



2019 PAFR Popular Annual Financial Report

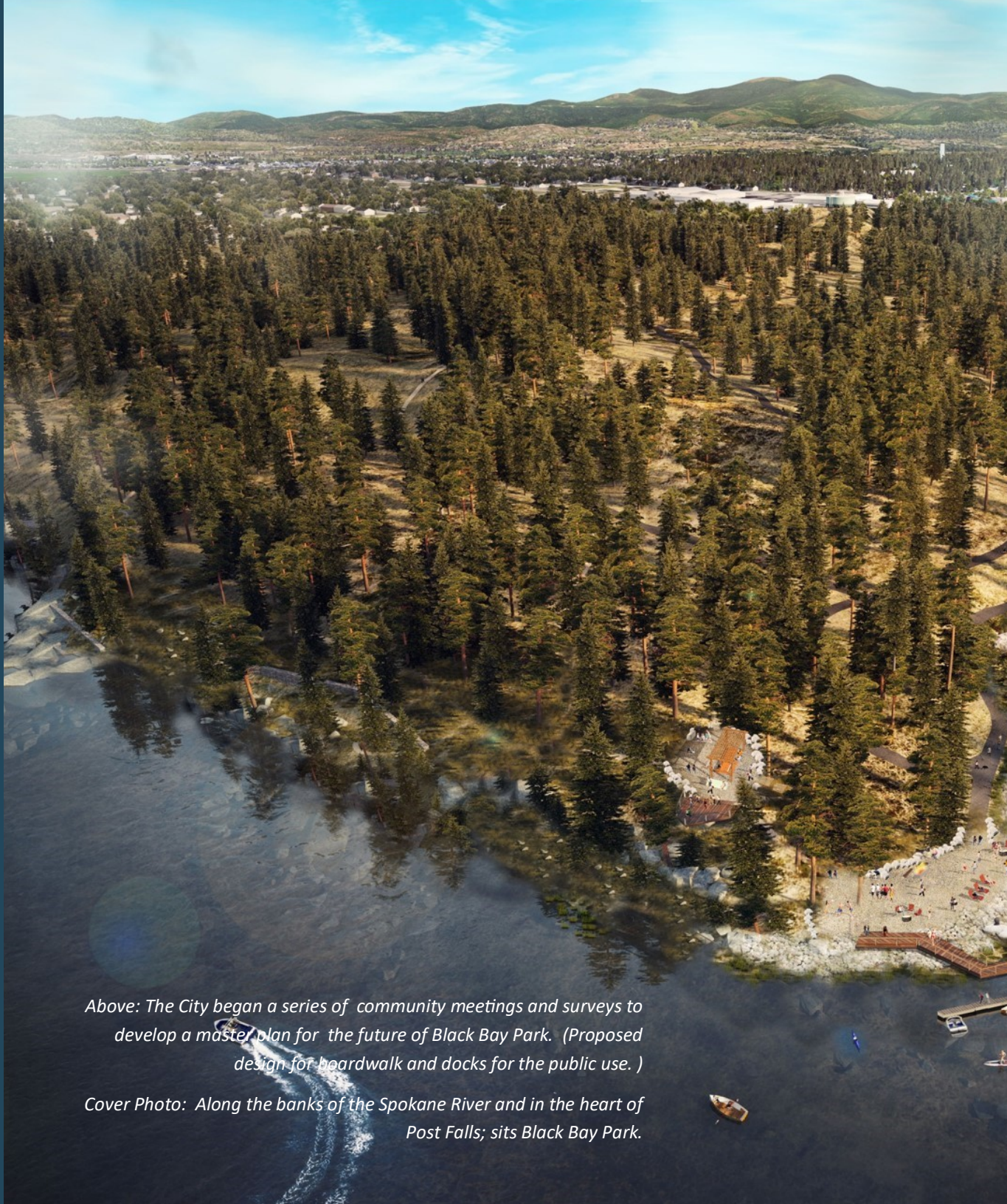
City of Post Falls, Idaho
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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The FY 2019 CAFR can be viewed and downloaded on the City’s website at

<https://www.postfallsidaho.org/departments/finance-support-services/budget-book-cafr-pafr/>



Above: The City began a series of community meetings and surveys to develop a master plan for the future of Black Bay Park. (Proposed design for boardwalk and docks for the public use.)

Cover Photo: Along the banks of the Spokane River and in the heart of Post Falls; sits Black Bay Park.

Dear Citizens,

The City of Post Falls Financial Services Department is proud to present the “popular” form of the City’s Comprehensive Annual Financial Report, the Popular Annual Financial Report (or PAFR).

The City’s award-winning PAFR is a user friendly report of our City’s financial operations in 2019. The audited financial report of City financials is the City’s CAFR . The average citizen may find it difficult to interpret the vast amount of data in the CAFR. The PAFR is designed to make the City’s basic finances easier to understand and to communicate to our citizens where City dollars come from and how they are spent.

