

# Annual Comprehensive Financial Report

FOR THE YEAR ENDED  
**SEPTEMBER 30,  
2021**





# **CITY OF IDAHO FALLS, IDAHO**

Annual Comprehensive Financial Report  
For the fiscal year ended September 30, 2021

**Prepared By:**

Municipal Services Department  
Finance Division



# TABLE OF CONTENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF IDAHO FALLS, IDAHO

## INTRODUCTORY SECTION

Letter of Transmittal .....	3
Principal Officials .....	6
Organizational Chart .....	7

## FINANCIAL SECTION

Management's Discussion and Analysis .....	14
Basic Financial Statements:	

### Government-wide Financial Statements:

Statement of Net Position .....	24
Statement of Activities .....	25

### Fund Financial Statements:

Balance Sheet - Governmental Funds .....	26
Reconciliation of the Balance Sheet of Governmental Funds-To the Statement of Net Position .....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds - To the Statement of Activities .....	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund .....	30
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Street Fund .....	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Emergency Medical Services Fund .....	32
Statement of Net Position - Proprietary Funds .....	33
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds .....	35
Statement of Cash Flows - Proprietary Funds .....	36

Notes to the Financial Statements .....	38
---	----

## REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer's Share of Net Pension Liability .....	73
Schedule of Employer's Contributions .....	74

## OTHER SUPPLEMENTARY INFORMATION

Combining Statements - Nonmajor Governmental Funds:

# TABLE OF CONTENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF IDAHO FALLS, IDAHO

Fund Descriptions .....	77
Combining Balance Sheet - Nonmajor Governmental Funds.....	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	84
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual	
Recreation Fund.....	88
Library Fund .....	89
Electric Light Public Purpose Fund .....	90
Business Improvement District Fund.....	91
Golf Fund .....	92
Wildland Fire Fund.....	93
Municipal Capital Improvement Fund.....	94
Street Capital Improvement Fund.....	95
Bridge and Arterial Street Fund.....	96
Surface Drainage Fund.....	97
Traffic Light Capital Improvement Fund.....	98
Parks Capital Improvement Fund.....	99
Zoo Capital Improvement Fund.....	100
Civic Auditorium Capital Improvement Fund .....	101
Golf Capital Improvement Fund.....	102
Police Capital Improvement Fund.....	103

## STATISTICAL SECTION

*Exhibit  
Number*

A-1	Statistical Section - Divider .....	105
	Financial Trend Information.....	108
B-1	Net Position by Component.....	108
B-2	Changes in Net Position.....	109
B-3	Fund Balances of Governmental Funds.....	111
B-4	Changes in Fund Balances of Governmental Funds .....	112
B-5	Tax Revenues by Source, Governmental Funds.....	113
	Revenue Capacity Information.....	115
C-1	Assessed Value and Actual Value of Taxable Property.....	115
C-2	Direct and Overlapping Property Tax Levies.....	116

# TABLE OF CONTENTS

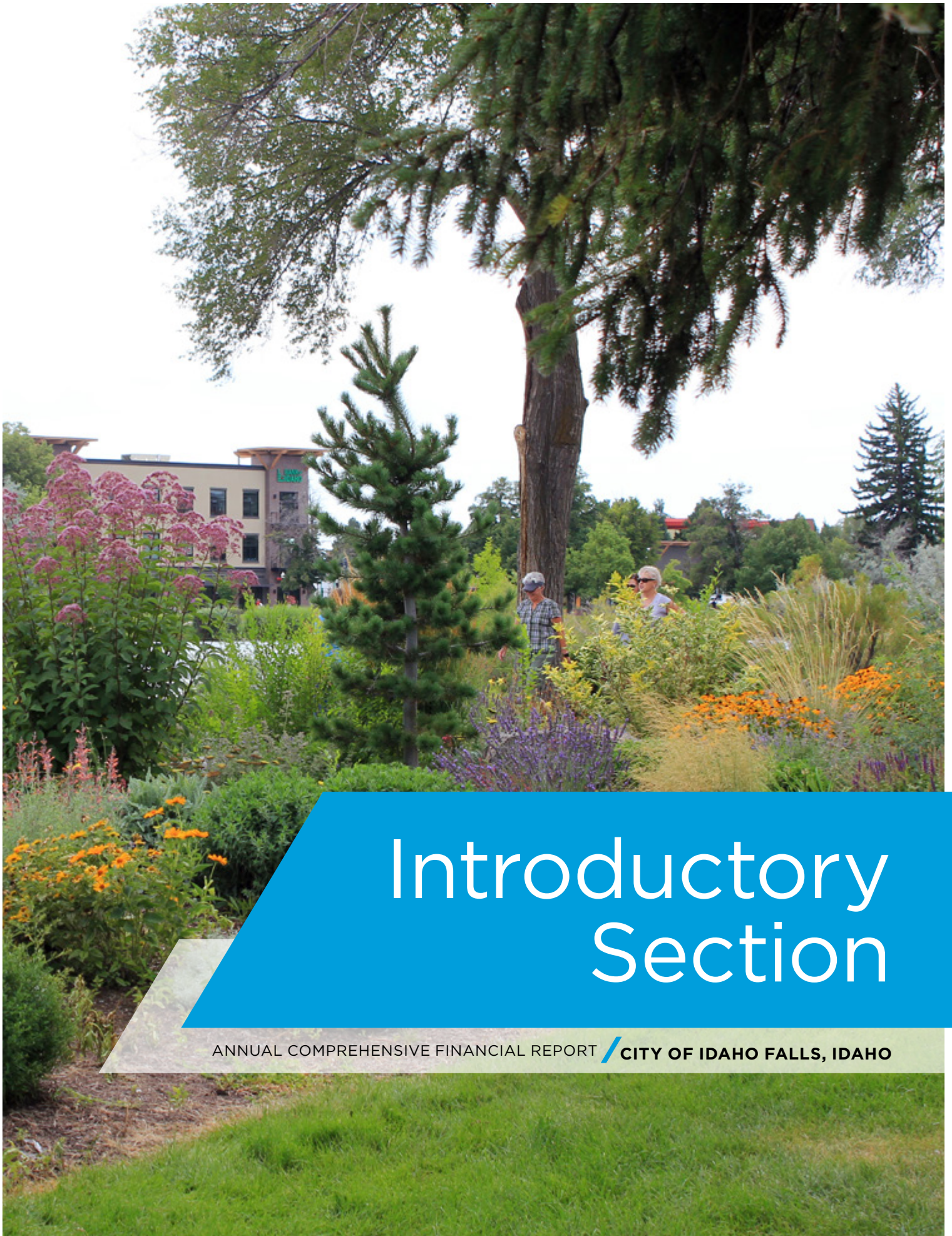
ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF IDAHO FALLS, IDAHO

C-3	Principal Property Tax Payers .....	118
C-4	Property Tax Levies and Collections .....	119
	Debt Capacity Information .....	120
D-1	Ratios of Outstanding Debt by Type .....	120
D-3	Direct and Overlapping Governmental Activities Debt .....	121
D-4	Legal Debt Margin Information .....	122
	Demographic and Economic Information .....	123
E-1	Demographic and Economic Statistics .....	123
E-2	Principal Employers .....	124

## **SINGLE AUDIT SECTION**

Schedule of Expenditures of Federal Awards .....	127
Notes to Schedule of Expenditures of Federal Awards .....	128
Schedule of Findings and Questioned Costs .....	133
Schedule of Passenger Facility Charges Collected and Expended .....	137





# Introductory Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT / **CITY OF IDAHO FALLS, IDAHO**



**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

June 16, 2022

To the Honorable Mayor, Members of the City Council

And Citizens of Idaho Falls

The Annual Comprehensive Financial Report of the City of Idaho Falls (City) for the fiscal year ended September 30, 2021 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.

Eide Bailly 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, 2021, 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, 2021, 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 Annual Comprehensive 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

**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

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.

The accompanying Annual Comprehensive 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 Idaho's southeastern corner. The City currently occupies a land area of approximately 26 square miles with an estimated population of around 65,000. 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 (INL). This scientific sector provides a highly educated workforce 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 universities have a large classroom and research presence in the City and are associated

**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

with INL. 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 2020. The unemployment rate at the end of fiscal year 2021, 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, the City Council has set a 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 are 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, Eide Bailly LLP. All of these efforts are greatly appreciated.

Respectfully submitted,



Mark Hagedorn, CPA

Controller

**Principal Officials  
9/30/2021**

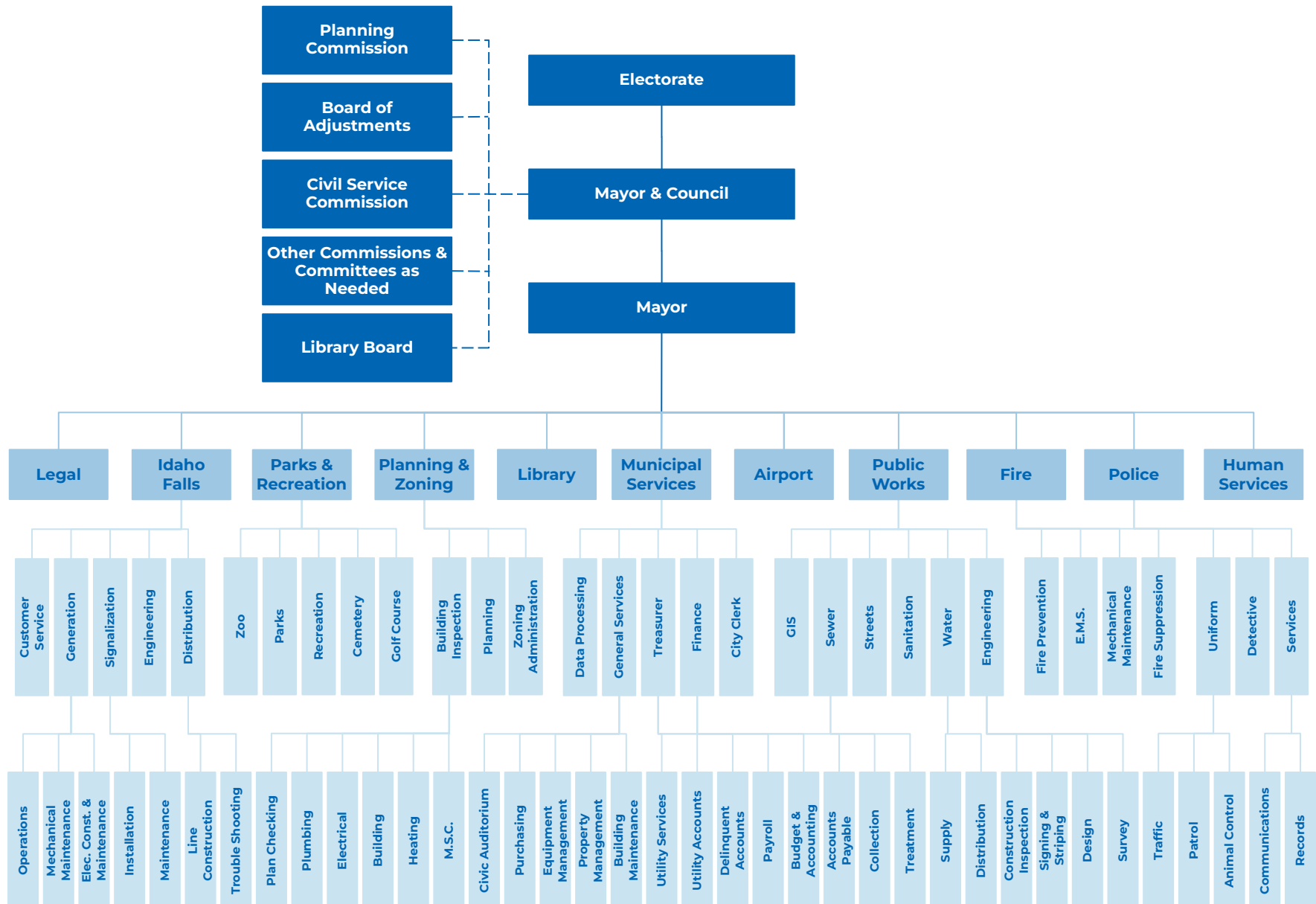
**City Council**

Rebecca L. Noah Casper	Mayor
Michelle Ziel-Dingman	Council Member (Seat 1)
	Council President
Shelly Smede	Council Member (Seat 2)
Thomas Hally	Council Member (Seat 3)
Jim Francis	Council Member (Seat 4)
John B. Radford	Council Member (Seat 5)
James S. Freeman	Council Member (Seat 6)

**Other Principal Officers**

Brad Cramer	Community Development
Richard Cloutier	Airport Director
Randall Fife	City Attorney
Travis Prairie	Idaho Falls Power General Manager
Chris Fredericksen	Public Works Director
Duane Nelson	Fire Chief
Ryan Tew	Human Resources Director
Bryce Johnson	Police Chief
Pam Alexander	Municipal Services Director
Paul Holm	Parks & Recreation Director
Robert Wright	Library Director

## City of Idaho Falls Organization





A photograph of the City Building in Idaho Falls, Idaho. The building is a multi-story brick structure with a prominent portico supported by four large, fluted columns. Above the columns, a decorative frieze runs across the facade. A large sign above the entrance reads "CITY — BUILDING". The building is set against a clear blue sky. In the foreground, there are concrete steps leading up to the entrance, flanked by brick pillars and metal railings.

CITY — BUILDING

# Financial Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF IDAHO FALLS, IDAHO





## Independent Auditor's Report

To the 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, and the aggregate remaining fund information of the City of Idaho Falls, Idaho (the City) as of and for the year ended September 30, 2021, 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 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. 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 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, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where, applicable, cash flows thereof and the respective budgetary comparison for the general fund, streets fund, and emergency medical services fund 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 and the Schedules of Employer's Share of Net Pension Liability (Asset) and Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

### ***Other 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 charge collected and expended required by the Federal Aviation Administration's *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, other supplementary information).

The other 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 other information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 a report dated June 28, 2022, 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, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
June 28, 2022

## 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, 2021. 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, 2021 by \$597,232,351 (net position). Of this amount, \$136,099,729 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 \$65,623,420 as a result of this year's operations. The governmental net position increased by \$31,100,095 and the business-type net position increased by \$34,523,325.
- As of September 30, 2021, the City's governmental activities reported a combined ending net position of \$199,973,597. Approximately 23.88 percent of this amount, or \$47,753,842, is held in unrestricted net position.
- For the period ending September 30, 2021, the general fund balance was \$48,735,417, of which \$454,008 is classified as non-spendable and \$34,383,820 is classified as restricted as defined in the financial statement footnote IV.H. The remaining \$13,897,589 represents 26.98 percent of the total general fund budget dedicated for funding City operations.
- The City's total noncurrent liabilities (including notes, and compensated absences) was \$73,288,424 for the period ending September 30, 2021.

### Overview of the Financial Statements

This overview and analysis is intended to serve as an introduction to the City's 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, public works and emergency medical services (ambulance) operations. The business-type activities of the City include public utilities (water, wastewater, electric, fiber, and sanitation) and the airport..

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, streets fund and emergency medical services fund, which are considered to be major funds. Data from the other seventeen 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, fiber, and sanitation) and the airport. 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 \$597,232,351 as of September 30, 2021. By far the largest portion of the City's net position, 76.28%, 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 are 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, \$136,099,729 may be used to meet the City's ongoing obligations.

For the year ended September 30, 2021, the City's net position increased by \$65,623,420 or 12.34% 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.

### Comparative Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020*	2021	2020*	2021	2020*
<b>Assets</b>						
Current and other assets	\$ 87,672,277	\$ 43,562,215	\$ 123,891,368	\$ 115,594,953	\$ 211,563,645	\$ 159,157,168
Capital assets	150,565,784	137,944,708	318,660,221	275,235,253	469,226,005	413,179,961
Net pension asset	34,966,531	18,948,797	208,883	-	35,175,414	18,948,797
Total assets	273,204,592	200,455,720	442,760,472	390,830,206	715,965,064	591,285,926
<b>Total deferred outflows</b>	<b>8,475,535</b>	<b>6,833,730</b>	<b>3,064,769</b>	<b>2,098,108</b>	<b>11,540,304</b>	<b>8,931,838</b>
<b>Liabilities</b>						
Long-term liabilities outstanding	39,695,818	6,980,632	33,592,606	14,587,881	73,288,424	21,568,513
Net pension liability	-	23,040,077	-	8,146,165	-	31,186,242
Other liabilities	15,217,731	7,120,522	7,953,875	7,008,144	23,171,606	14,128,666
Total liabilities	54,913,549	37,141,231	41,546,481	29,742,190	96,460,030	66,883,421
<b>Total deferred inflows</b>	<b>26,792,981</b>	<b>1,274,717</b>	<b>7,020,006</b>	<b>450,695</b>	<b>33,812,987</b>	<b>1,725,412</b>
<b>Net position</b>						
Net investment in capital assets	147,729,000	136,631,434	307,833,244	262,435,057	455,562,244	399,066,491
Restricted	4,490,755	4,522,867	1,079,623	1,079,623	5,570,378	5,602,490
Unrestricted	47,753,842	27,719,201	88,345,887	99,220,749	136,099,729	126,939,950
<b>Total net position</b>	<b>\$ 199,973,597</b>	<b>\$ 168,873,502</b>	<b>\$ 397,258,754</b>	<b>\$ 362,735,429</b>	<b>\$ 597,232,351</b>	<b>\$ 531,608,931</b>

\*2020 balances were restated due to the change in the Emergency Medical Service (Ambulance) Fund from a business-type activity to a governmental activity.

