

**CITY OF  
IDAHO FALLS, IDAHO**



**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**

FISCAL YEAR ENDED  
**SEPTEMBER 30, 2020**

**CITY OF IDAHO FALLS, IDAHO**  
**Comprehensive Annual Financial Report**  
**For the fiscal year ended September 30, 2020**

**Prepared By:**  
**Municipal Services Department**  
**Finance Division**

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

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# **INTRODUCTORY SECTION**



April 16, 2021

To the Honorable Mayor, Members of the City Council  
And Citizens of Idaho Falls

The Comprehensive Annual Financial Report of the City of Idaho Falls (City) for the fiscal year ended September 30, 2020 is hereby submitted. Responsibility for the accuracy of the data, and the completeness and fairness of the presentations, including all disclosures, rests with the City and is based upon a comprehensive framework of internal control that the City has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The administration believes the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

Moss Adams LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal control and compliance with legal requirements, with special emphasis on internal control and legal requirements involving the administration of federal awards. These reports are contained in the single audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The accompanying Comprehensive Annual Financial Report includes the financial activities of the City, the primary government, and its component unit, The Idaho Falls Redevelopment Agency.

### **Profile of the City**

The City of Idaho Falls was incorporated in 1889 under the laws of the State of Idaho. The City operates under a Mayor-Council form of government and provides the following services: general administrative services, planning and building, public safety (police, fire, ambulance and animal control), parks and recreation, streets, library, public works, airport, water, sanitation, electric, fiber, and wastewater utility.

## **MUNICIPAL SERVICES**

**Municipal Services** (208) 612-8249  
**City Clerk** (208) 612-8415  
**IT Division** (208) 612-8118  
**Finance Division** (208) 612-8230  
**Treasurer's Office** (208) 612-8218  
**General Services** (208) 612-8431

The accompanying Comprehensive Annual Financial Report includes the financial activities of the City, the primary government, and its component unit, The Idaho Falls Redevelopment Agency.

The City of Idaho Falls is located in the southeastern corner of the state. The City currently occupies a land area of approximately 24 square miles with an estimated population of 61,459. The City has the authority to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its boundaries by annexation, which occurs as deemed appropriate by the Council.

Policy-making and legislative authority are vested in a governing council (Council) consisting of the Mayor and six council members. The Council is responsible, among other things, for passing ordinances, adopting the budget, confirming committee members and working with various department heads as assigned by the Mayor. The Mayor is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the City; and appointing the heads of the various departments. The Council is elected on a non-partisan basis.

Council members serve four-year staggered terms, with three council members elected every two years. The Mayor is elected to serve a four-year term. The Mayor and council members are elected at large.

An operating, equipment, and capital budget, including proposed expenditures and the means of financing them is proposed by the Mayor to the council members for approval. Budgets are integrated into the accounting system to facilitate management control during the year. Budgetary control is enhanced for governmental funds using an encumbrance system. As purchase orders are issued, corresponding appropriations are reserved by the use of encumbrances for later payment so that appropriations may not be overspent.

### **Local economy**

The Idaho Falls economy can be characterized as a regional center for retail, wholesale, medical, educational and governmental services. Underlying the City economy is a very strong base of agriculture production and processing in barley, potatoes, wheat and cattle. Coupled with the agriculture base is the scientific and hi-tech research and supporting businesses for the Idaho National Labs. This scientific sector provides a highly educated work force and high incomes in the local economy. This diversified and regional market economy provides economic stability in jobs, incomes and tax base.

The regional market area extends from the City of Blackfoot to the south of Idaho Falls into Montana and Wyoming on the north and east and on into central Idaho. The regional medical center, including hospitals, medical specialties and services, is concentrated in Idaho Falls.

Idaho Falls is the regional market center on the western side of Yellowstone Park and Jackson Hole. To the west is The Craters of the Moon National Monument. The outdoor activities of fly-fishing, hunting, skiing, snowmobiling, hiking and sightseeing support many businesses and manufacturers. The tourism and entertainment business within the City is growing and supporting more jobs and businesses. The state's largest museum is in Idaho Falls, which anchors a growing cultural tourism sector.

The state and federal offices in Idaho Falls also serve all of Eastern Idaho. The City is also the County seat. The three state universities have a large classroom and research presence in the City and are associated with the National Labs. A community college also serves the area. There are two school districts and several private school systems.

Because of its location in a region with a varied economic base, unemployment has been relatively stable. Currently the City is experiencing slow but steady economic growth. Within the past ten years, the unemployment rate has reached a high of 8.1 percent in the year 2010, to a low of 2.0 percent in 2019. The unemployment rate at the end of fiscal year 2020, reflects a recovery of the job market in the Idaho Falls metropolitan area. Idaho Falls continues

to experience some of the lowest unemployment rates in the nation. The economy is expected to continue to diversify and grow in the manufacturing and technology industries.

### Long-term financial planning

Historically, City Council has set general fund reserve of 25%, or 3 months of operations and maintenance expenses. The unassigned fund balance in the general fund is below the reserve threshold by \$7.83 million. The repayment schedule to replenish the general fund reserve is forecasted to be over the next 7-10 years.

The Council also maintains and reviews a five-year capital plan that outlines major purchases and projects. Some of the major projects planned is the reconstruction or revitalization of the Idaho Falls Civic Center for the Performing Arts, reconstruction of roads and intersections, wastewater treatment plant upgrades, Police department building, and the construction of Heritage Park.

### Relevant financial policies

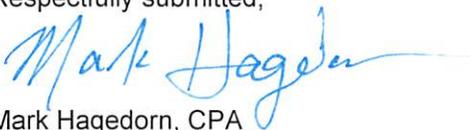
It is the City's policy that "one-time" resource inflows not be used for operating purposes. All grants received are designated and spent for the purposes that are stated in the grant application. It is also the City's policy to base payment in-lieu of taxes on comparative market rates rather than negotiated rates.

### Major initiatives

A few of the important initiatives that will have an impact on City operations at the state level are education and transportation funding; online sales tax collection, tax increment financing, highway funding, road maintenance, and local option taxation.

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Controller's office, together with assistance from other Departments and Divisions of the City, and the assistance of the City's independent auditor, Moss Adams LLP. All of these efforts are greatly appreciated.

Respectfully submitted,



Mark Hagedorn, CPA  
Controller

City of Idaho Falls

Principal Officials

September 30, 2020

City Council

Rebecca L. Noah Casper  
Michelle Ziel-Dingman  
Shelly Smede  
Thomas Hally  
Jim Francis  
John B. Radford  
James S. Freeman

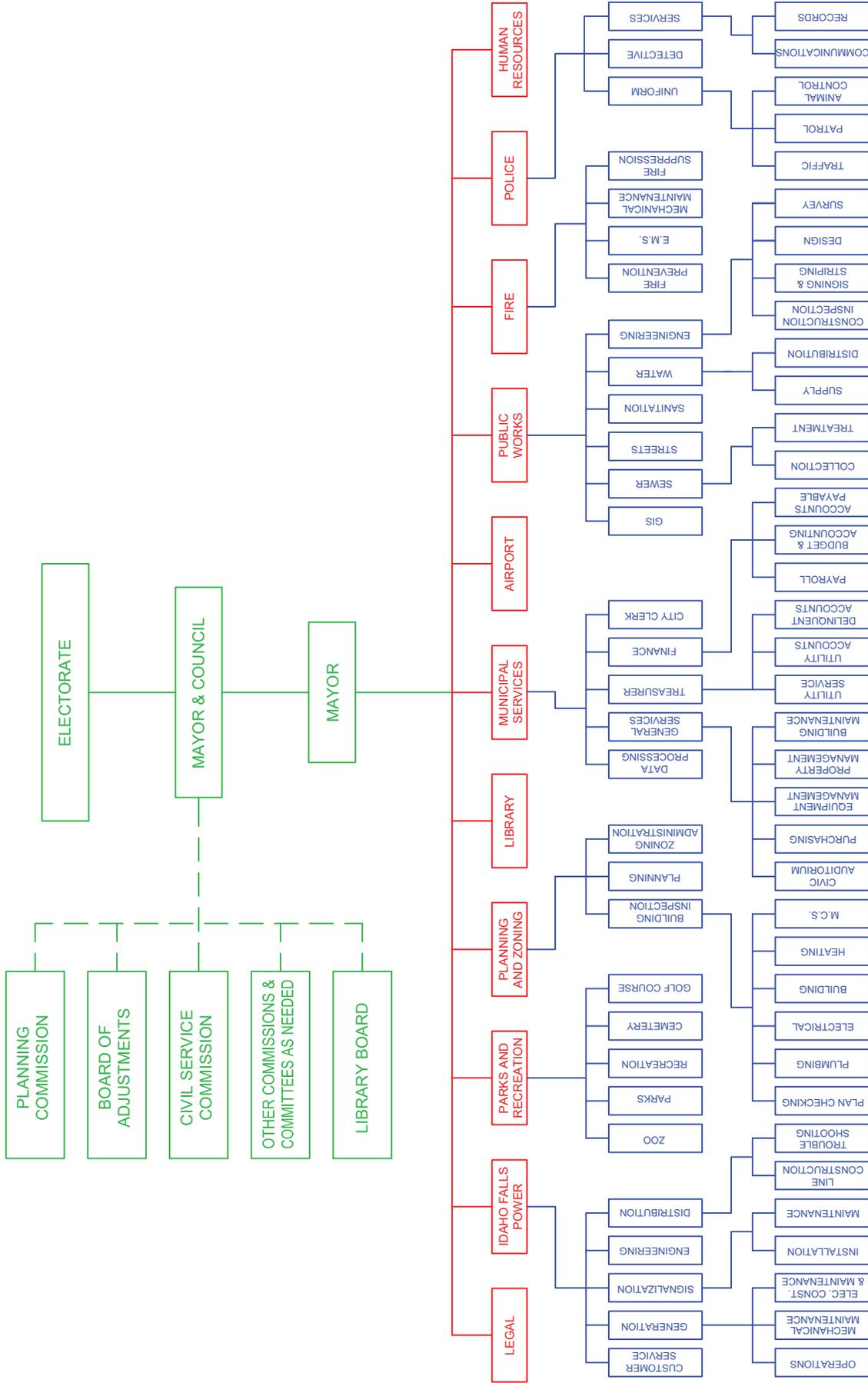
Mayor  
Council Member (Seat 1) Council President  
Council Member (Seat 2)  
Council Member (Seat 3)  
Council Member (Seat 4)  
Council Member (Seat 5)  
Council Member (Seat 6)

Other Principal Officers

Brad Cramer  
Richard Cloutier  
Randall Fife  
Travis Prairie  
Chris Fredericksen  
Duane Nelson  
Ryan Tew  
Bryce Johnson  
Pam Alexander  
Paul Holm  
Robert Wright

Community Development  
Airport Director  
City Attorney  
Idaho Falls Power General Manager  
Public Works Director  
Fire Chief  
Human Resources Director  
Police Chief  
Municipal Services Director  
Parks & Recreation Director  
Library Director

# CITY OF IDAHO FALLS ORGANIZATION



DATE: 7-18-13

# **FINANCIAL SECTION**



## **Report of Independent Auditors**

Honorable Mayor and Members of the City Council  
City of Idaho Falls, Idaho

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the budgetary comparison statements for the General Fund, Streets Fund and the Emergency Medical Services Fund, and the aggregate remaining fund information of the City of Idaho Falls, Idaho (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Idaho Falls Redevelopment Agency, a component unit of the City of Idaho Falls, Idaho, which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit of the City. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Idaho Falls Redevelopment Agency, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the budgetary comparison statements for the General Fund, Streets Fund, and the Emergency Medical Services Funds, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 19 and schedule of employer's share of net pension liability and schedule of employer's contributions on pages 67 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements; budgetary comparison schedules; schedule of passenger facility charges collected and expended required by the Federal Aviation Administration, *Passenger Facility Charge Audit Guide for Public Agencies*; and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements (collectively, the supplementary information).

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Information*

The introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2021, on our consideration of the City'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 the City'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 the City's internal control over financial reporting and compliance.

*Moss Adams LLP*

Portland, Oregon  
April 16, 2021

## **City of Idaho Falls, Idaho Management Discussion and Analysis**

The discussion and analysis of the City of Idaho Falls' financial performance provides an overall review of the City's financial activities for the year ended September 30, 2020. The intent of this discussion and analysis is to provide an overview of the City's financial performance over a 12-month period. Management recommends the review of the transmittal letter and financial statements to enhance the understanding of the City's reported financial performance in greater detail.

### **Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows for the period ending September 30, 2020 by \$531,608,931 (net position). Of this amount, \$126,939,950 represents an unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$29,905,627 as a result of this year's operations. The governmental net position increased by \$6,744,238 and the business-type net position increased by \$23,161,389.
- During the year the City reevaluated the fund type for Emergency Medical Services fund and decided to reclassify the fund from enterprise fund to a special revenue fund. The net result was a reclassification in net position and fund balance of \$4,217,990 as a reduction to business-type funds and an addition to governmental funds. See note IV.I in the notes to the financial statements.
- At September 30, 2020, the City's governmental activities reported a combined ending net position of \$168,873,502. Approximately 16.41 percent of this amount, or \$27,719,201, is held in unrestricted net position.
- For the period ending September 30, 2020, the general fund balance was \$16,526,811, of which \$935,537 is classified as non-spendable and \$4,296,365 is classified as restricted as defined in the financial statement footnote IV.H. The remaining \$11,294,909 represents 21.47 percent of the total general fund budget dedicated for funding City operations.
- The City's total noncurrent liabilities (including notes, compensated absences, and net pension liability) was \$52,754,755 for the period ending September 30, 2020.

### **Overview of the Financial Statements**

This overview and analysis is intended to serve as an introduction to the City basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-wide financial statements**

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

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event is incurred, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, parks and recreation, and public works. The business-type activities of the City include public utilities (water, wastewater, electric and sanitation) the airport and emergency medical services (ambulance) operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Idaho Falls Redevelopment Agency, a legally separate component unit of the City. Financial information for the component unit is reported separately from the financial information presented for the primary government.

### **Fund financial statements**

A fund is a grouping of related accounts that are used to maintain financial control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories: governmental funds and proprietary funds.

#### *Governmental funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's financial health and near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and streets fund, which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, its major funds, and its non-major funds. A budgetary comparison statement has been presented for the general fund in the fund statements section and all other funds in the supplementary information section to demonstrate compliance with these budgets.

### *Proprietary funds*

The City maintains two different types of proprietary funds- enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its public utilities (water, wastewater, electric and sanitation) and the airport and emergency medical services (ambulance) operations. Internal service funds are an accounting device used to accumulate and allocate support services costs internally among the City's various functions. The City uses an internal service fund to account for workers' compensation claims as a self-insurance mechanism. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the airport, water and wastewater, sanitation, fiber, and electric operations, all of which the City considers to be major funds.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### *Other information*

In addition to the basic financial statement and accompanying notes, this report also presents required supplementary information and other supplementary information. The required supplementary information presents the City's schedules required for disclosure of pension benefits. The combining statements referred to earlier in connection with non-major governmental funds are presented in the other supplementary information section. Also included are budget to actual comparisons for the governmental special revenue funds and capital improvement funds.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded its liabilities and deferred inflows by \$531,608,931 as of September 30, 2020. By far the largest portion of the City's net position, 75.07%, reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Net Position

A portion of the net position, about 1 percent, represents resources which are subject to external restrictions on how the resources may be utilized. The remaining balance of unrestricted net position, \$126,939,950 may be used to meet the City's ongoing obligations.

For the year ended September 30, 2020, the City's net position increased by \$29,905,627 or 5.96% compared to last year due to continued operations. The City's operations improved as a result of increased revenues in taxes, charges for services, and capital grants and contributions. The City's financial performance is improving, as assets and deferred outflows of resources are growing faster than liabilities and deferred inflow of resources, leading to an increase in net position.

### City of Idaho Falls Comparative Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019*	2020	2019
<b>Assets</b>						
Current and other assets	\$43,562,215	\$40,172,144	\$115,594,953	\$107,102,407	\$159,157,168	\$147,274,551
Capital assets	137,944,708	132,370,905	275,235,253	260,251,864	413,179,961	392,622,769
Net pension asset	18,948,797	20,537,995	-	-	18,948,797	20,537,995
Total assets	200,455,720	193,081,044	390,830,206	367,354,271	591,285,926	560,435,315
Total deferred outflows	6,833,730	3,278,672	2,098,108	1,077,048	8,931,838	4,355,720
<b>Liabilities</b>						
Long-term liabilities outstanding	6,980,632	5,704,763	14,587,881	16,382,467	21,568,513	22,087,230
Net pension liability	23,040,077	11,785,869	8,146,165	4,050,045	31,186,242	15,835,914
Other liabilities	7,120,522	9,739,270	7,008,144	6,490,041	14,128,666	16,229,311
Total liabilities	37,141,231	27,229,902	29,742,190	26,922,553	66,883,421	54,152,455
Total deferred inflows	1,274,717	7,000,550	450,695	1,934,726	1,725,412	8,935,276
<b>Net position</b>						
Net investment in capital assets	136,631,434	132,370,905	262,435,057	246,579,141	399,066,491	378,950,046
Restricted	4,522,867	509,488	1,079,623	1,079,623	5,602,490	1,589,111
Unrestricted	27,719,201	29,248,871	99,220,749	91,915,276	126,939,950	121,164,147
Total net position	\$168,873,502	\$162,129,264	\$362,735,429	\$339,574,040	\$531,608,931	\$501,703,304

\*2019 balances were restated due to the change in the Emergency Medical Service (Ambulance) Fund from a business-type activity to a governmental activity.

**City of Idaho Falls  
Comparative Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019*	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$12,980,869	\$14,329,315	\$90,157,159	\$87,671,853	\$103,138,028	\$102,001,168
Operating grants & contributions	7,588,642	7,608,914	5,000	1,175,393	7,593,642	8,784,307
Capital grants & contributions	9,344,131	9,867,548	12,758,349	9,012,578	22,102,480	18,880,126
General revenues:						
Property taxes	37,032,481	35,006,391	-	-	37,032,481	35,006,391
Other taxes	10,884,248	11,038,923	-	-	10,884,248	11,038,923
Other	2,417,373	5,495,480	1,931,181	3,122,605	4,348,554	8,618,085
Total revenues	<u>80,247,744</u>	<u>83,346,571</u>	<u>104,851,689</u>	<u>100,982,429</u>	<u>185,099,433</u>	<u>184,329,000</u>
Expenses:						
General government	11,689,863	12,017,974	-	-	11,689,863	12,017,974
Public safety	38,140,250	33,470,638	-	-	38,140,250	33,470,638
Streets	10,805,936	12,651,449	-	-	10,805,936	12,651,449
Culture and recreation	16,481,046	17,232,675	-	-	16,481,046	17,232,675
Public works	1,509,780	1,217,908	-	-	1,509,780	1,217,908
Airport	-	-	5,900,235	5,675,417	5,900,235	5,675,417
Water	-	-	9,399,986	9,988,903	9,399,986	9,988,903
Sanitation	-	-	4,218,654	4,029,853	4,218,654	4,029,853
Electric	-	-	45,907,252	49,094,519	45,907,252	49,094,519
Fiber	-	-	859,592	-	859,592	-
Wastewater	-	-	10,281,212	9,825,454	10,281,212	9,825,454
Total expenses	<u>78,626,875</u>	<u>76,590,644</u>	<u>76,566,931</u>	<u>78,614,146</u>	<u>155,193,806</u>	<u>155,204,790</u>
Increase (decrease) in net position before transfers	<u>1,620,869</u>	<u>6,755,927</u>	<u>28,284,758</u>	<u>22,368,283</u>	<u>29,905,627</u>	<u>29,124,210</u>
Transfer	5,123,369	6,016,865	(5,123,369)	(6,016,865)	-	-
Increase (decrease) in net position	<u>6,744,238</u>	<u>12,772,792</u>	<u>23,161,389</u>	<u>16,351,418</u>	<u>29,905,627</u>	<u>29,124,210</u>
	<u>162,129,264</u>	<u>149,356,472</u>	<u>339,574,040</u>	<u>323,222,622</u>	<u>501,703,304</u>	<u>472,579,094</u>
Net position – ending	<u>\$168,873,502</u>	<u>\$162,129,264</u>	<u>\$362,735,429</u>	<u>\$339,574,040</u>	<u>\$531,608,931</u>	<u>\$501,703,304</u>

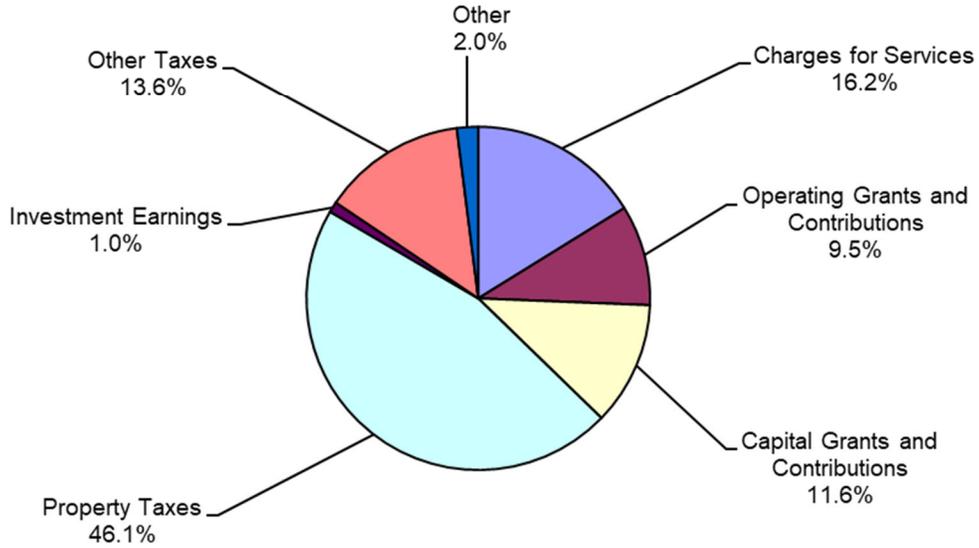
\*2019 balances were restated due to the change in the Emergency Medical Service (Ambulance) Fund from a business-type activity to a governmental activity.

**Governmental activities.**

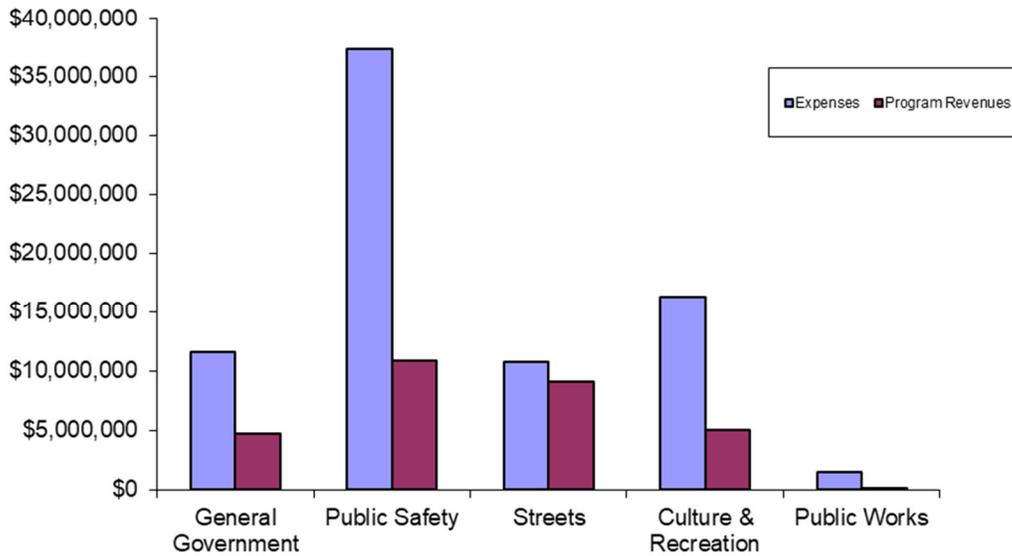
During the current fiscal year, net position for governmental activities increased \$6,744,238 or 4.16% from the prior year for an ending balance of \$168,873,502. Key elements of the year are as follows:

- Governmental revenue decreased by \$3,098,827 or 3.72% compared to September 30, 2019. This decrease is primarily due to the impact of the COVID-19 global pandemic which resulted in the City having to reduce social gathering activities during the fiscal year. The only revenue reporting an increase was property taxes as result of levying the statutory allowed 3% increase for fiscal year 2020. In addition, an urban renewal district closed during the year resulting in additional tax revenues.
- Governmental expenses increased by \$2,036,231 or 2.66% compared to September 30, 2019. The net increase is primarily due to pension related expenses and depreciation expense.