Much of the information in the PAFR comes from the City’s FY 2019 CAFR. Under State law, the CAFR is prepared annually by City staff in accordance with Generally Accepted Accounting Principles, or GAAP. The City’s financial statements are then audited by an independent third-party professional accounting firm (Anderson Bros. CPA’s, P.A.). This step provides a level of assurance to the Mayor, the City Council, the financial community, and citizens-at-large that these financial statements are free of material misstatement. Based on the audit, Anderson Bros. CPA’s, P.A. concluded, in an unmodified opinion (meaning without reservation of any kind), that the City of Post Falls’ financial statements for the fiscal year ended September 30, 2019 are fairly presented and in conformity with GAAP. This opinion, its accompanying financial statements, and its Management Letter, containing a concise statement of areas where financial management practices could be improved, are presented in depth by officials Anderson Bros. CPA’s, P.A. to the City’s Finance Department. Subsequently, the audit report is then presented to the Mayor and City Council as part of a regular Council Work Session agenda item.

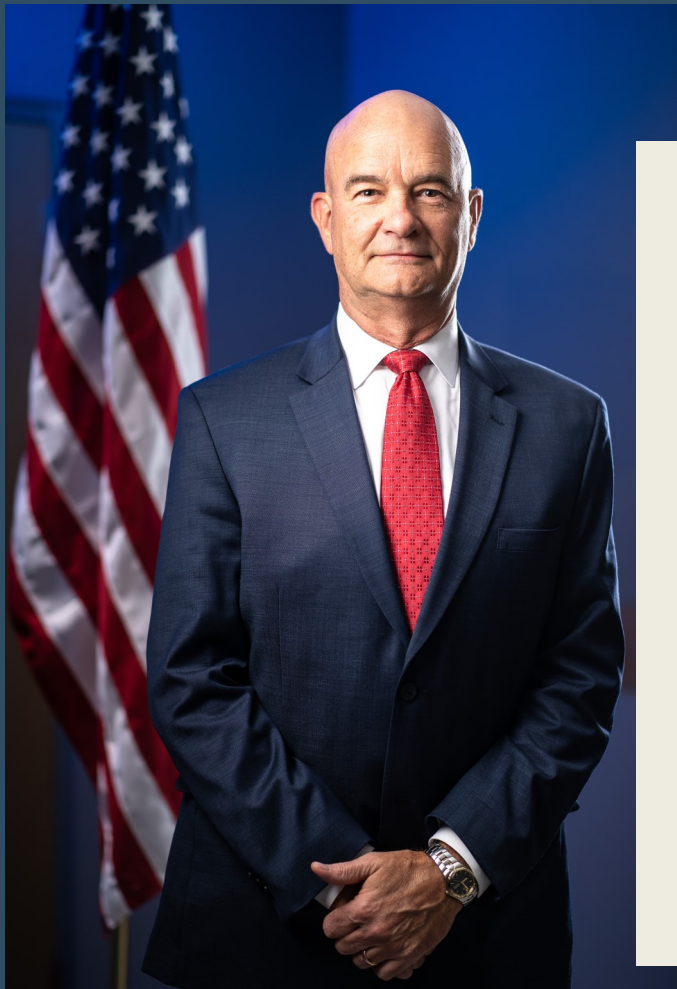
The PAFR , or citizen’s report, is intended to complement the CAFR, not be a substitute for it. It is for a complete review of the City’s financial status for the recently concluded fiscal year, the FY 2019 CAFR and FY2019 budget documents can be found on the City’s website at <https://www.postfallsidaho.org/departments/finance-support-services/>, or copies may be obtained from the Finance and Support Services Department. We will be pleased to respond to any questions on this publication, the CAFR, and current budget documents.



Jason Faulkner
Finance and Support Services Department
Finance Director / Treasurer



Message from the Mayor



The City Council and I are pleased to present the 2019 Popular Annual Financial Report (PAFR) for the City of Post Falls.

The PAFR, or as it is often called, the Citizen's Report gives an overview of the City's progress and financial performance in a way that is transparent and easy to understand.

The PAFR is designed to take information from the Comprehensive Annual Financial Report (CAFR) and displays the highlights in a simplified format. Doing so increases the transparency of the City's finances and operations. The PAFR gives a snapshot of our City's financial health, not only to residents, but also to others outside our community who may be considering relocating their home or business.

Continuing to provide open communication, accountability and transparency in presenting the City's financial reports is a priority for the City Council.

Ronald G. Jacobson, Mayor

MAYOR AND CITY COUNCIL



Councilor
Kerri Thoreson



Councilor
Alan Wolfe



Councilor
Joe Malloy



Mayor
Ronald G. Jacobson



Councilor
Steve Anthony



Councilor
Lynn Borders



Councilor
Linda Wilhelm

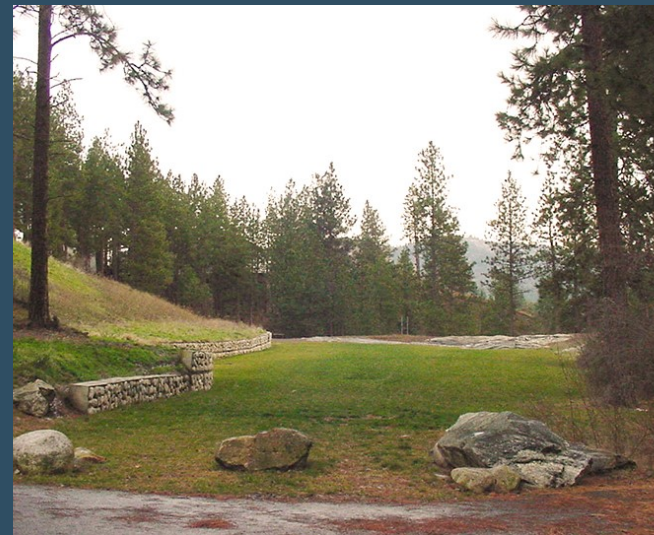
City of Post Falls Organizational Chart



NAME	OFFICE	OCCUPATION	TERM
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

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

Lifestyle and Recreation



In 2019 the City began the process to develop a Master Plan for Black Bay Park.

