KOOTENAI METROPOLITAN PLANNING ORGANIZATION

FINANCIAL STATEMENT
SEPTEMBER 30, 2025

KOOTENAI METROPOLITAN PLANNING ORGANIZATION

September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kootenai Metropolitan Planning Organization
Coeur d'Alene, ID 83814

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 Kootenai Metropolitan Planning Organization, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Kootenai Metropolitan Planning Organization'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 Kootenai Metropolitan Planning Organization as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Kootenai Metropolitan Planning Organization 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Kootenai Metropolitan Planning Organization'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.

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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 judgment made by a reasonable user based on the financial statements.

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 Kootenai Metropolitan Planning Organization'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 Kootenai Metropolitan Planning Organization'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 budgetary comparison information, management's discussion and analysis, and GASB No. 68 pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of Kootenai Metropolitan Planning Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kootenai Metropolitan Planning Organization's 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 Kootenai Metropolitan Planning Organization's internal control over financial reporting and compliance.

Magnuson, McHugh, Dougherty CPAs

Magnuson, McHugh, Dougherty CPAs

December 29, 2025

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025

As management of Kootenai Metropolitan Planning Organization (KMPO), we offer readers of the Organization's financial statements this narrative overview and analysis of the financial activities of Kootenai Metropolitan Planning Organization for the fiscal year ended September 30, 2025.

KMPO generally adopts a budget in June for the subsequent year. The current year budget is updated as part of the subsequent year budget development process and approved by the KMPO Board.

FINANCIAL HIGHLIGHTS

At the end of the fiscal year, total net position was $265,149 which is an increase of $374,094 in the net position over 2024. A summary of KMPO's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position follows:

Assets	$ 458,171
Deferred outflows resources	36,362
Liabilities	(171,043)
Deferred inflows of resources	(58,341)
Net position	$ 265,149

Fiscal year program revenues totaled $877,981 and expenses totaled $503,887 on the statement of activities.

A detailed statement of activities which includes all revenues and expenses can be found on page 10 of the financial section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of not only this management's discussion and analysis, but two other kinds of statements that present different views of KMPO's financial activities.

- The statement of net position and statement of activities provide information on a government-wide basis. The statements present an aggregate view of KMPO's finances. Government-wide statements contain useful long-term information, as well as information for the just-completed fiscal year.

- The remaining statements are fund financial statements that focus on current financial resources. Since KMPO is a special organization with only governmental funds, there are only two differences between the fund financial statements and the statement of net position and statement of activities. The first is the long-term information regarding compensated absences, which is not presented in the fund financial statements. Compensated absences are carried forward based on the KMPO Board's policy of allowing the annual carry forward of up to 240hrs into the new fiscal year, recognizing the compensated absences referred to as Paid Time Off (PTO) is the combination of what has previously referred to as vacation and sick leave. The second difference is the GASB 68 requirement to state the theoretical unfunded liability associated with the Public Employees Retirement System of Idaho (PERSI). This liability is outside the control of KMPO but is stated in the financials as required. The financial statements this year also include a modification to change our traditional lease liability associated with our expired office space lease, to a new capital asset statement reflecting the purchase of our office space in FY 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

The notes to the financial statements provide further explanation of some of KMPO's information in the statements and provide additional disclosures so statement users have a complete picture of KMPO's financial activities and position. The notes provide additional information that is essential to fully understand the data provided in the government-wide financial statements. The notes to financial statements can be found beginning on page 15.

Required supplementary information further explains and supports the financial statements by including a comparison of KMPO's budget data for the year and more detail of the expenditures.

Government-wide Statements

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

The two government-wide statements report KMPO's net position and how they have changed. Net position, the difference between the KMPO's assets and liabilities, is one way to evaluate KMPO's financial position.

- Over time, increases or decreases in KMPO's net position are one indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall financial condition of KMPO, additional non-financial factors, such as changes in the KMPO's member assessments and the condition of its equipment, building, and other facilities should be considered.

In the government-wide financial statements, KMPO's activities are all classified as governmental activities, as KMPO has only governmental activities, and the general fund. KMPO owns office related equipment and furniture that was acquired in 2011, 2012, 2013, 2017, 2024, 2024 and 2025. The KMPO office space was on a multi-year contract, which expired in September 2025. The office space was subsequently acquired by KMPO. KMPO's membership, which provides the annual local funding to support the Organization has been stable since 2003, when the organization was established through a Joint Powers Agreement.