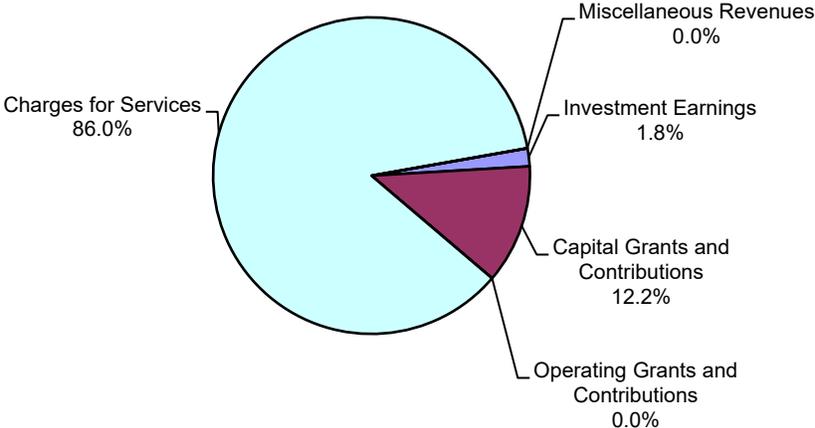
## 2020 Revenues by Source - Governmental Activities



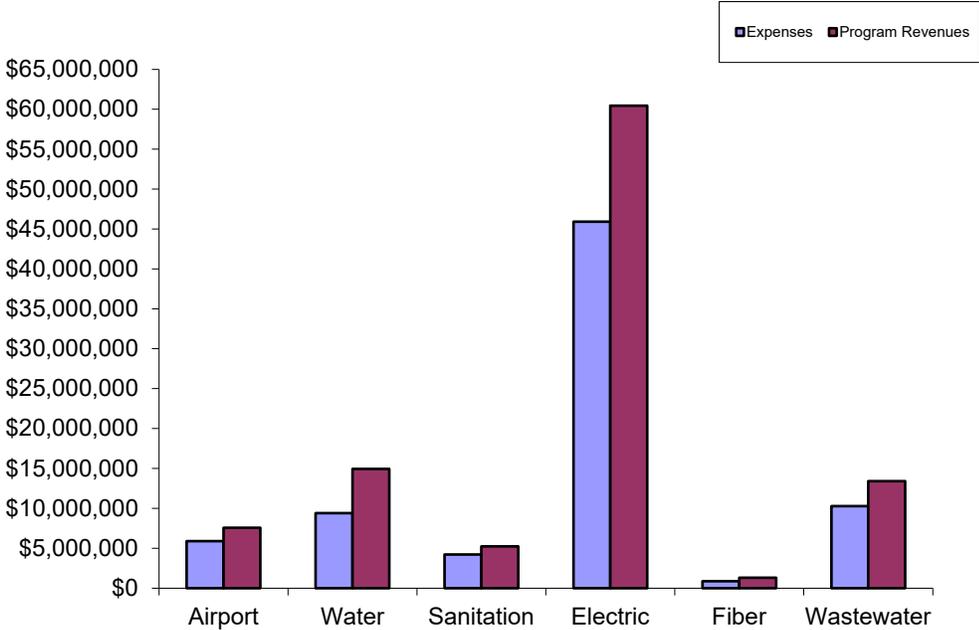
## 2020 Expenses and Program Revenues - Governmental Activities



### 2020 Revenues by Source - Business-type Activities



### 2020 Expenses and Program Revenues - Business-type Activities



**Business-type activities.** Business-type activities increased the City's net position by \$23,161,389 or 6.82% compared to September 30, 2019 for an ending balance of \$362,735,429. Key elements of this increase are as follows:

- Business-type capital related assets increased by \$14,983,389 or 5.76% compared to September 30, 2019. This increase is primarily due to a wastewater treatment plant upgrades, Airport terminal expansion projects, and fiber infrastructure expansion projects that will continue into fiscal year 2020/21.
- Business-type revenues increased by \$3,869,260 or 3.83% compared to September 30, 2019. This increase is related to fee increases for city utilities and contributed capital by developers.

### **Financial Analysis of the Governmental Funds**

The City uses governmental funds to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for discretionary use.

For the period ended September 30, 2020, the City's governmental funds reported an ending fund balance of \$33,411,207 which is a \$5,186,800 or an 18.38% increase compared to September 30, 2019. Reporting for Governmental funds is represented in two classifications, non-spendable and spendable. Non-spendable fund balance cannot be spent due to its nature or external limitations. Spendable fund balances are either restricted, committed, unassigned, or assigned. Restricted amounts are spent on specific purposes stipulated by external parties. Committed amounts are used for particular purposes determined by City Council. Assigned funds have an intended purpose but are neither considered committed or restricted. Unassigned funds is the classification for the government's general fund that are not included in the other categories. The following includes the total amounts of each classification:

- Within the non-spendable fund balance category is comprised of inventory and prepaid items for a total of \$1,202,756.
- The restricted fund balance category is comprised of funds restricted for energy conservation loan programs and the City's transition to being self-insured for health insurance for a total of \$4,522,867.
- The entirety of the committed fund balance of \$1,544,216 is attributed to contracts the City is entered for the following areas: street improvements of \$934,865 and general operation and maintenance of \$609,351.
- At September 30, 2020 the City has made the \$21,887,106 in assignments of fund balance to the following: machinery and equipment replacement program of \$3,749,119, street and municipal projects of \$9,193,241, public safety projects \$467,645, culture and recreation projects of \$4,588,686, operational and maintenance of \$543,874, Downtown Business Improvement District of \$99,804, and conservation programs of \$3,244,737.
- The remaining \$4,254,262 of fund balance is contained within the unassigned fund balance category.

## **The General Fund- Revenue & Expenditure Analysis**

The general fund is the City's primary operating fund. Fund balance of the City's general fund increased by \$2,627,545; as compared to the prior fiscal year. The key factor is that City revenues/transfer exceeded expenditures. The key factors in this are as follows:

- Revenues decreased by \$2,276,817 or 4.91% as compared to the prior year. This decrease is the result of the City reducing budgeted services during the COVID-19 pandemic.
- Expenditures decreased by \$852,840 or 1.84% as compared to the prior year. This decrease also was the result of the City reducing budgeted services during the COVID-19 pandemic. At the onset of the COVID-19 pandemic, the City made a conscious effort to reduce expenses through targeted budget reductions to mitigate the effects on City finances.

## **General Fund Budgetary Highlights**

The general fund expenditure budget had a final net decrease by \$(1,367,710) compared to the adopted budget. This decrease was the result of targeted budget reductions cuts in anticipation of lost income as a result of the COVID-19 pandemic.

Final budgeted expenditures exceeded final budgeted revenues and transfers in by \$3,488,266. The excess budgeted expenditures over revenues was for the acquisition of capital items funded through the City's machinery and equipment replacement program.

The major differences between the budget and actual for the general fund are summarized as follows:

- The general fund actual revenues were less than budgeted revenues by \$(316,483) mainly due to the reduction in culture and recreation activities being available to the public during the COVID-19 pandemic.
- Actual expenditures in the general fund were less than budgeted expenditures by \$7,107,354 as a result of targeted budget reductions in staff, travel and supplies due to the COVID-19 pandemic.

## **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business type activities for the period ending September 30, 2020 amounts to \$413,179,961 (net of accumulated depreciation). The investment in capital assets include land, infrastructure, buildings, improvements other than buildings, machinery and equipment and construction in progress. For fiscal 2020, the City's investment in capital assets increased by 4.69% in comparison to the prior year. Of this percentage, business-type activities accounted for the majority of the increase.

Major capital projects during the year were:

- Increases in infrastructure and buildings and improvements related to governmental assets is primarily from developer contributions/annexations of streets and the construction of culture and recreation facilities.
- The increase of \$14,983,389 in proprietary funds is primarily from the increase in infrastructure and construction in progress. Infrastructure additions were from expansion of water, wastewater, and electrical systems. The increase of construction in progress was from the Airport taxiway rehabilitation project and fiber infrastructure expansion. The City also completed a large phase in the wastewater treatment plant upgrades.

**City of Idaho Falls  
Comparative Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019*	2020	2019
Land	\$19,185,401	\$17,974,885	\$9,082,280	\$8,327,972	28,267,681	\$26,302,857
Infrastructure	127,378,836	115,734,489	426,796,424	414,476,416	554,175,260	\$530,210,905
Buildings and improvements	81,477,659	76,740,027	64,185,114	50,952,310	145,662,773	\$127,692,337
Machinery and equipment	38,251,380	34,937,473	40,701,306	38,517,367	78,952,686	\$73,454,840
Construction in progress	2,025,998	6,518,431	37,372,994	35,936,752	39,398,992	\$42,455,183
Accumulated depreciation	(130,374,566)	(119,534,401)	(302,902,865)	(287,958,950)	(433,277,431)	(407,493,351)
<b>Total</b>	<b>\$137,944,708</b>	<b>\$132,370,904</b>	<b>\$275,235,253</b>	<b>\$260,251,867</b>	<b>\$413,179,961</b>	<b>\$392,622,771</b>

\*2019 balances were restated due to the change in the Emergency Medical Service (Ambulance) Fund from a business-type activity to a governmental activity.

Additional information about the City's capital assets can be found in Note IV.D in the notes to the financial statements.

**Debt administration.** For the period ending September 30, 2020, the City's noncurrent liabilities of \$21,568,513 is a decrease of 2.35% compared to the previous year.

City of Idaho Falls' Outstanding Business-type Noncurrent Liabilities

	2020	2019
State of Idaho DEQ note	\$12,800,196	\$13,672,723
Compensated absences – current	904,719	1,710,487
Compensated absences – long-term	879,909	1,200,663
Other	3,057	3,057
<b>Total</b>	<b>\$14,587,881</b>	<b>\$16,586,930</b>

The lease purchase agreements are the acquisition of property over four to five years. The annual payments for these are \$377,634 for principle and interest.

The State of Idaho note is a wastewater treatment facility loan for design and construction. Payments of \$1,079,623 for principle and interest are paid each year.

Additional information about the City's long-term debt can be found in Note IV.F.

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the City increased over last year is reported at 4.6 percent. This compares favorably to the state's average unemployment rate of 5.6 percent.
- Inflationary trends for the City are about the same as the national level.
- Interest rates are expected to remain at low levels throughout fiscal year 2020-2021.

- The City compares favorably with the mountain west region in economic growth. Revenues from building permits remained constant in comparison to the prior year and are projected to slightly increase going forward. The economic outlook remains optimistic with a robust upward trend.
- There have been significant inclines in taxable assessed property value during the year. It is expected that the assessed values will continue to increase in the near future and that this will help support the City's long-term financial goals as a growing city.

These factors and many others were considered in preparing the City's budget for the 2020/21 fiscal year.

The general fund ended the current year with an unassigned fund balance of \$4,947,565. The City has not appropriated any of this unassigned fund balance for spending in the 2020 fiscal year budget.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mark Hagedorn, CPA, City of Idaho Falls, 308 Constitution Way, P.O. Box 50220, Idaho Falls, ID 83405.

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**City of Idaho Falls  
Statement of Net Position  
September 30, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Redevelopment Agency
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,440,605	\$ 4,403,542	\$ 5,844,147	\$ 385,827
Investments	30,572,988	93,453,202	124,026,190	732,931
Receivables (net of allowance for uncollectables)	3,960,535	6,969,598	10,930,133	15,804
Internal balances	(480,550)	480,550	-	-
Due from other governments	2,569,516	2,819,137	5,388,653	4,413
Inventories	794,404	6,389,301	7,183,705	-
Prepaid assets	408,352	-	408,352	-
Net pension asset	18,948,797	-	18,948,797	-
Restricted assets:				
Cash and cash equivalents	4,296,365	1,079,623	5,375,988	-
Capital assets, not being depreciated:				
Land	19,185,401	9,082,280	28,267,681	-
Construction work in progress	2,025,998	37,372,994	39,398,992	-
Capital assets, being depreciated:				
Infrastructure	127,378,836	426,796,424	554,175,260	-
Buildings and improvements	81,477,659	64,185,114	145,662,773	-
Machinery and equipment	38,251,380	40,701,306	78,952,686	-
Accumulated depreciation	(130,374,566)	(302,902,865)	(433,277,431)	-
Total assets	<u>200,455,720</u>	<u>390,830,206</u>	<u>591,285,926</u>	<u>1,138,975</u>
<b>DEFERRED OUTFLOWS</b>				
Deferred outflows related to pensions	6,833,730	2,098,108	8,931,838	-
Total deferred outflows	<u>6,833,730</u>	<u>2,098,108</u>	<u>8,931,838</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	4,458,161	6,064,567	10,522,728	1,889
Accrued wages payable	2,601,221	920,870	3,522,091	-
Security deposits	61,140	-	61,140	89,192
Accrued interest payable	-	22,707	22,707	-
Noncurrent liabilities:				
Due within one year	3,470,987	904,719	4,375,706	-
Due in more than one year	3,509,645	13,683,162	17,192,807	10,942,864
Net pension liability	23,040,077	8,146,165	31,186,242	-
Total liabilities	<u>37,141,231</u>	<u>29,742,190</u>	<u>66,883,421</u>	<u>11,033,945</u>
<b>DEFERRED INFLOWS</b>				
Deferred inflows related to pensions	1,274,717	450,695	1,725,412	-
<b>NET POSITION</b>				
Net investment in capital assets	136,631,434	262,435,057	399,066,491	-
Restricted for:				
Self Insurance	4,296,365	-	4,296,365	-
Conservation program	226,502	-	226,502	-
Debt Service	-	1,079,623	1,079,623	-
Unrestricted	27,719,201	99,220,749	126,939,950	(9,894,970)
Total net position (deficit)	<u>\$ 168,873,502</u>	<u>\$ 362,735,429</u>	<u>\$ 531,608,931</u>	<u>\$ (9,894,970)</u>

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

**City of Idaho Falls**  
**Statement of Activities**  
**For the Year Ended September 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position			Component Unit Redevelopment Agency
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary Government:</b>								
Government activities:								
General government	\$ 11,689,863	\$ 2,846,425	\$ 1,933,345	\$ -	\$ (6,910,093)		\$ (6,910,093)	
Public safety	38,140,250	5,153,924	5,485,944	201,385	(27,298,997)		(27,298,997)	
Streets	10,805,936	694,738	126,600	8,241,160	(1,743,438)		(1,743,438)	
Culture and recreation	16,481,046	4,124,053	42,753	901,586	(11,412,654)		(11,412,654)	
Public works	1,509,780	161,729	-	-	(1,348,051)		(1,348,051)	
Total governmental activities	<u>78,626,875</u>	<u>12,980,869</u>	<u>7,588,642</u>	<u>9,344,131</u>	<u>(48,713,233)</u>		<u>(48,713,233)</u>	
Business-type activities:								
Airport	5,900,235	2,903,260	-	4,669,840		\$ 1,672,865	1,672,865	
Water	9,399,986	11,879,833	5,000	3,058,255		5,543,102	5,543,102	
Sanitation	4,218,654	5,242,067	-	-		1,023,413	1,023,413	
Electric	45,907,252	57,411,155	-	3,039,512		14,543,415	14,543,415	
Fiber	859,592	1,196,859	-	112,065		449,332	449,332	
Wastewater	10,281,212	11,523,985	-	1,878,677		3,121,450	3,121,450	
Total business-type activities	<u>76,566,931</u>	<u>90,157,159</u>	<u>5,000</u>	<u>12,758,349</u>		<u>26,353,577</u>	<u>26,353,577</u>	
Total primary government	<u>\$ 155,193,806</u>	<u>\$ 103,138,028</u>	<u>\$ 7,593,642</u>	<u>\$ 22,102,480</u>	<u>(48,713,233)</u>	<u>26,353,577</u>	<u>(22,359,656)</u>	
<b>Component unit:</b>								
Redevelopment agency	\$ 3,103,956	\$ -	\$ -	\$ -				\$ (3,103,956)
Total component unit	<u>\$ 3,103,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(3,103,956)</u>
General revenues:								
Property taxes					37,032,481	-	37,032,481	1,414,046
Unrestricted sales tax and revenue sharing					9,433,216	-	9,433,216	
Franchise taxes					528,938	-	528,938	
Alcoholic beverage taxes					922,094	-	922,094	
Unrestricted investment earnings					809,911	1,931,181	2,741,092	22,242
Miscellaneous revenue					1,607,462	-	1,607,462	3,295
Transfers					5,123,369	(5,123,369)	-	-
Total general revenues and transfers					<u>55,457,471</u>	<u>(3,192,188)</u>	<u>52,265,283</u>	<u>1,439,583</u>
Change in net position					<u>6,744,238</u>	<u>23,161,389</u>	<u>29,905,627</u>	<u>(1,664,373)</u>
Net position (deficit)-beginning restated					162,129,264	339,574,040	501,703,304	(8,230,597)
Net position (deficit)-ending					<u>\$ 168,873,502</u>	<u>\$ 362,735,429</u>	<u>\$ 531,608,931</u>	<u>\$ (9,894,970)</u>

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

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

	<b>General</b>	<b>Streets Fund</b>	<b>Emergency Medical Services Fund</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 482,267	\$ 207,880	\$ -	\$ 596,828	\$ 1,286,975
Investments	10,234,855	4,411,695	-	12,666,060	27,312,610
Restricted Cash	4,296,365	-	-	-	4,296,365
Tax receivables	816,813	107,840	-	116,604	1,041,257
Loan receivables	-	-	-	226,502	226,502
Receivables	170,486	17,480	1,010,908	1,400,661	2,599,535
Due from other governments	1,521,360	799,869	248,287	-	2,569,516
Due from other Funds	2,385,916	-	-	-	2,385,916
Inventory	527,185	93,757	-	173,462	794,404
Prepaid items	408,352	-	-	-	408,352
Total assets	<u>\$ 20,843,599</u>	<u>\$ 5,638,521</u>	<u>\$ 1,259,195</u>	<u>\$ 15,180,117</u>	<u>\$ 42,921,432</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,304,320	\$ 1,684,355	\$ 366,153	\$ 143,614	\$ 3,498,442
Contracts payable	-	10,000	-	-	10,000
Accrued wages	2,253,605	88,735	-	258,881	2,601,221
Security deposits	4,346	-	-	56,794	61,140
Due to other Funds	-	-	1,359,898	1,026,018	2,385,916
Total liabilities	<u>3,562,271</u>	<u>1,783,090</u>	<u>1,726,051</u>	<u>1,485,307</u>	<u>8,556,719</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	<u>754,517</u>	<u>99,491</u>	<u>-</u>	<u>99,498</u>	<u>953,506</u>
<b>FUND BALANCES</b>					
Nonspendable	935,537	93,757	-	173,462	1,202,756
Restricted	4,296,365	-	-	226,502	4,522,867
Committed	609,351	934,865	-	-	1,544,216
Assigned	5,737,993	2,727,318	-	13,421,795	21,887,106
Unassigned	4,947,565	-	(466,856)	(226,447)	4,254,262
Total fund balances	<u>16,526,811</u>	<u>3,755,940</u>	<u>(466,856)</u>	<u>13,595,312</u>	<u>33,411,207</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,843,599</u>	<u>\$ 5,638,521</u>	<u>\$ 1,259,195</u>	<u>\$ 15,180,117</u>	<u>\$ 42,921,432</u>

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

**City of Idaho Falls**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**September 30, 2020**

Total fund balances reported on the governmental funds balance sheet	\$ 33,411,207
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	137,944,708
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Net pension asset	18,948,797
Internal service funds are used by management to charge the costs of workers' compensation to individual funds. The assets and liabilities of the fund are included in governmental activities in the statement of net position.	2,076,980
Deferred inflows and outflows	
Deferred outflows related to pensions	6,833,730
Deferred inflows related to pensions	(1,274,717)
Deferred inflows related to property taxes	953,506
Long-term liabilities, including compensated absences and net pension liability are not due and payable in the current period, and, therefore, are not reported in the funds.	
Compensated absences	(5,667,358)
Lease purchase	(1,313,274)
Net pension liability	(23,040,077)
Net position of governmental activities	\$ 168,873,502

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

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

	<b>General</b>	<b>Streets Fund</b>	<b>Emergency Medical Services Fund</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes	\$ 29,183,437	\$ 4,396,587	\$ -	\$ 3,822,469	\$ 37,402,493
Licenses and permits	1,364,916	-	-	-	1,364,916
Intergovernmental	10,712,464	2,891,637	3,171,796	2,675,619	19,451,516
Charges for services	1,269,635	-	3,078,858	4,679,501	9,027,994
Fines	384,101	-	-	6,894	390,995
Interest	426,025	71,196	-	254,396	751,617
Miscellaneous	765,355	110,311	31,322	1,351,698	2,258,686
Total revenues	<u>44,105,933</u>	<u>7,469,731</u>	<u>6,281,976</u>	<u>12,790,577</u>	<u>70,648,217</u>
<b>EXPENDITURES</b>					
Current:					
General government	8,317,525	-	-	388,849	8,706,374
Public safety	27,656,681	-	6,753,559	1,165,026	35,575,266
Streets	-	6,929,234	-	-	6,929,234
Culture & recreation	7,761,778	-	-	8,098,053	15,859,831
Public works	1,393,171	-	-	-	1,393,171
Capital outlay	-	-	-	1,744,918	1,744,918
Lease-purchase	1,689,266	-	-	-	1,689,266
Debt Service	375,992	-	-	-	375,992
Total expenditures	<u>47,194,413</u>	<u>6,929,234</u>	<u>6,753,559</u>	<u>11,396,846</u>	<u>72,274,052</u>
Excess (deficiency) of revenues over expenditures	<u>(3,088,480)</u>	<u>540,497</u>	<u>(471,583)</u>	<u>1,393,731</u>	<u>(1,625,835)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Purchase	1,689,266	-	-	-	1,689,266
Transfers in	4,693,819	-	-	1,096,610	5,790,429
Transfers out	(667,060)	-	-	-	(667,060)
Total other financing sources (uses)	<u>5,716,025</u>	<u>-</u>	<u>-</u>	<u>1,096,610</u>	<u>6,812,635</u>
Net change in fund balances	2,627,545	540,497	(471,583)	2,490,341	5,186,800
Fund balances, beginning	13,899,266	3,215,443	4,727	11,104,971	28,224,407
Fund balances, ending	<u>\$ 16,526,811</u>	<u>\$ 3,755,940</u>	<u>\$ (466,856)</u>	<u>\$ 13,595,312</u>	<u>\$ 33,411,207</u>

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

**City of Idaho Falls**  
**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, 2020**

Net change in fund balances-total governmental funds	\$	5,186,800
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays less donations, transfers and the disposition of work in progress trailed depreciation in the current period.</p>		(4,356,623)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (i.e., Contributed capital)</p>		
Contributed capital		8,241,160
Unavailable revenue		158,925
<p>Governmental funds report principle repayment on debt as an expenditure. However, in the statement of activities debt payments are not an expense.</p>		375,992
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (i.e., compensated absences, pension expense, and other postemployment benefits liability).</p>		
Pension expense		(3,562,516)
Compensated absences		525,433
<p>Internal service funds are used by management to charge the costs of workers' compensation claims to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		175,067
Change in net position of governmental activities	<u>\$</u>	<u>6,744,238</u>

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

**City of Idaho Falls**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 29,203,301	\$29,203,301	\$ 29,183,437	\$ (19,864)
Licenses and permits	999,350	999,350	1,364,916	365,566
Intergovernmental	10,944,912	10,944,912	10,712,464	(232,448)
Charges for services	1,808,950	1,808,950	1,269,635	(539,315)
Fines	301,450	301,450	384,101	82,651
Interest	185,000	185,000	426,025	241,025
Miscellaneous	979,453	979,453	765,355	(214,098)
Total revenues	<u>44,422,416</u>	<u>44,422,416</u>	<u>44,105,933</u>	<u>(316,483)</u>
<b>EXPENDITURES</b>				
Current:				
General government	11,581,951	10,635,340	8,317,525	2,317,815
Public safety	30,158,938	29,892,150	27,656,681	2,235,469
Culture and recreation	9,861,653	10,011,342	7,761,778	2,249,564
Public works	2,377,669	2,073,669	1,393,171	680,498
Total expenditures	<u>53,980,211</u>	<u>52,612,501</u>	<u>45,129,155</u>	<u>7,483,346</u>
Excess (deficiency) of revenues over expenditures	<u>(9,557,795)</u>	<u>(8,190,085)</u>	<u>(1,023,222)</u>	<u>7,166,863</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,701,819	4,701,819	4,693,819	(8,000)
Transfers out	-	-	(667,060)	(667,060)
Total other financing sources (uses)	<u>4,701,819</u>	<u>4,701,819</u>	<u>4,026,759</u>	<u>(675,060)</u>
Net change in fund balances	(4,855,976)	(3,488,266)	3,003,537	6,491,803
Fund balance, beginning	<u>13,899,266</u>	<u>13,899,266</u>	<u>13,899,266</u>	<u>-</u>
Fund balance, ending	<u>\$ 9,043,290</u>	<u>\$10,411,000</u>	<u>\$ 16,902,803</u>	<u>\$ 6,491,803</u>