- The wonderful thing about Black Bay Park is that almost in its entirety the natural fabric and beauty of this riverfront area has been preserved and utilized as a community amenity. It truly is nature in the heart of our city.
- As the oldest park in Post Falls, it has been and always will be a place to enjoy nature and all that the Spokane River and its view-shed has to offer just minutes from the downtown core. The key to this master planning effort is to energize the community around a unified vision for the Park.
- The Vision Plan process created a series of outreach experiences that enticed the community to come out and enjoy the experience, and gave them a variety of ways to participate in the process.



It was evident protecting and preserving the natural qualities and features of Black Bay are important to residents.

Another prevalent theme was the community's desire to take advantage of the relationship to the Spokane River.



Parks & Recreation

For an Active Lifestyle

The City's Recreation Division had over 8,000 participants that spent over 189,000 hours engaged in activities that enhanced their healthy lifestyles. Offered over 148 programs, from sports leagues to special interest classes and outdoor recreation trips.

COMMUNITY FOREST

A Parks & Water Reclamation joint collaboration to bring residents

500 acres

of multi-use property including hiking, rock climbing, kayaking, fishing, mountain biking and more



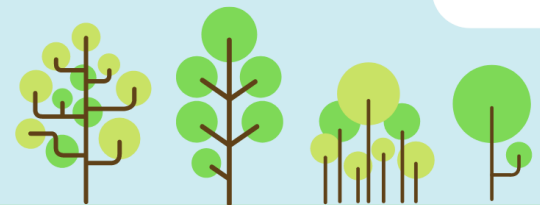
DID YOU KNOW

Post Falls has

- 874 acres of park land
- 33 parks
- 12.25 miles of asphalt trails
- 12,000 urban trees
- 16 children's playgrounds
- 3.5 miles of river frontage
- 21,000 square feet of beach area
- Whitewater access
- 112 climbing routes
- 38 trail miles

COMMUNITY EVENTS

Post Falls hosted many community-wide events such as the Sprint Triathlon, Shoes & Microbrews 5k Fun Run, Post Falls Festival, Movies in the Park, Family Fishing Derby, Winterfest/Tree Lighting Celebration and sports tournaments.



Demographics

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.

Idaho boasts the lowest cost of living in the western states and, with an average commute time of just under 21 minutes, Idahoans get to work, home, and the outdoors faster than anyone in other western metro areas.



The City of Post Falls has grown from 7,350 residents in 1990 to approximately 39,000 at the end of 2019. The continued influx of new residents has resulted in a strong construction industry. In 2018, new dwelling units increased to 828 units which equated to a growth rate of approximately 5.80%. Of the 828 units, 540 of them were single family residential homes. A surprise in 2018 was the multi-family sector slowed to a lower than expected rate of permit issuance, but it turned around in 2019 with the multi-family sector adding an additional 616 multi-family units being permitted. 2019 also brought in a strong single-family development market with 523 permitted single-family homes added to Post Falls. Due to the number of inquiries and developments of multi-family near commercial corridors within Post Falls, it is expected additional commercial properties will begin being developed. It is 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. Therefore, with additional multi-family that may be developed nearby and along currently undeveloped commercial corridors, Post Falls may see additional land that has been sitting vacant for some time be commercially developed in 2020 and 2021. This started to be realized in 2018 with the development of Panda Express opening at the Pointe of Post Falls. In 2019, Maverik opened a new business located at the Pointe of Post Falls. Sherwin Williams, an additional Maverik Store, and Hardwick and Sons (a relocating Seattle based hardware company) have pulled permits to construct new operations near the intersection of HWY 41 and Mullan Ave. If continued residential growth occurs as it appears early in 2020, Post Falls may grow to over 41,000 by the end of the year, preliminary adding an additional 2,000 residents.



Incorporated 1891

Population.....

39,000



AGE DISTRIBUTION



Median Age: **35**

Post Falls By the Numbers

TRANSPORTATION



178

MILES OF STREETS



28

BIKE LANE MILES



19

TRAFFIC SIGNALS



7

ROUNDBABOUTS



PUBLIC SAFETY



41,178

CALLS FOR SERVICE



35

ANIMAL SHELTER
35 KENNELS



48

SWORN PERSONNEL



4

SRO - SCHOOL RESOURCE
OFFICERS



PARKS & RECREATION



33

PARKS



874

PARKS ACREAGE
36 TRAIL MILES



500

COMMUNITY FOREST
ACREAGE



15/15

SPORTS FIELDS AND
TENNIS/PICKLEBALL CTS



UTILITIES



7,076

WATER CUSTOMERS



121

MILES OF WATER MAINS



12,007

RECLAIMED WATER
CUSTOMERS



2.8

MILLION GALLONS
PER DAY TREATMENT



This is a summary of the City's Major Initiatives, a full detailed list of Major Initiatives and department accomplishments are available in the CAFR.

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 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. 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 41 and Prairie. The planned Industrial Park may provide high tech jobs to benefit Post Falls future employment base. The City also adopted 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.