## Comparative Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020*	2021	2020*	2021	2020*
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 17,365,840	\$ 12,980,869	\$ 92,242,387	\$ 90,157,159	\$109,608,227	\$ 103,138,028
Operating grants & contributions	19,109,103	7,588,642	-	5,000	19,109,103	7,593,642
Capital grants & contributions	7,826,084	9,344,131	23,091,638	12,758,349	30,917,722	22,102,480
<b>General revenues:</b>						
Property taxes	32,305,312	37,032,481	-	-	32,305,312	37,032,481
Other taxes	11,355,234	10,884,248	-	-	11,355,234	10,884,248
Other	1,652,183	2,417,373	627,403	1,931,181	2,279,586	4,348,554
<b>Total revenues</b>	<b>89,613,756</b>	<b>80,247,744</b>	<b>115,961,428</b>	<b>104,851,689</b>	<b>205,575,184</b>	<b>185,099,433</b>
<b>Expenses:</b>						
General government	8,854,200	11,689,863	-	-	8,854,200	11,689,863
Public safety	28,016,651	38,140,250	-	-	28,016,651	38,140,250
Streets	9,683,499	10,805,936	-	-	9,683,499	10,805,936
Culture and recreation	14,850,944	16,481,046	-	-	14,850,944	16,481,046
Public works	1,189,519	1,509,780	-	-	1,189,519	1,509,780
Airport	-	-	5,960,725	5,900,235	5,960,725	5,900,235
Water	-	-	9,340,259	9,399,986	9,340,259	9,399,986
Sanitation	-	-	3,470,405	4,218,654	3,470,405	4,218,654
Electric	-	-	47,878,686	45,907,252	47,878,686	45,907,252
Fiber	-	-	1,178,476	859,592	1,178,476	859,592
Wastewater	-	-	9,528,400	10,281,212	9,528,400	10,281,212
<b>Total expenses</b>	<b>62,594,813</b>	<b>78,626,875</b>	<b>77,356,951</b>	<b>76,566,931</b>	<b>139,951,764</b>	<b>155,193,806</b>
Increase (decrease) in net position before transfers	27,018,943	1,620,868	38,604,477	28,284,758	65,623,420	29,905,626
Transfer	4,081,152	5,123,369	(4,081,152)	(5,123,369)	-	-
Increase (decrease) in net position	31,100,095	6,744,238	34,523,325	23,161,389	65,623,420	29,905,627
	168,873,502	162,129,264	362,735,429	339,574,040	531,608,931	501,703,304
<b>Net position - ending</b>	<b>\$ 199,973,597</b>	<b>\$168,873,502</b>	<b>\$ 397,258,754</b>	<b>\$362,735,429</b>	<b>\$597,232,351</b>	<b>\$531,608,931</b>

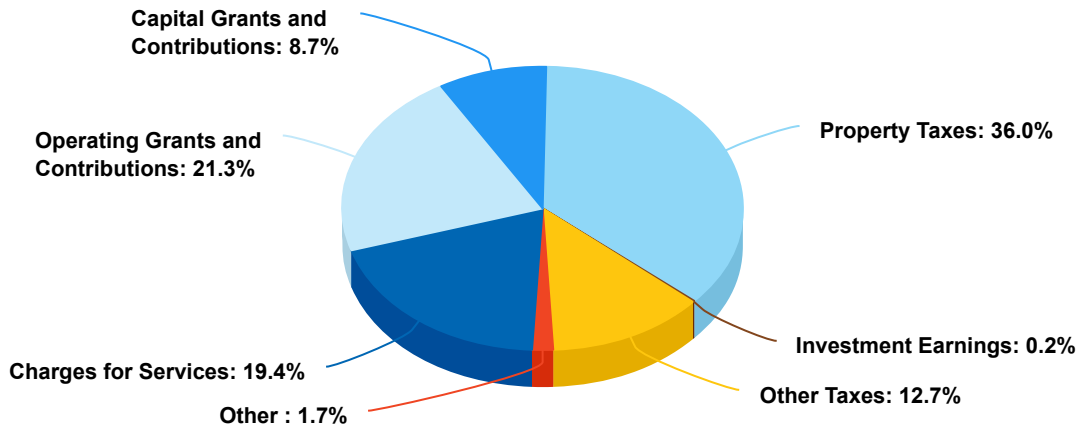
\*2020 balances were restated due to the change in the Emergency Medical Service (Ambulance) Fund from a business-type activity to a governmental activity.

## Governmental Activities

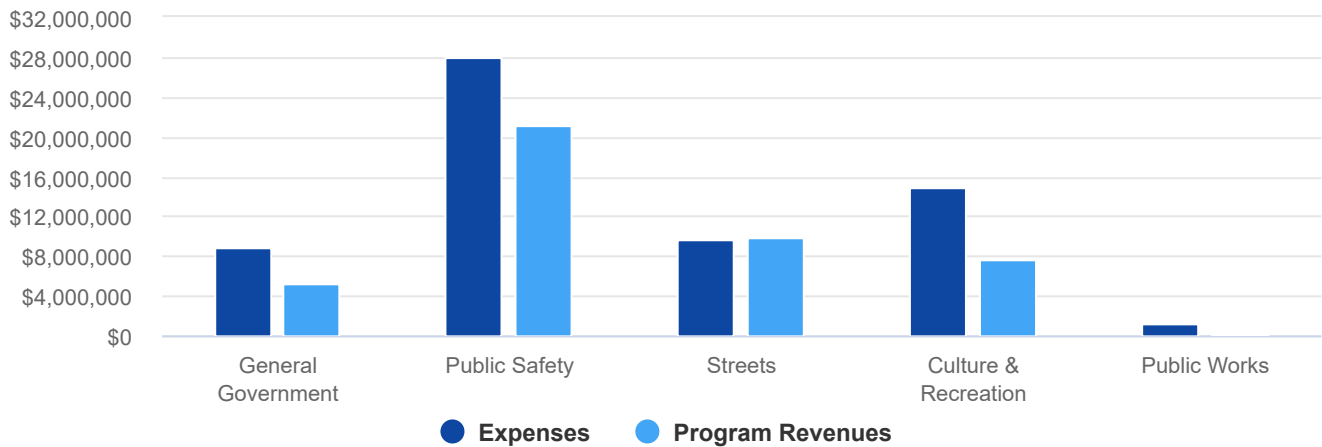
During the current fiscal year, net position for governmental activities increased \$31,100,095 or 18.42% from the prior year for an ending balance of \$199,973,597. Key elements of the year are as follows:

- Governmental revenue increased by \$9,366,012 or 11.67% compared to September 30, 2020. This increase is primarily due to two factors; first, the impact of the COVID-19 global pandemic which resulted in the City having to reduce social gathering activities during the previous fiscal year (meaning charges for services have increased over the previous year), as well as more federal dollars being received during fiscal year 2021 as a result of Coronavirus Aid, Relief, and Economic Security Act (CARES) and the American Rescue Plan Act (ARPA). Second; The City is in a high growth year which results in more services being used by residents, which also leads to increases in charges for services revenue.
- Governmental expenses decreased by \$16,032,063 or 20.39% compared to September 30, 2020. The net decrease is primarily due to significant reduction of pension related expenses.

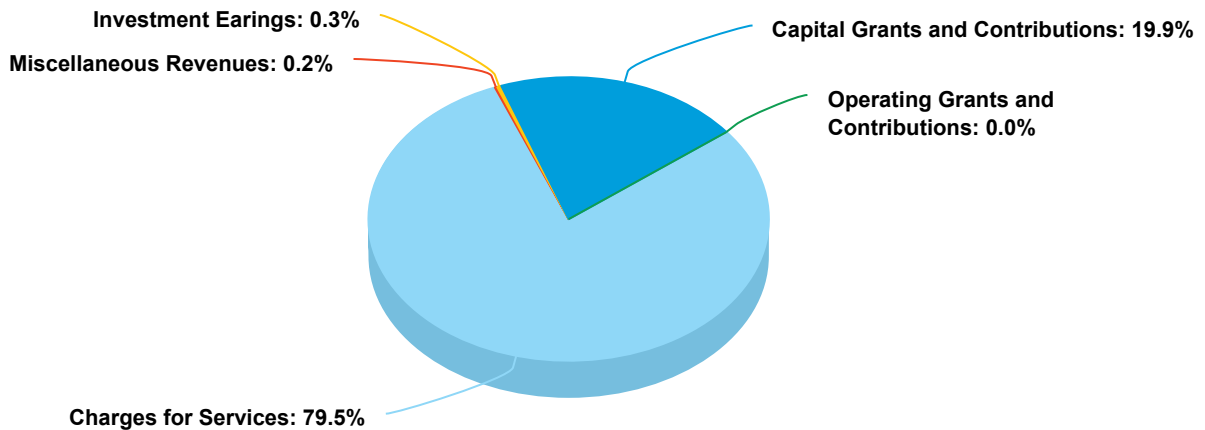
### 2021 Revenues by Source - Governmental Activities



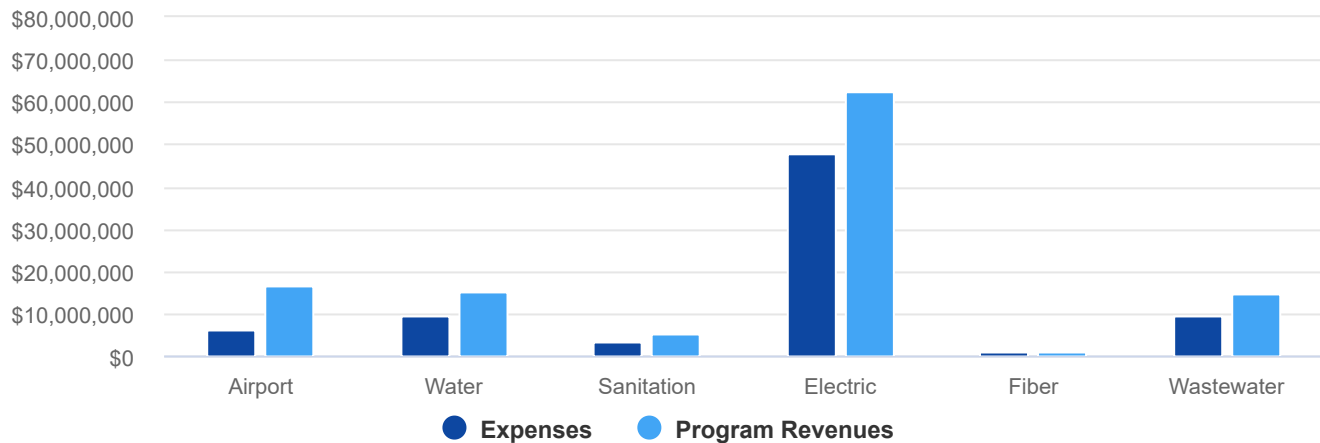
### 2021 Expenses and Program Revenues - Governmental Activities



### 2021 Revenues by Source - Business-Type Activities



### 2021 Expenses and Program Revenues - Business-Type Activities



**Business-type activities.** Business-type activities increased the City's net position by \$34,523,325 or 9.52% compared to September 30, 2020 for an ending balance of \$397,258,754. Key elements of this increase are as follows:

- Business-type capital related assets increased by \$43,424,968 or 15.78% compared to September 30, 2020. This increase is primarily due to wastewater treatment plant upgrades, airport terminal expansion projects, and fiber infrastructure expansion projects that will continue into fiscal year 2022.
- Business-type revenues increased by \$11,109,739 or 10.6% compared to September 30, 2020. 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. This 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, 2021, the City's governmental funds reported an ending fund balance of \$69,131,609 which is a \$35,720,402 or 106.91% increase compared to September 30, 2020. 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 the 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 inventory and prepaid items for a total of \$707,420.
- The restricted fund balance category comprises funds restricted for energy conservation loan programs, the City's self-insured program, and bond receivable for a new law enforcement complex for a total of \$35,119,612.
- The entirety of the committed fund balance of \$4,209,148 is attributed to contracts the City has entered into for the following areas: street and capital improvements of \$3,913,714 and general operation and maintenance of \$295,434.

- At September 30, 2021 the City has made the \$24,948,556 in assignments of fund balance to the following: machinery and equipment replacement program of \$4,340,364, street and municipal projects of \$8,530,834, public safety projects \$1,801,691, culture and recreation projects of \$4,937,073, operational and maintenance of \$1,689,369, Downtown Business Improvement District of \$106,887, and conservation programs of \$3,542,068.
- The remaining \$4,146,875 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 \$32,208,606 or 194.88% increase as compared to the prior fiscal year. The key factor is City revenues/transfer exceeded expenditures. The key factors in this are as follows:

- Revenues increased by \$5,632,176 or 12.77% as compared to the prior year. This increase is the result of the City reopening services after COVID-19 pandemic restrictions were lifted as well as the city experiencing high demand for services due to increased growth.
- Expenditures increased by \$4,560,360 or 9.66% as compared to the prior year. This increase also was the result of the City reopening services after COVID-19 pandemic restrictions were lifted and demand derived from City growth.
- Other financing sources increased by \$28,509,245 due to the City obtaining a bond for a law enforcement complex and the acquisition of public safety vehicles through leases.

### General Fund Budgetary Highlights

The general fund expenditure budget had a final net increase by 2,466,959 compared to the adopted budget. This increase was for operations and maintenance needs affecting departments ability to provide services.

Final budgeted expenditures were less than final budgeted revenues and transfers in by \$170,580. 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 more than budgeted revenues by \$1,936,719 mainly due to increases in intergovernmental revenues resulting from state and federal programs.
- Actual expenditures in the general fund were more than budgeted expenditures by \$236,032 as a result of accounting for lease purchases.

### 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, 2021 amounts to \$469,226,005 (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 2021, the City's investment in capital assets increased by 13.56% 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 \$43,424,968 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.

### Comparative Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2021	2020*	2021	2020*	2021	2020
Land	\$ 20,322,360	\$ 19,185,401	\$ 13,171,863	\$ 9,082,280	\$ 33,494,223	\$ 28,267,681
Infrastructure	134,260,049	127,378,836	446,362,918	426,796,424	580,622,967	554,175,260
Buildings and improvements	82,359,157	81,477,659	64,255,553	64,185,114	146,614,710	145,662,773
Machinery and equipment	42,222,138	38,251,380	42,360,669	40,701,306	84,582,807	78,952,686
Construction in progress	8,007,864	2,025,998	71,010,503	37,372,994	79,018,367	39,398,992
Accumulated depreciation	(136,605,783)	(130,374,566)	(318,501,285)	(302,902,865)	(455,107,068)	(433,277,431)
<b>Total</b>	<b>\$150,565,785</b>	<b>\$137,944,708</b>	<b>\$ 318,660,221</b>	<b>\$ 275,235,253</b>	<b>\$ 469,226,006</b>	<b>\$ 413,179,961</b>

\*2020 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, 2021, the City's noncurrent liabilities of \$73,288,424 is a increase of 239.79% compared to the previous year.

### City of Idaho Falls' Outstanding Noncurrent Liabilities

	2021	2020
<b>Governmental-Type Activities</b>		
Law Enforcement Complex Bond	\$ 30,084,356	\$ -
Lease Purchase	2,836,784	1,313,274
Compensated absences	6,774,678	5,667,358
<b>Business-Type Activities</b>		
Transmission Expansion Bond	20,594,873	-
State of Idaho DEQ note	10,826,977	12,800,196
Compensated absences	2,170,756	1,784,628
Other	-	3,057
<b>Total</b>	<b>\$ 73,288,424</b>	<b>\$ 21,568,513</b>

The lease purchase agreements are the acquisition of property over four to five years. The annual payments for these are \$880,135 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.

The Law Enforcement Complex Bond is for the design and construction of a new police facility. Payments of \$1,999,000 for principle and interest are made each year for 20 years.

The Transmission Bond is for the design and construction of expansion to the electric power grid. Payments of \$1,552,450 for principle and interest are made each year for 15 years.

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 decreased over last year and is reported at 2.8 percent. This compares favorably to the state's average unemployment rate of 3.5 percent.
- Inflationary trends for the City are about the same as the national level.
- Interest rates are expected to increase to moderate levels throughout fiscal year 2021- 2022.
- 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 2021/2022 fiscal year.

The general fund ended the current year with an unassigned fund balance of \$8,652,920. The City has not appropriated any of this unassigned fund balance for spending in the 2021 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.

## Statement of Net Position September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Redevelopment Agency
<b>Assets</b>				
Cash and cash equivalents	\$ 1,357,643	\$ 2,493,473	\$ 3,851,116	\$ 374,000
Investments	44,637,803	81,982,375	126,620,178	985,366
Receivables (net of allowance for uncollectibles)	3,900,474	7,776,514	11,676,988	-
Bond receivable	30,356,265	20,704,017	51,060,282	-
Internal balances	(673,002)	673,002	-	-
Due from other governments	3,082,613	1,755,823	4,838,436	5,336
Inventories	664,671	7,426,540	8,091,211	-
Prepaid assets	42,749	-	42,749	-
Net pension asset	34,966,531	208,883	35,175,414	-
Restricted assets:				
Cash and cash equivalents	4,303,061	1,079,623	5,382,684	-
Capital assets, not being depreciated:				
Land	20,322,360	13,171,863	33,494,223	-
Construction work in progress	8,007,864	71,010,503	79,018,367	-
Capital assets, being depreciated:				
Infrastructure	134,260,049	446,362,918	580,622,967	-
Buildings and improvements	82,359,157	64,255,553	146,614,710	-
Machinery and equipment	42,222,138	42,360,670	84,582,808	-
Accumulated depreciation	(136,605,784)	(318,501,285)	(455,107,069)	-
<b>Total assets</b>	<b>273,204,592</b>	<b>442,760,472</b>	<b>715,965,064</b>	<b>1,364,702</b>
<b>Deferred Outflows</b>				
Deferred outflows related to pensions	8,475,535	3,064,769	11,540,304	-
<b>Total deferred outflows</b>	<b>8,475,535</b>	<b>3,064,769</b>	<b>11,540,304</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable	6,520,504	6,936,349	13,456,853	33,130
Accrued wages payable	3,061,866	1,017,526	4,079,392	-
Security deposits	350,003	-	350,003	99,662
Unearned revenue	5,285,358	-	5,285,358	-
Noncurrent liabilities:				
Due within one year	5,852,874	2,925,659	8,778,533	-
Due in more than one year	33,842,944	30,666,947	64,509,891	14,832,960
<b>Total liabilities</b>	<b>54,913,549</b>	<b>41,546,481</b>	<b>96,460,030</b>	<b>14,965,752</b>
<b>Deferred Inflows</b>				
Deferred inflows related to pensions	26,792,981	7,020,006	33,812,987	-
<b>Net Position</b>				
Net investment in capital assets	147,729,000	307,833,244	455,562,244	-
Restricted for:				
Self Insurance	4,299,464	-	4,299,464	-
Conservation program	191,291	-	191,291	-
Debt Service	-	1,079,623	1,079,623	-
Unrestricted	47,753,842	88,345,887	136,099,729	(13,601,050)
<b>Total net position (deficit)</b>	<b>\$ 199,973,597</b>	<b>\$ 397,258,754</b>	<b>\$ 597,232,351</b>	<b>\$ (13,601,050)</b>

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

## Statement of Activities For the Year Ended September 30, 2021

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	\$ 8,854,200	\$ 4,087,226	\$ 1,240,580	\$ -	\$ (3,526,394)	\$ -	\$ (3,526,394)		
Public safety	28,016,651	6,324,066	14,782,484	-	(6,910,101)	-	(6,910,101)		
Streets	9,683,499	460,641	1,659,855	7,826,084	263,081	-	263,081		
Culture and recreation	14,850,944	6,290,921	1,426,184	-	(7,133,839)	-	(7,133,839)		
Public works	1,189,519	202,986	-	-	(986,533)	-	(986,533)		
Total governmental activities	62,594,813	17,365,840	19,109,103	7,826,084	(18,293,786)	-	(18,293,786)		
<b>Business-type activities:</b>									
Airport	5,960,725	2,635,092	-	14,068,029	-	10,742,396	10,742,396		
Water	9,340,259	12,499,290	-	2,728,905	-	5,887,936	5,887,936		
Sanitation	3,470,405	5,307,087	-	-	-	1,836,682	1,836,682		
Electric	47,878,686	57,711,992	-	4,618,346	-	14,451,652	14,451,652		
Fiber	1,178,476	1,077,879	-	-	-	(100,597)	(100,597)		
Wastewater	9,528,400	13,011,047	-	1,676,358	-	5,159,005	5,159,005		
Total business-type activities	77,356,951	92,242,387	-	23,091,638	-	37,977,074	37,977,074		
Total primary government	\$ 139,951,764	\$ 109,608,227	\$ 19,109,103	\$ 30,917,722	\$ (18,293,786)	\$ 37,977,074	\$ 19,683,288		
<b>Component unit:</b>									
Redevelopment agency	4,900,309	-	-	-					(4,900,309)
Total component unit	\$ 4,900,309	\$ -	\$ -	\$ -					\$ (4,900,309)
General revenues:									
Property taxes					32,305,312	-	32,305,312		1,190,739
Unrestricted sales tax and revenue sharing					9,652,076	-	9,652,076		-
Franchise taxes					648,336	-	648,336		-
Alcoholic beverage taxes					1,054,822	-	1,054,822		-
Unrestricted investment earnings					148,956	405,521	554,477		2,614
Miscellaneous revenue					1,503,227	221,882	1,725,109		876
Transfers					4,081,152	(4,081,152)	-		-
Total general revenues and transfers					49,393,881	(3,453,749)	45,940,132		1,194,229
Change in net position					31,100,095	34,523,325	65,623,420		(3,706,080)
Net position (deficit)-beginning					168,873,502	362,735,429	531,608,931		(9,894,970)
Net position (deficit)-ending					\$ 199,973,597	\$ 397,258,754	\$ 597,232,351	\$	(13,601,050)

