

Annual Comprehensive Financial Report

FOR THE YEAR ENDED
**SEPTEMBER 30,
2022**



IDAHO FALLS

CITY OF IDAHO FALLS, IDAHO

Annual Comprehensive Financial Report
For the fiscal year ended September 30, 2022

Prepared By:

Municipal Services Department

Finance Division

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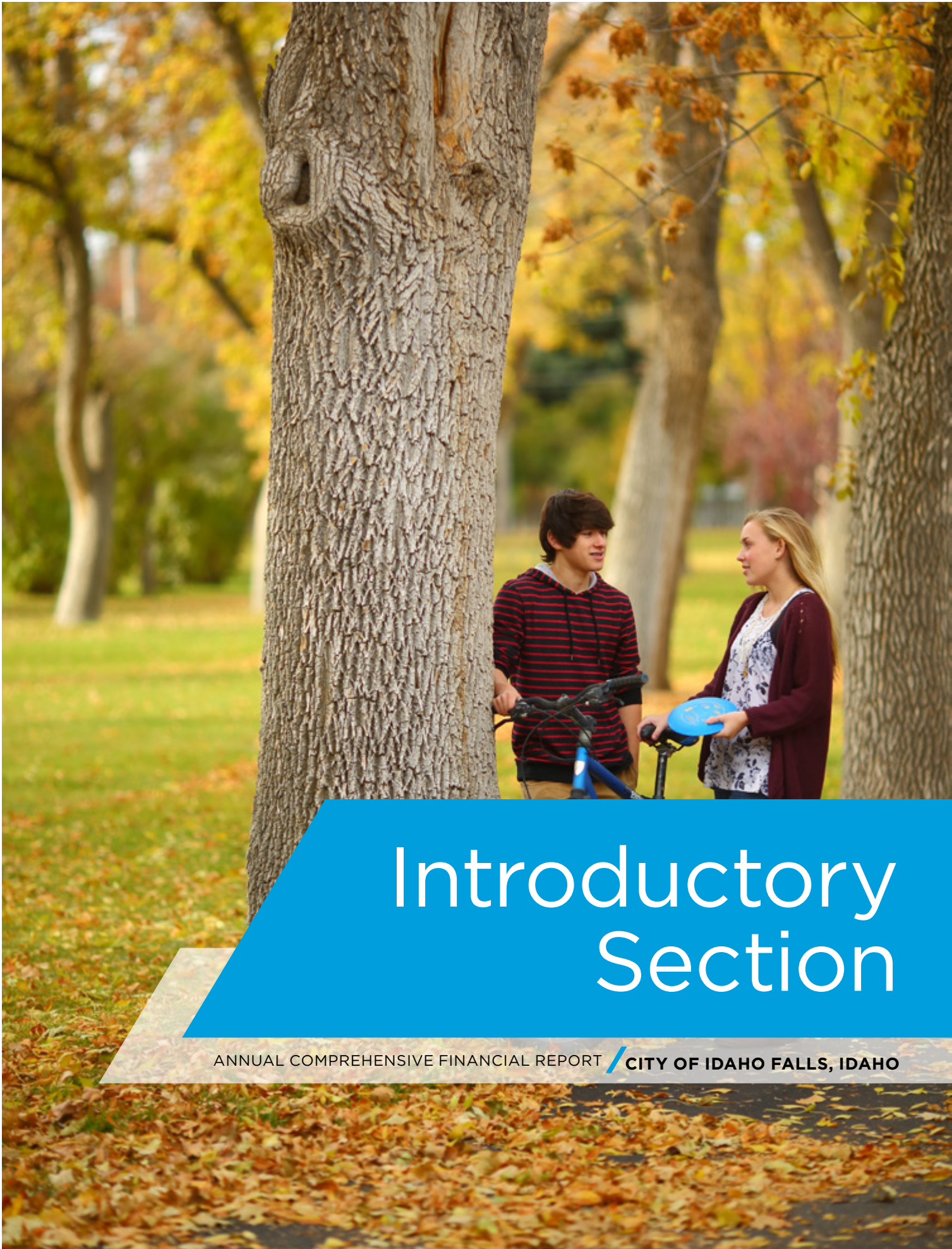
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IDAHO FALLS



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 21, 2023

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, 2022 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, 2022, 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, 2022, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's 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 services, planning and building, public safety (police, fire, ambulance and animal control), parks and recreation, streets, library, public works, airport, water, sanitation, electric, fiber, and wastewater utility.

MUNICIPAL SERVICES

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- General Services** (208) 612-8431

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 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,

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the unemployment rate has reached a high of 8.1 percent in the year 2010, to a low of 2.0 percent in 2021. The unemployment rate at the end of fiscal year 2022, 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 parks, reconstruction of roads and intersections, wastewater treatment plant upgrades, water tower, a law enforcement building, and other public safety buildings.

Relevant Financial Policies

It is the City's policy that "one-time" resource inflows are 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
9/30/2022**

City Council

Rebecca L. Noah Casper
Michelle Ziel-Dingman

Lisa Burtenshaw
Thomas Hally
Jim Francis
John B. Radford
James S. Freeman

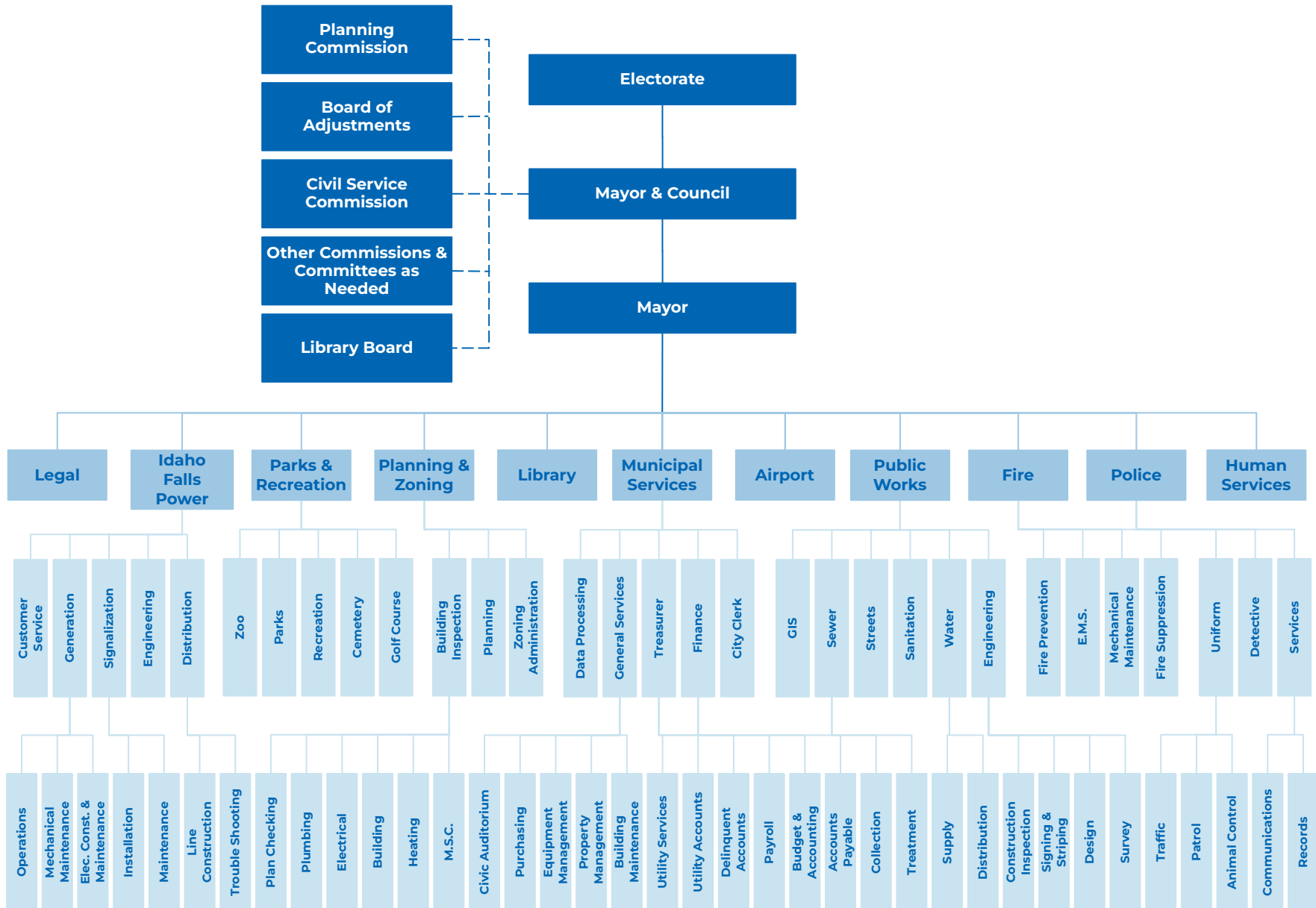
Mayor
Council Member (Seat 1)
Council President
Council Member (Seat 2)
Council Member (Seat 3)
Council Member (Seat 4)
Council Member (Seat 5)
Council Member (Seat 6)

Other Principal Officers

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

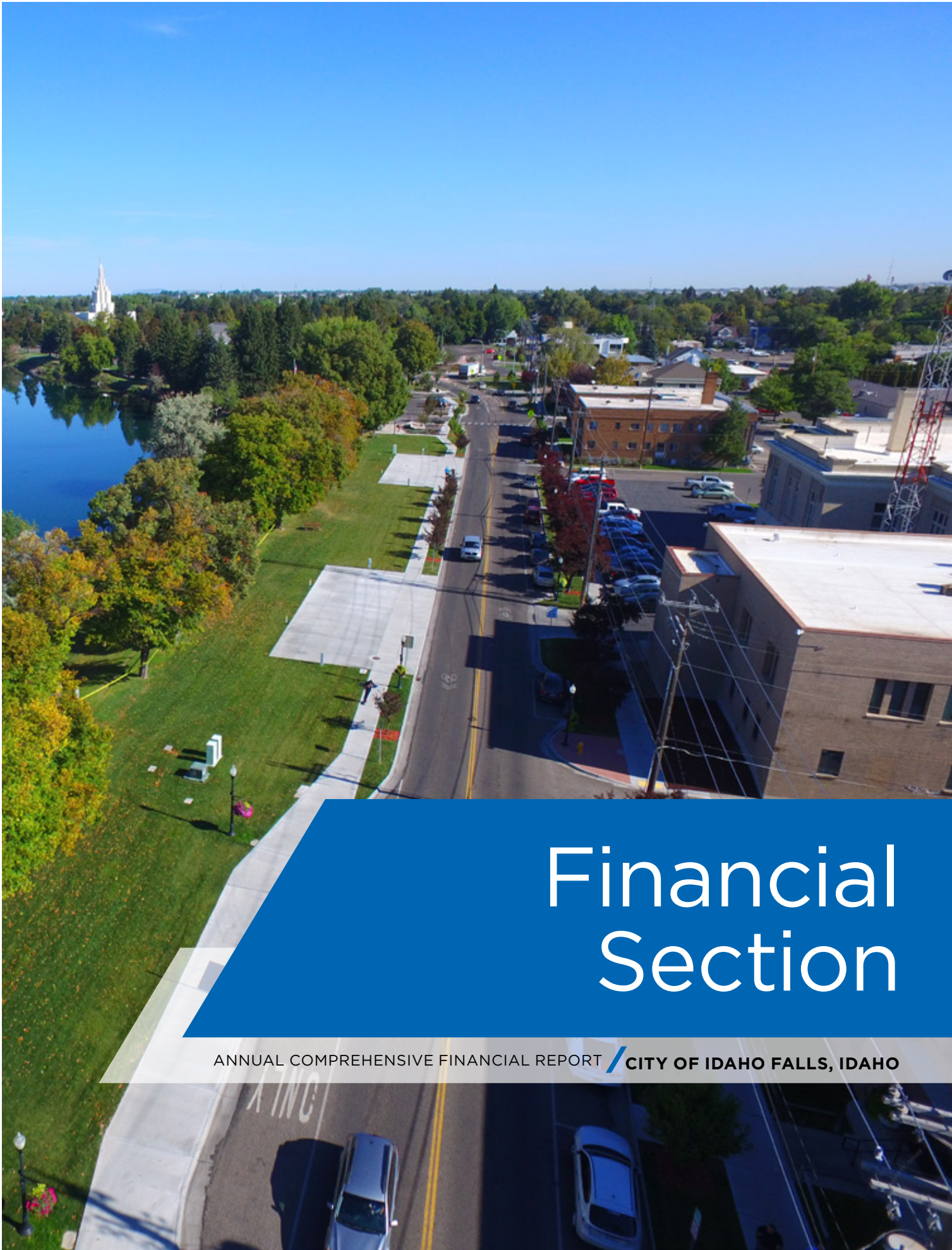
Community Development
Airport Director
City Attorney
Idaho Falls Power General Manager
Public Works Director
Fire Chief
Human Resources Director
Police Chief
Municipal Services Director
Parks & Recreation Director
Library Director

City of Idaho Falls Organization





IDAHO FALLS



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 Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying 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 units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, 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 the emergency medical services fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Idaho Falls Redevelopment Agency, the discretely presented component unit, as of September 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Idaho Falls Redevelopment Agency are based solely on the report of the other auditors.

Basis for Opinions

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

Adoption of Accounting Standards

As discussed in Note 4.K to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, Leases, for the year ended September 30, 2022. Accordingly, a restatement has been made to the governmental activities and business-type

activities net position as of October 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

As discussed in Note 4.K to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, for the City's Policeman's Retirement Fund. The City had previously adopted this Statement for the City's other pension programs, the Public Employees Retirement System of Idaho. However, the City is adopting the Statement for the Policeman's Retirement Fund in the current year. Accordingly, a restatement has been made to the governmental activities net position as of October 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Employer's Share of Net Pension Liability (Asset) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements; budgetary comparison schedules; 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 GAAS. In our opinion, the other information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
June 20, 2023

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, 2022. 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, 2022 by \$623,351,685 (net position). Of this amount, \$144,822,766 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 \$21,469,208 as a result of this year's operations. The governmental net position increased by \$9,605,295 and the business-type net position increased by \$11,863,913.
- As of September 30, 2022, the City's governmental activities reported a combined ending net position of \$214,229,018. Approximately 21.98 percent of this amount, or \$47,095,394, is held in unrestricted net position.
- For the period ending September 30, 2022, the general fund balance was \$40,886,938, of which \$1,332,388 is classified as non-spendable and \$4,318,510 is classified as restricted as defined in the financial statement footnote IV.J. The remaining \$35,236,040 represents 40.84 percent of the total general fund budget dedicated for funding City operations.
- The City's total noncurrent liabilities (including notes, and compensated absences) was \$107,297,162 for the period ending September 30, 2022.

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 \$623,351,685 as of September 30, 2022. By far the largest portion of the City's net position, 70.54%, 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 6.2%, represents resources which are subject to external restrictions on how the resources may be utilized. The remaining balance of unrestricted net position, \$144,822,766 may be used to meet the City's ongoing obligations.

For the year ended September 30, 2022, the City's net position increased by \$21,469,208 or 3.57% 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	
	2022	2021*	2022	2021*	2022	2021*
Assets						
Current and other assets	\$ 89,241,977	\$ 88,177,180	\$ 126,412,965	\$ 126,102,377	\$ 215,654,942	\$ 214,279,557
Capital assets	160,291,389	150,565,784	329,881,220	318,660,221	490,172,609	469,226,005
Net pension asset	29,190,140	39,616,657	-	208,883	29,190,140	39,825,540
Total assets	278,723,506	278,359,621	456,294,185	444,971,481	735,017,691	723,331,102
Total deferred outflows	19,519,457	8,475,535	5,978,588	3,064,769	25,498,045	11,540,304
Liabilities						
Long-term liabilities outstanding	37,605,741	39,695,818	30,609,509	33,592,606	68,215,250	73,288,424
Net pension liability	28,132,794	-	10,949,118	-	39,081,912	-
Other liabilities	17,075,903	15,217,731	9,268,655	7,953,875	26,344,558	23,171,606
Total liabilities	82,814,438	54,913,549	50,827,282	41,546,481	133,641,720	96,460,030
Total deferred inflows	1,199,507	27,297,884	2,322,824	9,231,015	3,522,331	36,528,899
Net position						
Net investment in capital assets	129,426,745	147,729,000	310,315,672	307,833,244	439,742,417	455,562,244
Restricted	37,706,879	4,490,755	1,079,623	1,079,623	38,786,502	5,570,378
Unrestricted	47,095,394	52,403,968	97,727,372	88,345,887	144,822,766	140,749,855
Total net position	\$ 214,229,018	\$ 204,623,723	\$ 409,122,667	\$ 397,258,754	\$ 623,351,685	\$ 601,882,477

*2021 balances were restated due to the implementation of GASB 87 Leases and GASB 68 Pension for Idaho Falls Policeman Retirement Fund. See Note IV.K.