Public Health/Environment - The goal of effective and timely maintenance and repair of facilities and equipment is one of our highest priorities. The Street Maintenance Division has a

program of bi-weekly sweeping citywide in the summer months for dust control. 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. In 2018, and 2019, the Streets Division used snow-gates to reduce berms in driveways and implemented 24-hour plowing rotation. The Water Utility Division operates the City water system consisting of 9 wells and 5 reservoirs, with a pumping capacity of 14 million gallons/day with reservoir capacity of 6.5 million gallons. The City will install two new wells over the next three years. The Water Reclamation Facility has a capacity of 4.1 million gallons/day and 33 lift stations. Bio-solids are hauled off site and processed by Barr Tech.

Other Community Services – The Parks and Recreation Department is responsible for the operations of the Parks, Recreation, Cemetery, and Urban Forestry divisions. The department focus is planning, development, and standardization of infrastructure to increase system efficiency, improve cost effectiveness, safety, and reduce liability. The department has made improvements in the following areas: state of the art irrigation systems, ADA compliance, upgraded picnic shelters, restroom facilities, trails and pathways, maintenance equipment, trash collection, security cameras, energy efficient lighting, wildlife management, and new playground equipment.

Major Business Development Highlights—

In 2019, a significant number of rooftops once again were added to the City of Post Falls for a total of 1,139 housing units. There were 523 single family housing unit (HU) permits issued and an additional 616 multi-family housing HU created. Examples of multifamily projects in 2019 are the following with unit counts in (X): Crossroad Apartments (144), Post Falls Seniors (66), Bel Cielo Phase II (87), Parkside at Tullamore (126), and Woodland Meadows (124). The following are highlights of commercial projects that commenced in 2019: Sawmill Grille, CDA Bank, 3rd Avenue Storage, Fox Trailer Phase II, Saunders Cable, Sherwin Williams, Quad Park South, Hardwick & Sons, UPS Sorting Facility Site, and Maverik (at the Pointe). Some tenant improvements worth noting for 2019 were: Nurturing Nest Daycare, Raw Rev Assembly, Templin's, Sawmill Grille, Birdies Pies, Northwest Specialty Hospital, and York Saw and Knife. In 2020, continued residential and commercial/industrial development is expected to remain strong.

There are several proposed multifamily projects that have already commenced in 2020.



The Popular Annual Financial Report (PAFR), sometimes called the Annual Report to Citizens, is a summary of the financial activities of the City's governmental funds and is drawn from information found in the CAFR. Unlike the CAFR, the PAFR is unaudited and presented on a non-GAAP basis.

The City of Post Falls received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the 2018 PAFR. The City has received this award annually since 2008. The award is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government unit must publish a report, with contents that conform to standards of creativity, presentation, understandability, and reader appeal.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Post Falls
Idaho**

