

Popular Annual Financial Report

For Year Ending September 30, 2023



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The FY 2023 ACFR can be viewed and downloaded on the City’s website at

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





Dear Citizens,

The City of Post Falls Financial Services Department is proud to present the “popular” form of the City’s Annual Comprehensive 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 2023. The audited financial report of City financials is the City’s ACFR . The average citizen may find it difficult to interpret the vast amount of data in the ACFR. 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 2023 ACFR. Under State law, the ACFR 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 (Alpine Summit CPAs). 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, Alpine Summit CPAs 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, 2023 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 Alpine Summit CPAs 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 ACFR, not be a substitute for it. For a complete review of the City’s financial status for the recently concluded fiscal year, the FY 2023 ACFR and FY 2023 budget documents can be found on the City’s website at <https://www.postfalls.gov/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 ACFR, and current budget documents.

A handwritten signature in black ink that reads "Jason Faulkner". The signature is written in a cursive, flowing style.

Jason Faulkner
Finance and Support Services Department
Finance Director / Treasurer



Message from the Mayor



The City Council and I are pleased to present the 2023 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.

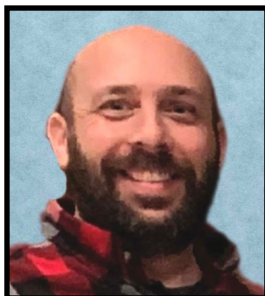
The PAFR is designed to take information from the Annual Comprehensive Financial Report (ACFR) and displays the highlights in a simplified format. Doing so increases the transparency of the City's finances and operations. The PAFR gives a snapshot of our City's financial health, not only to residents, 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



Councilor
Kerri Thoreson



Councilor
Josh Walker



Councilor
Joe Malloy



Mayor
Ronald G. Jacobson



Councilor
Nathan Ziegler



Councilor
Lynn Borders



Councilor
Kenny Shove

City of Post Falls Organizational Chart



NAME	OFFICE	OCCUPATION	TERM
Ronald G. Jacobson	Mayor	Retired	2025
Kerri Thoreson	Council President - Seat 1	Self Employed	2023
Josh Walker	Councilor - Seat 2	Project Manager - NNAC, Inc.	2025
Joe Malloy	Councilor - Seat 3	Project Coordinator - Outotec Energy Products	2023
Nathan Ziegler	Councilor - Seat 4	Patient Care Coordinator-Crest Home Health & Hospice	2025
Lynn Borders	Councilor - Seat 5	Retired	2023
Kenny Shove	Councilor - Seat 6	Self Employed	2025

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

Lifestyle and Recreation



Post Falls is a very special place, with scenic beauty, year-round recreational opportunities and a relaxed lifestyle that creates a valuable quality of life that is attracting new businesses and new citizens daily. The recreational opportunities and natural surroundings are a large part of why people choose Post Falls. Boating and water sports such as wakeboarding, water skiing, wake surfing, whitewater kayaking and paddle boarding are popular on the Spokane River. Winter sports including downhill skiing/snowboarding, snowshoeing, cross-country skiing, and snowmobiling, all which are easily accessible from Post Falls. The region also provides ample opportunities for sportsmen and anglers. The City maintains 36 parks, several of which are on the Spokane River. Sports, swimming, rock climbing, boating or just relaxing, there's a park that fills the bill. Post Falls also offers a variety of community events for the whole family to enjoy.

The Park at the Landings offers a versatile outdoor environment where residents can come together and enjoy scenic river views. Additionally, it features a synthetic turf amphitheater perfect for hosting concerts and various events.



Post Falls is known for its natural beauty, history, and recreational opportunities. Above is a view from the Post Falls Community Forest, which offers all of the above in one location.



The Centennial Trail passes through Post Falls and offers opportunities for walking, biking, and enjoying the outdoors.

Parks & Recreation

FOR AN ACTIVE LIFESTYLE

DID YOU KNOW?

The City's Recreation Division had over 8,000 participants that spent over 189,000 hours engaged in activities that enhance their healthy lifestyles.



COMMUNITY EVENTS

Post Falls hosts many community-wide events such as the Sprint Triathlon, River City Market & Music, Shoes & Brews 5K, Post Falls Festival, Movies in the Park, Winterfest, and many sports tournaments.



PARKS

Post Falls has 36 parks, 3 splash pads, 16 children's playgrounds, 911 acres of park land, 38 trail miles and 112 climbing routes.