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

**City of Idaho Falls, Idaho**  
**Streets Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 4,454,181	\$ 4,454,181	\$ 4,396,587	\$ (57,594)
Intergovernmental	2,875,200	2,875,200	2,891,637	16,437
Interest	1,500	1,500	71,196	69,696
Miscellaneous	20,000	20,000	110,311	90,311
Total revenues	<u>7,350,881</u>	<u>7,350,881</u>	<u>7,469,731</u>	<u>118,850</u>
<b>EXPENDITURES</b>				
Streets	<u>8,583,020</u>	<u>9,298,885</u>	<u>6,929,234</u>	<u>2,369,651</u>
Excess of revenues over (under) expenditures	<u>(1,232,139)</u>	<u>(1,948,004)</u>	<u>540,497</u>	<u>2,488,501</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(1,232,139)	(1,948,004)	540,497	2,488,501
Fund balances - beginning	<u>3,215,443</u>	<u>3,215,443</u>	<u>3,215,443</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,983,304</u>	<u>\$ 1,267,439</u>	<u>\$ 3,755,940</u>	<u>\$ 2,488,501</u>

**City of Idaho Falls, Idaho**  
**Emergency Medical Services Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,142,676	3,142,676	3,171,796	29,120
Charges for Service	3,400,000	3,400,000	3,078,858	(321,142)
Miscellaneous	33,000	33,000	31,322	(1,678)
Total revenues	<u>6,575,676</u>	<u>6,575,676</u>	<u>6,281,976</u>	<u>(293,700)</u>
<b>EXPENDITURES</b>				
Public Safety	<u>7,841,780</u>	<u>7,841,780</u>	<u>6,753,559</u>	<u>1,088,221</u>
Excess of revenues over (under) expenditures	<u>(1,266,104)</u>	<u>(1,266,104)</u>	<u>(471,583)</u>	<u>794,521</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(1,266,104)	(1,266,104)	(471,583)	794,521
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>4,727</u>	<u>4,727</u>
Fund balances - ending	<u>\$ (1,266,104)</u>	<u>\$ (1,266,104)</u>	<u>\$ (466,856)</u>	<u>\$ 799,248</u>

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

	<b>Business-type Activities-Enterprise Funds</b>							<b>Governmental Activities- Internal Service Funds</b>
	<b>Airport</b>	<b>Water</b>	<b>Sanitation</b>	<b>Electric</b>	<b>Fiber</b>	<b>Wastewater</b>	<b>Total</b>	
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 1,764	\$ 566,851	\$ 239,174	\$ 2,469,285	\$ 35,855	\$ 1,090,613	\$ 4,403,542	\$ 153,630
Investments	37,447	12,029,862	5,075,818	52,403,867	760,920	23,145,288	93,453,202	3,260,378
Receivables (net of allowance for uncollectibles):								
Utility & accounts	243,236	1,041,553	474,102	4,018,192	50,785	850,688	6,678,556	83,588
Interest	1,835	36,388	15,495	163,170	387	73,767	291,042	9,653
Due from other governments	2,819,137	-	-	-	-	-	2,819,137	
Due from other funds	-	-	-	3,002,943	-	-	3,002,943	
Inventory	-	1,531,446	-	4,470,125	385,952	1,778	6,389,301	
Net pension asset	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>3,103,419</b>	<b>15,206,100</b>	<b>5,804,589</b>	<b>66,527,582</b>	<b>1,233,899</b>	<b>25,162,134</b>	<b>117,037,723</b>	<b>3,507,249</b>
Noncurrent assets:								
Restricted assets:								
Cash and cash equivalents	-	-	-	-	-	1,079,623	1,079,623	-
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,079,623</b>	<b>1,079,623</b>	<b>-</b>
Capital assets:								
Land	3,369,667	561,950	-	3,932,994	-	1,217,669	9,082,280	-
Buildings	17,839,581	1,446,370	430,756	5,321,461	-	39,146,946	64,185,114	-
Improvements other than buildings	56,283,261	76,115,052	39,385	223,270,889	7,759,580	63,328,257	426,796,424	-
Machinery & equipment	3,846,425	2,939,289	7,916,389	12,007,726	179,156	13,812,321	40,701,306	-
Construction work in progress	16,511,020	4,221,991	47,500	9,374,363	6,923,921	294,199	37,372,994	-
Less accumulated depreciation	(50,412,946)	(41,256,707)	(5,307,856)	(151,998,277)	(4,115,678)	(49,811,401)	(302,902,865)	-
<b>Total capital assets (net of accumulated depreciation)</b>	<b>47,437,008</b>	<b>44,027,945</b>	<b>3,126,174</b>	<b>101,909,156</b>	<b>10,746,979</b>	<b>67,987,991</b>	<b>275,235,253</b>	<b>-</b>
<b>Total assets</b>	<b>50,540,427</b>	<b>59,234,045</b>	<b>8,930,763</b>	<b>168,436,738</b>	<b>11,980,878</b>	<b>94,229,748</b>	<b>393,352,599</b>	<b>3,507,249</b>
Deferred outflow of resources								
Deferred outflows related to pensions	163,606	173,451	214,671	1,146,615	73,075	326,690	2,098,108	-
<b>Total deferred outflow of resources</b>	<b>163,606</b>	<b>173,451</b>	<b>214,671</b>	<b>1,146,615</b>	<b>73,075</b>	<b>326,690</b>	<b>2,098,108</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 50,704,033</b>	<b>\$ 59,407,496</b>	<b>\$ 9,145,434</b>	<b>\$ 169,583,353</b>	<b>\$ 12,053,953</b>	<b>\$ 94,556,438</b>	<b>\$ 395,450,707</b>	<b>\$ 3,507,249</b>

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

**Business-type Activities-Enterprise Funds**

**Governmental  
Activities-  
Internal  
Service Funds**

**LIABILITIES**

	<b>Airport</b>	<b>Water</b>	<b>Sanitation</b>	<b>Electric</b>	<b>Fiber</b>	<b>Wastewater</b>	<b>Total</b>	
<b>Current liabilities:</b>								
Accounts payable	\$ 600,101	\$ 820,695	\$ 178,419	\$ 2,163,210	\$ 1,677,067	\$ 625,075	\$ 6,064,567	\$ 949,719
Accrued wages	60,349	81,403	104,274	490,775	32,504	151,565	920,870	-
Due to(from) other funds	-	-	-	-	3,002,943	-	3,002,943	-
Compensated absences	58,606	61,751	76,475	566,850	18,649	122,388	904,719	-
Accrued interest payable	-	-	-	-	-	22,707	22,707	-
<b>Total current liabilities</b>	<b>719,056</b>	<b>963,849</b>	<b>359,168</b>	<b>3,220,835</b>	<b>4,731,163</b>	<b>921,735</b>	<b>10,915,806</b>	<b>949,719</b>
<b>Noncurrent liabilities:</b>								
Other post employment benefits	-	-	-	3,057	-	-	3,057	-
Compensated absences	51,142	60,493	85,389	504,135	13,626	165,124	879,909	-
Net pension liability	635,219	673,446	833,487	4,451,877	283,722	1,268,414	8,146,165	-
Loan payable	-	-	-	-	-	12,800,196	12,800,196	-
<b>Total noncurrent liabilities</b>	<b>686,361</b>	<b>733,939</b>	<b>918,876</b>	<b>4,959,069</b>	<b>297,348</b>	<b>14,233,734</b>	<b>21,829,327</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,405,417</b>	<b>1,697,788</b>	<b>1,278,044</b>	<b>8,179,904</b>	<b>5,028,511</b>	<b>15,155,469</b>	<b>32,745,133</b>	<b>949,719</b>
<b>Deferred inflow of resources</b>								
Deferred inflows related to pensions	35,144	37,259	46,114	246,305	15,697	70,176	450,695	-
<b>Total deferred inflow of resources</b>	<b>35,144</b>	<b>37,259</b>	<b>46,114</b>	<b>246,305</b>	<b>15,697</b>	<b>70,176</b>	<b>450,695</b>	<b>-</b>
<b>NET POSITION</b>								
Net investment in capital assets	47,437,008	44,027,945	3,126,174	101,909,156	10,746,979	55,187,795	262,435,057	-
Restricted for debt service	-	-	-	-	-	1,079,623	1,079,623	-
Unrestricted	1,826,464	13,644,504	4,695,102	59,247,988	(3,737,234)	23,063,375	98,740,199	2,557,530
<b>Total net position</b>	<b>\$ 49,263,472</b>	<b>\$ 57,672,449</b>	<b>\$ 7,821,276</b>	<b>\$ 161,157,144</b>	<b>\$ 7,009,745</b>	<b>\$ 79,330,793</b>	<b>362,254,879</b>	<b>\$ 2,557,530</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 50,704,033</b>	<b>\$ 59,407,496</b>	<b>\$ 9,145,434</b>	<b>\$ 169,583,353</b>	<b>\$ 12,053,953</b>	<b>\$ 94,556,438</b>		

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net position of business-type activities

480,550  
\$ 362,735,429

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

**City of Idaho Falls**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2020**

	<b>Business-type Activities-Enterprise Funds</b>							<b>Governmental Activities- Internal Service Funds</b>
	<b>Airport</b>	<b>Water</b>	<b>Sanitation</b>	<b>Electric</b>	<b>Fiber</b>	<b>Wastewater</b>	<b>Total</b>	
Operating revenues:	\$ 2,903,260	\$ 11,879,833	\$ 5,242,067	\$ 57,411,155	\$ 1,196,859	\$ 11,523,985	\$ 90,157,159	\$ 1,210,345
Operating expenses:								
Operations and maintenance	3,495,733	7,087,808	3,590,957	39,558,028	478,775	6,703,652	60,914,953	1,035,850
Depreciation	2,409,047	2,319,419	630,947	6,384,587	381,479	3,346,915	15,472,394	-
Total operating expenses	5,904,780	9,407,227	4,221,904	45,942,615	860,254	10,050,567	76,387,347	1,035,850
Operating income (loss)	(3,001,520)	2,472,606	1,020,163	11,468,540	336,605	1,473,418	13,769,812	174,495
Nonoperating revenues (expenses):								
Intergovernmental	4,669,840	5,000	-	-	-	-	4,674,840	-
Interest income	8,831	230,880	95,360	1,092,599	4,315	499,196	1,931,181	58,294
Other	-	-	-	-	-	-	-	1,074
Interest expense	-	-	-	-	-	(238,380)	(238,380)	-
Total nonoperating revenues (expenses)	4,678,671	235,880	95,360	1,092,599	4,315	260,816	6,367,641	59,368
Net income (loss) before contributions and transfers	1,677,151	2,708,486	1,115,523	12,561,139	340,920	1,734,234	20,137,453	233,863
Capital contributions	-	3,058,255	-	3,039,512	112,065	1,878,677	8,088,509	-
Transfers in(out)	-	(504,140)	(233,470)	(5,085,575)	1,245,006	(545,190)	(5,123,369)	-
Change in net position	1,677,151	5,262,601	882,053	10,515,076	1,697,991	3,067,721	23,102,593	233,863
Net position-beginning	47,586,321	52,409,848	6,939,223	150,642,068	5,311,754	76,263,072	232,242,286	2,323,667
Net position-ending	\$ 49,263,472	\$ 57,672,449	\$ 7,821,276	\$ 161,157,144	\$ 7,009,745	\$ 79,330,793	\$ 255,572,879	\$ 2,557,530
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							58,796	
Change in net position of business-type activities							\$ 23,161,389	

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

**City of Idaho Falls  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2020**

	<b>Business-type Activities-Enterprise Funds</b>							<b>Governmental Activities- Internal Service Funds</b>
	<b>Airport</b>	<b>Water</b>	<b>Sanitation</b>	<b>Electric</b>	<b>Fiber</b>	<b>Wastewater</b>	<b>Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 2,957,067	\$ 11,796,286	\$ 5,242,349	57,450,453	1,147,183	\$ 11,569,817	\$ 90,163,155	\$ -
Cash received from other funds	-	-	-	-	-	-	-	1,210,345
Payments to suppliers	(2,425,703)	(6,278,651)	(1,359,220)	(30,807,744)	(522,446)	(3,835,754)	(45,229,518)	(1,041,438)
Payments to employees	(1,407,641)	(1,584,710)	(2,044,123)	(9,391,098)	(635,236)	(2,895,071)	(17,957,879)	-
Net cash provided (used) by operations	<u>(876,277)</u>	<u>3,932,925</u>	<u>1,839,006</u>	<u>17,251,611</u>	<u>(10,499)</u>	<u>4,838,992</u>	<u>26,975,758</u>	<u>168,907</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Intergovernmental revenues	4,902,933	5,000	-	-	-	-	4,907,933	-
Other, net	-	-	-	-	-	-	-	1,074
Transfers (To) From other funds	-	(504,140)	(233,470)	(8,088,518)	4,247,949	(545,190)	(5,123,369)	-
Net cash provided (used) by noncapital financing activities	<u>4,902,933</u>	<u>(499,140)</u>	<u>(233,470)</u>	<u>(8,088,518)</u>	<u>4,247,949</u>	<u>(545,190)</u>	<u>(215,436)</u>	<u>1,074</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition and construction of capital assets	(4,279,567)	(2,909,385)	(977,856)	(9,233,770)	(4,394,021)	(1,751,558)	(23,546,157)	-
Capital contributions received	-	-	-	2,571,975	-	-	2,571,975	-
Principle paid on capital debt	-	-	-	-	-	(850,712)	(850,712)	-
Interest paid on capital debt	-	-	-	-	-	(249,288)	(249,288)	-
Net cash provided (used) by capital and related financing activities	<u>(4,279,567)</u>	<u>(2,909,385)</u>	<u>(977,856)</u>	<u>(6,661,795)</u>	<u>(4,394,021)</u>	<u>(2,851,558)</u>	<u>(22,074,182)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Proceeds from sale of investments	248,151	9,888,482	3,830,403	43,672,022	622,498	17,506,048	75,767,604	2,671,401
Purchase of investments	(36,018)	(11,570,949)	(4,882,187)	(50,404,774)	(1,383,417)	(21,171,733)	(89,449,078)	(3,136,001)
Earnings on investments	7,850	286,628	103,937	1,294,510	11,285	606,387	2,310,597	58,294
Net cash provided (used) by investing activities	<u>219,983</u>	<u>(1,395,839)</u>	<u>(947,847)</u>	<u>(5,438,242)</u>	<u>(749,634)</u>	<u>(3,059,298)</u>	<u>(11,370,877)</u>	<u>(406,306)</u>

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

	<b>Airport</b>	<b>Water</b>	<b>Sanitation</b>	<b>Electric</b>	<b>Fiber</b>	<b>Wastewater</b>	<b>Total</b>	<b>Internal Service</b>
Net increase (decrease) in cash and cash equivalents	(32,928)	(871,439)	(320,167)	(2,936,944)	(906,205)	(1,617,054)	(6,684,737)	(236,325)
Cash and cash equivalents balance, October 1	34,692	1,438,290	559,341	5,406,229	942,060	2,707,667	11,088,279	389,955
Cash and cash equivalents balance, September 30	\$ 1,764	\$ 566,851	\$ 239,174	\$ 2,469,285	\$ 35,855	\$ 1,090,613	\$ 4,403,542	\$ 153,630
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>								
Operating income (loss)	\$ (3,001,520)	\$ 2,472,606	\$ 1,020,163	\$ 11,468,540	\$ 336,605	\$ 1,473,418	\$ 13,769,812	\$ 174,495
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	2,409,047	2,319,419	630,947	6,384,587	381,479	3,346,915	15,472,394	-
Change in pension accounts	111,539	135,580	147,842	781,269	226,344	188,455	1,591,029	-
(Increase) decrease in accounts receivable	53,807	(83,547)	282	39,298	(49,676)	45,832	5,996	1,239
(Increase) decrease inventory	-	1,442	-	(366,983)	(214,407)	(1,778)	(581,726)	-
(Decrease) increase accounts payable	(430,033)	(919,313)	71,716	(990,048)	(747,211)	(150,415)	(3,165,304)	(6,827)
(Decrease) increase in accrued liabilities	(19,117)	6,738	(31,944)	(65,052)	56,367	(63,435)	(116,443)	-
Total adjustments	2,125,243	1,460,319	818,843	5,783,071	(347,104)	3,365,574	13,205,946	(5,588)
Net cash provided (used) by operating activities	\$ (876,277)	\$ 3,932,925	\$ 1,839,006	\$ 17,251,611	\$ (10,499)	\$ 4,838,992	\$ 26,975,758	\$ 168,907
<b>Noncash investing, capital, and financing activities:</b>								
Contributions of capital assets	-	3,058,255	-	578,391	112,065	1,878,677	5,627,388	-

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

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**City of Idaho Falls**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2020**

**I. Summary of Significant Accounting Policies**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements and the major-fund financial statements along with the notes to the financial statements comprise the City's basic financial statements. The government-wide financial statements (the statement of net position and the statement of activities) concentrate on the City as a whole and do not emphasize fund types but rather a governmental and business-type classification. The governmental activities and business-type activities comprise the primary government. Neither fiduciary funds nor component units that are fiduciary in nature are included. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The purpose of the government-wide financial statements is to allow users of the financial statements to be able to determine if the City is in a better or worse financial position than the prior year.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes and other revenues are reported as general revenues.

The City's major funds are presented in separate columns on the governmental fund financial statements and the proprietary fund financial statements. The definition of a major fund is one that meets certain criteria set forth in Governmental Accounting Standards Board (GASB) Statement Number 34, Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments. The funds that do not meet the criteria of a major fund are combined into a single column on the fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's sewer and solid waste functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions presented. Indirect charges have been eliminated in the entity-wide statements.

Internal service fund activity is reported in full on the proprietary fund financial statements. The individual internal service funds are combined and thus reported in a single summary column on the proprietary fund financial statements. However, the internal service fund activity has been eliminated – except for outside activity – and is combined on the government-wide financial statements as governmental activities. The outside activities may be premiums paid from outside entities for auto and equipment repair.

**B. Reporting Entity**

The City of Idaho Falls (the City) was incorporated in 1889 under the laws of the State of Idaho. The City operates under a Mayor-Council form of government. The Mayor is elected for a four-year term and the Council consists of six members, each serving a four-year term. The City provides the following services: public safety (police, fire, ambulance and animal control), planning and building, parks and recreation, streets, library, public works, airport, water, wastewater, electric, fiber, sanitation and general and administrative services. The accompanying financial statements present the City and its component unit, an entity for which the City is considered financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

**Discretely Presented Component Unit.** The Idaho Falls Redevelopment Agency (the Agency) was originally created in 1966 and re-established in 1988 by the Idaho Falls City Council for the purpose of redeveloping and rehabilitating certain deteriorating areas within the City. The Agency is governed by seven members who are appointed by the Mayor and subsequently approved by the Council. The Agency is authorized under the provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code).

The Agency is a component unit, as defined by generally accepted accounting principles, of the City of Idaho Falls, Idaho, because of its operational or financial relationship with the City. The City appoints the governing body of the Agency and the council has authority over the board's actions.

The Agency's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for the state and local governments through its pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Agency are discussed below.

Separately issued financial reports are available for the Idaho Falls Redevelopment Agency. These reports may be obtained by contacting the City of Idaho Falls City Clerk's office.

### **C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The Governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for the governmental funds and proprietary funds.

As discussed earlier, the City has one discretely presented component unit. This component unit is presented separately in the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water, sanitation, electric, and wastewater functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### **D. Basis of Presentation - Fund Financial Statements**

The fund financial statements provide information about the City's individual funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General fund is the City's primary operating fund. It accounts for financial resources of the general government except those required to be accounted for in another fund. Some of these activities include general administration, police, fire, community development, parks and public works.

The Streets Fund is a special revenue fund used to account for the activities associated with maintenance of City roads.

The Emergency Medical Services is a special revenue fund and accounts for the activities associated with operating the City's ambulance service.

The City reports the following major enterprise funds:

The Airport fund accounts for the activities of the City airport.

The Water fund is used to account for the operations of the water distribution system.

The Electric fund accounts for the activities of the City's Idaho Falls Power electric generation, transmission and distribution operations.

The Wastewater fund is used to account for the operations of wastewater treatment plants and wastewater pumping and collection systems.

The City has elected to report the following proprietary fund that would normally be classified as a non-major as a major fund:

The Sanitation fund accounts for the activities associated with the City's trash collection operations.

The Fiber fund accounts for the activities associated with the City's Fiber optic operations.

These funds are used to account for operations that are financed and operated in a manner similar to private business when the intent of the governing body is that 1) the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered, primarily through user charges or, 2) when the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the City reports the following additional fund type:

The Risk Management fund is an internal service fund used to account for risk management services including liability insurance and self-insured workers' compensation provided to other City departments on a cost reimbursement basis.

Generally, the effect of interfund activity is eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the government when elimination

of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods or services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and products and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges for services to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

#### **E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are considered eligible for accrual and have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the applicable accrual criteria are met. All other revenue items are considered measurable and available only when cash is received by the City.

The proprietary funds are reported using the economic resources measurement focus and accrual basis of accounting.

#### **F. Accounting Changes**

The Emergency Medical Services fund has been reclassified from being an Enterprise Fund to a Governmental Fund. Further Discussion on the restatement of beginning net position can be found in Section IV Note I.

## **G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

### **1. Cash and Investments**

Cash and cash equivalents are defined as unrestricted cash on hand, demand deposits, short-term investments and restricted cash and investments with original maturities of three months or less from the date of acquisition. At September 30, 2020, the City did not report any cash equivalents. Investments are reported at fair market value. At September 30, 2020, the City reported \$5,375,988 as restricted cash to fulfill debt service requirements. The City pools its investable funds to maximize interest income. Interest income earned as a result of pooling is distributed to the appropriate funds based on the average balance of pooled cash of each fund. Investments are stated at fair market value.

Idaho Code provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. City policy is consistent with this direction. The City of Idaho Falls is empowered by Idaho Code § 50-1013, to invest in the following types of securities and others as outlined in Idaho Code § 50-1013:

- Revenue bonds issued by the Revenue Bond Act.
- City coupon bonds provided under section I.C. § 50-1019.
- Local improvement district bonds provided under Idaho Code Chapter 17, Title 50.
- Time deposit accounts with public depositories.
- Bonds, treasury bills, interest-bearing notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest that include but are not limited to U.S. Treasuries and Government National Mortgage Association securities.
- General obligations bonds of the State of Idaho, or those for which the faith and credit of this State are pledged for the payment of principal and interest.
- General obligation bonds of any county, city, metropolitan water district municipal utility district, school district, or other taxing district of this State.
- Notes, bonds, debentures, mortgage pass-through securities or other similar obligations issued by the Farm Credit System or institutions forming a part thereof under the Farm Credit Act of 1971 and all Acts of Congress amendatory thereof or supplementary thereto as outlined in Idaho Code § 50-1013, including but not limited to the following federal agencies: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Company, Federal National Mortgage Association.
- Bonds, notes or other similar obligations issued by public corporations of the State of Idaho including, but not limited to, the Idaho State Building Authority, the Idaho Housing Authority and the Idaho Water Resource Board, but such investment shall not extend beyond seven (7) days.

- Repurchase agreements and reverse repurchase agreements covered by any legal investment for the State of Idaho or as otherwise allowed by this section, provided that reverse repurchase agreements shall only be used for the purpose of liquidity and not for leverage or speculation.
- Tax anticipation bonds or notes, income and revenue anticipation bonds or notes and registered warrants of the State of Idaho or of taxing districts of the State of Idaho.
- Time deposit accounts and other savings accounts of state or federal savings and loan associations located within the geographical boundaries of the state in amounts not to exceed the insurance provided by the federal savings and loan corporation, including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.
- Share, savings and deposit accounts of state and federal credit unions located within the geographic boundaries of the state in amounts not to exceed the insurance provided by the national credit union share insurance fund and/or any other share guaranty corporation, including, but not limited to accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.
- Prime banker's acceptances and prime commercial paper rated in the highest tier (e.g. A-1, D-1 or higher) by a nationally recognized rating agency. Commercial Paper must be issued by corporations organized and operating with the U.S. and having assets in excess of \$500,000,000.
- Money market funds, mutual funds, or any other similar funds to include a local agency investment pool whose portfolios consist of any allowed investment as specified in this section.
- Bonds, debentures or notes of any corporation organized, controlled and operating within the United States which, at the time of their purchase, have an "A" rating or higher by a commonly known rating service. No more than 10 percent may be invested in any one issuer.

## **2. Receivables and Payables**

Delinquent utility receivables are carried in the accounts of the utility funds for five years from the date of the last transaction before they are written off against the allowance for doubtful accounts. Such amounts are included in the allowance for doubtful accounts after one year with no activity. All trade receivables are shown net of allowance for uncollectible accounts.

The property tax levy rate is set in September and the dollar amount is set in November for the following calendar year. Levies are determined on the second Monday of September. All of the personal property tax and one-half of the real property tax are due on or before December 20. The remaining one-half of the real property tax is due on or before June 20, of the following year. Property taxes attach as an enforceable lien on property as of January 1, of the following year. Notice of foreclosure is filed with the County Clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year.

Due from other governments represent grants, shared revenues, charges for services, or other contributions that are due but not yet received from federal, state, or local governmental units. These amounts are considered due when the City fulfills the terms of the agreements or contracts.

The Internal Service Fund maintains liabilities for workers' compensation claims in relation to being self-insured. Outstanding reserve for current claims total \$877,328 and is presented with accounts payable in the internal service fund.

