



Financial Statements  
SEPTEMBER 30, 2023

**TABLE OF CONTENTS**  
**September 30, 2023**

**FINANCIAL SECTION:**

**Independent Auditor’s Report** ..... 1 - 2

**Management’s Discussion and Analysis** ..... 3 - 14

**Basic Financial Statements:**

Government-wide Financial Statements:

Statement of Net Position..... 15

Statement of Activities..... 16

Fund Financial Statements:

Governmental Funds – Balance Sheet ..... 17

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position ..... 18

Governmental Funds – Statement of Revenues, Expenditures  
and Changes in Fund Balances ..... 19

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures  
and Changes in Fund Balances to the Statement of Activities ..... 20

Notes to the Financial Statements..... 21 - 32

**REQUIRED SUPPLEMENTARY INFORMATION**

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

River District Fund ..... 33

Atlas District Fund ..... 34

Health Corridor District Fund..... 35

**REPORT REQUIRED BY THE GAO**

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*..... 36 - 37

**Financial Section**

**Independent Auditor's Report**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
ignite cda  
Coeur d'Alene, Idaho

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of ignite cda, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise ignite cda's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of ignite cda, as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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.

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

## **INDEPENDENT AUDITOR'S REPORT (CONCLUDED)**

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary information as listed 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 consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during my 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of ignite cda's internal control over financial reporting and on our test of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 ignite cda's internal control over financial reporting and compliance.

*Scott P. Hoover, CPA*

Scott P. Hoover, CPA, PLLC  
Liberty Lake, WA

December 20, 2023

## **Financial Section**

### **Management's Discussion and Analysis**

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

This section of the ignite cda (Agency) fiscal year 2023 financial report presents our discussion and analysis of the Agency's financial performance during the fiscal year that ended on September 30, 2022. Please read it in conjunction with the Agency's financial statements which follow this section. Note: The Agency is not a taxing entity and thus does not levy any form of taxes.

**FINANCIAL HIGHLIGHTS**

- The Agency administers four redevelopment districts within the City of Coeur d'Alene's (the "City") area of impact, three active and one closed:
  - Lake District (closed), formed in 1997, encompasses sections of downtown, midtown, and Northwest Boulevard.
  - River District (active), formed in 2003, encompasses the geographic area between Interstate 90 and the Spokane River, east of Huetter Avenue and west of Northwest Boulevard.
  - Atlas District (active), formed in 2018, encompasses the geographic area between Seltice Way and the Spokane River, bounded on the east by the Riverstone development and bounded on the west by the US Bank Service Center.
  - Health Corridor District (active), formed in 2019, encompasses the general geographic area located between Government Way, Interstate 90, Northwest Boulevard and Davidson Avenue.
  
- The Agency's total (Lake, River, Atlas & Health Corridor Districts) net position as of September 30, 2023 was \$31,967,616.
  
- During fiscal year 2023, the Agency realized total general revenues and special items of \$3,732,436 and total net expenses of \$(1,383,236) resulting in a change in net position of \$2,349,200.
  
- Lake District: in June of fiscal year 2022, the Agency issued a Termination Plan for the Lake District. The Lake District Termination Plan was approved by the City by ordinance officially ending the Lake District in fiscal year 2022. Per the Termination Plan, several existing Agency Lake District projects continued into fiscal year 2023.
  
- Lake District: In fiscal year 2019, the Agency issued a Request for Proposals (RFP) for redevelopment of the Agency's property assets located in the Midtown area of the Lake District (813 N. 4<sup>th</sup> – 823 N. 4<sup>th</sup>). Two proposals were submitted, and the Agency awarded the project to Midtown Ventures LLC. In fiscal year 2019, the Agency entered into an Agreement to Negotiate Exclusively (ANE) with the Midtown Ventures LLC development team that will result in a fair reuse appraisal process and development of a Disposition and Development Agreement (DDA) that will guide the redevelopment of the Agency's Midtown property assets. The plan was for the mix-use (retail/commercial/residential) project to begin construction in fiscal year 2021. However, due to issues associated with the Covid-19 pandemic, construction costs, as well as an easement issue, project commencement began in fiscal year 2022. The project was substantially completed in fiscal year 2023.
  
- Lake District: In fiscal year 2021, the Agency agreed to partner with the City of Coeur d'Alene and the Museum of North Idaho (MNI) to fund \$700,000 of site improvements on City-owned property where the new MNI building is being developed. Due to issues associated with Covid-19 pandemic and construction costs, work on the funded site improvements began at the end of fiscal year 2022 and were completed in fiscal year 2023. Due to the closure of the Lake District in fiscal year 2022, the Agency entered into a \$700,000 funding agreement with the City to fund and complete the MNI site improvements by September 30, 2023.

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

- Lake District: in fiscal year 2021, the Agency agreed to partner with the City to fund the following project initiatives located in the Lake District. These project initiatives were to be completed by September 30, 2022:

McEuen Park: Shade Element in West Pavillion Area or Playground Area	\$ 100,000
Fire Department Boat House at 3rd Street	\$ 225,000
Seltice Way Conduit to Run Fiber to Atlas Park	\$ 35,000
McEuen Park: Sidewalk Repairs	\$ 100,000
Coeur d'Alene Library: Stairs Improvements	\$ 50,000
McEuen Park: Harbor House Overlook Deck Replacement	\$ 30,000
McEuen Park: Grant Plaza Tree Wells & Irrigation	\$ 25,000

Due to the closure of the Lake District in fiscal year 2022, the Agency entered into a \$304,970 funding agreement with the City to fund and complete the aforementioned Lake District projects by September 30, 2023. The following project initiatives were not completed by September 30, 2023 and the corresponding funds were returned to the Agency totaling \$143,645:

- McEuen Park: Sidewalk Repairs: \$86,327
- CDA Library: Stairs Improvements: \$2,940
- McEuen Park: Grand Plaza Tree Wells & Irrigation: \$25,000
- McEuen Park: Shade Element in West Pavilion or Playground Area: \$29,378

- Lake District: in fiscal year 2021, the Agency partnered with the Rotary Club of Coeur d'Alene to purchase the small pocket park located downtown at 316 E. Sherman Avenue. The purchase price for the property was \$525,000 with the Agency contributing \$500,000 and the Rotary Club contributing \$25,000. In fiscal year 2022, the Agency increased its financial participation by \$125,000. During fiscal year 2022, the Rotary Club made the majority of the approved park improvements in conjunction with the Agency and City. The Agency gifted the property to the City in September of 2022 for use as a long-term public space known as the Coeur d'Alene Rotary Centennial Park. As of September 30, 2022, the Agency has \$66,822 of remaining committed funds that were paid for park improvements prior to December 31, 2022.
- Lake District: Due to the closure of the Lake District in fiscal year 2022, the Coeur d'Alene Chamber of Commerce Disposition and Development Agreement (DDA) was terminated. In its place was created a Coeur d'Alene Chamber of Commerce funding agreement, wherein the fund balance of the DDA totaling \$263,000 will be paid for Agency-approved public improvements associated with the Chamber of Commerce building. All funding agreement funds were spent for work completed in fiscal year 2023.
- Lake District: in fiscal year 2017, the Agency entered discussions with the City of Coeur d'Alene regarding the City's acquisition of a 48-acre portion of the former Atlas Mill site property owned by a private individual. The 48-acre property was located outside of the Agency's Lake District. In fiscal year 2018 the City agreed to allow for the expansion of the Lake District's boundary. The City agreed to purchase the 48 acres in September 2017 for \$7.85 million and purchased the property in May 2018. In September of fiscal year 2018, the Agency approved the "Second Amendment to the Second Amended & Restated Lake District Urban Renewal Plan" which if approved by City Council, would expand the Lake District's footprint into the Atlas mill site property acquired by the City. In fiscal 2019, the CDA City Council approved the expansion of the Lake District boundary.