WATER RECREATION

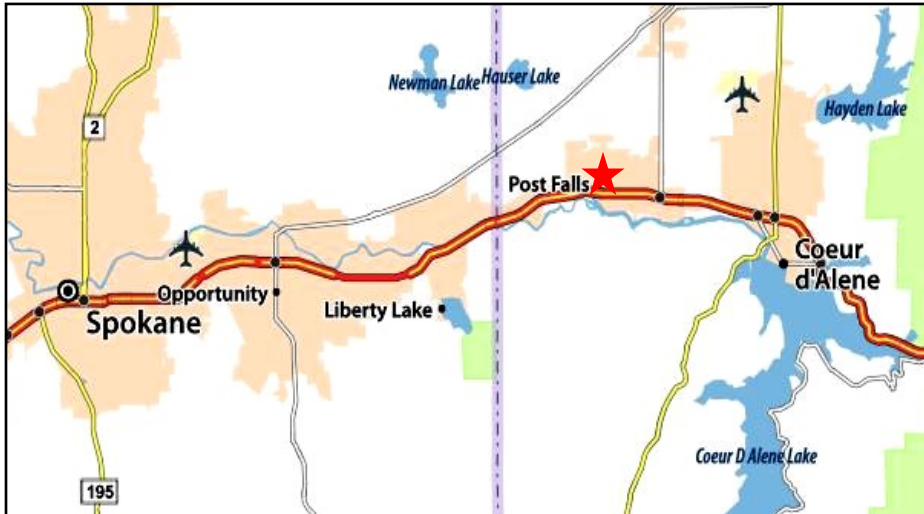
Post Falls has 3.5 miles of river frontage, 21,000 square feet of beach area, whitewater access and an amphitheater overlooking the river.



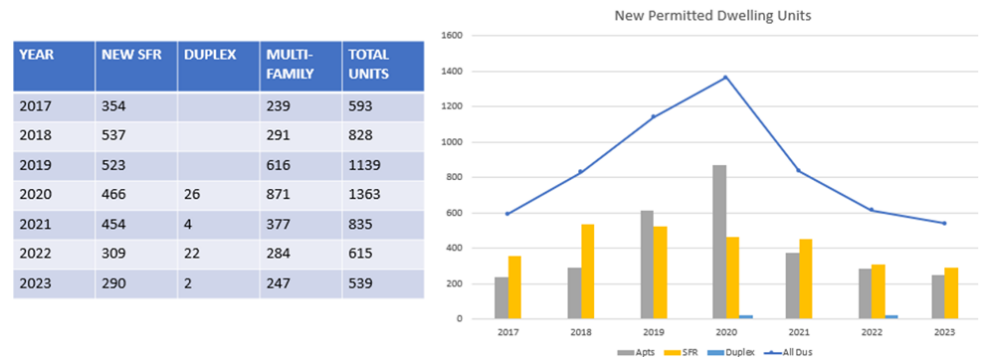
Demographics

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 47,190 by the end of 2023. 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 4.6% annual growth rate experienced between 2016 to 2020. Since 2021, Post Falls has grown at an annual average growth rate of 5.3%, but this includes a 9.15% growth rate in 2021. With the increased number of multi-family units in west Post Falls and along HWY 41, additional commercial investments have been realized in these areas. The Millworx site continues to add to its mixed use development and will be starting on the hotel in 2024. Below represents the residential development numbers since 2017.



Incorporated 1891



47,190

2023 Population



5,897

Public School Enrollment

Post Falls By the Numbers

TRANSPORTATION



206

MILES OF STREETS



28

BIKE LANE MILES



20

TRAFFIC SIGNALS



12

ROUNDBOUTS

PUBLIC SAFETY



42,753

CALLS FOR SERVICE



49

SWORN PERSONNEL



4

SRO - SCHOOL RESOURCE OFFICERS

PARKS & RECREATION



36

PARKS



911

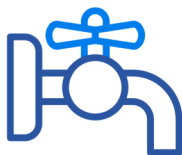
PARKS ACREAGE



483

COMMUNITY FOREST ACREAGE

UTILITIES



8,149

WATER CUSTOMERS



14,075

WASTEWATER CUSTOMERS



30

LIFT STATIONS



As visitors enter the City Center of Post Falls, they are met with stunning artwork featuring Max, the beloved fish, welcoming them with vibrant colors and charm.

Major Initiatives

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

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 providing a 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 completed two roundabout and safety projects in 2022 (Poleline and Cecil Road and Mullan frontage and Cecil Road). Both of these projects saw an 80% + reduction in collisions in 2023 vs collision rates prior to the projects construction. Such collaboration provides for improvement of capacity and safety to the local and regional transportation systems.