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

### Balance Sheet Governmental Funds September 30, 2021

	General	Streets Fund	Emergency Medical Services Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 556,323	\$ 166,736	\$ -	\$ 526,793	\$ 1,249,852
Investments	18,291,202	5,482,076	-	17,320,350	41,093,628
Restricted Cash	4,303,061	-	-	-	4,303,061
Tax receivables	746,790	98,232	-	94,690	939,712
Loan receivables	-	-	-	191,291	191,291
Receivables	131,769	4,244	1,636,198	753,170	2,525,381
Interest receivable	97,242	14,508	-	37,499	149,249
Bond Issuance Receivable	30,356,265	-	-	-	30,356,265
Due from other governments	1,550,027	821,607	710,979	-	3,082,613
Due from other Funds	2,348,040	-	-	-	2,348,040
Inventory	423,214	93,700	-	147,757	664,671
Prepaid items	30,793	-	-	11,956	42,749
<b>Total assets</b>	<b>\$ 58,834,726</b>	<b>\$ 6,681,103</b>	<b>\$ 2,347,177</b>	<b>\$ 19,083,506</b>	<b>\$ 86,946,512</b>
<b>Liabilities</b>					
Accounts payable	\$ 1,584,950	\$ 1,526,912	\$ 56,945	\$ 2,859,930	\$ 6,028,737
Accrued wages	2,352,890	108,954	346,803	253,219	3,061,866
Security deposits	279,544	-	-	60,459	340,003
Unearned revenue	5,285,359	-	-	-	5,285,359
Due to other Funds	-	-	874,009	1,474,031	2,348,040
<b>Total liabilities</b>	<b>9,502,743</b>	<b>1,635,866</b>	<b>1,277,757</b>	<b>4,647,639</b>	<b>17,064,005</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-property taxes	596,566	78,433	-	75,897	750,896
<b>Total deferred inflows of resources</b>	<b>596,566</b>	<b>78,433</b>	<b>-</b>	<b>75,897</b>	<b>750,896</b>
<b>Fund Balances</b>					
Nonspendable	454,008	93,700	-	159,712	707,420
Restricted	34,383,820	-	-	735,792	35,119,612
Committed	2,159	871,930	-	3,335,059	4,209,148
Assigned	5,242,510	4,001,174	1,069,420	14,635,452	24,948,556
Unassigned	8,652,920	-	-	(4,506,045)	4,146,875
<b>Total fund balances</b>	<b>48,735,417</b>	<b>4,966,804</b>	<b>1,069,420</b>	<b>14,359,970</b>	<b>69,131,611</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 58,834,726</b>	<b>\$ 6,681,103</b>	<b>\$ 2,347,177</b>	<b>\$ 19,083,506</b>	<b>\$ 86,946,512</b>

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

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position September 30, 2021

Total fund balances reported on the governmental funds balance sheet	\$ 69,131,611
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.	150,565,784
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Net pension asset	34,966,531
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.	2,572,039
Deferred inflows and outflows	
Deferred outflows related to pensions	8,475,535
Deferred inflows related to pensions	(26,792,981)
Deferred inflows related to property taxes	750,896
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	(6,774,678)
Lease purchase	(2,836,784)
Bond obligation	(30,084,356)
<b>Net position of governmental activities</b>	<b>\$ 199,973,597</b>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2021**

	General	Streets Fund	Emergency Medical Services Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 24,753,695	\$ 4,545,950	\$ -	\$ 3,856,613	\$ 33,156,258
Licenses and permits	1,618,100	23,450	-	-	1,641,550
Intergovernmental	19,998,579	3,798,883	3,373,146	3,719,998	30,890,606
Charges for services	2,363,806	208,014	4,567,395	5,763,729	12,902,944
Fines	261,427	-	-	8,377	269,804
Interest	82,802	21,168	56	39,387	143,413
Miscellaneous	659,700	51,810	18,070	1,040,649	1,770,229
<b>Total revenues</b>	<b>49,738,109</b>	<b>8,649,275</b>	<b>7,958,667</b>	<b>14,428,753</b>	<b>80,774,804</b>
<b>Expenditures</b>					
Current:					
General government	8,204,210	-	-	459,967	8,664,177
Public safety	30,428,597	-	6,522,391	1,007,179	37,958,167
Streets	-	7,438,411	-	-	7,438,411
Culture & recreation	8,938,952	-	-	7,876,243	16,815,195
Public works	1,058,988	-	-	-	1,058,988
Capital outlay	-	-	-	6,756,623	6,756,623
Lease-purchase	2,323,768	-	-	-	2,323,768
Debt Service	800,258	-	-	-	800,258
<b>Total expenditures</b>	<b>51,754,773</b>	<b>7,438,411</b>	<b>6,522,391</b>	<b>16,100,012</b>	<b>81,815,587</b>
Excess (deficiency) of revenues over (under) expenditures	(2,016,664)	1,210,864	1,436,276	(1,671,259)	(1,040,783)
<b>Other Financing Sources (Uses)</b>					
Lease Purchase	2,323,768	-	-	-	2,323,768
Transfers in	4,451,357	-	100,000	3,518,365	8,069,722
Transfers out	(2,906,120)	-	-	(1,082,450)	(3,988,570)
Bond issuance	25,190,000	-	-	-	25,190,000
Bond Premium	5,166,265	-	-	-	5,166,265
<b>Total other financing sources (uses)</b>	<b>34,225,270</b>	<b>-</b>	<b>100,000</b>	<b>2,435,915</b>	<b>36,761,185</b>
Net change in fund balances	32,208,606	1,210,864	1,536,276	764,656	35,720,402
<b>Fund balances, beginning</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>
<b>Fund balances, ending</b>	<b>\$ 48,735,417</b>	<b>\$ 4,966,804</b>	<b>\$ 1,069,420</b>	<b>\$ 14,359,968</b>	<b>\$ 69,131,609</b>

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

## 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, 2021

Net change in fund balances-total governmental funds	\$ 35,720,402
--	---------------

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

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.	2,471,225
---	-----------

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)

Contributed capital	7,826,085
Unavailable revenue	(202,610)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond issuance	(30,356,265)
Debt principle payments and amortization of premiums	1,072,167

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).

Pension expense offset	15,181,352
Compensated absences	(1,107,320)

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.

495,059

<b>Change in net position of governmental activities</b>	<b>\$ 31,100,095</b>
--	----------------------

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

**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 30,836,409	\$ 30,836,409	\$ 24,572,703	\$ (6,263,706)
Licenses and permits	1,405,550	1,405,550	1,618,100	212,550
Intergovernmental	10,908,331	10,908,331	19,998,579	9,090,248
Charges for services	2,034,150	2,034,150	2,363,806	329,656
Fines	486,450	486,450	442,419	(44,031)
Interest	1,150,000	1,150,000	82,802	(1,067,198)
Miscellaneous	980,500	980,500	659,700	(320,800)
<b>Total revenues</b>	<b>47,801,390</b>	<b>47,801,390</b>	<b>49,738,109</b>	<b>1,936,719</b>
<b>Expenditures</b>				
Current:				
General government	9,810,683	9,986,761	8,204,210	1,782,551
Public safety	28,665,760	30,577,066	30,428,597	148,469
Culture and recreation	8,287,639	8,667,214	8,938,952	(271,738)
Public works	2,287,700	2,287,700	1,058,988	1,228,712
Lease-purchase	-	-	2,323,768	(2,323,768)
Debt Service	-	-	800,258	(800,258)
<b>Total expenditures</b>	<b>49,051,782</b>	<b>51,518,741</b>	<b>51,754,773</b>	<b>(236,032)</b>
Excess (deficiency) of revenues over (under) expenditures	(1,250,392)	(3,717,351)	(2,016,664)	1,700,687
<b>Other financing sources (uses)</b>				
Debt issuance	-	-	32,680,033	32,680,033
Transfers in	5,451,357	5,451,357	4,451,357	(1,000,000)
Transfers out	(1,563,426)	(1,563,426)	(2,906,120)	(1,342,694)
<b>Total other financing sources (uses)</b>	<b>3,887,931</b>	<b>3,887,931</b>	<b>34,225,270</b>	<b>30,337,339</b>
Net change in fund balances	2,637,539	170,580	32,208,606	32,038,026
<b>Fund balance, beginning</b>	<b>16,526,811</b>	<b>16,526,811</b>	<b>16,526,811</b>	<b>-</b>
<b>Fund balance, ending</b>	<b>\$ 19,164,350</b>	<b>\$ 16,697,391</b>	<b>\$ 48,735,417</b>	<b>\$ 32,038,026</b>

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

**Streets Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 4,449,181	\$ 4,449,181	\$ 4,545,950	\$ 96,769
Intergovernmental	2,424,000	2,424,000	3,798,883	1,374,883
Licenses and permits	20,000	20,000	23,450	3,450
Charges for services	-	-	208,014	208,014
Interest	10,000	10,000	21,168	11,168
Miscellaneous	15,000	15,000	51,810	36,810
<b>Total revenues</b>	<b>6,918,181</b>	<b>6,918,181</b>	<b>8,649,275</b>	<b>1,731,094</b>
<b>Expenditures</b>				
Streets	6,851,050	7,421,738	7,438,411	(16,673)
Excess (deficiency) of revenues over (under) expenditures	67,131	(503,557)	1,210,864	1,714,421
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	67,131	(503,557)	1,210,864	1,714,421
<b>Fund balances - beginning</b>	<b>3,755,940</b>	<b>3,755,940</b>	<b>3,755,940</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 3,823,071</b>	<b>\$ 3,252,383</b>	<b>\$ 4,966,804</b>	<b>\$ 1,714,421</b>

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

**Emergency Medical Services Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 3,264,974	\$ 3,264,974	\$ 3,373,146	\$ 108,172
Charges for Services	3,617,000	3,617,000	4,567,395	950,395
Miscellaneous	47,000	47,000	18,126	(28,874)
<b>Total revenues</b>	<b>6,928,974</b>	<b>6,928,974</b>	<b>7,958,667</b>	<b>1,029,693</b>
<b>Expenditures</b>				
Public Safety	6,784,084	7,163,548	6,522,391	641,157
Excess (deficiency) of revenues over (under) expenditures	144,890	(234,574)	1,436,276	1,670,850
<b>Other financing sources (uses)</b>				
Transfers in	-	-	100,000	100,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>
Net change in fund balances	144,890	(234,574)	1,536,276	1,770,850
<b>Fund balances - beginning</b>	<b>(466,856)</b>	<b>(466,856)</b>	<b>(466,856)</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ (321,966)</b>	<b>\$ (701,430)</b>	<b>\$ 1,069,420</b>	<b>\$ 1,770,850</b>

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

## Statement of Net Position Proprietary Funds September 30, 2021

	Business-type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds
	Airport	Water	Sanitation	Electric	Fiber	Wastewater	Total	
<b>Assets</b>								
Current assets:								
Cash and cash equivalents	\$ 42,973	\$ 458,693	\$ 177,522	\$ 1,029,599	\$ 13,330	\$ 771,356	\$ 2,493,473	\$ 107,795
Investments	1,412,894	15,081,273	5,836,718	33,851,962	438,285	25,361,243	81,982,375	3,544,169
Receivables (net of allowance for uncollectibles):								
Utility & accounts	53,136	907,849	460,907	5,033,149	128,533	929,759	7,513,333	83,588
Interest	4,486	47,886	18,533	108,137	289	83,854	263,185	11,253
Bond receivable	-	-	-	20,704,017	-	-	20,704,017	-
Due from other governments	1,755,823	-	-	-	-	-	1,755,823	-
Due from other funds	-	-	-	13,623,330	-	-	13,623,330	-
Inventory	-	1,465,566	-	4,452,971	1,506,225	1,778	7,426,540	-
<b>Total current assets</b>	<b>3,269,312</b>	<b>17,961,267</b>	<b>6,493,680</b>	<b>78,803,165</b>	<b>2,086,662</b>	<b>27,147,990</b>	<b>135,762,076</b>	<b>3,746,805</b>
Noncurrent assets:								
Net pension asset	14,186	16,089	20,413	118,268	7,889	32,038	208,883	-
Restricted assets:								
Cash and cash equivalents	-	-	-	-	-	1,079,623	1,079,623	-
<b>Total noncurrent assets</b>	<b>14,186</b>	<b>16,089</b>	<b>20,413</b>	<b>118,268</b>	<b>7,889</b>	<b>1,111,661</b>	<b>1,288,506</b>	<b>-</b>
Capital assets:								
Land	7,459,250	561,950	-	3,932,994	-	1,217,669	13,171,863	-
Buildings	17,910,020	1,446,370	430,756	5,321,461	-	39,146,946	64,255,553	-
Improvements other than buildings	64,818,152	79,845,359	39,385	227,726,551	8,390,492	65,542,979	446,362,918	-
Machinery & equipment	4,674,152	3,054,429	8,158,802	12,507,979	179,156	13,786,152	42,360,670	-
Construction work in progress	20,444,714	5,014,051	996,715	31,824,842	11,193,255	1,536,926	71,010,503	-
Less accumulated depreciation	(53,033,892)	(43,597,357)	(5,659,078)	(158,377,484)	(4,517,230)	(53,316,244)	(318,501,285)	-
Total capital assets (net of accumulated depreciation)	62,272,396	46,324,802	3,966,580	122,936,343	15,245,673	67,914,428	318,660,222	-
<b>Total assets</b>	<b>65,555,894</b>	<b>64,302,158</b>	<b>10,480,673</b>	<b>201,857,776</b>	<b>17,340,224</b>	<b>96,174,079</b>	<b>455,710,804</b>	<b>3,746,805</b>
Deferred outflow of resources								
Deferred outflows related to pensions	208,155	236,064	299,494	1,735,239	115,742	470,075	3,064,769	-
<b>Total deferred outflow of resources</b>	<b>208,155</b>	<b>236,064</b>	<b>299,494</b>	<b>1,735,239</b>	<b>115,742</b>	<b>470,075</b>	<b>3,064,769</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 65,764,049</b>	<b>\$ 64,538,222</b>	<b>\$ 10,780,167</b>	<b>\$ 203,593,015</b>	<b>\$ 17,455,966</b>	<b>\$ 96,644,154</b>	<b>\$ 458,775,573</b>	<b>\$ 3,746,805</b>

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

	Business-type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds
	Airport	Water	Sanitation	Electric	Fiber	Wastewater	Total	
<b>Liabilities</b>								
Current liabilities:								
Accounts payable	\$ 273,700	\$ 721,619	\$ 342,603	\$ 4,674,613	\$ 652,621	\$ 271,193	\$ 6,936,349	\$ 501,764
Accrued wages	74,992	71,934	115,727	555,388	35,295	164,195	1,017,531	-
Due to (from) other funds	4,063,467	-	-	-	9,559,863	-	13,623,330	-
Compensated absences	71,175	57,477	96,642	665,029	22,340	134,054	1,046,717	-
<b>Total current liabilities</b>	<b>4,483,334</b>	<b>851,030</b>	<b>554,972</b>	<b>5,895,030</b>	<b>10,270,119</b>	<b>569,442</b>	<b>22,623,927</b>	<b>501,764</b>
Noncurrent liabilities:								
Compensated absences	87,529	51,334	116,798	659,943	14,184	194,251	1,124,039	-
Loan payable	-	-	-	20,594,873	-	10,826,977	31,421,850	-
<b>Total noncurrent liabilities</b>	<b>87,529</b>	<b>51,334</b>	<b>116,798</b>	<b>21,254,816</b>	<b>14,184</b>	<b>11,021,228</b>	<b>32,545,889</b>	<b>-</b>
<b>Total liabilities</b>	<b>4,570,863</b>	<b>902,364</b>	<b>671,770</b>	<b>27,149,846</b>	<b>10,284,303</b>	<b>11,590,670</b>	<b>55,169,816</b>	<b>501,764</b>
Deferred inflow of resources								
Deferred inflows related to pensions	476,790	540,717	686,005	3,974,651	265,113	1,076,730	7,020,006	-
<b>Total deferred inflow of resources</b>	<b>476,790</b>	<b>540,717</b>	<b>686,005</b>	<b>3,974,651</b>	<b>265,113</b>	<b>1,076,730</b>	<b>7,020,006</b>	<b>-</b>
<b>Net Position</b>								
Net investment in capital assets	62,272,396	46,324,802	3,966,580	122,936,343	15,245,673	57,087,451	307,833,245	-
Restricted for debt service	-	-	-	-	-	1,079,623	1,079,623	-
Unrestricted	(1,556,000)	16,770,339	5,455,812	49,532,175	(8,339,123)	25,809,681	87,672,884	3,245,041
<b>Total net position</b>	<b>\$ 60,716,396</b>	<b>\$ 63,095,141</b>	<b>\$ 9,422,392</b>	<b>\$ 172,468,518</b>	<b>\$ 6,906,550</b>	<b>\$ 83,976,755</b>	<b>396,585,752</b>	<b>\$ 3,245,041</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 65,764,049</b>	<b>\$ 64,538,222</b>	<b>\$ 10,780,167</b>	<b>\$ 203,593,015</b>	<b>\$ 17,455,966</b>	<b>\$ 96,644,155</b>		