### 3. Inventory

Inventory is reported using the average cost method. Inventory for all funds except for the Golf Fund consist of expendable supplies held for consumption and is recorded as an expense when consumed (consumption method). Inventory for the Golf Fund consists of items for resale.

### 4. Capital Assets

Capital assets, including property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements. The City capitalization threshold for capitalizing property, plant, and equipment is generally an initial cost of more than \$10,000 and an estimated useful life in excess of two years. Infrastructure, water and wastewater lines, wells, electrical distribution and transmission lines and generation facility costs are summarized at year-end and recorded as summary totals for the year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets are depreciated except for land, land improvements, and construction in progress. Depreciable assets are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	7-50
Improvements other than buildings	5-50
Machinery and equipment	3-50
Infrastructure	25-50

### 5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of deferred outflow of resources. This amount relates to the City's allocable share of the effect of changes during the year on the valuation of the net pension liability or asset. This amount is reported only in the business-type funds and in the government-wide financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as inflow of resources (revenue) until that time. The City has two types of items in this area. One item, which arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet and represents unavailable revenues from property taxes and grant revenues received in advance. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second type of deferred inflow relates to the effect of changes during the year in the calculation of the net pension liability.

## **6. Compensated Absences**

### **a. Governmental funds:**

The City reports compensated absences for the governmental funds in accordance with the provision of GASB Interpretation No. 6 "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*". The City uses the current financial resources measurement focus and the modified accrual basis of accounting, therefore, a liability for these amounts is reported in the governmental funds only if they have matured, for example, resulting from employee resignations or retirements.

### **b. Enterprise funds:**

The City reports compensated absences for the enterprise funds in accordance with the provisions of GASB No. 16, "*Accounting for Compensated Absences*". Vacation 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 City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits in the future. The amount is based on eligible accumulated sick leave and employee wage rates at retirement.

The entire compensated absence liability is reported on the government-wide financial statements.

## **7. Long-Term Obligations**

In the government-wide financial statements and in the fund financial statements for the proprietary funds, long-term debt and other long-term obligations are reported as noncurrent liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. In the fund financial statements, governmental fund types recognize the face amount of debt issued, including capital leases, as other financing sources.

## **8. Pensions**

For purposes of measuring the net pension liability and pension expense (revenue), information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and the Firefighters' Retirement Fund Plan (FRF) and additions to/deductions from Base Plan's and FRF's fiduciary net position have been determined on the same basis as they are reported by the Base Plan and FRF. 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.

## **9. Fund Balance**

In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Designations of fund balance as non-spendable, restricted, committed, assigned, or unassigned are based upon the types of constraints placed on the outstanding balances.

## **H. Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. The actual results could differ from these estimates.

**II. Reconciliation of Government-Wide and Fund Financial Statements**

**A. Explanation of Certain Differences Between the Government Fund Balance Sheet and the Government Wide Statement of Net Position**

The government fund balance sheet includes a reconciliation between the fund balance of the total governmental funds and the net position of the governmental activities as reported in the Government-Wide Statement of Net Position. The principal element of that difference is reported as the net investment in capital assets. The government capital assets of \$137,944,708 represents the entire net book value of the City's governmental capital assets after deducting \$130,374,566 in accumulated depreciation.

- The reconciliation explains that certain assets or receivables are not financial resources and are reported as unavailable revenue. The total unavailable revenue of \$953,506 is related to the collection of property taxes not collected in the current period.
- Internal service funds are used to charge certain activities, such as insurance, to respective funds that use them. The assets and liabilities of the internal service fund applicable to governmental activities are included in the government wide statements. The total amount of assets and liabilities allocable to government activities is \$2,076,980.
- The reconciliation explains that long-term liabilities are not due and payable in the current period and therefore not reported in the funds. The long-term liability amount of \$5,667,358 is related to compensated absences derived from unused sick and vacation hours of the City's employees. The long-term liability of \$1,313,274 is related to lease purchase agreements of capital assets.
- Pension amounts relating to the City's allocable portion of Public Employee Retirement System of Idaho Assets, Liabilities, and deferred outflows and inflows are not reported in the funds. The City's portion of the Public Retirement System of Idaho are as follows:

Net pension asset	\$18,948,797
Deferred outflows	\$6,833,730
Deferred Inflows	(\$1,274,717)
Net pension liability	(\$23,040,077)

**B. Explanation of Certain Differences Between the Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balances and Government-Wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in Fund Balances-Total Governmental Funds and changes in net position of governmental activities as reported in the Government-Wide Statement of Activities. One element of that reconciliation explains that governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Net increase in capitalized assets	\$ 17,528,594
Contributed capital	(8,241,160)
Debt related to capital acquisition	(1,689,266)
Depreciation expense	<u>(11,954,791)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>(\$ 4,356,623)</u>

- Revenues that do not provide current financial resources, meaning they are not available to pay current expenditures, are not reported as revenues in the funds. Revenues that do not provide current financial resources are contributed capital of \$8,241,160 and net change in unavailable revenues from property taxes of \$158,925 for a net increase of \$8,400,085 to changes in net position of governmental activities.
- The net revenue of the internal service fund applicable to governmental activities that are included in the government wide statements is \$175,067.
- Another element of the reconciliation states that some expense do not require the use of current financial resources and are not reported in the funds statements. These expenditures are pension expense of (\$3,562,515) and the current period change in compensated absences of \$525,432.
- Debt payments are reported as expense in the governmental funds are not an expense on the statement of activities. Total debt payments are \$375,992.

**C. Explanation of Certain Differences Between the Proprietary Fund Statement of Net Position and the Government-Wide Statement of Net Position**

The proprietary fund Statement of Net Position includes a reconciliation between Net Position – Total Enterprise Funds and the net position of business-type activities as reported in the government-wide Statement of Net Position. The description of the sole element of that reconciliation is “Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The detail of this difference is as follows:

Internal receivable representing charges in excess of cost to business-type activities-prior years	\$ 421,754
Internal receivable representing charges in excess of cost to business-type activities-current year	58,796
	<hr/>
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	<u>\$ 480,550</u>

### **III. Stewardship, Compliance, and Accountability**

#### **A. Budgetary Information**

All governmental and proprietary fund types are legally required to adopt an annual budget.

Budgets are adopted and are reported on in the financial statements with a basis that is consistent with generally accepted accounting principles.

The City uses an encumbrance accounting system to provide budgetary control over City expenditures. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are reported as committed or assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-budgeted and re-encumbered during the subsequent year.

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

- On or before June 9 of each year, all divisions of the City submit appropriation requests to the City Controller's office so that a budget may be prepared. The budget is prepared for the entire City by fund, function and activity, and includes information on the past year, current year estimates and requested appropriation for the next fiscal year.
- Prior to the fourth Thursday of August, the Mayor submits to the City Council a proposed budget for the fiscal year commencing October 1. The budget summary includes proposed expenditures and the means of financing them.
- The City Council reviews and amends the proposed budget, and then publishes the budget for public comments.
- A public hearing is conducted to obtain citizen comments.
- The City Council adopts the budget after considering public input.
- Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.

The budget includes the general, special revenue, capital project, and enterprise funds. The level of control (level at which expenditures, including encumbrances, should not exceed budget) is the fund. The legal level of control is the appropriation ordinance.

Any budget transfer within an individual fund by management does not require formal City Council approval. State law does allow the City Council to amend the original appropriation ordinance. During the 2020 fiscal year, the City did not amend its original budget ordinance. However, during the year certain adjustments to the budget were made to reallocate authority as priorities change.

#### IV. Detailed Notes on All Funds

##### A. Cash and Investments

The City maintains a cash and investment pool for use by all funds. Each fund type's portion of this pool is displayed on the fund statements as cash and investments.

##### 1. Deposits

At September 30, 2020, the reporting amount of the City's deposits was \$11,220,135 and the respective bank balances totaled \$14,744,265. Of the bank balances, \$14,744,265 were insured or collateralized with pooled securities held by the pledging financial institution in the name of the City.

##### 2. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's policy is to minimize custodial credit risk by spreading its deposits among various financial institutions in amounts that are either collateralized by other investments or are less than the available insurance amount offered by the financial institutions. As of September 30, 2020, all of the City's deposits totaling \$14,744,265 were covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were not exposed to custodial credit risk.

##### 3. Custodial Credit Risk – Investments

As of September 30, 2020, all of the City's investments totaling \$124,026,190 were covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City.

##### 4. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations primarily by investing in shorter-term securities, money market certificate of deposits, or similar investment pools.

##### 5. Credit Risk

Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. It is the City's policy to limit investments to the safest types of securities and to diversify the City's investment portfolio so that potential losses on securities are minimized. The City follows Idaho Statute 50-1013 that outlines qualifying investment options. As of September 30, 2020, the City's investments were rated as follows:

Investment Type	S & P	Moody	Market Value
Treasury Notes	AA+	Aaa	\$12,774,919
Agencies	AA+	Aaa	\$14,282,876
Corporate Bonds	AA+ to BBB+	Aaa to A3	\$45,440,911
Certificates of Deposit	N/A	N/A	\$21,262,643
Mutual Fund	N/A	N/A	\$30,264,841
Total Investments			\$124,026,190

## 6. Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The GASB has adopted a principal that governments should provide note disclosure when five percent of the entity's total investments are concentrated in any one issuer.

Investments in any one issuer that represents 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percentage</u>
LGIP	Money Market Fund	\$30,264,841	24.40%
Bank of Idaho CDAR account	CD's	\$6,622,744	5.34%
United States Treasury	Treasury	\$12,774,917	10.30%

## 7. Investments

The City's investments at September 30, 2020 are summarized below:

Investment Type	Market Value	<u>Investment Maturities (in Years)</u>			
		Less Than 1	1-5	6-10	More Than 10
Treasury Notes	\$12,774,919	\$7,580,168	\$5,194,751	-	-
Agencies	\$14,282,876	\$4,660,970	\$8,384,125	\$234,679	\$1,003,102
Corporate Bonds	\$45,440,911	\$10,576,613	\$34,864,298	-	-
Certificates of Deposit	\$21,262,643	\$15,640,131	\$5,622,512	-	-
Mutual Fund	\$30,264,841	\$30,264,841	-	-	-
<b>Total Investments</b>	<b>\$124,026,190</b>	<b>\$68,722,723</b>	<b>\$54,065,686</b>	<b>\$234,679</b>	<b>\$1,003,102</b>

Fair value investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the Statement of Net Position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investment fair market value measurements are as follows at September 30, 2020:

Investments	Fair Value	Fair Market Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
<b>Debt Securities</b>				
Treasury Notes	\$12,774,919	\$12,774,919	-	-
Agencies	\$14,282,876	-	\$14,282,876	-
Corporate Bonds	\$45,440,911	-	\$45,440,911	-
Certificates of Deposit	\$21,262,643	-	\$21,262,643	-
Mutual Fund	\$30,264,841	\$30,264,841	-	-
<b>Total Investments</b>				
Measured at Fair Value	\$124,026,190	\$43,039,760	\$80,986,430	-

Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

## B. Receivables

Receivables as of year-end for the City's major funds and non-major funds in the aggregate including the applicable allowance for uncollectible accounts are as follows:

	Taxes	Accounts	Loans	Gross Receivables	Less:	Net Total Receivables
					Allowance for Doubtful Accounts	
General Fund	\$ 816,813	\$ 170,486		\$ 987,299	\$ -	\$ 987,299
Streets	107,840	17,480		125,320	-	125,320
EMS Fund	-	4,611,161	-	4,611,161	(3,600,253)	1,010,908
Non-Major Funds	116,604	1,400,661	226,502	1,743,767	-	1,743,767
<b>Governmental</b>						
Funds Total	1,041,257	6,199,788	226,502	7,467,547	(3,600,253)	3,867,294
Airport	-	245,071	-	245,071	-	245,071
Water	-	1,311,508	-	1,311,508	(233,567)	1,077,941
Sanitation	-	600,591	-	600,591	(110,994)	489,597
Electric	-	5,627,639	-	5,627,639	(1,446,277)	4,181,362
Fiber	-	51,645	-	51,645	(473)	51,172
Wastewater	-	1,180,107	-	1,180,107	(255,652)	924,455
<b>Business-Type</b>						
Funds Total	-	9,016,561	-	9,016,561	(2,046,963)	6,969,598
Risk Management	-	93,241	-	93,241	-	93,241
<b>Internal Service</b>						
Funds Total	-	93,241	-	93,241	-	93,241
<b>Total Receivables</b>	<b>\$ 1,041,257</b>	<b>\$ 15,309,590</b>	<b>\$ 226,502</b>	<b>\$ 16,577,349</b>	<b>\$ (5,647,216)</b>	<b>\$ 10,930,133</b>

**C. Due from Other Governments**

The following summarizes the intergovernmental receivables at September 30, 2020:

**Governmental activities:**

State of Idaho	
Revenue sharing	\$ 1,521,360
Highway distribution	799,869
County EMS participation Agreement	248,287
Total intergovernmental receivables – governmental	<u>\$ 2,569,516</u>

**Business-type activities:**

Federal government	
Federal Aviation Administration	\$ 2,801,932
Homeland Security	17,205
Total intergovernmental receivables – business-type	<u>\$ 2,819,137</u>

## D. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

### Primary Government:

<b>Governmental Activities</b>	<b>Restated Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:					
Land	\$17,974,885	\$1,210,516	\$ -	\$ -	\$19,185,401
Construction in progress	6,518,431	2,164,951	-	(6,657,384)	2,025,998
Total assets, not being depreciated	24,493,316	3,375,467	-	(6,657,384)	21,211,399
Capital assets, being depreciated:					
Infrastructure	115,734,489	7,711,704	-	3,932,643	127,378,836
Buildings and improvements	76,740,027	2,066,416	(3,564)	2,674,780	81,477,659
Machinery and equipment	34,937,473	4,386,477	(1,463,586)	391,016	38,251,380
Total assets, being depreciated	227,411,989	14,164,597	(1,467,150)	6,998,439	247,107,875
Less accumulated depreciation for:					
Infrastructure	(61,938,092)	(4,320,075)	-	-	(66,258,167)
Buildings and improvements	(32,408,320)	(2,536,994)	3,564	-	(34,941,750)
Machinery and equipment	(25,187,989)	(5,097,722)	1,452,116	(341,055)	(29,174,650)
Total accumulated depreciation	(119,534,401)	(11,954,791)	1,455,680	(341,055)	(130,374,567)
Total capital assets, being depreciated, net	107,877,588	2,209,806	(11,470)	6,657,384	116,733,308
Governmental activities capital assets, net	\$132,370,904	\$5,585,274	(\$11,470)	\$ -	\$137,944,708
<b>Business-Type Activities</b>	<b>Restated Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:					
Land	\$ 8,327,972	\$ -	\$ -	\$ 754,308	\$ 9,082,280
Construction in progress	35,936,752	21,519,255	(91,487)	(20,478,517)	36,886,003
Total assets, not being depreciated	44,264,724	21,519,255	(91,487)	(19,724,209)	45,968,283
Capital assets, being depreciated:					
Infrastructure	414,476,416	6,167,640	(262,313)	6,901,672	427,283,415
Buildings and improvements	50,952,310	410,267	-	12,822,537	64,185,114
Machinery and equipment	38,517,367	2,523,841	(515,849)	175,947	40,701,306
Total assets, being depreciated	503,946,093	9,101,748	(778,162)	19,900,156	532,169,835
Less accumulated depreciation for:					
Infrastructure	(246,912,523)	(12,360,881)	275,499	-	(258,997,905)
Buildings and improvements	(16,492,455)	(1,669,234)	-	-	(18,161,689)
Machinery and equipment	(24,553,972)	(1,442,281)	428,929	(175,947)	(25,743,271)
Total accumulated depreciation	(287,958,950)	(15,472,396)	704,428	(175,947)	(302,902,865)
Total capital assets, being depreciated, net	215,987,143	(6,370,648)	(73,734)	19,724,209	229,266,970
Business-type activities capital assets, net	\$260,251,867	\$15,148,607	(\$165,221)	\$ -	\$275,235,253

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

Governmental activities:	
General government	\$2,252,300
Public safety	1,781,115
Streets	5,756,423
Culture and recreation	2,063,837
Public works	101,116
Total depreciation expense – governmental activities	<u>\$11,954,791</u>
Business-type activities:	
Airport	\$2,409,047
Water	2,319,420
Sanitation	630,948
Electric	6,384,587
Fiber	381,479
Wastewater	3,346,915
Total depreciation expense – business-type activities	<u>\$15,472,396</u>

#### E. Interfund Transfer

Summary of interfund transfers by major fund for the 2020 fiscal year are as follows:

	Transfers In	Transfers Out
Major funds:		
General - net	\$4,693,819	\$ 667,060
Water	-	504,140
Sanitation	-	233,470
Electric	-	5,085,575
Fiber	1,245,006	-
Wastewater	-	545,190
Non-Major funds – net	<u>1,096,610</u>	<u>-</u>
	<u>\$7,035,435</u>	<u>\$7,035,435</u>

Transfers are used to 1) move revenues from the fund the statute requires to collect them in to the fund the budget requires to expend them in, and 2) move payment in-lieu of tax amounts from the water, sanitation, electric, and wastewater funds to the general fund.

## F. Long-term Obligations

### 1. Business-Type Activities

**State of Idaho Note.** The City entered into a loan agreement on May 11, 2011, with the State of Idaho as authorized by Title 39, Chapter 36, Idaho Code from the Wastewater Treatment Facility Loan Account. This loan is to assist the City in the design and construction of improvements of the wastewater treatment facility. The authorized amount is \$18,150,000 with an interest rate of 1.75% (interest of 0.75% and loan fee of 1.00%) to be repaid in biannual installments over 20 years. Annual debt service is \$1,079,623. During fiscal year 2020 the subsequent fiscal years' debt service payments were made and therefore, no amounts were classified as current as of September 30, 2020.

**Zoo Facility Lease-purchase.** The City entered into a lease-purchase agreement on October 24, 2019 with Bonneville County for the acquisition of real property adjacent to the existing zoo grounds. The total value of the lease is \$430,000 over 4 years with annual lease payments of \$107,500. The present value of the lease at origination is \$406,105 at 3.95% discount rate.

**Police Vehicle Lease-purchase.** The City entered into a master lease agreement on September 13, 2019 with Bancorp, Inc. to lease vehicles. At September 30, 2020 the city had leased 23 vehicles. The total lease value at year end was \$1,350,668 over 5 years with annual lease payment of \$270,133. The present value of the leases at origination was \$1,283,161 at a discount rate ranging from 2.20% to 3.70%

**Changes in Long-Term Liabilities.** The following is a summary of changes in long-term obligations of the City as of September 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Zoo Facility Lease-purchase	\$ -	\$ 406,105	\$ (107,500)	\$ 298,605	\$ 95,705
Police Vehicle Lease-purchase	-	1,283,161	(268,492)	1,014,669	244,136
Other long-term debt obligations:					
Compensated absences	5,500,300	4,138,310	(3,971,252)	5,667,358	3,370,825
Governmental activity					
Long-term liabilities	<u>\$5,500,300</u>	<u>\$5,827,576</u>	<u>\$ (4,347,244)</u>	<u>\$6,980,632</u>	<u>\$3,710,666</u>
<b>Business-Type Activities:</b>					
Bonds-notes payable:					
State of Idaho DEQ note:					
Loan number WW102	\$ 13,672,723	\$ -	\$ (872,527)	\$ 12,800,196	\$ -
Compensated absences	2,911,150	1,082,461	(2,208,983)	1,784,628	904,719
Other postemployment benefits	3,057	-	-	3,057	-
Business-type activity					
Long-term liabilities	<u>\$16,586,930</u>	<u>\$1,082,461</u>	<u>\$ (3,081,510)</u>	<u>\$14,587,881</u>	<u>\$904,719</u>

All compensated absences are liquidated by the fund in which it was incurred. The governmental funds used to liquidate the liability for compensated absences and other postemployment benefits were the general, street, recreation, library, and golf funds.

Schedule of long-term debt:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>
2021	\$1,174,783	\$ 282,473
2022	1,199,479	257,777
2023	1,224,173	233,083
2024	1,143,106	206,650
2025	895,199	184,424
2026-2030	4,717,186	680,926
2031-2035	3,759,545	237,301
<b>Totals</b>	<b>\$14,113,470</b>	<b>\$2,082,634</b>

**G. Due to/from other funds**

The General Fund is providing funds to other nonmajor government funds to offset negative cash balances derived from operations. The City Council is reviewing options to resolve these balances. As of September 30, 2020 the amount due to the General fund from other funds is \$2,385,916

The Electric fund is providing cash to the fiber fund for the fiber to home project. As of September 30, 2020 the electric fund had transferred \$3,000,000 to the fiber fund. Currently the fiber fund is accruing interest on the use of those funds based on the City's investment rate of return. The City Council/Power Board have not set a formal loan agreement or decision on the repayment of funds. It is anticipated that the Electric fund will provide funds to the fiber fund until the project is complete.

## H. Fund Balances

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

**Nonspendable fund balance** – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

**Restricted fund balance** – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, by laws or regulations of other governments, through constitutional provisions, or by enabling legislation.

**Committed fund balance** – amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. In the case of the City it is by Council action in the form of a resolution.

**Assigned fund balance** – amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The Council has delegated and assigned the authority to the Municipal Services director to assign amounts and adjustments.

**Unassigned fund balance** – amounts that represent 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. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

The City considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, within unrestricted fund balance, the City considers that committed balances are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Detail of constraints on fund balances of governmental funds:

	General Fund	Streets Fund	EMS Fund	Nonmajor Funds	Total
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventory	\$ 527,185	\$ 93,757	\$ -	\$ 173,462	\$ 794,404
Prepays	408,352	-	-	-	408,352
<b>Restricted for:</b>					
Conservation loans	-	-	-	226,502	226,502
Health Self Insurance	4,296,365	-	-	-	4,296,365
<b>Committed to:</b>					
Street and bridges	-	934,865	-	-	934,865
Operations and maintenance	609,351	-	-	-	609,351
<b>Assigned to:</b>					
Equipment replacement	3,749,119	-	-	-	3,749,119
Street and municipal projects	1,050,000	2,727,318	-	5,415,923	9,193,241
Culture and recreation	395,000	-	-	4,193,686	4,588,686
Public Safety	-	-	-	467,645	467,645
Operations and maintenance	543,874	-	-	-	543,874
Business district	-	-	-	99,804	99,804
Conservation program	-	-	-	3,244,737	3,244,737
<b>Unassigned:</b>	4,947,565	-	(466,856)	(226,447)	4,254,262
<b>Total Fund Balances</b>	<b>\$16,526,811</b>	<b>\$ 3,755,940</b>	<b>\$ (466,856)</b>	<b>\$ 13,595,312</b>	<b>\$33,411,207</b>

## I. Restatement of Beginning Net Position

The Emergency Medical Services fund, formerly known as the Ambulance Fund, has been reclassified as a special revenue fund in the governmental fund types. This change was based on the purpose of the services being provide as essential to its citizens. This fund and the service to the citizens are not designed as a for-profit motive. This change resulted in a restatement of the beginning Net Position of the Statement of Activities. The restatement is comprised of the following components:

	<u>Governmental Fund Activities</u>	<u>Business-Type Activities</u>
Beginning Net Position as Previously reported at September 30, 2019	\$ 157,911,274	\$ 343,792,030
Fund Balance	80,908	(80,908)
Capital assets-buildings	107,537	(107,537)
Capital assets- machinery and equipment	3,395,192	(3,395,192)
Capital assets- accumulated depreciation	(2,049,494)	2,049,494
Long Term Debt- Compensated Absences	(768,673)	768,673
Pension - Asset	5,247,268	(5,247,268)
Pension - Deferred outflow	385,350	(385,350)
Pension- Liability	(1,310,304)	1,310,304
Pension- Deferred Inflow	(976,062)	976,062
Internal Service lookback adjustment	106,268	(106,268)
Total Restatement Increase (Decrease)	<u>4,217,990</u>	<u>(4,217,990)</u>
Net Position Restated, October 1, 2019	<u>\$ 162,129,264</u>	<u>\$ 339,574,040</u>

## J. Other Information

### A. Uncertainties

The COVID-19 pandemic is ongoing, it is altering the behavior of businesses and people in a manner that has negative effects on economic activity, and the duration and severity of the crisis is uncertain. There can be no assurances that COVID-19 will not materially affect the City or have a material adverse impact upon the City's financial condition. The City cannot predict the effects of such events as there will be other developments related to the COVID-19 pandemic that could directly or indirectly impact the City's financial position.

## B. Risk Management

The City is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City uses public entity commercial insurance contracts to transfer risk of loss to insurance providers.