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

continued to emphasize on crack sealing, chip sealing 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.

The Water Utility Division operates the City water system consisting of 9 wells and 5 reservoirs. In fiscal year 2023, construction was completed on two new wells which add capacity to the water system. In fiscal year 2024, another well will be added.

The Water Reclamation Facility has a capacity of 4.1 million gallons/day and 30 lift stations, having removed two from operation in 2022 by constructing permanent interceptor lines. 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 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, upgraded 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 the rapidly increasing public demand for services.

Major Business Development Highlights—

In 2023, a more modest amount of rooftops were added to the City of Post Falls for a total of 539 housing units. There were 290 single family housing unit (HU) permits issued and an additional 249 multi-family housing HU created. Examples of multifamily projects in 2023 are the following with unit counts in (X): Amelia Apartments Phase II (180), Millworx North Mixed Use (67), Aspen Homes Multi-family (4). The following are highlights of the approved commercial Site Plans in 2023: Terre Coffee, Prairie Falls Clubhouse, Farwest Steel, Popeye's (2nd site), North Idaho Eye Institute, Tullamore 1st Addition Lots 6 & 8, Corbin Road Commons, SWC Retail Center, Peak Health and Wellness, Golden Rule Brake, Dragon Jacket, KCFR Station 3, Newman Commercial Lot 1, and the Post Falls Food Service Facility.

In 2024, due to higher interest, residential developed is expected to be slower than previous years. Commercial/industrial development is expected to remain strong, due to the prior years of substantial residential development. It will be exciting to see what all develops in 2024.

Financial Reporting Award

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 ACFR. Unlike the ACFR, 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 2022 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, 2022

Christopher P. Morill

Executive Director/CEO

Net Position

Statement of Net Position			
Governmental Activities			
	2023	2022	Change
ASSETS			
Current and other assets	\$67,422,596	\$68,550,813	-\$1,128,217
Capital assets	104,924,949	92,672,907	12,252,042
Total assets	<u>172,347,545</u>	<u>161,223,720</u>	<u>11,123,825</u>
DEFERRED OUTFLOW OF RESOURCES			
Proportionate share of collective deferred outflow of resources	4,928,645	6,555,770	-1,627,125
LIABILITIES			
Long-term liabilities outstanding	15,291,876	12,889,435	2,402,441
Other liabilities	6,334,800	6,423,425	-88,625
Total liabilities	<u>21,626,676</u>	<u>19,312,860</u>	<u>2,313,816</u>
DEFERRED INFLOW OF RESOURCES			
Proportionate share of collective deferred inflow of resources	3,296,724	7,578,276	(4,281,552)
NET POSITION			
Net investment in capital assets	102,270,591	92,629,325	9,641,266
Non-spendable	347,267		
Special revenue projects	3,437,496		
Restricted	20,422,105		20,422,105
Unrestricted	25,875,331	48,259,029	-22,383,698
Total net position	<u>\$152,352,790</u>	<u>\$140,888,354</u>	<u>\$7,679,673</u>

