\$ 30,329,564</u>	<u>\$ 63,592,505</u>	<u>\$ 63,231,511</u>
EXPENSES						
General government	\$ 9,404,815	\$ 7,473,377	\$ -	\$ -	\$ 9,404,815	\$ 7,473,377
Public safety	8,122,866	7,647,031	-	-	8,122,866	7,647,031
Highway and public works	5,739,041	5,100,089	-	-	5,739,041	5,100,089
Culture and recreation	3,090,477	2,763,303	-	-	3,090,477	2,763,303
Interest on long-term debt	29,049	29,094	-	-	29,049	29,094
Water	-	-	1,994,533	1,708,614	1,994,533	1,708,614
Reclaimed Water	-	-	5,749,970	4,788,808	5,749,970	4,788,808
Sanitation	-	-	2,857,817	2,607,409	2,857,817	2,607,409
Total expenses	<u>\$ 26,386,248</u>	<u>\$ 23,012,894</u>	<u>\$ 10,602,320</u>	<u>\$ 9,104,831</u>	<u>\$ 36,988,568</u>	<u>\$ 32,117,725</u>
INCREASE IN NET POSITION BEFORE TRANSFERS	<u>5,414,559</u>	<u>9,889,053</u>	<u>21,189,378</u>	<u>21,224,733</u>	<u>26,603,937</u>	<u>31,113,786</u>
TRANSFERS IN (OUT)	<u>1,935,359</u>	<u>1,826,809</u>	<u>(1,935,359)</u>	<u>(1,826,809)</u>	<u>-</u>	<u>-</u>
INCREASE IN NET POSITION	<u>7,349,918</u>	<u>11,715,862</u>	<u>19,254,019</u>	<u>19,397,924</u>	<u>26,603,937</u>	<u>31,113,786</u>
NET POSITION beginning	108,808,990	97,093,128	173,956,883	154,558,959	282,765,873	251,652,087
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION ending	<u>\$ 116,158,908</u>	<u>\$ 108,808,990</u>	<u>\$ 193,210,902</u>	<u>\$ 173,956,883</u>	<u>\$ 309,369,810</u>	<u>\$ 282,765,873</u>

Revenue by Source - Government Activities



Expenses and Program Revenues - Governmental 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.

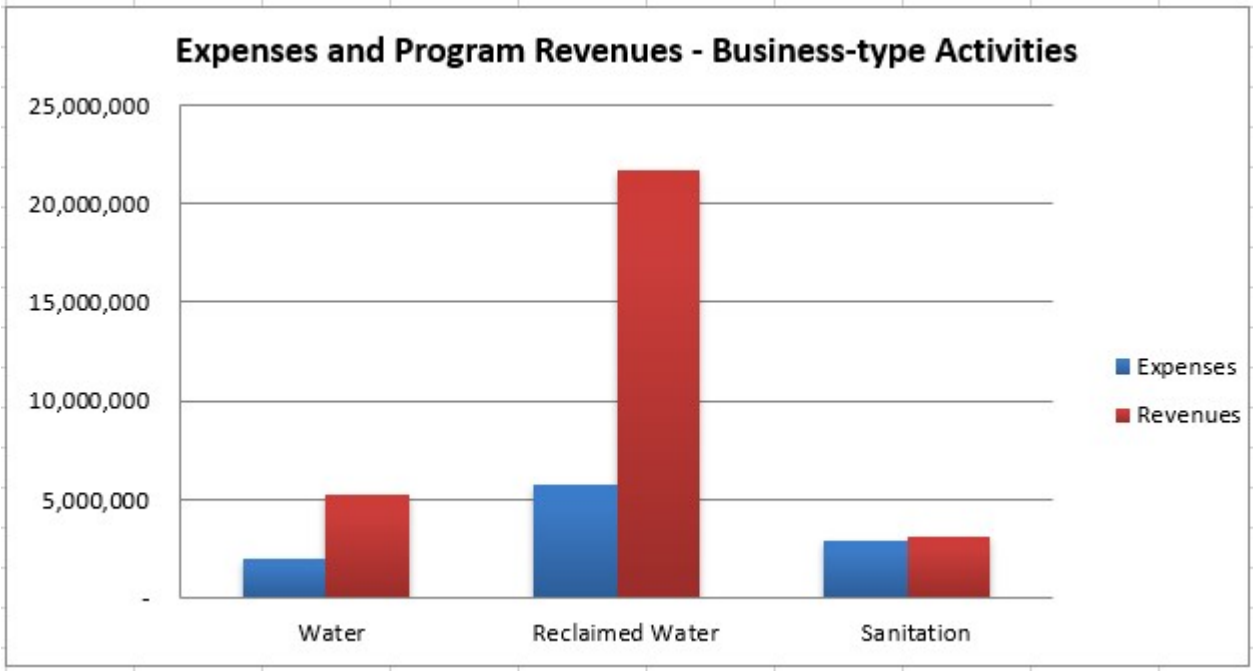
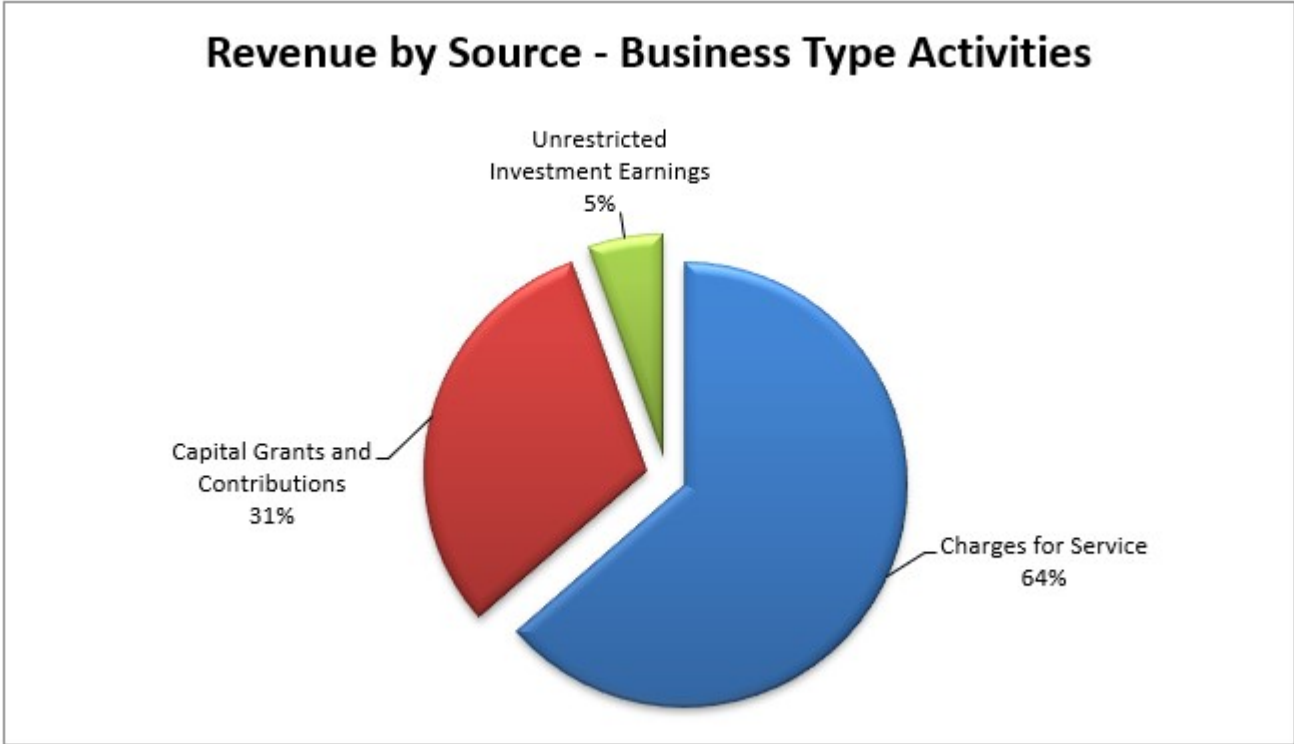
- Grants and contributions are primarily received by public safety and public works. These grants normally have matching requirements by the City yet allow programs and projects that may not happen without those additional funds. The City currently runs a domestic violence program that is significantly 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 20. No significant losses or revenues were received during the year and building permit revenue has increased during FY 20.

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 2020 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 \$44,539,088, an increase of \$6,662,230 in comparison with the prior year. The current fund balance contains \$13,774,650 of restricted dollars, \$3,979,009 of committed dollars, \$3,555,592 of assigned dollars and the balance of \$23,229,837 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 \$21,927,631 with a total fund balance of \$29,462,232. 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 95 percent of total general fund expenditures, while total fund balance represents 127.00 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 \$386,776. This balance is due to prepayments on the LID. The Capital Fund has a restricted fund balance of \$12,875,377. 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 \$40,344,819 (Water \$11,599,964; Reclaimed Water \$27,323,883; and Sanitation \$1,420,972). Restricted net position at the end of the year amounted to \$53,585,272 (Water \$10,391,472 and Reclaimed Water \$43,193,800).

General Fund Budgetary Highlights

The budget was amended to accept a grant from State of Idaho related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for a total cost of \$747,200. These funds will be distributed by the State Controller's Office on a reimbursement basis related to Coronavirus Disease 2019 (COVID-2019)

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, 2020 amounts to \$189,198,425 (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	
	2020	2019	2020	2019	2020	2019
Land	\$ 7,225,866	\$ 7,225,866	\$ 19,604,574	\$ 19,601,284	\$ 26,830,440	\$ 26,827,150
Buildings & Imp.	18,184,641	16,543,788	16,662,278	17,141,039	34,846,919	33,684,827
Machinery & Equip.	5,373,388	4,604,510	1,314,753	1,362,546	6,688,141	5,967,056
Infrastructure	46,404,345	45,218,368	-	-	46,404,345	45,218,368
Wells	-	-	1,975,339	2,039,676	1,975,339	2,039,676
Water System	-	-	13,799,578	13,546,023	13,799,578	13,546,023
Reclaimed Water System	-	-	47,919,298	45,650,309	47,919,298	45,650,309
C.I.P.	1,060,958	2,626,504	9,673,407	5,453,218	10,734,365	8,079,722

Total	<u>\$ 78,249,198</u>	<u>\$ 76,219,036</u>	<u>\$ 110,949,227</u>	<u>\$ 104,794,095</u>	<u>\$ 189,198,425</u>	<u>\$ 181,013,131</u>
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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 completion of phase one of construction on the wastewater reclamation plant upgrade in an effort to keep up with growth.

Additional information on the City of Post Falls' capital assets can be found in note 4 on pages 55 to 56 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 \$12,708,325. Of this amount, \$1,120,000 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, \$921,462, water, \$61,131, and Reclaimed Water, \$115,958.

<u>Debt Type</u>	2020 Balance	2019 Balance
Reclaimed Water Revenue		
Bonds:	\$ 10,683,325	\$ 11,357,130
Water - Revenue Bonds, 2012	905,000	1,090,000
Special Assessment Bonds:	1,120,000	1,195,000
Premium on bonds payable	80,090	96,108
Compensated Absences:	1,098,551	975,432
	<u>\$ 13,886,966</u>	<u>\$ 14,713,670</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 \$63,339,418 on September 30, 2020. The City's general obligation bond above is subject to this limit. Therefore, \$63,339,418 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 65 and 66 of this report.

Economic Factors and Next Year's Budgets and Rates

- Unemployment in Kootenai County increased in 2020. The seasonally adjusted unemployment rate for Kootenai County in 2020 was 5.7% and the labor force pool was approximately 76,989, which was an decrease by about 3,551 from 2019. This figure does not include the underemployed. The prior year reflected an unemployment rate of 3.84 in Kootenai County. In comparison, the national unemployment rate was approximately 6.7% and the statewide unemployment rate was 4.4% in 2020.
- Building permits continue to increase significantly during FY 2020 in the City of Post Falls after a strong growth in the prior year. In the next year, additional growth is 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 2020 reported fiscal year and the upcoming 2021 fiscal year.