For its Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

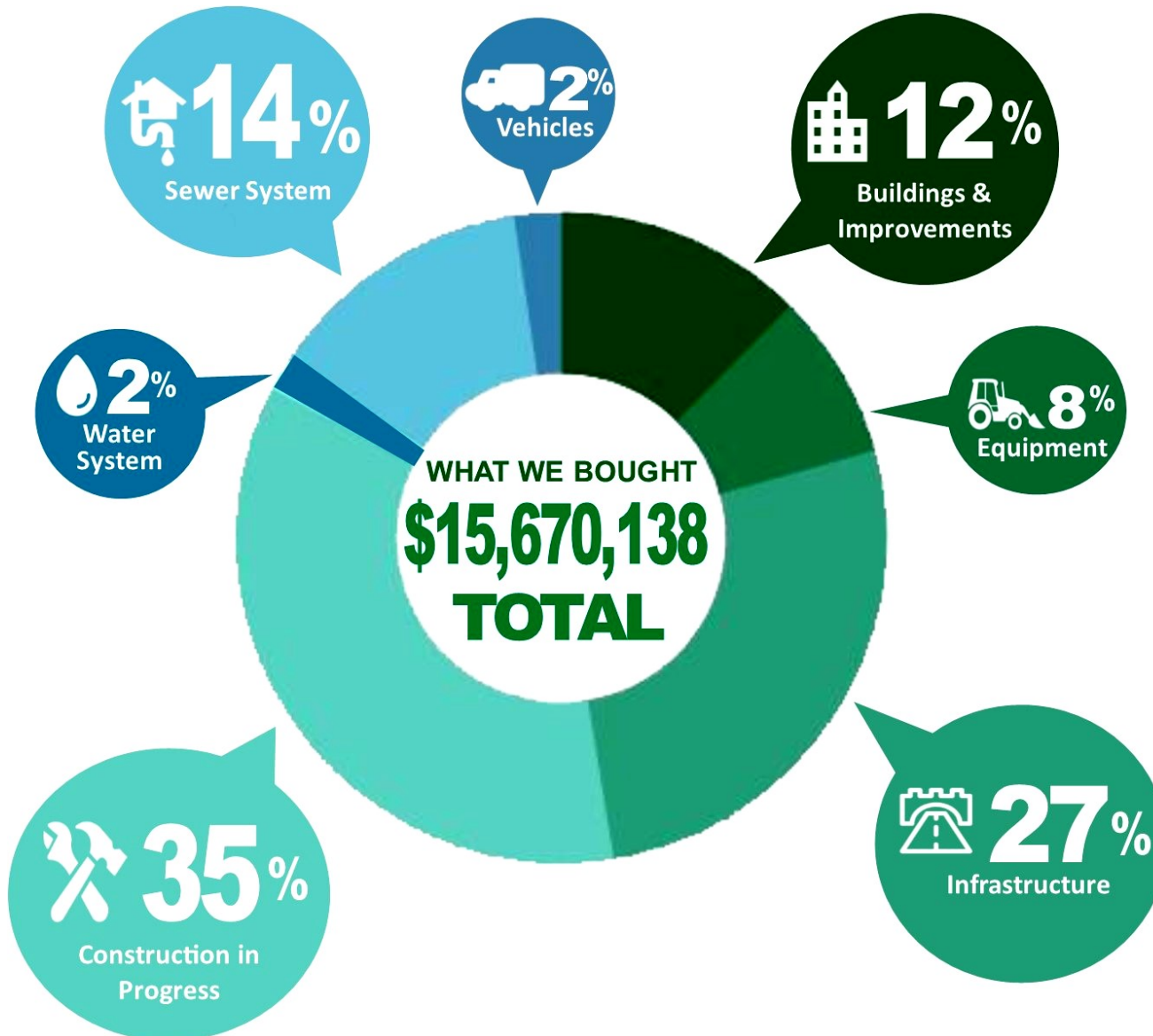
Statement of Net Position

City of Post Falls' Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program revenues:						
Charges for services	\$ 9,700,643	\$ 7,260,052	\$ 19,292,354	\$ 17,077,205	\$ 28,992,997	\$ 24,337,257
Operating grants and contributions	870,451	838,194	-	-	870,451	838,194
Capital grants and contributions	4,470,104	2,956,528	8,713,016	5,311,226	13,183,120	8,267,754
General revenues:						
Property taxes	11,433,684	10,743,680	-	-	11,433,684	10,743,680
Other taxes	4,928,664	4,570,089	-	-	4,928,664	4,570,089
Other	1,498,401	130,943	2,324,194	601,448	3,822,595	732,391
Total revenues	<u>\$ 32,901,947</u>	<u>\$ 26,499,486</u>	<u>\$ 30,329,564</u>	<u>\$ 22,989,879</u>	<u>\$ 63,231,511</u>	<u>\$ 49,489,365</u>
EXPENSES						
General government	\$ 7,473,377	\$ 6,921,961	\$ -	\$ -	\$ 7,473,377	\$ 6,921,961
Public safety	7,647,031	6,808,754	-	-	7,647,031	6,808,754
Highway and public works	5,100,089	4,895,812	-	-	5,100,089	4,895,812
Culture and recreation	2,763,303	2,376,302	-	-	2,763,303	2,376,302
Interest on long-term debt	29,094	35,558	-	-	29,094	35,558
Water	-	-	1,708,614	1,627,378	1,708,614	1,627,378
Reclaimed Water	-	-	4,788,808	4,741,739	4,788,808	4,741,739
Sanitation	-	-	2,607,409	2,334,610	2,607,409	2,334,610
Total expenses	<u>\$ 23,012,894</u>	<u>\$ 21,038,387</u>	<u>\$ 9,104,831</u>	<u>\$ 8,703,727</u>	<u>\$ 32,117,725</u>	<u>\$ 29,742,114</u>
INCREASE IN NET POSITION BEFORE TRANSFERS	<u>9,889,053</u>	<u>5,461,099</u>	<u>21,224,733</u>	<u>14,286,152</u>	<u>31,113,786</u>	<u>19,747,251</u>
TRANSFERS IN (OUT)	<u>1,826,809</u>	<u>1,696,630</u>	<u>(1,826,809)</u>	<u>(1,696,630)</u>	<u>-</u>	<u>-</u>
INCREASE IN NET POSITION	<u>11,715,862</u>	<u>7,157,729</u>	<u>19,397,924</u>	<u>12,589,522</u>	<u>31,113,786</u>	<u>19,747,251</u>
NET POSITION beginning	97,093,128	89,935,398	154,558,959	141,969,437	251,652,087	231,904,835
Prior Period Adjustment	-	-	-	-	-	-
NET POSITION ending	<u>\$ 108,808,990</u>	<u>\$ 97,093,127</u>	<u>\$ 173,956,883</u>	<u>\$ 154,558,959</u>	<u>\$ 282,765,873</u>	<u>\$ 251,652,086</u>

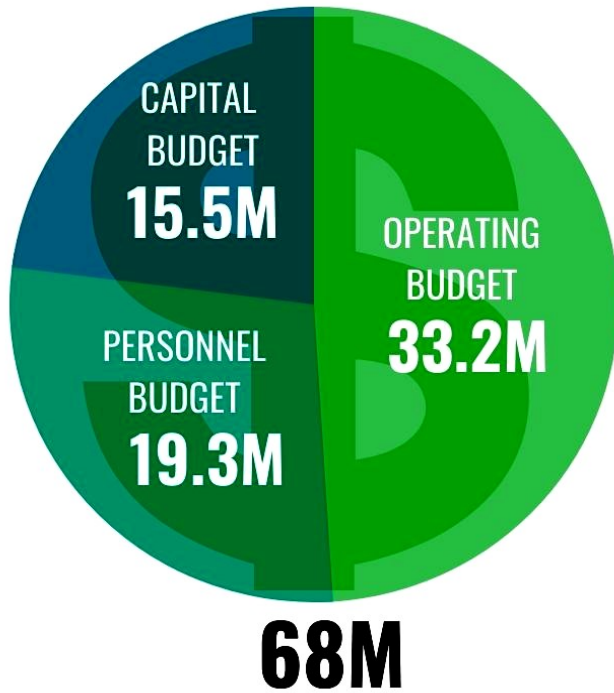
The statement of net position presents information on all the City of Post Falls' assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Post Falls is improving or deteriorating.