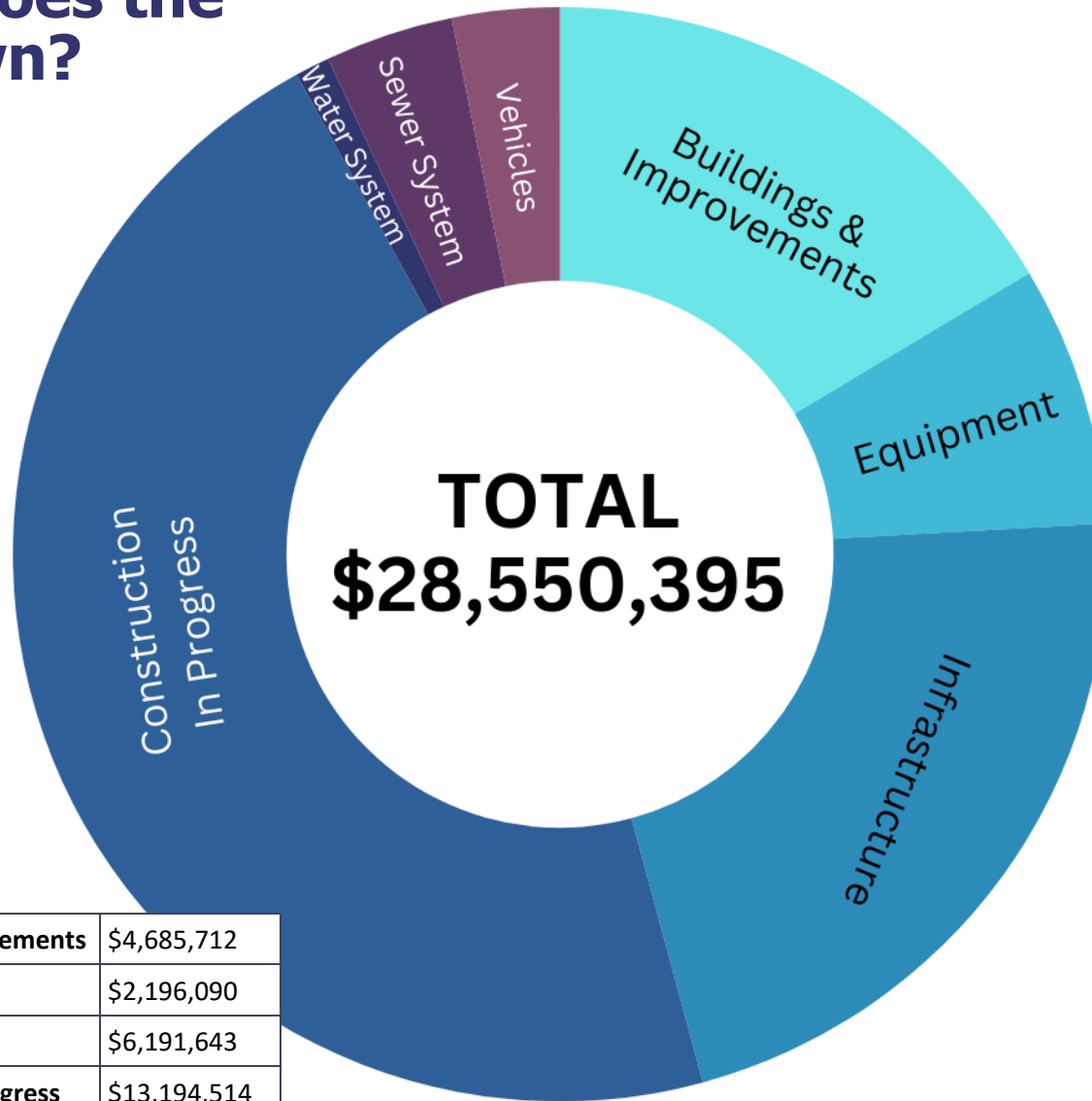
The statement of net position presents information on all the City of Post Falls' assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial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

Changes in Net Position			
Governmental Activities			
	2023	2022	Change
REVENUES			
Program revenues:			
Charges for services	\$13,524,046	\$15,457,731	-\$1,933,685
Operating grants and contributions	5,481,283	508,618	\$4,972,665
Capital grants and contributions	3,759,214	5,005,926	-\$1,246,712
General revenues:			
Property taxes	13,711,938	13,380,490	\$331,448
Other taxes	8,402,522	8,252,624	\$149,898
Other	2,350,569	-3,595,130	\$5,945,699
Total revenues	<u>\$47,229,572</u>	<u>\$39,010,259</u>	<u>\$8,219,313</u>
EXPENSES			
General government	\$12,822,167	\$11,102,468	\$1,719,699
Public safety	11,484,564	8,898,904	\$2,585,660
Highway and public works	8,781,454	6,918,918	\$1,862,536
Culture and recreation	3,984,310	3,521,990	\$462,320
Interest on long-term debt	25,023	3,937	\$21,086
Total expenses	<u>\$37,097,518</u>	<u>\$30,446,217</u>	<u>\$6,651,301</u>
INCREASE IN NET POSITION BEFORE TRANSFERS	<u>10,132,054</u>	<u>8,564,042</u>	<u>\$1,568,012</u>
TRANSFERS IN (OUT)	<u>1,332,382</u>	<u>2,106,322</u>	<u>(773,940)</u>
INCREASE IN NET POSITION	<u>11,464,436</u>	<u>10,670,364</u>	<u>\$794,072</u>
NET POSITION beginning	<u>140,888,354</u>	<u>130,217,990</u>	<u>\$10,670,364</u>
NET POSITION ending	<u>\$152,352,790</u>	<u>\$140,888,354</u>	<u>\$11,464,436</u>

The changes in net position provides a detailed account of the revenues (sources of income) and expenses (the use of money) for City operations. It reflects changes in net assets that occurred during the fiscal year.

