

CITY OF BLACKFOOT, IDAHO  
BASIC FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
SEPTEMBER 30, 2022



CITY OF BLACKFOOT  
AUDITED FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

	Page Number
<b>FINANCIAL SECTION:</b>	
Independent Auditor’s Opinion	6
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	9
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Funds:	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Net Position	22
Statement of Cash Flows	23
Fiduciary Funds:	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
<b>Notes to Financial Statements</b>	26

CITY OF BLACKFOOT

AUDITED FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS – (CONTINUED)

	Page Number
<b>Required Supplementary Information:</b>	
Schedule of Employer’s Share of Net Pension Liability	56
Schedule of Employer’s Contributions	56
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund	58
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Street Fund	61
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Ambulance Fund	62
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Parks and Recreation Fund	63
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Blackfoot Urban Renewal District	65
<b>Other Supplemental Information:</b>	
Combining Balance Sheet - Non-major Governmental Funds	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds	70
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Airport Fund	72
Schedule of Revenue, Expenditures, and Changes in Fund Balances Budget and Actual – Cemetery Fund	73
Schedule of Revenue, Expenditures, and Changes in Fund Balances Budget and Actual – Library Fund	74
Schedule of Revenue, Expenditures, and Changes in Fund Balances Budget and Actual – Capital Improvements Fund	75
Schedule of Revenue, Expenditures, and Changes in Fund Balances Budget and Actual – Health Care Reserve Fund	76

CITY OF BLACKFOOT  
AUDITED FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2022  
TABLE OF CONTENTS – (CONTINUED)

Page  
Number

**SINGLE AUDIT SECTION:**

Report on Compliance for Each Major Program and Internal Control over Compliance	78
Schedule of Expenditures of Federal Awards	80
Schedule of Findings and Questioned Costs	81

# Morgan J Hatt CPA PC

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

### Independent Auditor's Report

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

##### ***Opinions***

I have audited the accompanying financial statements of the governmental activities, the business-type activities, The fiduciary activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Blackfoot, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the fiduciary activities, the aggregate 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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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***

My objective is 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- 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 my 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.

I am 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 I identified during the audit.

***Required Supplementary Information***

The City has omitted the Management's Discussion and Analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinions on the basic financial statements are not affected by this missing information.

Honorable Mayor and Members of the  
City Council  
City of Blackfoot, Idaho  
Page 3

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Net Pension Liability & Employer's Contributions – PERSI base plan, and major fund budgetary comparison information 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements 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. 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 my opinion, the combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 2, 2023, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of my 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 City's internal control over financial reporting and compliance.

*Morgan J Hatt CPA PC*

Pocatello, Idaho  
February 2, 2023



# Morgan J Hatt CPA PC

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

### 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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the fiduciary activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Blackfoot, Idaho (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated February 2, 2023.

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

In planning and performing my audit of the financial statements, I 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Honorable Mayor and Members of the  
City Council  
City of Blackfoot, Idaho  
Page 3

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

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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.