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

Net position of business-type activities

673,002  
**\$ 397,258,754**

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2021**

	Business-type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds
	Airport	Water	Sanitation	Electric	Fiber	Wastewater	Total	
Operating revenues:	\$ 2,635,093	\$ 12,544,440	\$ 5,303,720	\$ 57,882,152	\$ 1,479,433	\$ 13,021,991	\$ 92,866,829	\$ 1,326,142
Operating expenses:								
Operations and maintenance	3,294,124	6,878,634	2,750,248	41,382,419	1,107,027	5,714,280	61,126,732	720,420
Depreciation	2,620,946	2,485,041	728,855	6,548,071	401,552	3,633,423	16,417,888	-
Total operating expenses	5,915,070	9,363,675	3,479,103	47,930,490	1,508,579	9,347,703	77,544,620	720,420
Operating income (loss)	(3,279,977)	3,180,765	1,824,617	9,951,662	(29,146)	3,674,288	15,322,209	605,722
Nonoperating revenues (expenses):								
Intergovernmental	14,068,029	-	-	-	-	-	14,068,029	-
Interest income	8,180	43,022	11,699	274,957	1,173	66,490	405,521	5,545
Other	-	-	-	-	-	-	-	76,244
Interest expense	(60,447)	-	-	(67,601)	(75,222)	(204,074)	(407,344)	-
Total nonoperating revenues (expenses)	14,015,762	43,022	11,699	207,356	(74,049)	(137,584)	14,066,206	81,789
Income (loss) before contributions and transfers	10,735,785	3,223,787	1,836,316	10,159,018	(103,195)	3,536,704	29,388,415	687,511
Capital contributions	-	2,728,905	-	4,618,346	-	1,676,358	9,023,609	-
Transfers in(out)	717,139	(530,000)	(235,200)	(3,465,990)	-	(567,100)	(4,081,151)	-
Change in net position	11,452,924	5,422,692	1,601,116	11,311,374	(103,195)	4,645,962	34,330,873	687,511
Net position-beginning	49,263,472	57,672,449	7,821,276	161,157,144	7,009,745	79,330,793		2,557,530
Net position-ending	\$ 60,716,396	\$ 63,095,141	\$ 9,422,392	\$ 172,468,518	\$ 6,906,550	\$ 83,976,755		\$ 3,245,041
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							192,452	
Change in net position of business-type activities							\$ 34,523,325	

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

## Statement of Cash Flows Proprietary Funds For the Year Ended September 30, 2021

	Business-type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds
	Airport	Water	Sanitation	Electric	Fiber	Wastewater	Total	
<b>Cash Flows From Operating Activities</b>								
Receipts from customers	\$ 2,825,193	\$ 12,678,142	\$ 5,316,915	\$ 56,867,195	\$ 1,401,688	\$ 12,942,920	\$ 92,032,053	\$ -
Cash received from other funds	-	-	-	-	-	-	-	1,326,142
Payments to suppliers	(2,734,116)	(5,894,158)	(1,258,369)	(31,874,553)	(2,730,517)	(4,031,453)	(48,523,166)	(1,169,975)
Payments to employees	(1,075,118)	(1,289,267)	(1,563,501)	(8,677,411)	(599,056)	(2,420,570)	(15,624,923)	-
Net cash provided (used) by operations	(984,041)	5,494,717	2,495,045	16,315,231	(1,927,885)	6,490,897	27,883,964	156,167
<b>Cash Flows From Noncapital Financing Activities</b>								
Intergovernmental revenues	15,131,343	-	-	-	-	-	15,131,343	-
Other, net	-	-	-	-	-	-	-	76,244
Due to/from other funds	4,063,467	-	-	(10,623,330)	6,559,863	-	-	-
Transfers (To) From other funds	717,139	(530,000)	(235,200)	(3,465,990)	-	(567,100)	(4,081,151)	-
Net cash provided (used) by noncapital financing activities	19,911,949	(530,000)	(235,200)	(14,089,320)	6,559,863	(567,100)	11,050,192	76,244
<b>Cash Flows From Capital and Related Financing Activities</b>								
Acquisition and construction of capital assets	(17,516,781)	(2,052,992)	(1,569,261)	(22,547,492)	(4,978,409)	(1,906,208)	(50,571,143)	-
Principle paid on capital debt	-	-	-	-	-	(1,973,219)	(1,973,219)	-
Interest paid on capital debt	-	-	-	-	-	(204,074)	(204,074)	-
Net cash provided (used) by capital and related financing activities	(17,516,781)	(2,052,992)	(1,569,261)	(22,547,492)	(4,978,409)	(4,083,501)	(52,748,436)	-
<b>Cash Flows From Investing Activities</b>								
Change in pooled investments	(1,375,447)	(3,051,407)	(760,897)	18,551,905	322,635	(2,215,956)	11,470,833	(283,791)
Earnings on investments	5,529	31,524	8,661	329,990	1,271	56,403	433,378	5,545
Net cash provided (used) by investing activities	(1,369,918)	(3,019,883)	(752,236)	18,881,895	323,906	(2,159,553)	11,904,211	(278,246)
Net increase (decrease) in cash and cash equivalents	41,209	(108,158)	(61,652)	(1,439,686)	(22,525)	(319,257)	(1,910,069)	(45,835)

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

	Business-type Activities-Enterprise Funds							Governmental Activities-Internal Service Funds
	Airport	Water	Sanitation	Electric	Fiber	Wastewater	Total	
Cash and cash equivalents balance, October <sup>1</sup>	1,764	566,851	239,174	2,469,285	35,855	1,090,613	4,403,542	153,630
Cash and cash equivalents balance, September 30	\$ 42,973	\$ 458,693	\$ 177,522	\$ 1,029,599	\$ 13,330	\$ 771,356	\$ 2,493,473	\$ 107,795
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>								
Operating income (loss)	\$ (3,279,976)	\$ 3,180,764	\$ 1,824,614	\$ 9,365,384	\$ (29,150)	\$ 3,674,288	\$ 14,735,924	\$ 605,722
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	2,620,946	2,485,041	728,855	6,548,071	401,552	3,633,423	16,417,888	-
Change in pension accounts	(252,308)	(248,690)	(298,832)	(1,430,423)	(84,862)	(437,283)	(2,752,398)	-
(Increase) decrease in accounts receivable	190,100	133,702	13,195	(1,014,957)	(77,745)	(79,071)	(834,776)	-
(Increase) decrease inventory	-	65,880	-	17,154	(1,120,273)	-	(1,037,239)	-
(Decrease) increase accounts payable	(326,401)	(99,076)	164,184	2,511,403	(1,024,446)	(353,882)	871,782	(447,953)
(Decrease) increase in accrued liabilities	63,599	(22,904)	63,029	318,599	7,039	53,421	482,783	-
<b>Total adjustments</b>	<b>2,295,936</b>	<b>2,313,953</b>	<b>670,431</b>	<b>6,949,847</b>	<b>(1,898,735)</b>	<b>2,816,608</b>	<b>13,148,040</b>	<b>(447,953)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (984,040)</b>	<b>\$ 5,494,717</b>	<b>\$ 2,495,045</b>	<b>\$ 16,315,231</b>	<b>\$ (1,927,885)</b>	<b>\$ 6,490,896</b>	<b>\$ 27,883,964</b>	<b>\$ 157,769</b>
<b>Noncash investing, capital, and financing activities:</b>								
Contributions of capital assets	\$ -	\$ 2,728,905	\$ -	\$ 4,618,346	\$ -	\$ 1,676,358	\$ 9,023,609	\$ -

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

## Notes to the Financial Statements

### I. Summary of Significant Accounting Policies

The financial statements of the City of Idaho Falls have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City of Idaho Falls' significant accounting policies are described below.

#### 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 of Idaho Falls' (the City) 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 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, wastewater, solid waste, and electric functions and other various functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions presented.

#### B. Reporting Entity

The City of Idaho Falls was incorporated in 1889 under the laws of the State of Idaho. The City is governed by an elected mayor and six-member Governing Council (Council), each serving a four-year term. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. 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 Board 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 state and local government. 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 of Idaho Falls' enterprise funds. Separate financial statements are provided for the governmental funds and proprietary funds.

As discussed earlier, the City of Idaho Falls has one discretely presented component unit. The Idaho Falls Redevelopment Agency is presented separately in the government-wide financial statements.

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

The fund financial statements provide information about the City of Idaho Falls 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 proprietary 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 of Idaho Falls reports the following major governmental funds:

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

The City has elected to report the following governmental funds, that would normally be classified as non-major, as a major funds:

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 Fiber fund accounts for the activities associated with the City's fiber optic 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 enterprise funds, that would normally be classified as non-major, as a major funds:

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

The enterprise 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 of Idaho Falls reports the following internal service fund:

The Risk Management fund is 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.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

## **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 recognition in the financial statements of various kinds of transactions or events.

The government-wide and proprietary 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and 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 City of Idaho Falls 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 principal and interest expenditures on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing under capital leases are reported as other financing sources.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to 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 as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered measurable and available only when cash is received by the City.

## **F. 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. As of September 30, 2021, the City of Idaho Falls did not report any cash equivalents. Investments are reported at fair market value. On September 30, 2021, the City reported \$5,382,684 as restricted cash to fulfill self-funded insurance requirements, federal programs, and 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. 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 uncollectible accounts. Such amounts are included in the allowance for uncollectible 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 and when the City has an enforceable legal claim. 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 \$501,764 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 (a non-major 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. Bond Receivables

Bond receivables are amounts that the City has right to by the issuing of debt but has not yet been received or drawn upon. Draws are required to be approved by a custodian over the funds to ensure they are being used for the approved activities stated in the issuance. The City has two bonds, law enforcement complex certificate of participation bond and electric transmission expansion revenue bonds that are sitting in receivables while the construction is being completed. The amount that the certificate of participation and transmission revenue bonds are reported in receivables is \$30,356,265 and \$20,704,017, respectively.

### 5. Capital Assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, and similar items), 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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the 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.

Land and construction in progress are not depreciated. The other tangible property, plant, equipment, the right to use leased equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	7-50
Improvements other than buildings	5-50
Machinery and equipment	3-50
Infrastructure	25-50

### 6. Deferred Outflows/Inflows of Resources

The Statement of Net Position includes a separate section for deferred outflows of resources. 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 of Idaho Falls has only one type of deferred outflow of resources. This amount is the

deferred amount related to pension related differences between estimated and actual investment earnings, changes in actuarial assumptions and other related changes. 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 includes 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. 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 or asset.

## 7. Compensated Absences

### a. Governmental funds:

The City reports compensated absences for the governmental funds in accordance with the codification: code section C60: Compensated Absences. 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 code section C60: 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.

## 8. 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.

## 9. Pensions

For purposes of measuring the net pension liability or asset 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.

**10. 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.

**G. 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 Governmental Fund Balance Sheet and the Governmental- Wide Statement of Net Position

The governmental 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 \$150,565,784 represents the entire net book value of the City's governmental capital assets after deducting \$136,605,783 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 \$750,896 is related to 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 \$2,572,039.
- 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 \$6,774,678 is related to compensated absences derived from unused sick and vacation hours of the City's employees. The long-term liability of \$2,836,784 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	\$ 34,966,531
Deferred outflows	\$ 8,475,535
Deferred Inflows	\$ (26,792,981)
Net pension liability	\$ -

### B. Explanation of Certain Differences Between the Governmental Fund Statement 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	\$ 20,090,522
Contributed capital	(7,826,084)
Debt related to capital acquisition	(2,323,768)
Depreciation expense	<u>(7,469,445)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,471,225</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 \$7,826,085 and net change in unavailable revenues from property taxes of (-\$202,610) for a net increase of \$7,623,475 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 \$495,059.
- Another element of the reconciliation states that some expenses do not require the use of current financial resources and are not reported in the funds statements. These expenditures are pension expense offset of \$15,181,352 and the current period change in compensated absences of (-\$1,107,320).
- Debt payments are reported as expenses in the governmental funds are not an expense on the statement of activities. Total debt payments, including amortization of bond premiums are \$1,072,167.

### **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	\$ 480,550
Internal receivable representing charges in excess of cost to business-type activities-current year	<u>192,452</u>
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	<u>\$ 673,002</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 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 2021 fiscal year, the City did not formally amend its original budget ordinance. However, during the year certain adjustments to the budget were made to reallocate authority as priorities change.

#### B. Excess of Expenditures over Appropriations

The funds listed below had excess expenditures over appropriations. In each of these instances the excess expenditures were covered by available fund balance.

#### Over budget amount for Expenditures for Individual Funds

Fund	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
• BUSINESS IMPROVEMENT DISTRICT	\$85,000	\$85,500	\$500
• GOLF	\$2,616,555	\$2,911,904	\$295,349
• WILDLAND FIRE	\$966,932	\$1,007,178	\$40,246

### C. Deficit Fund Balance

The funds listed below had deficit fund balance at the end of the fiscal year. In each of the instances below significant assets had begun construction prior to receiving allocable resources for funding.

#### Deficit Balances

<b>Fund</b>	<b>Deficit Fund Balances</b>
• PARKS CAPITAL IMPROVEMENT	\$888,069
• POLICE CAPITAL IMPROVEMENT	\$1,153,136

## IV. Detailed Notes on All Activities and Funds

### A. Cash and Investments

It is the policy of the City of Idaho Falls to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City, and confirming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital), liquidity, and yield.

The City of Idaho Falls utilizes a pooled cash and investment concept for all its funds, to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

#### 1. Custodial Credit Risk – Cash Deposits with financial institutions

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned. The City of Idaho Falls does not have a deposit policy for custodial credit risk. Pursuant to 12 C.F.R. 330.15, the Federal Deposit Insurance Corporation (FDIC) separately insures each official custodian of funds deposited with an insured institution. The City has three official custodians at each financial institution. As of September 30, 2021, the reporting amount of the City’s deposits was \$9,152,194 and the respective bank balances totaled \$12,148,409. Of the bank balances \$600,000 was insured and \$11,548,409 was uninsured and uncollateralized.

#### 2. Custodial Credit Risk – Investments

As of September 30, 2021, all of the City’s investments totaling \$126,620,178 were not 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.

#### 3. Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City of Idaho Falls manages its exposure to declines in fair values arising from rising interest rates by structuring 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.

#### 4. Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligation to the holder of the investment. The City of Idaho Falls investment policy requires that it 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, 2021, the City’s investments were rated as follows:

Investment Type	S & P	Moody	Market Value
Treasury Notes	AA+	Aaa	\$ 10,372,791
Agencies	AA+	Aaa	15,083,138
Corporate/Municipal Bonds	AA+ to BBB+	Aaa to A3	52,205,840
Certificates of Deposit	N/A	N/A	14,383,372
Local Government Investment Pool	N/A	N/A	29,365,381
Mutual Fund	N/A	N/A	5,003,528
Cash	N/A	N/A	206,128
<b>Total Investments</b>			<b>\$ 126,620,178</b>

## 5. Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. No specific percentage identifies when concentration risk is present. The GASB has adopted a principle that governments should provide note disclosure when 5% 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:

Issuer	Investment Type	Reported Amount	Percentage
United States Treasury	Treasury	\$ 10,372,791	8.53%

## 6. Investments

The City's investments at September 30, 2021 are summarized below:

Investment Type	Market Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Treasury Notes	\$ 10,372,791	\$ 4,260,677	\$ 6,112,114	\$ -	\$ -
Agencies	15,083,138	3,141,364	11,142,429	77,562	721,783
Corporate/Municipal Bonds	52,205,840	13,951,892	38,253,948	-	-
Certificates of Deposit	14,383,372	9,367,731	5,015,641	-	-
Local Government Investment Pool	29,365,381	29,365,381	-	-	-
Mutual Fund	5,003,528	5,003,528	-	-	-
Cash	206,128	206,128	-	-	-
<b>Total Investments</b>	<b>\$ 126,620,178</b>	<b>\$ 65,296,701</b>	<b>\$ 60,524,132</b>	<b>\$ 77,562</b>	<b>\$ 721,783</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.

### Investment in State Investment Pools

The City is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP). The LGIP is regulated by State of Idaho code under the oversight of the Treasurer of the State of Idaho. The fair value of the City's investment in the pools is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair market value provided by the fund for the entire portfolio. The LGIP is unrated.

The Joint Powers Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool (the Pool) is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank. Even though the weighted average of the underlying investments of the Pool is greater than 90 days, the City can liquidate its deposits within a few days. An annual audit of Joint Powers Investment Pool is conducted by the State Legislative Auditors Office or an Independent accounting firm. The Legislative Auditor of the State of Idaho has full access to the records of the Pool.

The Pool is required to report its investments at fair value because the weighted average maturity of the investments is greater than 90 days and thus, the City is required to report its deposits

at fair value. However, the City has reported these deposits at cost plus accrued interest which approximates fair value.

The City's investment fair market value measurements are as follows at September 30, 2021:

Investments	Fair Value	Fair Market Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
Treasury Notes	\$ 10,372,791	\$ 10,372,791	\$ -	\$ -
Agencies	15,083,138	-	15,083,138	-
Corporate/Municipal Bonds	52,205,840	-	52,205,840	-
Certificates of Deposit	14,383,372	-	14,383,372	-
Mutual Fund	5,003,528	5,003,528	-	-
<b>Total Investments Measured at Fair Value</b>	<b>\$ 97,048,669</b>	<b>\$ 15,376,319</b>	<b>\$ 81,672,350</b>	<b>-</b>

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

Amounts considered receivable are aggregated into single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Based on the table below, \$5,583,403 is not expected to be collected within the next year. Below is the detail of receivables for the governmental and proprietary funds in the aggregate, including the applicable allowances for doubtful accounts:

	Taxes	Accounts and Interest	Loans	Gross Receivables	Less: Allowance for Doubtful Accounts	Net Total Receivables
General Fund	\$ 746,790	\$ 229,011	\$ -	\$ 975,801	\$ -	\$ 975,801
Streets	98,232	18,752	-	116,984	-	116,984
EMS Fund	-	5,084,844	-	5,084,844	(3,448,646)	1,636,198
Non-Major Funds	94,690	790,669	191,291	1,076,650	-	1,076,650
Governmental Funds Total	939,712	6,123,276	191,291	7,254,279	(3,448,646)	3,805,633
Airport	-	57,622	-	57,622	-	57,622
Water	-	1,185,516	-	1,185,516	(229,781)	955,735
Sanitation	-	586,659	-	586,659	(107,218)	479,441
Electric	-	6,686,468	-	6,686,468	(1,545,182)	5,141,286
Fiber	-	130,543	-	130,543	(1,722)	128,821
Wastewater	-	1,264,467	-	1,264,467	(250,854)	1,013,613
Business-Type Funds Total	-	9,911,275	-	9,911,275	(2,134,757)	7,776,518
Risk Management	-	94,840	-	94,840	-	94,840
Internal Service Funds Total	-	94,840	-	94,840	-	94,840
<b>Total Receivables</b>	<b>\$ 939,712</b>	<b>\$ 16,129,391</b>	<b>\$ 191,291</b>	<b>\$ 17,260,394</b>	<b>\$ (5,583,403)</b>	<b>\$ 11,676,991</b>

### C. Due from Other Governments

The following summarizes the intergovernmental receivables at September 30, 2021:

**Governmental activities:**

State of Idaho	
Revenue sharing	\$ 1,550,027
Highway distribution	821,607
County EMS participation Agreement	710,979
<b>Total intergovernmental receivables – governmental</b>	<b>\$ 3,082,613</b>

**Business-type activities:**

Federal government	
Federal Aviation Administration	\$ 1,723,751
Homeland Security	32,072
<b>Total intergovernmental receivables – business-type</b>	<b>\$ 1,755,823</b>