CAPITAL ASSETS What Does the City Own?



By far the largest portion of the City of Post Falls' net position 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.



The City of Post Falls adopts an annual appropriated budget for its general fund. The City of Post Falls, like all other governmental entities in Idaho, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The general fund is the chief operating fund of the City of Post Falls.

At the end of the current fiscal year, the City of Post Falls’ reported a combined ending fund balance of \$37,878,858, an increase of \$5,734,675 in comparison with the prior year. The current fund balance contains \$10,867,838 of restricted dollars, \$3,896,525 of committed dollars, \$3,129,517 of assigned dollars and the balance of \$19,982,978 is unassigned, which is available for spending at the government’s discretion.

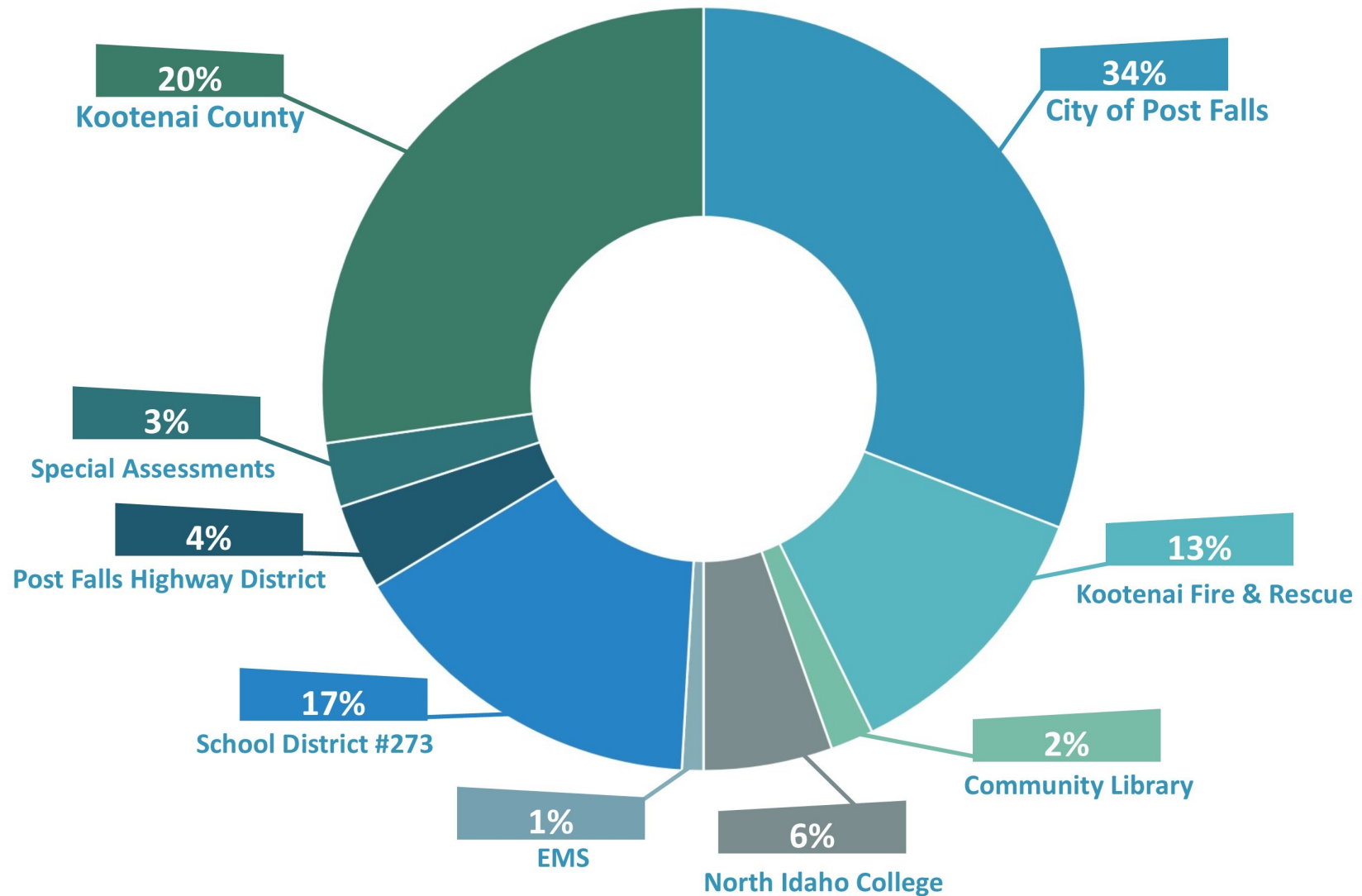
The general fund is the chief operating fund of the City of Post Falls. At the end of the current fiscal year, unassigned fund balance of the general fund was \$19,278,388 with a total fund balance of \$26,304,430. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 86 percent of total general fund expenditures, while total fund balance represents 117.00 percent of that same amount.