Comparative Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021*	2022	2021*
Revenues:						
Program revenues:						
Charges for services	\$ 19,113,145	\$ 17,365,840	\$ 112,194,544	\$ 92,242,387	\$ 131,307,689	\$ 109,608,227
Operating grants & contributions	12,504,060	19,109,103	1,133,680	-	13,637,740	19,109,103
Capital grants & contributions	8,685,786	7,826,084	10,658,176	23,091,638	19,343,962	30,917,722
General revenues:						
Property taxes	39,989,329	32,305,312	-	-	39,989,329	32,305,312
Other taxes	12,952,169	11,355,234	-	-	12,952,169	11,355,234
Other	208,636	1,652,183	(2,273,458)	627,403	(2,064,822)	2,279,586
Total revenues	93,453,125	89,613,756	121,712,942	115,961,428	215,166,067	205,575,184
Expenses:						
General government	11,241,998	8,854,200	-	-	11,241,998	8,854,200
Public safety	41,441,487	23,366,525	-	-	41,441,487	23,366,525
Streets	13,995,776	9,683,499	-	-	13,995,776	9,683,499
Culture and recreation	19,797,143	14,850,944	-	-	19,797,143	14,850,944
Public works	1,940,631	1,189,519	-	-	1,940,631	1,189,519
Airport	-	-	7,726,355	5,960,725	7,726,355	5,960,725
Water	-	-	12,015,046	9,340,259	12,015,046	9,340,259
Sanitation	-	-	4,194,284	3,470,405	4,194,284	3,470,405
Electric	-	-	62,537,857	47,878,686	62,537,857	47,878,686
Fiber	-	-	6,476,949	1,178,476	6,476,949	1,178,476
Wastewater	-	-	12,329,333	9,528,400	12,329,333	9,528,400
Total expenses	88,417,035	57,944,687	105,279,824	77,356,951	193,696,859	135,301,638
Increase (decrease) in net position before transfers	5,036,090	31,669,069	16,433,118	38,604,477	21,469,208	70,273,546
Transfer	4,569,205	4,081,152	(4,569,205)	(4,081,152)	-	-
Increase (decrease) in net position	9,605,295	35,750,221	11,863,913	34,523,325	21,469,208	70,273,546
Net position - beginning	204,623,723	168,873,502	397,258,754	362,735,429	601,882,477	531,608,931
Net position - ending	\$214,229,018	\$ 204,623,723	\$ 409,122,667	\$397,258,754	\$ 623,351,685	\$ 601,882,477

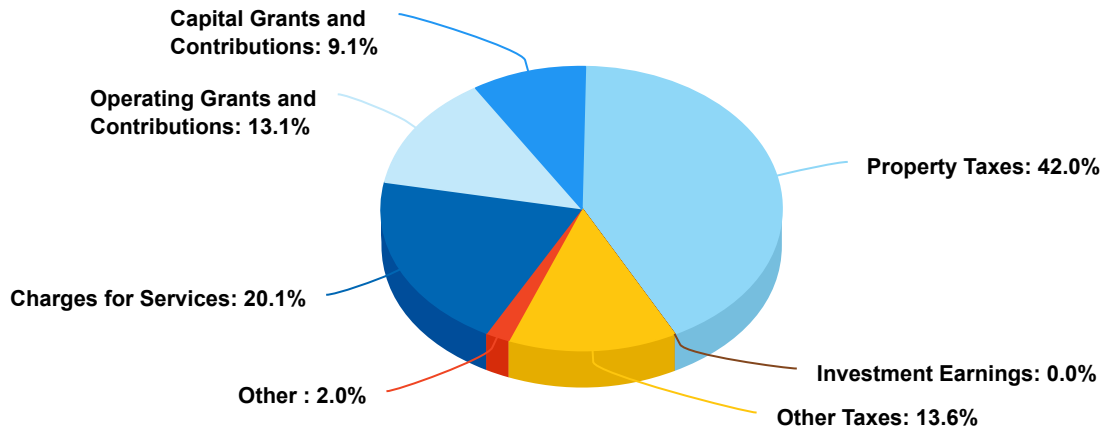
*2021 balances were restated due to the implementation of GASB 87 Leases and GASB 68 Pension for Idaho Falls Policeman Retirement Fund

Governmental Activities

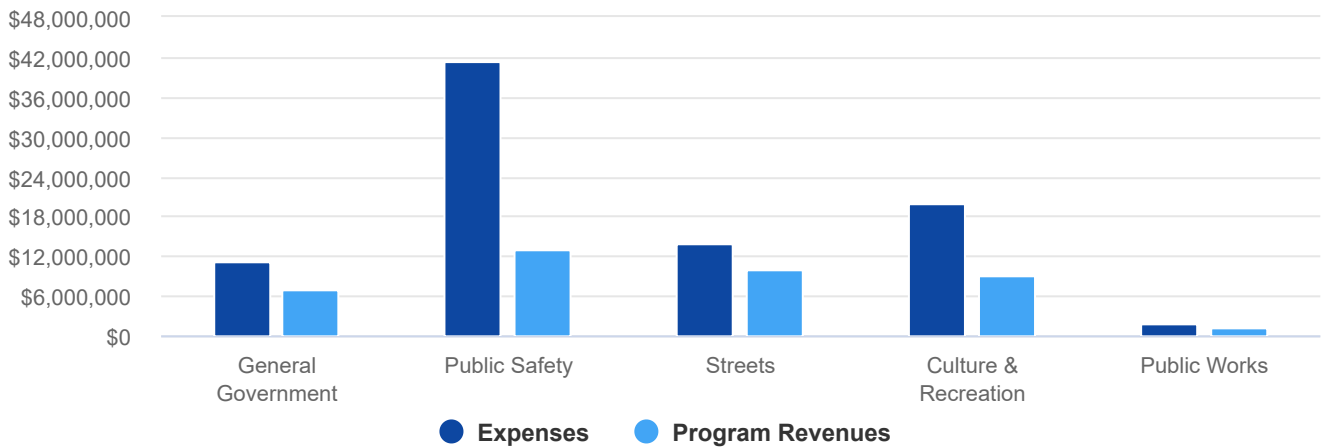
During the current fiscal year, net position for governmental activities increased \$9,605,295 or 4.69% from the prior year for an ending balance of \$214,229,018. Key elements of the year are as follows:

- Governmental revenue increased by \$3,839,369 or 4.28% compared to September 30, 2021. This increase is primarily due to two factors; first, the increase in property taxes, state shared revenues, and federal grants. 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 increased by \$30,472,348 or 52.59% compared to September 30, 2021. The net change is primarily due to significant increase of pension related expenses.

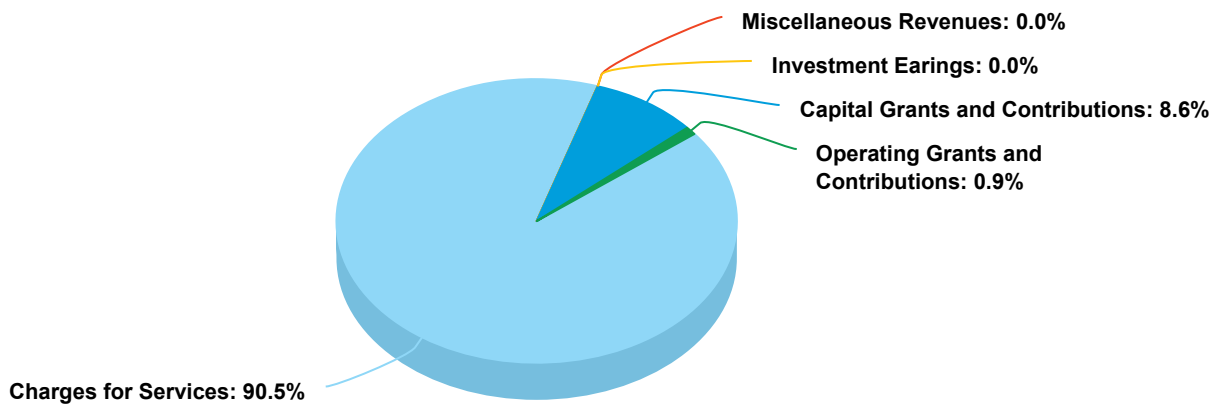
2022 Revenues by Source - Governmental Activities



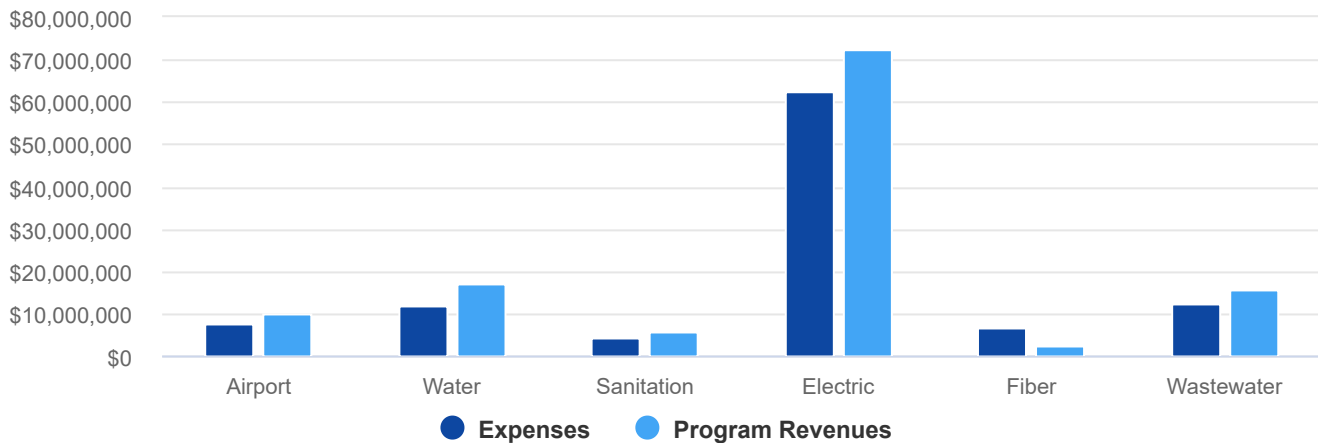
2022 Expenses and Program Revenues - Governmental Activities



2022 Revenues by Source - Business-Type Activities



2022 Expenses and Program Revenues - Business-Type Activities



Business-type activities. Business-type activities increased the City's net position by \$11,863,913 or 2.99% compared to September 30, 2021 for an ending balance of \$409,122,667. Key elements of this increase are as follows:

- Business-type capital related assets increased by \$11,220,999 or 3.52% compared to September 30, 2021. 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 2023.
- Business-type revenues increased by \$5,751,514 or 4.96% compared to September 30, 2021. 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, 2022, the City's governmental funds reported an ending fund balance of \$68,618,101 which is a \$513,510 or .74% decrease compared to September 30, 2021. 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 \$1,677,114.
- 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 \$6,360,349.
- The entirety of the committed fund balance of \$22,161,227 is attributed to contracts the City has entered into for the following areas: law enforcement building of \$18,394,015, street and capital improvements of \$2,011,959 and general operation and maintenance of \$1,755,254.

- At September 30, 2022 the City has made the \$28,482,508 in assignments of fund balance to the following: machinery and equipment replacement program of \$5,632,159, street and municipal projects of \$9,740,616, public safety projects \$3,409,834, culture and recreation projects of \$4,094,141, operational and maintenance of \$1,761,846, Downtown Business Improvement District of \$112,982, and conservation programs of \$3,730,930.
- The remaining \$9,936,903 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 decreased by \$7,848,479 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 \$1,068,547 or 2.15% as compared to the prior year. This increase is the result of the City city experiencing demand for services due to increased growth.
- Expenditures increased by \$8,579,662 or 16.58% as compared to the prior year. This increase also was the result of the City construction of a new law enforcement building.

General Fund Budgetary Highlights

The general fund expenditure budget had a final net increase by 3,962,610 compared to the adopted budget. This increase was for operations and maintenance needs affecting departments ability to provide services.

Final budgeted expenditures exceeded final budgeted revenues and transfers in by \$31,776,786. 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 \$942,155 as a result of an increase in receipts from governmental agencies for state shared revenues and grants.
- Actual expenditures in the general fund were less than budgeted expenditures by \$25,936,927 as a result of accounting for lease purchases.

Capital and Leased Assets and Debt Administration

Capital and leased assets. The City’s investment in capital assets for its governmental and business type activities for the period ending September 30, 2022 amounts to \$490,172,609 (net of accumulated depreciation and amortization). The investment in capital assets includes land, infrastructure, buildings, improvements other than buildings, machinery and equipment, and construction in progress. For fiscal 2022, the City’s investment in capital assets increased by 4.46% 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 a new law enforcement building.
- The increase of \$11,220,999 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.

Comparative Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021	2022	2021
Land	\$ 21,281,911	\$ 20,322,360	\$ 19,220,310	\$ 13,171,863	\$ 40,502,221	\$ 33,494,223
Infrastructure	141,158,211	134,260,049	485,032,124	446,362,918	626,190,335	580,622,967
Buildings and improvements	87,362,731	82,359,157	69,180,947	64,255,553	156,543,678	146,614,710
Right to use assets	2,506,935	2,506,935	-	-	2,506,935	2,506,935
Machinery and equipment	38,429,345	42,222,138	43,873,505	42,360,669	82,302,850	84,582,807
Construction in progress	14,840,202	8,007,864	48,384,446	71,010,503	63,224,648	79,018,367
Accumulated depreciation/ amortization	(145,287,945)	(136,605,783)	(335,810,112)	(318,501,285)	(481,098,057)	(455,107,068)
Total	\$160,291,390	\$153,072,720	\$329,881,220	\$318,660,221	\$490,172,610	\$471,732,941

* Prior year balances reclassified as a result of the implementation of GASB 87. See note IV.E.

Additional information about the City's capital and leased assets can be found in Note IV.D in the Notes to the Financial Statements.

Debt administration. For the period ending September 30, 2022, the City's noncurrent liabilities of \$68,215,250 is a increase of 6.92% compared to the previous year.

City of Idaho Falls' Outstanding Noncurrent Liabilities

	2022	2021
Governmental-Type Activities		
Law Enforcement Complex Bond	\$ 28,822,447	\$ 30,084,356
Zoo facility	103,415	202,000
Leases	1,938,782	2,634,784
Compensated absences	6,741,094	6,774,678
Business-Type Activities		
Transmission Expansion Bond	19,565,548	20,594,873
State of Idaho DEQ note	8,811,324	10,826,977
Compensated absences	2,232,637	2,170,756
Total	\$ 68,215,247	\$ 73,288,424

The lease agreements are right of use assets for 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.H.

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 2022- 2023.
- 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 2022/2023 fiscal year.

The general fund ended the current year with an unassigned fund balance of \$10,779,122. The City has not appropriated any of this unassigned fund balance for spending in the 2022 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, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Redevelopment Agency
Assets				
Cash and cash equivalents	\$ 1,793,954	\$ 3,054,614	\$ 4,848,568	\$ 454,839
Investments	49,739,634	91,631,601	141,371,235	1,241,605
Receivables (net of allowance for uncollectibles)	4,148,353	10,107,436	14,255,789	15,000
Lease receivables	480,747	2,034,038	2,514,785	-
Bond receivable	23,353,529	5,122,888	28,476,417	-
Internal balances	(608,197)	608,197	-	-
Due from other governments	4,338,333	3,172,531	7,510,864	7,687
Inventories	1,032,766	9,602,037	10,634,803	-
Prepaid assets	644,348	-	644,348	-
Net pension asset	29,190,140	-	29,190,140	-
Restricted assets:				
Investments	4,318,510	1,079,623	5,398,133	-
Capital assets, not being depreciated:				
Land	21,281,911	19,220,310	40,502,221	-
Construction work in progress	14,840,202	48,384,446	63,224,648	-
Capital assets, being depreciated:				
Infrastructure	141,158,211	485,032,124	626,190,335	-
Buildings and improvements	87,362,731	69,180,947	156,543,678	-
Right of use assets	2,506,935	-	2,506,935	-
Machinery and equipment	38,429,345	43,873,505	82,302,850	-
Accumulated depreciation \ amortization	(145,287,946)	(335,810,112)	(481,098,058)	-
Total assets	278,723,506	456,294,185	735,017,691	1,719,131
Deferred Outflows				
Deferred outflows related to pensions	19,519,457	5,978,588	25,498,045	-
Total deferred outflows	19,519,457	5,978,588	25,498,045	-
Liabilities				
Accounts payable	5,685,293	8,801,591	14,486,884	8,942
Accrued wages payable	1,116,002	404,244	1,520,246	-
Security deposits	400,205	62,820	463,025	103,989
Unearned revenue	9,874,403	-	9,874,403	-
Noncurrent liabilities:				
Due within one year	5,980,588	2,248,452	8,229,040	-
Due in more than one year	31,625,153	28,361,057	59,986,210	14,249,775
Net pension liability	28,132,794	10,949,118	39,081,912	-
Total liabilities	82,814,438	50,827,282	133,641,720	14,362,706
Deferred Inflows				
Deferred inflows related to pensions	725,940	282,532	1,008,472	-
Deferred inflows related to leases	473,567	2,040,292	2,513,859	-
Total Deferred Inflows	1,199,507	2,322,824	3,522,331	-
Net Position				
Net investment in capital assets	129,426,745	310,315,672	439,742,417	-
Restricted for:				
Self insurance	4,188,041	-	4,188,041	-
Conservation program	170,698	-	170,698	-
Debt Service	-	1,079,623	1,079,623	-
Pension obligations (FRF, PRF)	33,348,140	-	33,348,140	-
Unrestricted	47,095,394	97,727,372	144,822,766	(12,643,575)
Total net position (deficit)	\$ 214,229,018	\$ 409,122,667	\$ 623,351,685	\$ (12,643,575)