Capital Assets

CAPITAL ASSETS What Does the City Own?

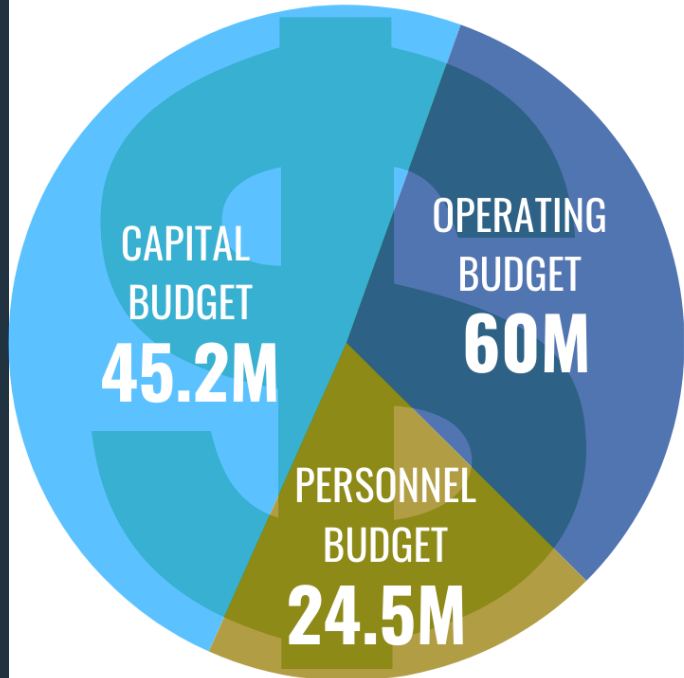


Buildings & Improvements	\$4,685,712
Equipment	\$2,196,090
Infrastructure	\$6,191,643
Construction in Progress	\$13,194,514
Water System	\$294,280
Sewer System	\$1,082,044
Vehicles	\$906,113

By far the largest portion of the City of Post Falls' net position (61.8 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.

2023 City Budget



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 \$58,145,587, an increase of \$3,856,671 in comparison with the prior year. The current fund balance contains \$347,267 of non-spendable, \$3,437,496 of committed dollars, \$20,422,105 of assigned dollars and the balance of \$33,938,719 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 \$6,763,070 with a total fund balance of \$30,969,938. 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 20.1 percent of total general fund expenditures, while total fund balance represents 91.9 percent of that same amount.