**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

- Lake District: in fiscal year 2020, the Agency issued an Atlas Mill Site Development Opportunity Request for Proposals (RFP) document. The RFP focused on development opportunities associated with certain geographic areas located in Phase 1 of the mill site development plan. In 2020, the board made an award of Area 13 to the development team of deChase-Miksis, the lone Phase 1 development Area located in the Lake District. This property sale did not close in fiscal year 2021 and negotiations with the developer ceased. In fiscal year 2022, a new RFP was issued for Area 13. Two development teams submitted proposals. The chosen development team chose not to proceed with the project and the Agency approached the second development team. The Agency entered into an Agreement to Negotiate Exclusively (ANE) with Bluegrass Development for the purchase and development of Area 13 with an ANE timeframe of entering into a Disposition and Development Agreement (DDA) by December 1, 2022. Bluegrass Development chose not to enter into the DDA. In fiscal year 2023, a new RFP was issued for Area 13. Two development teams submitted proposals. Area 13 was awarded to deChase-Miksis with a stipulation that the closing occur prior to December 31, 2023.
- Lake District: due to the closure of the Lake District in fiscal year 2022, a remaining fund balance of \$1,177,098 will be distributed to the underlying Lake District taxing districts prior to December 31, 2022.
- Lake District: in fiscal year 2021, the Agency entered into a DDA with the Bear Waterfront LLC development team for the sale and development of Agency-owned abandoned railroad right-of-way property. Development per the DDA commenced in fiscal year 2022, continued into fiscal year 2023, and will continue per the DDA into fiscal year 2024.
- River District: in fiscal year 2017, the Agency entered discussions with the City of Coeur d'Alene regarding the City's acquisition of a 48-acre portion of the former Atlas Mill site property owned by a private individual. The 48-acre property was located outside of the Agency's River District. In fiscal year 2018 the City agreed to allow for the expansion of the River District's boundary and the creation of a new urban renewal district named the Atlas District. The City agreed to purchase the 48 acres in September 2017 for \$7.85 million and purchased the property in May 2018. In September of fiscal year 2018, the Agency approved the "Second Amendment to the River District Redevelopment Plan" which if approved by City Council, would expand the River District's footprint into the Atlas mill site property acquired by the City. In fiscal 2019, the CDA City Council approved the expansion of the River District boundary.
- River District: in fiscal year 2020, the City of CDA transferred ownership of Atlas mill site property to the Agency. This 45.5-acre property transfer included City-owned Atlas mill site property as well as City-owned railroad right of way property. Approximately 24% of the transferred property resides in the River District.
- River District: in fiscal year 2023, the Agency continued its authorization to perform Atlas project site infrastructure work which impacted both the River and Atlas Districts.
- River District: in fiscal years 2020 through 2022, the Agency issued Atlas Mill Site Development Opportunity Request for Proposals (RFP). The RFP's focused on development opportunities associated with certain geographic areas located in the mill site development plan. The following River District Areas have closed:
  - Area 1 (50% of area located in River District): Developer – Bluegrass Development
  - Area 6: Developer – Active West
  - Area 8: Riverfest LLC
  - Area 10: Developer – deChase-Miksis

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

- River District: in fiscal year 2018, the Agency agreed to enter a \$7 million revenue allocation anticipation note with Washington Trust Bank, with a 10-year term at a fixed interest rate of 3.3%. Note documents were executed in fiscal year 2019. Proceeds from this note will be used to fund strategic projects.
- Atlas District: in fiscal year 2017, the Agency entered into discussions with the City of Coeur d'Alene regarding the City's acquisition of a 48-acre portion of the former Atlas Mill site property owned by a private individual. The 48-acre property was located outside of the Agency's River and Lake Districts. In fiscal year 2018 the City agreed to allow for the creation of a new 68.4-acre Atlas Urban Renewal District which will encompass an area including a portion of the City's purchased property (36.8 acres) and additional mill site property owned by a private individual (31.6 acres). The City agreed to purchase the 48 acres in September 2017 for \$7.85 million and purchased the property in May 2018. In September of fiscal year 2018, the Agency approved the "Atlas District Urban Renewal Plan" which if approved by City Council, would create the New Atlas District. In fiscal 2019, the Coeur d'Alene City Council approved the creation of the Atlas District.
- Atlas District: in fiscal year 2020, the City of Coeur d'Alene transferred ownership of Atlas mill site property to the Agency. This 45.5-acre property transfer included City-owned Atlas mill property as well as City-owned railroad right of way property. Approximately 76% of the transferred property resides in the Atlas District.
- Atlas District: in fiscal year 2022, the Agency entered into a Memorandum of Understanding with the City and Idaho Transportation Department (ITD) to relocate non-structural soil materials from the Atlas project site to an abandoned gravel pit owned by ITD. The Agency entered into contracts totaling \$7.6 million to relocate these non-structural materials. Relocation of these materials was completed in fiscal year 2023.
- Atlas District: in fiscal year 2020, the Agency continued its authorization to perform Atlas project site infrastructure work which impacted both the River and Atlas Districts.
- Atlas District: in fiscal years 2020 through 2023, the Agency issued Atlas Mill Site Development Opportunity Request for Proposals (RFP). The RFP's focused on development opportunities associated with certain geographic areas located in the mill site development plan. Following is a list of the Areas that have closed to date in the Atlas District:
  - Area 1 (50% of area located in Atlas District): Developer – Bluegrass Development
  - Area 2: Developer – Bluegrass Development
  - Area 3: Developer – Toll Brothers
  - Area 4: Developer – Toll Brothers
  - Area 5B: Developer – Riverfest LLC
  - Area 12: Developer – deChase-Miksis
  - Area 13: Developer – Atlas Five LLC
  - Area 14: Developer – Atlas Five LLC
- Health Corridor District: in fiscal year 2019, the Agency accepted the Health Corridor Eligibility Report authored by the Panhandle Area Council. Prior to Agency adoption, the Eligibility Report was accepted by the Coeur d'Alene City Council. The Agency was authorized by the Coeur d'Alene City Council to develop an Urban Renewal Plan for the proposed Health Corridor area which would include a Master Plan and Economic Feasibility Study. The Agency hired HDR Engineering, Inc. to develop the Master Plan and to perform the Economic Feasibility Study. The HDR planning documents were completed and delivered to the Agency in September 2019. Development of the Health Corridor Urban Renewal Plan for City Council review initiated in fiscal year 2019. City Council approved creation of the new Health Corridor District in December 2019.