### D. Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

**Primary Government:**

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:					
Land	\$ 19,185,401	\$ 1,136,959	\$ -	\$ -	\$ 20,322,360
Construction in progress	2,025,998	6,718,735	-	(736,869)	8,007,864
<b>Total assets, not being depreciated</b>	<b>21,211,399</b>	<b>7,855,694</b>	<b>-</b>	<b>(736,869)</b>	<b>28,330,224</b>
Capital assets, being depreciated:					
Infrastructure	127,378,836	6,881,213	-	-	134,260,049
Buildings and improvements	81,477,659	892,742	(11,244)	-	82,359,157
Machinery and equipment	38,251,380	4,460,873	(1,226,984)	736,869	42,222,138
<b>Total assets, being depreciated</b>	<b>247,107,875</b>	<b>12,234,828</b>	<b>(1,238,228)</b>	<b>736,869</b>	<b>258,841,344</b>
Less accumulated depreciation for:					
Infrastructure	(66,258,167)	(1,351,768)	-	(414,483)	(68,024,418)
Buildings and improvements	(34,941,750)	(3,097,431)	-	(3,177,214)	(41,216,395)
Machinery and equipment	(29,174,650)	(3,020,246)	1,238,228	3,591,697	(27,364,971)
<b>Total accumulated depreciation</b>	<b>(130,374,567)</b>	<b>(7,469,445)</b>	<b>1,238,228</b>	<b>-</b>	<b>(136,605,784)</b>
<b>Total capital assets, being depreciated, net</b>	<b>116,733,308</b>	<b>4,765,383</b>	<b>-</b>	<b>736,869</b>	<b>122,235,560</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 137,944,707</b>	<b>\$ 12,621,077</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,565,784</b>

Business-Type Activities	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 9,082,280	\$ -	\$ -	\$ 4,089,583	\$ 13,171,863
Construction in progress	36,886,003	51,057,539	-	(16,933,039)	71,010,503
<b>Total assets, not being depreciated</b>	<b>45,968,283</b>	<b>51,057,539</b>	<b>-</b>	<b>(12,843,456)</b>	<b>84,182,366</b>
Capital assets, being depreciated:					
Infrastructure	427,283,415	6,499,539	(193,056)	12,773,017	446,362,915
Buildings and improvements	64,185,114	-	-	70,439	64,255,553
Machinery and equipment	40,701,306	2,368,136	(708,772)	-	42,360,670
<b>Total assets, being depreciated</b>	<b>532,169,835</b>	<b>8,867,675</b>	<b>(901,828)</b>	<b>12,843,456</b>	<b>552,979,138</b>
Less accumulated depreciation for:					
Infrastructure	(258,997,905)	(12,358,244)	168,864	-	(271,187,285)
Buildings and improvements	(18,161,689)	(2,036,745)	-	-	(20,198,434)
Machinery and equipment	(25,743,271)	(2,022,899)	650,607	-	(27,115,563)
<b>Total accumulated depreciation</b>	<b>(302,902,865)</b>	<b>(16,417,888)</b>	<b>819,471</b>	<b>-</b>	<b>(318,501,282)</b>
<b>Total capital assets, being depreciated, net</b>	<b>229,266,970</b>	<b>(7,550,213)</b>	<b>(82,357)</b>	<b>12,843,456</b>	<b>234,477,856</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 275,235,253</b>	<b>\$ 43,507,326</b>	<b>\$ (82,357)</b>	<b>\$ -</b>	<b>\$ 318,660,222</b>

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

Governmental activities:

General government	\$ 748,796
Public safety	1,839,374
Streets	2,803,777
Culture and recreation	1,957,234
Public works	120,264
<b>Total depreciation expense - governmental activities</b>	<b>\$ 7,469,445</b>

Business-type activities:

Airport	\$ 2,620,946
Water	2,485,041
Sanitation	728,855
Electric	6,548,071
Fiber	401,552
Wastewater	3,633,423
<b>Total depreciation expense - business-type activities</b>	<b>\$ 16,417,888</b>

## E. Interfund Transfer

Summary of interfund transfers by major fund for the 2021 fiscal year are as follows:

	Transfers In	Transfers Out
Major funds:		
General - net	\$ 4,451,357	\$ 2,906,120
Emergency Medical Service	100,000	-
Airport	717,139	-
Water	-	530,000
Sanitation	-	235,200
Electric	-	3,465,990
Wastewater	-	567,100
Non-Major funds - net	3,518,365	1,082,451
	<b>\$ 8,786,861</b>	<b>\$ 8,786,861</b>

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 of Idaho Falls 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.

**IERA Revenue Bond, Series 2021.** A \$20,704,016 revenue bond was issued to pay costs of the acquisition and construction of various electric transmission facilities and improvements. The City has pledged future electric customer revenues, net of specified operating expenses, to repay the revenue bonds which are payable through 2027. The bonds are secured under provisions of the Idaho Energy Resources Authority Act, Title 67 Chapter 89 of the Idaho Code as amended and the Trust Indenture with Zions Bank Corporation, National Association as trustee dated June 1, 2021. Bonds maturing on or after September 15, 2031 are callable. Annual principal and interest payments on the bonds are expected to require less than 18 percent of net revenues. The total principal and interest paid during the current period is \$259,325 and \$176,744, respectively. The total interest cost rate on the IERA revenue bonds is 1.70 percent.

### 2. Governmental Activities

**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. This leased facility is amortized over twenty years and included in depreciation expense. The respective amortized expense and accumulated amortization is \$21,500 and \$43,000.

**Police Vehicle Lease-purchase.** The City entered into a master lease agreement on September 13, 2019 with Bancorp, Inc. to lease vehicles. As of September 30, 2021 the City had leased 40 vehicles. The total lease value at year end was \$2,129,496 over 5 years with annual lease payment of \$479,926. The present value of the leases at origination was \$1,996,379 at a discount rate ranging from 2.20% to 3.70%. These leased vehicles are amortized over five years and included in depreciation expense. The respective amortized expense and accumulated amortization is \$470,444 and \$573,350.

**Fire Truck Lease-Purchase.** The City entered into a lease agreement on November 14, 2019 with PNC Equipment Finance, LLC to lease a fire truck. The lease became effective on delivery of the fire truck in January of 2021. The total lease value is \$1,342,058 over five years with annual lease payments of \$292,710. The present value of the lease at origination was \$1,328,895 at a discount rate of 4.75%. This leased vehicle is amortized over ten years and included in depreciation expense. The amortized expense and accumulated amortization is \$144,462.

**Certificate of Participation Bonds, Series 2020** During the Fiscal year 2021, the City issued \$30,356,265 Annual Appropriation Certificates of the Participation (Certificates), Series 2020 in the original principal amount of \$30,356,265 maturing through September 2039. Principal payments are due annually in September starting in 2022, and interest is payable semi-annually in March and September of each year. Interest cost rate on the bonds are 2.04 percent. Certificates maturing

on or after September 2031 are callable. Proceeds from these certificates were used to finance the construction of a new Law Enforcement Complex.

**Changes in Long-Term Liabilities.** The following is a summary of changes in long-term obligations of the City as of September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Zoo Facility Lease-purchase	\$ 298,605	\$ -	\$ (95,705)	\$ 202,900	\$ 99,485
Police Vehicle Lease-purchase	1,014,669	981,710	(451,568)	1,544,811	434,626
Fire Engine Lease-purchase	-	1,342,058	(252,985)	1,089,073	260,473
LEC Bond	-	25,190,000	-	25,190,000	990,000
LEC Bond Premium	-	5,166,265	(271,909)	4,894,356	271,909
Other long-term debt obligations:					
Compensated absences	5,667,358	5,078,572	(3,971,252)	6,774,678	3,796,381
Governmental activity					
<b>Long-term liabilities</b>	<b>\$ 6,980,632</b>	<b>\$ 37,758,605</b>	<b>\$ (5,043,419)</b>	<b>\$ 39,695,818</b>	<b>\$ 5,852,874</b>
<b>Business-Type Activities:</b>					
Bonds-notes payable:					
IFPower Revenue Bond	\$ -	\$ 16,705,000	\$ -	\$ 16,705,000	\$ 770,000
IFPower Revenue Bond Premium	-	4,149,198	(259,325)	3,889,873	259,325
State of Idaho DEQ note:					
Loan number WW102	12,800,196	-	(1,973,219)	10,826,977	849,617
Compensated absences	1,784,628	2,595,111	(2,208,983)	2,170,756	1,046,717
Other postemployment benefits	3,057	-	(3,057)	-	-
Business-type activity					
<b>Long-term liabilities</b>	<b>\$ 14,587,881</b>	<b>\$ 23,449,309</b>	<b>\$ (4,444,584)</b>	<b>\$ 33,592,606</b>	<b>\$ 2,925,659</b>

Schedule of long-term debt (not including compensated absences):

Year	Principal	Interest
2022	\$ 3,935,435	\$ 2,099,106
2023	4,058,918	1,982,524
2024	4,072,068	1,859,924
2025	3,928,820	1,737,489
2026	3,547,167	1,617,039
2027-2031	19,456,043	6,349,487
2032-2036	19,173,813	2,953,331
2037-2039	6,170,726	425,600
<b>Totals</b>	<b>\$ 64,342,990</b>	<b>\$ 19,024,500</b>

## G. Due to/from other funds

The General Fund provides funds to other nonmajor governmental funds to offset negative cash balances derived from operations. The City Council is reviewing options to resolve these balances. As of September 30, 2021 the amount due to the General Fund from other funds is \$2,348,040.

The Electric Fund is providing funds to the Fiber Fund for the “Fiber to Home Project”. As of September 30, 2021 the Electric fund had transferred \$10,871,665 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.

The Electric Fund is providing funds to the Airport Fund for acquisition of property. The City Council has approved the transfer for temporary funding in conjunction with a Federal Airport Administration grant. The Council approved the funding as a formal loan agreement based on the City’s investment rate of return to be repaid within 18 months. The balance as of September 30, 2021 is \$4,063,467.

## 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	\$ 423,214	\$ 93,700	\$ -	\$ 147,757	\$ 664,671
Prepays	30,794	-	-	11,955	42,749
<b>Restricted for:</b>					
Conservation loans	-	-	-	191,291	191,291
Passenger Facility Charge	-	-	-	544,501	544,501
LEC- Bond Issuance	30,084,356				30,084,356
Health Self Insurance	4,299,464	-	-	-	4,299,464
<b>Committed to:</b>					
Street and bridges	-	871,930	-	150,945	1,022,875
Operations and maintenance	2,159	-	-	3,184,114	3,186,273
<b>Assigned to:</b>					
Equipment replacement	3,206,137	940,515	16,782	176,930	4,340,364
Street and municipal projects	1,050,000	2,311,337	-	5,169,497	8,530,834
Culture and recreation	395,722	-	-	4,541,351	4,937,073
Public Safety	-	-	1,036,693	764,998	1,801,691
Operations and maintenance	590,651	749,322	15,945	333,451	1,689,369
Business district	-	-	-	106,887	106,887
Conservation program	-	-	-	3,542,338	3,542,338
<b>Unassigned:</b>	8,652,920	-	-	(4,506,045)	4,146,875
<b>Total Fund Balances</b>	<b>\$ 48,735,417</b>	<b>\$ 4,966,804</b>	<b>\$ 1,069,420</b>	<b>\$ 14,359,970</b>	<b>\$ 69,131,611</b>

## I. Other Information

### 1. Uncertainties

While the COVID-19 pandemic is slowing down, 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.

### 2. Risk Management

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

Major insurance contracts at October 1, 2021 were as follows:

	Coverage Amounts	Deductible
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 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.

## J. 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, there are none that may have a material effect on the City's financial position but lack sufficient information to reasonably estimate a liability.

## K. Pension Plan

### Plan Description

The City of Idaho Falls contributes to two plans for employee pension plans: the Public Employee Retirement System of Idaho Base Plan (Base Plan) and the Firefighters Retirement Fund (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 composed 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. Base Plan benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or 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. FRF benefits are based on members' years of service as well as the final average salary. A firefighter must have 5 years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

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 74% for police and firefighters. As of June 30, 2021, the contribution rate was 7.16% for general employees and 9.13% 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 \$5,838,542 for the year ended September 30, 2021.

As of June 30, 2021, the total FRF employer rate was 12.28%. The FRF member rate for the year for class D is 9.13%. The City did not make contributions to FRF for the year ended September 30, 2021.

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

On September 30, 2021, the City reported an asset for its proportionate share of the net pension asset 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 asset of the Base Plan were measured as of June 30, 2021, 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 asset 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. For June 30, 2021 and 2020 the City's proportion was 0.99 and 1.34 percent, respectively. 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. For June 30, 2021 and 2020, the City's proportion was 12.73 percent for both years.

For the year ended September 30, 2021, the City recognized Base Plan net pension income of \$9,873,029. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Base Plan pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,158,868	\$ 456,911
Changes in assumptions or other inputs	9,028,546	-
Net difference between projected and actual earnings on pension plan investments	-	24,689,522
Changes in the employer's proportion and difference between the employer's contributions and the employer's proportionate contributions	93,951	1,287,204
City's total contributions subsequent to the measurement date	1,258,940	-
<b>Total:</b>	<b>\$ 11,540,305</b>	<b>\$ 26,433,637</b>

Deferred outflows of resources of \$1,258,940 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, 2022.

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, 2020, the beginning of the measurement period ended June 30, 2021, is 4.6 years.

For the year ended September 30, 2021, the City recognized FRF Plan pension income of \$7,161,137. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the FRF pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	7,379,350
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	-	-
<b>Total:</b>	<b>\$ -</b>	<b>\$ 7,379,350</b>

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:

Fiscal Year	Base Plan	FRF
2022	\$ (3,922,643)	\$ (1,881,750)
2023	(3,502,693)	(1,757,562)
2024	(3,101,792)	(1,642,255)
2025	(5,625,145)	(2,097,783)
	<b>\$ (16,152,273)</b>	<b>\$ (7,379,350)</b>

## 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Base Plan	FRF
Inflation	2.30%	2.30%
Salary Increases	3.05%	3.05%
Salary Inflation	3.05%	3.05%
Investment Rate of Return	6.35%	6.35%
Cost of Living Adjustments	1.00%	3.05%

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 2015 through 2020 that reviewed all economic and demographic assumptions including mortality. The Total Pension Liability (Asset) as of June 30, 2021 is based on the results of an actuarial valuation date of July 1, 2021.

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. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

**Capital Market Assumptions from Callan 2021**

	<b>Target Allocation</b>	<b>Long-Term Expected Nominal Rate of Return (Arithmetic)</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Asset Class			
Core Fixed Income - Barclays Aggregate	30.00%	1.80%	(0.20%)
Broad US Equity - Wilshire 5000/Russel 3000	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation		2.00%	2.00%
Assumed Inflation Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

**Investment Policy Assumptions from PERSI Board Nov 2020**

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

**Economic/Demographic Assumptions from Milliman 2019**

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	2.30%
Long-Term Geometric Expected Rate of Return, Net of Investment Expenses	6.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate is based on the assumption 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 (asset) to changes in the discount rate.**

The following presents the Employer's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Employer's proportionate share of the net pension liability (asset) - Base Plan	\$ 27,342,036	\$ (786,547)	\$ (23,844,111)
Employer's proportionate share of the net pension liability (asset) - FRF	\$ (31,582,440)	\$ (34,388,868)	\$ (36,817,564)

## 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).

## L. 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 Agency 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.

### 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 principal 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 stated 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**

As of September 30, 2021, the carrying amount of the Agency's deposits was \$374,000 and the respective bank balances totaled \$374,251. 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 \$985,366 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, 2021, was 177 days.

## **4. 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 31, 2035, and does not bear any interest.

The Agency signed a \$4,000,000 owner participation agreement with JHJCC, LLC in March of 2018 that calls for reimbursement for the costs paid by the developer upon completion of Agency funded public improvements. The obligation bears no interest and will be paid from incremental tax revenues. The obligation will remain in effect until the sooner of December 31, 2030 or the date on which the Urban Renewal Plan terminates and bears no 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% or 85% as applicable of the tax increment monies that the Agency receives are 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.

## 5. Changes in Long-Term Liabilities

Governmental long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Eagle Ridge:</b>				
Promissory note 2019	\$ 1,536,126	\$ -	\$ (28,456)	\$ 1,507,670
<b>River Commons Allocation:</b>				
Promissory note 2008 (amended and restated January 16, 2009)	8,812,602	-	-	8,812,602
Promissory note 2015	344,136	-	(1,980)	342,156
Promissory note 2015	250,000	-	-	250,000
<b>Jackson Hole Junction Allocation:</b>				
OPA obligation	-	4,000,000	(79,468)	3,920,532
<b>Total notes payable</b>	<b>\$ 10,942,864</b>	<b>\$ 4,000,000</b>	<b>\$ (109,904)</b>	<b>\$ 14,832,960</b>

## 6. Budget

The Agency prepared a budget for the special revenue funds.

## M. Commitments

The City has several active construction projects and/or major encumbrances as of September 30, 2021. 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:

<b>Projects</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
Airport improvements	\$ 7,150,621	\$ 1,587,811
Golf Course improvements	1,977,351	817,130
Park improvements	1,250,921	999,325
Fiber improvements	1,460,315	682,861
Idaho Falls Power improvements	9,238,676	4,536,698
Law enforcement complex design	1,153,614	1,369,818
Street and bridge improvements	2,389,728	1,022,847
Wastewater improvements	2,044,935	1,029,425
Water improvements	1,628,327	733,039
Sanitation improvements	507,390	326,829

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	\$ 512,915
Streets fund	517,046
Airport fund	34,242
Water fund	518,979
Electric fund	492,115
Fiber fund	123,029
Wastewater fund	213,730
Non Major funds	785,988
<b>Total</b>	<b><u>\$ 3,198,044</u></b>

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 BPA. The provisions of this agreement establish 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 BPA. 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, 2021, PacifiCorp payments under this agreement was \$1,744,352. 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, 2021, power purchases plus transmission expenses from UAMPS was \$3,316,543. The contract also allows for the City to sell surplus energy to UAMPS. For the year ended September 30, 2021, power sales to UAMPS was \$1,545,223.

*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 the City 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 through the power purchase agreement to the City.

*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. The 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 periodically 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, 2021, the City sold \$93,152 to Battelle Energy Alliance, LLC.


*Forward contracts* – The City 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 Horse Butte W 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 City 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, 2021 the City had 2022 forward energy contracts being 18,277 MWh of energy contract sales. These contracts were entered into for the purpose of balancing forecast customer demand and projected City electricity resources.

The City 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.

**N. Subsequent Events**

Subsequent to year end the City Council approved and finalized a legal settlement for \$11.7 million, which is mostly covered by the City's general liability insurance. Amounts not covered by insurance were paid out of the City's Risk Management fund.





# Required Supplementary Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT / **CITY OF IDAHO FALLS, IDAHO**



### Schedule of Employer's Share of Net Pension Liability (Asset) PERSI Base Plan and FRF - Last 10 Fiscal Years\*

	2021		2020		2019		2018		2017		2016		2015	
	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF
Employer's portion of net pension liability (asset)	0.99%	(12.73%)	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)	\$ (786,547)	\$ (34,388,868)	\$ 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	\$ 37,213,435	\$ 11,157,507	\$ 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	2.11%	308.21%	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)	100.36%	211.83%	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).

See Notes to Required Supplementary Information

### Schedule of Employer Contributions PERSI Base Plan and FRF - Last 10 Fiscal Years\*

	2021		2020		2019		2018		2017		2016		2015	
	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF
Statutorily required contribution	\$ 5,838,542	\$ -	\$ 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	\$ 5,838,542	\$ -	\$ 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	\$48,370,942	\$ 11,157,507	\$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)	12.07%	0.00%	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, 2021

### Notes to the Required Supplementary Information For the Year Ended September 30, 2021

#### Changes of Benefit Terms:

For the Year Ended September 30, 2021, the City did not have any changes to benefit terms.