Fund Financial Statements

Since KMPO has only governmental funds, the fund financial statements provide similar information about KMPO's operations and financial position for the year ended September 30, 2024, as the government-wide statements. Funds are accounting devices KMPO uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

> <u>Governmental funds</u>*:* All activities of KMPO are accounted for in one governmental fund, the general fund, which focuses on: (1) how cash and other financial assets, which can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance KMPO's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide reconciliations with brief explanations to better identify the relationship between the government-wide statements and statements for governmental funds.

FINANCIAL ANALYSIS

Net Position

Net position may serve over time as a useful indicator of a government's financial position. KMPO's calculated assets exceeded Liabilities by $265,149 as of September 30, 2025. This is due primarily to the cash acquisition of KMPO's office space. KMPO's Net Position should also be considered in context with and without the GASB 68 net pension liability and asset reporting requirements.

TABLE 1
STATEMENT OF NET POSITION
September 30, 2025 and 2024

	2025	2024
ASSETS		
Cash	$ 58,666	$ 23,144
Accounts receivable	34,070	58,246
Prepaid expenses	5,444	-
Right-of-use lease asset, net of accumulated amortization	-	15,866
Capital assets, net of accumulated depreciation	359,991	-
Total assets	458,171	97,256
DEFERRED OUTFLOWS OF RESOURCES		
Proportionate share of collective deferred outflows of resources	36,362	49,361
Total deferred outflows of resources	36,362	49,361
LIABILITIES		
Accounts payable	5,806	-
Accrued payroll liabilities	7,492	5,340
Lease liability, due within one year	-	16,632
Noncurrent liabilities:		
Compensated absences	22,982	13,463
Net pension liability	134,763	204,794
Total liabilities	171,043	240,229
DEFERRED INFLOWS OF RESOURCES		
Proportionate share of collective deferred inflows of resources	58,341	15,333
Total deferred inflows of resources	58,341	15,333
NET POSITION		
Unrestricted	(94,842)	(108,945)
Total net position	$ 265,149	$ (108,945)

FINANCIAL ANALYSIS (CONCLUDED)

Changes in Net Position

KMPO's total revenues for the fiscal year ended September 30, 2024, were $877,981. The total expenses were $503,887. The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2025 and 2024.

Table 2
CHANGES IN NET POSITION
September 30, 2025 and 2024

	2025	2024
REVENUES		
Program revenues:		
Operating grants and contributions	$ 485,328	$ 398,061
Capital grants and contributions	302,933	-
General revenues:		
Member assessments	89,720	54,721
Total revenues	877,981	452,782
EXPENSES		
Transportation planning services	516,338	436,661
Interest on long-term debt and lease liabilities	1,573	1,447
Unallocated actual PERSI contributions	(34,270)	(30,614)
Change in net pension liability	20,246	49,717
Total expenses	503,887	457,211
Change in net position	$ 374,094	$ (4,429)

Governmental Funds

KMPO completed the year with a total governmental unassigned fund balance of $79,438 and $5,444 in unspendable funds.

See page 28 for a detailed budget schedule.

As of September 30, 2025, revenues exceeded expenditures by $8,832. KMPO generally adopts a budget in June for the subsequent year and account balances are based on previous budgets and expected expenses for the coming year. The budget was amended for the fiscal year ended September 30, 2025.

LONG TERM DEBT AND CAPITAL ASSETS:

KMPO does not, as a matter of practice, maintain any long-term debt, which is considered to be any debt obligation exceeding one fiscal year. During FY 2025 KMPO did receive a short-term business bridge loan as part of the process to acquire of the KMPO office space. That loan paid off and closed out prior to Fiscal Year 2025-year end. Acquisition of the KMPO office space is now shown as a Capital Asset with a depreciation schedule in the financial statements. While not a long-term debt, KMPO is now responsible for annual maintenance and insurance necessary to maintain the asset in accordance with FHWA requirements for capital assets acquired with grant funding. The KMPO Joint Powers Agreement governs the ownership and disposition of Capital Assets of the organization.