*Morgan J Hatt CPA PC*

Pocatello, Idaho  
February 2, 2023

## CITY OF BLACKFOOT, IDAHO

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit: Blackfoot Urban Renewal Agency
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and investments	\$6,836,739	\$14,746,492	\$21,583,231	\$2,796,181
Property taxes receivable	146,897		146,897	12,064
Other receivables	644,327	1,524,700	2,169,027	
Utility accounts receivable, net		705,142	705,142	
Golf inventory	52,443		52,443	
Non-current Assets:			0	
Operating lease right of use asset, net	381,598		381,598	
Land	1,251,390	648,105	1,899,495	
Capital assets, net	16,431,247	36,685,162	53,116,409	
Restricted cash		258,256	258,256	182,362
<b>Total Assets:</b>	<b>25,744,641</b>	<b>54,567,857</b>	<b>80,312,498</b>	<b>2,990,607</b>
<b>DEFERRED OUTFLOWS:</b>				
Deferred PERSI outflow of resources	2,000,107	334,648	2,334,755	0
<b>LIABILITIES:</b>				
<b>Current liabilities:</b>				
Accounts payable	503,292	262,025	765,317	2,293
Accrued leave	439,439	75,981	515,420	
Accrued interest		264,657	264,657	
Customer deposits		90,962	90,962	
Operating lease payable due within one year	127,563		127,563	
Finance lease payable due within one year	40,126		40,126	
DEQ loan DW 1001		195,533	195,533	
DEQ loan WW 1501		168,063	168,063	
2006 Revenue bonds due within one year			0	85,000
2021 Revenue bonds due within one year			0	168,513
Non-current liabilities:			0	
Operating Lease payable due beyond one year	259,410		259,410	
Finance lease payable due beyond one year	41,363		41,363	
DEQ loan DW 1001		1,920,920	1,920,920	
DEQ Loan WW 1501		3,153,394	3,153,394	
DEQ Loan WW 1703		14,541,062	14,541,062	
2006 Revenue bonds due beyond one year			0	305,000
2021 Revenue bonds due beyond one year			0	1,293,697
City's share of unfunded PERSI	3,819,678	639,090	4,458,768	
<b>Total Liabilities:</b>	<b>5,230,871</b>	<b>21,311,687</b>	<b>26,542,558</b>	<b>1,854,503</b>
<b>DEFERRED OUTFLOWS:</b>				
Deferred PERSI inflow of resources	103,725	17,353	121,078	0
<b>NET POSITION:</b>				
Net investment in capital assets	17,595,773	17,354,295	34,950,068	
Restricted - for debt service		258,256	258,256	182,362
Unrestricted	4,814,379	15,960,914	20,775,293	953,742
<b>Total Net Position:</b>	<b>\$22,410,152</b>	<b>\$33,573,465</b>	<b>\$55,983,617</b>	<b>\$1,136,104</b>

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2022

	Expenses	Program Revenues	
		Charges for Services	Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$2,318,729	\$624,172	
Public safety	7,741,934	2,833,529	\$471,798
Parks and recreation	610,445	803,470	21,500
Library	428,482	246,818	1,585
Highways and streets	1,614,162	122,971	17,306
Cemetery	270,910	71,200	
Airport	469,420	145,316	249,936
Interest on long-term debt	23,871		
Total Governmental Activities:	<u>13,477,953</u>	<u>4,847,476</u>	<u>762,125</u>
Business-type Activities:			
Water	1,614,037	2,161,625	
Sewer	4,439,353	4,298,728	3,126,440
Sanitation	1,546,816	1,515,961	
Interest on long-term debt	(241,495)		
Total Business-type Activities:	<u>7,358,711</u>	<u>7,976,314</u>	<u>3,126,440</u>
Total Primary Government:	<u>\$20,836,664</u>	<u>\$12,823,790</u>	<u>\$3,888,565</u>
Component Units:			
Interest on long-term debt	\$79,695		
Blackfoot Urban Renewal Agency	388,027	\$275	
	<u>\$467,722</u>	<u>\$275</u>	<u>\$0</u>

General Revenues:

Property taxes  
 County road and bridge  
 State of Idaho revenue sharing  
 State of Idaho liquor receipts  
 State highway user collections  
 Investment earnings  
 Sale of assets  
 Administration charges  
 Health deductible charges

Total General Revenues and Transfers:

Change in net position:

Net Position October 1, 2021:

Net Position September 30, 2022

The accompanying notes are an integral part of these statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit:
Governmental Activities	Business-type Activities	Total	Blackfoot Urban Renewal Agency
(\$1,694,557)		(\$1,694,557)	
(4,436,607)		(4,436,607)	
214,525		214,525	
(180,079)		(180,079)	
(1,473,885)		(1,473,885)	
(199,710)		(199,710)	
(74,168)		(74,168)	
(23,871)		(23,871)	
<u>(7,868,352)</u>		<u>(7,868,352)</u>	
	\$547,588	547,588	
	2,985,815	2,985,815	
	(30,855)	(30,855)	
	(241,495)	(241,495)	
	<u>3,261,053</u>	<u>3,261,053</u>	
		<u>(4,607,299)</u>	
			(\$79,695)
			(387,752)
5,427,692		5,427,692	1,126,527
50,654		50,654	
1,368,795		1,368,795	
208,739		208,739	
866,498		866,498	
(141,078)		(141,078)	14,243
17,167		17,167	
719,976		719,976	
16,098	(16,098)	0	
<u>8,534,541</u>	<u>(16,098)</u>	<u>8,518,443</u>	<u>673,323</u>
666,189	3,244,955	3,911,144	673,323
<u>21,743,963</u>	<u>30,328,510</u>	<u>52,072,473</u>	<u>462,781</u>
<u>\$22,410,152</u>	<u>\$33,573,465</u>	<u>\$55,983,617</u>	<u>\$1,136,104</u>

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO

BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	General Fund	Street Fund	Ambulance Fund	Parks and Recreation Fund
<b>ASSETS:</b>				
Cash and investments	\$3,220,923	\$1,718,808	\$252,789	\$41,401
Receivables:				
Property taxes	111,314	14,343		5,911
State of Idaho	433,037	143,484		
Other	41,567	26,239		
Golf clubhouse inventory				52,443
Restricted Cash				
<b>Total Assets:</b>	<u>\$3,806,841</u>	<u>\$1,902,874</u>	<u>\$252,789</u>	<u>\$99,755</u>
<b>LIABILITIES:</b>				
Accounts payable	\$311,369	\$45,353	\$22,244	\$94,614
<b>Total Liabilities:</b>	<u>311,369</u>	<u>45,353</u>	<u>22,244</u>	<u>94,614</u>
<b>DEFERRED INFLOW OF RECOURCES:</b>				
Unavailable revenue - Property taxes	91,407	12,416		5,141
<b>FUND BALANCE:</b>				
Restricted for debt service				
Assigned - Capital improvements		600,000		
Assigned - Golf fee increase reserve				
Unassigned	3,404,065	1,245,105	230,545	
<b>Total Fund Balance:</b>	<u>3,404,065</u>	<u>1,845,105</u>	<u>230,545</u>	<u>0</u>
<b>Total Liabilities, Deferred Resources, &amp; Fund Balance</b>	<u>\$3,806,841</u>	<u>\$1,902,874</u>	<u>\$252,789</u>	<u>\$99,755</u>

The accompanying notes are an integral part of these statements.

Other Governmental Funds	Total Primary Governmental	Blackfoot Urban Renewal Agency
<u>\$1,602,818</u>	<u>\$6,836,739</u>	<u>\$2,796,181</u>
15,329	146,897	12,064
	576,521	
	67,806	
	52,443	
	0	182,362
<u>\$1,618,147</u>	<u>\$7,680,406</u>	<u>\$2,990,607</u>
<u>\$29,712</u>	<u>\$503,292</u>	<u>\$2,293</u>
<u>29,712</u>	<u>503,292</u>	<u>2,293</u>
<u>13,290</u>	<u>122,254</u>	<u>8,865</u>
		182,362
7,735	607,735	
	0	
<u>1,567,410</u>	<u>6,447,125</u>	<u>2,797,087</u>
<u>1,575,145</u>	<u>7,054,860</u>	<u>2,979,449</u>
<u>\$1,618,147</u>	<u>\$7,680,406</u>	<u>\$2,990,607</u>