Budget Highlights for Fiscal Year 2019-2020

Governmental Activities. During the current fiscal year, unassigned fund balance in the general fund increased by \$2,649,243 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 2020 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, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Post Falls Urban Renewal Agency
Assets				
Cash and cash equivalents	\$ 21,930,812	\$ 19,540,010	\$ 41,470,822	\$ 9,562
Investments	17,264,256	23,406,904	40,671,160	5,718,444
Receivables				
Accounts	364	2,616,754	2,617,118	-
Taxes	248,795	-	248,795	39,068
Miscellaneous	1,584,345	-	1,584,345	-
Special assessments	84,870	-	84,870	-
Internal Balances	(164,050)	164,050	-	-
Accrued interest	123,618	116,300	239,918	3,000
Prepaid items	-	-	-	2,261
Restricted cash	3,706,864	50,944,324	54,651,188	-
Restricted investments	4,391,138	-	4,391,138	329,503
Capital assets, net of depreciation:				
Land	7,225,866	19,604,575	26,830,441	-
Buildings	18,184,641	16,662,278	34,846,919	-
Machinery and equipment	5,373,388	1,314,754	6,688,142	-
Infrastructure	46,404,345	63,694,215	110,098,560	-
Construction in progress	1,060,958	9,673,407	10,734,365	-
Total assets	<u>127,420,210</u>	<u>207,737,571</u>	<u>335,157,781</u>	<u>6,101,838</u>
Deferred Outflows of Resources				
Proportionate share of collective deferred outflows of resources	1,932,723	213,076	2,145,799	10,330
Total deferred outflows of resources	<u>1,932,723</u>	<u>213,076</u>	<u>2,145,799</u>	<u>10,330</u>
Liabilities				
Accounts payable	1,291,515	1,620,666	2,912,181	1,980
Accrued payroll	428,330	62,077	490,407	5,275
Bond interest payable	23,334	79,402	102,736	10,285
Restricted customer deposits	2,608,288	340,030	2,948,318	-
Noncurrent liabilities				
Due within one year	1,636,018	983,842	2,619,860	857,754
Due in more than one year	405,443	10,781,572	11,187,015	1,492,664
Premium on bonds payable (net of accumulated amortization)	-	80,090	80,090	-
Net Pension Liability	6,568,859	764,797	7,333,656	31,316
Total liabilities	<u>12,961,787</u>	<u>14,712,476</u>	<u>27,674,263</u>	<u>2,399,274</u>
Deferred Inflows of Resources				
Proportionate share of collective deferred inflows of resources	232,238	27,269	259,507	10,193
Total deferred inflows of resources	<u>232,238</u>	<u>27,269</u>	<u>259,507</u>	<u>10,193</u>
Net Position				
Net investment in capital assets	77,129,198	99,280,812	176,410,010	-
Restricted for:				
Special revenue projects	523,310	-	523,310	-
Debt service	-	32,008,076	32,008,076	329,503
Special assessment debt	375,962	-	375,962	-
Capital improvement projects	12,875,377	21,577,196	34,452,573	-
Unrestricted	25,255,061	40,344,818	65,599,879	3,373,198
Total net position	<u>\$ 116,158,908</u>	<u>\$ 193,210,902</u>	<u>\$ 309,369,810</u>	<u>\$ 3,702,701</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, 2020**

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	\$ 9,404,815	\$ 5,609,999	\$ 163,137		\$ (3,631,679)		\$ (3,631,679)	
Public safety	8,122,866	1,420,787	376,775		(6,325,304)		(6,325,304)	
Highways and public works	5,739,041	10,373	18,041	\$ 2,788,052	(2,922,575)		(2,922,575)	
Culture and recreation	3,090,477	2,640,641	35,930	142,709	(271,197)		(271,197)	
Interest on long-term debt	29,049				(29,049)		(29,049)	
Total governmental activities	<u>26,386,248</u>	<u>9,681,800</u>	<u>593,883</u>	<u>2,930,761</u>	<u>(13,179,804)</u>		<u>(13,179,804)</u>	
Business-type activities:								
Water	1,994,533	3,501,878		1,735,150		\$ 3,242,495	3,242,495	
Reclaimed water	5,749,970	13,624,453		8,125,485		15,999,968	15,999,968	
Sanitation	2,857,817	3,061,671				203,854	203,854	
Total business-type activities	<u>10,602,320</u>	<u>20,188,002</u>		<u>9,860,635</u>		<u>19,446,317</u>	<u>19,446,317</u>	
Total government	<u>\$ 36,988,568</u>	<u>\$ 29,869,802</u>	<u>\$ 593,883</u>	<u>\$ 12,791,396</u>	<u>(13,179,804)</u>	<u>19,446,317</u>	<u>6,266,513</u>	
Component units:								
General government	\$ 3,049,122							\$ (3,049,122)
Pension plan expense	3,643							(3,643)
Total component units	<u>\$ 3,052,765</u>							<u>\$ (3,052,765)</u>
General revenues:								
					12,080,133		12,080,133	5,255,583
					2,950,522		2,950,522	
					1,794,278		1,794,278	
					818,800		818,800	
					984,347	1,743,061	2,727,408	94,293
					(33,717)		(33,717)	189,290
					<u>18,594,363</u>	<u>1,743,061</u>	<u>20,337,424</u>	<u>5,539,166</u>
Transfers					1,935,359	(1,935,359)		
					<u>20,529,722</u>	<u>(192,298)</u>	<u>20,337,424</u>	<u>5,539,166</u>
Change in net position					7,349,918	19,254,019	26,603,937	2,486,401
Net position - beginning					<u>108,808,990</u>	<u>173,956,883</u>	<u>282,765,873</u>	<u>1,216,300</u>
Net position - ending					<u>\$ 116,158,908</u>	<u>\$ 193,210,902</u>	<u>\$ 309,369,810</u>	<u>\$ 3,702,701</u>

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

**City of Post Falls
Balance Sheet
Governmental Funds
September 30, 2020**

	General Fund	Debt Service LID 2004-1 Fund	Capital Fund	Other Governmental Funds	Total Government Funds 2020
Assets					
Cash on hand and cash equivalents	\$ 11,357,258	\$ 59,164	\$ 8,546,662	\$ 1,967,730	\$ 21,930,814
Investments	12,590,485		4,673,771		17,264,256
Accounts receivable:					
Property taxes - current	29,872				29,872
Property taxes - delinquent	218,923				218,923
Miscellaneous	1,462,902			54,818	1,517,720
Customers	300	66,624		64	66,988
Special assessments - delinquent		48,601		2,621	51,222
Special assessments - deferred		33,647		1	33,648
Accrued interest	92,012	124	31,482		123,618
Restricted current assets:					
Cash and cash equivalents	3,674,493			32,371	3,706,864
Investments	4,130,274	260,864			4,391,138
Total assets and other debts	<u>\$ 33,556,519</u>	<u>\$ 469,024</u>	<u>\$ 13,251,915</u>	<u>\$ 2,057,605</u>	<u>\$ 49,335,063</u>
Liabilities:					
Accounts payable	\$ 1,005,002		\$ 254,038	\$ 1,494	\$ 1,260,534
Due to other funds				30,980	30,980
Interfund payable				164,050	164,050
Accrued payroll and fringe benefits	416,945			11,386	428,331
Restricted customer deposits	2,453,417		122,500	32,371	2,608,288
Total liabilities	<u>3,875,364</u>		<u>376,538</u>	<u>240,281</u>	<u>4,492,183</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	218,923				218,923
Unavailable revenue - special assessment		\$ 82,248		2,621	84,869
Total deferred inflows of resources	<u>218,923</u>	<u>82,248</u>		<u>2,621</u>	<u>303,792</u>
Fund balances					
Restricted:					
Special revenue projects				523,311	523,311
Special assessment debt		386,776		(10,814)	375,962
Capital improvement projects			12,875,377		12,875,377
Committed:					
Revenue stabilization	3,979,009				3,979,009
Assigned:					
Capital improvements	3,555,592				3,555,592
Unassigned	21,927,631			1,302,206	23,229,837
Total fund balances	<u>29,462,232</u>	<u>386,776</u>	<u>12,875,377</u>	<u>1,814,703</u>	<u>44,539,088</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 33,556,519</u>	<u>\$ 469,024</u>	<u>\$ 13,251,915</u>	<u>\$ 2,057,605</u>	<u>\$ 49,335,063</u>

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.	78,249,198
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	303,792
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(2,064,795)
Pension liabilities, pension expense (revenue), deferred outflows of resources and deferred inflows of resources related to pensions.	(4,868,374)

Net Position of governmental activities \$ 116,158,908

City of Post Falls
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General Fund	Debt Service LID 2004-1 Fund	Capital Fund	Other Governmental Funds	Totals Government Funds 2020
Revenues:					
Taxes	\$ 12,689,928				\$ 12,689,928
Intergovernmental	6,144,250			\$ 44,926	6,189,176
Charges for services	4,635,708		\$ 3,706,155	550,384	8,892,247
Other revenue	428,427			228,743	657,170
Principal		\$ 47,427			47,427
Interest	691,704	10,560	261,975	20,108	984,347
Total revenues	<u>24,590,017</u>	<u>57,987</u>	<u>3,968,130</u>	<u>844,161</u>	<u>29,460,295</u>
Expenditures:					
Current:					
General government	7,524,380	5,700	105,043	200	7,635,323
Public safety	7,421,759			141,392	7,563,151
Highways and public works	3,713,398			(15)	3,713,383
Culture and recreation	2,696,786			20,714	2,717,500
Capital outlay	1,744,585		1,249,901	4,000	2,998,486
Debt service:					
Principal		75,000			75,000
Interest		24,675		5,906	30,581
Total expenditures	<u>23,100,908</u>	<u>105,375</u>	<u>1,354,944</u>	<u>172,197</u>	<u>24,733,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,489,109</u>	<u>(47,388)</u>	<u>2,613,186</u>	<u>671,964</u>	<u>4,726,871</u>
Other financing sources (uses):					
Transfers in	2,015,279		250,000	51,277	2,316,556
Transfers out	(346,586)		(34,461)	(150)	(381,197)
Total other financing sources (uses)	<u>1,668,693</u>		<u>215,539</u>	<u>51,127</u>	<u>1,935,359</u>
Net change in fund balance	3,157,802	(47,388)	2,828,725	723,091	6,662,230
Fund balances, beginning	<u>26,304,430</u>	<u>434,164</u>	<u>10,046,652</u>	<u>1,091,612</u>	<u>37,876,858</u>
Fund balances, ending	<u>\$ 29,462,232</u>	<u>\$ 386,776</u>	<u>\$ 12,875,377</u>	<u>\$ 1,814,703</u>	<u>\$ 44,539,088</u>

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, 2020

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

Net change in fund balances - total governmental funds	\$ 6,662,230
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.	-429,280
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	2,560,749
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	-118,932
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.	-40
The net pension effect related to the pension expense recognized for the year.	<u>-1,324,809</u>
Change in net position of governmental activities	<u>\$ 7,349,918</u>