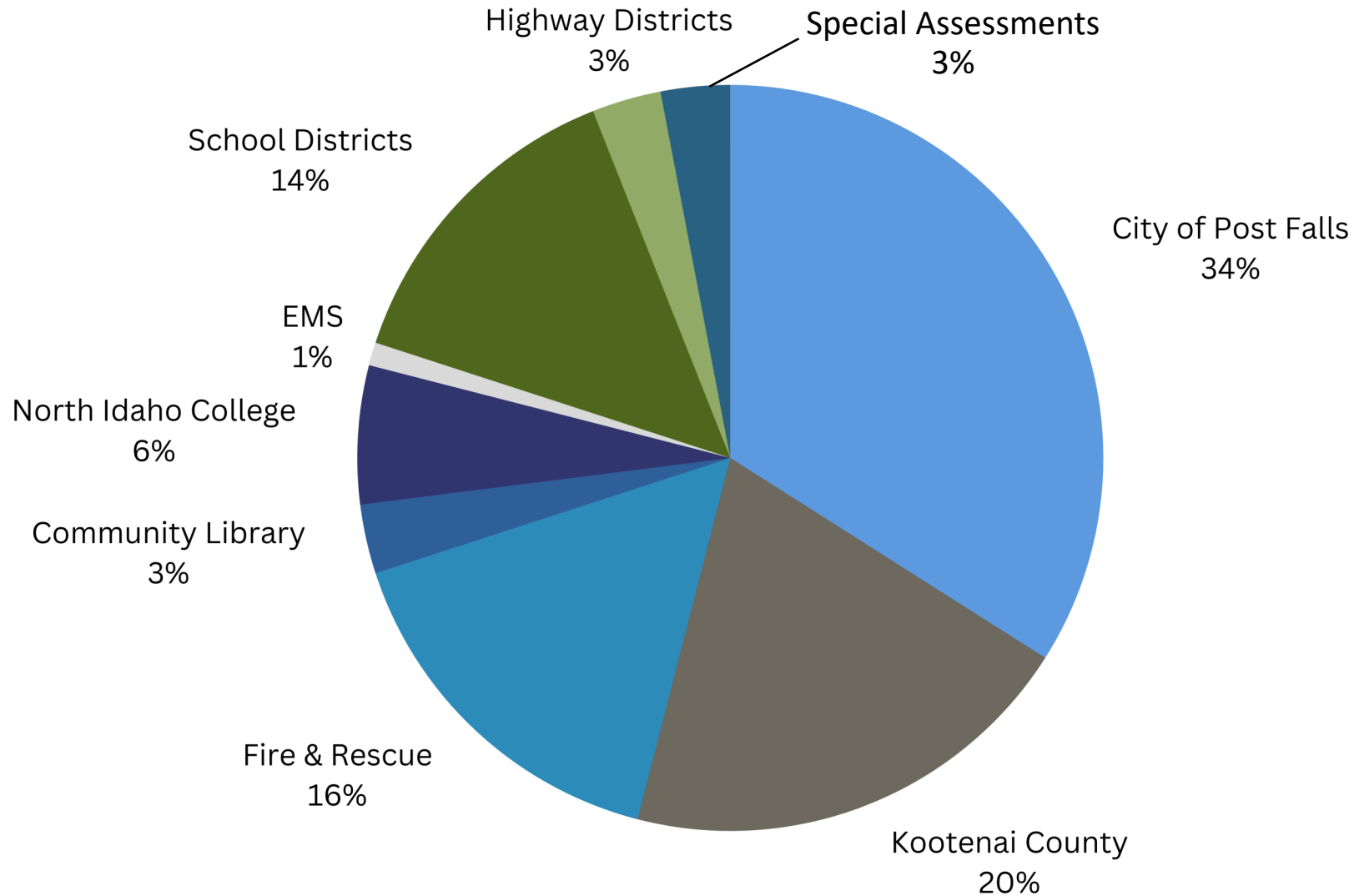
129.7M

General Fund Expenditures by Function



Where Do Your Taxes Go?

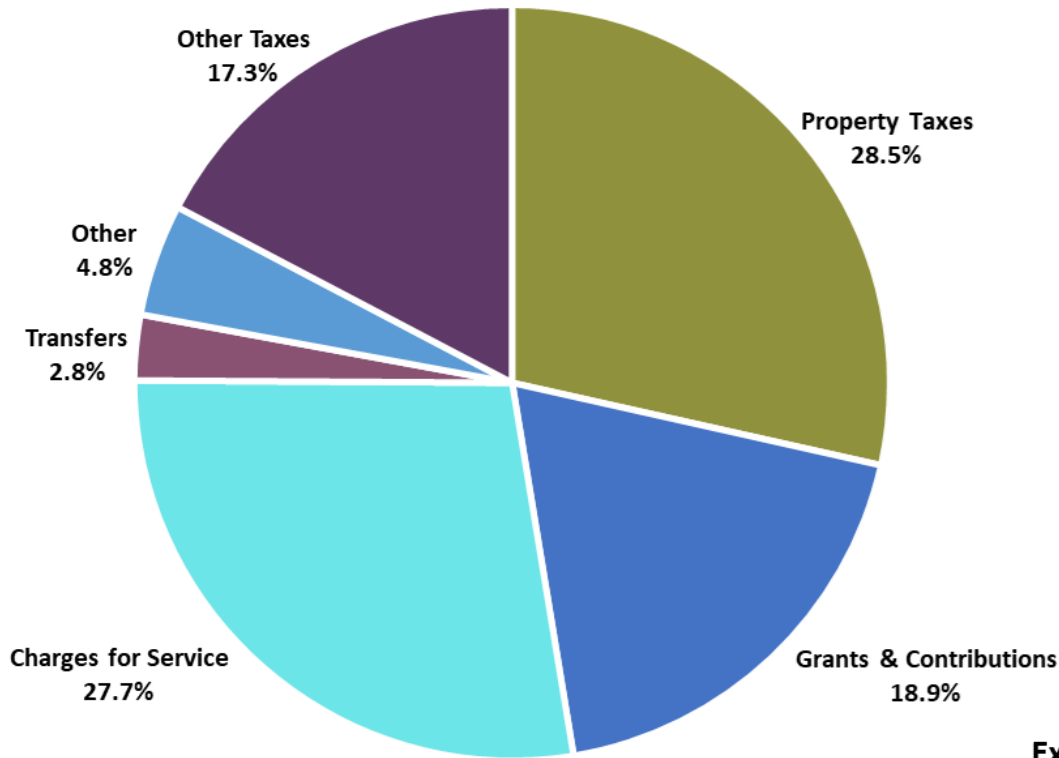
Percentage of Property Tax by Taxing District



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.