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include three kinds of statements that present different views of the Agency:

1. Government-wide financial statements provide information about the Agency's overall financial status.
2. Fund financial statements focus on individual parts of the Agency activities, reporting the Agency's operations in more detail than the government-wide statements.
3. Notes to financial statements provide detailed background information to the relevant financials.

The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and content of each of the statements.

Government-Wide Statements

The government-wide statements report information about the Agency as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the Agency's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Agency's net position and how they have changed. Net position, i.e., the difference between the Agency's assets and liabilities, is one way to measure the Agency's financial health, or position.

- Over time, increases or decreases in the Agency's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Agency, consideration of additional non-financial factors such as changes in the property tax base and potential new developments should be considered.
- Governmental activities: Most of the Agency's urban redevelopment activities are included herein. In addition, the administration function of the Agency is reported here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Agency's governmental funds - not the Agency as a whole. This accounting device is used by the Agency to keep track of specific sources of funding and spending for particular purposes.

Governmental funds focus on (1) how much cash and other financial assets can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Agency's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or in the subsequent pages, that explains the relationship (or differences) between them.

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

**FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE**

**Net Position**

The Agency's September 30, 2023 net position was \$31,967,616. Table 1 presents a summary of the Agency's net position.

**Table 1**  
**Ignite cda's NET POSITION**

	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 12,499,654	\$ 13,317,030
Capital assets, net of accumulated depreciation	20,273,824	19,070,470
Total assets	32,773,478	32,387,500
Long-term liabilities outstanding	357,000	357,000
Other liabilities	448,862	2,412,084
Total liabilities	805,862	2,769,084
Net position - investment in capital assets, net of related debt	20,273,824	19,070,470
Net position - restricted	11,693,792	10,547,946
Total net position	\$ 31,967,616	\$ 29,618,416

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

**FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE (Concluded)**

**Changes in Net Position**

Table 2 shows the changes in net position for fiscal year 2023 and 2022.

**Table 2**

**CHANGES IN NET POSITION**

	<b>2023</b>	<b>2022</b>
General revenues:		
Tax increment revenue	2,082,960	5,818,966
Penalties and interest on past due property taxes	20	36,605
Interest and investment earnings	73,466	8,996
Miscellaneous income	143,646	8,810
Special items:		
Property donations to City	-	(883,880)
Gain from disposition of assets	1,432,344	11,338,317
Total general revenues and special items	3,732,436	16,327,814
Expenses:		
General government	1,370,931	3,821,120
Interest on long-term debt - general	12,305	47,332
Total expenses	1,383,236	3,868,452
Change in net position	\$ 2,349,200	\$ 12,459,362

**Changes in Net Position**

The Agency's total general revenues, plus special items totaled \$3,732,436, for the fiscal year 2023. This represents a decrease over fiscal year 2022 revenues and special items of \$12,595,378. The biggest contributor to the net decrease in total general revenues and special items from prior year is the Agency's property disposition activity within the Atlas Mill Site Development project.

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

**FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS**

**Governmental Funds**

The Agency completed fiscal year 2023 with a total governmental fund balance of \$11,953,424 which represents a \$1,146,973 increase from the ending governmental fund balance for fiscal year 2022. The net increase over fiscal 2022 is primarily due to the Agency's continued funding of the Atlas Mill Project within the River and Atlas Districts and the realized proceeds from the disposition of areas within the Project.

**Budgetary Highlights – River District**

Actual revenues within the River District were approximately \$22,080 higher than final budgeted amounts during the fiscal year. Actual revenues were higher than budgeted due to tax increment revenues being higher than budgeted. Total actual expenditures were well below budget by approximately \$3,291,037 due primarily to the timing of actual spending associated with the Atlas Mill Site Development project.

**Budgetary Highlights – Atlas District**

Actual revenues within the Atlas District were minimal, at about \$52,000 and were approximately \$18,000 higher than final budgeted amounts for the fiscal year. Actual revenues were higher than budgeted due to tax increment revenues being higher than budgeted. Total actual expenditures were well below budget by approximately \$2,354,000 due primarily to the timing of actual spending associated with the Atlas Mill Site Development project.

**Budgetary Highlights – Health Corridor District**

Actual revenues within the Health Corridor District were closely comparable with final budgeted amounts, consisting primarily of tax increment revenues. Total actual expenditures were also closely comparable with final budgeted expenditures.

**Budgetary Highlights – Public Art**

As part of its commitment to public art in Coeur d'Alene, the Agency has historically transferred a percentage of its District tax increment revenues to the Coeur d'Alene Public Arts Commission (the Commission). The Commission is the entity empowered by the Mayor/Council to invest public dollars in value adding public art projects for the City. Any Agency District funds transferred to the Commission must be used for public art projects within the District where the funds originate. For fiscal year 2023, the Agency transferred \$15,776 of River District funds to the Commission. No public art funds were transferred to the Commission from the Atlas District or Health Corridor District due to minimal funds generated.

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets – Lake District

At the end of fiscal year 2023, the Agency's Lake District strategic property portfolio consisted of one property: Atlas project site Area 13.

Capital Assets – River District

The Agency's strategic property assets within the River District are located within the Atlas mill site project area. These properties will be divested over time utilizing Disposition and Development Agreements (DDA's). To date, the following properties have been divested via the DDA process:

- Area 1 (50% of area located in River District): Developer – Bluegrass Development
- Area 6: Developer – Active West
- Area 8: Developer – Riverfest LLC
- Area 10: Developer – deChase-Miksis

Capital Assets – Atlas District

The Agency's strategic property assets within the Atlas District are located within the Atlas mill site project area. These properties will be divested over time utilizing Disposition and Development Agreements (DDA's). To date, the following properties have been divested via the DDA process:

- Area 1 (50% of area located in Atlas District): Developer – Bluegrass Development
- Area 2: Developer – Bluegrass Development
- Area 3: Developer – Toll Brothers
- Area 4: Developer – Toll Brothers
- Area 5B: Developer – Riverfest LLC
- Area 12: Developer – deChase-Miksis
- Area 14: Developer – Atlas Five LLC
- Area 15: Developer – Atlas Five LLC

Capital Assets – Health Corridor District

The Agency does not own any capital assets in the Health Corridor District.

Long-term Debt: Lake District

- Disposition & Development Agreement (DDA): In December 2005, the Agency entered a DDA with the Coeur d'Alene Chamber of Commerce (i.e., Developer) re. the construction of the new downtown Chamber of Commerce building. A portion of the DDA includes Agency reimbursement to the Developer for Agency approved project-related public improvements. Reimbursements to the Developer per the DDA are generated through site-specific, tax increment fund revenues that will be generated by the project. The Coeur d'Alene Chamber of Commerce DDA principal reimbursement total is \$300,000. Due to the closure of the Lake District in fiscal year 2022, the Coeur d'Alene Chamber of Commerce Disposition and Development Agreement (DDA) was terminated. In its place was created a Coeur d'Alene Chamber of Commerce funding agreement wherein the fund balance of the DDA totaling \$263,000 will be paid for Agency-approved public improvements associated with the Chamber of Commerce building. These funds were spent by September 30, 2023.