FACTORS BEARING ON KMPO'S FUTURE

KMPO operates almost exclusively on grant funding provided through the U.S. Department of Transportation as authorized by Congress in Federal transportation legislation referred to as the Bi-Partisan Infrastructure Law (BIL). Annual appropriations are subsequently provided to both the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) to support ongoing transportation planning in urbanized areas over 50,000 population as required by U.S.C. Title 23, Section 134 and Title 49 Section 5303. FY 2022 was the first year of the BIL Act, which will extend from FY 2022 through FY 2027. It remains to be determined what impact a new multi-year bill will have on the organization as well as decisions on the federal funding allocations established by the Idaho Transportation Board (ITD Board). Local jurisdictions, highway districts, Idaho Transportation Department and the Coeur d'Alene Tribe participate in the Organization through annual assessments that are based on a KMPO Board approved formula, which was updated in July of 2022. The revised assessments, based on population took effect for FY 2023 and future fiscal years, until the next Federal Census.

As with any organization that is established pursuant to Federal requirements and funded through annual Federal appropriations, funding levels can fluctuate based on the direction of Congress. In addition, the State of Idaho may have changes to the number of Federally Designated Urbanized Areas as a result the Bureau of the Census designation criteria. This may have an impact of the subsequent allocation of Federal Planning funds available to MPO areas. Continued Federal emphasis on the efficient and effective movement of people and goods through strategic transportation investments, is expected to result in maintained levels of funding in the near and midterm. The stability of KMPO and the continued active participation by member participants and the community, along with the increased local investment is expected to result in stable local revenues necessary to match the annual Federal funding provided by the U.S. Department of Transportation.

CONTACTING THE ORGANIZATION'S FINANCIAL MANAGEMENT

This financial overview and report are designed to provide our taxpayers with a general overview of the KMPO's finances and projected continued growth within the boundaries of the KMPO and to demonstrate the KMPO's accountability for the funds received and expenses incurred. If there are any questions about the report or more financial information is needed, please contact the KMPO Office located at 250 Northwest Boulevard, Suite 209, Coeur d'Alene, ID 83814 or contact by phone (208) 930-4164.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

Kootenai Metropolitan Planning Organization

STATEMENT OF NET POSITION
September 30, 2025

ASSETS		
Cash	$	58,666
Accounts receivable		34,070
Prepaid expenses		5,444
Capital assets, net of accumulated depreciation		359,991
Total assets		458,171
DEFERRED OUTFLOWS OF RESOURCES		
Proportionate share of collective deferred outflows of resources		36,362
Total deferred outflows of resources	$	36,362
LIABILITIES		
Accounts payable	$	5,806
Accrued payroll liabilities		7,492
Long-term liabilities:		
Compensated absences		22,982
Net pension liability		134,763
Total liabilities		171,043
DEFERRED INFLOWS OF RESOURCES		
Proportionate share of collective deferred inflows of resources		58,341
Total deferred inflows of resources		58,341
NET POSITION		
Net investment in capital assets		359,991
Unrestricted		(94,842)
Total net position	$	265,149

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

Kootenai Metropolitan Planning Organization

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

		Program Revenues		Net Revenues and Change in Net Assets
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities Total
Governmental activities:				
General government:				
Transportation planning services	$ 516,338	$ 485,328	$ 302,933	$ 271,923
Interest on long-term debt and lease liabilities	1,573	-	-	(1,573)
Unallocated actual PERSI contributions	(34,270)	-	-	34,270
Change in net pension liability	20,246	-	-	(20,246)
Total governmental activities	$ 503,887	$ 485,328	$ 302,933	284,374
General revenues:				
Member assessments				89,720
Decrease in net position				374,094
Net position - beginning				(108,945)
Net position - ending				$ 265,149

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

Kootenai Metropolitan Planning Organization

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2025

ASSETS		
Cash	$	58,666
Accounts receivable		34,070
Prepaid expenses		5,444
Total assets	$	98,180
LIABILITIES AND FUND BALANCES		
Accounts payable	$	5,806
Accrued payroll liabilities		7,492
Total liabilities		13,298
Fund balance:		
Nonspendable - prepaid expenses		5,444
Unassigned		79,438
Total fund balances		84,882
Total liabilities and fund balances	$	98,180