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Total Primary Government	Blackfoot Urban Renewal Agency
Total Fund Balance:	<u>\$7,054,860</u>	<u>\$2,979,449</u>
Total net assets reported on the Statement of Net Position is different from the fund balance reported on the Balance Sheet because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
Cost of operating lease right of use asset:	646,931	
Operating lease right of use asset amortization to date:	(265,333)	
Cost of capital assets:	47,262,025	
Depreciation expense to date:	(29,579,388)	
Some of the City's property taxes will be collected after year-end and are not available to pay current period expenditures. They are reported as deferred revenue in the governmental funds.	122,254	8,865
Deferred amounts are not current financial resources/uses. Therefore, they are not reported in the governmental funds.		
Deferred PERSI outflows:	2,000,107	
Deferred PERSI inflows:	(103,725)	
Long-term liabilities are not due and payable in the current period. Therefore, they are not reported as liabilities in the governmental funds.		
Accrued leave:	(439,439)	
Operating lease payments payable:	(386,973)	
Finance leases payable:	(81,489)	
2006 Revenue bonds payable:		(390,000)
2021 Revenue bonds payable:		(1,462,210)
City's share of unfunded PERSI :	(3,819,678)	
Net Position:	<u><u>\$22,410,152</u></u>	<u><u>\$1,136,104</u></u>

The accompanying notes are an integral part of these statements.



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CITY OF BLACKFOOT, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Street Fund	Ambulance Fund	Parks and Recreation Fund
REVENUE:				
Property taxes	\$4,080,501	\$531,892		\$227,174
Franchise taxes	107,419	120,090		
Licenses and fees	459,241		\$822,886	791,373
Fines and forfeitures	62,711			
State of Idaho	1,577,534	866,498		
County shared		50,654	749,312	21,500
Blackfoot - Snake River Fire District	883,805			
Blackfoot Rural Library District				
School District Resource Officer	275,853			
Grants and contributions	179,798	17,306	292,000	
Interest	(148,375)	2,910		1,252
Administrative charges	894,276			
Miscellaneous	108,646	2,881	4,995	12,097
Total Revenue:	8,481,409	1,592,231	1,869,193	1,053,396
EXPENDITURES:				
Current Operating:				
General government	2,226,757			
Public safety	5,800,216		1,748,964	
Parks and recreation				1,258,079
Library				
Highways and streets		1,064,142		
Airport				
Capital Outlay				
Debt service - principal				
Debt service - interest				
Total Expenditures:	8,026,973	1,064,142	1,748,964	1,258,079
EXCESS REVENUE (EXPENDITURES):	454,436	528,089	120,229	(204,683)
OTHER FINANCING SOURCES (USES):				
2021 Revenue bonds				
Operating transfers (to) from other funds	(130,414)	0	0	130,414
NET CHANGE IN FUND BALANCES:	324,022	528,089	120,229	(74,269)
FUND BALANCE - BEGINNING:	3,080,043	1,317,016	110,316	74,269
FUND BALANCE - ENDING:	\$3,404,065	\$1,845,105	\$230,545	\$0

The accompanying notes are an integral part of these statements.

Other Governmental Funds	Total Primary Government	Blackfoot Urban Renewal Agency
\$588,125	\$5,427,692	\$1,123,897
	227,509	
284,594	2,358,094	
	62,711	
	2,444,032	
	821,466	
	883,805	
236,510	236,510	
	275,853	
251,521	740,625	
3,135	(141,078)	14,243
	894,276	
7,530	136,149	275
<u>1,371,415</u>	<u>14,367,644</u>	<u>1,138,415</u>
373,160	2,599,917	15,927
	7,549,180	
	1,258,079	
492,429	492,429	
	1,064,142	
287,038	287,038	
43,996	43,996	372,101
		243,828
		79,694
<u>1,196,623</u>	<u>13,294,781</u>	<u>711,550</u>
174,792	1,072,863	426,865
<u>0</u>	<u>0</u>	<u>0</u>
174,792	1,072,863	426,865
<u>1,400,353</u>	<u>5,981,997</u>	<u>2,552,584</u>
<u>\$1,575,145</u>	<u>\$7,054,860</u>	<u>\$2,979,449</u>