**City of Post Falls
Statement of Net Position
Proprietary Funds
September 30, 2020**

	Business-type Activities - Enterprise Funds			
	Water	Reclaimed Water	Sanitation	Total
Assets				
Current assets:				
Cash	\$ 5,517,535	\$ 13,999,953	\$ 22,522	\$ 19,540,010
Investments	5,783,622	16,245,253	1,378,029	23,406,904
Utility receivables, net	780,950	1,570,030	265,774	2,616,754
Accrued interest	20,158	62,989		83,147
Due from other funds	164,050			164,050
Total current assets	<u>12,266,315</u>	<u>31,878,225</u>	<u>1,666,325</u>	<u>45,810,865</u>
Non-current assets:				
Restricted cash	10,386,842	40,557,482		50,944,324
Restricted accrued interest	7,207	25,946		33,153
Total restricted assets	<u>10,394,049</u>	<u>40,583,428</u>		<u>50,977,477</u>
Capital assets:				
Land	59,096	19,545,479		19,604,575
Building	309,250	22,772,454		23,081,704
Wells	3,594,481			3,594,481
Water system	22,433,332			22,433,332
Equipment	1,672,289	1,941,728		3,614,017
Reclaimed Water system		70,675,240		70,675,240
Construction in progress	2,089,950	7,583,457		9,673,407
Less accumulated depreciation	(11,349,862)	(30,377,665)		(41,727,527)
Total capital assets (net of accumulated depreciation)	<u>18,808,536</u>	<u>92,140,693</u>		<u>110,949,229</u>
Total non-current assets	<u>29,202,585</u>	<u>132,724,121</u>		<u>161,926,706</u>
Total Assets	<u>41,468,900</u>	<u>164,602,346</u>	<u>1,666,325</u>	<u>207,737,571</u>
Deferred Outflows of Resources				
Proportionate share of collective deferred outflows of resources	77,491	135,585		213,076
Total deferred outflows of resources	<u>77,491</u>	<u>135,585</u>		<u>213,076</u>
Liabilities				
Current liabilities:				
Accounts payable	264,970	1,110,343	245,353	1,620,666
Accrued payroll	17,240	44,837		62,077
Bond interest payable	14,394	65,008		79,402
Compensated absences - current maturity	133,402	64,936		198,338
Customer deposits payable	114,795	225,235		340,030
Bond payable - current maturity	1,074,673	694,673		1,769,346
Total current liabilities	<u>1,619,474</u>	<u>2,205,032</u>	<u>245,353</u>	<u>4,069,859</u>
Noncurrent liabilities:				
Noncurrent Compensated absences	(72,271)	51,022		(21,249)
Premium on bonds payable (net of amortization)	80,090			80,090
Bonds payable-non current	(169,673)	9,988,652		9,818,979
Net Pension Liability	264,725	500,072		764,797
Total noncurrent liabilities	<u>102,871</u>	<u>10,539,746</u>		<u>10,642,617</u>
Total Liabilities	<u>1,722,345</u>	<u>12,744,778</u>	<u>245,353</u>	<u>14,712,476</u>
Deferred Inflows of Resources				
Proportionate share of collective deferred inflows of resources	9,164	18,105		27,269
Total deferred inflows of resources	<u>9,164</u>	<u>18,105</u>		<u>27,269</u>
Net Position				
Net investment in capital assets	17,823,446	81,457,365		99,280,811
Restricted for:				
Debt service	260,914	31,747,162		32,008,076
Capital improvement projects	10,130,558	11,446,638		21,577,196
Unrestricted	11,599,964	27,323,883	1,420,972	40,344,819
Total Net Position	<u>\$ 39,814,882</u>	<u>\$ 151,975,048</u>	<u>\$ 1,420,972</u>	<u>\$ 193,210,902</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, 2020

	Business-type Activities - Enterprise Funds			
	Water	Reclaimed Water	Sanitation	Total
Operating Revenues:				
Charges for services	\$ 3,193,728	\$ 13,455,330	\$ 3,033,556	\$ 19,682,614
Hookups and connections	126,406			126,406
Other revenues	181,744	169,123	28,115	378,982
Total operating revenues	<u>3,501,878</u>	<u>13,624,453</u>	<u>3,061,671</u>	<u>20,188,002</u>
Operating Expenses:				
Salaries and benefits	652,650	1,600,702		2,253,352
Administrative and supplies	726,476	1,921,188	2,857,817	5,505,481
Depreciation	600,069	1,984,957		2,585,026
Total operating expenses	<u>1,979,195</u>	<u>5,506,847</u>	<u>2,857,817</u>	<u>10,343,859</u>
Operating income	<u>1,522,683</u>	<u>8,117,606</u>	<u>203,854</u>	<u>9,844,143</u>
Nonoperating revenues (expenses):				
Investment income	437,837	1,249,216	56,008	1,743,061
Interest expense	(15,338)	(243,123)		(258,461)
Total nonoperating revenues (expenses)	<u>422,499</u>	<u>1,006,093</u>	<u>56,008</u>	<u>1,484,600</u>
Income before contributions and transfers	1,945,182	9,123,699	259,862	11,328,743
Capital Contributions - cap fees and other	1,735,150	8,125,485		9,860,635
Transfers in		79,920		79,920
Transfers (out)	(628,578)	(837,218)	(549,483)	(2,015,279)
Changes in net position	<u>3,051,754</u>	<u>16,491,886</u>	<u>(289,621)</u>	<u>19,254,019</u>
Net Position - beginning	<u>36,763,128</u>	<u>135,483,162</u>	<u>1,710,593</u>	<u>173,956,883</u>
Net Position - ending	<u>\$ 39,814,882</u>	<u>\$ 151,975,048</u>	<u>\$ 1,420,972</u>	<u>\$ 193,210,902</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, 2020

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	\$ 3,348,667	\$ 3,465,945	\$ 13,809,391	\$ 12,443,549	\$ 3,055,402	\$ 2,902,700	\$ 20,213,460
Payments to suppliers	(627,292)	(453,221)	(1,862,009)	(1,042,310)	(2,838,700)	(2,584,459)	(5,328,001)
Payments to employees	(499,084)	(603,424)	(1,299,337)	(1,388,089)	-	-	(1,798,421)
Net cash provided by operating activities	<u>2,222,291</u>	<u>2,409,300</u>	<u>10,648,045</u>	<u>10,013,150</u>	<u>216,702</u>	<u>318,241</u>	<u>13,087,038</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	(628,578)	(606,252)	(837,218)	(802,528)	(549,483)	(497,949)	(2,015,279)
Advances from other funds	32,810	32,810	-	-	-	-	32,810
Net cash (used) by non-capital financing activities	<u>(595,768)</u>	<u>(573,442)</u>	<u>(757,298)</u>	<u>(722,608)</u>	<u>(549,483)</u>	<u>(497,949)</u>	<u>(1,902,549)</u>
Cash Flows from Capital and Related Financing Activities							
Capital contributions	1,417,825	930,107	7,310,285	6,634,599	-	-	8,728,110
Principal payments on capital debt	(185,000)	(180,000)	(673,805)	(659,351)	-	-	(858,805)
Interest payments on capital debt	(34,450)	(39,925)	(247,864)	(245,525)	-	-	(282,314)
Purchase of capital assets	(2,033,746)	(714,190)	(5,931,017)	(4,938,693)	-	-	(7,964,763)
Net cash (used) provided by capital and related financing activities	<u>(835,372)</u>	<u>(4,008)</u>	<u>457,599</u>	<u>791,030</u>	<u>-</u>	<u>-</u>	<u>(377,772)</u>
Cash Flows from Investing Activities							
Interest received on investments	444,289	575,183	1,271,502	1,668,768	56,009	50,601	1,771,800
Net cash provided by investing activities	<u>444,289</u>	<u>575,183</u>	<u>1,271,502</u>	<u>1,668,768</u>	<u>56,009</u>	<u>50,601</u>	<u>1,771,800</u>
Net increase (decrease) in cash and cash equivalents	1,235,441	2,407,033	11,619,848	11,750,340	(276,772)	(129,107)	12,578,517
Cash and cash equivalents, beginning	20,452,558	18,045,525	59,182,840	47,432,500	1,677,323	1,806,430	81,312,721
Cash and cash equivalents, ending	<u>\$ 21,687,999</u>	<u>\$ 20,452,558</u>	<u>\$ 70,802,688</u>	<u>\$ 59,182,840</u>	<u>\$ 1,400,551</u>	<u>\$ 1,677,323</u>	<u>\$ 93,891,238</u>
Reconciliation of Operating Income to Net Cash							
Provided by operating activities:							
Operating income	\$ 1,522,683	\$ 1,734,983	\$ 8,117,606	\$ 8,345,524	\$ 203,854	\$ 303,561	\$ 9,844,143
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	600,069	575,431	1,984,957	1,597,645	-	-	2,585,026
Changes in assets and liabilities:							
Accounts receivable	(153,211)	43,434	184,938	(515,332)	(6,269)	(8,270)	25,458
Prepaid expense	-	-	-	-	-	-	-
Accounts payable	77,384	81,154	59,178	643,845	19,118	22,950	155,680
Accrued payroll	16,514	12,762	30,605	28,452	-	-	47,119
Deferred Inflows	-	-	-	-	-	-	-
Deferred Outflow	-	-	-	-	-	-	-
Net change in pension liability	137,052	(39,474)	270,760	(86,984)	-	-	407,812
Customer deposits	21,800	1,010	-	-	-	-	21,800
Total adjustments	<u>\$ 2,222,291</u>	<u>\$ 2,409,300</u>	<u>\$ 10,648,045</u>	<u>\$ 10,013,150</u>	<u>\$ 216,702</u>	<u>\$ 318,241</u>	<u>\$ 13,087,038</u>
Noncash investing, capital, and financing activities:							
Contributions of capital assets	\$ 317,325	\$ 243,350	\$ 815,200	\$ 904,960	\$ -	\$ -	\$ 1,132,525
Reconciliation of Cash to the Statement of Net Position							
Cash and cash equivalents	\$ 5,517,535	\$ 5,020,452	\$ 13,999,953	\$ 9,999,612	\$ 22,522	\$ 352,516	\$ 19,540,010
Investments	5,783,622	5,217,942	16,245,253	15,710,591	1,378,029	1,324,807	23,406,904
Restricted Cash, customer deposit	-	92,995	-	-	-	-	-
Restricted cash,	10,386,842	10,121,169	40,557,482	33,472,637	-	-	50,944,324
	<u>\$ 21,687,999</u>	<u>\$ 20,452,558</u>	<u>\$ 70,802,688</u>	<u>\$ 59,182,840</u>	<u>\$ 1,400,551</u>	<u>\$ 1,677,323</u>	<u>\$ 93,891,238</u>

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

City of Post Falls

NOTES TO FINANCIAL STATEMENTS September 30, 2020

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, 2020

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, 2020

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, 2020

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, 2020**

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, 2019 materially approximates fair value. Investments on hand at September 30, 2019 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, 2020**

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, 2020 are as follows:

Water:

Gross accounts receivable	805,042
Less allowance for doubtful accounts	(24,092)
Accounts receivable, net	\$ 780,950

Reclaimed water:

Gross accounts receivable	1,617,833
Less allowance for doubtful accounts	(47,803)
Accounts receivable, net	\$ 1,570,030

Sanitation:

Gross accounts receivable	273,994
Less allowance for doubtful accounts	(8,220)
Accounts receivable, net	\$ 265,774

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, 2020**

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:

	Estimated Life
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, 2020

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

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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.