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Concluded)**

- In fiscal year 2021, the Agency entered into a DDA with Bear Waterfront LLC re: public improvements, Centennial Trail re-alignment and construction of a mix-use building. There is no Agency reimbursement to the developer associated with this DDA. The DDA debt obligation amounts are not included in the long-term debt values found within this audit report because any outstanding debt amounts are offset by corresponding receivable amounts. In other words, the receivable and debt amounts cancel each other out for reporting purposes. Please refer to Note 6 for more discussion.

Long-term Debt: River District

- Strategic Property Portfolio: There is no debt associated with the real property assets located in the River District strategic property portfolio.
- Owner Participation Agreements (OPAs): The Agency has entered an OPA with the principals of the Riverstone West Phase 1 mixed use development. The OPA is financed through site-specific, tax increment fund revenues that will be generated by the project. The Riverstone West Phase 1 OPA (established in 2007) principal reimbursement total is \$6,682,237. The OPA debt obligation amount is not included in the long-term debt values found within this audit report because the outstanding debt amount is offset by a corresponding receivable amount. In other words, the receivable and debt amounts cancel each other out for reporting purposes. Please refer to Note 6 for more discussion.
- Improvement Reimbursement Agreements (IRAs): The Agency has approved the following IRAs:
  - Mill River Seniors affordable housing initiative
  - Riverstone West Family Apartments affordable housing initiative
  - Riverstone West Apartments III affordable housing initiative
  - Riverstone West Phase 2 mixed-use development initiative
  - Circuit at Seltice detached housing initiative
- The IRAs are financed through site-specific, tax increment fund revenues that will be generated by the specific projects. The Mill River Seniors IRA principal reimbursement total is \$326,000. The Riverstone West Family Apartments IRA principal reimbursement total is \$395,000. The Riverstone West Family Apartments III IRA principal reimbursement total is \$280,000. The Riverstone West Phase 2 IRA principal reimbursement total is \$823,058. The Circuit at Seltice IRA principal reimbursement total is \$344,610. The IRA debt obligation amounts are not included in the long-term debt values found within the audit report because the outstanding debt amounts will be offset by corresponding receivable amounts. In other words, the receivable and debt amounts will cancel each other out for reporting purposes. Please refer to Note 6 for more discussion.

Long-term Debt: Atlas District

- Strategic Property Portfolio: There is no debt associated with the real property assets located in the Atlas District strategic property portfolio.



**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

**ECONOMIC OUTLOOK AND FISCAL YEAR 2023 IMPACT**

The Coeur d'Alene area, as in past years, continues to be the recipient of a redeployment of capital from other parts of the country. Homeowners, investors and developers recognize the value of migrating their wealth to Coeur d'Alene. The area's competitive land prices and quality of life and place attributes are key contributors to this trend.

In fiscal 2022, property values within the Agency's Districts increased reflecting a national trend. Private capital investment within the Districts continues to occur. During fiscal 2023, several projects were initiated within the Agency's districts signaling continued economic activity. Fiscal year 2024 will see additional construction projects initiated attesting to a strong regional real estate market.

Development for 2024 will occur in all three remaining Agency districts: River, Atlas, and Health Corridor. Development in the River District will be driven by the continued build-out of the Mill River mixed-use development along the Spokane River, by the phased completion of the Riverstone West project (a continuation of the original Riverstone mixed-use development also along the Spokane River), and by development in the Atlas mill site project area. Anticipated development in the Atlas District involves both residential and commercial products in the Atlas mill site project area. Anticipated development in the Health Corridor District will involve both residential and commercial product.

Property tax receipts in fiscal 2023 for the Lake, River, Atlas and Health Corridor Districts were consistent with projections. Projected fiscal 2024 property tax receipts for properties remaining post de-annexation for the River District should be on par with those respective property receipts from fiscal 2023. Tax receipts for the Atlas and Health Corridor Districts will be determined by actual development occurring within those Districts. The Agency expects the property tax source of revenue for all Districts to continue to increase over the long-term, primarily driven by the build-out of the waterfront developments along the Spokane River.

Both national and state of Idaho economic trends in fiscal 2023 were affected by the Covid-19 pandemic. The economy of Kootenai County was also impacted by the pandemic, however activity in the local real estate markets continued to be very positive. The region continues to benefit economically from the arrival of the affluent urban dweller demographic that has spurred development of residential product, both within the downtown urban area and along the waterfront. The region is also following a national trend of increased rental apartment unit development. The 2024 economic forecast for the northern Idaho region is cautiously optimistic given the continued impact of the pandemic. Private equity continues to move off the sidelines. Relocations (people, businesses) and property investment into the area will stimulate the local economy.

In summary, given the unknowns associated with the short and long-term impacts of the pandemic, the Agency remains optimistic about the future growth and redevelopment opportunities within the Agency's districts. Wise planning and sound debt management, combined with effective public and private partnerships, will help to pave the way for continued value-adding growth within the area.

**ignite cda**  
**City of Coeur d'Alene's Urban Renewal Agency**

**Management's Discussion & Analysis**  
**For the Year Ended September 30, 2023**

**CONTACTING THE AGENCY'S MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for monies received. If you have any questions about this report, please contact:

Tony Berns  
ignite cda Executive Director  
105 N. 1<sup>st</sup> – Suite 100  
Coeur d'Alene, ID 83814  
208-292-1630  
[www.ignitecda.org](http://www.ignitecda.org)

## **Financial Section**

### **Basic Financial Statements**

ignite cda

STATEMENT OF NET POSITION  
September 30, 2023

**ASSETS**

Cash and cash equivalents	\$ 12,256,843
Property taxes receivable	99,166
Other Receivables	143,645
Construction in progress	20,273,824
Total assets	<u>32,773,478</u>

**LIABILITIES**

Accounts payable	158,120
Accrued payroll and taxes	10,804
Due to other governments	9,938
Developer deposits	270,000
Long-term liabilities	
Due within one year	-
Due in more than one year	357,000
Total liabilities	<u>805,862</u>

**NET POSITION**

Net investment in capital assets	20,273,824
Restricted to Lake District	284,750
Restricted to River District	9,277,647
Restricted to Atlas District	1,888,471
Restricted to Health Corridor District	242,924
Total net position	<u>\$ 31,967,616</u>

The accompanying "Notes to Financial Statements"  
are an integral part of these financial statements.

ignite cda

**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2023

<b>FUNCTIONS / PROGRAMS</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Net Governmental Activities</b>
<b>PRIMARY GOVERNMENT:</b>			
General government activities:			
Arts	\$ 20,823	\$ -	\$ (20,823)
Dues and subscriptions	8,440	-	(8,440)
Insurance	27,235	-	(27,235)
Miscellaneous	1,239	-	(1,239)
Office overhead	6,010	-	(6,010)
Professional services	143,001	-	(143,001)
Project reimbursements	544,316	-	(544,316)
Public improvements and partnership initiatives	397,353	-	(397,353)
Travel and meetings	5,097	-	(5,097)
Wages, benefits, and payroll taxes	217,417	-	(217,417)
Total general government activities	<u>\$ 1,370,931</u>	<u>\$ -</u>	<u>\$ (1,370,931)</u>
Interest on long-term debt - general	12,305	-	(12,305)
<b>TOTAL PRIMARY GOVERNMENT</b>	<u><u>\$ 1,383,236</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,383,236)</u></u>
<b>GENERAL REVENUES:</b>			
Tax increment revenue			2,082,960
Penalties and interest on past due property taxes			20
Interest earnings			73,466
Miscellaneous income			143,646
<b>SPECIAL ITEMS:</b>			
Gain from disposition of assets			<u>1,432,344</u>
Total general revenues and special items			<u>3,732,436</u>
<b>CHANGE IN NET POSITION</b>			2,349,200
<b>NET POSITION, beginning of year</b>			<u>29,618,416</u>
<b>NET POSITION, end of year</b>			<u><u>\$ 31,967,616</u></u>