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO

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

	Total Primary Government	Blackfoot Urban Renewal Agency
Net Change in Fund Balance -Total Governmental Funds:	<u>\$1,072,863</u>	<u>\$426,865</u>
Because some property taxes will not be collected for several months after the City's year-end, they are not considered current resources in the governmental funds. They are, however, considered as revenue in the Statement of Activities. This amount is the current year change in deferred taxes:	3,161	2,630
Governmental funds report capital outlays as current year expenditures. In the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
This is the amount of current capital outlay for new equipment:	1,180,281	
This is the amount of current year depreciation:	(1,210,677)	
Long-term liabilities are not recorded in governmental funds.		
This is the amount of finance lease payments:	38,803	
This is the amount of new operating leases net of payments:	(5,683)	
This is the amount of the 2006 Revenue Bond principal payment:		80,000
This is the amount of the 2021 Revenue Bond principal payment:		163,828
Liability for personal leave days are not recorded in governmental funds.		
This is the (increase) decrease in leave during the year:	78,650	
Revenues and expenses that do not require the use of current financial resources are not reported in the governmental funds. This is the current net PERSI revenue/(expense):	(491,209)	
Change in Net Position:	<u><u>\$666,189</u></u>	<u><u>\$673,323</u></u>

The accompanying notes are an integral part of these statements.

## CITY OF BLACKFOOT, IDAHO

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

SEPTEMBER 30, 2022

	Water Fund	Sewer Fund	Sanitation Fund	Totals (Memorandum Only)
<b>ASSETS:</b>				
Current Assets:				
Cash and investments	\$6,641,891	\$6,553,068	\$1,551,533	\$14,746,492
Utility accounts receivable	219,086	339,342	146,714	705,142
Grants receivable		1,524,700		1,524,700
Non-current Assets:				
Land	234,569	413,536		648,105
Property and equipment - net of depreciation	5,337,746	30,946,134	401,282	36,685,162
Restricted Cash		258,256		258,256
Total Assets:	<u>12,433,292</u>	<u>40,035,036</u>	<u>2,099,529</u>	<u>54,567,857</u>
<b>DEFERRED OUTFLOWS:</b>				
Deferred PERSI outflow of resources	<u>94,240</u>	<u>155,927</u>	<u>84,481</u>	<u>334,648</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accrued leave	30,238	39,677	6,066	75,981
Accounts payable	69,408	141,731	50,886	262,025
Accrued interest	2,435	262,222		264,657
Customer deposits	90,962			90,962
DEQ loan DW 1001	195,533			195,533
DEQ loan WW 1501		168,063		168,063
Non-current liabilities:				
DEQ loan DW 1001	1,920,920			1,920,920
DEQ loan WW 1501		3,153,394		3,153,394
DEQ loan WW 1703		14,541,062		14,541,062
City's share of unfunded PERSI	179,973	297,781	161,336	639,090
Total Liabilities:	<u>2,489,469</u>	<u>18,603,930</u>	<u>218,288</u>	<u>21,311,687</u>
<b>DEFERRED INFLOWS:</b>				
Deferred PERSI inflow of resources	<u>4,887</u>	<u>8,086</u>	<u>4,380</u>	<u>17,353</u>
<b>NET POSITION:</b>				
Net investment in capital assets	3,455,862	13,497,151	401,282	17,354,295
Restricted - for debt service		258,256		258,256
Assigned - Capital improvements	2,097,965	1,197,225	500,000	3,795,190
Unrestricted	4,479,349	6,626,315	1,060,060	12,165,724
Total Net Position:	<u>\$10,033,176</u>	<u>\$21,578,947</u>	<u>\$1,961,342</u>	<u>\$33,573,465</u>