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

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 2019-2020 fiscal year was .004828083.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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 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, 2020

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, 2020:

Cash on hand	\$	1,603
Deposits with financial institutions:		
Demand deposit		(9,164)
Time certificates of deposit		10,000
Investments		141,181,869
Total	\$	<u>141,184,308</u>

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

Cash and cash equivalents	\$	41,470,822
Investments		40,671,160
Restricted cash and investments		59,042,326
Total	\$	<u>141,184,308</u>

Deposits

The carrying amount of the City's deposits with financial institutions was (\$9,164) 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, 2020

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, 2020, 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, 2020**

NOTE 2: CASH AND INVESTMENTS (Continued)

Investment Type	Fair Value	Weighted Ave. Maturity - Years	Percentage of Portfolio
State Investment Pool	\$ 96,932,065	Daily	68.651%
Federal Farm Credit Bank	14,188,830	10.15	10.052%
Federal Home Loan Bank	10,546,654	9.83	7.472%
Mountain West Bank - Repurchase Sweep	1,738,217	Daily	1.231%
Federal Home Loan Mortgage Corp	1,658,120	0.36	1.175%
Federal National Mortgage Assoc	1,395,472	12.93	0.989%
Wells Fargo & Co	1,156,757	2.75	0.820%
HSBC Holdings PLC	1,062,021	0.66	0.752%
Banco Santander	1,037,280	1.53	0.735%
Huntington National Bank	1,036,190	1.77	0.734%
JPMorgan Chase	1,020,610	3.67	0.723%
Lloyds BK PLC	1,018,070	0.60	0.721%
AT&T Inc	1,017,760	3.70	0.721%
Morgan Stanley SR FLT	1,016,070	3.07	0.720%
Bank of America Corp	1,010,970	2.31	0.716%
Barclay's Bank PLC FR	995,300	3.32	0.705%
Goldman Sachs Group	943,667	2.32	0.669%
Farmer Mac	898,401	4.12	0.636%
MIZUHO FINL Group INC	605,728	0.95	0.429%
Bank Montreal Senior Unsecured	531,565	3.75	0.377%
Caterpillar Finl Svcs Corp	525,575	2.42	0.372%
Keybank Natl Assn Cleveland	516,595	1.69	0.366%
Tennessee Valley Authority Cpn Strip	284,153	6.34	0.201%
Money Market Funds	45,799	Daily	0.032%
	<u>\$ 141,181,869</u>		

NOTE 3: SPECIAL ASSESSMENTS RECEIVABLE

Special assessments receivable from benefited property owners of public improvements consist of the following as of September 30, 2020:

	LID 2004 - 1	LID 99 - 1	Total
Beginning Assessment - principal	\$ 163,390	\$ 2,622	\$ 166,012
Assessments collected - principal*	(81,143)	-	(81,143)
Ending Assessment - principal**	<u>\$ 82,247</u>	<u>\$ 2,622</u>	<u>\$ 84,869</u>
Delinquent amounts	\$ 48,601	\$ 2,622	\$ 51,223
Guarantee/Reserve funds	\$ 260,864	\$ 17,281	\$ 278,145

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2020 is as follows:

	September 30, 2019	Adjustments Additions	Transfers	Deletions	September 30, 2020
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated					
Land	\$ 7,225,866	\$ -	-	-	\$ 7,225,866
C.I.P.	2,626,504	569,597	\$ (2,135,143)	-	1,060,958
Total capital assets, not being depreciated	9,852,370	569,597	(2,135,143)	-	8,286,824
Capital assets, being depreciated:					
Buildings and improvements	24,112,043	901,698	1,489,162	-	26,502,903
Equipment	8,972,117	1,392,337	218,581	(308,625)	10,274,410
Vehicles	5,432,662	134,854	-	(45,000)	5,522,516
Infrastructure	59,449,518	2,560,749	427,401	-	62,437,668
Total capital assets, being depreciated	97,966,340	4,989,638	2,135,143	(353,625)	104,737,496
Less: accumulated depreciation					
Buildings and improvements	7,568,256	750,007	-	-	8,318,263
Equipment	5,714,032	500,751	-	207,317	6,007,466
Vehicles	4,086,236	374,834	-	45,000	4,416,070
Infrastructure	14,231,150	1,802,174	-	-	16,033,324
Total accumulated depreciation	31,599,673	3,427,766	-	252,317	34,775,123
Total capital assets being depreciated, net	66,366,667	1,561,872	2,135,143	(101,308)	69,962,373
Governmental activities capital assets, net	\$ 76,219,037	\$ 2,131,469	-	(101,308)	\$ 78,249,198

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE 4: CAPITAL ASSETS (Continued)

	September 30,	Adjustments			September 30,
	2019	Additions	Transfers	Deletions	2020
BUSINESS-TYPE ACTIVITIES:					
Capital assets, not being depreciated:					
Land	19,601,285	3,290	-	-	19,604,575
C.I.P.	5,453,218	5,644,088	(1,423,899)	-	9,673,407
Total capital assets, not being depreciated	25,054,503	5,647,378	(1,423,899)	-	29,277,982
Capital assets, being depreciated:					
Wells	3,592,339	2,142	-	-	3,594,481
Water System	22,058,286	317,475	366,821	-	22,742,582
Equipment	3,558,536	122,703	-	67,223	3,614,016
Reclaimed Water System	89,722,628	2,667,986	1,057,078	-	93,447,692
Total capital assets, being depreciated	118,931,789	3,110,306	1,423,899	67,223	123,398,771
Less: accumulated depreciation					
Wells	1,552,663	66,479	-	-	1,619,142
Water System	8,356,096	436,925	-	-	8,793,021
Equipment	2,195,990	103,274	-	-	2,299,264
Reclaimed Water System	27,087,449	1,928,651	-	-	29,016,100
Total accumulated depreciation	39,192,198	2,535,328	-	-	41,727,526
Total capital assets being depreciated, net	79,739,591	574,978	1,423,899	67,223	81,671,245
Business-type activities capital assets, net	\$ 104,794,094	\$ 6,222,356	-	67,223	\$ 110,949,227

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

Governmental activities:	
General government	\$ 469,419
Public safety	559,714
Highways and public works	2,025,657
Culture and recreation	372,976
Total depreciation expense - governmental activities	<u>\$ 3,427,766</u>
Business-type activities:	
Water	\$ 532,846
Reclaimed water	2,002,482
Total depreciation expense - business-type activities	<u>\$ 2,535,328</u>

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020 was as follows:

Members:	
Active plan	73,657
Terminated and vested	13,788
Retirees and beneficiaries	49,573
	<u>137,018</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, 2020

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, 2019, 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, 2019 12.28% for police and firefighters, and 11.94% for general employees. The City contributions were \$1,390,834 for the year ended September 30, 2020.

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

At September 30, 2020, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the City's proportion was 0.3158156 percent.

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended September 30, 2020, the City recognized pension expense (revenue) of \$2,746,575 at September 30, 2020 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	\$ 572,984	\$ 239,460
Changes of assumptions	124,026	-
Net difference between projected and actual earnings on pension plan investments	840,578	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	219,549	20,047
City of Post Fall's contributions subsequent to the measurement date	388,662	-
Total	\$ 2,145,799	\$ 259,507

\$388,662, 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, 2020

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, 2018 the beginning of the measurement period ended June 30, 2019 is 4.8 years and 4.8 for the measurement period June 30, 2020.

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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:

2021	\$ 92,330
2022	370,718
2023	455,104
2024	579,478

-

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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
investment rate of return	7.05%, net of investment expenses
Cost of Living (COLA) adjustments	1.00%

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

- 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, 2020**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

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, 2020.

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			7.05%

Discount Rate - The discount rate used to measure the total pension liability was 7.05%. 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, 2020**

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 7.05 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05)%	Current Disocunt Rate (7.05%)	1% Increase (8.05)%
Employer's net position liability (asset) - Employer	\$ 15,039,319	\$ 7,333,656	\$ 962,328

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, 2020**

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, 2020**

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</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt</u> <u>Service</u>
2021	\$ 230,000	\$ 21,712	\$ 251,712
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>\$ 1,180,000</u>	<u>\$ 66,056</u>	<u>\$ 1,246,056</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</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt</u> <u>Service</u>
2021	\$ 464,673	\$ 211,236	\$ 675,909
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
2026-2030	2,718,227	661,318	3,379,545
2031-2035	3,040,124	339,421	3,379,545
2036-2037	1,314,557	37,261	1,351,818
	<u>\$ 9,503,325</u>	<u>\$ 1,987,128</u>	<u>\$ 11,490,453</u>

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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:

<u>WATER REVENUE REFUNDING BONDS, SERIES 2012:</u>			
<u>Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt</u> <u>Service</u>
2021	\$ 190,000	\$ 28,350	\$ 218,350
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>\$ 905,000</u>	<u>\$ 73,764</u>	<u>\$ 978,764</u>

Long-term liability activity for the year ended September 30, 2020 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	\$ 1,120,000	\$ 56,000	\$ 1,176,000
			<u>\$ 1,120,000</u>	<u>\$ 56,000</u>	<u>\$ 1,176,000</u>

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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, 2020 is \$0. As of September 30, 2020, \$17,281 is set-aside in this fund.

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

	Balance 10/1/19	<u>Additions</u>	<u>Deletions</u>	Balance 9/30/20
Compensated absences	\$ 844,969	\$ 99,083	\$ 22,590	\$ 921,462
Local imp. bonds payable	1,195,000		75,000	1,120,000
	<u>\$ 2,039,969</u>	<u>\$ 99,083</u>	<u>\$ 97,590</u>	<u>\$ 2,041,462</u>
	Due in <u>One Year</u>			
Compensated absences	\$ 516,018			
Local imp. bond payable	1,120,000			
	<u>\$ 1,636,018</u>			

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

	Balance 10/1/19	<u>Additions</u>	<u>Deletions</u>	Balance 9/30/20
Compensated absences	\$ 144,491	\$ 32,598		\$ 177,089
Premium on bonds payable	96,108		16,018	80,090
DEQ Loan	9,957,130		453,805	9,503,325
Bonds payable	2,490,000		405,000	2,085,000
	<u>\$ 12,687,729</u>	<u>\$ 32,598</u>	<u>\$ 874,823</u>	<u>\$ 11,845,504</u>
	Due in <u>One Year</u>			
Compensated absences	\$ 99,169			
Bonds payable	884,673			
	<u>\$ 983,842</u>			

City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 2020, the Post Falls Urban Renewal Agency has outstanding debt totaling \$2,350,418 for project financing from Washington Trust Bank.

Agency Cash and Investments

Deposit Insurance Corporation up to \$250,000. As of September 30, 2020, the Agency had uninsured balances totaling \$0.

The carrying amount of the Agency’s deposits and investments as of September 30, 2020 is categorized as follows:

Cash and cash equivalents	\$	9,562
Equity in the state investment pool		5,718,444
Amount insured by the FDIC or other agencies		<u>329,503</u>
Total	\$	<u><u>6,057,509</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, 2020**

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, 2020, 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, 2020, in the above categories:

	Category			Carrying Amount
	1	2	3	
Certificated of Deposit	\$ 329,503	-	-	329,503
Total Investments	\$ 329,503	-	-	329,503

Receivables

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

<u>Year</u>	Balance	Assessment	Adjustments &	Balance
	9/30/19	<u>Levied</u>	<u>Collections</u>	9/30/20
2007-2018	\$ 120,604	\$ 5,249,867	\$ (5,331,403)	\$ 39,068

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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, 2020 is as follows:

Taxes Due at September 30, 2020	\$	39,068
Received October 2020		(2,367)
Received November 2020		(8,292)
Total	\$	<u>28,409</u>

Capital Assets

Capital asset activity for the year ended September 30, 2020 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 \$1,649,337 have been approved. In March 2014, financing cost reimbursements totally \$96,509 was approved and added to the obligation. During fiscal year 208 additional cost reimbursements totaling \$1,978,651 were 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, \$3,221,501 was reimbursed in previous fiscal years and \$326,553 was reimbursed in fiscal year 2020, leaving a balance of \$914,437.

Greenstone-Kootenai, Inc. (West Seltice II) – In July 2007, the Agency entered into an Owner Participation Agreement with Greenstone- Kootenai, Inc. Under this agreement, the Agency will reimburse the cost of infrastructure improvements made within the West Seltice II Urban Renewal

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE 7: COMPONENT UNIT DISCLOSURES (Continued)

District totaling \$1,990,008. The Agency is only obligated to reimburse Greenstone-Kootenai, Inc. if tax increment revenues of the Agency, directly resulting from the project improvements made by Greenstone-Kootenai, Inc. are available. The Agency receives tax increment revenue and then deducts the amount 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, \$1,703,698 was reimbursed in previous fiscal years, and \$286,311 was reimbursed in fiscal year 2020, leaving a balance of \$68,917.

Tullamore Properties, LLC (East Post Falls) – 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, \$3,609,110 was reimbursed in previous fiscal years, and \$996,039 was reimbursed in fiscal year 2020, leaving a balance of \$1,893,811.

Tullamore 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, \$130,828 was reimbursed in previous fiscal years, and \$22,174 was reimbursed in fiscal year 2020, leaving a balance of \$171,998.

The Point, LLC (Center Point) – During the 2012 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 totaling approved reimbursements of \$7,564,627. Of the total amount the Agency has agreed to reimburse, \$6,770,211 was reimbursed in previous fiscal years, and \$777,245 was reimbursed in fiscal year 2020, leaving a balance of \$16,991.