General Fund Expenditures by Function



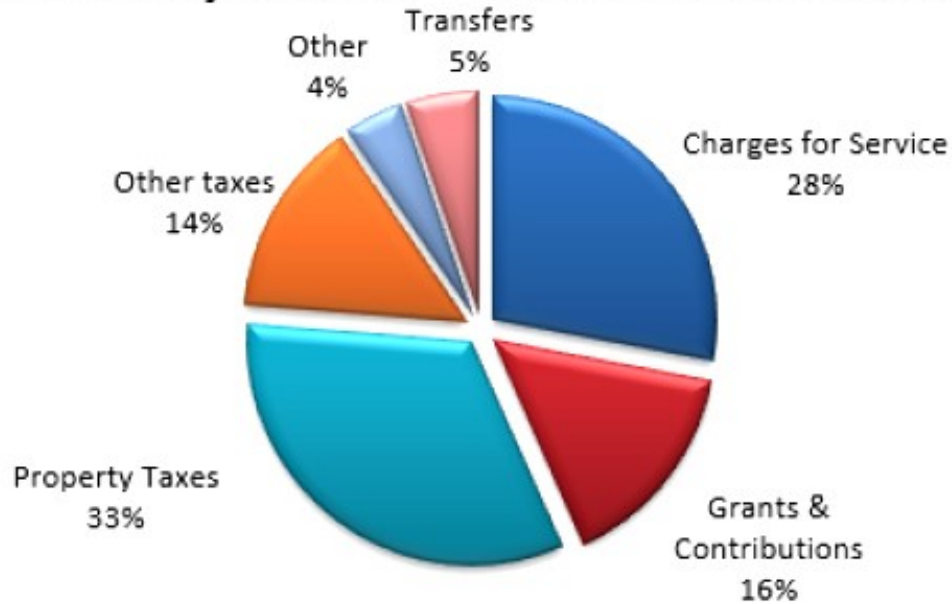
Where Do Your Taxes Go?

PERCENTAGE OF PROPERTY TAX BY TAXING DISTRICT



Many people are surprised to learn that only about one-third goes to the City of Post Falls and the rest goes to Kootenai County, the Post Falls School District, Kootenai Fire and Rescue, North Idaho College, Post Falls Highway District and the Community Library Network and Kootenai Ambulance District.

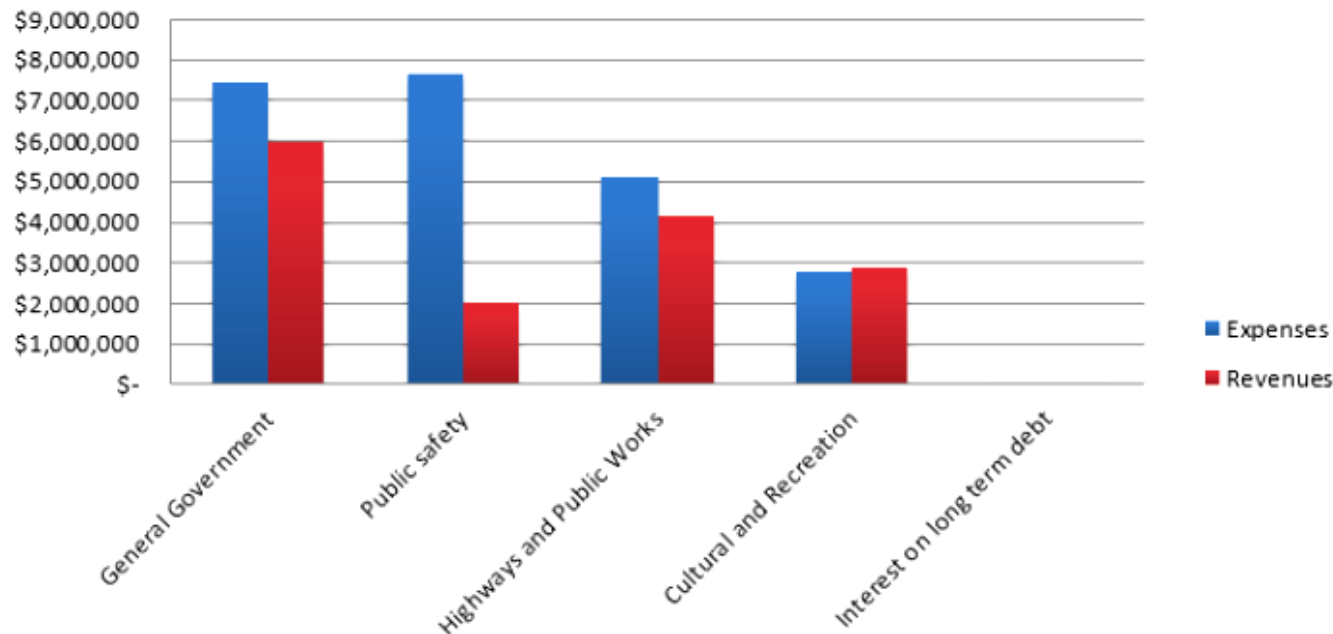
Revenue by Source - Government Activities



- The majority of the City of Post Falls' governmental activities' revenue is received from property tax (33 percent) with other taxes following at (14 percent).
- When all taxes are added together, they make up 47 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.