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

Kootenai Metropolitan Planning Organization

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2025

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

Total fund balances - governmental funds		$ 84,882
Cost of capital assets	$ 362,881	
Less: Accumulated depreciation		
Buildings & Improvements	(1,519)	
Equipment	(1,371)	359,991
Pension liabilities and deferred outflows of resources and deferred inflows of resources related to pensions:		
Organization's proportionate share of the net pension liability		(134,763)
Proportionate share of collective deferred outflows of resources		36,362
Proportionate share of collective deferred inflows of resources		(58,341)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds		(22,982)
Total net position		$ 265,149

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

Kootenai Metropolitan Planning Organization

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2025

REVENUES		
Grants	$	788,261
Member assessments		89,720
Total revenues		877,981
EXPENDITURES		
Salaries and wages		291,257
Outside contract services		5,806
Payroll expense		23,024
Retirement		33,919
Benefits		45,752
Utilities		904
Travel		13,387
Membership and dues		10,334
Supplies		287
Telephone		2,499
Printing and copying		300
Business expenses		2,398
Books, subscriptions, reference		46,917
Professional fees		8,600
Advertising		434
Postage		39
Facilities and equipment		5,063
Capital outlay		362,881
Debt service:		
Principal retirement		13,775
Interest		1,573
Total expenditures		869,149
Net change in fund balances		8,832
Fund balances - beginning		76,050
Fund balances - ending	$	84,882

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

Kootenai Metropolitan Planning Organization

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

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

Net change in Fund Balances - total governmental funds	$	8,832
Add: Capital outlay which is considered expenditures		362,881
Less: Depreciation expense		(2,890)
Add: Gain on disposal of right of use lease asset		2,857
Less: Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(9,519)
Add: Lease liability principal retirement considered as an expenditure		13,775
Less: Amortization expense		(15,866)
Add: Net pension expense		14,024
Change in net position of governmental activities	$	374,094

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Kootenai Metropolitan Planning Organization (the "Organization") for the Coeur d'Alene Urbanized Area and for Kootenai County was created in 2003 as a separate Joint Powers Entity, separate and apart from any member political subdivision or public agency pursuant to the provisions of Idaho Code, Sections 67-2326 through 67-2333.

The accounting methods and procedures adopted by the Organization conform to generally accepted accounting principles as applied to governmental entities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Organization's basic financial statements.

Reporting Entity – A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Organization consists of all funds, departments, boards, and agencies that are not legally separate from the Organization. There are no entities that would be considered component units of the Organization.

The financial statements of the Organization have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant of the Organization's accounting policies are described below:

B. Fund Accounting

The Organization 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 Organization 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 Organization has one governmental fund, the general fund.

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund is available for any purpose provided it is expended or transferred according to Idaho State law.

C. Basis of Presentation

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

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Concluded)

Government-wide Financial Statements (Concluded) – 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 reconciliations 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 Organization's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 Organization, 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 Organization.

Fund Financial Statements – Fund financial statements report detailed information about the Organization. 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. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type. The Organization maintains only a governmental-type general fund.

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, expenditures 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 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, is 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 Organization, available means expected to be received within 60 days of the fiscal year end.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Concluded)

Revenues – Exchange and Non-exchange Transactions (Concluded) – Non-exchange transactions, in which the Organization 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 Organization must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Organization 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 the fiscal year then ended: grants and member assessments.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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.

E. Cash

In the general fund, cash received by the Organization is kept in one checking account and is presented as “Cash” on the financial statements. The Organization had no cash equivalents as of September 30, 2025.

F. Capital Assets

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

All capital and intangible assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Organization maintains a capitalization threshold of $5,000. Improvements and interest incurred during the construction of capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets (Concluded)

All reported capital and intangible assets are depreciated and amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	39 years
Equipment	5 years

Intangible right-of-use lease assets are recorded at net present value, and the lease liabilities are amortized using the straight-line method over the life of the lease.

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 non-current portion of 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 Reserves

The Organization 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 Organization is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the Organization to classify, and report amounts in the appropriate fund balance classifications. The Organization’s accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned.