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

## ignite cda

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
September 30, 2023**

	<b>Lake District</b>	<b>River District</b>	<b>Atlas District</b>	<b>Health Corridor District</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 377,411	\$ 4,053,422	\$ 7,067,660	\$ 758,350	\$ 12,256,843
Property taxes receivable	-	96,322	-	2,844	99,166
Other receivables	143,645	-	-	-	143,645
Due from other Districts	-	5,526,186	21,967	-	5,548,153
Total assets	<u>\$ 521,056</u>	<u>\$ 9,675,930</u>	<u>\$ 7,089,627</u>	<u>\$ 761,194</u>	<u>\$ 18,047,807</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 134,806	\$ 8,512	\$ 14,802	\$ -	\$ 158,120
Accrued payroll and taxes	-	10,804	-	-	10,804
Due to other governments	-	-	1,854	8,084	9,938
Due to other Districts	-	21,967	5,016,000	510,186	5,548,153
Developer deposits	101,500	-	168,500	-	270,000
Total liabilities	<u>236,306</u>	<u>41,283</u>	<u>5,201,156</u>	<u>518,270</u>	<u>5,997,015</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue- property taxes	-	94,682	-	2,686	97,368
Total deferred inflows of resources	<u>-</u>	<u>94,682</u>	<u>-</u>	<u>2,686</u>	<u>97,368</u>
<b>FUND BALANCES</b>					
Restricted	284,750	9,539,965	1,888,471	240,238	11,953,424
Total fund balances	<u>284,750</u>	<u>9,539,965</u>	<u>1,888,471</u>	<u>240,238</u>	<u>11,953,424</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 521,056</u>	<u>\$ 9,675,930</u>	<u>\$ 7,089,627</u>	<u>\$ 761,194</u>	<u>\$ 18,047,807</u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
September 30, 2023**

Total fund balances - Governmental Funds, September 30, 2023	\$ 11,953,424
Cost of land and construction in progress	20,273,824
Elimination of unavailable revenue- property taxes	97,368
Long-term debt balance - September 30, 2023	<u>(357,000)</u>
Net position, September 30, 2023	<u><u>\$ 31,967,616</u></u>

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

ignite cda

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Year Ended September 30, 2023**

	Lake District	River District	Atlas District	Health Corridor District	Total Governmental Funds
<b>REVENUES</b>					
Tax increment revenue	\$ -	\$ 1,563,703	\$ 108,987	\$ 411,398	\$ 2,084,088
Miscellaneous income	144,918	-	-	-	144,918
Penalties and interest on past due property taxes	-	19	-	-	19
Interest earnings	1,276	25,658	43,659	2,873	73,466
Total revenues	<u>146,194</u>	<u>1,589,380</u>	<u>152,646</u>	<u>414,271</u>	<u>2,302,491</u>
<b>EXPENDITURES</b>					
Current:					
Arts	-	15,621	1,090	4,112	20,823
Dues and subscriptions	-	4,220	2,110	2,110	8,440
Insurance	-	11,979	7,628	7,628	27,235
Miscellaneous	417	414	358	50	1,239
Office overhead	-	2,927	1,463	1,620	6,010
Professional services	28,446	34,519	63,204	16,832	143,001
Project reimbursements	-	544,316	-	-	544,316
Public improvements and partnership initiatives	329,844	60,000	-	7,509	397,353
Travel and meetings	-	2,553	1,272	1,272	5,097
Wages, benefits and payroll taxes	-	103,465	56,976	56,976	217,417
Debt service:					
Interest	-	12,305	-	-	12,305
Principal payments	-	-	-	-	-
Capital outlay:					
General government	-	133,341	1,882,482	-	2,015,823
Total expenditures	<u>358,707</u>	<u>925,660</u>	<u>2,016,583</u>	<u>98,109</u>	<u>3,399,059</u>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES</b>	<u>(212,513)</u>	<u>663,720</u>	<u>(1,863,937)</u>	<u>316,162</u>	<u>(1,096,568)</u>
<b>OTHER FINANCING SOURCES</b>					
Proceeds from disposition of assets	-	-	2,243,541	-	2,243,541
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,243,541</u>	<u>-</u>	<u>2,243,541</u>
<b>NET CHANGE IN FUND BALANCES</b>	(212,513)	663,720	379,604	316,162	1,146,973
<b>FUND BALANCES, beginning of year</b>	<u>497,263</u>	<u>8,876,245</u>	<u>1,508,867</u>	<u>(75,924)</u>	<u>10,806,451</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 284,750</u>	<u>\$ 9,539,965</u>	<u>\$ 1,888,471</u>	<u>\$ 240,238</u>	<u>\$ 11,953,424</u>

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



ignite cda

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2023**

Total net changes in fund balances for the year ended September 30, 2023	\$ 1,146,973
Add: Capital expenditures	2,015,823
Less: Proceeds from disposition of assets	(2,243,541)
Add: Gain from disposition of assets	1,432,344
Less: Difference between revenue earned on property taxes on modified accrual basis versus revenue on property taxes on accrual basis	<u>(2,399)</u>
Change in net position for the year ended September 30, 2023	<u><u>\$ 2,349,200</u></u>

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

## ignite cda

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2023

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

ignite cda (the "Agency") is an urban renewal agency created by and existing under the Idaho Urban Renewal Law of 1965, as amended, and is an independent public body.

The accompanying financial statements include all aspects controlled by the Board of Commissioners of the Agency. The Agency is included in the City of Coeur d'Alene, Idaho's financial reporting based on certain criteria in GASB Statement No. 61. These statements present only the governmental activities of the Agency and are not intended to present the financial position and results of operations of the City of Coeur d'Alene, Idaho (the "City") in conformity with generally accepted accounting principles (GAAP).

Under the Idaho Code, in December 1997, the Coeur d'Alene City Council passed an ordinance that created the Coeur d'Alene Urban Renewal Agency, a legally separate entity from the City. That Agency was established to promote urban development and improvement in deteriorated areas within the Agency's boundaries. The Agency adopted the doing business as (dba) name Lake City Development Corporation in fiscal year 2001. The Agency adopted a new dba name ignite cda in fiscal year 2015. The Agency is governed by a maximum board of nine commissioners appointed by the City Council. The City Council has the ability to appoint and dismiss the board members of the Agency. These powers of the City meet the criteria set forth in GASB No. 61 for having financial accountability for the Agency. Based on the above, the Agency is discretely presented in the City of Coeur d'Alene's financial statements as a component unit.