Major insurance contracts at October 1, 2020 were as follows:

<u>Type of Coverage</u>	<u>Coverage Amounts</u>	<u>Deductible</u>
Property and equipment	\$200,000,000	\$ 2,500
General liability, per occurrence	500,000	
General liability, aggregate	3,000,000	N/A
Employee benefits, liability	500,000	
Automobile, liability	500,000	
Automobile, comprehensive	500,000	2,500
Automobile, collision	500,000	2,500
Errors and omissions-public officials	500,000	
Law enforcement, liability	500,000	
Crime, liability	500,000	
Boiler and machinery, per occurrence	100,000	2,500
Airport, liability	50,000,000	
Cyber, liability	1,000,000	2,500
Aggregate-sections of general liability, auto liability, errors and omissions, chemical spraying, and endorsements	5,000,000	
Hydro-generation facility:		
Property and boiler and machinery	100,000,000	250,000

Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There has not been a significant reduction in insurance coverage in the past fiscal year.

## C. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is subject to a number of lawsuits, investigations, and other claims (some of which involve substantial amounts) that are incidental to the ordinary course of its operations. Although the City Attorney does not currently possess sufficient information to reasonably estimate the amounts of the liabilities to be recorded upon the settlement of such claims and lawsuits, some claims could be significant to the City's operations. While the ultimate resolution of such lawsuits, investigations, and claims cannot be determined at this time, in the opinion of City management, based on the advice of the City Attorney, the following may have a material effect on the City's financial position but lack sufficient information to reasonably estimate a liability.

*Tapp v. City of Idaho Falls*; Case No. 4:20-CV-476-CWD alleged wrongful conviction and imprisonment.

## **D. Pension Plan**

### *Plan Description*

The City contributes to the Base Plan and FRF, which are cost-sharing multiple-employer defined benefit pension plans 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 plans. 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](http://www.persi.idaho.gov).

Responsibility for administration of the Base Plan and FRF 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 and FRF provide retirement, disability, death and survivor benefits for 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 (five months for elected or appointment 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.

The benefit payments for the Base Plan and FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage. 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 and FRF are set by statute and are established as a percent of covered compensation. 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) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees covered under the Base Plan are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020, the contribution rate was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters of covered compensation. The City's contributions required and paid to the Base Plan were \$4,491,860 for the year ended September 30, 2020.

As of June 30, 2020, the total FRD employer rate was 12.28%. The FRF member rate for the year for class D is 8.81%. The City's contributions to FRF were \$1,709,233 for the year ended September 30, 2020.

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

At September 30, 2020, the City reported a liability for its proportionate share of the net pension liability of the Base Plan and an asset for its proportionate share of the net pension asset of FRF. The net pension asset of FRF and net pension liability of the Base Plan were measured as of June 30, 2020, and the total pension liability used to calculate the net pension asset/liability were determined by an actuarial valuation as of that date. The City's proportion of the net pension liability of the Base Plan was based on the City's share of contributions to the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the City's proportion was 1.34 percent. The City's proportion of the net pension asset of FRF was based on the City's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2020, the City's proportion was 12.73 percent.

For the year ended September 30, 2020, the City recognized Base Plan pension expense of \$11,294,266. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Base Plan pension plan from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 2,436,603	\$ 1,018,300
Changes in assumptions or other inputs	527,417	-
Net difference between projected and actual earnings on pension plan investments	3,574,604	-
Changes in the employer's proportion and difference between the employer's contributions and the employer's proportionate contributions	211,730	707,112
City's total contributions subsequent to the measurement date	1,281,960	-
Total:	<u>\$ 8,032,314</u>	<u>\$ 1,725,412</u>

Deferred outflows of resources of \$1,281,960 related to Base Plan 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, 2021.

For the year ended September 30, 2020, the City recognized FRF Plan pension income of \$2,159,138. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the FRF pension plan from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 785,771	\$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in the employer's proportion and difference between the employer's contributions and the employer's proportionate contributions	-	-
City's total contributions subsequent to the measurement date	113,813	-
Total:	<u>\$ 899,584</u>	<u>\$ -</u>

Deferred outflows of resources of \$113,813 related to FRF 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, 2021.

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, 2019, the beginning of the measurement period ended June 30, 2020, 4.7 years for the measurement period June 30, 2020.

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

<b><u>Fiscal Year</u></b>	<b><u>Base Plan</u></b>	<b><u>FRF</u></b>
2021	\$ (25,432)	\$ (226,013)
2022	1,142,488	216,034
2023	1,683,726	340,222
2024	2,224,160	455,528
	<u>\$ 5,024,942</u>	<u>\$ 785,771</u>

#### *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. Unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the

FRF assets. Currently FRF assets exceed this actuarial present value; therefore there is not an unfunded liability to amortize at this time. The maximum amortization period for FRF permitted under Section 59-1394, Idaho Code, is 50 years.

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Base Plan</u>	<u>FRF</u>
Inflation	3.00%	3.00%
Salary Increases	3.75%	3.75%
Salary Inflation	3.75%	3.75%
Investment Rate of Return	7.05%	7.05%
Cost of Living Adjustments	1.00%	3.18%

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

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period 2011 through 2017 that reviewed all economic and demographic assumptions including mortality. The Total Pension Liability (Asset) as of June 30, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. 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 PERSI'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.

**Capital Market Assumptions from Callan 2020**

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income - Barclays Aggregate	30.00%	2.80%	.55%
Broad US Equity - Wilshire 5000/Russel 3000	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation		2.25%	2.25%
Assumed Inflation Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		.40%	.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%

**Investment Policy Assumptions from PERSI Board Nov 2019**

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

**Economic/Demographic Assumptions from Milliman 2018**

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	3.00%
Long-Term Geometric Expected Rate of Return, Net of Investment Expenses	7.05%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

*Sensitivity of the Employer’s proportionate share of the net pension liability to changes in the discount rate.*

The following presents the Employer’s proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Employer’s proportionate share of the net pension liability (asset) – Base Plan	\$ 63,954,440	\$ 31,186,242	\$ 4,092,284
Employer’s proportionate share of the net pension liability (asset) – FRF	\$(15,577,323)	\$ (18,948,797)	\$ (21,837,081)

*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](http://www.persi.idaho.gov).

**D. Idaho Falls Redevelopment Agency**

**1. Reporting Entity**

The component unit column in the combined financial statements includes the financial data of the Idaho Falls Redevelopment Agency (Agency), the City’s only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City in accordance with state urban renewal law. The Agency has authority to construct public improvements including the acquisition of public right-of-way within the blighted area legally designated as the redevelopment district. The Mayor appoints the seven-member governing board and the council has authority over the board’s actions. The Agency derives funding from tax increment financing. The Agency is authorized under the provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code).

The Agency is a component unit, as defined by generally accepted accounting principles, of the City of Idaho Falls, Idaho, because of its operational or financial relationship with the City. The City appoints the governing body of the Agency.

The Agency’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for the state and local governments through its pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Agency are discussed below.

Separately issued financial reports are available for the Idaho Falls Redevelopment Agency. These reports may be obtained by contacting the City of Idaho Falls City Clerk’s office.

## **2. Summary of Significant Accounting Policies**

The Agency uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

### **Cash and Investments**

Cash includes amounts in demand deposit accounts as well as short-term investments with a maturity date within three months of the date acquired by the Agency. Under state law, the Agency may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Idaho law and national banks having their principle offices in Idaho. State statutes authorize the Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The Agency does not have a policy for custodial credit risk outside of the deposit and investment agreements. The Agency is authorized to invest in the LGIP. This pooling is intended to improve administrative efficiency and increase investment yield. Investments are state at cost which approximates fair value.

### **Revenues and Property Taxes**

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. The Agency does not levy property taxes; however it is entitled to the increase in property taxes levied by the taxing districts after January 1, 1989.

### **Capital Assets**

Capital assets such as streets, street improvements, water, wastewater, and other capital improvements that the Agency pays for are ultimately donated to the City of Idaho Falls upon completion.

### **Deferred Inflows of Resources**

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency's deferred inflows of resources represent unavailable revenues from property taxes, which arises only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## **3. Deposits and Investments**

At September 30, 2020, the carrying amount of the Agency's deposits was \$385,827 and the respective bank balances totaled \$386,029. Of the bank balances, \$250,000 were insured or collateralized with pooled securities held by the pledging financial institutions in the name of the Agency.

The Agency has elected to invest in the State Investment Pool through the Idaho State Treasurer. The value of the Agency's investments was \$732,931 with a rating of Aa1/Aa+ with a maturity of less than a year. The Agency's investments were covered by collateral held by the pledging financial institution's trust department or agent in the name of the Agency, and thus had no investments that were exposed to custodial credit risk.

The state investment pool is a short-term investment fund, participants have overnight availability to their funds and the weighted average maturity of investments at September 30, 2020, was 158 days.

#### **4. Capital Assets**

Capital assets such as streets, street improvements, water, wastewater, and other capital improvements that the Agency pays for are ultimately donated to the City of Idaho Falls upon completion. There are currently no capital assets held by the Agency

#### **5. Long-Term Liabilities**

The Agency signed a \$6,906,310 Participant Limited Recourse Promissory Note, Series 2008 on July 17, 2008. A cash payment of \$40,000 was made concurrent with the signing of the note, for a net principal balance of \$6,866,310. The note matures on December 31, 2029, and the interest rate is 6.25%. On January 16, 2009, the Agency approved an amendment and restatement of this note to include an additional \$1,946,292 for a total note balance of \$8,812,602. All other terms remained the same.

The Agency signed a \$250,000 Limited Recourse Promissory Note, Series 2015 in December 2014 with BV Lending, LLC. The note matures on December 31, 2029, and the interest rate is 4.5%.

The Agency signed a \$365,000 Limited Recourse Promissory Note, Series 2015 in December 2014 with Brandon River, LLC. The Note Matures on December 31, 2029, and the interest rate is 4.5%.

The Agency signed a \$1,619,082 Limited Recourse Promissory Note in December of 2019. The note matures on December 13, 2035, and does not bear any interest.

The above notes are not callable, unless in default, and are not subject to prepayment penalty if redeemed. The Agency has agreed to pay note holders 75% of the tax increment monies that the Agency receives after deductions for the school credit, as set forth by law, commencing upon receipt of tax increment monies received from the sites (as defined in the OPA's) for the period outlined in the agreement or until the principal is retired, whichever occurs first. The Agency's obligation to the note holders shall only be to pay above-described percentages or the amount of tax increment monies received by the Agency, notwithstanding said amount may be reduced, curtailed, or limited in any way, and there shall be no compounding of interest or amounts added to the principal in the event the tax increment monies are reduced, curtailed or limited in any way.

Because the tax increment monies to be received subsequent to this contract cannot be reasonably estimated, debt service requirements through the next five years have not been disclosed.

## 6. Changes in Long-Term Liabilities

Governmental long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Eagle Ridge:</b>				
Promissory note 2019	\$ -	\$ 1,619,082	(\$ 82,956)	\$1,536,126
<b>River Commons Allocation:</b>				
Promissory note 2008 (amended and restated January 16, 2009)	8,812,602	-	-	8,812,602
Promissory note 2015	351,621	-	(7,485)	344,136
Promissory note 2015	250,000	-	-	250,000
Total notes payable	<u>\$ 9,414,223</u>	<u>\$1,619,082</u>	<u>(\$90,441)</u>	<u>\$10,942,864</u>

## 7. Budget

The Agency prepared a budget for the special revenue funds.

## E. Commitments

The City has several active construction projects and/or major encumbrances as of September 30, 2020. The projects include airport improvements, Idaho Falls Power and fiber improvements, street engineering and reconstruction, and replacing old sections of water and wastewater lines.

At year-end the City's commitments with contractors are as follows:

Projects	Spent-to- Date	Remaining Commitment
Airport improvements	\$8,089,256	\$13,600,924
Equipment acquisition	627,990	1,963,832
Fees and services	599,022	240,641
Fiber improvements	4,871,014	3,077,476
Idaho Falls Power improvements	379,809	1,417,660
Public safety improvements	-	130,138
Street and bridge improvements	789,894	307,979
Wastewater improvements	1,179,485	102,222
Water improvements	3,440,960	1,366,022

The airport improvements are generally financed 93.75% by the Federal Aviation Administration and 6.25% by the airport. Due to current legislation, airport projects are financed 100% by the Federal Aviation Administration. All the other projects are being financed by charges for services and fund balances.

*Encumbrances.* As discussed in note III.A., Budgetary Information, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 836,226
Streets fund	505,438
Water fund	671,313
Sanitation fund	208,725
Electric fund	95,546
Wastewater fund	276,988
Non Major funds	320,636
Total	<u>\$ 2,914,872</u>

The City has entered into the following agreements for power:

*Bonneville Power Administration (BPA)* – Effective October 1, 2011, the City entered into a Block and Slice Power Sales Agreement with the Bonneville Power Administration (BPA). The provisions of this agreement establishes the terms under which the City is committed to purchase power for a period of 17 years. The cost of the power from this contract is determined through this formal and statutorily required rate setting procedure every two years by the Bonneville Power Administration. It is impossible for the City's management to know the outcome of these future rate proceedings and therefore the future price of the power from this contract.

In addition, the Slice portion of the agreement includes a true up provision that allows BPA to recover Slice costs not previously recovered during the fiscal year along with provisions to true up accounting errors up to five years in arrears. BPA assesses this true up on an annual basis subsequent to year-end. The true up is generally settled in December for the previous fiscal year. The Slice portion of the agreement commits the City to purchase a fixed percentage of BPA generation which will vary in total quantity from year to year depending on overall snowpack and runoff conditions into the BPA hydro generation system. This can result in surplus power that the City can sell on the open market. These natural variances in hydrological conditions can also result in shortages of power that would result in the City purchasing power from the market during low snowpack/runoff situations.

*Gem State Project* – The City has a power sales contract and ground lease agreement with PacifiCorp, formerly Utah Power & Light Company, for the gem state project. Under the power sales contract, PacifiCorp is entitled to a maximum of 39% of the energy to be produced from the gem state project through 2023. PacifiCorp is required to pay annual amounts equal to its entitlement percentage rate times 1) the variable costs of operating and maintaining the gem state project 2) the agreed-upon fixed capital cost, plus 3) 5% of the amounts set forth in 1) and 2). For the year ended September 30, 2020, PacifiCorp payments under this agreement was \$1,681,134. The City may, with three years notice, reduce the PacifiCorp entitlement to 25%.

*Utah Associated Municipal Power Systems (UAMPS)* – Effective October 1, 1996, the City entered into a contract with UAMPS whereby the City may purchase additional energy requirements not met by BPA or City owned generation resources, from UAMPS. Planned purchases and sales to and from UAMPS are based on either market price at MONA, cost of the resource, or a mix thereof. Unplanned purchases and sales to and from UAMPS are based upon a market proxy for the appropriate period. UAMPS passes along fees for transmission service based upon PacifiCorp's actual transmission costs incurred by UAMPS for power deliveries. For the year ended September 30, 2020, power purchases plus transmission expenses from UAMPS was \$2,331,243. The contract also allows for the City to sell surplus energy to UAMPS. For the year ended September 30, 2020, power sales to UAMPS was \$1,240,385.

*Horse Butte Wind Project* – Horse butte wind project is a wind generation facility constructed east of the City of Idaho Falls. This is a joint ownership project within the UAMPS organization with other UAMPS members participating as owners. The project attained commercial operation on August 15, 2012, with a

total generating capacity of fifty-six (56) megawatts of which the City is obligated to purchase through a power purchase agreement three (3) megawatts of this capacity. Ownership in this project also obligates IFP to this same percentage of operating expenses that are conveyed through the power purchase agreement. Under this power purchase agreement there is no guarantee of firm energy delivery. Project costs are not linked to energy production and can vary greatly depending upon wind conditions, plant outages (planned and unplanned) along with unforeseen environmental/biological risks that might require the facility to limit or cease energy production, changes to this agreement and/or financing

*Renewable Energy Credits (REC's)* – The City receives an entitlement share of renewable energy credits (REC's) from qualifying facilities in BPA's system from which the City purchases energy through the Block/Slice Power Sales Agreement. Horse Butte Wind Project also creates REC's which are transferred through the power purchase agreement to the City. The City will enter into sales of REC's from time to time with retail customers within the service territory along with wholesale customers not located within the service territory. In the event that retail customer demand is greater than inherent production, the City will purchase supplemental REC's from various counterparties. For the year ended September 30, 2020, the City purchased \$7,364 supplemental REC's from Franklin PUD and sold \$58,366 REC's to various retail customers within its service territory.

*Forward contracts* – The Fund enters into physical electric futures contracts with various counterparties from time to time in order to balance demand and resources. The objective of these transactions is to meet the demand of our retail customers and make economic sense of any surpluses that develop from time to time. These transactions follow risk management procedures. Due to the nature of wholesale market price volatility, the value of these transactions can vary greatly from period to period depending upon the market at said transaction time and location. The size and necessity of these transactions can also vary with conditions due to, but not limited to: weather, local economic conditions, hydrologic conditions & plant maintenance. The ability of the Fund to enter into transactions is constrained by market liquidity due to a number of factors including: willing counterparties, market liquidity, transmission/delivery constraints, credit, size and duration of transactions needed. As of September 30, 2020 the Fund had 2021 forward energy contracts being 12,160 MWh of energy purchases and 43,680 MWh of energy contract sales. These contracts were entered into for the purpose of balancing forecast customer demand and projected City electricity resources.

The Fund has not marked any futures contracts to market. This is in accordance with the normal purchases and normal sales contracts scope exception issued under GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**CITY OF IDAHO FALLS, IDAHO**  
**Schedule of Employer's Share of Net Pension Liability**  
**PERSI Base Plan and FRF – Last 10 Fiscal Years\***

	2020		2019		2018		2017		2016		2015	
	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF						
Employer's portion of net pension liability	1.34%	12.73%	1.39%	14.28%	1.37%	13.52%	1.40%	13.59%	1.05%	12.26%	1.33%	11.39%
Employer's proportionate share of the net pension liability (asset)	\$ 31,186,242	\$ (18,948,797)	\$ 15,835,925	\$ (20,537,995)	\$ 20,215,666	\$ (15,307,052)	\$ 22,040,254	\$ (11,667,500)	\$ 27,165,207	\$ (6,587,837)	\$ 17,464,709	\$ (6,156,821)
Employer's covered payroll	\$ 37,430,463	\$ 10,627,761	\$ 35,360,501	\$ 11,220,716	\$ 34,474,249	\$ 10,104,215	\$ 33,135,549	\$ 9,928,859	\$ 31,013,709	\$ 8,734,260	\$ 37,181,721	\$ 7,607,246
Employer's proportionate share as a percentage of its covered payroll	83.32%	178.30%	44.78%	183.04%	58.64%	151.49%	66.52%	117.51%	87.59%	75.43%	46.97%	80.93%
Plan fiduciary net position as a percentage of the total pension liability (asset)	88.22%	155.55%	93.79%	152.74%	91.69%	140.15%	90.68%	129.65%	87.26%	118.42%	91.38%	118.08%

\*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 City will present information for those years for which information is available.

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

**CITY OF IDAHO FALLS, IDAHO**  
**Schedule of Employer Contributions**  
**PERSI Base Plan and FRF – Last 10 Fiscal Years\***

	2020		2019		2018		2017		2016		2015	
	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF
Statutorily required contribution	\$ 4,493,240	\$ 1,689,886	\$ 4,090,086	\$ 1,799,036	\$ 3,954,198	\$ 1,755,314	\$ 3,680,963	\$ 1,630,460	\$ 3,530,924	\$ 1,455,128	\$ 4,388,228	
Contributions in relation to the statutorily required contribution	\$ 4,491,860	\$ 1,709,233	\$ 4,132,772	\$ 1,811,694	\$ 3,842,391	\$ 1,755,131	\$ 3,680,937	\$ 1,630,460	\$ 3,530,925	\$ 1,455,127	\$ 4,256,266	\$ 673,565
Contribution (deficiency) excess	\$ (1,380)	\$ 19,347	\$ 42,686	\$ 12,658	\$ (111,807)	\$ (183)	\$ (26)	\$ -	\$ 1	\$ (1)	\$ (131,962)	\$ 673,565
Employer's covered payroll	\$ 37,430,463	\$ 10,627,761	\$ 35,925,731	\$ 10,798,537	\$ 34,740,968	\$ 10,536,096	\$ 32,335,277	\$ 9,786,672	\$ 31,013,709	\$ 8,734,260	\$ 37,181,721	\$ 7,607,246
Contributions as a percentage of covered payroll (calculated)	12.00%	16.08%	11.50%	16.78%	11.06%	16.66%	11.38%	16.66%	11.39%	16.66%	11.45%	8.85%

\*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 City will present information for those years for which information is available.

Data reported as of September 30, 2020.

**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2020**

*Changes of Benefit Terms:*

For the year ended September 30, 2020, the City did not have any changes to benefit terms.

**OTHER SUPPLEMENTARY  
INFORMATION**

**City of Idaho Falls, Idaho  
Combining Statements  
Nonmajor Governmental Funds**

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects. The City's nonmajor special revenue funds are as follows:

Recreation Fund – to account for the operation of City-run recreation programs. Property taxes and user fees provide financing. The City restricts these revenues to finance recreation programs.

Library Fund – to account for the operation of the Public Library. Financing is provided principally through property taxes, which are restricted for library operations.

Airport Passenger Facility Charge Fund – to account for the collection and transfer of passenger facility charges to the airport fund. This fund does not typically adopt a budget.

Golf Fund – to account for the operation of the three public owned golf courses; Pinecrest, Sandcreek, and Sage Lakes. User fees provide financing. The City restricts these revenues to finance golf maintenance and operations.

Electric Light Public Purpose Fund – to account for the accumulation of cash which is set aside for the specific purpose of conserving electrical energy.

Business Improvement District Fund – to account for the accumulation of cash which is set aside for specific purposes of the business improvement district.

Wildland Fire Fund – to account for operation of firefighting for the Department of Lands on a cost reimbursement basis.

**City of Idaho Falls, Idaho  
Combining Statements  
Nonmajor Governmental Funds**

**Capital Projects Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The City's nonmajor capital improvement funds are as follows:

Municipal Capital Improvement Fund – to account for the acquisition and construction of capital assets (including infrastructure). Revenues are derived from property taxes.

Street Capital Improvement Fund – to account for funds received from the State of Idaho which are held for large future street projects.

Bridge and Arterial Street Fund – to account for the construction of bridges and parts of streets which are the responsibility of the City. Revenues are derived from the payment of bridge and arterial street fees.

Surface Drainage Fund – to account for the design, development and construction of drainage interceptors, treatment and/or disposal facilities. Revenues are derived from developer fees.

Traffic Light Capital Improvement Fund – to account for the design and construction of traffic lights. Revenues are derived from in-lieu-of tax payments from the electric light fund.

Parks Capital Improvement Fund – to account for the acquisition and construction of parks and recreational capital assets. Revenues are derived from surcharges and sale of assets.

Fire Capital Improvement Fund – to account for the construction of a new fire station. Revenues derived from property taxes and are considered a repayment of spent funds.

Zoo Capital Improvement Fund – to account for the construction of the Zoo education building. Revenues are derived from donations.

Civic Auditorium Capital Improvement Fund – to account for the renovation of the Civic Auditorium. Revenues are derived from donations.

Golf Capital Improvement Fund – to account for the acquisition and construction of golf related assets

Police Capital Improvement Fund – to account for the acquisition and construction of a law enforcement complex.