The City Revenues and Expenses

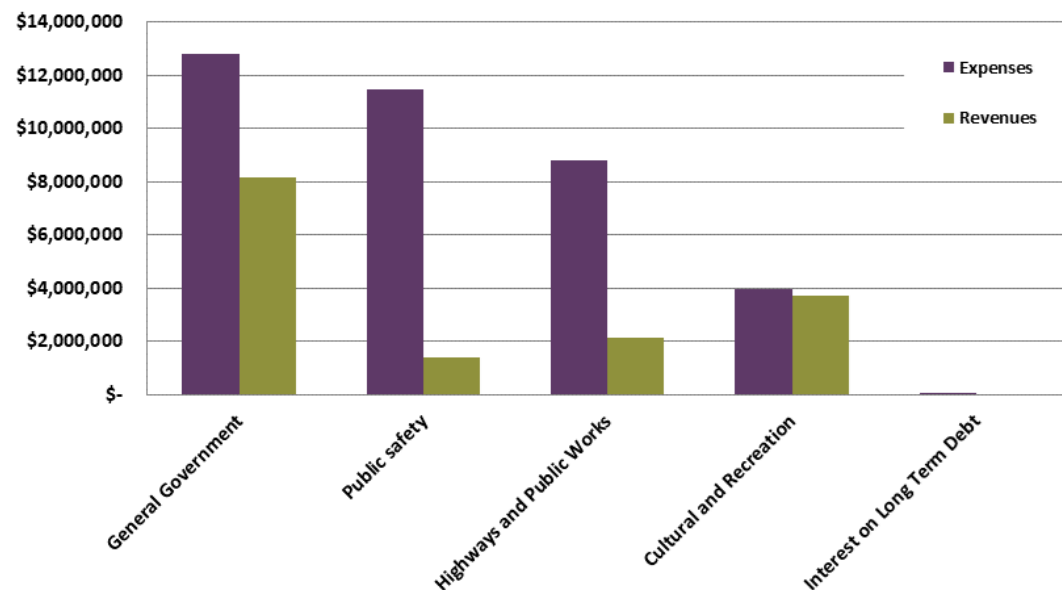
Revenue by Source—Government Activities



- The majority of the City of Post Falls’ governmental activities’ revenue is received from property tax (28.5 percent) with other taxes following at (17.3 percent).
- When all taxes are added together, they make up 45.8 percent of the budget.
- When revenues are compared to expenses, it shows that just one 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 was significantly funded through federal grants each year, until the grants expired. Council has committed to funding the program in full.

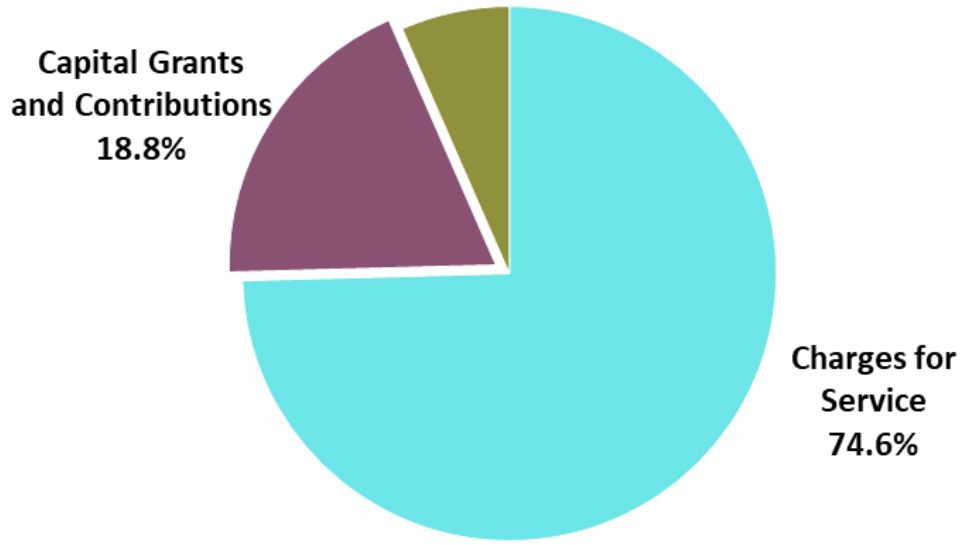
For the most part, increases in expenses were due to inflation, supply chain issues, and growth in the demand for services. No significant transactions occurred outside of the Major funds for FY 2023. No significant losses received during the year while building permit revenue, state shared revenues, motor vehicle revenues, and liquor taxes has increased significantly during FY 2023. Post Falls continues to experience development of residential and multi-family. Property taxes are the largest individual revenue stream for the general fund at \$13.8 million. However, state shared revenues which includes sales taxes were \$8.4 million during fiscal year 2023.