Beyond Gree, 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 northeast corner of Highway 41 and Prairie Avenue. The Agency entered into an Owner Participation and

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE 7: COMPONENT UNIT DISCLOSURES (Continued)

Reimbursement Agreement with the proponent (Beyond Green, Inc.) on February 12, 2019. There are projects slated to begin in the near future, but to date nothing has been built in the Tech Park or Shopping Center.

East Post Falls (EPF) District - The Agency entered into two separate Memorandum of Understanding's (MOU's) with the City of Post Falls for the Highway 41 Gravity Pipeline Upsize Project and the EQ Basin Project, 12th Avenue Lift Station Improvements and Force Main. Both projects are eligible infrastructure within the District Plan and will encourage the development and economic growth and future development in the EPF District. The estimated costs are approximately \$5.6 million and will be funded by tax increment dollars arising in the EPF Urban Renewal District.

Lease - The Agency leases its office space. The term of the lease is 12 months with annual payments of \$7,740. 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 shall be reset. 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 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 \$469,000 each. The Post Falls Urban Renewal Agency has established and maintains a Reserve Fund in the amount of \$329,503 at Washington Trust Bank pursuant to loan covenants. The loan covenant requires a 10 percent reserve fund which as of September 30, 2020 would be \$235,042.

NOTE 8: DEFICIT FUND EQUITY

The following funds had deficit fund equity at September 30, 2020:

Fund	Deficit
Debt Service:	
LID99-1	\$ 28,095

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.

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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, 2020**

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, 2020, is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,015,279	\$ 346,586
Capital Fund	250,000	34,461
Nonmajor Governmental Funds	51,277	150
Enterprise Funds	79,920	2,015,279
Totals	<u>\$ 2,396,476</u>	<u>\$ 2,396,476</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: INTERFUND RECEIVABLES/PAYABLES

The composition of inter-fund balances as of September 30, 2020 is as follows:

	<u>Receivable</u>	<u>Payable</u>
Nonmajor Governmental Funds	-	\$ 164,050
Enterprise Funds	\$ 164,050	-
Totals	<u>\$ 164,050</u>	<u>\$ 164,050</u>

The current purposes for the inter-fund/payables in the City is or borrowing from other funds. The 911 Support Fund owes \$164,050 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, 2020**

NOTE 13: 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, 2020**

NOTE 14: 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 \$2,064,795 difference are as follows:

Bonds payable	\$	1,120,000
Accrued interest payable		23,334
Discount/premium		-
Compensated absences		<u>921,461</u>
 <i>Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities</i>		 \$ <u>2,064,795</u>

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 \$(429,280) are as follows:

Capital outlay	\$	2,998,486
Disposal		-
Depreciation		<u>(3,427,766)</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>(429,280)</u>

City of Post Falls

**NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

**NOTE 14: 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 \$2,560,749 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>\$ 2,560,749</u>
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<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>\$ 2,560,749</u>
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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 \$118,932 difference are as follows:

Property taxes	\$ 37,790
Special assessment debt issued and repaid	<u>81,142</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>\$ 118,932</u>
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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 \$(40) difference are as follows:

Debt issued or incurred:	
Compensated absences	\$ 76,493
Principal repayments:	
Special assessment debt	(75,000)
Accrued interest payable	(1,533)

<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>\$ (40)</u>
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City of Post Falls

NOTES TO FINANCIAL STATEMENTS
September 30, 2020

**NOTE 14: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)**

The net pension effect related to the pension expense recognized for the year. \$ (1,324,809)

NOTE 15: RECONCILIATION OF INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

Governmental Activities:

Capital assets, net of depreciation	\$ 78,249,198
Local improvement bonds payable	<u>(1,120,000)</u>
Net investment in capital assets	<u>\$ 77,129,198</u>

Business-Type Activities:

Capital assets, net of depreciation	\$ 110,949,229
Idaho Department of Environmental Quality Bond	(9,503,327)
Reclaimed water bonds payable	(1,180,000)
Water bonds payable	<u>(970,090)</u>
Net investment in capital assets	<u>\$ 99,295,812</u>

NOTE 16: SUBSEQUENT EVENT

The City has evaluated its September 30, 2020 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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,618,435	\$ 12,618,435	\$ 12,689,928	\$ 71,493
Intergovernmental	5,027,397	5,829,663	6,144,250	314,587
Charges for services	3,343,423	3,343,423	4,635,708	1,292,285
Other revenue	269,920	269,920	428,427	158,507
Interest	245,000	245,000	691,704	446,704
Total revenues	21,504,175	22,306,441	24,590,017	2,283,576
Expenditures				
Current:				
General government	8,828,700	8,961,125	7,524,380	1,436,745
Public safety	7,103,365	7,764,485	7,421,759	342,726
Highways and public works	3,909,256	4,137,417	3,713,398	424,019
Culture and recreation	2,670,580	2,885,512	2,696,786	188,726
Capital outlay	3,825,525	3,391,157	1,744,585	1,646,572
Debt service				
Total expenditures	26,337,426	27,139,696	23,100,908	4,038,788
Excess (deficiency) of revenues over (under) expenditures	(4,833,251)	(4,833,255)	1,489,109	6,322,364
Other financing sources (uses)				
Transfers in	2,133,151	2,133,151	2,015,279	(117,872)
Transfers out	(329,920)	(329,920)	(346,586)	(16,666)
Total other financing sources (uses)	1,803,231	1,803,231	1,668,693	(134,538)
Net changes in fund balance	(3,030,020)	(3,030,024)	3,157,802	6,187,826
Fund balances - beginning	26,304,430	26,304,430	26,304,430	
Fund balances - ending	\$ 23,274,410	\$ 23,274,406	\$ 29,462,232	\$ 6,187,826

**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, 2020
PERSI - Base Plan
Last 10 - Fiscal Years *

	<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.	0.3158156%	0.3024775%	0.3047801%	0.2942458%	0.2940635%	0.2854469%
Employer's proportionate share of the net pension liability.	\$ 7,333,656	\$ 3,452,696	\$ 4,495,560	\$ 4,625,039	\$ 5,961,119	\$ 3,758,871
Employer's covered-employee payroll.	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 employee payroll.	63.68%	33.10%	46.01%	51.10%	69.27%	46.40%
Plan fiduciary net position as a percentage of the total pension liability.	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, 2020 (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, 2020
PERSI - Base Plan
Last 10 - Fiscal Years***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution.	\$ 1,239,074	\$ 1,157,401	\$ 1,183,588	\$ 992,233	\$ 874,140	\$ 933,702
Contributions in relation to the statutorily required contribution.	(1,360,022)	(1,179,907)	(1,125,063)	(1,048,596)	(982,273)	(957,989)
Contribution deficiency (excess).	<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.	\$ 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.	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, 2020

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, 2020**

	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	
Assets								
Cash	\$ 175,019	\$ 183,335	\$ 127,971	\$ 1,425,840	\$ 38,284		\$ 17,281	\$ 1,967,730
Accounts receivable:								
Miscellaneous				51,934		2,884		54,818
Customers			64					64
Special assessments - delinquent						2,621		2,621
Assessments - deferred						1		1
Restricted current assets:								
Cash and cash equivalents					32,371			32,371
Total assets	<u>\$ 175,019</u>	<u>\$ 183,335</u>	<u>\$ 128,035</u>	<u>\$ 1,477,774</u>	<u>\$ 70,655</u>	<u>\$ 5,506</u>	<u>\$ 17,281</u>	<u>\$ 2,057,605</u>
Liabilities								
Accounts payable	\$ 20	\$ 805		\$ 132	\$ 537			\$ 1,494
Due to other funds						\$ 30,980		30,980
Interfund payable				164,050				164,050
Accrued payroll and fringe benefits				11,386				11,386
Restricted customer deposits					32,371			32,371
Total liabilities	<u>20</u>	<u>805</u>	<u></u>	<u>175,568</u>	<u>32,908</u>	<u>30,980</u>	<u></u>	<u>240,281</u>
Deferred Inflows of Resources								
Unavailable revenue - special assessment						2,621		2,621
Total deferred inflows of resources						<u>2,621</u>		<u>2,621</u>
Fund Balance								
Restricted:								
Special revenue projects	174,999	182,530	\$ 128,035		37,747			523,311
Special assessment debt						(28,095)	\$ 17,281	(10,814)
Unassigned				1,302,206				1,302,206
Total fund balance	<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>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 175,019</u>	<u>\$ 183,335</u>	<u>\$ 128,035</u>	<u>\$ 1,477,774</u>	<u>\$ 70,655</u>	<u>\$ 5,506</u>	<u>\$ 17,281</u>	<u>\$ 2,057,605</u>

**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, 2020

	Special Revenue Funds						Debt Service Funds	
	Cemetery Perpetual Care	Special Events	Street Lights	911 Support	Drug Seizure	LID 99-1	LID Guarantee	Total Other Governmental Funds
Revenues:								
Intergovernmental	\$ 5,000				\$ 39,926			\$ 44,926
Charges-services/program remittances		\$ 17,381		\$ 533,003				550,384
Other revenue	75,138	12,726	\$ 27	137,868	2,984			228,743
Interest	1,797	2,273	71	15,083	651		\$ 233	20,108
Total revenues	<u>81,935</u>	<u>32,380</u>	<u>98</u>	<u>685,954</u>	<u>43,561</u>		<u>233</u>	<u>844,161</u>
Expenditures:								
Current:								
General government						\$ 200		200
Public safety				112,893	28,499			141,392
Highways and public works			(15)					(15)
Culture and recreation		20,714						20,714
Capital outlay				4,000				4,000
Debt service:								
Interest				5,906				5,906
Total expenditures		<u>20,714</u>	<u>(15)</u>	<u>122,799</u>	<u>28,499</u>	<u>200</u>		<u>172,197</u>
Excess (deficiency) of revenues over (under) expenditures	<u>81,935</u>	<u>11,666</u>	<u>113</u>	<u>563,155</u>	<u>15,062</u>	<u>(200)</u>	<u>233</u>	<u>671,964</u>
Other financing sources (uses):								
Transfers in		16,666		34,461			150	51,277
Transfers out							(150)	(150)
Total other financing sources (uses)		<u>16,666</u>		<u>34,461</u>				<u>51,127</u>
Net change in fund balance	<u>81,935</u>	<u>28,332</u>	<u>113</u>	<u>597,616</u>	<u>15,062</u>	<u>(200)</u>	<u>233</u>	<u>723,091</u>
Fund balance - beginning	<u>93,064</u>	<u>154,198</u>	<u>127,922</u>	<u>704,590</u>	<u>22,685</u>	<u>(27,895)</u>	<u>17,048</u>	<u>1,091,612</u>
Fund balance - ending	<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>

**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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Principal	\$ 90,000	\$ 90,000	\$ 47,427	\$ (42,573)
Interest	22,000	22,000	10,560	(11,440)
Total revenues	<u>112,000</u>	<u>112,000</u>	<u>57,987</u>	<u>(54,013)</u>
Expenditures				
Current:				
General government	5,700	5,700	5,700	
Debt service				
Principal	70,000	70,000	75,000	(5,000)
Interest	63,070	63,070	24,675	38,395
Total expenditures	<u>138,770</u>	<u>138,770</u>	<u>105,375</u>	<u>33,395</u>
Net change in fund balance	(26,770)	(26,770)	(47,388)	(20,618)
Fund balance - beginning	<u>434,164</u>	<u>434,164</u>	<u>434,164</u>	
Fund balance - ending	<u>\$ 407,394</u>	<u>\$ 407,394</u>	<u>\$ 386,776</u>	<u>\$ (20,618)</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 2,100,000	\$ 2,100,000	\$ 3,706,155	\$ 1,606,155
Interest	65,000	65,000	261,975	196,975
Total revenues	<u>2,165,000</u>	<u>2,165,000</u>	<u>3,968,130</u>	<u>1,803,130</u>
Expenditures				
Current:				
General government	3,155,000	55,000	105,043	(50,043)
Highways and public works		2,100,000		2,100,000
Capital outlay	1,950,000	2,950,000	1,249,901	1,700,099
Debt service				
NOT CODED	2,650,000	2,650,000		2,650,000
Total expenditures	<u>7,755,000</u>	<u>7,755,000</u>	<u>1,354,944</u>	<u>6,400,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,590,000)</u>	<u>(5,590,000)</u>	<u>2,613,186</u>	<u>8,203,186</u>
Other financing sources (uses)				
Transfers in	250,000	250,000	250,000	
Transfers out	(34,461)	(34,461)	(34,461)	
Total other financing sources (uses)	<u>215,539</u>	<u>215,539</u>	<u>215,539</u>	
Net change in fund balance	(5,374,461)	(5,374,461)	2,828,725	8,203,186
Fund balance - beginning	<u>10,046,652</u>	<u>10,046,652</u>	<u>10,046,652</u>	
Fund balance - ending	<u>\$ 4,672,191</u>	<u>\$ 4,672,191</u>	<u>\$ 12,875,377</u>	<u>\$ 8,203,186</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, 2020