**City of Idaho Falls  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2020**

	<b>Special Revenue</b>		
	<b>Recreation</b>	<b>Library</b>	<b>Electric Light Public Purpose</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 145,538	\$ 146,013
Investments	-	3,088,652	3,098,724
Taxes receivable	20,407	64,997	-
Receivables	397	10,393	-
Loans receivable	-	-	226,502
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Total assets	<u>\$ 20,804</u>	<u>\$ 3,309,580</u>	<u>\$ 3,471,239</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 17,629	\$ 21,250	\$ -
Contracts payable	-	-	-
Accrued wages	66,888	98,046	-
Due to other funds	67,957	-	-
Security Deposits	-	-	-
Total liabilities	<u>152,474</u>	<u>119,296</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	18,850	60,013	-
Total deferred inflows of resources	<u>18,850</u>	<u>60,013</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	-	226,502
Committed	-	-	-
Assigned	-	3,130,271	3,244,737
Unassigned	(150,520)	-	-
Total fund balances(deficits)	<u>(150,520)</u>	<u>3,130,271</u>	<u>3,471,239</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,804</u>	<u>\$ 3,309,580</u>	<u>\$ 3,471,239</u>

<b>Business Improvement District</b>		<b>Golf</b>	<b>Wildland Fire</b>	<b>Total</b>
\$	4,478	\$ 23,137	\$ -	\$ 319,166
	95,044	491,009	-	6,773,429
	-	-	-	85,404
	282	1,798	1,352,428	1,365,298
	-	-	-	226,502
	-	-	-	-
	-	-	-	-
	-	173,462	-	173,462
<b>\$</b>	<b>99,804</b>	<b>\$ 689,406</b>	<b>\$ 1,352,428</b>	<b>\$ 8,943,261</b>
<hr/>				
\$	-	\$ 24,676	\$ 629	\$ 64,184
	-	-	-	-
	-	93,947	-	258,881
	-	-	884,154	952,111
	-	56,794	-	56,794
	-	175,417	884,783	1,331,970
<hr/>				
	-	-	-	78,863
	-	-	-	78,863
<hr/>				
	-	173,462	-	173,462
	-	-	-	226,502
	-	-	-	-
	99,804	340,527	467,645	7,282,984
	-	-	-	(150,520)
	99,804	513,989	467,645	7,532,428
<hr/>				
<b>\$</b>	<b>99,804</b>	<b>\$ 689,406</b>	<b>\$ 1,352,428</b>	<b>\$ 8,943,261</b>

**City of Idaho Falls  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2020**

	<b>Capital Projects</b>				
	<b>Municipal Capital Improvement</b>	<b>Street Capital Improvement</b>	<b>Bridge and Arterial Street</b>	<b>Surface Drainage</b>	<b>Traffic Light Capital Improvement</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 88,516	\$ 56,050	\$ 42,235	\$ 9,926	\$ 48,392
Investments	1,878,508	1,189,502	896,328	210,659	1,026,985
Taxes receivable	27,914	-	-	-	3,286
Receivables	-	3,411	2,725	27,406	-
Loans receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventory	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,994,938</b>	<b>\$ 1,248,963</b>	<b>\$ 941,288</b>	<b>\$ 247,991</b>	<b>\$ 1,078,663</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 12,000	\$ 4,520	\$ -	\$ -	\$ 58,765
Contracts payable	-	-	-	-	-
Accrued wages	-	-	-	-	-
Due to other funds	-	-	-	-	-
Security deposits	-	-	-	-	-
<b>Total liabilities</b>	<b>12,000</b>	<b>4,520</b>	<b>-</b>	<b>-</b>	<b>58,765</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	20,635	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>20,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,962,303	1,244,443	941,288	247,991	1,019,898
Unassigned	-	-	-	-	-
<b>Total fund balances(deficits)</b>	<b>1,962,303</b>	<b>1,244,443</b>	<b>941,288</b>	<b>247,991</b>	<b>1,019,898</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,994,938</b>	<b>\$ 1,248,963</b>	<b>\$ 941,288</b>	<b>\$ 247,991</b>	<b>\$ 1,078,663</b>

**Capital Projects**

	<b>Parks Capital Improvement</b>	<b>Zoo Capital Improvement</b>	<b>Civic Capital Improvement</b>	<b>Golf Capital Improvement</b>	<b>Police Capital Improvement</b>	<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
\$	-	\$ 10,447	\$ 9,187	\$ 12,909	\$ -	\$ 277,662	\$ 596,828
	-	221,705	194,980	273,964	-	5,892,631	12,666,060
	-	-	-	-	-	31,200	116,604
	-	471	591	759	-	35,363	1,400,661
	-	-	-	-	-	-	226,502
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	173,462
<b>\$</b>	<b>-</b>	<b>\$ 232,623</b>	<b>\$ 204,758</b>	<b>\$ 287,632</b>	<b>\$ -</b>	<b>\$ 6,236,856</b>	<b>\$ 15,180,117</b>
	2,020	\$ -	\$ -	\$ 2,125	\$ -	\$ 79,430	\$ 143,614
	-	-	-	-	-	-	-
	-	-	-	-	-	-	258,881
	73,907	-	-	-	-	73,907	1,026,018
	-	-	-	-	-	-	56,794
	75,927	-	-	2,125	-	153,337	1,485,307
	-	-	-	-	-	20,635	99,498
	-	-	-	-	-	20,635	99,498
	-	-	-	-	-	-	173,462
	-	-	-	-	-	-	226,502
	-	-	-	-	-	-	-
	-	232,623	204,758	285,507	-	6,138,811	13,421,795
	(75,927)	-	-	-	-	(75,927)	(226,447)
	(75,927)	232,623	204,758	285,507	-	6,062,884	13,595,312
<b>\$</b>	<b>-</b>	<b>\$ 232,623</b>	<b>\$ 204,758</b>	<b>\$ 287,632</b>	<b>\$ -</b>	<b>\$ 6,236,856</b>	<b>\$ 15,180,117</b>

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

	<b>Special Revenue</b>		
	<b>Recreation</b>	<b>Library</b>	<b>Electric Light Public Purpose</b>
<b>REVENUES</b>			
Taxes	\$ 718,061	\$ 2,323,910	\$ -
Intergovernmental	30,079	1,081,911	-
Charges for services	867,450	426	-
Fines	-	6,894	-
Interest	2,816	67,389	64,188
Miscellaneous	59,782	44,719	473,658
Total revenues	<u>1,678,188</u>	<u>3,525,249</u>	<u>537,846</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	303,848
Public Safety	-	-	-
Streets	-	-	-
Culture & recreation	1,713,688	3,330,713	-
Capital outlay	-	-	-
Total expenditures	<u>1,713,688</u>	<u>3,330,713</u>	<u>303,848</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,500)</u>	<u>194,536</u>	<u>233,998</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(35,500)	194,536	233,998
Fund balances - beginning	<u>(115,020)</u>	<u>2,935,735</u>	<u>3,237,241</u>
Fund balances - ending	<u>\$ (150,520)</u>	<u>\$ 3,130,271</u>	<u>\$ 3,471,239</u>

<b>Business Improvement District</b>	<b>Golf</b>	<b>Wildland Fire</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 3,041,971
-	-	1,437,029	2,549,019
-	2,640,670	-	3,508,546
-	-	-	6,894
1,638	12,758	6,635	155,424
90,809	52,377	-	721,345
92,447	2,705,805	1,443,664	9,983,199
85,000	-	-	388,848
-	-	1,165,026	1,165,026
-	-	-	-
-	3,053,652	-	8,098,053
-	-	-	-
85,000	3,053,652	1,165,026	9,651,927
7,447	(347,847)	278,638	331,272
-	-	-	-
-	-	-	-
-	-	-	-
7,447	(347,847)	278,638	331,272
92,357	861,836	189,007	7,201,156
\$ 99,804	\$ 513,989	\$ 467,645	\$ 7,532,428

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

	<b>Capital Projects</b>				
	<b>Municipal Capital Improvement</b>	<b>Street Capital Improvement</b>	<b>Bridge and Arterial Street</b>	<b>Surface Drainage</b>	<b>Traffic Light Capital Improvement</b>
<b>REVENUES</b>					
Taxes	\$ 780,498	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	106,323	-	-	20,277
Charges for services	-	434,675	260,063	65,766	-
Fines	-	-	-	-	-
Interest	33,504	18,184	16,275	4,048	21,255
Miscellaneous	-	-	-	-	-
Total revenues	<u>814,002</u>	<u>559,182</u>	<u>276,338</u>	<u>69,814</u>	<u>41,532</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public Safety	-	-	-	-	-
Streets	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Capital outlay	63,678	183,390	27,409	-	394,523
Total expenditures	<u>63,678</u>	<u>183,390</u>	<u>27,409</u>	<u>-</u>	<u>394,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>750,324</u>	<u>375,792</u>	<u>248,929</u>	<u>69,814</u>	<u>(352,991)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	429,550
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>429,550</u>
Net change in fund balances	750,324	375,792	248,929	69,814	76,559
Fund balances - beginning	<u>1,211,979</u>	<u>868,651</u>	<u>692,359</u>	<u>178,177</u>	<u>943,339</u>
Fund balances - ending	<u>\$ 1,962,303</u>	<u>\$ 1,244,443</u>	<u>\$ 941,288</u>	<u>\$ 247,991</u>	<u>\$ 1,019,898</u>

**Capital Projects**

<b>Parks Capital Improvement</b>	<b>Zoo Capital Improvement</b>	<b>Civic Auditorium Capital Improvement</b>	<b>Golf Capital Improvement</b>	<b>Police Capital Improvement</b>	<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780,498	\$ 3,822,469
-	-	-	-	-	126,600	2,675,619
-	124,848	-	285,603	-	1,170,955	4,679,501
-	-	-	-	-	-	6,894
158	2,357	1,162	2,029	-	98,972	254,396
211,727	295,650	122,975	-	-	630,352	1,351,697
211,885	422,855	124,137	287,632	-	2,807,377	12,790,576
-	-	-	-	-	-	388,848
-	-	-	-	-	-	1,165,026
-	-	-	-	-	-	-
-	-	-	-	-	-	8,098,053
366,907	34,826	5,000	2,125	667,060	1,744,918	1,744,918
366,907	34,826	5,000	2,125	667,060	1,744,918	11,396,845
(155,022)	388,029	119,137	285,507	(667,060)	1,062,459	1,393,731
-	-	-	-	667,060	1,096,610	1,096,610
-	-	-	-	-	-	-
-	-	-	-	667,060	1,096,610	1,096,610
(155,022)	388,029	119,137	285,507	-	2,159,069	2,490,341
79,095	(155,406)	85,621	-	-	3,903,815	11,104,971
\$ (75,927)	\$ 232,623	\$ 204,758	\$ 285,507	\$ -	\$ 6,062,884	\$ 13,595,312

**City of Idaho Falls, Idaho**  
**Recreation Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 723,204	\$ 723,204	\$ 718,061	\$ (5,143)
Intergovernmental	-	-	30,079	30,079
Charges for services	1,126,415	1,126,415	867,450	(258,965)
Interest	-	-	2,816	2,816
Miscellaneous	95,568	95,568	59,782	(35,786)
Total revenues	<u>1,945,187</u>	<u>1,945,187</u>	<u>1,678,188</u>	<u>(266,999)</u>
<b>EXPENDITURES</b>				
Culture & Recreation	<u>2,179,436</u>	<u>2,164,436</u>	<u>1,713,688</u>	<u>450,748</u>
Excess of revenues over (under) expenditures	<u>(234,249)</u>	<u>(219,249)</u>	<u>(35,500)</u>	<u>183,749</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(234,249)	(219,249)	(35,500)	183,749
Fund balances - beginning	<u>(115,020)</u>	<u>(115,020)</u>	<u>(115,020)</u>	<u>-</u>
Fund balances - ending	<u>\$ (349,269)</u>	<u>\$ (334,269)</u>	<u>\$ (150,520)</u>	<u>\$ 183,749</u>

**City of Idaho Falls, Idaho**  
**Library Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 2,349,297	\$ 2,349,297	\$ 2,323,910	\$ (25,387)
Intergovernmental	1,106,000	1,106,000	1,081,911	(24,089)
Charges for services	2,500	2,500	426	(2,074)
Fines	76,000	76,000	6,894	(69,106)
Interest	10,000	10,000	67,389	57,389
Miscellaneous	98,500	98,500	44,719	(53,781)
Total revenues	<u>3,642,297</u>	<u>3,642,297</u>	<u>3,525,249</u>	<u>(117,048)</u>
<b>EXPENDITURES</b>				
Culture & Recreation	<u>4,479,885</u>	<u>4,479,885</u>	<u>3,330,713</u>	<u>1,149,172</u>
Excess of revenues over (under) expenditures	<u>(837,588)</u>	<u>(837,588)</u>	<u>194,536</u>	<u>1,032,124</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(837,588)	(837,588)	194,536	1,032,124
Fund balances - beginning	<u>2,935,735</u>	<u>2,935,735</u>	<u>2,935,735</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,098,147</u>	<u>\$ 2,098,147</u>	<u>\$ 3,130,271</u>	<u>\$ 1,032,124</u>

**City of Idaho Falls, Idaho**  
**Electric Light Public Purpose Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Interest	\$ 8,000	\$ 8,000	\$ 64,188	\$ 56,188
Miscellaneous	1,000,000	1,000,000	473,658	(526,342)
Total revenues	<u>1,008,000</u>	<u>1,008,000</u>	<u>537,846</u>	<u>(470,154)</u>
<b>EXPENDITURES</b>				
General government	<u>1,000,000</u>	<u>998,300</u>	<u>303,848</u>	<u>694,452</u>
Excess of revenues over (under) expenditures	<u>8,000</u>	<u>9,700</u>	<u>233,998</u>	<u>224,298</u>
Excess of revenues and other financing sources over (under) expenditures and uses	8,000	9,700	233,998	224,298
Fund balances - beginning	<u>3,237,241</u>	<u>3,237,241</u>	<u>3,237,241</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,245,241</u>	<u>\$ 3,246,941</u>	<u>\$ 3,471,239</u>	<u>\$ 224,298</u>

**City of Idaho Falls, Idaho**  
**Business Improvement District Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	Original Budgeted Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 1,638	\$ 1,638
Miscellaneous	90,000	90,000	90,809	809
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>92,447</u>	<u>2,447</u>
<b>EXPENDITURES</b>				
General government	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>5,000</u>	<u>5,000</u>	<u>7,447</u>	<u>2,447</u>
Excess of revenues and other financing sources over (under) expenditures and uses	5,000	5,000	7,447	2,447
Fund balances - beginning	<u>92,357</u>	<u>92,357</u>	<u>92,357</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 97,357</u></u>	<u><u>\$ 97,357</u></u>	<u><u>\$ 99,804</u></u>	<u><u>\$ 2,447</u></u>

**City of Idaho Falls, Idaho**  
**Golf Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 2,781,035	\$ 2,561,762	\$ 2,640,670	\$ 78,908
Interest	-	-	12,758	12,758
Miscellaneous	42,000	42,000	52,377	10,377
Total revenues	<u>2,823,035</u>	<u>2,603,762</u>	<u>2,705,805</u>	<u>102,043</u>
<b>EXPENDITURES</b>				
Culture & recreation	<u>3,428,234</u>	<u>3,428,234</u>	<u>3,053,652</u>	<u>374,582</u>
Excess of revenues over (under) expenditures	<u>(605,199)</u>	<u>(824,472)</u>	<u>(347,847)</u>	<u>476,625</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(605,199)	(824,472)	(347,847)	476,625
Fund balances - beginning	<u>861,836</u>	<u>861,836</u>	<u>861,836</u>	<u>-</u>
Fund balances - ending	<u>\$ 256,637</u>	<u>\$ 37,364</u>	<u>\$ 513,989</u>	<u>\$ 476,625</u>

**City of Idaho Falls, Idaho**  
**Wildland Fire Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 1,000,000	\$ 1,000,000	\$ 1,437,029	\$ 437,029
Interest	-	-	6,635	6,635
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,443,664</u>	<u>443,664</u>
<b>EXPENDITURES</b>				
Culture & recreation	<u>927,415</u>	<u>1,165,026</u>	<u>1,165,026</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>72,585</u>	<u>(165,026)</u>	<u>278,638</u>	<u>443,664</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>72,585</u>	<u>(165,026)</u>	<u>278,638</u>	<u>443,664</u>
Fund balances - beginning	<u>189,007</u>	<u>189,007</u>	<u>189,007</u>	<u>-</u>
Fund balances - ending	<u>\$ 261,592</u>	<u>\$ 23,981</u>	<u>\$ 467,645</u>	<u>\$ 443,664</u>

**City of Idaho Falls, Idaho**  
**Municipal Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 790,618	\$ 790,618	\$ 780,498	\$ (10,120)
Interest	1,000	1,000	33,504	32,504
Total revenues	<u>791,618</u>	<u>791,618</u>	<u>814,002</u>	<u>22,384</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>1,200,000</u>	<u>1,200,000</u>	<u>63,678</u>	<u>1,136,322</u>
Excess of revenues over (under) expenditures	<u>(408,382)</u>	<u>(408,382)</u>	<u>750,324</u>	<u>1,158,706</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(408,382)	(408,382)	750,324	1,158,706
Fund balances - beginning	<u>1,211,979</u>	<u>1,211,979</u>	<u>1,211,979</u>	<u>-</u>
Fund balances - ending	<u>\$ 803,597</u>	<u>\$ 803,597</u>	<u>\$ 1,962,303</u>	<u>\$ 1,158,706</u>

**City of Idaho Falls, Idaho**  
**Street Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,400,000	\$ 1,400,000	\$ 106,323	\$ (1,293,677)
Charges for services	125,000	125,000	434,675	309,675
Interest	5,000	5,000	18,184	13,184
Miscellaneous	-	-	-	-
Total revenues	<u>1,530,000</u>	<u>1,530,000</u>	<u>559,182</u>	<u>(970,818)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>2,000,000</u>	<u>2,000,000</u>	<u>183,390</u>	<u>1,816,610</u>
Excess of revenues over (under) expenditures	<u>(470,000)</u>	<u>(470,000)</u>	<u>375,792</u>	<u>845,792</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(470,000)	(470,000)	375,792	845,792
Fund balances - beginning	<u>868,651</u>	<u>868,651</u>	<u>868,651</u>	<u>-</u>
Fund balances - ending	<u>\$ 398,651</u>	<u>\$ 398,651</u>	<u>\$ 1,244,443</u>	<u>\$ 845,792</u>

**City of Idaho Falls, Idaho**  
**Bridge and Arterial Street Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 150,000	\$ 150,000	\$ 260,063	\$ 110,063
Interest	-	-	16,275	16,275
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>276,338</u>	<u>126,338</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>350,000</u>	<u>350,000</u>	<u>27,409</u>	<u>322,591</u>
Excess of revenues over (under) expenditures	<u>(200,000)</u>	<u>(200,000)</u>	<u>248,929</u>	<u>448,929</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(200,000)	(200,000)	248,929	448,929
Fund balances - beginning	<u>692,359</u>	<u>692,359</u>	<u>692,359</u>	<u>-</u>
Fund balances - ending	<u>\$ 492,359</u>	<u>\$ 492,359</u>	<u>\$ 941,288</u>	<u>\$ 448,929</u>

**City of Idaho Falls, Idaho**  
**Surface Drainage Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 35,000	\$ 35,000	\$ 65,766	\$ 30,766
Interest	-	-	4,048	4,048
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>69,814</u>	<u>34,814</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess of revenues over (under) expenditures	<u>(15,000)</u>	<u>(15,000)</u>	<u>69,814</u>	<u>84,814</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(15,000)	(15,000)	69,814	84,814
Fund balances - beginning	<u>178,177</u>	<u>178,177</u>	<u>178,177</u>	<u>-</u>
Fund balances - ending	<u>\$ 163,177</u>	<u>\$ 163,177</u>	<u>\$ 247,991</u>	<u>\$ 84,814</u>

**City of Idaho Falls, Idaho**  
**Traffic Light Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 20,277	\$ 20,277
Interest	10,000	10,000	21,255	11,255
Miscellaneous	-	-	-	-
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>41,532</u>	<u>31,532</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>570,000</u>	<u>570,000</u>	<u>394,523</u>	<u>175,477</u>
Excess of revenues over (under) expenditures	<u>(560,000)</u>	<u>(560,000)</u>	<u>(352,991)</u>	<u>207,009</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>427,000</u>	<u>427,000</u>	<u>429,550</u>	<u>2,550</u>
Total other financing sources (uses)	<u>427,000</u>	<u>427,000</u>	<u>429,550</u>	<u>2,550</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(133,000)</u>	<u>(133,000)</u>	<u>76,559</u>	<u>209,559</u>
Fund balances - beginning	<u>943,339</u>	<u>943,339</u>	<u>943,339</u>	<u>-</u>
Fund balances - ending	<u>\$ 810,339</u>	<u>\$ 810,339</u>	<u>\$ 1,019,898</u>	<u>\$ 209,559</u>

**City of Idaho Falls, Idaho**  
**Parks Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 80,000	\$ 80,000	\$ -	\$ (80,000)
Interest	-	-	158	158
Miscellaneous	1,020,000	1,020,000	211,727	(808,273)
Total revenues	<u>1,100,000</u>	<u>1,100,000</u>	<u>211,885</u>	<u>(888,115)</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>2,850,000</u>	<u>2,850,000</u>	<u>366,907</u>	<u>2,483,093</u>
Excess of revenues over (under) expenditures	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>(155,022)</u>	<u>1,594,978</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(1,750,000)	(1,750,000)	(155,022)	1,594,978
Fund balances - beginning	<u>79,095</u>	<u>79,095</u>	<u>79,095</u>	<u>-</u>
Fund balances - ending	<u>\$ (1,670,905)</u>	<u>\$ (1,670,905)</u>	<u>\$ (75,927)</u>	<u>\$ 1,594,978</u>

**City of Idaho Falls, Idaho**  
**Zoo Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for Services	\$ 75,000	\$ 75,000	\$ 124,848	\$ 49,848
Interest	-	-	2,357	2,357
Miscellaneous	2,822,000	2,822,000	295,650	(2,526,350)
Total revenues	<u>2,897,000</u>	<u>2,897,000</u>	<u>422,855</u>	<u>(2,474,145)</u>
<b>EXPENDITURES</b>				
Culture & Recreation	15,000	15,000	-	15,000
Capital Outlay	2,797,000	2,797,000	34,826	2,762,174
Total expenditures	<u>2,812,000</u>	<u>2,812,000</u>	<u>34,826</u>	<u>2,777,174</u>
Excess of revenues over (under) expenditures	<u>85,000</u>	<u>85,000</u>	<u>388,029</u>	<u>(303,029)</u>
Excess of revenues and other financing sources over (under) expenditures and uses	85,000	85,000	388,029	303,029
Fund balances - beginning	<u>(155,406)</u>	<u>(155,406)</u>	<u>(155,406)</u>	<u>-</u>
Fund balances - ending	<u>\$ (70,406)</u>	<u>\$ (70,406)</u>	<u>\$ 232,623</u>	<u>\$ 303,029</u>

**City of Idaho Falls, Idaho**  
**Civic Auditorium Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 1,162	\$ 1,162
Miscellaneous	200,000	200,000	122,975	(77,025)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>124,137</u>	<u>(75,863)</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>200,000</u>	<u>200,000</u>	<u>5,000</u>	<u>195,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>119,137</u>	<u>119,137</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>-</u>	<u>-</u>	<u>119,137</u>	<u>119,137</u>
Fund balances - beginning	<u>85,621</u>	<u>85,621</u>	<u>85,621</u>	<u>-</u>
Fund balances - ending	<u>\$ 85,621</u>	<u>\$ 85,621</u>	<u>\$ 204,758</u>	<u>\$ 119,137</u>

**City of Idaho Falls, Idaho**  
**Golf Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Charges for Services	\$ -	219,273	\$ 285,603	\$ 66,330
Interest	-	-	2,029	2,029
Total revenues	<u>-</u>	<u>219,273</u>	<u>287,632</u>	<u>68,359</u>
<b>EXPENDITURES</b>				
Culture & Recreation	-	219,273	2,125	217,148
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>285,507</u>	<u>285,507</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>-</u>	<u>-</u>	<u>285,507</u>	<u>285,507</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,507</u>	<u>\$ 285,507</u>

**City of Idaho Falls, Idaho**  
**Police Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public Safety	-	667,060	667,060	-
Excess of revenues over (under) expenditures	<u>-</u>	<u>(667,060)</u>	<u>(667,060)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	667,060	667,060
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>667,060</u>	<u>667,060</u>
Excess of revenues and other financing sources over (under) expenditures and uses	-	(667,060)	-	667,060
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ (667,060)</u>	<u>\$ -</u>	<u>\$ 667,060</u>

# **STATISTICAL SECTION**

## Statistical Section Divider

This part of the City of Idaho Falls, Idaho's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

	<b>Page No.</b>
<b>Financial Trend Information</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	96-101
<b>Revenue Capacity Information</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	102-106
<b>Debt Capacity Information</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	107-111
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities takes place.	112-113
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	114-116

**Source:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002: schedules presenting government-wide information include information beginning in that year.

**City of Idaho Falls, Idaho**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**

	Fiscal Year									
	2020	2019*	2018	2017	2016	2015	2014	2013	2012	2011
<b>Government activities</b>										
Net investment in capital assets	\$ 136,631,434	\$ 130,917,670	\$ 125,933,353	\$ 117,778,312	\$ 112,785,041	\$ 107,249,562	\$ 99,115,190	\$ 97,567,088	\$ 95,709,742	\$ 95,102,500
Restricted	4,522,867	509,488	319,393	334,062	577,490	1,086,961	599,392	706,136	842,205	1,021,942
Unrestricted	27,719,201	26,484,116	18,263,580	21,520,697	14,048,776	16,257,643	25,474,089	27,630,490	29,474,037	28,792,682
Total government activities net position	<u>168,873,502</u>	<u>157,911,274</u>	<u>144,516,326</u>	<u>139,633,071</u>	<u>127,411,307</u>	<u>124,594,166</u>	<u>125,188,671</u>	<u>125,903,714</u>	<u>126,025,984</u>	<u>124,917,124</u>
<b>Business-type activities</b>										
Net investment in capital assets	262,435,057	248,032,376	235,673,140	218,938,144	213,151,399	207,922,474	200,831,606	205,343,145	199,684,300	194,627,548
Restricted	1,079,623	1,079,623	1,079,623	-	-	-	1,062,286	984,291	-	1,086,345
Unrestricted	99,220,749	94,680,031	91,310,005	91,884,727	88,206,268	91,994,080	95,603,120	80,588,509	75,263,831	65,972,613
Total business-type activities net position	<u>362,735,429</u>	<u>343,792,030</u>	<u>328,062,768</u>	<u>310,822,871</u>	<u>301,357,667</u>	<u>299,916,554</u>	<u>297,497,012</u>	<u>286,915,945</u>	<u>274,948,131</u>	<u>261,686,506</u>
<b>Primary government</b>										
Net investment in capital assets	399,066,491	378,950,046	361,606,493	336,716,456	325,936,440	315,172,036	299,946,796	302,910,233	295,394,042	289,730,048
Restricted	5,602,490	1,589,111	1,399,016	334,062	577,490	1,086,961	1,661,678	1,690,427	842,205	2,108,287
Unrestricted	126,939,950	121,164,147	109,573,585	113,405,424	102,255,044	108,251,723	121,077,209	108,218,999	104,737,868	94,765,295
Total primary government net position	<u>\$ 531,608,931</u>	<u>\$ 501,703,304</u>	<u>\$ 472,579,094</u>	<u>\$ 450,455,942</u>	<u>\$ 428,768,974</u>	<u>\$ 424,510,720</u>	<u>\$ 422,685,683</u>	<u>\$ 412,819,659</u>	<u>\$ 400,974,115</u>	<u>\$ 386,603,630</u>

\*2019 balances were restated due to the change in the Ambulance Fund from a business-type activity to a governmental activity.