Under the Idaho Code, the Agency has the authority to issue bonds. Any bonds issued by the Agency are payable solely from the proceeds of tax increment financing (or revenue allocation in Idaho) and are not a debt of the City of Coeur d'Alene. The City Council is not responsible for approving the Agency's budget or funding any annual deficits. The Agency controls its disbursements independent of the City Council.

The accounting methods and procedures adopted by the Agency conform to generally accepted accounting principles (GAAP) 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 Agency's basic financial statements.

##### B. Fund Accounting

The Agency uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Agency functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The Agency has four governmental funds, all of which are special revenue funds.

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**B. Fund Accounting (Concluded)**

- *Lake District* – This fund is used to account for all financial resources of the Lake District. The Lake District is a separate and legally distinct district under the umbrella of the Agency. This district expired on December 31, 2021, and the net assets are in the process of being distributed according to current Idaho Statute.
- *River District* – This fund is used to account for all financial resources of the River District. The River District is a separate and legally distinct district under the umbrella of the Agency. This district will expire on December 31, 2027, and the net assets will be distributed according to current Idaho Statute.
- *Atlas District* – This fund is used to account for all financial resources of the Atlas District. The Atlas District is a separate and legally distinct district under the umbrella of the Agency. This district will expire on December 31, 2038, and the net assets will be distributed according to current Idaho Statute.
- *Health Corridor District* – This fund is used to account for all financial resources of the Health Corridor District. The Health Corridor District is a separate and legally distinct district under the umbrella of the Agency. This district will expire on December 31, 2039, and the net assets will be distributed according to current Idaho Statute.

**C. Basis of Presentation**

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the Agency as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The Agency has activities that are considered to be governmental as opposed to business-type activities.

The government-wide statements are prepared using the *economic resources* measurement focus. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Agency's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Agency, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Agency.

**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (Concluded)**

Fund Financial Statements – Fund financial statements report detailed information about the Agency. The focus of governmental fund statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenses, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the full accrual basis of accounting. Governmental funds use the modified-accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified-accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Agency, available means expected to be received within 60 days of the fiscal year end.

Non-exchange transactions, in which the Agency receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include: timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Agency must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Agency on a reimbursement basis. On a modified-accrual basis, revenues from non-exchange transactions must also be available before it can be recognized.

Under the modified-accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available in advance, interest, and grants.

## ignite cda

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2023

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### D. Basis of Accounting (Concluded)

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Governmental funds utilize the modified-accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses, and other long-term obligations, which are recognized when paid.

##### E. Cash and Cash Equivalents

Cash received by the Agency is pooled for investment purposes and is presented as “Cash and Cash Equivalents” on the financial statements. For presentation in the financial statements, cash and cash equivalents include cash on hand, amounts on deposit with banks, and investments with an original maturity of three months or less, at the time they are purchased by the Agency.

##### F. Capital Assets

General capital assets usually result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in fund financial statements.

All capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Agency maintains a capitalization threshold of \$5,000. Construction in progress costs are capitalized but not depreciated until the asset(s) are placed in service or disposed of. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets useful life are not capitalized.

Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line over the estimated useful lives of the assets.

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of capital leases, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**H. Fund Balance Classifications**

The Agency has adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" (required implementation date of June 2011). This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the Agency to classify and report amounts in the appropriate fund balance classifications. The Agency's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment as restricted, committed, assigned, or unassigned.

The Agency reports the following classifications as applicable:

Non-spendable Fund Balance – Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

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

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

# ignite cda

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2023

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### H. Fund Balance Classifications (Concluded)

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the secretary/treasurer, or (b) an appointed body (e.g., a budget or finance committee) or official to whom the Commissioners have delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Agency itself.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

#### I. Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

#### J. Fund Balance Flow Assumptions

Sometimes the Agency 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 Agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purposes, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### K. Net Position Flow Assumption

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

**L. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**M. Property Taxes**

Since the Agency is not a taxing entity, property taxes collected on the Agency's behalf by Kootenai County for 2022 are recorded as receivables. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent that they are collected within 60 days of year end, in accordance with the modified-accrual basis of accounting. Receivables collectible after the 60-day date are reflected in the fund financial statements as deferred inflows of resources. In the government-wide financial statements, property taxes are recorded as revenue in the period levied in accordance with the accrual basis of accounting.

The Agency receives a portion of the property taxes generated by the taxing entities within Kootenai County. These property taxes are collected on behalf of the Agency by Kootenai County each December on the assessed value within the Agency's districts listed as of the previous December tax rolls. Assessed values are an approximation of market value. Assessed values are established by the County Assessor. 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.

**N. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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.

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 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 Agency has only one type of item, which arises only under a modified-accrual basis of accounting, which qualifies for reporting in this category – unavailable tax increment revenue. This item is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period the amounts become available.



## ignite cda

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2023

#### NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

##### Budgetary Information

Budgets are adopted on the cash basis. An annual budget is adopted for each fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

This is in conformance with Idaho State Statutes, which require that budgeted amounts lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation.

Reported budgeted amounts are as originally adopted or as amended by the Board. Professional management cannot legally amend appropriations within the budget without first seeking Board approval once the budget has been approved. The Board properly approved the original budgets, and each of the Agency's district budgets were amended during the fiscal year ending September 30, 2023.

#### NOTE 3: CASH AND CASH EQUIVALENTS

##### General:

State statutes authorize the Agency's investments and deposits. The Agency is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

##### Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a failure of a financial institution, the Agency's deposits and investments may not be returned to it. The Agency does not have a deposit policy for custodial credit risk. The carrying amount of the Agency's deposits is \$12,256,843 and the bank balance is \$12,309,081. At September 30, 2023, the Agency's deposits were exposed to custodial credit risk as follows:

**ignite cda**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE 3: CASH AND CASH EQUIVALENTS (Concluded)**

Deposits without exposure to custodial credit risk:

Amounts insured by FDIC	\$ 250,000
-------------------------	------------

Deposits with exposure to custodial credit risk:

Amounts collateralized with securities in trust, but not in ignite cda's name	12,059,081
---	------------

Total Deposits	\$ 12,309,081
----------------	---------------

Cash and cash equivalents at September 30, 2023 consist of the following:

Deposits	\$ 12,309,081
Total	12,309,081

Cash and cash equivalents are presented in the financial statements as follows:

Cash and cash equivalents	12,256,843
Total	\$ 12,256,843

**NOTE 4: CAPITAL ASSETS**

Following is a recap of capital assets for the fiscal year ended September 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	19,070,470	2,015,823	812,469	20,273,824
Total capital assets, not being depreciated	19,070,470	2,015,823	812,469	20,273,824
Governmental activities capital assets, net	\$ 19,070,470	\$ 2,015,823	\$ 812,469	\$ 20,273,824

**NOTE 5: LONG-TERM DEBT**

Bond Payable – Washington Trust (2019 Series):

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

# ignite cda

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2023

### NOTE 5: LONG-TERM DEBT (Concluded)

Payments on the Note are due in semi-annual installments based on the aggregate principal amount drawn, plus accrued interest, pursuant to an amortization schedule. The first amortized payment is payable on the first February or August 1 following draws totaling \$1,000,000. As of September 30, 2023, the District has drawn a total of \$357,000 on the Note. Accordingly, a schedule of future payments for the Note has not been presented, as the amounts and timing of the District's remaining draws are still unknown. The Bond is secured by the River District's pledge of the tax increment revenue allocation proceeds, subject to prior liens as described in the Note Purchase and Security Agreement.