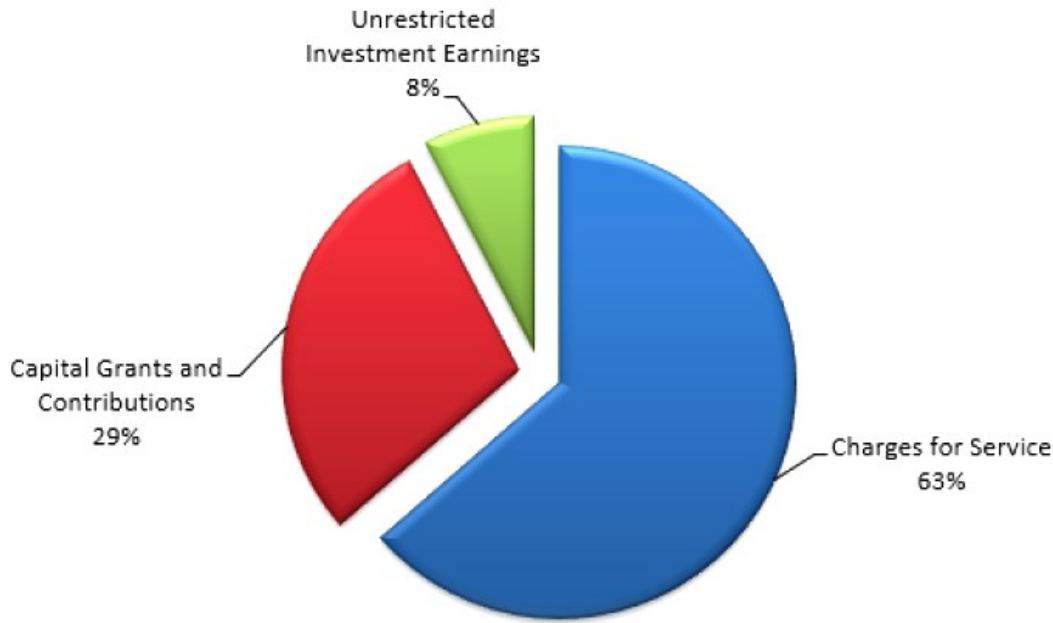
For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. No significant transactions occurred outside of the Major funds for FY 19. No significant losses or revenues were received during the year and building permit revenue has increased during FY 19.

Expenses and Program Revenues - Governmental Activities

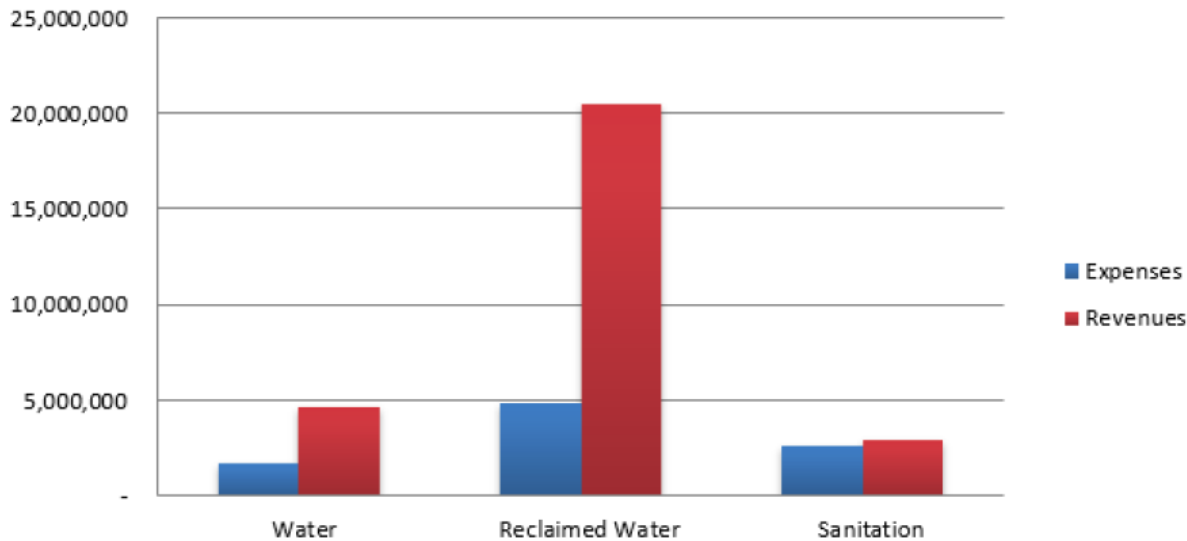


Business Type Activities

Revenue by Source - Business Type Activities



Expenses and Program Revenues - Business-type Activities



- One of the major sources of the City of Post Falls’ business -type activities’ revenue is received from charges for services (63 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 (29 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.

FINANCIAL HIGHLIGHTS

- The assets of the City of Post Falls exceeded its liabilities at the close of the most recent fiscal year by \$282,765,873 (net position).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$19,278,388, or 86.0 percent of total general fund expenditures.
- The governments net position increased by \$31,112,678. Approximately \$4,713,310 of this increase is attributed to one-time infusions of governmental contributions of \$4,089,458 plus proprietary contributions of \$623,852 resources from capital contributions.
- In the City’s business-type activities, operating revenues increased by \$2,215,149 (13.0 percent) and operating expenses increased by \$402,212. 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 holds an AA- water reclamation bond rating and an AA water bond rating with Standard & Poors.

City of Post Falls
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Black Bay Park Shelter in Spring