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

Statement of Activities For the Year Ended September 30, 2022

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		
Primary Government:								
Government activities:								
General government	\$ 11,241,998	\$ 5,370,197	\$ 1,651,000	\$ 8,523	\$ (4,212,278)	-	\$ (4,212,278)	
Public safety	41,441,487	6,501,294	5,907,609	639,465	(28,393,119)	-	(28,393,119)	
Streets	13,995,776	504,585	1,623,133	7,881,122	(3,986,936)	-	(3,986,936)	
Culture and recreation	19,797,143	6,502,886	2,318,368	156,676	(10,819,213)	-	(10,819,213)	
Public works	1,940,631	234,183	1,003,950	-	(702,498)	-	(702,498)	
Total governmental activities	88,417,035	19,113,145	12,504,060	8,685,786	(48,114,044)	-	(48,114,044)	
Business-type activities:								
Airport	7,726,355	4,382,542	1,133,680	4,626,264	-	2,416,131	2,416,131	
Water	12,015,046	14,460,487	-	2,735,626	-	5,181,067	5,181,067	
Sanitation	4,194,284	5,895,411	-	-	-	1,701,127	1,701,127	
Electric	62,537,857	71,018,877	-	1,615,799	-	10,096,819	10,096,819	
Fiber	6,476,949	2,536,107	-	-	-	(3,940,842)	(3,940,842)	
Wastewater	12,329,333	13,901,120	-	1,680,487	-	3,252,274	3,252,274	
Total business-type activities	105,279,824	112,194,544	1,133,680	10,658,176	-	18,706,576	18,706,576	
Total primary government	\$ 193,696,859	\$ 131,307,689	\$ 13,637,740	\$ 19,343,962	\$ (48,114,044)	\$ 18,706,576	\$ (29,407,468)	
Component unit:								
Redevelopment agency	761,092	-	-	-				(761,092)
Total component unit	\$ 761,092	\$ -	\$ -	\$ -				\$ (761,092)
General revenues:								
Property taxes					39,989,329	-	39,989,329	1,673,626
Unrestricted sales tax and revenue sharing					11,032,429	-	11,032,429	-
Impact fees					206,289	-	206,289	-
Franchise taxes					642,856	-	642,856	-
Alcoholic beverage taxes					1,070,595	-	1,070,595	-
Unrestricted investment earnings (loss)					(1,653,638)	(2,273,458)	(3,927,096)	6,579
Miscellaneous revenue					1,862,274	-	1,862,274	38,362
Transfers					4,569,205	(4,569,205)	-	-
Total general revenues and transfers					57,719,339	(6,842,663)	50,876,676	1,718,567
Change in net position					9,605,295	11,863,913	21,469,208	957,475
Net position (deficit)-beginning, restated					204,623,723	397,258,754	601,882,477	(13,601,050)
Net position (deficit)-ending					\$ 214,229,018	\$ 409,122,667	\$ 623,351,685	\$ (12,643,575)

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

Balance Sheet Governmental Funds September 30, 2022

	General	Streets Fund	Emergency Medical Services Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 892,134	\$ 222,417	\$ 38,947	\$ 529,579	\$ 1,683,077
Investments	22,368,539	6,750,635	1,182,102	16,073,340	46,374,616
Restricted Investments	4,318,437	-	-	-	4,318,437
Tax receivables	679,714	88,639	-	85,379	853,732
Loan receivables	-	-	-	170,698	170,698
Receivables	175,527	98,542	1,666,977	790,948	2,731,994
Lease receivables	479,484	-	-	-	479,484
Interest receivable	131,363	23,201	4,156	66,313	225,033
Bond issuance receivable	23,353,529	-	-	-	23,353,529
Due from other governments	2,563,197	1,542,969	232,167	-	4,338,333
Due from other funds	27,590	-	-	-	27,590
Inventory	688,040	87,218	-	257,508	1,032,766
Prepaid items	644,348	-	-	-	644,348
Total assets	\$ 56,321,902	\$ 8,813,621	\$ 3,124,349	\$ 17,973,765	\$ 86,233,637
Liabilities					
Accounts payable	\$ 3,329,479	\$ 916,310	\$ 111,429	\$ 683,428	\$ 5,040,646
Accrued wages	895,397	33,562	97,002	90,041	1,116,002
Security deposits	317,448	10,000	-	72,757	400,205
Unearned revenue	9,874,402	-	-	-	9,874,402
Due to other Funds	-	-	-	27,590	27,590
Total liabilities	14,416,726	959,872	208,431	873,816	16,458,845
Deferred Inflows of Resources					
Lease related	473,567	-	-	-	473,567
Unavailable revenue-property taxes	544,671	70,493	-	67,960	683,124
Total deferred inflows of resources	1,018,238	70,493	-	67,960	1,156,691
Fund Balances					
Nonspendable	1,332,388	87,218	-	257,508	1,677,114
Restricted	4,318,510	-	-	2,041,839	6,360,349
Committed	19,479,277	1,379,478	-	1,302,472	22,161,227
Assigned	4,977,641	6,316,560	2,915,918	14,272,389	28,482,508
Unassigned	10,779,122	-	-	(842,219)	9,936,903
Total fund balances	40,886,938	7,783,256	2,915,918	17,031,989	68,618,101
Total liabilities, deferred inflows of resources, and fund balances	\$ 56,321,902	\$ 8,813,621	\$ 3,124,349	\$ 17,973,765	\$ 86,233,637

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, 2022**

Total fund balances reported on the governmental funds balance sheet	\$	68,618,101
<p>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:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		160,291,389
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Net pension asset		29,190,140
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.		2,390,018
Deferred inflows and outflows		
Deferred outflows related to pensions		19,519,457
Deferred inflows related to pensions		(725,940)
Deferred inflows related to property taxes		683,124
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		(6,741,094)
Zoo facility		(103,415)
Leases		(1,937,521)
Bond obligation		(28,822,447)
Net pension liability		(28,132,794)
Net position of governmental activities	\$	<u>214,229,018</u>

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, 2022**

	General	Streets Fund	Emergency Medical Services Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 31,946,122	\$ 4,822,243	\$ -	\$ 3,931,593	\$ 40,699,958
Licenses and permits	1,767,345	27,955	-	206,289	2,001,589
Intergovernmental	14,367,684	4,634,960	3,425,207	3,263,394	25,691,245
Charges for services	2,463,069	196,734	4,734,378	6,657,424	14,051,605
Fines	203,929	7,085	-	10,314	221,328
Investment earnings (loss)	(879,785)	(184,362)	(15,740)	(474,652)	(1,554,539)
Miscellaneous	938,292	57,661	3,095	1,762,923	2,761,971
Total revenues	50,806,656	9,562,276	8,146,940	15,357,285	83,873,157
Expenditures					
Current:					
General government	7,900,886	-	-	381,295	8,282,181
Public safety	31,784,473	-	6,300,442	1,286,279	39,371,194
Streets	-	7,795,824	-	-	7,795,824
Culture & recreation	9,314,243	-	-	9,636,602	18,950,845
Public works	1,732,858	-	-	-	1,732,858
Capital outlay	7,812,390	-	-	3,220,995	11,033,385
Debt Service	1,789,585	-	-	-	1,789,585
Total expenditures	60,334,435	7,795,824	6,300,442	14,525,171	88,955,872
Excess (deficiency) of revenues over (under) expenditures	(9,527,779)	1,766,452	1,846,498	832,114	(5,082,715)
Other Financing Sources (Uses)					
Transfers in	4,624,577	1,050,000	-	1,839,905	7,514,482
Transfers out	(2,945,277)	-	-	-	(2,945,277)
Total other financing sources (uses)	1,679,300	1,050,000	-	1,839,905	4,569,205
Net change in fund balances	(7,848,479)	2,816,452	1,846,498	2,672,019	(513,510)
Fund balances, beginning	48,735,417	4,966,804	1,069,420	14,359,970	69,131,611
Fund balances, ending	\$ 40,886,938	\$ 7,783,256	\$ 2,915,918	\$ 17,031,989	\$ 68,618,101

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, 2022**

Net change in fund balances-total governmental funds \$ (513,510)

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 exceeded depreciation in the current period. 1,880,245

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	7,845,360
Unavailable revenue	(67,772)

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.

Debt principle payments and amortization of premiums 2,056,494

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	(1,448,348)
Compensated absences	34,847

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. (182,021)

Change in net position of governmental activities \$ 9,605,295

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 32,641,027	\$ 32,641,027	\$ 31,946,122	\$ (694,905)
Licenses and permits	1,388,500	1,388,500	1,767,345	378,845
Intergovernmental	12,078,138	12,078,138	14,367,684	2,289,546
Charges for services	2,157,753	2,157,753	2,463,069	305,316
Fines	258,000	258,000	203,929	(54,071)
Investment earnings (loss)	180,000	180,000	(879,785)	(1,059,785)
Miscellaneous	1,161,083	1,161,083	938,292	(222,791)
Total revenues	49,864,501	49,864,501	50,806,656	942,155
Expenditures				
Current:				
General government	10,164,578	10,490,166	7,900,886	2,589,280
Public safety	31,042,115	33,790,748	31,784,473	2,006,275
Culture and recreation	9,652,245	9,898,424	9,314,243	584,181
Public works	1,449,814	2,092,024	1,732,858	359,166
Capital outlay	30,000,000	30,000,000	7,812,390	22,187,610
Debt Service	-	-	1,789,585	(1,789,585)
Total expenditures	82,308,752	86,271,362	60,334,435	25,936,927
Excess (deficiency) of revenues over (under) expenditures	(32,444,251)	(36,406,861)	(9,527,779)	26,879,082
Other financing sources (uses)				
Transfers in	4,630,075	4,630,075	4,624,577	(5,498)
Transfers out	(455,000)	(455,000)	(2,945,277)	(2,490,277)
Bond proceeds	30,000,000	30,000,000	-	(30,000,000)
Total other financing sources (uses)	34,175,075	34,175,075	1,679,300	(32,495,775)
Net change in fund balances	1,730,824	(2,231,786)	(7,848,479)	(5,616,693)
Fund balance, beginning	19,164,350	16,697,391	48,735,417	32,038,026
Fund balance, ending	\$ 20,895,174	\$ 14,465,605	\$ 40,886,938	\$ 26,421,333

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 4,834,181	\$ 4,834,181	\$ 4,822,243	\$ (11,938)
Intergovernmental	3,044,528	3,044,528	4,634,960	1,590,432
Licenses and permits	19,000	19,000	27,955	8,955
Charges for services	-	-	196,734	196,734
Fines	-	-	7,085	7,085
Investment earnings (loss)	30,000	30,000	(184,362)	(214,362)
Miscellaneous	13,000	13,000	57,661	44,661
Total revenues	7,940,709	7,940,709	9,562,276	1,621,567
Expenditures				
Streets	7,935,616	8,987,661	7,795,824	1,191,837
Excess (deficiency) of revenues over (under) expenditures	5,093	(1,046,952)	1,766,452	2,813,404
Other financing sources (uses)				
Transfers in	-	-	1,050,000	1,050,000
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	1,050,000	1,050,000
Net change in fund balances	5,093	(1,046,952)	2,816,452	3,863,404
Fund balances - beginning	3,823,071	3,252,383	4,966,804	1,714,421
Fund balances - ending	\$ 3,828,164	\$ 2,205,431	\$ 7,783,256	\$ 5,577,825

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$ 3,334,114	\$ 3,334,114	\$ 3,425,207	\$ 91,093
Charges for Services	3,718,000	3,718,000	4,734,378	1,016,378
Investment earnings (loss)	-	-	(15,740)	(15,740)
Miscellaneous	45,000	45,000	3,095	(41,905)
Total revenues	7,097,114	7,097,114	8,146,940	1,049,826
Expenditures				
Public Safety	6,371,000	6,521,750	6,300,442	221,308
Excess (deficiency) of revenues over (under) expenditures	726,114	575,364	1,846,498	1,271,134
Other financing sources (uses)				
Net change in fund balances	726,114	575,364	1,846,498	1,271,134
Fund balances - beginning	(321,966)	(701,430)	1,069,420	1,770,850
Fund balances - ending	\$ 404,148	\$ (126,066)	\$ 2,915,918	\$ 3,041,984

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

**Statement of Net Position
Proprietary Funds
September 30, 2022**

	Business-type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds
	Airport	Water	Sanitation	Electric	Fiber	Wastewater	Total	
Assets								
Current assets:								
Cash and cash equivalents	\$ 120,332	\$ 614,400	\$ 180,883	\$ 1,190,162	\$ 12,959	\$ 935,877	\$ 3,054,613	\$ 110,872
Investments	3,652,223	18,647,792	5,490,011	36,122,866	393,334	27,325,375	91,631,601	3,365,093
Receivables (net of allowance for uncollectibles):								
Utility & accounts	105,044	1,191,294	549,431	6,572,126	217,377	1,047,699	9,682,971	152,598
Interest	47,635	79,231	23,326	151,196	2,389	120,688	424,465	14,298
Lease Receivables	2,034,038	-	-	-	-	-	2,034,038	-
Bond receivable	-	-	-	5,122,888	-	-	5,122,888	-
Due from other governments	3,172,531	-	-	-	-	-	3,172,531	-
Due from other funds	-	-	-	17,527,978	-	-	17,527,978	-
Inventory	-	1,393,092	-	6,575,815	1,631,352	1,778	9,602,037	-
Total current assets	9,131,803	21,925,809	6,243,651	73,263,031	2,257,411	29,431,417	142,253,122	3,642,861
Noncurrent assets:								
Restricted assets:								
Investments	-	-	-	-	-	1,079,623	1,079,623	-
Total noncurrent assets	-	-	-	-	-	1,079,623	1,079,623	-
Capital assets:								
Land	7,459,250	561,950	-	9,981,441	-	1,217,669	19,220,310	-
Buildings	17,910,020	3,618,437	2,276,936	5,862,072	-	39,513,482	69,180,947	-
Improvements other than buildings	69,577,959	82,580,985	39,385	250,552,336	14,064,976	68,216,483	485,032,124	-
Machinery & equipment	4,877,282	3,253,782	8,925,930	12,719,296	179,156	13,918,059	43,873,505	-
Construction work in progress	17,769,202	3,618,870	-	20,121,354	6,690,383	184,637	48,384,446	-
Less accumulated depreciation	(56,077,606)	(45,901,110)	(6,004,051)	(165,725,352)	(5,208,550)	(56,893,443)	(335,810,112)	-
Total capital assets (net of accumulated depreciation)	61,516,107	47,732,914	5,238,200	133,511,147	15,725,965	66,156,887	329,881,220	-
Total assets	70,647,910	69,658,723	11,481,851	206,774,178	17,983,376	96,667,927	473,213,965	3,642,861
Deferred outflow of resources								
Deferred outflows related to pensions	478,660	411,898	559,484	3,436,185	265,622	826,739	5,978,588	-
Total deferred outflow of resources	478,660	411,898	559,484	3,436,185	265,622	826,739	5,978,588	-
Total assets and deferred outflows of resources	\$ 71,126,570	\$ 70,070,621	\$ 12,041,335	\$ 210,210,363	\$ 18,248,998	\$ 97,494,666	\$ 479,192,553	\$ 3,642,861

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	
Liabilities								
Current liabilities:								
Accounts payable	\$ 204,107	\$ 1,933,458	\$ 52,782	\$ 4,319,290	\$ 1,345,670	\$ 946,283	\$ 8,801,590	\$ 644,646
Lease payables	-	-	-	-	-	-	-	-
Accrued wages	34,662	29,841	41,817	219,215	19,694	59,015	404,244	-
Due to (from) other funds	4,145,485	-	-	-	13,382,493	-	17,527,978	-
Security Deposits	-	-	-	62,820	-	-	62,820	-
Compensated absences	88,597	62,125	102,144	750,125	35,020	136,116	1,174,127	-
Total current liabilities	4,472,851	2,025,424	196,743	5,351,450	14,782,877	1,141,414	27,970,759	644,646
Noncurrent liabilities:								
Compensated absences	87,992	49,481	84,414	635,908	13,921	186,794	1,058,510	-
Net pension liability	876,612	754,345	1,024,633	6,292,990	486,457	1,514,081	10,949,118	-
Loan payable	-	-	-	19,565,548	-	8,811,324	28,376,872	-
Total noncurrent liabilities	964,604	803,826	1,109,047	26,494,446	500,378	10,512,199	40,384,500	-
Total liabilities	5,437,455	2,829,250	1,305,790	31,845,896	15,283,255	11,653,613	68,355,259	644,646
Deferred inflow of resources								
Deferred inflows related to pensions	22,620	19,465	26,440	162,385	12,553	39,069	282,532	-
Deferred inflows related to leases	2,040,292	-	-	-	-	-	2,040,292	-
Total deferred inflow of resources	2,062,912	19,465	26,440	162,385	12,553	39,069	2,322,824	-
Net Position								
Net investment in capital assets	57,370,622	47,732,914	5,238,200	113,945,599	15,725,965	57,345,563	297,358,863	-
Restricted for debt service	-	-	-	-	-	1,079,623	1,079,623	-
Unrestricted	6,255,581	19,488,992	5,470,905	64,256,483	(12,772,775)	27,376,798	110,075,984	2,998,215
Total net position	\$ 63,626,203	\$ 67,221,906	\$ 10,709,105	\$ 178,202,082	\$ 2,953,190	\$ 85,801,984	408,514,470	\$ 2,998,215
Total liabilities, deferred inflows of resources and net position	\$ 71,126,570	\$ 70,070,621	\$ 12,041,335	\$ 210,210,363	\$ 18,248,998	\$ 97,494,666		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							608,197	2,390,018
Net position of business-type activities							\$ 409,122,667	

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

**Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2022**

	Business-type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds
	Airport	Water	Sanitation	Electric	Fiber	Wastewater	Total	
Operating revenues:	\$ 4,382,542	\$ 14,460,487	\$ 5,895,411	\$ 71,018,877	\$ 2,536,107	\$ 13,901,120	\$ 112,194,544	\$ 1,498,519
Operating expenses:								
Operations and maintenance	4,658,627	9,407,796	3,440,191	54,375,641	5,700,301	8,492,491	86,075,047	1,983,137
Depreciation	3,062,927	2,599,781	751,486	7,347,868	691,320	3,644,942	18,098,324	-
Total operating expenses	7,721,554	12,007,577	4,191,677	61,723,509	6,391,621	12,137,433	104,173,371	1,983,137
Operating income (loss)	(3,339,012)	2,452,910	1,703,734	9,295,368	(3,855,514)	1,763,687	8,021,173	(484,618)
Nonoperating revenues (expenses):								
Intergovernmental	5,759,944	-	-	-	-	-	5,759,944	-
Investment earnings (loss)	34,301	(473,671)	(159,821)	(866,875)	(16,494)	(790,898)	(2,273,458)	(99,099)
Other	-	-	-	-	-	-	-	336,891
Interest expense	-	-	-	(775,949)	(81,352)	(184,347)	(1,041,648)	-
Total nonoperating revenues (expenses)	5,794,245	(473,671)	(159,821)	(1,642,824)	(97,846)	(975,245)	2,444,838	237,792
Income (loss) before contributions and transfers	2,455,233	1,979,239	1,543,913	7,652,544	(3,953,360)	788,442	10,466,011	(246,826)
Capital contributions	-	2,735,626	-	1,615,799	-	1,680,487	6,031,912	-
Transfers in(out)	454,574	(588,100)	(257,200)	(3,534,779)	-	(643,700)	(4,569,205)	-
Change in net position	2,909,807	4,126,765	1,286,713	5,733,564	(3,953,360)	1,825,229	11,928,718	(246,826)
Net position-beginning	60,716,396	63,095,141	9,422,392	172,468,518	6,906,550	83,976,755		3,245,041
Net position-ending	\$ 63,626,203	\$ 67,221,906	\$ 10,709,105	\$178,202,082	\$ 2,953,190	\$ 85,801,984		\$ 2,998,215
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							(64,805)	
Change in net position of business-type activities							<u>\$ 11,863,913</u>	