The following is a summary of all debt activity for the fiscal year ended September 30, 2023:

	Beginning Balance	Principal Additions	Principal Payments	Ending Balance	Due in One Year
Bond Payable - WA Trust 2019	\$ 357,000	\$ -	\$ -	\$ 357,000	\$ -
	<u>\$ 357,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,000</u>	<u>\$ -</u>

### NOTE 6: COMMITMENTS AND CONTINGENCIES

On June 21, 2007, a certificate of completion was issued concerning the improvements made to the development known as Riverstone West Phase I. At that time, a Limited Recourse Promissory Note was entered into between the Agency and Riverstone West, LLC in the amount of \$6,682,237 at 5.0% simple interest per annum. In March 2016, Mortgage Investment Trust Corporation acquired the note. The note is to be repaid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Riverstone West Phase I. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$2,000,000. The current outstanding balance is \$4,076,151.

On February 20, 2008, a Limited Recourse Promissory Note was entered into with the Agency and the Coeur d'Alene Area Chamber of Commerce in the amount of \$300,000 at 0.00% simple interest per annum. The note was scheduled to be paid in semi-annual payments of 100% of the tax revenue allocation proceeds from the private development known as the Coeur d'Alene Chamber Building. During fiscal 2022, as a result of the planned termination of the Lake District, the Agency terminated the agreement and in its place was created a Chamber of Commerce funding agreement wherein the Agency would fund the remaining balance of the Note totaling \$263,000. Per the new agreement, the Agency would pay for Agency-approved public improvements associated with the Chamber of Commerce building. These funds were expended by September 30, 2023, fulfilling the terms of the agreement.

In May of 2013, a Limited Recourse Promissory Note was entered into between the Agency and Mill River Seniors in the amount of \$326,000 at 3.75% simple interest per annum. The note is scheduled to be paid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Mill River Seniors affordable housing. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$97,800. The current outstanding balance is \$314,648.

## ignite cda

### NOTES TO THE FINANCIAL STATEMENTS September 30, 2023

#### NOTE 6: COMMITMENTS AND CONTINGENCIES (Concluded)

In May of 2013, a Limited Recourse Promissory Note was entered into between the Agency and the Principals of Riverstone West Apartments in the amount of \$395,000 at 3.75% simple interest per annum. The note is scheduled to be paid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Riverstone West Family Apartments. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$118,500. The current outstanding balance is \$395,000.

In October of 2012, a Limited Recourse Promissory Note was entered into between the Agency and the principals of the Riverstone West Phase 2 in the amount of \$823,058 at 4.25% simple interest per annum. The note is scheduled to be paid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Riverstone West Phase 2. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$246,917. The current outstanding balance is \$10,494.

In December of 2015, a Limited Recourse Promissory Note was entered into between the Agency and the principals of Active West, LLC in the amount of \$344,610 at 2.5% simple interest per annum. The note is scheduled to be paid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Circuit at Seltice Project. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$103,383. The current outstanding balance is \$158,929.

In December of 2015, a Limited Recourse Promissory Note was entered into between the Agency and the principals of Riverstone West Apartments III, LLC in the amount of \$280,000 at 2.5% simple interest per annum. The note is scheduled to be paid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Riverstone West Apartments III Project. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$84,000. The current outstanding balance is \$271,219.

The above-mentioned Limited Recourse Promissory Notes and Improvement Reimbursement Agreements are not reflected in the accompanying financial statements because payments by the Agency to the contract counterparties are conditional upon the Agency receiving tax increment revenue on the underlying properties each year.

In June of 2020, the City of Coeur d'Alene and the Agency entered into an Agreement for Transfer of Property, whereby the City transferred by Warranty Deed approximately 45.48 acres of City-owned land (collectively known as the "Atlas Mill Property") to the Agency with the desire that the Agency facilitate the development of the Atlas Mill Property pursuant to the applicable urban renewal plan. The City's acquisition costs for the Atlas Mill Property were the aggregate amount of \$9,172,408. The Agency intends to reimburse the City for the City's acquisition costs for the Property to the extent that the Agency's board determines its revenues from development of the property exceed the Agency's costs of development in each of its appropriate urban renewal districts. It is the Agency's position that the Agency's stated intent to reimburse the City is not a legally enforceable obligation and does not rise to the level of a liability as defined under Governmental Accounting Standards. Accordingly, the Agency recognized a gain on the land transfer in the amount of \$9,172,408 in its fiscal 2020 financial statements. The disposition of various areas within the Atlas Mill Project commenced in fiscal 2021 and has continued to date. The timing of future dispositions of remaining areas, as well as the sale amounts and total costs remain unknown and are continually evolving as the project moves forward. Additionally, the timing and amount of any reimbursements back to the City are ultimately at the discretion of the Agency's board. Accordingly, the timing and amount of any future reimbursements to the City cannot be determined at this time.

ignite cda

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023

**NOTE 7: PUBLIC IMPROVEMENTS AND PARTNERSHIP INITIATIVES**

During the fiscal year ending September 30, 2023, the Agency funded the following public improvement projects and partnership initiatives:

	<u>Amount</u>
<b><u>Lake District:</u></b>	
Chamber of Commerce Building Improvements	\$ 263,000
Sherman Square Rotary Park Improvements	66,844
<b><u>River District:</u></b>	
CDA 2030 contract / Kootenai Connect	25,000
Riverstone Park Shade Elements	35,000
<b><u>Health Corridor District:</u></b>	
Other	7,509
	<u>\$ 397,353</u>

**NOTE 8: SPECIAL ITEMS**

During fiscal year ending September 30, 2023, the Agency had the following transaction which qualifies and is presented as a special item in the accompanying statement of activities:

Gain from disposition of assets:

- Atlas Mill Site Development Areas 14 and 15 – The Agency received proceeds, net of closing costs, in the amount of \$2,243,541, resulting in a net gain from disposition of \$1,432,344, all within the Atlas District.

**NOTE 9: RISK MANAGEMENT**

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Agency contracts with an insurance company for property insurance (including boiler and machinery) and general liability insurance.

An outside insurance company protects professional liability with a \$2,000,000 liability and a \$3,000,000 umbrella. Errors and omissions liability has a \$2,000,000 liability with \$2,000,000 in the aggregate annually per insured. Additionally, crime, boiler and machinery insurance is maintained. Automobile liability has a \$2,000,000 single limit of liability.

**NOTE 10: FUND BALANCE / NET ASSET CLASSIFICATIONS**

The Agency operates four separately legally distinct funds – the Lake District, the River District, the Atlas District and the Health Corridor District. Revenues earned in each district can only be legally expended within the geographic boundary defined by each district. Because of this restriction, the Agency reports both fund balance and net position according to the amount legally restricted to expenditures within each district.