DOWNTOWN  
IDAHO  
FALLS

# Other Supplementary Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT / 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. This fund was created and supported by Bonneville Power Administration contributions.

**Business Improvement District Fund** – to account for the accumulation of cash from assessments from downtown business 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.



## 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.

**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.

## Combining Balance Sheet Nonmajor Governmental Funds September 30, 2021

	Special Revenue			
	Recreation	Library	Passenger Facility Charge	Electric Light Public Purpose
<b>Assets</b>				
Cash and cash equivalents	\$ 33,205	\$ 113,138	\$ 16,023	\$ 104,367
Investments	1,091,740	3,719,837	526,805	3,431,468
Taxes receivable	18,462	57,102	-	-
Receivables	-	-	-	-
Loans receivable	-	-	-	191,290
Interest receivable	3,213	11,681	1,673	-
Prepays	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<b>\$ 1,146,620</b>	<b>\$ 3,901,758</b>	<b>\$ 544,501</b>	<b>\$ 3,727,125</b>
<b>Liabilities</b>				
Accounts payable	\$ 11,555	\$ 83,676	\$ -	\$ (6,504)
Accrued wages	56,702	101,820	-	-
Due to other funds	-	-	-	-
Security Deposits	-	-	-	-
<b>Total liabilities</b>	<b>68,257</b>	<b>185,496</b>	<b>-</b>	<b>(6,504)</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	14,769	45,738	-	-
<b>Total deferred inflows of resources</b>	<b>14,769</b>	<b>45,738</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	-	-	544,501	191,291
Committed	293,275	-	-	-
Assigned	770,319	3,670,524	-	3,542,338
Unassigned	-	-	-	-
<b>Total fund balances(deficits)</b>	<b>1,063,594</b>	<b>3,670,524</b>	<b>544,501</b>	<b>3,733,629</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,146,620</b>	<b>\$ 3,901,758</b>	<b>\$ 544,501</b>	<b>\$ 3,727,125</b>

<b>Business Improvement District</b>	<b>Golf</b>	<b>Wildland Fire</b>	<b>Total</b>
\$ 3,145	\$ 152	\$ 1,476	\$ 271,506
103,415	5,010	48,542	8,926,817
-	-	-	75,564
-	-	714,825	714,825
-	-	-	191,290
329	1	154	17,051
-	11,955	-	11,955
-	147,757	-	147,757
<b>\$ 106,889</b>	<b>\$ 164,875</b>	<b>\$ 764,997</b>	<b>\$ 10,356,765</b>
\$ -	\$ 7,926	\$ -	\$ 96,653
-	94,697	-	253,219
-	-	-	-
-	60,459	-	60,459
-	<b>163,082</b>	-	<b>410,331</b>
-	-	-	60,507
-	-	-	<b>60,507</b>
-	159,712	-	159,712
-	-	-	735,792
-	-	-	293,275
106,889	-	764,997	8,855,067
-	(157,919)	-	(157,919)
<b>106,889</b>	<b>1,793</b>	<b>764,997</b>	<b>9,885,927</b>
<b>\$ 106,889</b>	<b>\$ 164,875</b>	<b>\$ 764,997</b>	<b>\$ 10,356,765</b>

## Combining Balance Sheet Nonmajor Governmental Funds September 30, 2021

	Capital Projects				
	Municipal Capital Improvement	Street Capital Improvement	Bridge and Arterial Street	Surface Drainage	Traffic Light Capital Improvement
<b>Assets</b>					
Cash and cash equivalents	\$ 70,221	\$ 24,332	\$ 27,360	\$ 7,705	\$ 36,670
Investments	2,308,782	800,013	899,573	253,347	1,205,665
Taxes receivable	19,126	-	-	-	-
Receivables	-	-	34,610	3,735	-
Loans receivable	-	-	-	-	-
Interest receivable	7,331	2,540	2,856	805	3,828
Prepays	-	-	-	-	-
Inventory	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,405,460</b>	<b>\$ 826,885</b>	<b>\$ 964,399</b>	<b>\$ 265,592</b>	<b>\$ 1,246,163</b>
<b>Liabilities</b>					
Accounts payable	\$ 130,192	\$ 14,343	\$ 147,330	\$ 80,022	\$ 780
Accrued wages	-	-	-	-	-
Due to other funds	-	-	-	-	-
Security deposits	-	-	-	-	-
<b>Total liabilities</b>	<b>130,192</b>	<b>14,343</b>	<b>147,330</b>	<b>80,022</b>	<b>780</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-property taxes	15,390	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>15,390</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	150,945	-	-	-	-
Assigned	2,108,933	812,542	817,069	185,570	1,245,383
Unassigned	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>2,259,878</b>	<b>812,542</b>	<b>817,069</b>	<b>185,570</b>	<b>1,245,383</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,405,460</b>	<b>\$ 826,885</b>	<b>\$ 964,399</b>	<b>\$ 265,592</b>	<b>\$ 1,246,163</b>

## Capital Projects

Parks Capital Improvement	Zoo Capital Improvement	Civic Auditorium Capital Improvement	Golf Capital Improvement	Police Capital Improvement	Total	Total Nonmajor Governmental Funds
\$ -	\$ 12,177	\$ 6,039	\$ 70,783	\$ -	\$ 255,287	\$ 526,793
-	400,361	198,549	2,327,243	-	8,393,533	17,320,350
-	-	-	-	-	19,126	94,690
-	-	-	-	-	38,345	753,170
-	-	-	-	-	-	191,290
-	1,271	630	1,188	-	20,449	37,500
-	-	-	-	-	-	11,955
-	-	-	-	-	-	147,757
<b>\$ -</b>	<b>\$ 413,809</b>	<b>\$ 205,218</b>	<b>\$ 2,399,214</b>	<b>\$ -</b>	<b>\$ 8,726,740</b>	<b>\$ 19,083,505</b>
\$ 567,174	\$ 8,139	\$ -	\$ 1,815,296	\$ -	\$ 2,763,276	\$ 2,859,929
-	-	-	-	-	-	253,219
320,895	-	-	-	1,153,136	1,474,031	1,474,031
-	-	-	-	-	-	60,459
<b>888,069</b>	<b>8,139</b>	<b>-</b>	<b>1,815,296</b>	<b>1,153,136</b>	<b>4,237,307</b>	<b>4,647,638</b>
-	-	-	-	-	15,390	75,897
-	-	-	-	-	<b>15,390</b>	<b>75,897</b>
-	-	-	-	-	-	159,712
-	-	-	-	-	-	735,792
703,891	-	-	817,130	1,369,818	3,041,784	3,335,059
-	405,670	205,218	-	-	5,780,385	14,635,452
(1,591,960)	-	-	(233,212)	(2,522,954)	(4,348,126)	(4,506,045)
<b>(888,069)</b>	<b>405,670</b>	<b>205,218</b>	<b>583,918</b>	<b>(1,153,136)</b>	<b>4,474,043</b>	<b>14,359,970</b>
<b>\$ -</b>	<b>\$ 413,809</b>	<b>\$ 205,218</b>	<b>\$ 2,399,214</b>	<b>\$ -</b>	<b>\$ 8,726,740</b>	<b>\$ 19,083,505</b>

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2021

	Special Revenue			
	Recreation	Library	Passenger Facility Charge	Electric Light Public Purpose
<b>Revenues</b>				
Taxes	\$ 722,303	\$ 2,344,944	\$ -	\$ -
Intergovernmental	23,911	1,119,779	-	-
Charges for services	1,238,601	5,161	716,117	-
Fines	-	8,377	-	-
Interest	(2,861)	12,502	97	8,627
Miscellaneous	43,107	43,882	-	628,230
<b>Total revenues</b>	<b>2,025,061</b>	<b>3,534,645</b>	<b>716,214</b>	<b>636,857</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	374,467
Public Safety	-	-	-	-
Culture & recreation	1,969,947	2,994,392	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>1,969,947</b>	<b>2,994,392</b>	<b>-</b>	<b>374,467</b>
Excess (deficiency) of revenues over (under) expenditures	55,114	540,253	716,214	262,390
<b>Other financing sources (uses)</b>				
Transfers in	1,159,000	-	-	-
Transfers out	-	-	(171,713)	-
<b>Total other financing sources and (uses)</b>	<b>1,159,000</b>	<b>-</b>	<b>(171,713)</b>	<b>-</b>
Net change in fund balances	1,214,114	540,253	544,501	262,390
<b>Fund balances - beginning</b>	<b>(150,520)</b>	<b>3,130,271</b>	<b>-</b>	<b>3,471,239</b>
<b>Fund balances - ending</b>	<b>\$ 1,063,594</b>	<b>\$ 3,670,524</b>	<b>\$ 544,501</b>	<b>\$ 3,733,629</b>

Business Improvement District	Golf	Wildland Fire	Total
\$ - \$ - \$ - \$	-	-	3,067,247
-	-	1,403,307	2,546,997
-	3,158,676	-	5,118,555
-	-	-	8,377
306	2,683	1,223	22,577
92,279	49,086	-	856,584
<b>92,585</b>	<b>3,210,445</b>	<b>1,404,530</b>	<b>11,620,337</b>
85,500	-	-	459,967
-	-	1,007,178	1,007,178
-	2,911,904	-	7,876,243
-	-	-	-
<b>85,500</b>	<b>2,911,904</b>	<b>1,007,178</b>	<b>9,343,388</b>
7,085	298,541	397,352	2,276,949
-	-	-	1,159,000
-	(810,737)	(100,000)	(1,082,450)
-	<b>(810,737)</b>	<b>(100,000)</b>	<b>76,550</b>
7,085	(512,196)	297,352	2,353,499
<b>99,804</b>	<b>513,989</b>	<b>467,645</b>	<b>7,532,428</b>
<b>\$ 106,889</b>	<b>\$ 1,793</b>	<b>\$ 764,997</b>	<b>\$ 9,885,927</b>

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2021

	Capital Projects				
	Municipal Capital Improvement	Street Capital Improvement	Bridge and Arterial Street	Surface Drainage	Traffic Light Capital Improvement
<b>Revenues</b>					
Taxes	\$ 789,366	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	831,077	-	-	122,968
Charges for services	-	53,496	175,681	14,738	-
Fines	-	-	-	-	-
Interest	7,213	1,419	2,125	545	2,206
Miscellaneous	-	32	3,870	2,317	-
<b>Total revenues</b>	<b>796,579</b>	<b>886,024</b>	<b>181,676</b>	<b>17,600</b>	<b>125,174</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public Safety	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Capital outlay	499,004	1,317,925	305,895	80,021	246,622
<b>Total expenditures</b>	<b>499,004</b>	<b>1,317,925</b>	<b>305,895</b>	<b>80,021</b>	<b>246,622</b>
Excess (deficiency) of revenues over (under) expenditures	297,575	(431,901)	(124,219)	(62,421)	(121,448)
<b>Other Financing Sources (uses)</b>					
Transfers in	-	-	-	-	346,933
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346,933</b>
Net change in fund balances	297,575	(431,901)	(124,219)	(62,421)	225,485
<b>Fund balances - beginning</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>Fund balances - ending</b>	<b>\$ 2,259,878</b>	<b>\$ 812,542</b>	<b>\$ 817,069</b>	<b>\$ 185,570</b>	<b>\$ 1,245,383</b>

Capital Projects							Total Nonmajor Governmental Funds
Parks Capital Improvement	Zoo Capital Improvement	Civic Capital Auditorium Improvement	Golf Capital Improvement	Police Capital Improvement	Total		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 789,366	\$ 3,856,613	
218,956	-	-	-	-	1,173,001	3,719,998	
12,316	92,120	-	296,823	-	645,174	5,763,729	
-	-	-	-	-	-	8,377	
(57)	1,298	460	1,588	8	16,805	39,382	
-	176,680	-	-	1,172	184,071	1,040,655	
231,215	270,098	460	298,411	1,180	2,808,417	14,428,754	
-	-	-	-	-	-	459,967	
-	-	-	-	-	-	1,007,178	
-	-	-	-	-	-	7,876,243	
1,043,357	97,051	-	2,012,432	1,154,316	6,756,623	6,756,623	
1,043,357	97,051	-	2,012,432	1,154,316	6,756,623	16,100,011	
(812,142)	173,047	460	(1,714,021)	(1,153,136)	(3,948,206)	(1,671,257)	
-	-	-	2,012,432	-	2,359,365	3,518,365	
-	-	-	-	-	-	(1,082,450)	
-	-	-	2,012,432	-	2,359,365	2,435,915	
(812,142)	173,047	460	298,411	(1,153,136)	(1,588,841)	764,658	
(75,927)	232,623	204,758	285,507	-	6,062,884	13,595,312	
\$ (888,069)	\$ 405,670	\$ 205,218	\$ 583,918	\$ (1,153,136)	\$ 4,474,043	\$ 14,359,970	

**Recreation Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Property taxes	\$ 723,204	\$ 723,204	\$ 722,303	\$ (901)
Intergovernmental	50,000	50,000	23,911	(26,089)
Charges for services	1,224,478	1,224,478	1,238,601	14,123
Interest	-	-	(2,861)	(2,861)
Miscellaneous	42,798	42,798	43,106	308
<b>Total revenues</b>	<b>2,040,480</b>	<b>2,040,480</b>	<b>2,025,060</b>	<b>(15,420)</b>
<b>Expenditures</b>				
Culture & Recreation	3,416,302	3,416,302	1,969,947	1,446,355
Excess (deficiency) of revenues over (under) expenditures	(1,375,822)	(1,375,822)	55,113	1,430,935
<b>Other financing sources (uses)</b>				
Transfers in	1,018,000	1,018,000	1,159,000	141,000
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,018,000</b>	<b>1,018,000</b>	<b>1,159,000</b>	<b>141,000</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(357,822)	(357,822)	1,214,113	1,571,935
<b>Fund balances - beginning</b>	<b>(150,520)</b>	<b>(150,520)</b>	<b>(150,520)</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ (508,342)</b>	<b>\$ (508,342)</b>	<b>\$ 1,063,593</b>	<b>\$ 1,571,935</b>

**Library Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Property taxes	\$ 2,349,297	\$ 2,349,297	\$ 2,344,944	\$ (4,353)
Intergovernmental	1,118,500	1,118,500	1,119,779	1,279
Charges for services	9,000	9,000	5,161	(3,839)
Fines	8,500	8,500	8,377	(123)
Interest	30,000	30,000	12,502	(17,498)
Miscellaneous	110,410	110,410	43,881	(66,529)
<b>Total revenues</b>	<b>3,625,707</b>	<b>3,625,707</b>	<b>3,534,644</b>	<b>(91,063)</b>
<b>Expenditures</b>				
Culture & Recreation	6,601,148	6,601,148	2,994,391	3,606,757
Excess (deficiency) of revenues over (under) expenditures	(2,975,441)	(2,975,441)	540,253	3,515,694
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(2,975,441)	(2,975,441)	540,253	3,515,694
<b>Fund balances - beginning</b>	<b>3,130,271</b>	<b>3,130,271</b>	<b>3,130,271</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 154,830</b>	<b>\$ 154,830</b>	<b>\$ 3,670,524</b>	<b>\$ 3,515,694</b>

**Electric Light Public Purpose Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Interest	\$ 8,000	\$ 8,000	\$ 8,627	\$ 627
Miscellaneous	1,200,000	1,200,000	628,229	(571,771)
<b>Total revenues</b>	<b>1,208,000</b>	<b>1,208,000</b>	<b>636,856</b>	<b>(571,144)</b>
<b>Expenditures</b>				
General government	1,000,000	1,000,000	374,466	625,534
Excess (deficiency) of revenues over (under) expenditures	208,000	208,000	262,390	54,390
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	208,000	208,000	262,390	54,390
<b>Fund balances - beginning</b>	<b>3,471,239</b>	<b>3,471,239</b>	<b>3,471,239</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 3,679,239</b>	<b>\$ 3,679,239</b>	<b>\$ 3,733,629</b>	<b>\$ 54,390</b>

**Business Improvement District Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Interest	\$ -	\$ -	\$ 306	\$ 306
Miscellaneous	90,000	90,000	92,277	2,277
<b>Total revenues</b>	<b>90,000</b>	<b>90,000</b>	<b>92,583</b>	<b>2,583</b>
<b>Expenditures</b>				
General government	85,000	85,000	85,500	(500)
Excess (deficiency) of revenues over (under) expenditures	5,000	5,000	7,083	2,083
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	5,000	5,000	7,083	2,083
<b>Fund balances - beginning</b>	<b>99,804</b>	<b>99,804</b>	<b>99,804</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 104,804</b>	<b>\$ 104,804</b>	<b>\$ 106,887</b>	<b>\$ 2,083</b>

**Golf Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Charges for services	\$ 2,713,173	\$ 2,713,173	\$ 3,158,676	\$ 445,503
Interest	-	-	2,683	2,683
Miscellaneous	20,000	20,000	49,087	29,087
<b>Total revenues</b>	<b>2,733,173</b>	<b>2,733,173</b>	<b>3,210,446</b>	<b>477,273</b>
<b>Expenditures</b>				
Culture & recreation	2,603,769	2,616,555	2,911,903	(295,348)
Excess (deficiency) of revenues over (under) expenditures	129,404	116,618	298,543	181,925
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(810,737)	(810,737)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(810,737)</b>	<b>(810,737)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	129,404	116,618	(512,194)	(628,812)
<b>Fund balances - beginning</b>	<b>513,989</b>	<b>513,989</b>	<b>513,989</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 643,393</b>	<b>\$ 630,607</b>	<b>\$ 1,795</b>	<b>\$ (628,812)</b>

**Wildland Fire Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 1,180,000	\$ 1,180,000	\$ 1,403,307	\$ 223,307
Interest	-	-	1,224	1,224
<b>Total revenues</b>	<b>1,180,000</b>	<b>1,180,000</b>	<b>1,404,531</b>	<b>224,531</b>
<b>Expenditures</b>				
Public Safety	961,500	966,932	1,007,178	(40,246)
Excess (deficiency) of revenues over (under) expenditures	218,500	213,068	397,353	184,285
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(100,000)	(100,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(100,000)</b>	<b>(100,000)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	218,500	213,068	297,353	84,285
<b>Fund balances - beginning</b>	<b>467,645</b>	<b>467,645</b>	<b>467,645</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 686,145</b>	<b>\$ 680,713</b>	<b>\$ 764,998</b>	<b>\$ 84,285</b>

**Municipal Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Property taxes	\$ 790,618	\$ 790,618	\$ 789,366	\$ (1,252)
Intergovernmental	-	-	-	-
Interest	20,000	20,000	7,212	(12,788)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>810,618</b>	<b>810,618</b>	<b>796,578</b>	<b>(14,040)</b>
<b>Expenditures</b>				
Capital outlay	1,000,000	1,000,000	499,004	500,996
Excess (deficiency) of revenues over (under) expenditures	(189,382)	(189,382)	297,574	486,956
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(189,382)	(189,382)	297,574	486,956
<b>Fund balances - beginning</b>	<b>1,962,303</b>	<b>1,962,303</b>	<b>1,962,303</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 1,772,921</b>	<b>\$ 1,772,921</b>	<b>\$ 2,259,877</b>	<b>\$ 486,956</b>