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, 2022

	Business-type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds
	Airport	Water	Sanitation	Electric	Fiber	Wastewater	Total	
Cash Flows From Operating Activities								
Receipts from customers	\$ 4,330,634	\$ 14,177,041	\$ 5,806,887	\$ 69,479,900	\$ 2,447,263	\$ 13,783,180	\$ 110,024,905	\$ -
Cash received from other funds	-	-	-	-	-	-	-	1,498,519
Payments to suppliers	(3,600,792)	(7,152,615)	(2,379,593)	(49,189,157)	(4,611,146)	(5,866,460)	(72,799,763)	(1,909,264)
Payments to employees	(983,748)	(936,815)	(1,325,721)	(7,041,717)	(432,510)	(1,909,722)	(12,630,233)	-
Net cash provided (used) by operations	(253,906)	6,087,611	2,101,573	13,249,026	(2,596,393)	6,006,998	24,594,909	(410,745)
Cash Flows From Noncapital Financing Activities								
Intergovernmental revenues	4,298,158	-	-	-	-	-	4,298,158	-
Other, net	-	-	-	62,820	-	-	62,820	336,890
Due to/from other funds	82,018	-	-	(3,904,648)	3,822,630	-	-	-
Transfers (To) From other funds	454,574	(588,100)	(257,200)	(3,534,779)	-	(643,700)	(4,569,205)	-
Net cash provided (used) by noncapital financing activities	4,834,750	(588,100)	(257,200)	(7,376,607)	3,822,630	(643,700)	(208,227)	336,890
Cash Flows From Capital and Related Financing Activities								
Acquisition and construction of capital assets	(2,286,417)	(1,272,269)	(2,023,105)	(16,306,873)	(1,171,613)	(206,913)	(23,267,190)	-
Principle received on capital debt	-	-	-	15,581,129	-	-	15,581,129	-
Principle paid on capital debt	-	-	-	(1,029,325)	-	(2,015,653)	(3,044,978)	-
Interest paid on capital debt	-	-	-	(775,949)	(81,352)	(184,347)	(1,041,648)	-
Net cash provided (used) by capital and related financing activities	(2,286,417)	(1,272,269)	(2,023,105)	(2,531,018)	(1,252,965)	(2,406,913)	(11,772,687)	-
Cash Flows From Investing Activities								
Change in pooled investments	(2,240,337)	(3,566,519)	346,707	(2,270,904)	44,951	(1,964,132)	(9,650,234)	132,312
Earnings on investments	(8,848)	(505,016)	(164,614)	(909,934)	(18,594)	(827,732)	(2,434,738)	(101,215)
Net cash provided (used) by investing activities	(2,249,185)	(4,071,535)	182,093	(3,180,838)	26,357	(2,791,864)	(12,084,972)	31,097
Net increase (decrease) in cash and cash equivalents	45,242	155,707	3,361	160,563	(371)	164,521	529,023	(42,758)

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 1	42,973	458,693	177,522	1,029,599	13,330	771,356	2,493,473	153,630
Cash and cash equivalents balance, September 30	\$ 88,215	\$ 614,400	\$ 180,883	\$ 1,190,162	\$ 12,959	\$ 935,877	\$ 3,022,496	\$ 110,872
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (3,339,009)	\$ 2,452,910	\$ 1,703,734	\$ 9,295,368	\$ (3,855,515)	\$ 1,763,685	\$ 8,021,173	\$ (484,618)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	3,062,927	2,599,781	751,486	7,347,868	691,320	3,644,942	18,098,324	-
Change in pension accounts	166,123	73,348	125,491	898,046	91,906	151,794	1,506,708	-
(Increase) decrease in accounts receivable	(51,908)	(283,446)	(88,524)	(1,538,977)	(88,844)	(117,940)	(2,169,639)	(69,010)
(Increase) decrease inventory	-	72,474	-	(2,122,844)	(125,127)	-	(2,175,497)	-
(Decrease) increase accounts payable	(69,594)	1,211,839	(289,822)	(355,321)	693,048	675,091	1,865,241	142,884
(Decrease) increase in accrued liabilities	(22,445)	(39,296)	(100,792)	(275,111)	(3,183)	(110,573)	(551,400)	-
Total adjustments	3,085,103	3,634,700	397,839	3,953,661	1,259,120	4,243,314	16,573,737	73,874
Net cash provided (used) by operating activities	\$ (253,906)	\$ 6,087,610	\$ 2,101,573	\$ 13,249,029	\$ (2,596,395)	\$ 6,006,999	\$ 24,594,910	\$ (410,744)
Noncash investing, capital, and financing activities:								
Contributions of capital assets	\$ -	\$ 2,735,626	\$ -	\$ 1,615,799	\$ -	\$ 1,680,487	\$ 6,031,912	\$ -

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, 2022, the City of Idaho Falls did not report any cash equivalents. On September 30, 2022, the City reported \$5,398,133 as restricted investments 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 \$644,646 and is presented with accounts payable in the internal service fund.

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

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 \$23,353,529 and \$5,122,888, respectively.

5. Capital and Right to Use 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.

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

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 or amortized 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 assets 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 assets that applies to future period(s) and so will not be recognized as inflow of resources (revenue) until that time. The City has three 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. The third type is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds and enterprise funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) over the term of the lease.

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.

Lease Liabilities represent The City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by The City.

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), the Firefighters' Retirement Fund Plan (FRF), and the Policemans' Retirement Fund (PRF) and additions to/deductions from Base Plan's, FRF's and PRF's fiduciary net position have been determined on the same basis as they are reported by the Base Plan, FRF, and PRF. 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 \$160,291,389 represents the entire net book value of the City's governmental capital or leased assets after deducting \$145,287,945 in accumulated depreciation and amortization.

- The reconciliation explains that certain assets or receivables are not financial resources and are reported as unavailable revenue. The total unavailable revenue of \$683,124 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 \$2,390,018.
- 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 \$6,741,094 is related to compensated absences derived from unused sick and vacation hours of the City's employees. The long-term liability of \$28,925,862 is related to purchase agreements and bond issuance of capital assets. The leased payable of \$1,938,784 is related to right of use assets of public safety vehicles.
- 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	\$	29,190,140
Deferred outflows	\$	19,519,457
Deferred Inflows	\$	(725,940)
Net pension liability	\$	(28,132,794)

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	\$	20,803,987
Contributed capital		(7,845,360)
Depreciation and amortization expense		<u>(11,078,382)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	<u>1,880,245</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 \$7,845,360 and net change in unavailable revenues from property taxes of (-\$67,772) for a net increase of \$7,777,588 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 (-\$182,021).
- 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 of (\$1,448,348) and the current period change in compensated absences of \$34,847.
- Debt and lease payments are reported as expenses in the governmental funds are not an expense on the statement of activities. Total debt and lease payments, including amortization of bond premiums are \$2,056,494.

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	\$ 673,002
Internal receivable representing charges in excess of cost to business-type activities-current year	<u>(64,805)</u>
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	<u>\$ 608,197</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 2022 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
• PARKS CAPITAL IMPROVEMENT	\$ 292,919	\$ 736,756	\$ 443,837
• WILDLAND FIRE	1,039,132	1,286,279	247,147
• GOLF	2,864,067	3,150,429	286,362
• GOLF CAPITAL IMPROVEMENT	\$ 275,000	\$ 992,067	\$ 717,067

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

Fund	Deficit Fund Balances
• PARKS CAPITAL IMPROVEMENT	\$ 338,006

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 conforming 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, 2022, the reporting amount of the City’s deposits was \$4,848,568 and the respective bank balances totaled \$7,202,988. Of the bank balances \$600,000 was insured and \$6,602,988 was collateralized.

2. Custodial Credit Risk - Investments

As of September 30, 2022, all of the City’s investments totaling \$146,769,368 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, 2022, the City’s investments were rated as follows:

Investment Type	S & P	Moody	Market Value
Treasury Notes	AA+ to A-1+	Aaa	\$ 33,519,849
Agencies	AA+ to A-1+	Aaa	28,352,567
Corporate/Municipal Bonds	AAA to BBB+	Aaa to Baa1	65,682,789
Certificates of Deposit	A+ to BBB-	A1 to Baa1	13,185,850
Local Government Investment Pool	N/A	N/A	5,924,568
Cash	N/A	N/A	103,745
Total Investments			<u>\$ 146,769,368</u>

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
Federal Home Loan Bank	Agency	\$ 13,004,442	8.85%

6. Investments

The City’s investments at September 30, 2022 are summarized below:

Investment Type	Market Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Treasury Notes	\$ 33,519,849	\$ 16,572,797	\$ 16,947,052	\$ -	\$ -
Agencies	28,352,566	10,080,208	17,799,177	-	473,181
Corporate/Municipal Bonds	65,682,789	19,723,457	45,959,333	-	-
Certificates of Deposit	7,603,069	5,331,461	2,271,608	-	-
Local Government Investment Pool	5,924,568	5,924,568	-	-	-
Mutual Fund	-	-	-	-	-
Cash	5,686,526	5,686,526	-	-	-
Total Investments	\$ 146,769,367	\$ 63,319,017	\$ 82,977,170	\$ -	\$ 473,181

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 the 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, 2022:

Investments	Fair Value	Fair Market Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
Treasury Notes	\$ 33,519,849	\$ 33,519,849	\$ -	\$ -
Agencies	28,352,567	-	28,352,567	-
Corporate/Municipal Bonds	65,682,789	-	65,682,789	-
Certificates of Deposit	13,185,850	-	13,185,850	-
Mutual Fund	-	-	-	-
Total Investments Measured at Fair Value	\$ 140,741,056	\$ 33,519,849	\$ 107,221,206	\$ -

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 uncollectibles) line for certain funds and aggregated columns. Based on the table below, \$6,240,713 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:	Net Total Receivables
					Allowance for Doubtful Accounts	
General Fund	\$ 679,714	\$ 306,890	\$ -	\$ 986,604	\$ -	\$ 986,604
Streets	88,639	121,743	-	210,382	-	210,382
EMS Fund	-	5,809,158	-	5,809,158	(4,138,025)	1,671,133
Non-Major Funds	85,379	857,261	170,698	1,113,338	-	1,113,338
Governmental Funds Total	853,732	7,095,052	170,698	8,119,482	(4,138,025)	3,981,457
Airport	-	152,679	-	152,679	-	152,679
Water	-	1,492,427	-	1,492,427	(221,902)	1,270,525
Sanitation	-	676,192	-	676,192	(103,435)	572,757
Electric	-	8,253,141	-	8,253,141	(1,529,819)	6,723,322
Fiber	-	225,439	-	225,439	(5,673)	219,766
Wastewater	-	1,410,246	-	1,410,246	(241,859)	1,168,387
Business-Type Funds Total	-	12,210,124	-	12,210,124	(2,102,688)	10,107,436
Risk Management	-	166,896	-	166,896	-	166,896
Internal Service Funds Total	-	166,896	-	166,896	-	166,896
Total Receivables	\$ 853,732	\$ 19,472,072	\$ 170,698	\$ 20,496,502	\$ (6,240,713)	\$ 14,255,789

C. Due from Other Governments

The following summarizes the intergovernmental receivables at September 30, 2022:

Governmental activities:	
State of Idaho Revenue Distributions	
Revenue sharing	\$ 2,563,197
Highway distribution	1,542,969
Idaho Department of Transportation	304,147
County EMS participation Agreement	232,167
Total intergovernmental receivables - governmental	<u>\$ 4,642,480</u>
Business-type activities:	
Federal government	
Federal Aviation Administration	\$ 3,141,512
Homeland Security	31,019
Total intergovernmental receivables - business-type	<u>\$ 3,172,531</u>

D. Capital and Right to Use Assets

Capital and right to use asset activity for the year ended September 30, 2022 was as follows:

Primary Government:

Governmental Activities	Restated Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 20,322,360	\$ 959,551	\$ -	\$ -	\$ 21,281,911
Construction in progress	8,007,864	11,734,217	(95,453)	(4,806,426)	14,840,202
Total assets, not being depreciated	<u>28,330,224</u>	<u>12,693,768</u>	<u>(95,453)</u>	<u>(4,806,426)</u>	<u>36,122,113</u>
Capital assets, being depreciated:					
Infrastructure	134,260,049	6,898,162	-	-	141,158,211
Buildings and improvements	82,359,157	551,950	(161,878)	4,613,502	87,362,731
Machinery and equipment	38,425,295	721,187	(910,061)	192,924	38,429,345
Total assets, being depreciated	<u>255,044,501</u>	<u>8,171,299</u>	<u>(1,071,939)</u>	<u>4,806,426</u>	<u>266,950,287</u>
Right-to-use assets, being amortized:					
Vehicles	2,506,935	-	-	-	2,506,935
Total Right-to-use assets, being amortized	<u>2,506,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,506,935</u>
Less accumulated depreciation for:					
Infrastructure	(68,024,418)	(3,881,946)	-	-	(71,906,364)
Buildings and improvements	(41,216,395)	(3,280,463)	161,878	-	(44,334,980)
Machinery and equipment	(26,075,063)	(3,216,769)	944,434	-	(28,347,398)
Total accumulated depreciation	<u>(135,315,876)</u>	<u>(10,379,178)</u>	<u>1,106,312</u>	<u>-</u>	<u>(144,588,742)</u>
Less accumulated, being amortized:					
Vehicles	-	(699,205)	-	-	(699,205)
Total Right-to-use assets, being amortized	<u>-</u>	<u>(699,205)</u>	<u>-</u>	<u>-</u>	<u>(699,205)</u>
Total capital assets, being depreciated/ amortized, net	<u>122,235,560</u>	<u>(2,907,084)</u>	<u>34,373</u>	<u>4,806,426</u>	<u>124,169,275</u>
Governmental activities capital assets, net	<u>\$ 150,565,784</u>	<u>\$ 9,786,684</u>	<u>\$ (61,080)</u>	<u>\$ -</u>	<u>\$ 160,291,388</u>

Business-Type Activities	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 13,171,863	\$ 6,048,447	\$ -	\$ -	\$ 19,220,310
Construction in progress	71,010,503	12,602,534	-	(35,228,591)	48,384,446
Total assets, not being depreciated	84,182,366	18,650,981	-	(35,228,591)	67,604,756
Capital assets, being depreciated:					
Infrastructure	446,362,915	7,150,011	-	31,519,197	485,032,123
Buildings and improvements	64,255,553	1,216,001	-	3,709,394	69,180,948
Machinery and equipment	42,360,670	2,321,792	(808,959)	-	43,873,503
Total assets, being depreciated	552,979,138	10,687,804	(808,959)	35,228,591	598,086,574
Less accumulated depreciation for:					
Infrastructure	(271,187,285)	(6,571,839)	-	-	(277,759,124)
Buildings and improvements	(20,198,434)	(1,892,402)	-	-	(22,090,836)
Machinery and equipment	(27,115,563)	(9,634,083)	789,496	-	(35,960,150)
Total accumulated depreciation	(318,501,282)	(18,098,324)	789,496	-	(335,810,110)
Total capital assets, being depreciated, net	234,477,856	(7,410,520)	(19,463)	35,228,591	262,276,464
Business-type activities capital assets, net	\$ 318,660,222	\$ 11,240,461	\$ (19,463)	\$ -	\$ 329,881,220

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

Governmental activities:	
General government	\$ 774,229
Public safety	2,563,409
Streets	5,275,639
Culture and recreation	2,345,976
Public works	119,129
Total depreciation expense - governmental activities	\$ 11,078,382
Business-type activities:	
Airport	\$ 3,062,927
Water	2,599,781
Sanitation	751,486
Electric	7,347,868
Fiber	691,320
Wastewater	3,644,942
Total depreciation expense - business-type activities	\$ 18,098,324

E. Lease Payable

The City is obligated under leases covering certain public safety vehicles that expire at various dates during the next 5 years.

The City has entered into various lease agreements as lessee primarily for public safety vehicles. Most leases have initial terms of up to 5 years. The City's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. The City's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the City's leases is not readily determinable, the City utilizes its incremental borrowing rate to discount the lease payments, ranging from 2.2% to 3.7%.

The statement of net position shows the following amounts relating to leases:

	Governmental Activities
	<hr/>
Right to use assets	
Vehicles	\$ 1,807,731
	<u>\$ 1,807,731</u>
	 Governmental Activities
	<hr/>
Lease payable	
Current	\$ 715,297
Non-current	1,223,487
	<u>\$ 1,938,784</u>

The future principal and interest lease payments as of September 30, 2022, were as follows:

	Governmental Activities	
	Principal	Interest
	<hr/>	<hr/>
Fiscal year		
2023	\$ 715,297	\$ 57,338
2024	736,098	36,537
2025	487,389	15,115
2026	-	-
2027	-	-
Total	<u>\$ 1,938,784</u>	<u>\$ 108,990</u>

F. Leasing arrangements - Lease Receivable

The City leases out its buildings and land. Most leases have initial terms of up to 20 years, and contain one or more renewals at the City’s option, generally for 3 or 5-year periods. The City generally included these renewal periods in the lease term when it is reasonably certain that the City will exercise the renewal option. The City’s lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the City’s leases is not readily determinable, the City utilizes its incremental borrowing rate to discount the lease payments.