**Financial Section**

**Required Supplementary Information**

## ignite cda

**RIVER DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	(1) Adjustments to Actual Amounts	Actual Amounts Budgetary Basis	Variance With Final Budget
<b>REVENUES</b>						
Tax increment revenue	\$ 2,516,970	\$ 1,539,767	\$ 1,563,703	\$ (1,640)	\$ 1,562,063	\$ 22,296
Penalties and interest on past due property taxes	-	-	19	-	19	19
Interest earnings	4,200	18,000	25,658	-	25,658	7,658
Total revenues	<u>2,521,170</u>	<u>1,557,767</u>	<u>1,589,380</u>	<u>(1,640)</u>	<u>1,587,740</u>	<u>29,973</u>
<b>EXPENDITURES</b>						
Current:						
Art	25,170	15,398	15,621	155	15,776	378
Communications	1,500	1,500	-	-	-	(1,500)
Dues and subscriptions	5,290	5,290	4,220	-	4,220	(1,070)
Insurance	4,035	4,035	11,979	-	11,979	7,944
Miscellaneous	1,500	1,500	414	-	414	(1,086)
Office overhead	5,294	5,294	2,927	-	2,927	(2,367)
Professional services	57,200	52,200	34,519	(447)	34,072	(18,128)
Project reimbursements	807,091	807,091	544,316	-	544,316	(262,775)
Public improvements and partnership initiatives	60,000	60,000	60,000	-	60,000	-
Travel and meetings	4,000	4,000	2,553	-	2,553	(1,447)
Wages, benefits and payroll taxes	109,601	109,601	103,465	-	103,465	(6,136)
Debt service:						
Interest	2,000	14,000	12,305	-	12,305	(1,695)
Principal payments	-	-	-	-	-	-
Capital outlay:						
General government	2,121,070	262,600	133,341	166,322	299,663	37,063
Special project reserve	350,000	-	-	-	-	-
Total expenditures	<u>3,553,751</u>	<u>1,342,509</u>	<u>925,660</u>	<u>166,030</u>	<u>1,091,690</u>	<u>(250,819)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,032,581)	215,258	663,720	(167,670)	496,050	280,792
<b>FUND BALANCE, beginning of year</b>	<u>8,876,245</u>	<u>8,876,245</u>	<u>8,876,245</u>	<u>-</u>	<u>8,876,245</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 7,843,664</u>	<u>\$ 9,091,503</u>	<u>\$ 9,539,965</u>	<u>\$ (167,670)</u>	<u>\$ 9,372,295</u>	<u>\$ 280,792</u>

[1] - Adjustments to actual amounts consist of converting from modified-accrual basis to cash basis.

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

ignite cda

ATLAS DISTRICT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	(1) Adjustments to Actual Amounts	Actual Amounts Budgetary Basis	Variance With Final Budget
<b>REVENUES</b>						
Tax increment revenue	\$ 164,666	\$ 100,566	\$ 108,987	\$ -	\$ 108,987	\$ 8,421
Interest earnings	5,400	30,000	43,659	-	43,659	13,659
Total revenues	170,066	130,566	152,646	-	152,646	22,080
<b>EXPENDITURES</b>						
Current:						
Art	1,647	1,006	1,090	(1,090)	-	(1,006)
Communications	750	750	-	-	-	(750)
Dues and subscriptions	2,645	2,645	2,110	-	2,110	(535)
Insurance	2,017	2,017	7,628	-	7,628	5,611
Miscellaneous	4,090	4,090	358	-	358	(3,732)
Office overhead	2,648	2,648	1,463	-	1,463	(1,185)
Professional services	97,750	97,750	63,204	(1,592)	61,612	(36,138)
Travel and meetings	2,000	2,000	1,272	-	1,272	(728)
Wages, benefits and payroll taxes	54,801	54,801	56,976	-	56,976	2,175
Capital outlay:						
General government	2,674,940	6,061,649	1,882,482	924,418	2,806,900	(3,254,749)
Total expenditures	2,843,288	6,229,356	2,016,583	921,736	2,938,319	(3,291,037)
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES</b>						
	(2,673,222)	(6,098,790)	(1,863,937)	(921,736)	(2,785,673)	3,313,117
<b>OTHER FINANCING SOURCES</b>						
Proceeds from disposition of assets	2,400,000	2,250,000	2,243,541	-	2,243,541	(6,459)
Total other financing sources	2,400,000	2,250,000	2,243,541	-	2,243,541	(6,459)
<b>NET CHANGE IN FUND BALANCES</b>						
	(273,222)	(3,848,790)	379,604	(921,736)	(542,132)	3,306,658
<b>FUND BALANCE, beginning of year</b>						
	1,508,867	1,508,867	1,508,867	-	1,508,867	-
<b>FUND BALANCE, end of year</b>						
	\$ 1,235,645	\$ (2,339,923)	\$ 1,888,471	\$ (921,736)	\$ 966,735	\$ 3,306,658

[1] - Adjustments to actual amounts consist of converting from modified-accrual basis to cash basis.

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



ignite cda

**HEALTH CORRIDOR DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2023**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
<b>REVENUES</b>				
Tax increment revenue	\$ 665,352	\$ 408,831	\$ 411,398	\$ 2,567
Interest earnings	500	2,500	2,873	373
Total revenues	<u>665,852</u>	<u>411,331</u>	<u>414,271</u>	<u>2,940</u>
<b>EXPENDITURES</b>				
Current:				
Art	6,654	4,088	4,112	24
Communications	750	750	-	(750)
Dues and subscriptions	2,645	2,645	2,110	(535)
Insurance	2,017	2,017	7,628	5,611
Miscellaneous	350	350	50	(300)
Office overhead	2,648	2,648	1,620	(1,028)
Professional services	11,250	18,250	16,832	(1,418)
Public improvements and partnership initiatives	-	-	7,509	7,509
Travel and meetings	2,000	2,000	1,272	(728)
Wages, benefits and payroll taxes	54,801	54,801	56,976	2,175
Special project reserve	50,000	50,000	-	(50,000)
Total expenditures	<u>133,115</u>	<u>137,549</u>	<u>98,109</u>	<u>(39,440)</u>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES</b>	<u>532,737</u>	<u>273,782</u>	<u>316,162</u>	<u>42,380</u>
<b>NET CHANGE IN FUND BALANCES</b>	532,737	273,782	316,162	42,380
<b>FUND BALANCE, beginning of year</b>	<u>(75,924)</u>	<u>(75,924)</u>	<u>(75,924)</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 456,813</u>	<u>\$ 197,858</u>	<u>\$ 240,238</u>	<u>\$ 42,380</u>

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

**Financial Section**

**Report Required by the GAO**



**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**

**Independent Auditor's Report**

To the Board of Commissioners  
ignite cda  
Coeur d'Alene, Idaho

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 and each major fund of ignite cda, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise ignite cda's basic financial statements and have issued our report thereon dated December 20, 2023.

***Report on Internal Control over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

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

**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* (CONCLUDED)**

**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.

*Scott P. Hoover, CPA*

Scott P. Hoover, CPA, PLLC  
Liberty Lake, WA

December 20, 2023