	2020		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Intergovernmental	\$ -	\$ 5,000	\$ 5,000
Other revenue	27,500	75,138	47,638
Interest	-	1,797	1,797
Total revenues	<u>27,500</u>	<u>81,935</u>	<u>54,435</u>
Expenditures:			
Culture and recreation	221,093	-	221,093
Capital outlay	40,000	-	40,000
Total expenditures	<u>261,093</u>	<u>-</u>	<u>261,093</u>
Net change in fund balance	(233,593)	81,935	315,528
Fund balance - beginning	<u>93,064</u>	<u>93,064</u>	<u>-</u>
Fund balance - ending	<u>\$ (140,529)</u>	<u>\$ 174,999</u>	<u>\$ 315,528</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, 2020

	2020		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Charges for services	\$ 39,498	\$ 17,381	\$ (22,117)
Other revenue	6,750	12,726	5,976
Interest	-	2,273	2,273
Total revenues	<u>46,248</u>	<u>32,380</u>	<u>(13,868)</u>
Expenditures:			
Culture and recreation	46,248	20,714	25,534
Total expenditures	<u>46,248</u>	<u>20,714</u>	<u>25,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>11,666</u>	<u>11,666</u>
Other financing sources (uses):			
Transfers in	-	16,666	16,666
Total other financing sources (uses)	<u>-</u>	<u>16,666</u>	<u>16,666</u>
Net change in fund balance	<u>-</u>	<u>28,332</u>	<u>28,332</u>
Fund balance - beginning	<u>154,198</u>	<u>154,198</u>	<u>-</u>
Fund balance - ending	<u>\$ 154,198</u>	<u>\$ 182,530</u>	<u>\$ 28,332</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, 2020**

	2020		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Other revenue	\$ -	\$ 27	\$ 27
Interest	-	71	71
Total revenues	<u>-</u>	<u>98</u>	<u>98</u>
Expenditures:			
Highways and public works	-	(15)	15
Total expenditures	<u>-</u>	<u>(15)</u>	<u>15</u>
Net change in fund balance	-	113	113
Fund balance - beginning	<u>127,922</u>	<u>127,922</u>	<u>-</u>
Fund balance - ending	<u>\$ 127,922</u>	<u>\$ 128,035</u>	<u>\$ 113</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, 2020

	2020		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Intergovernmental	\$ 1,560	\$ -	\$ (1,560)
Charges for services	371,559	533,003	161,444
Other revenue	121,639	137,868	16,229
Interest	10,000	15,083	5,083
Total revenues	<u>504,758</u>	<u>685,954</u>	<u>181,196</u>
Expenditures:			
Public safety	613,780	112,893	500,887
Capital outlay	331,278	4,000	327,278
E_Interest	39,700	5,906	33,794
Total expenditures	<u>984,758</u>	<u>122,799</u>	<u>861,959</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(480,000)</u>	<u>563,155</u>	<u>1,043,155</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)	597,616	1,043,155
Fund balance - beginning	<u>704,590</u>	<u>704,590</u>	<u>-</u>
Fund balance - ending	<u>\$ 259,051</u>	<u>\$ 1,302,206</u>	<u>\$ 1,043,155</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, 2020

	2020		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Intergovernmental	\$ -	\$ 39,926	\$ 39,926
Other revenue	60,000	2,984	(57,016)
Interest	-	651	651
Total revenues	<u>60,000</u>	<u>43,561</u>	<u>(16,439)</u>
Expenditures:			
Public safety	60,000	28,499	31,501
Total expenditures	<u>60,000</u>	<u>28,499</u>	<u>31,501</u>
Net change in fund balance	-	15,062	15,062
Fund balance - beginning	<u>22,685</u>	<u>22,685</u>	-
Fund balance - ending	<u>\$ 22,685</u>	<u>\$ 37,747</u>	<u>\$ 15,062</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, 2020

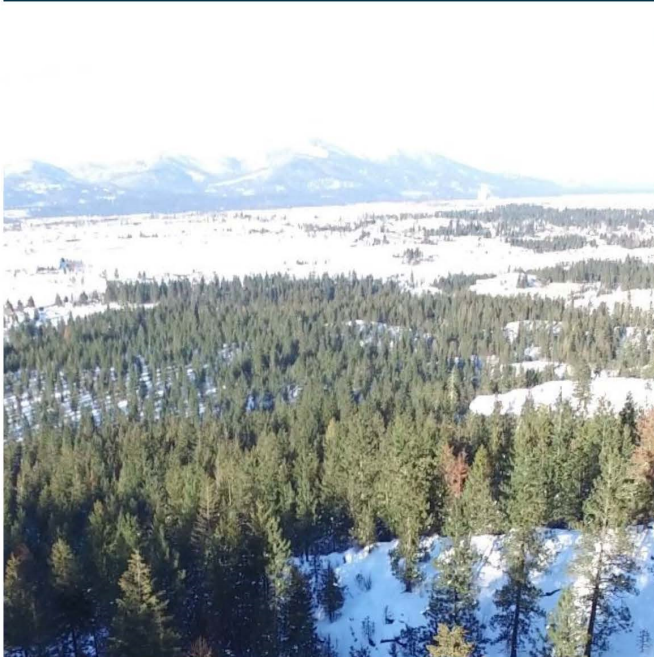
	2020		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Principal	\$ 5,000		\$ (5,000)
Interest	500		(500)
Total revenues	<u>5,500</u>		<u>(5,500)</u>
Expenditures:			
Current:			
General government	200	\$ 200	
Debt service			
Principal	20,000		20,000
Interest	1,120		1,120
Total expenditures	<u>21,320</u>	<u>200</u>	<u>21,120</u>
Net change in fund balance	(15,820)	(200)	15,620
Fund balance - beginning	<u>(27,895)</u>	<u>(27,895)</u>	
Fund balance - ending	<u>\$ (43,715)</u>	<u>\$ (28,095)</u>	<u>\$ 15,620</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, 2020**

	2020		Variance with Final Budget- Positive (Negative)
	Original/Final Budget	Actual	
Revenues:			
Interest		\$ 233	\$ 233
Total revenues		233	233
Other financing sources (uses):			
Transfers in	\$ 150	150	
Transfers out	(150)	(150)	
Total other financing sources (uses)			
Net change in fund balance		233	233
Fund balance - beginning	17,048	17,048	
Fund balance - ending	\$ 17,048	\$ 17,281	\$ 233



Statistical Section



Winter feels magical with the snow covered mountains. Enjoy skiing, sledding and our annual Winterfest Community Celebration.

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.

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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.

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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.

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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.

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Table #1

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

	Fiscal Year									
	2011	2012	2013	2014 (*)	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 50,259,164	\$ 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
Restricted	7,451,981	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
Unrestricted	8,577,119	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
Total governmental activities net position	\$ 66,288,264	\$ 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
Business-type activities:										
Net investment in capital assets	\$ 69,484,774	\$ 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
Restricted	14,951,113	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
Unrestricted	15,086,041	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
Total business-type activities net position	\$ 99,521,928	\$ 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
Primary government										
Net investment in capital assets	\$ 119,743,938	\$ 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
Restricted	22,403,094	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
Unrestricted	23,663,160	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
Total primary government net position	\$ 165,810,192	\$ 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

Table #2

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

	2011 (*)	2012 (*)	2013 (*)	2014 (*)	2015 (*)	2016 (*)	2017 (*)	2018 (*)	2019	2020
Expenses										
Governmental activities:										
General government	\$ 5,162,556	\$ 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
Public safety	5,269,056	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
Highways and public works	3,544,205	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
Cultural and recreation	1,897,509	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
Interest on long term debt	419,106	322,596	197,187	137,296	140,031	108,825	52,040	35,558	29,094	29,049
Total governmental activities expenses	16,292,432	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
Business-type activities:										
Water	1,485,415	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
Reclaimed Water	3,319,383	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
Sanitation	1,572,294	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
Total business-type activities expenses	6,377,092	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
Total primary government expenses	\$ 22,669,524	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,160,796	\$ 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
Public safety	407,404	384,853	681,988	686,542	816,362	1,125,348	858,741	973,012	1,340,696	1,420,787
Highways and public works	317,006	236,362	984,488	235,115	1,898	26,612	3,486	13,145	632	10,373
Cultural and recreation	742,254	801,510	887,040	768,994	1,115,780	1,707,998	1,734,784	1,759,358	2,504,975	2,640,641
Operating grants and contributions	1,100,014	2,473,455	536,096	1,121,500	948,524	1,110,119	478,166	838,194	870,451	593,883
Capital grants and contributions	1,198,937	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
Total governmental activities program revenues	4,926,411	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
Business-type activities:										
Charges for services:										
Water	2,155,844	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
Reclaimed Water	5,171,025	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
Sanitation	1,957,393	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
Capital grants and contributions	1,393,450	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
Total business-type activities program revenues	10,677,712	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
Total primary government program revenues	\$ 15,604,123	\$ 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

(*) 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)**

	2011 (*)	2012 (*)	2013 (*)	2014 (*)	2015 (*)	2016 (*)	2017 (*)	2018 (*)	2019	2020
Net (Expense)/Revenue										
Governmental activities	(11,366,021)	(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)
Business-type activities	4,300,620	4,964,439	5,439,355	5,718,710	8,862,640	11,965,279	12,132,078	13,684,704	18,900,539	6,266,513
Total primary government net (expense)/revenue	\$ (7,065,401)	\$ (3,659,267)	\$ (5,530,166)	\$ (5,975,828)	\$ (1,966,802)	\$ 4,347,718	\$ 2,870,484	\$ 3,701,091	\$ 10,928,843	\$ (6,913,291)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	8,459,938	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
Other taxes and licenses	3,205,182	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
Unrestricted intergovernmental revenues										
Grants and contributions not restricted to specific programs										
Unrestricted investment earnings	283,207	334,228	175,192	188,504	276,560	212,953	358,483	31,279	1,574,964	984,347
Gains (losses) on sale of capital assets	5,841		(161,247)	6,319	7,038	11,021	(321,300)	99,665	-76,563	-33,717
Transfers	1,078,899	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
Total governmental activities	13,033,067	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
Business-type activities:										
Unrestricted investment earnings	237,601	253,205	225,844	200,580	303,190	305,950	250,992	601,448	2,324,194	1,743,061
Gains (losses) on sale of capital assets										
Transfers	(1,078,899)	(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
Total business-type activities	(841,298)	(825,694)	(966,404)	(921,929)	(887,813)	(903,480)	501,984	(1,095,182)	497,385	(192,298)
Total primary government	\$ 12,191,769	\$ 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
Changes in Net Position										
Governmental activities	\$ 1,667,046	\$ 4,783,204	\$ 2,735,056	\$ 2,084,497	\$ 3,769,926	\$ 7,421,597	\$ 19,463,568	\$ 7,157,730	\$ 11,715,862	\$ 11,715,862
Business-type activities	3,459,322	4,138,745	4,472,951	4,796,781	7,974,827	11,061,799	12,634,062	12,589,522	19,397,924	19,397,924
Total primary government	\$ 5,126,368	\$ 8,921,949	\$ 7,208,007	\$ 6,881,278	\$ 11,744,753	\$ 18,483,396	\$ 32,097,630	\$ 19,747,252	\$ 31,113,786	\$ 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
2010-11	8,459,938	1,233,465	1,210,926	760,791	11,665,120
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