Although the City is exposed to changes in the residual value at the end of the current leases, the City typically enters into new operating leases and therefore will not immediately realize any reduction in residual value at the end of these leases.

Minimum lease payments receivable on leases of investment properties are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 24,614	\$ 15,081	\$ 148,941	\$ 72,575
2024	21,374	14,321	144,596	67,581
2025	18,077	13,618	98,572	63,277
2026	18,664	13,030	96,023	59,712
2027	19,271	12,424	99,437	56,298
2028-2032	106,102	52,370	397,481	235,758
2033-2037	124,547	33,926	390,337	168,320
2038-2042	146,155	12,318	327,273	103,837
2043-2047	680	2	212,810	49,392
2048-2052	-	-	75,365	21,564
2053-2057	-	-	37,232	6,369
2058-2062	-	-	5,971	313
Total	\$ 479,484	\$ 167,089	\$ 2,034,038	\$ 904,997

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	Governmental Activities	Business-Type Activities	Total
Lease revenue	\$ 31,337	\$ 172,944	\$ 204,281
Interest revenue	14,274	43,756	58,030

G. Interfund Transfer

Summary of interfund transfers by major fund for the 2022 fiscal year are as follows:

	Transfers In	Transfers Out
Major funds:		
General - net	\$ 4,624,577	\$ 2,945,278
Streets	1,050,000	-
Airport	454,574	-
Water	-	588,100
Sanitation	-	257,200
Electric	-	3,534,779
Wastewater	-	643,700
Non-Major funds - net	1,839,906	-
	\$ 7,969,057	\$ 7,969,057

Transfers are used to 1) move revenues from the fund the statute requires to collect them and into 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.

H. Long-term Obligations

1. Governmental Activities

Zoo Facility Purchase. The City entered into a 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 property is \$430,000 over 4 years with annual payments of \$107,500. The present value of the payments at origination is \$406,105 at 3.95% discount rate. The total principle and interest paid during the current period is \$99,485 and \$8,015, respectively.

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.

2. 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 \$770,000 and \$775,950, respectively. The total interest cost rate on the IERA revenue bonds is 1.7 percent.

Changes in Long-Term Liabilities. The following is a summary of changes in long-term obligations of the City as of September 30, 2022:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Zoo Facility purchase	\$ 202,900	\$ -	\$ (99,485)	\$ 103,415	\$ 103,415
LEC Bond	25,190,000	-	(990,000)	24,200,000	1,030,000
LEC Bond premium	4,894,356	-	(271,909)	4,622,447	271,909
Right-to-use leased assets	2,633,894	-	(695,100)	1,938,794	715,297
Other long-term debt obligations:					
Compensated absences	6,774,678	4,965,997	(4,999,581)	6,741,094	3,859,967
Governmental activity					
Long-term liabilities	\$ 39,695,828	\$ 4,965,997	\$ (7,056,075)	\$ 37,605,750	\$ 5,980,588
Business-Type Activities:					
Bonds payable:					
IFPower Revenue Bond	\$ 16,705,000	\$ -	\$ (770,000)	\$ 15,935,000	\$ 815,000
IFPower Revenue Bond Premium	3,889,873	-	(259,325)	3,630,548	259,325
State of Idaho DEQ note:					
Loan number WW102	10,826,977	-	(2,015,653)	8,811,324	-
Other long-term debt obligations:					
Compensated absences	2,170,756	1,979,883	(1,918,002)	2,232,637	1,174,127
Business-type activity					
Long-term liabilities	\$ 33,592,606	\$ 1,979,883	\$ (4,962,980)	\$ 30,609,509	\$ 2,248,452

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

Year	Principal	Interest
2023	\$ 3,343,621	\$ 1,925,186
2024	3,335,970	1,823,387
2025	3,441,433	1,722,374
2026	3,547,167	1,617,039
2027	3,652,771	1,507,785
2028-2032	19,526,116	5,695,858
2033-2037	16,341,843	2,248,950
2038-2039	4,113,813	211,400
Totals	\$ 57,302,734	\$ 16,751,979

I. 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, 2022 the amount due to the General Fund from other funds is \$27,590.

The Electric Fund is providing funds to the Fiber Fund for the “Fiber to Home Project”. As of September 30, 2022 the Electric fund had transferred \$13,382,493 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, 2022 is \$4,145,485.

J. 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
Fund Balances:					
Nonspendable:					
Inventory	\$ 688,040	\$ 87,218	\$ -	\$ 257,508	\$ 1,032,766
Prepays	644,348	-	-	-	644,348
Restricted for:					
Conservation loans	-	-	-	170,698	170,698
Passenger Facility Charge	-	-	-	1,871,141	1,871,141
Law enforcement investigations	130,469	-	-	-	130,469
Health Self Insurance	4,188,041	-	-	-	4,188,041
Committed to:					
Street and bridges	64,951	329,478	-	567,530	961,959
Snow removal	-	1,050,000	-	-	1,050,000
Law enforcement building	18,394,015	-	-	-	18,394,015
Park improvements	143,338	-	-	734,943	878,281
Operations and maintenance	876,973	-	-	-	876,973
Assigned to:					
Equipment replacement	3,485,486	1,332,586	417,952	396,135	5,632,159
Street and municipal projects	-	4,924,204	-	4,816,412	9,740,616
Culture and recreation	340,959	-	-	3,753,182	4,094,141
Public Safety	-	-	2,493,055	916,779	3,409,834
Operations and maintenance	1,151,196	59,770	4,911	545,969	1,761,846
Business district	-	-	-	112,982	112,982
Conservation program	-	-	-	3,730,930	3,730,930
Unassigned:	10,779,122	-	-	(842,218)	9,936,904
Total Fund Balances	\$ 40,886,938	\$ 7,783,256	\$ 2,915,918	\$ 17,031,991	\$ 68,618,103

K. Restatement of Net Position - Implementation of GASB Standards

GASB 87

As of October 1, 2021, the City of Idaho Falls adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires The City as lessors to recognize a lease receivable and deferred inflow of resources. As a result of implementing this standard, the City recognized a lease receivable and deferred inflow of resources in the amount of \$2,718,139 and \$2,718,139 as of October 1, 2021, respectively. The City also recognized a right of use asset and lease liability of \$2,506,935 and \$2,633,894 as of October 1, 2021, respectively. As a result of these adjustments there was no effect on the beginning net position.

GASB 68

As of October 1, 2021, The City adopted GASB statement No. 68, Reporting for Pensions on a City's pension program, Policeman's Retirement Fund (PRF). The City had previously adopted this standard for the City's other pension programs managed by the Public Employee Retirement System of Idaho (PERSI). However, it was discovered by PERSI that the PRF was not included in the previous adoption. The PRF plan had a net pension asset as of October 1, 2021 of \$4,650,126. Consequently, net position is being restated from \$199,973,597 to \$204,623,723. Details of this plan are included in the required notes on the City's pension plans in Note IV.N.

L. 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.

M. 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.

N. Pension Plan

Plan Description

The City of Idaho Falls participates in three plans for employee pension plans: the Public Employee Retirement System of Idaho Base Plan (Base Plan) the Firefighters Retirement Fund (FRF), and Idaho Falls Policeman's Retirement Fund (PRF), which Base plan and FRF plans 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 PRF plan is a single employer plan. The cost to administer these plans are 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. The PRF plan has no separately issued financial statements for this single employer plan.

Responsibility for administration of the Base Plan, FRF, and PRF 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, FRF, and PRF provide retirement, disability, death and survivor benefits for eligible members or beneficiaries. Base Plan and PRF 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, FRF and PRF 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 and PRF is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. 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 City does not have any members in PRF or FRF currently employed and consequently doesn't make any member or employer contributions.

The contribution rates for employees covered under the Base Plan are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2022,

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 \$6,353,059 for the year ended September 30, 2022.

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

On September 30, 2022, the City reported a liability for its proportionate share of the net pension liability of the Base Plan and an asset for its proportionate share of the net pension asset of FRF and PRF. The net pension asset of FRF and PRF and net pension liability of the Base Plan were measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset/liability were determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability of the Base Plan was based on the City’s share of contributions to the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. For June 30, 2022 and 2021 the City’s proportion was 0.99 and 0.99 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, 2022 and 2021, the City’s proportion was 12.73 percent for both years.

For the year ended September 30, 2022, the City recognized Base Plan net pension expense of \$4,643,553. At September 30, 2022, 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	\$ 4,297,584	\$ 174,436
Changes in assumptions or other inputs	6,371,524	-
Net difference between projected and actual earnings on pension plan investments	8,992,286	-
Changes in the employer’s proportion and difference between the employer’s contributions and the employer’s proportionate contributions	-	834,036
City’s total contributions subsequent to the measurement date	1,678,652	-
Total:	\$ 21,340,046	\$ 1,008,472

Deferred outflows of resources of \$1,678,652 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, 2023.

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, 2022, is 4.6 years.

For the year ended September 30, 2022, the City recognized FRF Plan pension expense offset of \$1,769,301. At September 30, 2022, 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	2,653,646	-
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	-	-
Total:	\$ 2,653,646	\$ -

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, 2021, the beginning of the measurement period ended June 30, 2022, is 1 year.

For the year ended September 30, 2022, the City recognized PRF Plan pension expense of \$80,805. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the PRF 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	1,504,354	-
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	-	-
Total:	\$ 1,504,354	\$ -

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, 2021, the beginning of the measurement period ended June 30, 2022, is 1 year.

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

Fiscal Year	Base Plan	FRF	PRF
2023	\$ 4,320,512	\$ 280,250	\$ 376,088
2024	4,719,940	395,557	376,088
2025	2,191,040	(59,972)	376,088
2026	7,421,430	2,037,811	376,090
	\$ 18,652,922	\$ 2,653,646	\$ 1,504,354

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. Unfunded actuarial accrued liability for PRF is the difference between the actuarial present value of the PRF benefits not provided by the Base Plan and the PRF assets. Currently PRF assets exceed this actuarial present value; therefore there is not an unfunded liability to amortize at this time.

The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Base Plan	FRF	PRF
Inflation	2.30%	2.30%	2.30%
Salary Increases	3.05%	3.05%*	3.05%
Salary Inflation	3.05%	3.05%	3.05%**
Investment Rate of Return	6.35%	6.35%	6.35%
Cost of Living Adjustments	1.00%	3.05%***	N/A

* 3.05 percent COLA is assumed for the gross benefit paid to members of FRF.
 A 1.00 percent COLA is assumed for PERSI benefit offsets used to determine the benefits paid by FRF

** this includes 0.05% for expected administrative expenses

*** There is an additional component of assumed salary grown (on top of the 3.05%) that varies for each individual member based on years of service.

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%.
Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%.

5% of Fire and Police active member deaths are assumed to be duty related. This assumptions was adopted July 1, 2021.

Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

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 2022.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	(0.25%)
TIPS	10.00%	(0.30%)
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability (asset) 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:

	1% Decrease	Current Discount Rate	1% Increase
Employer's proportionate share of the net pension liability (asset) - Base Plan	\$ 68,975,749	\$ 39,081,913	\$ 14,614,582
Employer's proportionate share of the net pension liability (asset) - FRF	(23,395,357)	(26,125,173)	(28,495,726)
Employer's proportionate share of the net pension liability (asset) - PRF	(2,647,406)	(3,064,967)	(3,432,719)

Pension plan fiduciary net position

Detailed information about the Base and FRF 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.

PRF plan does not have a separately issued financial statement. However, in the valuation report provided by PERSI the disclosed assets are \$9,317, 981, liabilities are \$263,348, and net position is \$9,054,633 for June 30, 2022.

O. 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.. 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 assets 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, 2022, the carrying amount of the Agency's deposits was \$454,839 and the respective bank balances totaled \$432,089. 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 \$1,241,605 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, 2022, was 115 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 \$8,450,075. 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, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Eagle Ridge:				
Promissory note 2019	\$ 1,507,670	\$ -	\$ (33,318)	\$ 1,474,352
River Commons Allocation:				
Promissory note 2008 (amended and restated January 16, 2009)	8,812,602	-	(362,527)	8,450,075
Promissory note 2015	342,156	-	(13,404)	328,752
Promissory note 2015	250,000	-	-	250,000
Jackson Hole Junction Allocation:				
OPA obligation	3,920,532		(173,936)	3,746,596
Total notes payable	\$ 14,832,960	\$ -	\$ (583,185)	\$ 14,249,775

6. Budget

The Agency prepared a budget for the special revenue funds.

P. Commitments

The City has several active construction projects and/or major encumbrances as of September 30, 2022. The projects include airport improvements, Idaho Falls Power and fiber improvements, street engineering and reconstruction, law enforcement building, and replacing old sections of water and wastewater lines.

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

Projects	Spent-to-Date	Remaining Commitment
Airport improvements	\$ 1,912,137	\$ 1,009,910
Golf Course improvements	908,793	24,506
Park improvements	577,732	853,776
Fiber improvements	1,098,605	692,916
Idaho Falls Power improvements	5,156,599	1,587,120
Law enforcement complex construction	7,800,427	18,394,015
Street and bridge improvements	3,509,845	961,960
Wastewater improvements	2,251,336	1,211,515
Water improvements	3,246,657	946,224
Sanitation improvements	619,130	294,240

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	\$ 1,046,833
Streets fund	249,978
Airport fund	127,618
Water fund	474,043
Electric fund	471,352
Sanitation fund	294,240
Wastewater fund	904,663
Non Major funds	430,130
Total	<u>\$ 3,998,858</u>

The City has entered into the following agreements for power:

Bonneville Power Administration (BPA) - Effective October 1, 2011, the City entered into a Block and Slice Power Sales Agreement with 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, 2022, PacifiCorp payments under this agreement was \$1,800,708. The City may, with three years notice, reduce the PacifiCorp entitlement to 25%.

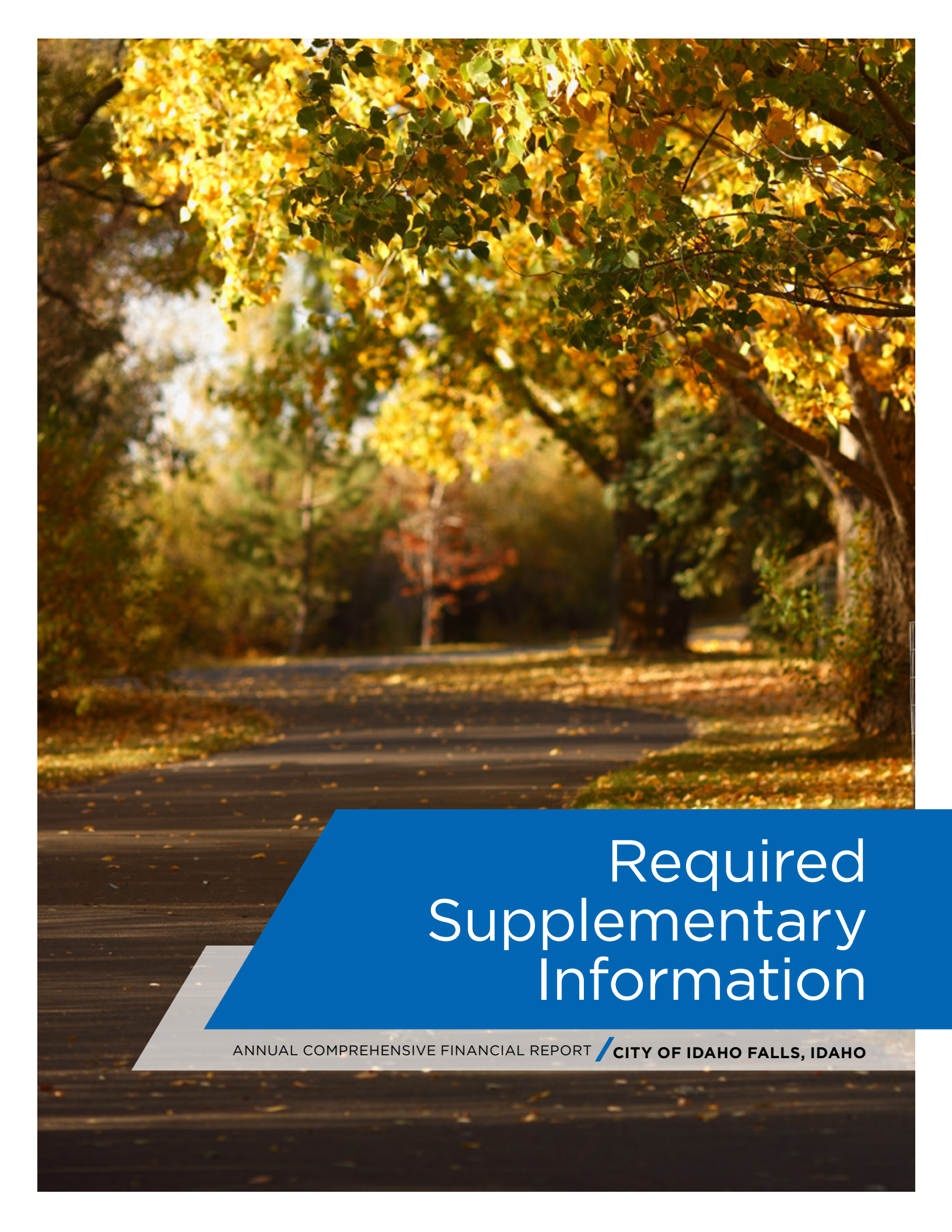
Utah Associated Municipal Power Systems (UAMPS) – Effective October 1, 1996, the City entered into a contract with UAMPS whereby the City may purchase additional energy requirements not met by BPA or City owned generation resources, from UAMPS. Planned purchases and sales to and from UAMPS are based 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, 2022, power purchases plus transmission expenses from UAMPS was \$1,893,502. The contract also allows for the City to sell surplus energy to UAMPS. For the year ended September 30, 2022, power sales to UAMPS was \$6,634,933.

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, 2022 the City sold \$100,524 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 Wind is 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, 2022 the City had 2023 forward energy contracts being 16,480 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 section D40: Derived Instruments.