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	Water Fund	Sewer Fund	Sanitation Fund	Totals (Memorandum Only)
OPERATING REVENUE:				
Service fees	\$2,031,049	\$4,071,871	\$1,515,915	\$7,618,835
Other	130,576	226,857	46	357,479
Total Revenue:	<u>2,161,625</u>	<u>4,298,728</u>	<u>1,515,961</u>	<u>7,976,314</u>
OPERATING EXPENSES:				
Salaries	310,597	507,048	292,735	1,110,380
Benefits	267,299	520,332	285,062	1,072,693
Clothing	3,350	6,206	4,031	13,587
Travel and training	1,576	6,287		7,863
Office supplies	26,965	41,967	4,760	73,692
Maintenance	8,839	81,552	81,514	171,905
Utilities and telephone	172,919	164,080	6,710	343,709
Fuel	14,421	34,317	68,904	117,642
Professional services	120,511	155,377	976	276,864
Department supplies and other	168,542	132,955	7,886	309,383
Depreciation	239,214	1,666,994	78,961	1,985,169
Administrative services	140,076	466,464	113,436	719,976
Lab and DEQ fees	50,310	63,745		114,055
Lift stations		64,896		64,896
County services			563,836	563,836
Constructional materials	46,318	535,311	42,114	623,743
Total Expenses:	<u>1,570,937</u>	<u>4,447,531</u>	<u>1,550,925</u>	<u>7,569,393</u>
OPERATING INCOME (LOSS):	590,688	(148,803)	(34,964)	406,921
NON-OPERATING REVENUES (EXPENSES):				
Federal and State grants	(46,911)	3,126,440		3,079,529
Debt service-interest	(39,341)	(202,154)		(241,495)
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS:	504,436	2,775,483	(34,964)	3,244,955
Transfers (to) from other funds	0	0	0	0
CHANGE IN NET POSITION:	504,436	2,775,483	(34,964)	3,244,955
NET POSITION - BEGINNING:	<u>9,528,740</u>	<u>18,803,464</u>	<u>1,996,306</u>	<u>30,328,510</u>
NET POSITION - ENDING:	<u>\$10,033,176</u>	<u>\$21,578,947</u>	<u>\$1,961,342</u>	<u>\$33,573,465</u>

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	Water Fund	Sewer Fund	Sanitation Fund	Totals (Memorandum Only)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from City patrons	\$2,004,788	\$4,059,029	\$1,492,888	\$7,556,705
Payments to suppliers	(920,209)	(2,229,924)	(1,006,171)	(4,156,304)
Payments to employees	(316,783)	(521,883)	(309,716)	(1,148,382)
City administrative charges	(140,076)	(466,464)	(113,436)	(719,976)
Net Cash Provided by Operating Activities:	<u>627,720</u>	<u>840,758</u>	<u>63,565</u>	<u>1,532,043</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of fixed assets	(392,198)	(1,814,434)	(282,650)	(2,489,282)
Rebates and insurance claims	130,576	226,857	46	
Increase (decrease) in accrued interest	(111)			
Grants		1,982,915		1,982,915
DEQ loan DW 1001 payments	(231,608)			(231,608)
DEQ loan WW 1501 payments		(258,256)		(258,256)
DEQ loan WW 1703 advances		697,269		697,269
Restricted cash				0
Net Cash Applied to Financing Activities:	<u>(493,341)</u>	<u>834,351</u>	<u>(282,604)</u>	<u>(298,962)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest earned on investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>134,379</b>	<b>1,675,109</b>	<b>(219,039)</b>	<b>1,590,449</b>
<b>CASH AT BEGINNING OF YEAR:</b>	<u><b>6,507,512</b></u>	<u><b>4,877,959</b></u>	<u><b>1,770,572</b></u>	<u><b>13,156,043</b></u>
<b>CASH AT END OF YEAR:</b>	<u><u><b>\$6,641,891</b></u></u>	<u><u><b>\$6,553,068</b></u></u>	<u><u><b>\$1,551,533</b></u></u>	<u><u><b>\$14,746,492</b></u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET INCOME:</b>				
Net income (loss)	\$504,436	\$2,775,483	(\$34,964)	\$3,244,955
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:				
Depreciation	239,214	1,666,994	78,961	1,985,169
Net PERSI plan expense (revenue)	23,318	37,785	24,480	85,583
Rebates and insurance claims	(130,576)	(226,857)	(46)	(357,479)
Investment income				0
Debt service interest	39,340	202,154		241,494
Grants		(3,126,440)		(3,126,440)
Transfers				0
(Increase) decrease in accounts receivable	(24,389)	(11,076)	(21,789)	(57,254)
Increase (decrease) in accounts payable	(23,623)	(477,285)	16,923	(483,985)
Net Cash Provided by Operating Activities:	<u><u><b>\$627,720</b></u></u>	<u><u><b>\$840,758</b></u></u>	<u><u><b>\$63,565</b></u></u>	<u><u><b>\$1,532,043</b></u></u>