* 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable:										
Inventory	\$ 1,725	\$ 2,148	\$ 2,605	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepays	98,656	98,409	226,308	127,801	137,610	9,119	-	-	-	-
Committed:										
Revenue stabilization	2,635,588	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
Assigned:										
Capital improvements	3,903,600	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
Capital lease redemption	-	2,345,500	28,673	-	-	-	-	-	-	-
Unassigned:	4,676,543	7,099,892	7,606,444	9,260,675	10,633,958	13,297,458	14,431,148	19,278,388	21,927,631	21,927,631
Total General Fund	\$ 11,316,112	\$ 14,002,188	\$ 12,431,229	\$ 14,005,934	\$ 15,687,682	\$ 18,550,826	\$ 20,583,816	\$ 25,850,345	\$ 28,953,673	\$ 29,462,232
All Other Governmental Funds										
Nonspendable:										
Prepays	-	-	-	-	-	-	-	-	-	-
Restricted:										
Special revenue projects	\$ 277,380	\$ 326,935	\$ 369,003	\$ 431,495	\$ 365,311	\$ 253,471	\$ 229,532	\$ 301,203	\$ 397,869	\$ 523,311
Capital public safety debt service	351,934	351,934	-	-	-	-	-	-	-	-
Special assessment debt	933,073	716,769	1,012,313	1,027,479	1,089,690	428,393	436,505	430,209	423,317	375,962
Capital improvements projects	2,263,374	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:	(233,732)	(77,055)	(52,119)	(175,892)	(78,409)	206,274	392,693	535,792	704,590	1,302,206
Total all other governmental funds	\$ 3,592,029	\$ 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

Table #5

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 8,798,392	\$ 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
Intergovernmental	3,689,124	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
Charges for services	2,439,614	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
Other revenue	763,997	639,519	763,273	784,006	518,641	526,185	555,802	629,979	629,979	657,170
Special assessment revenue	143,410	214,120	372,584	139,144	189,988	165,080	113,481	99,665	88,614	47,427
Interest	224,513	265,379	273,046	188,504	276,560	225,301	104,666	1,574,965	1,574,965	984,347
Total Revenues	16,059,050	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
Expenditures:										
Current										
General government	4,231,147	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
Public safety	4,881,746	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
Highways and public works	2,547,996	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
Cultural and recreation	1,761,595	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
Capital Outlay	1,348,256	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
Debt Service										
Principal	1,075,353	458,935	2,880,000	75,000	80,000	780,000	85,000	85,000	90,000	75,000
Interest	443,958	326,312	222,024	138,639	128,763	110,251	46,437	41,284	36,080	30,581
Total Expenditures	16,290,051	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
Excess (deficiency) of revenues over (under) expenditures	(231,001)	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
Other financing sources (uses):										
Debt issued	-	-	-	-	-	-	-	-	-	-
Operating transfers in	1,971,577	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
Operating transfers out	(892,678)	(785,264)	(1,609,723)	(469,110)	(1,088,121)	(364,463)	(1,053,301)	(332,603)	(279,706)	(381,197)
Total other financing sources (uses)	1,078,899	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
Net change in fund balances	\$ 847,898	\$ 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
Debt service as a percentage of noncapital expenditures	10.2%	5.3%	17.6%	1.4%	1.3%	5.1%	0.7%	0.7%	0.6%	0.5%

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
2010-11	8,352,943	1,233,465	1,210,926	760,791	11,558,125 *
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	\$ 17,643,733

*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	
2011	2,266,600,927	828,343,141	1,438,257,786	(82,054,224)	5.40%	5.71
2012	1,905,961,040	450,130,458	1,455,830,582	17,572,796	1.22%	6.00
2013	1,969,801,802	463,509,216	1,506,292,586	50,462,004	3.47%	5.79
2014	2,128,571,353	511,868,844	1,616,702,509	110,409,923	7.33%	5.55
2015	2,267,675,363	559,343,439	1,708,331,924	91,629,415	5.67%	5.45
2016	2,408,068,560	607,634,803	1,800,433,757	92,101,833	5.39%	5.59
2017	2,685,861,331	694,982,763	1,990,878,568	190,444,811	10.58%	5.25
2018	3,073,065,742	768,424,824	2,304,640,918	313,762,350	15.76%	4.83
2019	3,615,505,167	847,994,695	2,767,510,472	462,869,554	23.25%	4.26
2020	\$ 4,126,513,143	\$ 900,075,259	\$ 3,226,337,884	\$ 458,827,412	16.58%	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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City of Post Falls - Operating	3.91	4.26	4.83	5.25	5.59	5.45	5.55	5.79	5.89	5.58
Library Bond	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.11	0.13
Total Direct Rate	3.91	4.26	4.83	5.25	5.59	5.45	5.55	5.79	6.00	5.71
North Idaho College	0.75	0.80	0.89	0.98	1.04	1.10	1.12	1.20	1.22	1.11
Kootenai County	2.27	2.49	2.74	2.97	3.13	3.18	3.28	3.51	3.47	3.20
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	0.14	0.15	0.16	0.17	0.17	0.17	0.18	0.18	0.16
Community Library Network	0.29	0.32	0.36	0.35	0.40	0.40	0.41	0.42	0.41	0.36
School District #273	1.70	2.07	2.08	2.44	2.63	2.82	3.08	3.16	3.16	2.84
Post Falls Highway District #1	0.40	0.45	0.51	0.57	0.61	0.65	0.67	0.69	0.68	0.50
Kootenai Fire & Rescue	1.59	1.70	1.88	1.89	1.89	1.93	1.92	2.01	1.98	2.00
Total	11.04	12.23	13.44	14.61	15.46	15.70	16.20	16.96	17.10	15.88
% CHANGE FOR TOTAL	-9.73%	-9.00%	-8.10%	-5.41%	-1.51%	-3.14%	-4.44%	-0.82%	7.68%	9.52%

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, 2020**

Taxpayer	Type Of Business	2020	
		Property Assessed Valuation	Percentage of Total Assessed Valuation
North Idaho Surgical Hospital Bldg, LLC	Medical	\$ 35,914,730	0.87%
Avista Corporation	Utilities	\$ 31,965,010	0.77%
Fieldstone Apartments, LLC	Multi-Family Housing	\$ 30,575,867	0.74%
LLYD LLC	Land Developer	\$ 28,024,010	0.68%
Biopol Laboraory Inc	Pharmaceutical Company	\$ 25,761,953	0.62%
Buck Knives	Manufacturing- Retail	\$ 17,608,736	0.43%
Jacklin Land Company LP	Land Developer	\$ 15,995,834	0.39%
OG Post Falls ID Landlord, LLC	Land Developer	\$ 15,055,300	0.36%
Crown Point Aprtments	Multi-Family Housing	\$ 15,043,654	0.36%
ATC Manufacturing	Manufacturing	\$ 14,273,010	0.35%
Subtotal - Ten Of City's Largest Taxpayers		\$ 230,218,104	5.6%
All Other Taxpayers		3,896,295,039	94.4%
Total City Taxpayers		\$ 4,126,513,143	100.00%

Taxpayer	Type Of Business	2011	
		Property Assessed Valuation	Percentage of Total Assessed Valuation
Post Falls Retirement Real Estate Investors LLC	Retirement Facility	\$ 31,475,729	0.81%
Wal-Mart Real Estate Business	Retail	\$ 20,988,306	0.54%
North Idaho Surgical Hospital Bldg LLC	Medical	\$ 19,129,093	0.49%
Kimball International Mkt, Inc.	Manufacturing-Furniture	\$ 14,378,962	0.37%
Sysco Food Services Inc.	Food Distribution Center	\$ 12,855,074	0.33%
Biopol Laboratory Inc.	Research & Development	\$ 12,485,659	0.32%
Cabelas Retail Inc.	Retail	\$ 12,438,813	0.32%
Puryear Family LPT	Homeowner	\$ 11,707,472	0.30%
Pointe LLC (The)	Commercial Developer	\$ 10,852,788	0.28%
Health Care Riet Inc.	Medical	\$ 9,878,179	0.25%
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
2011	\$ 8,163,649	\$ 7,905,515	96.84%	\$ 258,134	\$ 8,163,649	100.00%
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%	\$ 0	\$ 11,611,735	98.75%

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			
2010-11	360,000	1,825,000	2,843,935	2,545,234	6,342,971	13,917,140	1.56%	505
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	0.46%	322.50

Note: Details regarding the City's outstanding debt can be found in the notes to 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
2010-11	27,574	2,381,141,525	360,000	258,873	101,127	0.00%	13
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	39,000	2,760,678,225	-	273,736	(273,736)	-0.01%	-
2019-20	39,452	\$ 3,206,473,892	\$ -	\$ 278,195	\$ (278,195)	-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, 2020**

Governmental Unit	Bond Debt	Government's Net Market Value	Percentage Applicable to City	City Share of Debt
City of Post Falls	\$ 2,085,000	3,226,337,884	100.0%	<u>\$ 2,085,000</u>
Kootenai County	-	17,309,825,740		-
School District #273	31,425,000	3,128,211,236	103.1%	32,410,749
Post Falls Highway District	-	5,505,946,460	58.6%	-
Kootenai County Fire & Rescue	-	4,536,235,498	71.1%	-
Subtotal of overlapping debt				<u>\$ 32,410,749</u>
Total direct and overlapping debt				<u>\$ 34,495,749</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.

Source: Kootenai County Auditor

Table #14

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 45,332,019	\$ 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
Total net debt applicable to limit	360,000	185,000	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 44,972,019</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	0.79%	1.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Assessed value	\$ 3,155,389,727
Add back: exempt real property	\$ 11,581,153
Total assessed value	<u>\$ 3,166,970,880</u>
Debt limit* (2% of total assessed value)	63,339,418
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	<u>\$ 63,339,418</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	
2011	5,335,318	1,946,264	3,389,054	761,144	267,934	1,029,078	3.29
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

(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	
2011	2,227,186	843,715	1,383,471	212,292	99,056	311,348	4.44
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

(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	
2010	272,674	60,000	109,412	169,412	2.06
2011	238,086	345,000	106,818	451,818	0.77 ¹
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

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
2011	27,574	\$ 889,455	32,257	5,649	8.50%
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	34,691	\$ 1,560,644	\$ 44,987	6,152	3.70%
2020	39,452	\$ 1,840,239	\$ 44,645	5,938	4.40%

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 2020**

		2020		
Employer ¹	Type of Business	Range of Employees	Percentage of Total City Employment	
1	Post Falls School District	Public Education	700 - 799	4.3% - 4.9%
2	Pleasant View Surgury Center	Healthcare	200 - 299	1.2% - 1.8%
3	Buck Knives	Manufacturing	200 - 299	1.2% - 1.8%
4	Pleasant View Surgury Center	Healthcare	200 - 299	1.2% - 1.8%
5	City of Post Falls	Government	200 - 299	1.2% - 1.8%
6	Wal-Mart Supercenter	Department Store; Retail Groceries	200 - 299	1.2% - 1.8%
7	Tedder Industries	Manufacturing	150 - 199	0.9% - 1.2%
8	All Wall Contracting	Building Construction	100 - 149	0.6% - 0.9%
9	Red Lion Hotels	Hotel	100 - 149	0.6% - 0.9%
10	Guardian Angel Homes	Assisted Living Facility	50 - 99	0.3% - 0.6%
		Number of employees in Post Falls	16,404	

Note: Ten year comparison information is not available for this table.