The Organization reports the following classifications:

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.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Balance Reserves (Concluded)

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 Organization 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 Directors. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Board of Directors. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Organization's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: (a) the Director of Finance, or (b) an appointed body (e.g., a budget or finance committee) or official to which the Board of Directors 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 Organization 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.

The Organization's policy is first using restricted fund balance, then committed, then assigned, then unassigned when any of the above fund balance are available to use to satisfy an obligation.

I. Net Position Flow Assumptions

Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt 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. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Organization or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Position Flow Assumptions (Concluded)

Sometimes the Organization will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Organization's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

J. Compensated Absences

The Organization reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Paid time off benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Organization will compensate the employees for the benefits through paid time off or by other means. The Organization records a liability for accumulated unused paid time off when earned for all employees who qualify. The total liability of $22,982 is included in the government-wide financial statements as a non-current liability due in more than one year.

K. 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 may differ from those estimates.

L. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The System only has one item that qualifies for reporting in this category. It is the deferred outflows relating to the accounting for the net pension obligation on the government-wide statement of net position, in accordance with GASB 68, Accounting and Financial Reporting for Pensions.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

M. Deferred Outflow/Inflows of Resources (Concluded)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Organization has one type of item, which arises under full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, proportionate share of collective deferred inflows of resources, is reported only on the government-wide statement of net position. The government-wide statement of net position reports proportionate share of collective deferred inflows of resources from one source: accounting for the net pension obligation, in accordance with GASB 68, Accounting and Financial Reporting for Pensions.

N. Operating Expenditures

The Organization is required to pay a local match of 7.34% of the operating expenditures. The member participants are charged annual assessments to cover the Organization’s local match portion of the operating expenditures. The match portion of the expenditures is allocated throughout the statement of revenues, expenditures, and changes in fund balances. The total match paid for the year ended September 30, 2025, was $79,550.

O. New Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board (GASB) issued Summary of Statement Number 101 Compensated Absences (GASB 101), which is required to be adopted for entities with fiscal years beginning after December 15, 2023. The objective of GASB 101 is to better meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Organization has considered the effect that GASB 101 will have on the financial statements and has adopted and implemented the requirements of GASB 101 for the year ended September 30, 2025.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general 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 in the general fund.

This is in conformance with Idaho State Statutes, which require that appropriations 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.

(Continued)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONCLUDED)

Budgetary Information (Concluded)

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

a) The Organization publishes a proposed budget for public review.

b) Public hearings are set to obtain taxpayer comments.

c) Prior to September 1, the budget is adopted by resolution of the Board of Directors and published.

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

The budget was amended during the fiscal year ended September 30, 2025.

NOTE 3: CASH

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. The Organization does not have a policy for custodial credit risk. The carrying amount of the Organization's deposits with financial institutions on September 30, 2025, was $58,666, and the bank balance was $59,056. The bank balance is on deposit with one financial institution and is recorded at cost. The bank balance is categorized as follows:

Amounts insured by the FDIC or other agencies	$59,056

Idaho State Code allows the Organization to invest idle monies in certain categories. No violations of those categories have occurred during the year.

NOTE 4: CAPITAL ASSETS

Property and equipment at September 30, 2025 consisted of the following:

	Beginning balance	Additions	Deletions	Ending Balance
Total Capital assets being depreciated				
Buildings	$ -	$ 355,404	$ -	$ 355,404
Equipment	-	7,477	-	7,477
Total capital assets being depreciated	-	362,881	-	362,881
Less accumulated depreciation for:				
Buildings	-	1,519	-	1,519
Equipment	-	1,371	-	1,371
Total accumulated depreciation	-	2,890	-	2,890
Governmental activities capital assets, net	$ -	$ 359,991	$ -	$ 359,991

(Continued)

NOTE 5: DEFINED BENEFIT PENSION PLAN

Plan Description

The Organization contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for public safety. As of June 30, 2025 it was 7.18% for general employees and 10.36% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.96% general employees and 13.48% for police and firefighters. The Organization's contributions were $33,919 for the year ended September 30, 2025.

(Continued)

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At September 30, 2025, the Organization reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Organization's proportion of the net pension liability was based on the Organization's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2025, the Organization's proportion was 0.00557294 percent.