Expenses and Program Revenues - Governmental Activities

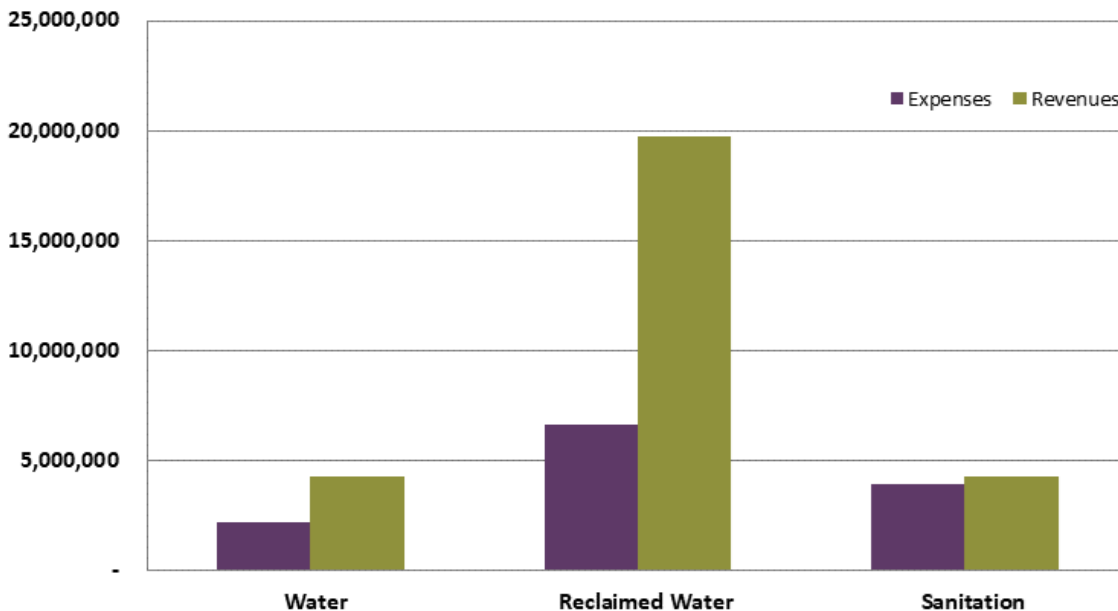


Business Type Activities

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 (74.6 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 (18.8 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 for water and wastewater. 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 \$409,734,384 (net position).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,763,070, or 20 percent of total general fund expenditures.
- The governments net position increased by \$35,412,732. Total asset additions increased \$33,855,268 and business type total asset additions were \$22,731,443 and governmental asset additions were \$11,123,825 during fiscal year 2023. \$6.5 million consisted of system additions related to the wastewater treatment plant upgrade, along with an additional \$8.0 million of construction in progress. Governmental capital assets increased by \$14,299,224 over the prior year. Governmental experienced a \$3,655,915 increase in infrastructure that was donated to the city from developers. Business type capital assets increased by \$14,251,172 compared to the prior year. In addition, wastewater and water both had systems additions donated by developers of \$876,370 and \$256,200, respectively.
- In the City's business-type activities, operating revenues increased by \$1,980,751 (7.5. percent) and operating expenses increased by \$524,646. The increases in operating revenues is primarily due to the increase in utility rates (3.0% for water and a 2.5% for reclaimed water).
- The City of Post Falls is still experiencing growth as building permits that continue to exceed expectations while housing shortages are becoming a reality for both single family and multi-family units. In addition, State Highway 41 has been the catalyst for both commercial and multi-family developments along that corridor.
- The City of Post Falls holds an AA- water reclamation bond rating and an AA water bond rating with Standard & Poors.

POST FALLS

MUSEUM

City of Post Falls | 408 N. Spokane St., Post Falls, ID 83854
208.773.3511 | www.postfalls.gov