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***

	2022			2021			2020	
	Base Plan	FRF	PRF	Base Plan	FRF	PRF	Base Plan	FRF
Employer’s portion of net pension liability (asset)	0.99%	(12.73%)	(100%)	0.99%	(12.73%)	(100%)	1.34%	(12.73%)
Employer’s proportionate share of the net pension liability (asset)	\$ 39,081,912	\$ (26,125,173)	\$ (3,064,967)	\$ (786,547)	\$ (34,388,868)	\$ (4,650,126)	\$ 31,186,242	\$ (18,948,797)
Employer’s covered payroll	\$ 52,642,921	\$ -	\$ -	\$ 48,370,942	\$ -	\$ -	\$ 37,430,463	\$ 10,627,761
Employer’s proportionate share as a percentage of its covered payroll	74.24%	N/A	N/A	2.11%	N/A	N/A	83.32%	178.30%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.09%	184.72%	151.17%	100.36%	211.83%	173.64%	88.22%	155.55%

*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

2019		2018		2017		2016		2015	
Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF
1.39%	(14.28%)	1.37%	(13.52%)	1.40%	(13.59%)	1.05%	(12.26%)	1.33%	(11.39%)
\$ 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)
\$ 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
44.78%	183.04%	58.64%	151.49%	66.52%	117.51%	87.59%	75.43%	46.97%	80.93%
93.79%	152.74%	91.69%	140.15%	90.68%	129.65%	87.26%	114.42%	91.38%	118.08%

See Notes to Required Supplementary Information

**Policeman Retirement Fund
Changes in Net Pension Liability**

	Net Pension Liability
Balances as of June 30, 2021	(4,650,126)
Changes for the year:	
Service Cost	-
Interest	378,987
Effect of plan changes	-
Effect of economic / demographic gains or losses	-
Effect if assumptions changes or inputs	-
Benefit payments	-
Employer contributions	-
Member contributions	-
Net investment income	1,206,172
Administrative expenses	-
Balances as of June 30, 2022	<u>\$ (3,064,967)</u>

See Notes to Required Supplementary Information

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**Schedule of Employer Contributions
PERSI Base Plan, FRF, and PRF – Last 10 Fiscal Years***

	2022			2021			2020	
	Base Plan	FRF	PRF	Base Plan	FRF	PRF	Base Plan	FRF
Statutorily required contribution	\$ 6,353,059	\$ -	\$ -	\$ 5,838,542	\$ -	\$ -	\$ 4,493,240	\$ 1,689,886
Contributions in relation to the statutorily required contribution	\$ 6,353,059	\$ -	\$ -	\$ 5,838,542	\$ -	\$ -	\$ 4,491,860	\$ 1,709,233
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,380	\$ 19,347
Employer's covered payroll	\$ 52,642,921	\$ -	\$ -	\$ 48,370,942	\$ -	\$ -	\$ 37,430,463	\$ 10,627,761
Contributions as a percentage of covered payroll (calculated)	12.07%	0.00%	0.00%	12.07%	0.00%	0.00%	12.00%	16.08%

*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 as of September 30, 2022

See Notes to Required Supplementary Information

2019		2018		2017		2016		2015	
Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF	Base Plan	FRF
\$ 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	\$ -
\$ 4,132,772	\$ 1,811,694	\$ 3,842,391	\$ 1,755,131	\$ 3,680,937	\$ 1,630,460	\$ 3,530,925	\$ 1,445,127	\$ 4,256,266	\$ 673,565
\$ 42,686	\$ 12,658	\$ (111,807)	\$ (183)	\$ (26)	\$ -	\$ 1	\$ (1)	\$ (131,962)	\$ 673,565
\$ 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
11.50%	16.78%	11.06%	16.66%	11.38%	16.66%	11.39%	16.66%	11.45%	8.85%

Notes to the Required Supplementary Information For the Year Ended September 30, 2022

Changes of Benefit Terms:

For the Year Ended September 30, 2022, the City did not have any changes to benefit terms.



IDAHO FALLS

CIVIC
CENTER
the Performing Arts

IDAHO FALLS CIVIC CENTER
PERFORMING
ARTS

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.

Impact Fee Funds are used to account for and report the revenues received and expensed from fees associated with new development within the city. The Idaho Code Title 67, Chapter 82 (the "Idaho Development Fee Act") allows for Cities to develop an impact fee program in order to provide public facilities and infrastructure needed to serve the new growth and development.

Police Impact Fee Fund – to account for the collection of impact fee revenues associated with growth related to the Police Department. This fund assists in funding necessary improvements to infrastructure and facilities related to public safety in the capital improvements element of the City Comprehensive Plan.

Fire Impact Fee Fund – to account for the collection of impact fee revenues associated with growth related to the Fire and Emergency Medical Services Departments. This fund assists in funding necessary improvements to infrastructure and facilities related to public safety in the capital improvements element of the City Comprehensive Plan.

Parks & Recreation Impact Fee Fund – to account for the collection of impact fee revenues associated with growth related to the Parks & Recreation Department. This fund assists in funding necessary improvements to parks open space, recreation areas, and related capital improvements in the City Comprehensive Plan.

Streets Impact Fee Fund – to account for the collection of impact fee revenues associated with growth related to the Street Department. This fund assists in funding necessary improvements to City transportation facilities, including arterial streets, arterial intersections, arterial bridges, arterial appurtenances, and related arterial capital improvements in the City Comprehensive Plan.



IDAHO FALLS

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.

**Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022**

	Special Revenue			
	Recreation	Library	Passenger Facility Charge	Electric Light Public Purpose
Assets				
Cash and cash equivalents	\$ 1,441	\$ 126,108	\$ 59,439	\$ 117,842
Investments	43,725	3,827,521	1,804,037	3,576,650
Taxes receivable	16,739	51,497	-	-
Receivables	15,863	-	-	36,948
Loans receivable	-	-	-	170,698
Interest receivable	-	16,087	7,665	15,197
Prepays	-	-	-	-
Inventory	-	-	-	-
Total assets	\$ 77,768	\$ 4,021,213	\$ 1,871,141	\$ 3,917,335
Liabilities				
Accounts payable	\$ 18,857	\$ 100,398	\$ -	\$ 15,707
Accrued wages	23,817	33,477	-	-
Due to other funds	-	-	-	-
Security Deposits	-	-	-	-
Total liabilities	42,674	133,875	-	15,707
Deferred Inflows of Resources				
Unavailable revenue-property taxes	13,337	40,976	-	-
Total deferred inflows of resources	13,337	40,976	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	1,871,141	170,698
Committed	-	-	-	-
Assigned	21,757	3,846,362	-	3,730,930
Unassigned	-	-	-	-
Total fund balances(deficits)	21,757	3,846,362	1,871,141	3,901,628
Total liabilities, deferred inflows of resources, and fund balances	\$ 77,768	\$ 4,021,213	\$ 1,871,141	\$ 3,917,335

Special Revenue

Business Improvement District	Golf	Wildland Fire	Total
\$ 3,589	\$ 5,932	\$ 7,811	\$ 322,162
108,930	180,035	237,074	9,777,972
-	-	-	68,236
-	-	683,500	736,311
-	-	-	170,698
463	-	153	39,565
-	-	-	-
-	257,508	-	257,508
\$ 112,982	\$ 443,475	\$ 928,538	\$ 11,372,452
\$ -	\$ 63,293	\$ 4,684	\$ 202,939
-	32,747	-	90,041
-	-	-	-
-	72,757	-	72,757
-	168,797	4,684	365,737
-	-	-	54,313
-	-	-	54,313
-	257,508	-	257,508
-	-	-	2,041,839
-	-	-	-
112,982	17,170	923,854	8,653,055
-	-	-	-
112,982	274,678	923,854	10,952,402
\$ 112,982	\$ 443,475	\$ 928,538	\$ 11,372,452

**Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022**

	Impact Fee Funds				Total
	Impact Fee-Police	Impact Fee-Fire	Impact Fee-Parks & Recreation	Impact Fee-Streets	
Assets					
Cash and cash equivalents	\$ 995	\$ 411	\$ 1,043	\$ 4,102	\$ 6,551
Investments	30,212	12,459	31,659	124,501	198,831
Taxes receivable	-	-	-	-	-
Receivables	-	-	-	-	-
Loans receivable	-	-	-	-	-
Interest receivable	128	53	134	529	844
Prepays	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	\$ 31,335	\$ 12,923	\$ 32,836	\$ 129,132	\$ 206,226
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Due to other funds	-	-	-	-	-
Security Deposits	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred Inflows of Resources					
Unavailable revenue-property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	31,335	12,923	32,836	129,132	206,226
Total fund balances(deficits)	31,335	12,923	32,836	129,132	206,226
Total liabilities, deferred inflows of resources, and fund balances	\$ 31,335	\$ 12,923	\$ 32,836	\$ 129,132	\$ 206,226

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**Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022**

	Capital Projects				
	Municipal Capital Improvement	Street Capital Improvement	Bridge and Arterial Street	Surface Drainage	Traffic Light Capital Improvement
Assets					
Cash and cash equivalents	\$ 75,384	\$ 24,814	\$ 29,568	\$ 5,045	\$ 39,893
Investments	2,287,996	753,146	897,413	153,115	1,210,807
Taxes receivable	17,143	-	-	-	-
Receivables	-	17,030	35,175	2,432	-
Loans receivable	-	-	-	-	-
Interest receivable	9,722	3,200	3,813	652	5,144
Prepays	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	\$ 2,390,245	\$ 798,190	\$ 965,969	\$ 161,244	\$ 1,255,844
Liabilities					
Accounts payable	\$ 97,541	\$ 18,200	\$ 1,109	\$ -	\$ 2,471
Accrued wages	-	-	-	-	-
Due to other funds	-	-	-	-	-
Security deposits	-	-	-	-	-
Total liabilities	97,541	18,200	1,109	-	2,471
Deferred Inflows of Resources					
Unavailable revenue-property taxes	13,647	-	-	-	-
Total deferred inflows of resources	13,647	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	15,442	107,998	185,282	-	258,807
Assigned	2,263,615	671,992	779,578	161,244	994,566
Unassigned	-	-	-	-	-
Total fund balances (deficits)	2,279,057	779,990	964,860	161,244	1,253,373
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,390,245	\$ 798,190	\$ 965,969	\$ 161,244	\$ 1,255,844

Capital Projects

Parks Capital Improvement	Zoo Capital Improvement	Civic Auditorium Capital Improvement	Golf Capital Improvement	Police Capital Improvement	Total	Total Nonmajor Governmental Funds
\$ -	\$ 15,558	\$ 6,344	\$ 4,260	\$ -	\$ 200,866	\$ 529,579
-	472,200	192,549	129,311	-	6,096,537	16,073,340
-	-	-	-	-	17,143	85,379
-	-	-	-	-	54,637	790,948
-	-	-	-	-	-	170,698
-	2,006	817	549	-	25,903	66,312
-	-	-	-	-	-	-
-	-	-	-	-	-	257,508
\$ -	\$ 489,764	\$ 199,710	\$ 134,120	\$ -	\$ 6,395,086	\$ 17,973,764
\$ 310,416	\$ 50,748	\$ -	\$ -	\$ -	\$ 480,485	\$ 683,424
-	-	-	-	-	-	90,041
27,590	-	-	-	-	27,590	27,590
-	-	-	-	-	-	72,757
338,006	50,748	-	-	-	508,075	873,812
-	-	-	-	-	13,647	67,960
-	-	-	-	-	13,647	67,960
-	-	-	-	-	-	257,508
-	-	-	-	-	-	2,041,839
710,438	-	-	24,505	-	1,302,472	1,302,472
-	439,016	199,710	109,615	-	5,619,336	14,272,391
(1,048,444)	-	-	-	-	(1,048,444)	(842,218)
(338,006)	439,016	199,710	134,120	-	5,873,364	17,031,992
\$ -	\$ 489,764	\$ 199,710	\$ 134,120	\$ -	\$ 6,395,086	\$ 17,973,764

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022**

	Special Revenue			
	Recreation	Library	Passenger Facility Charge	Electric Light Public Purpose
Revenues				
Taxes	\$ 783,999	\$ 2,367,586	\$ -	\$ -
Intergovernmental	-	1,166,247	-	-
Licenses & Permits	-	-	-	-
Charges for services	1,176,053	7,142	1,353,346	-
Fines	-	10,314	-	-
Investment earnings (loss)	(20,348)	(118,702)	(26,706)	(101,286)
Miscellaneous	80,605	97,278	-	565,080
Total revenues	2,020,309	3,529,865	1,326,640	463,794
Expenditures				
Current:				
General government	-	-	-	295,795
Public Safety	-	-	-	-
Streets	-	-	-	-
Culture & recreation	3,132,146	3,354,027	-	-
Capital outlay	-	-	-	-
Total expenditures	3,132,146	3,354,027	-	295,795
Excess (deficiency) of revenues over (under) expenditures	(1,111,837)	175,838	1,326,640	167,999
Other financing sources (uses)				
Transfers in	70,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources and (uses)	70,000	-	-	-
Net change in fund balances	(1,041,837)	175,838	1,326,640	167,999
Fund balances - beginning	1,063,594	3,670,524	544,501	3,733,629
Fund balances - ending	\$ 21,757	\$ 3,846,362	\$ 1,871,141	\$ 3,901,628

Special Revenue

Business Improvement District	Golf	Wildland Fire	Total
\$ -	\$ -	\$ -	\$ 3,151,585
-	-	1,462,905	2,629,152
-	-	-	-
-	3,386,943	-	5,923,484
-	-	-	10,314
(2,679)	(8,484)	(17,769)	(295,974)
94,272	44,855	-	882,090
91,593	3,423,314	1,445,136	12,300,651
85,500	-	-	381,295
-	-	1,286,279	1,286,279
-	-	-	-
-	3,150,429	-	9,636,602
-	-	-	-
85,500	3,150,429	1,286,279	11,304,176
6,093	272,885	158,857	996,475
-	-	-	70,000
-	-	-	-
-	-	-	70,000
6,093	272,885	158,857	1,066,475
106,889	1,793	764,997	9,885,927
\$ 112,982	\$ 274,678	\$ 923,854	\$ 10,952,402

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022**

	Impact Fee Funds				Total
	Impact Fee-Police	Impact Fee-Fire	Impact Fee-Parks & Recreation	Impact Fee-Streets	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses and Permits	31,292	12,938	32,943	129,117	206,290
Charges for services	-	-	-	-	-
Fines	-	-	-	-	-
Investment earnings (loss)	43	(15)	(107)	15	(64)
Miscellaneous	-	-	-	-	-
Total revenues	31,335	12,923	32,836	129,132	206,226
Expenditures					
Current:					
General government	-	-	-	-	-
Public Safety	-	-	-	-	-
Streets	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	31,335	12,923	32,836	129,132	206,226
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and (uses)	-	-	-	-	-
Net change in fund balances	31,335	12,923	32,836	129,132	206,226
Fund balances - beginning	-	-	-	-	-
Fund balances - ending	\$ 31,335	\$ 12,923	\$ 32,836	\$ 129,132	\$ 206,226

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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022**

	Capital Projects				
	Municipal Capital Improvement	Street Capital Improvement	Bridge and Arterial Street	Surface Drainage	Traffic Light Capital Improvement
Revenues					
Taxes	\$ 780,008	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	63,310	-	-	-
Licenses & Permits	-	-	-	-	-
Charges for services	-	70,882	201,929	26,885	-
Fines	-	-	-	-	-
Investment earnings (loss)	(67,819)	(23,178)	(23,714)	(5,813)	(34,747)
Miscellaneous	-	-	-	-	-
Total revenues	712,189	111,014	178,215	21,072	(34,747)
Expenditures					
Current:					
General government	-	-	-	-	-
Public Safety	-	-	-	-	-
Streets	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Capital outlay	693,010	143,566	30,424	45,398	356,465
Total expenditures	693,010	143,566	30,424	45,398	356,465
Excess (deficiency) of revenues over (under) expenditures	19,179	(32,552)	147,791	(24,326)	(391,212)
Other Financing Sources (uses)					
Transfers in	-	-	-	-	399,202
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	399,202
Net change in fund balances	19,179	(32,552)	147,791	(24,326)	7,990
Fund balances - beginning	2,259,878	812,542	817,069	185,570	1,245,383
Fund balances - ending	\$ 2,279,057	\$ 779,990	\$ 964,860	\$ 161,244	\$ 1,253,373

Capital Projects								
Parks Capital Improvement	Zoo Capital Improvement	Civic Capital Auditorium Improvement	Golf Capital Improvement	Police Capital Improvement	Total		Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780,008	\$	3,931,593	
570,932	-	-	-	-	634,242		3,263,394	
-	-	-	-	-	-		206,290	
16,247	88,821	-	329,176	-	733,940		6,657,424	
-	-	-	-	-	-		10,314	
(2,673)	(10,687)	(5,508)	(4,475)	-	(178,614)		(474,652)	
702,313	178,522	-	-	-	880,835		1,762,925	
1,286,819	256,656	(5,508)	324,701	-	2,850,411		15,357,288	
-	-	-	-	-	-		381,295	
-	-	-	-	-	-		1,286,279	
-	-	-	-	-	-		-	
-	-	-	-	-	-		9,636,602	
736,756	223,310	-	992,067	-	3,220,996		3,220,996	
736,756	223,310	-	992,067	-	3,220,996		14,525,172	
550,063	33,346	(5,508)	(667,366)	-	(370,585)		832,116	
-	-	-	217,568	1,153,136	1,769,906		1,839,906	
-	-	-	-	-	-		-	
-	-	-	217,568	1,153,136	1,769,906		1,839,906	
550,063	33,346	(5,508)	(449,798)	1,153,136	1,399,321		2,672,022	
(888,069)	405,670	205,218	583,918	(1,153,136)	4,474,043		14,359,970	
\$ (338,006)	\$ 439,016	\$ 199,710	\$ 134,120	\$ -	\$ 5,873,364	\$	17,031,992	

Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	\$ 796,204	\$ 796,204	\$ 783,999	\$ (12,205)
Intergovernmental	40,000	40,000	-	(40,000)
Charges for services	1,449,822	1,449,822	1,176,053	(273,769)
Investment earnings (loss)	-	-	(20,348)	(20,348)
Miscellaneous	148,528	148,528	80,605	(67,923)
Total revenues	2,434,554	2,434,554	2,020,309	(414,245)
Expenditures				
Culture & Recreation	3,340,819	3,489,319	3,132,146	357,173
Excess (deficiency) of revenues over (under) expenditures	(906,265)	(1,054,765)	(1,111,837)	(57,072)
Other financing sources (uses)				
Transfers in	1,000,000	1,000,000	70,000	(930,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	1,000,000	1,000,000	70,000	(930,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	93,735	(54,765)	(1,041,837)	(987,072)
Fund balances - beginning	(508,342)	(508,342)	1,063,594	1,571,935
Fund balances - ending	\$ (414,607)	\$ (563,107)	\$ 21,757	\$ 584,864

Library Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	\$ 2,401,394	\$ 2,401,394	\$ 2,367,586	\$ (33,808)
Intergovernmental	1,118,500	1,118,500	1,166,247	47,747
Charges for services	9,000	9,000	7,142	(1,858)
Fines	8,500	8,500	10,314	1,814
Investment earnings (loss)	30,000	30,000	(118,702)	(148,702)
Miscellaneous	74,000	74,000	97,278	23,278
Total revenues	3,641,394	3,641,394	3,529,865	(111,529)
Expenditures				
Culture & Recreation	4,191,096	4,462,335	3,354,027	1,108,308
Excess (deficiency) of revenues over (under) expenditures	(549,702)	(820,941)	175,838	996,779
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(549,702)	(820,941)	175,838	996,779
Fund balances - beginning	154,830	154,830	3,670,524	3,515,694
Fund balances - ending	\$ (394,872)	\$ (666,111)	\$ 3,846,362	\$ 4,512,473

**Passenger Facility Charge Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	1,353,346	1,353,346
Fines	-	-	-	-
Investment earnings (loss)	-	-	(26,706)	(26,706)
Miscellaneous	-	-	-	-
Total revenues	-	-	1,326,640	1,326,640
Expenditures				
Culture & Recreation	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	1,326,640	1,326,640
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	-	-	1,326,640	1,326,640
Fund balances - beginning	544,501	544,501	544,501	-
Fund balances - ending	\$ 544,501	\$ 544,501	\$ 1,871,141	\$ 1,326,640

Electric Light Public Purpose Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment earnings (loss)	\$ 8,000	\$ 8,000	\$ (101,286)	\$ (109,286)
Miscellaneous	1,200,000	1,200,000	565,080	(634,920)
Total revenues	1,208,000	1,208,000	463,794	(744,206)
Expenditures				
General government	1,208,000	1,208,000	295,795	912,205
Excess (deficiency) of revenues over (under) expenditures	-	-	167,999	167,999
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	-	-	167,999	167,999
Fund balances - beginning	3,679,239	3,679,239	3,733,629	54,390
Fund balances - ending	\$ 3,679,239	\$ 3,679,239	\$ 3,901,628	\$ 222,389

**Business Improvement District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment earnings (loss)	\$ -	\$ -	\$ (2,679)	\$ (2,679)
Miscellaneous	90,000	90,000	94,272	4,272
Total revenues	90,000	90,000	91,593	1,593
Expenditures				
General government	85,000	85,500	85,500	-
Excess (deficiency) of revenues over (under) expenditures	5,000	4,500	6,093	1,593
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	5,000	4,500	6,093	1,593
Fund balances - beginning	104,804	104,804	106,889	2,083
Fund balances - ending	\$ 109,804	\$ 109,304	\$ 112,982	\$ 3,678

Golf Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	\$ 2,990,540	\$ 2,990,540	\$ 3,386,943	\$ 396,403
Investment earnings (loss)	-	-	(8,484)	(8,484)
Miscellaneous	20,000	20,000	44,855	24,855
Total revenues	3,010,540	3,010,540	3,423,314	412,774
Expenditures				
Culture & recreation	2,819,067	2,864,067	3,150,429	(286,362)
Excess (deficiency) of revenues over (under) expenditures	191,473	146,473	272,885	126,412
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	191,473	146,473	272,885	126,412
Fund balances - beginning	643,393	630,607	1,793	(628,812)
Fund balances - ending	\$ 834,866	\$ 777,080	\$ 274,678	\$ (502,402)

Wildland Fire Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 1,462,905	\$ 262,905
Investment earnings (loss)	-	-	(17,769)	(17,769)
Total revenues	1,200,000	1,200,000	1,445,136	245,136
Expenditures				
Public Safety	1,039,132	1,039,132	1,286,279	(247,147)
Excess (deficiency) of revenues over (under) expenditures	160,868	160,868	158,857	(2,011)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	160,868	160,868	158,857	(2,011)
Fund balances - beginning	686,145	680,713	764,997	84,285
Fund balances - ending	\$ 847,013	\$ 841,581	\$ 923,854	\$ 82,273

Municipal Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	\$ 790,618	\$ 790,618	\$ 780,008	\$ (10,610)
Investment earnings (loss)	20,000	20,000	(67,819)	(87,819)
Total revenues	810,618	810,618	712,189	(98,429)
Expenditures				
Capital outlay	1,000,000	1,080,831	693,010	387,821
Excess (deficiency) of revenues over (under) expenditures	(189,382)	(270,213)	19,179	289,392
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(189,382)	(270,213)	19,179	289,392
Fund balances - beginning	1,772,921	1,772,921	2,259,878	486,956
Fund balances - ending	\$ 1,583,539	\$ 1,502,708	\$ 2,279,057	\$ 776,349

Street Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 63,310	\$ (136,690)
Charges for services	100,000	100,000	70,882	(29,118)
Investment earnings (loss)	7,000	7,000	(23,178)	(30,178)
Miscellaneous	-	-	-	-
Total revenues	307,000	307,000	111,014	(195,986)
Expenditures				
Capital outlay	1,000,000	4,750,000	143,566	4,606,434
Excess (deficiency) of revenues over (under) expenditures	(693,000)	(4,443,000)	(32,552)	4,410,448
Other Financing Sources (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(693,000)	(4,443,000)	(32,552)	4,410,448
Fund balances - beginning	59,443	159,443	812,542	653,100
Fund balances - ending	\$ (633,557)	\$ (4,283,557)	\$ 779,990	\$ 5,063,547

Bridge and Arterial Street Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	\$ 150,000	\$ 150,000	\$ 201,929	\$ 51,929
Investment earnings (loss)	10,000	10,000	(23,714)	(33,714)
Total revenues	160,000	160,000	178,215	18,215
Expenditures				
Capital outlay	350,000	350,000	30,424	319,576
Excess of revenues over (under) expenditures	(190,000)	(190,000)	147,791	337,791
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(190,000)	(190,000)	147,791	337,791
Fund balances - beginning	751,288	751,288	817,069	65,782
Fund balances - ending	\$ 561,288	\$ 561,288	\$ 964,860	\$ 403,572

Surface Drainage Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	\$ 40,000	\$ 40,000	\$ 26,885	\$ (13,115)
Investment earnings (loss)	1,500	1,500	(5,813)	(7,313)
Miscellaneous	-	-	-	-
Total revenues	41,500	41,500	21,072	(20,428)
Expenditures				
Capital outlay	50,000	50,000	45,398	4,602
Excess (deficiency) of revenues over (under) expenditures	(8,500)	(8,500)	(24,326)	(15,826)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(8,500)	(8,500)	(24,326)	(15,826)
Fund balances - beginning	239,491	139,491	185,570	46,076
Fund balances - ending	\$ 230,991	\$ 130,991	\$ 161,244	\$ 30,253

Traffic Light Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings (loss)	11,000	11,000	(34,747)	(45,747)
Total revenues	11,000	11,000	(34,747)	(45,747)
Expenditures				
Capital Outlay	545,000	545,000	356,465	188,535
Excess (deficiency) of revenues over (under) expenditures	(534,000)	(534,000)	(391,212)	142,788
Other financing sources (uses)				
Transfers in	425,596	425,596	399,202	(26,394)
Transfers out	-	-	-	-
Total other financing sources (uses)	425,596	425,596	399,202	(26,394)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	(108,404)	(108,404)	7,990	116,394
Fund balances - beginning	887,498	772,294	1,245,383	473,091
Fund balances - ending	\$ 779,094	\$ 663,890	\$ 1,253,373	\$ 589,483

**Parks Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 570,932	\$ 570,932
Charges for services	145,000	145,000	16,247	(128,753)
Investment earnings (loss)	-	-	(2,673)	(2,673)
Miscellaneous	(80,000)	(80,000)	702,313	782,313
Total revenues	65,000	65,000	1,286,819	1,221,819
Expenditures				
Capital Outlay	-	292,919	736,756	(443,837)
Excess (deficiency) of revenues over (under) expenditures	65,000	(227,919)	550,063	777,982
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	65,000	(227,919)	550,063	777,982
Fund balances - beginning	(198,927)	(198,927)	(888,069)	(689,143)
Fund balances - ending	\$ (133,927)	\$ (426,846)	\$ (338,006)	\$ 88,840

Zoo Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Charges for Services	\$ 150,000	\$ 150,000	\$ 88,821	\$ (61,179)
Investment earnings (loss)	5,000	5,000	(10,687)	(15,687)
Miscellaneous	1,845,000	1,845,000	178,522	(1,666,478)
Total revenues	2,000,000	2,000,000	256,656	(1,743,344)
Expenditures				
Capital Outlay	2,000,000	1,872,523	223,310	1,649,213
Total expenditures	2,000,000	1,872,523	223,310	1,649,213
Excess (deficiency) of revenues over (under) expenditures	-	127,477	33,346	94,131
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	-	127,477	33,346	(94,131)
Fund balances - beginning	334,623	334,623	405,670	71,047
Fund balances - ending	\$ 334,623	\$ 462,100	\$ 439,016	\$ (23,084)

**Civic Auditorium Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment earnings (loss)	\$ -	\$ -	\$ (5,508)	\$ (5,508)
Miscellaneous	100,000	100,000	-	(100,000)
Total revenues	100,000	100,000	(5,508)	(105,508)
Expenditures				
Capital Outlay	200,000	200,000	-	200,000
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(100,000)	(5,508)	94,492
Other financing sources (uses)				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	100,000	100,000	-	(100,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	-	-	(5,508)	(5,508)
Fund balances - beginning	204,758	4,758	205,218	200,461
Fund balances - ending	\$ 204,758	\$ 4,758	\$ 199,710	\$ 194,952

Golf Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Charges for Services	\$ 290,000	\$ 290,000	\$ 329,176	\$ 39,176
Investment earnings (loss)	1,600	1,600	(4,475)	(6,075)
Total revenues	291,600	291,600	324,701	33,101
Expenditures				
Culture & Recreation	275,000	275,000	992,067	(717,067)
Excess (deficiency) of revenues over (under) expenditures	16,600	16,600	(667,366)	(683,966)
Other financing sources (uses)				
Transfers in	-	-	217,568	217,568
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	217,568	217,568
Excess (deficiency) of revenues and other financing sources over (under) expenditures and uses	16,600	16,600	(449,798)	(466,398)
Fund balances - beginning	336,688	336,688	583,918	247,230
Fund balances - ending	\$ 353,288	\$ 353,288	\$ 134,120	\$ (219,168)



IDAHO FALLS



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. 118

Revenue Capacity Information

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 125

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. 130

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. 133

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

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

	Fiscal Year									
	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
Government activities										
Net investment in capital assets	\$ 129,426,745	\$ 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
Restricted	37,706,879	4,490,755	4,522,867	509,488	319,393	334,062	577,490	1,086,961	599,392	706,136
Unrestricted	47,095,394	52,403,968	27,719,201	26,484,116	18,263,580	21,520,697	14,048,776	16,257,643	25,474,089	27,630,490
Total government activities net position	214,229,018	204,623,723	168,873,502	157,911,274	144,516,326	139,633,071	127,411,307	124,594,166	125,188,671	125,903,714
Business-type activities										
Net investment in capital assets	310,315,672	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
Restricted	1,079,623	1,079,623	1,079,623	1,079,623	1,079,623	-	-	-	1,062,286	984,291
Unrestricted	97,727,372	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
Total business-type activities net position	409,122,667	397,258,754	362,735,429	343,792,030	328,062,768	310,822,871	301,357,667	299,916,554	297,497,012	286,915,945
Primary government										
Net investment in capital assets	439,742,417	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
Restricted	38,786,502	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
Unrestricted	144,822,766	140,749,855	126,939,950	121,164,147	109,573,585	113,405,424	102,255,044	108,251,723	121,077,209	108,218,999
Total primary government net position	\$ 623,351,685	\$ 601,882,477	\$ 531,608,931	\$ 501,703,304	\$ 472,579,094	\$ 450,455,942	\$ 428,768,974	\$ 424,510,720	\$ 422,685,683	\$ 412,819,659

*2021 balances were restated due to implementation of new GASB standards; GASB 87 Leases and GASB 68 Pensions See Note IV.K.

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 11,241,998	\$ 8,854,200	\$ 11,689,863	\$ 12,017,974	\$ 13,905,521	\$ 10,221,221	\$ 9,978,303	\$ 4,851,858	\$ 5,563,345	\$ 7,129,490
Public safety	41,441,487	23,366,525	38,140,250	25,882,087	27,147,237	12,334,598	25,051,729	22,194,920	23,030,495	22,682,037
Streets	13,995,776	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
Culture and recreation	19,797,143	14,850,944	16,481,046	17,232,675	17,557,071	-	15,012,825	12,970,540	13,241,313	12,268,230
Public works	1,940,631	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
Total governmental activities expense	88,417,035	57,944,687	78,626,875	69,002,093	67,896,793	36,087,776	61,565,149	48,041,335	52,753,088	51,958,358
Business-type activities:										
Airport	7,726,355	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
Water	12,015,046	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
Sanitation	4,194,284	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
Ambulance	62,537,857	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
Electric	6,476,949	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
Wastewater	12,329,333	9,528,400	10,281,212	9,825,454	11,701,305	N/A	N/A	N/A	N/A	N/A
Total business-type activities expenses	105,279,824	77,356,951	76,566,931	86,202,697	82,863,181	82,849,037	79,487,264	75,968,797	78,647,463	73,822,365
Total primary government expenses	\$ 193,696,859	\$ 135,301,638	\$ 155,193,806	\$155,204,790	\$ 150,759,974	\$ 118,936,813	\$ 141,052,413	\$ 124,010,132	\$ 131,400,551	\$ 125,780,723
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,370,197	\$ 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
Public Safety	6,501,294	6,324,066	5,153,924	909,450	616,588	638,769	429,423	482,009	2,579,890	2,643,553
Culture and recreation	6,502,886	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
Other activities	738,768	663,627	856,467	615,632	409,921	4,940,063	815,808	266,088	103,418	47,438
Operating grants and contributions	12,504,060	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
Capital grants and contributions	8,685,786	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
Total governmental activities program revenues	40,302,991	44,301,027	29,913,642	24,856,719	23,220,086	14,996,450	17,742,300	14,868,060	12,358,779	12,556,414

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities:										
Charges for service:										
Water	14,460,487	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
Electric	71,018,877	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
Wastewater	13,901,120	13,011,048	11,523,985	11,353,721	11,313,865	N/A	N/A	N/A	N/A	N/A
Other activities	12,814,060	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
Operating grants and contributions	1,133,680	-	5,000	4,264,984	4,365,833	8,070,008	4,520,975	1,908,750	1,948,498	1,844,770
Capital grants and contributions	10,658,176	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
Total business-type activities program revenue	123,986,400	115,334,029	102,920,508	104,808,882	100,591,962	94,036,588	85,988,231	88,138,817	92,649,707	89,216,983
Total primary government program revenue	\$ 164,289,391	\$ 159,635,056	\$ 132,834,150	\$ 129,665,601	\$ 123,812,048	\$ 109,033,038	\$ 103,730,531	\$ 103,006,877	\$ 105,008,486	\$ 101,773,397
Net (expense) revenue										
Government activities	(48,114,044)	(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)
Business-type activities	18,706,576	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
Total primary government net expenses	\$ (29,407,468)	\$ 19,683,292	\$ (22,359,656)	\$ 25,539,189	\$ 26,947,926	\$ 9,903,775	\$ 38,963,810	\$ 21,003,255	\$ 26,392,065	\$ 24,007,326
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 39,989,329	\$ 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
Sales tax and revenue sharing	11,032,429	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
Impact Fees	206,289	-	-	-	-	-	-	-	-	-
Franchise taxes	642,856	648,336	528,938	570,782	593,903	692,702	932,521	690,472	865,118	676,897
Alcoholic beverages taxes	1,070,595	1,054,822	922,094	834,793	620,520	708,200	706,856	662,618	633,798	656,433
Unrestricted investment earnings	(1,653,638)	148,956	809,911	3,863,332	471,443	381,915	322,791	10,749	101,528	219,289
Miscellaneous revenues	1,862,274	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
Transfers	4,569,205	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
Total governmental activities	57,719,339	49,393,881	55,457,471	57,540,322	49,559,962	46,171,125	46,639,990	43,038,471	39,679,266	39,279,674
Business-type activities:										
Sales taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted investment income	(2,273,458)	405,521	1,931,181	3,139,942	1,420,059	1,100,794	166,007	515,642	409,311	464,907
Miscellaneous revenues	-	221,882	-	-	2,140,379	1,768,956	1,475,921	-	-	-
Transfers	(4,569,205)	(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)
Total business-type activities	(6,842,663)	(3,453,749)	(3,192,188)	(2,876,923)	(1,548,879)	(1,722,347)	(3,417,926)	(3,200,502)	(3,421,177)	(3,426,804)
Total primary government Change in Net Position	\$ 50,876,676	\$ 45,940,132	\$ 52,265,283	\$ 54,663,399	\$ 48,011,083	\$ 44,448,778	\$ 43,222,064	\$ 39,837,969	\$ 36,258,089	\$ 35,852,870
Governmental activities	\$ 9,605,295	\$ 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)
Business-type activities	11,863,913	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
Total primary government	\$ 21,469,208	\$ 65,623,424	\$ 29,905,627	\$ 29,124,210	\$ 21,063,157	\$ 34,545,003	\$ 4,258,254	\$ 18,834,714	\$ 9,866,024	\$ 11,845,544