**City of Idaho Falls, Idaho**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses</b>										
Governmental activities:										
General government	\$ 11,688,487	\$ 12,017,974	\$ 13,905,521	\$ 10,221,221	\$ 9,978,303	\$ 4,851,858	\$ 5,563,345	\$ 7,129,490	\$ 5,571,014	\$ 7,241,664
Public safety	38,140,250	25,882,087	27,147,237	12,334,598	25,051,729	22,194,920	23,030,495	22,682,037	22,081,589	21,326,762
Streets	10,805,936	12,651,449	7,822,992	11,220,494	7,883,337	6,494,349	9,437,193	7,853,983	8,277,596	7,804,662
Culture and recreation	16,481,046	17,232,675	17,557,071	0	15,012,825	12,970,540	13,241,313	12,268,230	11,307,979	9,737,993
Public works	1,509,780	1,217,908	1,463,972	2,311,463	3,638,955	1,529,668	1,480,742	2,024,618	1,340,331	1,598,222
Interest	1,376									
Total governmental activities expense	78,626,875	69,002,093	67,896,793	36,087,776	61,565,149	48,041,335	52,753,088	51,958,358	48,578,509	47,709,303
Business-type activities:										
Airport	5,900,235	5,675,417	5,520,528	5,757,732	5,213,785	5,271,293	5,477,454	5,174,645	5,072,814	4,886,476
Water	9,399,986	9,988,903	5,748,830	19,957,010	17,063,652	14,409,159	14,776,051	14,592,349	14,523,810	13,184,461
Sanitation	4,218,654	4,029,853	3,649,110	3,234,622	3,388,183	3,576,646	3,751,991	3,539,347	3,395,367	3,449,080
Ambulance	45,907,252	7,588,551	7,424,411	4,734,103	3,873,427	3,065,869	3,757,512	3,567,676	3,393,378	3,179,427
Electric	859,592	49,094,519	48,818,997	49,165,570	49,948,217	49,645,830	50,884,455	46,948,348	46,135,051	47,584,461
Wastewater	10,281,212	9,825,454	11,701,305	N/A						
Total business-type activities expenses	76,566,931	86,202,697	82,863,181	82,849,037	79,487,264	75,968,797	78,647,463	73,822,365	72,520,420	72,283,905
Total primary government expenses	\$ 155,193,806	\$ 155,204,790	\$ 150,759,974	\$ 118,936,813	\$ 141,052,413	\$ 124,010,132	\$ 131,400,551	\$ 125,780,723	\$ 121,098,929	\$ 119,993,208
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 2,846,425	\$ 3,828,917	\$ 2,965,923	\$ 1,107,721	\$ 2,490,151	\$ 1,694,637	\$ 1,582,300	\$ 1,535,438	\$ 1,604,692	\$ 1,505,682
Public Safety	5,153,924	909,450	616,588	638,769	429,423	482,009	2,579,890	2,643,553	2,663,985	2,650,242
Culture and recreation	4,124,053	5,115,849	4,846,890	200,836	4,492,130	4,272,222	5,049,384	4,844,210	3,740,795	3,554,707
Other activities	856,467	615,632	409,921	4,940,063	815,808	266,088	103,418	47,438	51,051	39,404
Operating grants and contributions	7,588,642	4,519,323	3,816,270	3,495,848	4,300,998	3,534,293	864,397	793,995	899,502	924,186
Capital grants and contributions	9,344,131	9,867,548	10,564,494	4,613,213	5,213,790	4,618,811	2,179,390	2,691,780	1,715,285	1,417,726
Total governmental activities program revenues	29,913,642	24,856,719	23,220,086	14,996,450	17,742,300	14,868,060	12,358,779	12,556,414	10,675,310	10,091,947
Business-type activities:										
Charges for service:										
Water	11,879,833	11,183,260	9,599,541	20,682,804	19,393,902	17,666,063	18,595,875	19,678,984	18,302,228	17,767,507
Electric	57,411,155	56,679,992	55,717,694	51,296,056	48,357,308	56,589,861	60,269,001	56,432,869	56,724,430	56,261,765
Wastewater	11,523,985	11,353,721	11,313,865	N/A						
Other activities	9,342,186	12,314,347	10,991,740	10,536,165	10,885,198	8,407,553	8,010,022	7,945,276	7,419,298	7,307,467
Operating grants and contributions	5,000	4,264,984	4,365,833	8,070,008	4,520,975	1,908,750	1,948,498	1,844,770	2,602,918	1,898,908
Capital grants and contributions	12,758,349	9,012,578	8,603,289	3,451,555	2,830,848	3,566,590	3,826,311	3,315,084	4,058,705	2,634,332

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total business-type activities program revenue	102,920,508	104,808,882	100,591,962	94,036,588	85,988,231	88,138,817	92,649,707	89,216,983	89,107,579	85,869,979
Total primary government program revenues	\$ 132,834,150	\$ 129,665,601	\$ 123,812,048	\$ 109,033,038	\$ 103,730,531	\$ 103,006,877	\$ 105,008,486	\$ 101,773,397	\$ 99,782,889	\$ 95,961,926
Net (expense) revenue										
Government activities	\$ (48,713,233)	\$ (44,145,374)	\$ (44,676,707)	\$ (21,091,326)	\$ (43,822,849)	\$ (33,173,275)	\$ (40,394,309)	\$ (39,401,944)	\$ (37,903,199)	\$ (37,617,356)
Business-type activities	26,353,577	18,606,185	17,728,781	11,187,551	4,859,039	12,170,020	14,002,244	15,394,618	16,587,159	13,586,074
Total primary government net expenses	\$ (22,359,656)	\$ (25,539,189)	\$ (26,947,926)	\$ (9,903,775)	\$ (38,963,810)	\$ (21,003,255)	\$ (26,392,065)	\$ (24,007,326)	\$ (21,316,040)	\$ (24,031,282)

### General Revenues and Other Changes in Net Position

#### Governmental activities:

##### Taxes

Property taxes	\$ 37,032,481	\$ 35,006,391	\$ 31,344,802	\$ 30,315,652	\$ 29,025,873	\$ 28,176,877	\$ 27,018,814	\$ 26,953,991	\$ 26,921,152	\$ 27,033,901
Sales tax and revenue sharing	9,433,216	9,633,348	8,638,240	8,248,072	8,028,934	7,154,832	6,362,486	6,187,664	5,904,764	5,582,668
Franchise taxes	528,938	570,782	593,903	692,702	932,521	690,472	865,118	676,897	774,011	776,813
Alcoholic beverages taxes	922,094	834,793	620,520	708,200	706,856	662,618	633,798	656,433	637,415	608,889
Unrestricted investment earnings	809,911	3,863,332	471,443	381,915	322,791	10,749	101,528	219,289	120,030	104,189
Miscellaneous revenues	1,607,462	1,614,811	2,781,737	1,232,487	2,563,161	2,626,779	867,034	693,689	830,538	933,335
Transfers	5,123,369	6,016,865	5,109,317	4,592,097	5,059,854	3,716,144	3,830,488	3,891,711	3,824,149	3,842,268
Total governmental activities	55,457,471	57,540,322	49,559,962	46,171,125	46,639,990	43,038,471	39,679,266	39,279,674	39,012,059	38,882,063

#### Business-type activities:

Sales taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted investment income	1,931,181	3,139,942	1,420,059	1,100,794	166,007	515,642	409,311	464,907	498,615	452,388
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	2,140,379	1,768,956	1,475,921	-	-	-	-	-
Transfers	(5,123,369)	(6,016,865)	(5,109,317)	(4,592,097)	(5,059,854)	(3,716,144)	(3,830,488)	(3,891,711)	(3,824,149)	(3,842,268)
Total business-type activities	(3,192,188)	(2,876,923)	(1,548,879)	(1,722,347)	(3,417,926)	(3,200,502)	(3,421,177)	(3,426,804)	(3,325,534)	(3,389,880)
Total primary government	\$ 52,265,283	\$ 54,663,399	\$ 48,011,083	\$ 44,448,778	\$ 43,222,064	\$ 39,837,969	\$ 36,258,089	\$ 35,852,870	\$ 35,686,525	\$ 35,492,183

### Change in Net Position

Governmental activities	\$ 6,744,238	\$ 13,394,948	\$ 4,883,255	\$ 25,079,799	\$ 2,817,141	\$ 9,865,196	\$ (715,043)	\$ (122,270)	\$ 1,108,860	\$ 1,264,707
Business-type activities	23,161,389	15,729,262	16,179,902	9,465,204	1,441,113	8,969,518	10,581,067	11,967,814	13,261,625	10,196,194
Total primary government	\$ 29,905,627	\$ 29,124,210	\$ 21,063,157	\$ 34,545,003	\$ 4,258,254	\$ 18,834,714	\$ 9,866,024	\$ 11,845,544	\$ 14,370,485	\$ 11,460,901

**City of Idaho Falls, Idaho**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Fund</b>										
Nonspendable	\$ 935,537	\$ 1,156,965	\$ 1,054,020	\$ 743,935	\$ 730,390	\$ 628,914	\$ 791,271	\$ 592,671	\$ 647,676	\$ 725,023
Restricted	4,296,365	-	-	-	-	-	-	-	-	-
Committed	609,351	319,917	715,594	1,762,042	1,301,589	1,293,941	6,199,706	4,330,726	3,642,668	3,943,533
Assigned	5,737,993	8,487,797	6,670,673	10,719,212	-	8,338,948	3,153,582	3,096,175	2,971,115	2,941,927
Unassigned	4,947,565	6,795,144	3,602,908	2,769,162	-	12,715,168	13,688,332	16,630,071	15,671,513	14,852,980
Total general fund	<u>\$ 16,526,811</u>	<u>\$ 16,759,823</u>	<u>\$ 12,043,195</u>	<u>\$ 15,994,351</u>	<u>\$ 2,031,979</u>	<u>\$ 22,976,971</u>	<u>\$ 23,832,891</u>	<u>\$ 24,649,643</u>	<u>\$ 22,932,972</u>	<u>\$ 22,463,463</u>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 267,219	\$ 297,009	\$ 258,297	\$ 180,404	\$ 175,889	\$ 157,802	\$ 167,542	\$ 96,255	\$ -	\$ -
Restricted	226,502	509,488	319,393	334,062	577,490	1,086,961	599,392	706,136	842,205	1,021,942
Committed	934,865	1,174,634	2,328,107	2,513,307	945,938	1,439,127	1,231,683	3,434,968	7,448,805	3,162,766
Assigned	16,149,113	12,609,709	12,259,037	6,712,076	7,354,492	7,132,227	3,822,734	3,725,761	321,912	7,452,238
Unassigned	(693,303)	(3,130,982)	(3,597,143)	-	-	-	-	-	-	-
Total all other funds	<u>\$ 16,884,396</u>	<u>\$ 11,459,858</u>	<u>\$ 11,567,691</u>	<u>\$ 9,739,849</u>	<u>\$ 9,053,809</u>	<u>\$ 9,816,117</u>	<u>\$ 5,821,351</u>	<u>\$ 7,963,120</u>	<u>\$ 8,612,922</u>	<u>\$ 11,636,946</u>

**City of Idaho Falls, Idaho**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues</b>										
Taxes	\$ 37,402,493	\$ 35,643,253	\$ 32,103,079	\$ 31,003,853	\$ 29,950,485	\$ 28,789,716	\$ 27,976,389	\$ 27,662,828	\$ 27,796,006	\$ 27,689,090
Licenses and permits	1,364,916	1,347,791	1,514,486	832,334	895,756	803,450	673,516	685,216	726,603	508,313
Intergovernmental	19,451,516	16,214,682	13,293,022	13,214,052	13,009,134	12,966,215	11,628,053	11,997,632	10,724,645	10,133,824
Charges for services	9,027,994	7,343,455	6,559,997	5,530,738	6,188,889	5,543,667	5,163,830	4,828,425	3,946,717	3,624,847
Fines	390,995	374,309	341,853	420,669	389,574	367,757	456,676	555,680	562,297	601,554
Miscellaneous/Interest	3,010,303	6,056,980	4,531,966	2,953,202	3,288,233	2,381,075	1,141,973	1,545,046	1,667,250	1,673,700
<b>Total revenues</b>	<b>70,648,217</b>	<b>66,980,470</b>	<b>58,344,403</b>	<b>53,954,848</b>	<b>53,722,071</b>	<b>50,851,880</b>	<b>47,040,437</b>	<b>47,274,827</b>	<b>45,423,518</b>	<b>44,231,328</b>
<b>Expenditures</b>										
General government	8,706,374	10,086,444	10,270,940	9,105,168	10,116,860	9,650,494	6,206,595	6,846,933	7,485,298	7,983,427
Public safety	35,575,266	27,638,532	27,149,120	24,670,054	24,544,025	21,974,440	22,948,181	22,030,673	22,240,761	21,201,113
Streets	6,929,234	7,915,617	7,198,647	6,348,545	4,963,909	4,377,804	4,942,294	4,575,815	4,518,131	3,996,278
Culture and recreation	15,859,831	17,158,258	17,402,863	15,453,039	15,051,721	13,175,429	13,717,673	11,951,631	11,715,887	11,820,771
Public works	1,393,171	1,289,175	981,037	2,359,159	1,556,626	1,622,157	1,819,304	1,653,690	1,353,831	1,772,224
Capital outlay	3,434,184	4,300,514	2,574,426	6,324,279	1,034,150	3,489,082	4,194,999	5,938,197	1,591,004	1,717,623
Debt service	375,992	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>72,274,052</b>	<b>68,388,540</b>	<b>65,577,033</b>	<b>64,260,244</b>	<b>57,267,291</b>	<b>54,289,406</b>	<b>53,829,046</b>	<b>52,996,939</b>	<b>48,904,912</b>	<b>48,491,436</b>
Excess of revenues over (under) expenditures	(1,625,835)	(1,408,070)	(7,232,630)	(10,305,396)	(3,545,220)	(3,437,526)	(6,788,609)	(5,722,112)	(3,481,394)	(4,260,108)
<b>Other Financing Sources (Uses)</b>										
Lease-purchase	1,689,266	-	-	-	-	-	-	-	-	-
Transfer in	5,790,429	6,766,865	5,109,317	9,812,893	6,623,460	6,944,847	7,066,752	9,233,739	6,037,569	5,421,773
Transfers out	(667,060)	(750,000)	-	(5,220,796)	(1,563,606)	(3,228,703)	(3,236,264)	(5,342,028)	(2,213,420)	(1,579,508)
<b>Total other financing sources (uses)</b>	<b>6,812,635</b>	<b>6,016,865</b>	<b>5,109,317</b>	<b>4,592,097</b>	<b>5,059,854</b>	<b>3,716,144</b>	<b>3,830,488</b>	<b>3,891,711</b>	<b>3,824,149</b>	<b>3,842,265</b>
<b>Net change in fund balances</b>	<b>\$ 5,186,800</b>	<b>\$ 4,608,795</b>	<b>\$ (2,123,313)</b>	<b>\$ (5,713,299)</b>	<b>\$ 1,514,634</b>	<b>\$ 278,618</b>	<b>\$ (2,958,121)</b>	<b>\$ (1,830,401)</b>	<b>\$ 342,755</b>	<b>\$ (417,843)</b>

**City of Idaho Falls, Idaho**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Property Tax Penalties</b>	<b>Franchise Taxes</b>	<b>Other Taxes</b>	<b>Total Taxes</b>
2020	\$ 36,970,601	\$ 197,627	\$ 528,750	\$ -	37,696,978
2019	34,872,155	200,315	565,968	4,814	35,643,252
2018	31,305,700	203,476	589,233	4,670	32,103,079
2017	30,128,731	182,421	688,201	4,501	31,003,854
2016	28,794,171	223,793	928,547	3,974	29,950,485
2015	27,845,761	258,397	685,558	-	28,789,716
2014	26,865,219	246,052	861,440	3,678	27,976,389
2013	26,749,184	242,437	672,987	3,910	27,668,518
2012	26,724,540	297,455	770,431	3,580	27,796,006
2011	26,689,984	222,293	772,887	3,926	27,689,090
2011-2020 Change	\$ 10,280,617	\$ (24,666)	\$ (244,137)	\$ (3,926)	\$ 10,007,888

**City of Idaho Falls, Idaho**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended 30-Sep	Real Property		Total Taxable Assessed Value	Total Direct Tax Levy	Property Taxes Certified to County
	Total Assessed Value	Less Property Tax Exemptions			
2020	4,717,310,703	514,067,996	4,203,242,707	0.008795733	36,970,601
2019	4,608,558,909	1,067,587,173	3,540,971,736	0.009583647	33,935,422
2018	4,551,288,275	1,276,579,693	3,274,708,582	0.009613519	31,481,473
2017	4,281,942,273	1,191,988,998	3,089,953,275	0.009732396	30,072,649
2016	4,087,290,715	1,081,631,024	3,005,659,691	0.009570773	28,766,486
2015	4,061,215,468	1,082,489,160	2,978,726,308	0.009257535	27,575,663
2014	3,927,961,667	1,045,849,873	2,882,111,794	0.009021032	26,768,236
2013	3,979,310,899	1,007,119,782	2,972,191,117	0.009006230	26,768,236
2012	3,921,199,209	906,060,385	3,015,138,824	0.008877945	26,768,236
2011	3,954,896,311	940,007,554	3,014,888,757	0.008878681	26,768,236

Source: Bonneville County Assessor's Office and the City of Idaho Falls, Idaho.

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are also actual values. Tax levies are per \$1 of assessed value. Currently, Bonneville County is only able to determine Total Assessed Value and can not distinguish between residential, commercial, and industrial properties. Approximately 77 percent of the property tax exemptions come from the residential home owner's exemption. The exemption is equal to 50 percent of the assessed value of residential property, to a maximum of \$100,000. Approximately 18 percent of the property tax exemptions apply to the Idaho Falls Redevelopment Agency which is within the City limits.

**City of Idaho Falls, Idaho**  
**Direct and Overlapping Property Tax Levies**  
**Last Ten Fiscal Years**

**City of Idaho Falls, Idaho Direct Levy**

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Fireman's Retirement</b>	<b>Tort</b>	<b>Recreation Fund</b>	<b>Library Fund</b>	<b>Municipal Capital Improvement Fund</b>	<b>Total Direct</b>
2020	0.006679993	N/A	0.000172283	0.00017206	0.000558925	0.000283624	0.007866884
2019	0.007504966	N/A	0.000179885	0.00018747	0.000595344	0.000208982	0.008676648
2018	0.007103600	N/A	0.000192481	0.000200599	0.000558042	0.000344950	0.008399672
2017	0.006944628	0.000128277	0.000203867	0.000212465	0.000591052	0.000365355	0.008445644
2016	0.008203192	0.000120078	0.000207574	0.000171200	0.000613834	0.000245981	0.009561859
2015	0.007641522	0.000417867	0.000206050	0.000164738	0.000590663	0.000236695	0.009257535
2014	0.007422643	0.000417477	0.000200518	0.000162794	0.000583696	0.000233904	0.009021032
2013	0.007419395	0.000406633	0.000200189	0.000162731	0.000583469	0.000233813	0.009006230
2012	0.007325810	0.000389236	0.000195184	0.000160689	0.000576147	0.000230879	0.008877945
2011	0.007328925	0.000388074	0.000193542	0.000160760	0.000576400	0.000230980	0.008878681

Source: Bonneville County Assessor's Office.

Note: Bonneville County sets the City's levy. The Mayor and City Council determine the dollar amount to be levied as determined by State law. Overlapping levies are those taxing districts that apply to property within the City. Not all overlapping levies apply to all the City's property owners. For example, although the County property tax levy applies to all City property owners, School District 93's levy, applies to approximately 14 percent of the City's property owners.

City of Idaho Falls, Idaho Overlapping Levies

School District 91	School District 93	Bonneville County	Ambulance District	Flood Control District	New Sweden Cemetery District	Ammon Cemetery District
0.004190114	0.005798	0.004046114	0.00351919	0.000006846	0.00029551	0.000061646
0.004243194	0.005798	0.004086985	0.000394946	0.000007463	0.000032891	0.000064486
0.004243195	0.005798000	0.004093435	0.000400000	0.000007704	0.000034140	0.000065029
0.004243193	0.005798000	0.004093435	0.000399999	0.000007803	0.000033654	0.000063146
0.004243194	0.005447999	0.004093435	0.000399999	0.000007793	0.000035921	0.000066819
0.004250356	0.005448000	0.004093435	0.000364472	0.000007592	0.000039085	0.000061414
0.004250601	0.005448000	0.004089167	0.000356658	0.000007453	0.000040311	0.000061721
0.004327921	0.005448000	0.004089399	0.000346991	0.000007040	0.000035568	0.000059013
0.003226703	0.005447999	0.004035117	0.000276415	0.000006515	0.000032506	0.000055662
0.003226703	0.005447999	0.004035117	0.000276415	0.000006515	0.000032506	0.000055662

## City of Idaho Falls, Idaho

## Principal Property Tax Payers

September 30, 2020

Taxpayers	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
MPT HOSPITAL LLC	95,346,367	1	2.3%	35,248,880	5	1.2%
BUSCH AG RESOURCES INC	71,612,321	2	1.7%	87,205,474	1	2.9%
EASTERN IDAHO HEALTH SERV INC	54,464,420	3	1.3%	49,650,000	3	1.8%
GRAND TETON MALL LLC	38,800,000	4	0.9%	53,231,201	2	1.8%
EASTERN IDAHO REGIONAL MED CTR	35,303,502	5	0.8%	25,453,834	6	0.8%
INTEGROW MALT	32,241,312	6	0.8%	-		0.0%
REL FACILITIES LLC	27,389,302	7	0.7%	-		
FALLS LLC THE	23,705,988	8	0.6%	-		
MOUNTAIN VIEW HOSPITAL	20,204,543	9	0.5%	9,158,279	17	0.3%
CHP I F ID OWNER LLC	19,696,943	10	0.5%	16,671,890	10	0.6%
INTEGROW MALT LLC	18,504,117			20,469,619	7	0.7%
BATELLE FACILITY OWNER LC	17,732,193			25,094,892	12	0.8%
IDAHO FALLS COMMUNITY HOSPITAL	16,135,981					0.0%
BDS LLC	15,148,171			6,306,746	26	0.2%
	<u>\$ 486,285,160</u>		<u>10.1%</u>	<u>\$ 328,490,815</u>		<u>11.1%</u>

Source: Bonneville County Auditor's Office

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

<b>Fiscal Year Ended September 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2020	\$ 36,970,601	\$35,915,350	97.1%	1,054,512.00	\$ 36,969,862	100.0%
2019	33,935,422	32,912,842	97.0%	820,637.00	33,733,479	99.4%
2018	31,481,473	30,449,226	96.7%	958,154.00	31,407,380	99.8%
2017	30,072,649	29,560,384	98.3%	511,525.00	30,071,909	100.0%
2016	28,766,486	28,080,451	97.6%	685,771	28,766,222	100.0%
2015	27,575,663	26,822,297	97.3%	753,238	27,575,535	100.0%
2014	26,768,236	25,963,049	97.0%	805,187	26,768,236	100.0%
2013	26,768,236	25,874,732	96.7%	893,504	26,768,236	100.0%
2012	26,768,236	25,729,508	96.1%	1,038,728	26,768,236	100.0%
2011	26,768,236	25,793,487	96.4%	974,749	26,768,236	100.0%

**City of Idaho Falls, Idaho**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita
	Zoo Facility Lease Purchases	Police Vehicle Lease Purchases	Airport Certificates of Participation	Wastewater State of Idaho Note	Electric General Obligation Bonds			
2020	298,605	1,014,669	-	12,800,196	-	14,113,470	0.49%	224
2019	-	-	-	13,672,723	-	13,672,723	0.49	222
2018	-	-	-	14,482,924	-	14,482,924	0.57	237
2017	-	-	-	15,592,704	-	15,592,704	0.64	259
2016	-	-	-	17,160,879	-	17,160,879	0.77	290
2015	-	-	-	17,242,500	-	17,242,500	0.80	294
2014	-	-	-	17,242,500	728,860	17,971,360	0.83	308
2013	-	-	-	3,534,196	1,514,518	5,048,714	0.25	87
2012	-	-	-	-	3,208,233	3,208,233	0.00	56
2011	-	-	1,000,000	-	5,029,084	6,029,084	0.33	106

Note: Details regarding the City's outstanding debt can be found in the notes to financials statements.  
(1)See Exhibit E-1 for personal income and population data. (Total Primary Government Debt / Total Personal Income)

**City of Idaho Falls Idaho**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>General Bonded Debt Outstanding</b>						
<b>Fiscal Year</b>	<b>Business-Type Electric General Obligation Bonds</b>	<b>Total</b>	<b>Actual Taxable Value of Property</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>	
2020	\$ -	\$ -	\$ 4,203,242,707	0.00%	\$0	
2019	-	-	3,540,971,736	0.00%	0	
2018	-	-	3,274,708,582	0.00%	0	
2017	-	-	3,089,953,275	0.00	0	
2016	-	-	3,005,659,691	0.00	0	
2015	-	-	2,978,726,308	0.00	0	
2014	728,860	728,860	2,967,314,020	0.02	13	
2013	1,514,518	1,514,518	2,972,191,117	0.05	26	
2012	3,208,233	3,208,233	3,015,138,236	0.11	56	
2011	5,029,084	5,029,084	3,014,888,757	0.17	89	

## City of Idaho Falls, Idaho

## Direct and Overlapping Governmental Activities Debt

As of September 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid from property taxes:			
Overlapping:			
Bonneville County	\$ 14,055,740	9%	\$ 1,207,007
Idaho Falls Redevelopment Agency	-	(b)	-
School District No. 91	32,625,000	20%	6,502,846
School District No. 93	117,000,000	71%	83,632,320
Total overlapping	163,680,740		91,342,173
Direct:			
City of Idaho Falls	-	(a)	-
Total direct and overlapping debt	\$ 163,680,740		\$ 91,342,173

Source: Assessed value data used to estimate applicable percentages provided by Bonneville County. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Idaho Falls. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(a) Excludes note payable reported in enterprise funds and backed by a revenue.