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO  
STATEMENT OF FIDUCIARY NET POSITION  
AT JUNE 30, 2022

ASSETS:	Private Purpose Trust Funds <u>Scholarship</u>	Agency Fund <u>Accounts</u>	<u>Total</u>
Cash and equivalents	\$25,992	\$19,096	\$45,088
 LIABILITIES			
Accounts payable - vendors		\$671	\$671
Due to the Blackfoot Youth Committee		6,364	6,364
Due to other		3,088	3,088
Due to Music in the Park		300	300
Due to the Round Up Program		109	109
Due from Ladie's Golf Association		1,960	1,960
Due from Mens' Golf Association		6,275	6,275
Due to Animal Shelter Vaccinations		50	50
Due from Animal Shelter Utilities		156	156
Due to Trunk or Treat		123	123
Total Liabilities:	\$0	19,096	19,096
 NET POSITION:			
Restricted for scholarships	25,992		25,992
Total Liabilities and Net Position:	\$25,992	\$19,096	\$45,088

The accompanying notes are an integral part of these statements.



CITY OF BLACKFOOT, IDAHO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 YEAR ENDED SEPTEMBER 30, 2022

	Private Purpose Trust Funds <u>Scholarship</u>
ADDITIONS:	
Contributions	\$25,925
Investment income	0
Total Additions:	<u>25,925</u>
DEDUCTIONS:	
Miscellaneous	324
Scholarships	19,000
Total Deductions:	<u>19,324</u>
CHANGE IN NET POSITION	6,601
NET POSITION - BEGINNING	<u>19,391</u>
NET POSITION - ENDING	<u><u>\$25,992</u></u>

The Accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Blackfoot, Idaho (the “City”) was incorporated on January 16, 1901, under the provision of the State of Idaho. The City operates under a Council-Mayor form of government.

The financial statements of the City of Blackfoot have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The more significant of the City of Blackfoot’s accounting policies are described below.

**A. FINANCIAL REPORTING ENTITY**

For financial reporting purposes, management has considered potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The basic criterion for including a potential component unit within the reporting entity is the governing body's responsibility for financial accountability. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of an organization’s governing board and is either able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

**Discretely Presented Component Unit**

The Blackfoot Urban Renewal District was organized to make improvements to infrastructure in specific areas of the City. It derives its revenues from the incremental tax increases that all taxing districts forfeit from increase in value of the land and improvements in new construction areas.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**B. BASIS OF ACCOUNTING/MEASUREMENT FOCUS**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government-wide Financial Statements**

The Statement of Net Position and the Statement of Changes in Net Position display information about the City. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities are included in the accompanying Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized when the liability is incurred. Property taxes are recognized as revenue in the year for which they are levied. Program service revenues include charges for services, as well as operating contracts with other units of government, such as the Snake River Fire District, the Rural Library District, and the County Ambulance.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to inter-fund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses for non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. The principal operating revenues of the Water, Sewer, and Sanitation Funds are charges to City residents.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**B. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (CONTINUED)**

Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, the City’s policy is to use restricted resources first and then unrestricted resources, as they are needed.