* Preliminary 3rd quarter 2018 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	44.80	43.21	42.25	41.50	41.10	40.10	44.10	45.10	45.60	47.60
Public safety	66.70	67.12	67.71	70.10	72.30	73.28	76.28	79.28	81.28	84.28
Highways and public works	17.10	17.04	17.03	17.00	17.00	19.03	19.03	19.03	21.08	23.11
Cultural and Recreation	35.30	35.28	38.27	38.30	37.30	37.32	39.32	40.32	41.32	43.32
Water	6.40	6.83	6.75	6.80	7.00	6.75	6.75	6.75	7.80	7.80
Reclaimed Water	13.30	14.65	13.59	13.60	14.30	13.59	13.59	13.59	14.60	14.60
Total	183.60	184.13	185.60	187.30	189.00	190.07	199.07	204.07	211.68	220.71

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Calls for service	30,156	31,543	29,722	30,959	33,061	36,659	43,323	40,870	41,178	40,536
Burglary	128	185	88	125	99	128	92	77	56	85
Phone harassment	25	9	11	11	18	9	11	3	19	9
Motor vehicle theft	25	42	50	57	25	45	41	30	36	43
Highways and streets										
Street resurfacing - paving (miles)	2.02	3.08	2.44	2.84	2.38	2.07	1.58	1.12	1.38	2.24
Street resurfacing - chip seal (miles)	9.43	11.26	11.07	11.55	13.24	9.13	4.50	4.29	3.79	6.76
Culture and recreation										
Sports leagues programs enrollment	5,093	4,825	5,251	5,388	6,016	5,716	5,000	5,135	5,830	3,819
Special interest programs enrollment	2,257	1,646	1,425	1,978	2,003	2,742	1,885	2,964	6,099	4,514
Water										
New connections	41	15	36	13	45	53	72	120	225	256
Average daily consumption (thousands of gallons)	4,050	4,200	4,300	4,365	4,695	4,798	4,542	5,181	4,774	4,651
Reclaimed Water										
Average daily sewage treatment (millions of gallons)	2.4	2.5	2.5	2.5	2.6	2.6	2.7	2.7	2.8	2.7

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Units	60	66	70	74	69	76	80	80	81	77
Highways and streets										
Streets (miles)	154.69	156	156.59	157.79	159.24	168.35	171.17	172.07	177.96	181.66
Culture and recreation										
Park acreage	438.8	442.7	442.7	456	464.54	464.54	635.06	882.6	873.8	873.8
Parks	24	27	27	27	28	28	29	29	33	33
Sports Fields	7	15*	15	15	15	15	15	15	15	15
Tennis/Pickle Ball Courts	3	5	8	8	8	8	11	11	15	15
Water										
Water mains (miles)	116	116.67	116.84	116.85	126.44	118.07	118.82	119.43	121.28	130.75
Fire hydrants	879	901	913	918	918	942	940	954	969	985
Maximum daily capacity (millions of gallons)	16.99	16.99	18.54	18.54	18.54	18.54	18.54	18.54	18.54	18.54
Reclaimed Water										
Sanitary sewer (miles)	160	163.30	163.90	164.46	166.02	169.71	174.71	177.92	183.28	196.29
Surface water (miles)	4.60	4.89	4.89	4.89	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, 2020**

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

Total Revenue	\$3,302,824
Estimated number of active customers	7,573
Total water produced (gallons)	1,697,436,199

Schedule of Water Rates

Monthly Base Fee (by meter size)

1" or less	\$11.37	1½"	\$ 19.04
2"	28.31	3"	50.02
4"	80.81	6"	158.02

Metered water usage: \$1.25 per 1,000 gallons for 0 – 49,000 gallons
 \$1.79 per gallon for 50,000+ gallons

Source: City of Post Falls

**City of Post Falls
Statistical Information
Reclaimed Water Fund
September 30, 2020**

Schedule of Treatment Volume

Average Volume	2.67 million gallons per day
Total Volume	974,659,500 gallons
Active number of customers	12,887

Schedule of Monthly Reclaimed Water Rates

The residential rate is \$56.90 for 94% of the City's customers.

The non-residential rate per customer is \$56.90 + \$11.40 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, 2020**

	<u>Customer</u>	<u>Amount</u>	<u>Percentage of Total Revenue</u>
1	Lucky Pines Estates	\$ 37,441.42	1.13%
2	Arundel Mobile Park	\$ 21,007.43	0.64%
3	Coeur d'Alene RV Resort	\$ 15,995.43	0.48%
4	Cabela's	\$ 15,733.91	0.48%
5	Century Park & Associates	\$ 10,863.37	0.33%
6	Post Falls Hotel LLC	\$ 10,568.19	0.32%
7	Plummer Forest Products	\$ 9,741.17	0.29%
8	LLYD LLC	\$ 8,947.40	0.27%
9	Northwest Specialty Hospital	\$ 8,359.29	0.25%
10	Fieldstone HOA	\$ 8,451.63	0.26%

Source: City of Post Falls

Table #26

**City of Post Falls
Ten Largest Reclaimed Water Customers
For the Year Ended September 30, 2020**

	Customer	Amount	Percentage of Total Revenue
1	Tullamore	\$ 187,087	1.54%
2	Camelot Estates	\$ 131,780	1.09%
3	Coeur d'Alene RV Resort	\$ 103,933	0.86%
4	Century Park & Associates	\$ 85,282	0.70%
5	Montrose Properties & Seniors	\$ 83,358	0.69%
6	Lucky Pines Estates	\$ 72,377	0.60%
7	Flying J Estates	\$ 66,168	0.55%
8	Centennial Trail Homes	\$ 58,721	0.48%
9	Northwest Specialty Hospital	\$ 55,300	0.46%
10	Arundel Mobile Park	\$ 37,554	0.31%

Source: City of Post Falls

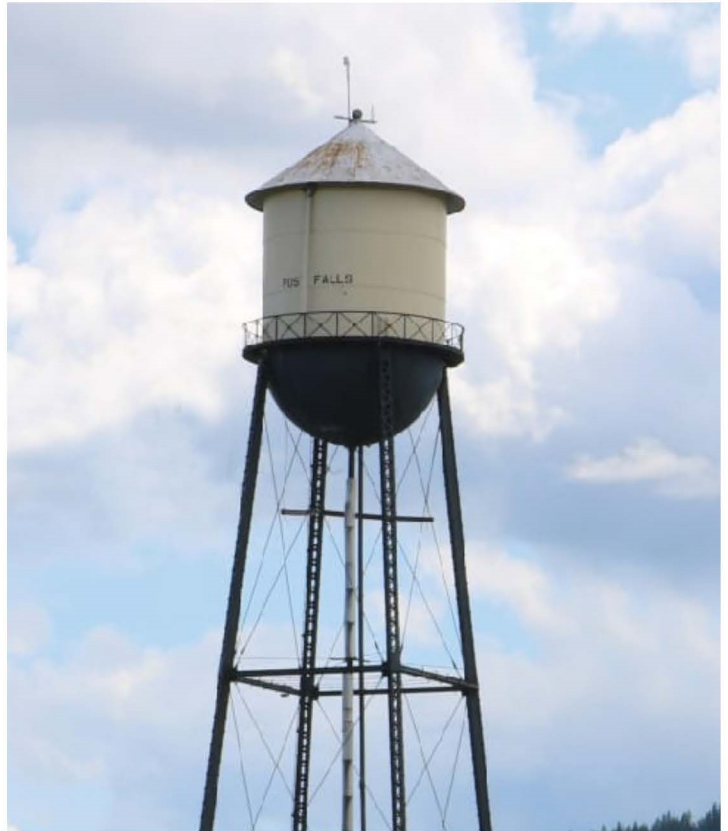
**City of Post Falls
Insurance Schedule
September 30, 2020**

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



Experience all four seasons in Post Falls.



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310 Post Falls, Idaho 83854
208-777-1099 (phone) 208-773-5108 (fax)

**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 aggregate discretely presented component units, 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, 2020, and the related notes to the financial statements, which collectively comprise the City of Post Falls' basic financial statements and have issued our report thereon dated March 24, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Post Falls' internal control over financial reporting (internal control) to determine the 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' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Post Falls' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Post Falls' 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Anderson Bros. CPA's, P.A.
March 24, 2021

City of Post Falls

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2020

Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	2020 Federal Expenditures
<u>Department of Justice:</u>			
Passed through State of Idaho State Police:			
Crime Victim Assistance	16.575	826000245 00	67,662
Violence Against Women Formula Grants	16.588	826000245 00	111,099
Total Department of Justice			<u>178,761</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 \$ <u>178,761</u>

City of Post Falls

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020**

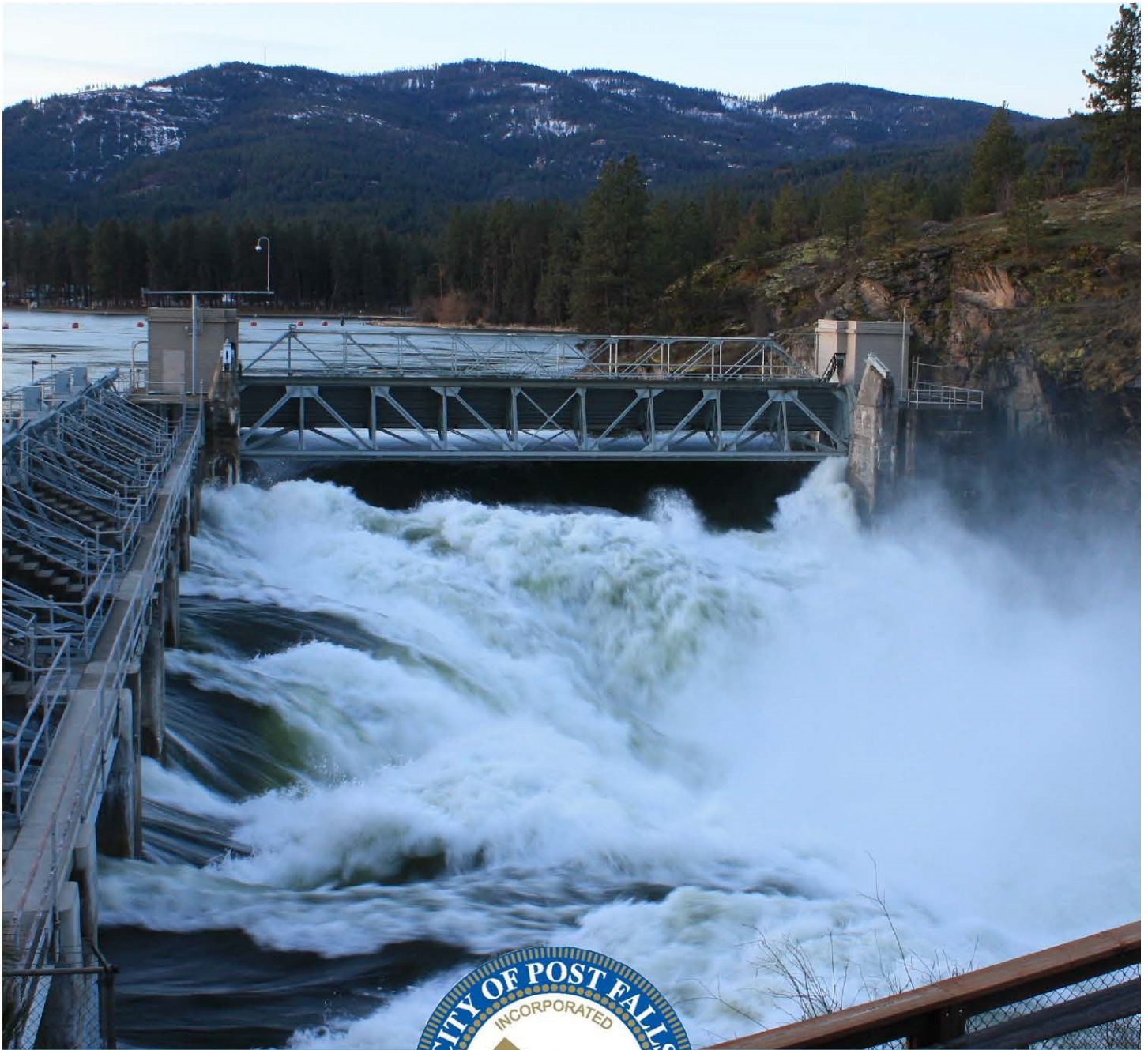
NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City programs of the federal government for the year ended September 30, 2018. The information in this Schedule is presented 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 City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The city 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.



City of Post Falls
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Post Falls, ID 83854
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