(b) The bonds and notes to the Idaho Falls Redevelopment Agency, which is entirely within the City, are payable solely from incremental tax revenues from ad valorem taxes levied by all overlapping taxing authorities, which result from increases in assessed valuation of property within the revenue allocation area; no ad valorem levy to pay such bonds and notes is permitted.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit	\$ 94,346,214	\$ 92,171,178	\$ 91,025,766	\$ 85,638,845	\$ 81,745,814	\$ 81,224,309	\$ 78,559,233	\$ 79,586,218	\$ 78,423,984	\$ 79,097,926
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 94,346,214</u>	<u>\$ 92,171,178</u>	<u>\$ 91,025,766</u>	<u>\$ 85,638,845</u>	<u>\$ 81,745,814</u>	<u>\$ 81,224,309</u>	<u>\$ 78,559,233</u>	<u>\$ 79,586,218</u>	<u>\$ 78,423,984</u>	<u>\$ 79,097,926</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

**Legal Debt Margin Calculation for Fiscal Year 2020**

Assessed value	\$ 4,717,310,703
Debt limit (2% of market value)	\$ 94,346,214
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	<u>\$ 94,346,214</u>

Note: General obligation bonds may be issued by the City for a variety of purposes in an amount which does not at any time exceed in aggregate 2% of the market value for assessment purposes of the real and personal property in the City, according to the preceding year's assessment. However, general obligation bonds issued to acquire, construct, or improve facilities for water, light and power, storm and sanitary wastewater systems are exempt from and do not count against the general obligation debt limit. In addition, bonds secured only by a pledge of revenue-producing facility, are not subject to and do not count against the debt limit.

**City of Idaho Falls, Idaho**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

<b>Electric General Obligation Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Revenue(1)</b>	<b>Less Operating Expense(2)</b>	<b>Net Available Revenue</b>	<b>Debt Service (3)</b>		<b>Coverage(4)</b>
				<b>Principal</b>	<b>Interest</b>	
2020	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
2019	-	-	-	-	-	0.00
2018	-	-	-	-	-	0.00
2017	-	-	-	-	-	0.00
2016	-	-	-	-	-	0.00
2015	56,867,231	43,558,794	13,308,437	728,860	3,056,140	3.52
2014	60,550,605	44,364,651	16,185,954	785,658	3,019,342	4.25
2013	56,814,412	40,302,585	16,511,827	1,693,715	5,956,285	2.16
2012	57,253,383	39,177,141	18,076,242	1,820,851	5,849,148	2.36
2011	57,582,403	40,211,154	17,371,249	1,954,972	5,725,028	2.26

(1) Revenues include operating revenues, interest income, sales taxes, PFC funds, certain federal grants, and non-o

(2) Operating expenses do not include depreciation and payments in lieu of taxes but includes other charges.

(3) Includes principal and interest on revenue bonds, certificates of participation, and general obligation bonds which operating revenues and subject to debt coverage requirements.

(4) The Airport bond ordinance requires 1.25 coverage while the Electric bond ordinance requires 1.15 coverage.

(5) The Airport Fund did not meet it's rate coverage of 1.25 for the year ended September 30, 2010.

(6) On February 15, 2011 all funds needed to payoff the Airport Fund certificates of participation was deposited in e with the trustee as per agreement with the certificate holder and trustee. Rate coverage was below the required September 30, 2011. Final payment from the escrow account to the certificate holder in the amount of \$1,022,75 October 1, 2011.

**City of Idaho Falls, Idaho**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<u>Year</u>	<u>Population</u>		<u>Personal Income</u>		<u>Per Capita Personal Income</u>		<u>Median Age</u>	<u>Education Attainment 25 Years and Older</u>		<u>School Enrollment</u>	<u>Unemployment Rate</u>
								<u>High School Graduates or Higher</u>	<u>4 or More Years of College</u>		
2020	62,888	(1)	\$ 2,872,723,840	(1)	\$ 45,680	(1)	33.4	91.5%	30.7%	10,180	4.8%
2019	61,535	(1)	\$ 2,798,427,195	(1)	\$ 45,477	(1)	-	-	-	12,723	2.0%
2018	61,076	(1)	\$ 2,626,634,456	(1)	\$ 43,006	(1)	-	-	-	12,917	1.9%
2017	60,211	(1)	\$ 2,430,417,015	(1)	\$ 40,365	(1)	-	-	-	12,574	2.3%
2016	59,184	(1)	\$ 2,241,475,632	(1)	\$ 37,873	(1)	-	-	-	12,336	3.2%
2015	58,691	(1)	\$ 2,159,711,418	(1)	\$ 36,798	(1)	-	-	-	11,874	3.4%
2014	58,292	(1)	\$ 2,165,664,384	(1)	\$ 37,152	(1)	-	-	-	10,423	3.5%
2013	57,889	(1)	\$ 2,043,018,588	(1)	\$ 35,292	(1)	-	-	-	10,391	5.9%
2012	57,646	(1)	\$ 1,932,293,920	(1)	\$ 33,520	(1)	-	-	-	10,411	5.9%
2011	56,813	(1)	\$ 1,853,921,816	(1)	\$ 32,632	(1)	-	-	-	10,514	7.0%

(1) Numbers are estimated.

Sources: Population, provided by U.S Department of Commerce, Personal Income is calculated by multiplying population by per capital personal income. Per Capita Personal Income provided by U.S. Department of Commerce and Labor and Bureau of Economic Analysis. Idaho Department of Labor for unemployment rate. U.S. Census Bureau for Median Age and Educational information. Educational information is only available every ten years.

City of Idaho Falls, Idaho

Principal Employers

Exhibit E-2

Current Year and Ten Years Ago

Employer (c)	2020			2011		
	Number of Employees (d)	Rank	Percent of Idaho Falls MSA Employment	Number of Employees	Rank	Percent of Idaho Falls MSA Employment
Battelle Energy Alliance	4,850	1	7.71%	4,250	1	6.76%
Bonneville Jnt School District #93	1,650	2	2.62%	1,275	4	2.03%
Melaleuca Inc	1,450	4	2.31%	1,125	7	1.79%
Idaho Falls School District #91	1,375	5	2.19%	1,475	3	2.35%
Eastern Idaho Health Services Inc	1,375	7	2.19%	1,275	5	2.03%
Wal-Mart	1,125	9	1.79%	975	8	1.55%
City of Idaho Falls	875	10	1.39%	825	9	1.31%
Jefferson County Jnt School District #251	775	11	1.23%	625	11	0.99%
Idahoan Foods	625	12	0.99%	225	25	0.36%
Bonneville County	575	13	0.91%	475	13	0.76%
Ch2m-Wg Idaho LLC				1,650	2	2.62%
Bechtel Marine Propulsion Corp				1,225	6	1.95%
Bechtel Bwxt Idaho LLC				825	10	1.31%
Total	<u>14,675</u>		<u>23.33%</u>	<u>16,225</u>		<u>25.81%</u>

Source: Idaho Department of Labor

- (a) Population is based off the city of Idaho Falls population only. Not the additional counties
- (b) This information is from Idaho Falls metropolitan area and includes Bonneville County & Jefferson Counties
- (c) The Department of Labor only releases information authorized by employers.
- (d) These numbers are averages.

**City of Idaho Falls, Idaho**  
**Full-time Equivalent City of Idaho Falls Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Actual Full-time Employees as of September 30</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government:										
Mayor and council	10	10	10	10	10	9	9	9	9	9
Legal	7	7	7	7	7	6	6	3	0	0
Municipal services	69	67	68	67	64	68	68	69	71	71
Human resources	4	4	5	3	3	3	3	3	3	3
Community Development	20	20	18	18	17	16	16	16	18	18
Public safety:										
Police	133	133	124	128	126	123	123	127	127	131
Fire	130	130	126	115	104	103	103	100	101	102
Streets	22	22	21	20	21	21	21	21	21	20
Culture and recreation:										
Parks and recreation	71	71	74	71	70	67	67	66	67	67
Golf	11	11	11	11	11	11	11	11	11	11
Library	24	24	22	22	22	23	23	23	20	20
Public works	20	20	20	20	19	20	20	20	20	20
Airport	18	18	15	16	12	12	12	12	11	12
Water	19	19	16	16	16	16	16	16	17	17
Sanitation	22	22	22	22	26	28	28	28	28	28
Electric	73	76	71	71	68	68	68	64	65	65
Wastewater	34	34	34	34	35	35	35	34	35	35
Total	<u>687</u>	<u>688</u>	<u>664</u>	<u>651</u>	<u>631</u>	<u>629</u>	<u>629</u>	<u>622</u>	<u>624</u>	<u>629</u>

Source: "Monthly Employment Report" compiled by the City of Idaho Falls Human Resources Division.

**City of Idaho Falls, Idaho**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Planning and building										
Building permits issued	1,391	1,877	4,624	1,928	2,208	1,898	1,830	1,804	1,823	1,544
Value of building permits	\$ 155,046,653	\$ 157,034,661	\$213,941,074	\$ 93,773,513	\$ 97,045,736	\$85,498,306	\$62,469,764	\$68,340,167	\$82,763,617	\$34,257,071
Inspections	15,227	14,203	12,958	11,089	10,536	6,543	7,082	6,867	5,671	4,664
Police										
Physical arrest	1,153	2,533	2,136	3,245	4,277	3,022	2,673	3,994	3,017	3,363
Parking violations	2,060	2,099	1,262	1,227	2,525	1,759	1,969	2,400	2,977	3,193
Traffic violations	3,904	3,444	3,531	5,708	8,900	6,150	7,821	11,052	11,106	14,238
Fire										
Ambulance dispatches	12,310	10,996	13,526	0	10,432	8,666	8,544	7,820	7,596	7,600
Fire dispatches	2,827	3,694	3,067	3,532	5,226	4,306	4,023	3,934	3,736	3,485
Fires extinguished	252	220	230	248	216	275	143	281	335	238
Inspections	872	1,181	1,604	2,005	1,182	1,067	1,137	1,114	1,040	1,086
Parks and recreation										
Total golf rounds played	97,000	96,728	101,000	108,000	108,131	125,000	111,098	116,300	122,255	119,848
Zoo Admissions	134,884	137,553	144,123	158,534	132,615	126,175	117,460	120,423	124,594	121,404
Aquatic center usage	7,244	136,178	117,113	122,209	117,854	117,564	105,910	111,899	108,885	112,623
Total program participants	11,129	32,127	30,546	31,086	36,131	26,951	26,951	24,228	24,026	23,429
Library										
Total items held for circulation	386,767	386,767	361,766	366,310	358,146	368,210	353,440	319,991	334,311	332,224
Annual circulation	1,606,454	1,606,454	1,589,974	1,513,752	1,501,096	1,364,033	1,206,359	1,308,021	1,239,813	1,187,745
Airport										
Enplanements	104,004	175,636	155,277	145,523	144,965	146,214	162,000	151,706	158,761	144,851
Average flights per day	6	10	8	7	8	10	11	11	12	12
Water										
Average daily consumption in gallons	30,500,000	30,500,000	23,021,918	23,323,288	24,509,589	24,704,110	24,126,027	24,476,712	25,852,459	23,123,288
Monthly residential water rate	\$ 35.00	\$ 33.25	\$ 30.10	\$ 30.10	\$ 28.65	\$ 25.20	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00
Wastewater										
Average daily sewage treatment in gallons	9,752,000	9,580,000	9,567,389	9,696,984	9,610,493	9,559,716	9,129,814	9,141,778	9,716,046	10,718,244
Monthly residential wastewater rates	\$ 23.70	\$ 23.10	\$ 22.80	\$ 22.80	\$ 21.70	\$ 21.66	\$ 21.66	\$ 21.66	\$ 21.03	\$ 21.03
Sanitation										
Total cubic yards of Refuse collected	362,652	315,188	324,201	287,413	301,106	273,452	293,190	299,217	266,194	269,907
Monthly residential rate	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00
Idaho Falls Power										
Average daily usage in kwh	1,941,657	1,896,820	1,940,534	1,963,520	1,873,121	1,828,161	1,898,630	1,901,835	1,886,463	1,906,637
Residential rate per kwh	\$ 0.078	\$ 0.061	\$ 0.061	\$ 0.058	\$ 0.054	\$ 0.063	\$ 0.063	\$ 0.063	\$ 0.060	\$ 0.057
Average Mwh generated per hour (1)	31.97	26.58	28.8	31.3	28.3	24.3	29.2	28.3	38.7	30.3

Source: Various City Departments

City of Idaho Falls, Idaho

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	3	3	1	1	1	1	1	1	1	1
Cars	118	108	113	108	102	106	106	106	109	109
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Fire Trucks	17	17	17	17	17	17	17	17	17	17
Street (Miles)	306	301	297	294	286	286	285	285	284	284
Parks and recreation										
Parks	42	43	43	43	43	42	42	52	52	52
Acreage	1,646	1,058	1,058	1,058	1,058	1,016	1,016	1,844	1,844	1,844
Baseball/softball diamonds	25	27	27	27	27	26	26	26	26	26
Soccer/football fields	27	28	28	28	28	23	23	29	29	29
Golf courses	3	3	3	3	3	3	3	3	3	3
Swimming pools	1	1	1	1	1	1	1	1	1	1
Library buildings	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	339	339	330	324	318	314	314	313	311	311
Fire hydrants	2,798	2,441	2,339	2,257	2,178	2,103	2,103	2,086	2,052	2,052
Wells	21	21	20	19	19	19	19	19	19	19
Wastewater										
Sanitary sewer (miles)	282	278	278	273	271	268	268	266	266	266
Treatment capacity (gallons)	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
Sanitation Trucks	22	19	19	19	19	20	20	20	20	19
Idaho Falls Power										
Transmission lines (miles)	37	37	37	37	37	37	37	37	37	37
Distribution lines (miles)	447	442	430	424	410	410	410	410	410	410
Hydro generating plants	4	5	5	4	4	4	4	4	4	4
Street lights	5,928	5,130	4,936	4,875	4,766	4,590	4,590	4,584	4,519	4,527
Traffic signals	44	77	50	50	50	51	51	51	50	51

Source: Various City Departments

# **SINGLE AUDIT SECTION**

**City of Idaho Falls, Idaho**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2020**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>
<b>U.S. Department of Justice</b>			
Pass-through State of Idaho:			
<i>Missing and Exploited Children (MEC) Program</i>		Not Provided	<u>\$ 2,903</u>
Missing Children			
Direct Programs:			
Body Worn Camera Policy and Implementation		2018-BC-BX-0050	<u>\$ 151,597</u>
COVID-19 - Coronavirus Emergency Supplemental Funding Program		2020-VD-BX-0970	<u>\$ 8,782</u>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs:			
<i>CDBG – Entitlement Grants Cluster</i>			
Community Development Block Grant	14.218	Not provided	<u>\$ 341,803</u>
<b>U.S. Department of Treasury</b>			
Pass-through State of Idaho:			
<i>COVID-19 - Coronavirus Relief Fund</i>			
Office of the Governor	21.019	20-1892-0-1-806	80,915
Public Safety Initiative	21.019	Pass-Through	714,982
Total Department of Treasury:			<u>\$ 795,897</u>
<b>U.S. Department of Transportation</b>			
Direct Program:			
Airport Improvement Program	20.106	Not provided	3,948,748
Pass-through State of Idaho:			
State and Community Highway Safety	20.600	Not Provided	4,927
National Priority Safety Program	20.616	Not Provided	4,615
Total Highway Safety Cluster:			<u>9,542</u>
Pass-through State of Idaho			
Interagency Hazardous Material Public Sector Training	20.703	HMHMP0535160200	12,828
Total Department of Transportation:			<u>\$ 3,971,118</u>
<b>U.S. Department of Homeland Security</b>			
Pass-through Idaho State Military Division:			
Homeland Security Grant	97.067	EMW2018SS00040	7,623
		EMW2017SS00054	3,540
		EMW2018SS00047	5,152
Total U.S. Department of Homeland Security:			<u>\$ 16,315</u>
<b>Total Federal Assistance</b>			<u>\$ 5,288,415</u>

\*See accompanying notes to the Schedule of Expenditures of Federal Awards on page 118.

**City of Idaho Falls, Idaho**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2020**

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity for the City of Idaho Falls, Idaho as of September 30, 2020. The information in this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a select portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City and is presented as a supplemental information within the City's comprehensive financial annual report for the year ended September 30, 2020.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on this schedule are reported on modified accrual basis of accounting where expenditures are generally recorded when a liability is incurred. Such expenditures are recognized following the cost principles contained in Uniform Guidance. The City has not chosen to use the 10% de-minimis indirect cost rate as allowed under Uniform Guidance.

**Note 3. Matching Requirements**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the federally – funded programs. The City has met its matching requirements. The schedule does not include the expenditure on non-Federal matching funds.

**City of Idaho Falls, Idaho  
Corrective Action Plan  
Year Ended September 30, 2020**

**SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS**

**FINANCIAL STATEMENT FINDING 2020-001 (Repeat) – Significant Deficiency in Internal Control Over Capital Assets**

**Name of contact person responsible for corrective action:** Mark Hagedorn, City Controller

**Corrective action planned:** The City concurs with the auditors' findings. The City was unable to execute the corrective action plan identified in 2020 due to reduced staffing, financial and technology resources due to the COVID-19 pandemic. The City has reassessed the 2020 corrective action plan and will augment the plan with a Capital Asset 101 training for all City departments to reinforce the importance of reconciling and closing capital work orders timely. The City will fill two position vacancies that were not filled due to budget reductions that occurred in March/April 2020 in response to the COVID-19 pandemic. In addition to providing a thorough assessment of the City's current financial software, the City will also research available capital asset software vendors with the goal to consolidate the current systems into one.

**Anticipated date for implementation of corrective action:** October 1, 2022

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**FINANCIAL STATEMENT FINDING 2019-001 – Significant Deficiency in Internal Control Over Capital Assets**

**Name of contact person responsible for corrective action:** Mark Hagedorn, City Controller

**Status:** During fiscal year 2020, Municipal Services was not able to fully implement required changes to processes, internal controls, and software migration for improving capital assets primarily due to COVID-19 pandemic and lack of available time and resources. The City is committed to proving the capital asset workflow and implementing all the necessary steps to ensure capital assets are recorded accurately, timely, and in accordance with governmental accounting standards.



## **Report of Independent Auditors 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***

Honorable Mayor and Members of the City Council  
City of Idaho Falls, 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, the business-type activities, each major fund, the budgetary comparison statements for the General Fund, Streets Fund and Emergency Medical Services Fund, and the aggregate remaining fund information of the City of Idaho Falls, Idaho (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 16, 2021. Our report includes a reference to other auditors who audited the financial statements of the Idaho Falls Redevelopment Agency, a component unit of the City, as described in our report on the City of Idaho Falls, Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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*.

## **City of Idaho Falls, Idaho's Response to Findings**

The City's response to the findings identified in our audit is described in the schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.



Portland, Oregon  
April 16, 2021



## **Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Honorable Mayor and Members of the City Council  
City of Idaho Falls, Idaho

### **Report on Compliance for Each Major Federal Program**

We have audited City of Idaho Falls, Idaho's ("City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

## **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Moss Adams LLP*

Portland, Oregon  
April 16, 2021

**City of Idaho Falls, Idaho**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2020**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
20.106	Airport Improvement Program	Unmodified
21.019	COVID-19 – Coronavirus Relief Funds	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

**City of Idaho Falls, Idaho**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2020**

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**Section II – Financial Statement Findings**

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**FINDING 2020-001 – Significant Deficiency in Internal Control Over Capital Assets (Repeat finding 2019-001)**

***Criteria or specific requirement:***

Ensuring proper and timely internal controls over capital assets are key mechanisms for protecting the organization against fraudulent financial reporting and material misstatements within the City's finances.

***Condition:***

General controls require that tasks including, but not limited to, completing periodic physical inventories of capital assets, monitoring construction work in progress to close out projects in service in a timely manner and performing month end reconciliations of capital asset records to ensure all activity for the period is approved, accurate, and properly reflected in the City's financial records in the correct period.

***Context:***

During the year ended September 30, 2020, the City did not have timely review processes in place to identify errors in the capital asset documentation and schedules supporting the financial statements. The City's capital asset reconciliations did not occur timely throughout the year, which resulted in significant delays in the closing process and additional errors noted. Those errors included capital asset schedules that did not agree to underlying detailed listings of additions, disposals and transfers. The City also had capital projects that were in commercial operation prior to September 30, 2020, but had not been identified and closed to assets in service in a timely manner.

***Effect:***

The City operated without the proper controls in place to ensure capital assets are recorded accurately and completely and are reconciled to the financial statements in a timely manner. This creates a significant risk to the City that material errors or fraudulent transactions could occur and not be prevented or detected in a timely manner.

***Cause:***

The City did not properly design controls to require a timely, and routine independent review of the capital asset records.

***Recommendation:***

The City should ensure proper controls are established to require routine and timely independent reviews of capital asset reconciliations and the underlying records to ensure capital assets are recorded completely and accurately and that the underlying support appropriately reconciles to the City's financial statements.

***Views of responsible officials and planned corrective actions:***

The City concurs with the auditor's findings and will implement the recommended corrective action during the 2021-22 fiscal year. The City has identified programs and processes necessary to identify, record, and reconcile capital assets in a timely manner. The City will also continue to train additional staff in the reconciliation of capital assets. The City will implement additional procedures to ensure the accurate and timely recording of capital projects.

**City of Idaho Falls, Idaho**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2020**

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**Section III – Federal Award Findings and Questioned Costs**

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None reported

**City of Idaho Falls, Idaho**  
**Idaho Falls, Idaho Municipal Airport**  
**Schedule of Passenger Facility Charges Collected and Expended**  
**Year Ended September 30, 2020**

	<u>Passenger Facility Charges Collected</u>	<u>Passenger Facility Charges Expended</u>
PFC Charges Collected and Expended for the Current Year	\$ 517,025	\$ 517,025
PFC Charges Collected and Expended in Prior Years	<u>12,689,156</u>	<u>12,689,156</u>
Total PFC Charges to Date	<u>\$ 13,206,181</u>	\$ 13,206,181
PFC Interest Earned to Date		\$ 35,561
Actual PFC Related Expenditures to Date		<u>\$ (13,241,742)</u>
Ending Balance Unliquidated PFC Revenue Account (PFC Expended to Date, Plus Interest Less Actual Expenditures to Date)		<u>\$ (146,390)</u>
Total Approved PFC Related Expenditures to Date		<u>\$ 13,388,132</u>

## **Report of Independent Auditors on Compliance with Requirements Applicable to the Passenger Facility Charge Program and Report on Internal Control Over Compliance**

Honorable Mayor and Members of the City Council  
City of Idaho Falls, Idaho

### **Report on Compliance for the Passenger Facility Charge Program**

We have audited City of Idaho Falls, Idaho's (the City) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (FAA Audit Guide), for its passenger facility charge program for the year ended September 30, 2020.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its passenger facility charge program.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Federal Aviation Administration, *Passenger Facility Charge Audit Guide for Public Agencies*. Those standards and the FAA Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the passenger facility charge program. However, our audit does not provide a legal determination of the City's compliance.

#### ***Opinion on the Passenger Facility Charge Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended September 30, 2020.

## **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the FAA Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the FAA Audit Guide. Accordingly, this report is not suitable for any other purpose.



Portland, Oregon  
April 16, 2021