**Street Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 831,077	\$ 331,077
Charges for services	100,000	100,000	53,496	(46,504)
Interest	15,000	15,000	1,420	(13,580)
Miscellaneous	-	-	32	32
<b>Total revenues</b>	<b>615,000</b>	<b>615,000</b>	<b>886,025</b>	<b>271,025</b>
<b>Expenditures</b>				
Capital outlay	1,800,000	1,700,000	1,317,925	382,075
Excess (deficiency) of revenues over (under) expenditures	(1,185,000)	(1,085,000)	(431,900)	653,100
<b>Other Financing Sources (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(1,185,000)	(1,085,000)	(431,900)	653,100
<b>Fund balances - beginning</b>	<b>1,244,443</b>	<b>1,244,443</b>	<b>1,244,443</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 59,443</b>	<b>\$ 159,443</b>	<b>\$ 812,543</b>	<b>\$ 653,100</b>

**Bridge and Arterial Street Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Charges for services	\$ 150,000	\$ 150,000	\$ 175,681	\$ 25,681
Intergovernmental	-	-	-	-
Interest	10,000	10,000	2,126	(7,874)
Miscellaneous	-	-	3,870	3,870
<b>Total revenues</b>	<b>160,000</b>	<b>160,000</b>	<b>181,677</b>	<b>21,677</b>
<b>Expenditures</b>				
Capital outlay	350,000	350,000	305,895	44,105
Excess of revenues over (under) expenditures	(190,000)	(190,000)	(124,218)	65,782
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(190,000)	(190,000)	(124,218)	65,782
<b>Fund balances - beginning</b>	<b>941,288</b>	<b>941,288</b>	<b>941,288</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 751,288</b>	<b>\$ 751,288</b>	<b>\$ 817,070</b>	<b>\$ 65,782</b>

**Surface Drainage Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Charges for services	\$ 40,000	\$ 40,000	\$ 14,738	\$ (25,262)
Interest	1,500	1,500	544	(956)
Miscellaneous	-	-	2,316	2,316
<b>Total revenues</b>	<b>41,500</b>	<b>41,500</b>	<b>17,598</b>	<b>(23,902)</b>
<b>Expenditures</b>				
Capital outlay	50,000	150,000	80,022	69,978
Excess (deficiency) of revenues over (under) expenditures	(8,500)	(108,500)	(62,424)	46,076
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(8,500)	(108,500)	(62,424)	46,076
<b>Fund balances - beginning</b>	<b>247,991</b>	<b>247,991</b>	<b>247,991</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 239,491</b>	<b>\$ 139,491</b>	<b>\$ 185,567</b>	<b>\$ 46,076</b>

**Traffic Light Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 122,968	\$ 97,968
Interest	15,000	15,000	2,206	(12,794)
<b>Total revenues</b>	<b>40,000</b>	<b>40,000</b>	<b>125,174</b>	<b>85,174</b>
<b>Expenditures</b>				
Capital Outlay	600,000	715,204	246,620	468,584
Excess (deficiency) of revenues over (under) expenditures	(560,000)	(675,204)	(121,446)	553,758
<b>Other financing sources (uses)</b>				
Transfers in	427,600	427,600	346,933	(80,667)
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>427,600</b>	<b>427,600</b>	<b>346,933</b>	<b>(80,667)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(132,400)	(247,604)	225,487	473,091
<b>Fund balances - beginning</b>	<b>1,019,898</b>	<b>1,019,898</b>	<b>1,019,898</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 887,498</b>	<b>\$ 772,294</b>	<b>\$ 1,245,385</b>	<b>\$ 473,091</b>

**Parks Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 926,000	\$ 926,000	\$ 218,956	\$ (707,044)
Charges for services	80,000	80,000	12,316	(67,684)
Interest	1,000	1,000	(59)	(1,059)
Miscellaneous	545,000	545,000	-	(545,000)
<b>Total revenues</b>	<b>1,552,000</b>	<b>1,552,000</b>	<b>231,213</b>	<b>(1,320,787)</b>
<b>Expenditures</b>				
Capital Outlay	1,675,000	1,675,000	1,043,356	631,644
Excess (deficiency) of revenues over (under) expenditures	(123,000)	(123,000)	(812,143)	(689,143)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(123,000)	(123,000)	(812,143)	(689,143)
<b>Fund balances - beginning</b>	<b>(75,927)</b>	<b>(75,927)</b>	<b>(75,927)</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ (198,927)</b>	<b>\$ (198,927)</b>	<b>\$ (888,070)</b>	<b>\$ (689,143)</b>

**Zoo Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for Services	\$ 75,000	\$ 75,000	\$ 92,120	\$ 17,120
Interest	2,000	2,000	1,298	(702)
Miscellaneous	1,090,000	1,090,000	176,680	(913,320)
<b>Total revenues</b>	<b>1,167,000</b>	<b>1,167,000</b>	<b>270,098</b>	<b>(896,902)</b>
<b>Expenditures</b>				
Capital Outlay	1,065,000	1,065,000	97,051	967,949
<b>Total expenditures</b>	<b>1,065,000</b>	<b>1,065,000</b>	<b>97,051</b>	<b>967,949</b>
Excess (deficiency) of revenues over (under) expenditures	102,000	102,000	173,047	(71,047)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	102,000	102,000	173,047	71,047
<b>Fund balances - beginning</b>	<b>232,623</b>	<b>232,623</b>	<b>232,623</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 334,623</b>	<b>\$ 334,623</b>	<b>\$ 405,670</b>	<b>\$ 71,047</b>

**Civic Auditorium Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Interest	\$ -	\$ -	\$ 461	\$ 461
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>461</b>	<b>461</b>
<b>Expenditures</b>				
Capital Outlay	-	200,000	-	200,000
Excess (deficiency) of revenues over (under) expenditures	-	(200,000)	461	200,461
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	-	(200,000)	461	200,461
<b>Fund balances - beginning</b>	<b>204,758</b>	<b>204,758</b>	<b>204,758</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 204,758</b>	<b>\$ 4,758</b>	<b>\$ 205,219</b>	<b>\$ 200,461</b>

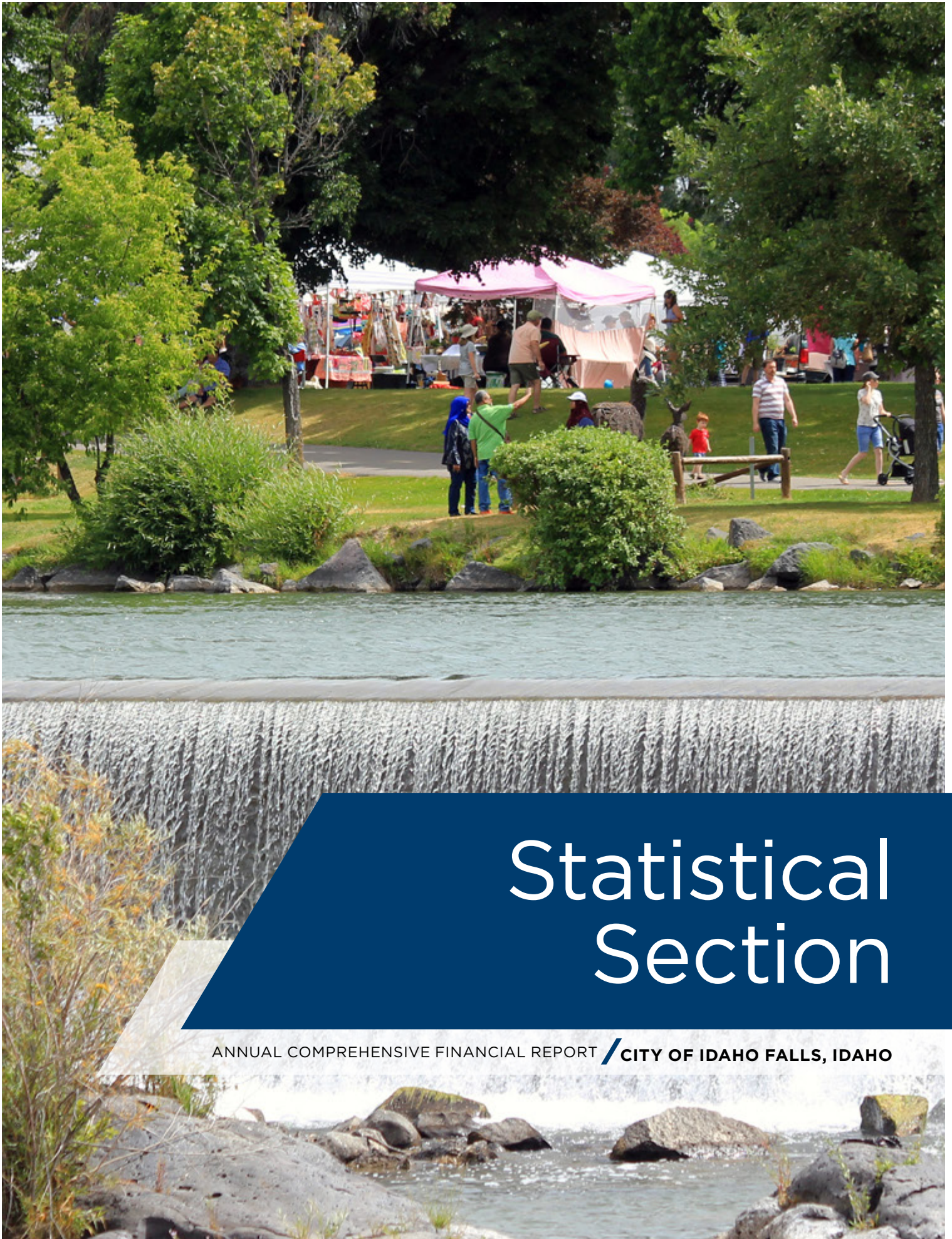
**Golf Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for Services	\$ 290,681	\$ 290,681	\$ 296,823	\$ 6,142
Interest	500	500	1,588	1,088
<b>Total revenues</b>	<b>291,181</b>	<b>291,181</b>	<b>298,411</b>	<b>7,230</b>
<b>Expenditures</b>				
Culture & Recreation	3,240,000	3,240,000	2,012,432	1,227,568
Excess (deficiency) of revenues over (under) expenditures	(2,948,819)	(2,948,819)	(1,714,021)	1,234,798
<b>Other financing sources (uses)</b>				
Transfers in	3,000,000	3,000,000	2,012,432	(987,568)
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>2,012,432</b>	<b>(987,568)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	51,181	51,181	298,411	247,230
<b>Fund balances - beginning</b>	<b>285,507</b>	<b>285,507</b>	<b>285,507</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 336,688</b>	<b>\$ 336,688</b>	<b>\$ 583,918</b>	<b>\$ 247,230</b>

**Police Capital Improvement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended September 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Interest	\$ -	\$ -	\$ 8	\$ 8
Miscellaneous	-	-	1,172	1,172
<b>Total revenues</b>	-	-	<b>1,180</b>	<b>1,180</b>
	-			
<b>Expenditures</b>				
Capital Outlay	-	1,154,316	1,154,316	-
Excess (deficiency) of revenues over (under) expenditures	-	(1,154,316)	(1,153,136)	(1,180)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	-	(1,154,316)	(1,153,136)	1,180
<b>Fund balances - beginning</b>	-	-	-	-
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ (1,154,316)</b>	<b>\$ (1,153,136)</b>	<b>\$ 1,180</b>





# Statistical Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF IDAHO FALLS, IDAHO



# TABLE OF CONTENTS STATISTICAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF IDAHO FALLS, IDAHO

This part of the City's Annual Comprehensive Financial Report presents detailed information to enhance the understanding of the information in the financial statements, note disclosures, and required supplementary information and what the data indicates about the City's overall financial health.

## **Financial Trend Information**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 108

## **Revenue Capacity Information**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 115

## **Debt Capacity Information**

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. 120

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities takes place. 123

**Source:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

## Exhibit B-1

## Net Position by Component Last Ten Fiscal Years Accrual Basis of Accounting

	Fiscal Year									
	2021	2020*	2019	2018	2017	2016	2015	2014	2013	2012
<b>Government activities</b>										
Net investment in capital assets	\$ 147,729,000	\$ 136,631,433	\$ 130,917,670	\$ 125,933,353	\$ 117,778,312	\$ 112,785,041	\$ 107,249,562	\$ 99,115,190	\$ 97,567,088	\$ 95,709,742
Restricted	4,490,755	4,522,867	509,488	319,393	334,062	577,490	1,086,961	599,392	706,136	842,205
Unrestricted	47,753,842	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
<b>Total government activities net position</b>	<b>199,973,597</b>	<b>168,873,502</b>	<b>157,911,274</b>	<b>144,516,326</b>	<b>139,633,071</b>	<b>127,411,307</b>	<b>124,594,166</b>	<b>125,188,671</b>	<b>125,903,714</b>	<b>126,025,984</b>
<b>Business-type activities</b>										
Net investment in capital assets	307,833,244	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
Restricted	1,079,623	1,079,623	1,079,623	1,079,623	-	-	-	1,062,286	984,291	-
Unrestricted	88,345,887	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
<b>Total business-type activities net position</b>	<b>397,258,754</b>	<b>362,735,429</b>	<b>343,792,030</b>	<b>328,062,768</b>	<b>310,822,871</b>	<b>301,357,667</b>	<b>299,916,554</b>	<b>297,497,012</b>	<b>286,915,945</b>	<b>274,948,131</b>
<b>Primary government</b>										
Net investment in capital assets	455,562,244	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
Restricted	5,570,378	5,602,490	1,589,111	1,399,016	334,062	577,490	1,086,961	1,661,678	1,690,427	842,205
Unrestricted	136,099,729	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
<b>Total primary government net position</b>	<b>\$ 597,232,351</b>	<b>\$ 531,608,931</b>	<b>\$ 501,703,304</b>	<b>\$ 472,579,094</b>	<b>\$ 450,455,942</b>	<b>\$ 428,768,974</b>	<b>\$ 424,510,720</b>	<b>\$ 422,685,683</b>	<b>\$ 412,819,659</b>	<b>\$ 400,974,115</b>

\*2020 balances were restated due to the change in the Ambulance Fund from a business-type activity to a governmental activity.

## Changes in Net Position Last Ten Fiscal Years Accrual Basis of Accounting

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 8,854,200	\$ 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
Public safety	28,016,651	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
Streets	9,683,499	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
Culture and recreation	14,850,944	16,481,046	17,232,675	17,557,071	-	15,012,825	12,970,540	13,241,313	12,268,230	11,307,979
Public works	1,189,519	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
<b>Total governmental activities expense</b>	<b>62,594,813</b>	<b>78,626,875</b>	<b>69,002,093</b>	<b>67,896,793</b>	<b>36,087,776</b>	<b>61,565,149</b>	<b>48,041,335</b>	<b>52,753,088</b>	<b>51,958,358</b>	<b>48,578,509</b>
Business-type activities:										
Airport	5,960,725	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
Water	9,340,259	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
Sanitation	3,470,405	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
Ambulance	47,878,686	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
Electric	1,178,476	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
Wastewater	9,528,400	10,281,212	9,825,454	11,701,305	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total business-type activities expenses</b>	<b>77,356,951</b>	<b>76,566,931</b>	<b>86,202,697</b>	<b>82,863,181</b>	<b>82,849,037</b>	<b>79,487,264</b>	<b>75,968,797</b>	<b>78,647,463</b>	<b>73,822,365</b>	<b>72,520,420</b>
<b>Total primary government expenses</b>	<b>\$ 139,951,764</b>	<b>\$ 155,193,806</b>	<b>\$155,204,790</b>	<b>\$ 150,759,974</b>	<b>\$ 118,936,813</b>	<b>\$ 141,052,413</b>	<b>\$ 124,010,132</b>	<b>\$ 131,400,551</b>	<b>\$ 125,780,723</b>	<b>\$ 121,098,929</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 4,087,226	\$ 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
Public Safety	6,324,066	5,153,924	909,450	616,588	638,769	429,423	482,009	2,579,890	2,643,553	2,663,985
Culture and recreation	6,290,921	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
Other activities	663,627	856,467	615,632	409,921	4,940,063	815,808	266,088	103,418	47,438	51,051
Operating grants and contributions	19,109,103	7,588,642	4,519,323	3,816,270	3,495,848	4,300,998	3,534,293	864,397	793,995	899,502
Capital grants and contributions	7,826,084	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
<b>Total governmental activities program revenues</b>	<b>44,301,027</b>	<b>29,913,642</b>	<b>24,856,719</b>	<b>23,220,086</b>	<b>14,996,450</b>	<b>17,742,300</b>	<b>14,868,060</b>	<b>12,358,779</b>	<b>12,556,414</b>	<b>10,675,310</b>

Business-type activities:

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Charges for service:										
Water	12,499,290	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
Electric	57,711,993	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
Wastewater	13,011,048	11,523,985	11,353,721	11,313,865	N/A	N/A	N/A	N/A	N/A	N/A
Other activities	9,020,060	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
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
Capital grants and contributions	23,091,638	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
<b>Total business-type activities program revenue</b>	<b>115,334,029</b>	<b>102,920,508</b>	<b>104,808,882</b>	<b>100,591,962</b>	<b>94,036,588</b>	<b>85,988,231</b>	<b>88,138,817</b>	<b>92,649,707</b>	<b>89,216,983</b>	<b>89,107,579</b>
<b>Total primary government program revenue</b>	<b>\$ 159,635,056</b>	<b>\$ 132,834,150</b>	<b>\$ 129,665,601</b>	<b>\$ 123,812,048</b>	<b>\$ 109,033,038</b>	<b>\$ 103,730,531</b>	<b>\$ 103,006,877</b>	<b>\$ 105,008,486</b>	<b>\$ 101,773,397</b>	<b>\$ 99,782,889</b>
Net (expense) revenue										
Government activities	(18,293,786)	(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)
Business-type activities	37,977,078	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
<b>Total primary government net expenses</b>	<b>\$ 19,683,292</b>	<b>\$ (22,359,656)</b>	<b>\$ 25,539,189</b>	<b>\$ 26,947,926</b>	<b>\$ 9,903,775</b>	<b>\$ 38,963,810</b>	<b>\$ 21,003,255</b>	<b>\$ 26,392,065</b>	<b>\$ 24,007,326</b>	<b>\$ 21,316,040</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 32,305,312	\$ 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
Sales tax and revenue sharing	9,652,076	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
Franchise taxes	648,336	528,938	570,782	593,903	692,702	932,521	690,472	865,118	676,897	774,011
Alcoholic beverages taxes	1,054,822	922,094	834,793	620,520	708,200	706,856	662,618	633,798	656,433	637,415
Unrestricted investment earnings	148,956	809,911	3,863,332	471,443	381,915	322,791	10,749	101,528	219,289	120,030
Miscellaneous revenues	1,503,227	1,607,462	1,614,811	2,781,737	1,232,487	2,563,161	2,626,779	867,034	693,689	830,538
Transfers	4,081,152	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
<b>Total governmental activities</b>	<b>49,393,881</b>	<b>55,457,471</b>	<b>57,540,322</b>	<b>49,559,962</b>	<b>46,171,125</b>	<b>46,639,990</b>	<b>43,038,471</b>	<b>39,679,266</b>	<b>39,279,674</b>	<b>39,012,059</b>
Business-type activities:										
Sales taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted investment income	405,521	1,931,181	3,139,942	1,420,059	1,100,794	166,007	515,642	409,311	464,907	498,615
Miscellaneous revenues	221,882	-	-	2,140,379	1,768,956	1,475,921	-	-	-	-
Transfers	(4,081,152)	(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)
<b>Total business-type activities</b>	<b>(3,453,749)</b>	<b>(3,192,188)</b>	<b>(2,876,923)</b>	<b>(1,548,879)</b>	<b>(1,722,347)</b>	<b>(3,417,926)</b>	<b>(3,200,502)</b>	<b>(3,421,177)</b>	<b>(3,426,804)</b>	<b>(3,325,534)</b>
<b>Total primary government</b>	<b>\$ 45,940,132</b>	<b>\$ 52,265,283</b>	<b>\$ 54,663,399</b>	<b>\$ 48,011,083</b>	<b>\$ 44,448,778</b>	<b>\$ 43,222,064</b>	<b>\$ 39,837,969</b>	<b>\$ 36,258,089</b>	<b>\$ 35,852,870</b>	<b>\$ 35,686,525</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 31,100,095	\$ 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
Business-type activities	34,523,329	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
<b>Total primary government</b>	<b>\$ 65,623,424</b>	<b>\$ 29,905,627</b>	<b>\$ 29,124,210</b>	<b>\$ 21,063,157</b>	<b>\$ 34,545,003</b>	<b>\$ 4,258,254</b>	<b>\$ 18,834,714</b>	<b>\$ 9,866,024</b>	<b>\$ 11,845,544</b>	<b>\$ 14,370,485</b>