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 1,332,388	\$ 454,008	\$ 935,537	\$ 1,156,965	\$ 1,054,020	\$ 743,935	\$ 730,390	\$ 628,914	\$ 791,271	\$ 592,671
Restricted	4,318,510	34,383,820	4,296,365	-	-	-	-	-	-	-
Committed	19,479,277	2,159	609,351	319,917	715,594	1,762,042	1,301,589	1,293,941	6,199,706	4,330,726
Assigned	4,977,641	5,242,510	5,737,993	8,487,797	6,670,673	10,719,212	-	8,338,948	3,153,582	3,096,175
Unassigned	10,779,122	8,652,921	4,947,565	6,795,144	3,602,908	2,769,162	-	12,715,168	13,688,332	16,630,071
Total general fund	\$ 40,886,938	\$ 48,735,418	\$ 16,526,811	\$ 16,759,823	\$ 12,043,195	\$ 15,994,351	\$ 2,031,979	\$ 22,976,971	\$ 23,832,891	\$ 24,649,643
All Other Governmental Funds										
Nonspendable	\$ 344,726	\$ 253,412	\$ 267,219	\$ 297,009	\$ 258,297	\$ 180,404	\$ 175,889	\$ 157,802	\$ 167,542	\$ 96,255
Restricted	2,041,839	735,792	226,502	509,488	319,393	334,062	577,490	1,086,961	599,392	706,136
Committed	2,681,950	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
Assigned	23,504,867	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
Unassigned	(842,219)	(4,506,045)	(693,303)	(3,130,982)	(3,597,143)	-	-	-	-	-
Total all other funds	\$ 27,731,163	\$ 20,396,194	\$ 16,884,396	\$ 11,459,858	\$ 11,567,691	\$ 9,739,849	\$ 9,053,809	\$ 9,816,117	\$ 5,821,351	\$ 7,963,120

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 40,699,958	\$ 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
Licenses and permits	2,001,589	1,641,550	1,364,916	1,347,791	1,514,486	832,334	895,756	803,450	673,516	685,216
Intergovernmental	25,691,245	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
Charges for services	14,051,605	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
Fines	221,328	450,796	390,995	374,309	341,853	420,669	389,574	367,757	456,676	555,680
Miscellaneous/Interest	1,207,432	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
Total revenues	83,873,157	80,774,804	70,648,217	66,980,470	58,344,403	53,954,848	53,722,071	50,851,880	47,040,437	47,274,827
Expenditures										
General government	8,282,181	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
Public safety	39,371,194	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
Streets	7,795,824	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
Culture and recreation	18,950,845	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
Public works	1,732,858	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
Capital outlay	11,033,385	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
Debt service	1,789,585	800,258	375,992	-	-	-	-	-	-	-
Total expenditures	88,955,872	81,815,587	72,274,052	68,388,540	65,577,033	64,260,244	57,267,291	54,289,406	53,829,046	52,996,939
Excess (deficiency) of revenues over (under) expenditures	(5,082,715)	(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)
Other Financing Sources (Uses)										
Lease-purchase	-	2,323,768	1,689,266	-	-	-	-	-	-	-
Transfer in	7,514,482	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
Transfers out	(2,945,277)	(3,988,570)	(667,060)	(750,000)	-	(5,220,796)	(1,563,606)	(3,228,703)	(3,236,264)	(5,342,028)
Bond issuance		25,190,000	-	-	-	-	-	-	-	-
Bond Premium		5,166,265	-	-	-	-	-	-	-	-
Total other financing sources (uses)	4,569,205	36,761,185	6,812,635	6,016,865	5,109,317	4,592,097	5,059,854	3,716,144	3,830,488	3,891,711
Net change in fund balances	\$ (513,510)	\$ 35,720,402	\$ 5,186,800	\$ 4,608,795	\$ 2,123,313	\$ 5,713,299	\$ 1,514,634	\$ 278,618	\$ 2,958,121	\$ 1,830,401

Exhibit B-5

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

Fiscal Year	Property Tax	Property Tax Penalties	Franchise Taxes	Other Taxes	Total Taxes
2022	\$ 39,318,230	\$ 72,120	\$ 642,856	\$ -	\$ 40,033,206
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
2013-2022 Change	\$ 12,569,046	\$ (170,317)	\$ (30,131)	\$ (3,910)	\$ 12,364,688



IDAHO FALLS

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			
2022	8,709,708,015	1,889,045,588	6,820,662,427	0.005764576	39,318,230
2021	6,671,627,931	1,671,611,270	5,000,016,661	0.006465364	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

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
2022	0.004856997	N/A	N/A	0.00012578	0.000376823	0.000565557	0.000111785	0.006036944
2021	0.006101484	N/A	N/A	0.00014974	0.000451635	0.000798211	0.000148693	0.007649767
2020	0.006679993	N/A	0.000172283	0.000172060	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

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
0.002046539	0.002022818	0.002678290	0.000228589	0.000004475	0.00001944	0.000042914
0.003089291	0.004134860	0.003444253	0.000298296	0.000006017	0.000026299	0.000056118
0.004190114	0.005798000	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

**Principal Property Tax Payers
September 30, 2022**

Taxpayers	2022			2013		
	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	95,356,297	1	1.40%	35,315,750	5	0.50%
BUSCH AG RESOURCES INC	74,687,618	2	1.10%	78,210,947	2	1.10%
EASTERN IDAHO HEALTH SERV INC	61,882,491	3	0.91%	79,211,412	1	1.20%
INTERMOUNTAIN PACKING LLC	38,379,300	4	0.56%	-	-	
EIRMC	36,906,641	5	0.54%	-	-	
GRAND TETON MALL LLC	27,465,724	6	0.40%	56,481,382	4	0.80%
REL FACILITIES LLC	27,389,302	7	0.40%	-	-	
THE FALLS LLC	23,739,618	8	0.35%	-	-	
CHP IF ID OWNER LLC	22,372,227	9	0.33%	-	-	
INTEGROW MALT	21,118,551	10	0.31%	64,380,851	3	0.90%
BDS LLC	19,083,602			-	-	
IDAHO FALLS COMMUNITY HOSPITAL	18,991,775			-	-	
BATELLE FACILITY OWNER LLC	17,732,193			28,273,365	6	0.40%
	485,105,339		6.29%	341,873,707		4.90%

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
2022	\$ 39,369,943	\$ 39,318,230	99.9%	\$ -	\$ 39,318,230	99.9%
2021	32,326,930	31,052,201	96.1%	593,843	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%

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 ⁽¹⁾	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			
2022	28,822,447	828,600	-	1,110,184	8,811,324	19,565,548	59,138,103	0.49%	224
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	0.49%	224
2019	-	-	-	-	13,672,723	-	13,672,723	0.49%	222
2018	-	-	-	-	14,482,924	-	14,482,924	57.00%	237
2017	-	-	-	-	15,592,704	-	15,592,704	64.00%	259
2016	-	-	-	-	17,160,879	-	17,160,879	77.00%	290
2015	-	-	-	-	17,242,500	-	17,242,500	80.00%	294
2014	-	-	-	-	17,242,500	728,860	17,971,360	83.00%	308
2013	-	-	-	-	3,534,196	1,514,518	5,048,714	25.00%	87

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

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

Exhibit D-2

Direct and Overlapping Governmental Activities Debt As of September 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Outstanding Debt
Debt repaid from property taxes:			
Overlapping:			
Bonneville County	\$ -	0%	\$ -
Idaho Falls Redevelopment Agency	-(b)		-
School District No. 91	20,313,892	14%	2,915,827
School District No. 93	121,208,299	86%	103,810,234
Total overlapping	141,522,191		106,726,061
Direct:			
City of Idaho Falls	30,609,507(a)	100%	30,609,507
Total direct and overlapping debt	\$ 172,131,698		\$ 137,335,568

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.

Legal Debt Margin Information Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	\$ 174,194,160	\$ 133,432,559	\$ 94,346,214	\$ 92,171,178	\$ 91,025,766	\$ 85,638,845	\$ 81,745,814	\$ 81,224,309	\$ 78,559,233	\$ 79,586,218
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 174,194,160	\$ 133,432,559	\$ 94,346,214	\$ 92,171,178	\$ 91,025,766	\$ 85,638,845	\$ 81,745,814	\$ 81,224,309	\$ 78,559,233	\$ 79,586,218
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	8,709,708,015
Debt limit (2% of market value)	\$ 174,194,160
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	<u>\$ 174,194,160</u>

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

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		
2022	66,898 ⁽¹⁾	\$ 3,840,747,976 ⁽¹⁾	\$ 57,412 ⁽¹⁾	33.4	91.50%	30.70%	13,829	2.2%
2021	65,413 ⁽¹⁾	\$ 3,427,719,724 ⁽¹⁾	\$ 51,238 ⁽¹⁾				9,813	2.3%
2020	62,888 ⁽¹⁾	\$ 2,872,723,840 ⁽¹⁾	\$ 45,680 ⁽¹⁾				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%

⁽¹⁾ 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.

Principal Employers Current Year and Ten Years Ago

Employer (a)	2022			2013		
	Number of Employees (b)	Rank	Percent of Idaho Falls MSA Employment	Number of Employees	Rank	Percent of Idaho Falls MSA Employment
Eastern Idaho Health Services Inc	1,467	3	2.19%	1,328	2	1.99%
Idaho Falls School District #91	1,431	4	2.14%	1,357	1	2.03%
City of Idaho Falls	901	5	1.35%	812	3	1.21%
Bonneville Joint School District #93	860	6	1.29%	782	4	1.17%
Melaleuca Inc	808	7	1.21%	374	9	0.56%
Bonneville County	571	8	0.85%	518	8	0.77%
Wal-Mart Associates Inc	508	9	0.76%	583	7	0.87%
Idaho Falls Community Hospital	447	10	0.67%			
HAS Inc	352	12	0.53%			
College of Eastern Idaho	320	13	0.48%			
Total	7,665		11.47%	5,754		8.60%

Source: Idaho Department of Labor

(a) The Department of Labor only releases information authorized by employers.

(b) 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, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Expenditures
U.S. Department of Justice			
Pass-through State of Idaho:			
Missing and Exploited Children (MEC) Program	16.543	Not Provided	<u>\$ 2,705</u>
U.S. Department of Housing and Urban Development			
Direct Programs:			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant	14.218	N/A	<u>\$ 696,061</u>
U.S. Department of Treasury			
Pass-through State of Idaho:			
COVID-19 - Coronavirus Relief Program	21.019	20-1892-0-1-806	\$ 1,000
Direct Program:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	696,349
			<u>\$ 697,349</u>
U.S. Department of Transportation			
Direct Program:			
Airport Improvement Program	20.106	N/A	\$ 1,776,763
COVID-19 Airport Programs			3,879,746
			<u>\$ 5,656,509</u>
Federal Transit Cluster			
Direct Program:			
Federal Transit-Formula Grants (Urganized Area Formula Program)	20.507		699,803
			<u>\$ 6,356,312</u>
National Endowment for the Humanities			
Pass-through State of Idaho	45.310	LS-249959-OLS 21	<u>\$ 800</u>
U.S. Department of Health and Human Services			
Pass-through State of Idaho:			
Injury Prevention/Control Research	93.136	NU17CE925017-03	<u>\$ 778</u>
U.S. Department of Homeland Security			
Pass-through Idaho State Military Division:			
Homeland Security Grant	97.067	EMW2018SS00040	\$ 6,059
		EMW2018SS00047	960
Total U.S. Department of Homeland Security:			<u>\$ 7,019</u>
Total Federal Assistance			<u>\$ 7,761,024</u>

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

Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2022

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, 2022. 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, 2022.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on this schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient. 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, 2022, 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 20, 2023.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on 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*.

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 20, 2023



Independent Auditor's Report on Compliance for the 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 the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Idaho Falls, Idaho (the City)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City's and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

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.

The image shows a handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, professional style.

Boise, Idaho
June 20, 2023

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022**

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 (a):

Yes

No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
Airport Improvement Grant	20.106
COVID-19 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, 2022**

Section II - Financial Statement Findings

None Reported

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2022

Section III – Federal Award Findings and Questioned Costs

2022-001 Department of Transportation

Federal Financial Assistance Listing 20.106

Airport Improvement Grant

3-16-0018-044-2018, 3-16-0018-045-2019, 3-16-0018-046-2019, 3-16-0018-047-2020,
3-16-0018-050-2021, 3-16-0018-051-2021, 3-16-0018-052-2021

Compliance Requirement - Reporting

Type of Finding – Significant Deficiency in Internal Control Over Compliance

Criteria: There is a general expectation that required reports are submitted to FAA timely, and that the reports are reviewed by the appropriate level of management before submission to FAA.

Condition: During our testing of the required reporting of Forms SF 271-2021 and SF 425-2021, we noted that all of the annual reports due December 31, 2022, were filed late. In addition, three of the SF 425-2001 reports were not reviewed before submission.

Cause: During this period, there was a changeover in management which caused the filings to be submitted late. This also created a situation where not all of the reports were reviewed before being submitted.

Effect: The reports were submitted to and accepted by FAA, but they were late and not all of the reports were reviewed for accuracy before being submitted.

Questioned Costs: None reported

Context/Sampling: 100% of the required filings were tested

Repeat Finding from Prior Year(s): No

Recommendation: Processes should be in place and well documented so that future changeovers in management does not cause a disruption the preparation, review, and submission of the required reports.

Views of Responsible Officials: Management agrees with the finding.

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2022

Section IV – Federal Aviation Administration Findings

**2022-002 Department of Transportation
Federal Aviation Administration
Passenger Facility charge – Public Agencies**

Type of Finding – Significant Deficiency in Internal Control Over Compliance

Criteria: The City is required by section 158.67(a) to keep any unliquidated PFC revenue remitted to it on deposit in an interest-bearing account or in other interest-bearing instruments used by the City's airport capital fund.

Condition: During our testing of the PFC revenue collected by the City, we noted controls were not in place to prevent those deposits from being made to the City's general investment account and comingled with other City funds.

Cause: During the year, the City changed their processes regarding use of PFC receipts. In past fiscal years, the City incurred costs in advance of reimbursing themselves for PFC approved projects, thus eliminating the need for a separate interest-bearing account. In the current fiscal year, the City's PFC receipts were for approved projects that were scheduled to occur in future fiscal years thereby facilitating the need to sequester PFC receipts in their own interest-bearing account.

Effect: The City could not provide assurance that unliquidated PFC revenue were only used for approved PFC-Funded projects during the year or that interest earned on the unliquidated funds were only used to pay allowable costs since funds were comingled with the City's general funds. Currently, costs on approved PFC-Funded projects greatly exceed PFC revenue, so it is unlikely unliquidated PFC revenue were used on ineligible costs, but the City was unable to prove this.

Recommendation: Controls should be implemented to prevent the comingling of unliquidated PFC revenue.

Views of Responsible Officials: Management agrees with the finding.

**Schedule of Passenger Facility Charges Collected and Expended
Year Ended September 30, 2022**

PFC Quarterly Report - Summary

**City of Idaho Falls
Idaho Falls Regional Airport**

Reporting through Quarter Ending 2022 Q3

Authority and Cumulative Expenditures

Authorizing Document	Authority		Cumulative	
	Impose	Use	Collections + Int	Expenditures
92-01-C-01-IDA	\$ 1,473,899	\$ 1,473,899	\$ 1,473,899	\$ 1,473,899
98-02-C-01-IDA	836,239	836,239	836,239	836,239
00-03-C-03-IDA	7,615,473	7,615,473	7,615,473	7,615,473
09-04-C-00-IDA	1,658,299	1,658,299	1,658,299	1,658,299
20-05-C-00-IDA	1,804,222	1,804,222	1,804,222	1,793,984
22-06-C-00-IDA	2,403,001	2,403,001	1,899,649	-
Total	\$ 15,791,133	\$ 15,791,133	\$ 15,287,781	\$ 13,377,894

Collections and Interest

	Previously Reported	2021 Q4	2022 Q1	2022 Q2	2022 Q3	Cumulative
PFC Revenue	\$ 13,922,298	\$ 293,376	\$ 267,185	\$ 363,855	\$ 428,930	\$ 15,275,644
Investment earnings (loss)	38,843	(1,064)	(11,134)	(7,584)	(6,924)	12,137
Total	\$ 13,961,141	\$ 292,312	\$ 256,051	\$ 356,271	\$ 422,006	\$ 15,287,781
Remaining Authorized Imposed Collections						\$ 503,352
Remaining Unspent PFC Collections plus Interest						\$ 1,909,887



Independent Auditor's Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Passenger Facility Charges Required by the Passenger Facility Charge Audit Guide for Public Agencies

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

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the Airport Fund (the Airport) of the City of Idaho Falls (the City) compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide) that could have a direct and material effect on its passenger facility charge program for the quarters ended December 31, 2021, March 31, 2022, June 30, 2022, and for the year ended September 30, 2022.

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 quarters ended December 31, 2021, March 31, 2022, June 30, 2022, and for the year ended September 30, 2022.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the Airport's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Airport's passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Airport's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Airport's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Airport's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Airport's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Airport's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider

the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

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.

Report on Schedule of Expenditures of Passenger Facility Charges Required by the Guide

We have audited the financial statements of the Airport Fund (the Airport) of the City of Idaho Falls, Idaho (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements. We issued our report thereon dated June 20, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as required by the Guide and is not a required part of the basic financial statements. Such 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. The 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 schedule of expenditures of passenger facility charges is fairly stated in all material respects in relation to the basic financial statements as a whole.



Boise, Idaho
June 20, 2023



IDAHO FALLS