For the year ended September 30, 2025, the Organization recognized a pension expense of $20,246. At September 30, 2025, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	$ -	$ 34,643
Changes of assumptions	-	23,698
Net difference between projected and actual earnings on pension plan investments	25,395	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
Kootenai Metropolitan Planning Organization's contributions subsequent to the measurement	10,967	-
Total	$ 36,362	$ 58,341

$10,967 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2025 the beginning of the measurement period ended June 30, 2024 is 4.6 and 4.6 for the measurement period June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended September 30:	
2026	$ 23,049
2027	$ (22,523)
2028	$ (20,611)
2029	$ (12,861)

(Continued)

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

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

The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15%
Salary inflation	3.15%
Investment rate of return, net of investment fees	6.55%
Cost-of-living (COLA) adjustments	1.00%

Contributing members, service retirement members, and beneficiaries:

- General employees and all beneficiaries–Males Pub 2010 General Tables, increased 11%
- General employees and all beneficiaries – Females Pub 2010 General Tables, increased 21%
- Teachers – Males Pub 2010 Teacher Tables, increased 12%
- Teachers – Females Pub 2010 Teacher Tables, increased 21%
- Fire and police – Males Pub 2010 Safety Tables, increased 21%
- Fire and police – Females Pub 2010 Safety Tables, increased 26%
- Disabled members – Males Pub 2010 Disabled Tables, increased 38%
- Disabled members – Females Pub 2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015, through June 30, 2020, which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2025, is based on the results of an actuarial valuation date July 1, 2025.

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

(Continued)

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Concluded)

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2025.

	2025	
Asset Class	DB Plans	Sick Leave
Fixed Income	30.0%	50.0%
US/Global Equity	55.0%	39.3%
International Equity	15.0%	10.7%
Cash	0.0%	0.0%
Total	100%	100%

Discount Rate

The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans’ net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

(Continued)

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.55 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.55 percent) or 1-percentage-point higher (7.55 percent) than the current rate:

	1% Decrease (5.55%)	Current Discount Rate (6.55%)	1% Increase (7.55%)
Organization's net pension liability (asset)	$ 324,240	$ 134,763	$ (20,032)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the Pension Plan

At September 30, 2025, the Organization reported no amount payable to the defined benefit pension plan for legally required employer contributions and no amount payable for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 6: LONG-TERM DEBT

Changes in long-term liabilities:	Beginning Balance	Additions	Deletions	Gain/Loss	Ending Balance	Due Within One Year
Government-type activities:						
Long-term debt	$ -	$ 262,500	$ 262,500	$ -	$ -	$ -
Compensated absences	13,463	9,519	-	-	22,982	-
Lease liabilities	16,632	-	13,775	2,857	-	
Total Government-type activities	$ 30,095	$ 272,019	$ 276,275	$ 2,857	$ 22,982	$ -

Compensated absences are paid from the general fund in the form of paid time off.

(Continued)

NOTE 7: RISK MANAGEMENT

The Organization 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 Organization contracts with an insurance company for property insurance and general liability insurance.

NOTE 8: LEASE OBLIGATIONS

During the year ended September 30, 2011, the Organization entered into a lease agreement for an office. The original lease expired in 2014 and has been extended multiple times. In the fiscal year 2025 the Organization purchased property, and the original lease was terminated two months early resulting in a gain on term of lease.

Governmental activities:	Beginning Balance	Additions	Deletions	Ending Balance
Right-of-use lease asset:				
Office	$ 35,697	$ -	$ 35,697	$ -
Total right-of-use lease asset	35,697	-	35,697	-
Less accumulated amortization for:				
Office	19,831	15,866	35,697	-
Total accumulated amortization	19,831	15,866	35,697	-
Total amortized right-of-use lease asset, net	$ 15,866	$ (15,866)	$ -	$ -

(Concluded)