Exhibit B-3

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
Modified Accrual Basis of Accounting**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Fund</b>										
Nonspendable	\$ 454,008	\$ 935,537	\$ 1,156,965	\$ 1,054,020	\$ 743,935	\$ 730,390	\$ 628,914	\$ 791,271	\$ 592,671	\$ 647,676
Restricted	34,383,820	4,296,365	-	-	-	-	-	-	-	-
Committed	2,159	609,351	319,917	715,594	1,762,042	1,301,589	1,293,941	6,199,706	4,330,726	3,642,668
Assigned	5,242,510	5,737,993	8,487,797	6,670,673	10,719,212	-	8,338,948	3,153,582	3,096,175	2,971,115
Unassigned	8,652,921	4,947,565	6,795,144	3,602,908	2,769,162	-	12,715,168	13,688,332	16,630,071	15,671,513
<b>Total general fund</b>	<b>\$ 48,735,418</b>	<b>\$ 16,526,811</b>	<b>\$ 16,759,823</b>	<b>\$ 12,043,195</b>	<b>\$ 15,994,351</b>	<b>\$ 2,031,979</b>	<b>\$ 22,976,971</b>	<b>\$ 23,832,891</b>	<b>\$ 24,649,643</b>	<b>\$ 22,932,972</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 253,412	\$ 267,219	\$ 297,009	\$ 258,297	\$ 180,404	\$ 175,889	\$ 157,802	\$ 167,542	\$ 96,255	-
Restricted	735,792	226,502	509,488	319,393	334,062	577,490	1,086,961	599,392	706,136	842,205
Committed	4,206,989	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
Assigned	19,706,046	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
Unassigned	(4,506,045)	(693,303)	(3,130,982)	(3,597,143)	-	-	-	-	-	-
<b>Total all other funds</b>	<b>\$ 20,396,194</b>	<b>\$ 16,884,396</b>	<b>\$ 11,459,858</b>	<b>\$ 11,567,691</b>	<b>\$ 9,739,849</b>	<b>\$ 9,053,809</b>	<b>\$ 9,816,117</b>	<b>\$ 5,821,351</b>	<b>\$ 7,963,120</b>	<b>\$ 8,612,922</b>

## Exhibit B-4

## Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years Modified Accrual Basis of Accounting

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Taxes	\$ 32,975,266	\$ 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
Licenses and permits	1,641,550	1,364,916	1,347,791	1,514,486	832,334	895,756	803,450	673,516	685,216	726,603
Intergovernmental	30,890,606	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
Charges for services	12,902,944	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
Fines	450,796	390,995	374,309	341,853	420,669	389,574	367,757	456,676	555,680	562,297
Miscellaneous/Interest	1,913,642	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
<b>Total revenues</b>	<b>80,774,804</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>Expenditures</b>										
General government	8,664,177	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
Public safety	37,958,167	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
Streets	7,438,411	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
Culture and recreation	16,815,195	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
Public works	1,058,988	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
Capital outlay	9,080,391	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
Debt service	800,258	375,992	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>81,815,587</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>
Excess (deficiency) of revenues over (under) expenditures	(1,040,783)	(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)
<b>Other Financing Sources (Uses)</b>										
Lease-purchase	2,323,768	1,689,266	-	-	-	-	-	-	-	-
Transfer in	8,069,722	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
Transfers out	(3,816,857)	(667,060)	(750,000)	-	(5,220,796)	(1,563,606)	(3,228,703)	(3,236,264)	(5,342,028)	(2,213,420)
Bond issuance	25,190,000	-	-	-	-	-	-	-	-	-
Bond Premium	5,166,265	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>6,576,633</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>Net change in fund balances</b>	<b>\$ 5,535,850</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>

Exhibit B-5

**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>
2021	\$ 32,326,930	\$ 180,992	\$ 648,336	\$ -	\$ 33,156,258
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
<b>2012-2021 Change</b>	<b>\$ 5,602,390</b>	<b>\$ (116,463)</b>	<b>\$ (122,095)</b>	<b>\$ (3,580)</b>	<b>\$ 5,360,252</b>



Exhibit C-1

### 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			
2021	6,219,670,404	1,456,104,150	4,763,566,254	0.006656522	32,326,930
2020	5,503,356,826	1,300,114,119	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

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.

## Direct and Overlapping Property Tax Levies Last Ten Fiscal Years

### City of Idaho Falls, Idaho Direct Levy

Fiscal Year	General Fund	Fireman's Retirement	Tort	Recreation Fund	Library Fund	Streets Fund	Municipal Capital Improvement Fund	Total Direct
2021	0.004790774	N/A	0.000159260	0.00015173	0.000492883	0.000819099	0.000250112	0.006663856
2020	0.006679993	N/A	0.000172283	0.00017206	0.000558925	0.000928850	0.000283624	0.008795735
2019	0.007504966	N/A	0.000179885	0.000187470	0.000595344	0.000906999	0.000208982	0.009583646
2018	0.007103600	N/A	0.000192481	0.000200599	0.000558042	0.001113514	0.000344950	0.009513186
2017	0.006944628	0.000128277	0.000203867	0.000212465	0.000591052	0.001179383	0.000365355	0.009625027
2016	0.008203192	0.000120078	0.000207574	0.000171200	0.000613834	0.000000000	0.000245981	0.009561859
2015	0.007641522	0.000417867	0.000206050	0.000164738	0.000590663	0.000000000	0.000236695	0.009257535
2014	0.007422643	0.000417477	0.000200518	0.000162794	0.000583696	0.000000000	0.000233904	0.009021032
2013	0.007419395	0.000406633	0.000200189	0.000162731	0.000583469	0.000000000	0.000233813	0.009006230
2012	0.007325810	0.000389236	0.000195184	0.000160689	0.000576147	0.000000000	0.000230879	0.008877945

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.

## Exhibit C-2

## 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
0.003433774	0.004609	0.002980548	0.00032001	0.000006343	0.00002761	0.000058040
0.004190114	0.005798	0.004046114	0.003519190	0.000006846	0.000295510	0.000061646
0.004243194	0.005798000	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

## Exhibit C-3

### Principal Property Tax Payers September 30, 2021

Taxpayers	2021			2012		
	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	2.30%	35,248,880	5	1.20%
Busch AG Resources Inc	71,612,321	2	1.70%	87,205,474	1	2.90%
Eastern Idaho Health Serv Inc	54,464,420	3	1.30%	49,650,000	3	1.80%
Grand Teton Mall LLC	38,800,000	4	0.90%	53,231,201	2	1.80%
Eastern Idaho Regional Med CTR	35,303,502	5	0.80%	25,453,834	6	0.80%
Integrow Malt	32,241,312	6	0.80%	-		0.00%
REL Facilities LLC	27,389,302	7	0.70%	-		
Falls LLC THE	23,705,988	8	0.60%	-		
Mountain View Hospital	20,204,543	9	0.50%	9,158,279	17	0.30%
CHP I F ID Owner LLC	19,696,943	10	0.50%	16,671,890	10	0.60%
Integrow Malt LLC	18,504,117			20,469,619	7	0.70%
Batelle Facility Owner LC	17,732,193			25,094,892	12	0.80%
Idaho Falls Community Hospital	16,135,981					0.00%
BDS LLC	15,148,171			6,306,746	26	0.20%
	<b>486,285,160</b>		<b>10.10%</b>	<b>328,490,815</b>		<b>11.10%</b>

Source: Bonneville County Auditor's Office

Exhibit C-4

### Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 32,326,930	\$ 31,052,201	96.1%	\$ -	\$ 31,052,201	96.1%
2020	36,970,601	35,915,350	97.1%	416,486	36,331,836	98.3%
2019	33,935,422	32,912,842	97.0%	969,792	33,882,634	99.8%
2018	31,481,473	30,449,226	96.7%	1,014,089	31,407,380	99.8%
2017	30,072,649	29,560,384	98.3%	511,525	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%

## Exhibit D-1

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita
	General Fund Certificate of Participation Bonds	Fire Truck Lease Purchase	Zoo Facility Lease Purchases	Police Vehicle Lease Purchases	Wastewater State of Idaho Note	Electric General Obligation Bonds			
2021	30,084,356	1,089,073	202,900	1,544,811	10,826,977	20,594,873	64,342,990	0.49%	224
2020	-	-	298,605	1,014,669	12,800,196	-	14,113,470	0.00	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	-	56

Note: Details regarding the City's outstanding debt can be found in the notes to financials statements.

<sup>(1)</sup>See Exhibit E-1 for personal income and population data. (Total Primary Government Debt / Total Personal Income)

Exhibit D-3

## Direct and Overlapping Governmental Activities Debt As of September 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Outstanding Debt
Debt repaid from property taxes:			
Overlapping:			
Bonneville County	\$ 2,470,662	9%	\$ 222,360
Idaho Falls Redevelopment Agency	-(b)		-
School District No. 91	20,313,892	71%	14,422,863
School District No. 93	121,208,299	20%	24,241,660
<b>Total overlapping</b>	<b>143,992,853</b>		<b>38,886,883</b>
Direct:			
City of Idaho Falls	32,921,140(a)	100%	32,921,140
<b>Total direct and overlapping debt</b>	<b>\$ 176,913,993</b>		<b>\$ 71,808,023</b>

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.

Exhibit D-4

**Legal Debt Margin Information  
Last Ten Fiscal Years**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	95,271,325	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
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
<b>Legal debt margin</b>	<b>\$ 95,271,325</b>	<b>\$ 94,346,214</b>	<b>\$ 92,171,178</b>	<b>\$ 91,025,766</b>	<b>\$ 85,638,845</b>	<b>\$ 81,745,814</b>	<b>\$ 81,224,309</b>	<b>\$ 78,559,233</b>	<b>\$ 79,586,218</b>	<b>\$ 78,423,984</b>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed value	6,219,670,404
Debt limit (2% of market value)	\$ 124,393,408
Debt applicable to limit:	
General obligation bonds	-
<b>Legal debt margin</b>	<b><u>\$ 124,393,408</u></b>

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.

### Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Attainment 25 Years and Older		School Enrollment	Unemployment Rate
					High School Graduates or Higher	4 or More Years of College		
2021	66,898 (1)	\$ 3,427,719,724 (1)	\$ 51,238 (1)	33.4	91.50%	30.70%	9,813	2.1%
2020	62,888 (1)	\$ 2,872,723,840 (1)	\$ 45,680 (1)	33	1	0	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%

<sup>(1)</sup> Numbers are estimated.

Sources: Population, provided by U.S. Department of Commerce, Personal Income is calculated by multiplying population by per capita 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.

## Exhibit E-2

### Principal Employers Current Year and Ten Years Ago

Employer (c)	2021			2012		
	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%
<b>Total</b>	<b>14675</b>		<b>23.33%</b>	<b>16225</b>		<b>25.81%</b>

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.



# Single Audit Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT / **CITY OF IDAHO FALLS, IDAHO**



## Schedule of Expenditures of Federal Awards Year Ended September 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Expenditures
<b>U.S. Department of Justice</b>			
Pass-through State of Idaho:			
Missing and Exploited Children (MEC) Program	16.543	Not Provided	<b>\$ 2,238</b>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs:			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant	14.218	N/A	<b>\$ 801,978</b>
<b>U.S. Department of Treasury</b>			
Pass-through State of Idaho:			
COVID-19 - Coronavirus Relief Fund			
Office of the Governor	21.019	20-1892-0-1-806	<b>\$ 9,069,942</b>
<b>U.S. Department of Transportation</b>			
Direct Program:			
Airport Improvement Program	20.106	N/A	\$ 11,656,789
COVID-19 Airport Programs			\$ 2,273,779
			<b>\$ 13,930,568</b>
<b>U.S. Department of Health and Human Services</b>			
Pass-through Idaho State Military Division:			
Office of Drug Policy	93.243	1H79SP080981-01	<b>\$ 15,630</b>
<b>U.S. Department of Homeland Security</b>			
Pass-through Idaho State Military Division:			
Homeland Security Grant	97.067	EMW2018SS00040	5,249
		EMW2017SS00054	71,151
		EMW2018SS00047	14,763
		EMW2020SS00070	7,690
<b>Total U.S. Department of Homeland Security:</b>			<b>\$ 98,853</b>
<b>Total Federal Assistance</b>			<b>\$ 23,919,209</b>

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

## Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2021

### 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, 2021. 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 position, or cash flows of the City and is presented as a supplemental information within the City's annual comprehensive financial report for the year ended September 30, 2021.

### 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.



## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2022.

### **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. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

## 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's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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.



Boise, Idaho  
June 28, 2022



## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

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

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

We have audited the City of Idaho Falls, Idaho (the City)'s 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, 2021. 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 of 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, 2021.

## 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.



Boise, Idaho  
June 28, 2022

## Schedule of Findings and Questioned Costs For the Year Ended September 30, 2021

### Section I – Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified

☒

Yes

☐

No

Significant deficiencies not considered to be material weaknesses

☐

Yes

☒

None reported

Noncompliance material to financial statements noted?

☐

Yes

☒

No

#### Federal Awards

Internal control over major federal programs:

Material weaknesses identified

☐

Yes

☒

No

Significant deficiencies not considered to be material weaknesses

☐

Yes

☒

None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:

☐

Yes

☒

No

#### Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing/CFDA Number
CDBG - Entitlement grants Cluster Community Development Block Grant	14.218
COVID-19 - Coronavirus Relief Funds	21.019
Airport Improvement Grant	20.106
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

## Schedule of Findings and Questioned Costs For the Year Ended September 30, 2021

### Section II - Financial Statement Findings

#### **2021-001    Reconciliation and Financial Reporting of Capital Assets (repeat finding 2020-001) Material Weakness in Internal Control**

*Criteria:*

Ensuring proper and timely internal controls over capital assets are key mechanisms for protecting the City 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. Because of this, a completed listing of the work in progress (WIP) for the Electric and Fiber funds was not received until the end of April 2022. Audit procedures identified that there were significant errors in the Fiber WIP listing resulting in material adjustments to the WIP and interfund loan and contributed capital for the Fiber fund.

*Cause:*

The City did not properly design controls to require a timely, and routine independent review of the capital asset records. In addition, the processes surrounding WIP and related work orders was not performed regularly throughout the year and were not performed accurately at year-end due to turnover at the City.

*Effect:*

The City operated without the proper controls in place to ensure capital assets, including work in progress, 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. In addition, lack of timely and accurate reconciliations required significant and material adjustments to be made in order to appropriately represent the financial position of the City's capital asset amounts, including WIP.

*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:*

The City concurs with the auditor's findings

## Schedule of Findings and Questioned Costs For the Year Ended September 30, 2021

### 2021-002 Timely and Complete Year-End Closing Procedures Material Weakness in Internal Control

*Criteria:*

The internal control structure of the City should include procedures to ensure that the trial balance provided for the audit is free from misstatement. A good system of internal control and good business practices requires management to have policies and procedures in place to allow for the timely close of the fiscal year-end which includes reconciliation of balance sheet accounts to underlying subsidiary ledgers and 3rd party documents, assessment of operations for reasonableness and accuracy based on current year conditions and activity, and review of all manual adjusting entries, closing entries, reconciliations and financial information.

*Condition:*

For fiscal year 2021, the year-end procedures were not performed timely. The first draft of the financial statements and a final trial balance was not received by the auditors until April 2022. The final supporting documentation for capital assets, including WIP for the Electric and Fiber funds was not received until late April 2022. As a result of audit procedures and review of the financial statements, multiple adjustments were made to the trial balance to ensure the financial statements for the period ended September 30, 2021 were materially correct. These adjustments resulted in multiple drafts of the financial statements.

*Cause:*

The controls currently in place were not sufficient to ensure that the year-end closing procedures were performed accurately and timely to ensure the trial balance provided for the audit did not include material misstatements. The controls also did not allow for timely preparation of the financial statements.

*Effect:*

The original trial balance was not complete and contained misstatements and preparation of the financial statements was delayed which delayed the completion of the audit. In addition, inaccurate WIP listings that had to be corrected also delayed testing and completion of the audit.

*Recommendation:*

The City should ensure proper controls are established to allow for timely year-end procedures that ensure timely and efficient audits and timely and accurate financial statements.

*Views of Responsible Officials:*

The City concurs with the auditor's findings

**Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2021**

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

None reported

## Schedule of Passenger Facility Charges Collected and Expended Year Ended September 30, 2021

	Passenger Facility Charges Collected	Passenger Facility Charges Expended
PFC Charges Collected and Expended for the Current Year	\$ 716,117	\$ 171,713
PFC Charges Collected and Expended in Prior Years	13,206,181	13,206,181
<b>Total PFC Charges to Date</b>	<b>\$ 13,922,298</b>	\$ 13,377,894
PFC Interest Earned to Date		\$ 38,746
Actual PFC Related Expenditures to Date		\$ (13,416,640)
<b>Ending Balance Unliquidated PFC Revenue Account (PFC Expended to Date, Plus Interest Less Actual Expenditures to Date)</b>		<b>\$ 28,518</b>
<b>Total Approved PFC Related Expenditures to Date</b>		<b>\$ 13,388,122</b>



## **Independent Auditor's Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance**

To the Honorable Mayor,  
Members of the City Council, and Federal Aviation Administration  
Boise, Idaho

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

We have audited the City of Idaho Falls Airport's (the Airport) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended September 30, 2021.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws and regulation applicable to its passenger facility charge program.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Airport's compliance based on our audit. 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 Guide. Those standards and the 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 Airport'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. Our audit does not provide a legal determination of the Airport's compliance with those requirements.

### **Opinion**

In our opinion, the Airport complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2021.

## Report on Internal Control over Compliance

Management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the Airport's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the 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 Airport'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 the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 the passenger facility charge 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 the passenger facility charge 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of City Council and management of the City, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.



Boise, Idaho  
June 28, 2022