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

Kootenai Metropolitan Planning Organization

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Grants	$ 697,347	$ 832,006	$ 788,261	$ (43,745)
Member assessments	54,721	54,721	89,720	34,999
Total revenues	752,068	886,727	877,981	(8,746)
EXPENDITURES				
Salaries and wages	297,829	297,829	291,257	6,572
Payroll expense	18,466	18,466	23,024	(4,558)
Retirement	35,620	35,620	33,919	1,701
Benefits	57,933	59,133	45,752	13,381
Utilities	21,900	900	904	(4)
Software updates and maintenance	5,000	6,500	-	6,500
Supplies and postage	3,200	3,200	626	2,574
Professional services and business expenses	15,000	23,000	10,998	12,002
Outside contract services and membership and dues	250,000	38,000	16,140	21,860
Telephone	2,500	1,200	2,499	(1,299)
Travel	13,170	9,200	13,387	(4,187)
Advertising	2,100	2,100	434	1,666
Property liability insurance	4,700	5,600	-	5,600
Equipment maintenance	2,000	1,000	-	1,000
Books, subscriptions, reference	9,000	8,750	46,917	(38,167)
Office furniture and equipment	4,000	8,000	-	8,000
Facilities and equipment	-	-	5,063	(5,063)
Capital outlay	-	375,000	362,881	12,119
Debt service:				
Principal retirement	-	-	13,775	(13,775)
Interest	-	-	1,573	(1,573)
Total expenditures	742,418	893,498	869,149	24,349
Net change in fund balances	9,650	(6,771)	8,832	15,603
Fund balances - beginning	75,600	81,400	76,050	(5,350)
Fund balances - ending	$ 85,250	$ 74,629	$ 84,882	$ 10,253

Kootenai Metropolitan Planning Organization

GASB 68 Required Supplementary Information
For the Year Ended September 30, 2025

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years *

	2025	2024	2023	2022
Employer’s portion of the net pension liability	0.00557294%	0.00547482%	0.00644660%	0.00619390%
Employer’s proportionate share of the net pension liability	$ 134,763	$ 204,794	$ 257,263	$ 243,964
Employer’s covered-employee payroll	$ 291,222	$ 273,942	$ 286,205	$ 251,362
Employer’s proportional share of the net pension liability as a percentage of its covered employee payroll	46.28%	74.76%	89.89%	97.06%
Plan fiduciary net position as a percentage of the total pension liability	90.89%	85.54%	83.09%	100.36%

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

Data reported is measured as of June 30, 2025 (measurement date).

Schedule of Employer Contributions
PERSI - Base Plan
Last 10 - Fiscal Years *

	2025	2024	2023	2022
Statutorily required contribution	$ 33,919	$ 30,614	$ 33,470	$ 30,013
Contributions in relation to the statutorily required contribution	33,919	30,614	33,470	30,013
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Employer’s covered-employee payroll of its covered employee payroll	$ 291,222	$ 273,942	$ 286,205	$ 251,362
Contributions as a percentage of covered-employee payroll	11.65%	11.18%	11.69%	11.94%

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

Data reported is reported as of September 30, 2025.

	2021	2020	2019	2018	2017	2016
	0.00675970%	0.00663550%	0.00621110%	0.00660500%	0.00717990%	0.00798190%
	$ (5,339)	$ 154,085	$ 70,898	$ 97,425	$ 112,856	$ 161,805
	$ 257,014	$ 253,099	$ 222,219	$ 205,016	$ 207,633	$ 235,162
	-2.08%	60.88%	31.90%	47.52%	54.35%	68.81%
	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

	2021	2020	2019	2018	2017	2016
	$ 30,687	$ 30,221	$ 25,423	$ 23,208	$ 23,504	$ 26,620
	30,687	30,221	25,423	23,208	23,504	26,620
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 257,014	$ 253,099	$ 222,219	$ 205,016	$ 207,633	$ 235,162
	11.94%	11.94%	11.44%	11.32%	11.32%	11.32%

REPORT REQUIRED BY GAO

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Board of Directors
Kootenai Metropolitan Planning Organization
Coeur d'Alene, ID 83814

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 Kootenai Metropolitan Planning Organization as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Kootenai Metropolitan Planning Organization's basic financial statements, and have issued our report thereon dated December 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kootenai Metropolitan Planning Organization'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 Kootenai Metropolitan Planning Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Kootenai Metropolitan Planning Organization'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 Kootenai Metropolitan Planning Organization'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.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONCLUDED)

Report on Compliance and Other Matters

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

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 Kootenai Metropolitan Planning Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kootenai Metropolitan Planning Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Magnuson, McHugh, Dougherty CPAs

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December 29, 2025

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