**Governmental Fund Financial Statements**

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund equity as presented in these statements to the net position presented in the Government-wide Financial Statements.

Governmental funds are accounted for on a spending or “current financial resources” measurement focus and on the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases and decreases in net current assets. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available as net current assets. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenue sources susceptible to accrual include property taxes and inter-governmental revenues. Expenditures are recognized when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid vacation, sick days, and other employee amounts which are not accrued.

**Proprietary Fund Financial Statements**

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties or other departments or agencies within the City.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**B. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (CONTINUED)**

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities are included on the Statement of Net Position. Revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The City’s fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City reports the following major governmental funds:

The **General Fund** is the City’s primary operating fund. It accounts for all financial activities of the City except those required to be accounted for in another fund.

The **Street Fund** is used to account for the operation of the Street Department. Funding is provided by local property taxes and the City’s share of State highway taxes.

The **Ambulance Fund** is used to account for the activities of the City’s paramedics. Funding is provided through user charges and cost sharing with Bingham County.

The **Parks and Recreation Fund** include the City’s golf course and City parks. Funding is provided by local property taxes and user charges.

The City reports the following major proprietary funds:

The **Water Fund** accounts for the City’s water production and distribution.

The **Sewer Fund** accounts for the City’s sewer system operation.

The **Sanitation Fund** accounts for the City’s refuse collection and disposal.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**C. BUDGETING**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, and debt service funds. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital project funds.

In July and August of each year, the various department heads submit their budget requests to the Mayor and Council. Budget meetings are then held to determine what funds will be available for expenditure in the new fiscal year. The budget requests are reduced to match the available revenue and a proposed budget is approved by the Mayor and Council.

The proposed budget is published in the local paper and taxpayers are invited to attend a public hearing to express their views concerning the proposed budget. After this public meeting, the budget is approved and is legally enacted through the passage of an ordinance.

**D. ENCUMBRANCES**

Encumbrances are not liabilities and they are not recorded as expenditures until receipt of material or services. For budgetary purposes, appropriations lapse at year-end and are re-budgeted the following year. The City does not reserve fund balance for outstanding encumbrances at year-end.

**E. CASH AND INVESTMENTS**

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**E. CASH AND INVESTMENTS – (CONTINUED)**

The City’s policy is to comply with Idaho State Statutes. Under Idaho Code Section 67-1210, the City is authorized to invest surplus or idle monies in investments subject to the following standards, guidelines and restrictions:

- a. City monies shall not be made in any depository of a financial institution in an amount which exceeds 10% of said entity’s capital and surplus. Any investment to be made above Federal Deposit Insurance requires the depository to have a current “Moody’s Bank Credit Report Service” rating of “A” or better.
- b. No demand deposits or investment in time deposits or certificates of deposit shall be made in financial institutions insured in whole or in part by the Federal Savings and Loan Insurance Corporation or in any State or Federal credit unions’ insurance programs in an amount in excess of the insurance available.

Investments allowable under “Idaho Code Section 67-1210 are:

- a. 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.
- b. General obligation or revenue bonds of this State or those for which the faith and credit of this State are pledged for the payment of principal and interest.
- c. General obligation or revenue bonds of any county, city, metropolitan water district, municipal utility district, school district, or other taxing district of this State.
- d. Notes, bonds, debentures, or other similar obligations issued by the Farm Credit System or institutions forming a part thereof under the Farm Credit Act of 1971.
- e. 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 and Finance Association, and the Idaho Water Resource Board.
- f. Repurchase agreements covered by any legal investment for the State of Idaho.
- g. Tax anticipation notes and registered warrants of the State of Idaho.
- h. Tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the State of Idaho.
- i. Time deposit accounts and savings accounts in state depositories 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 transactions accounts.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**E. CASH AND INVESTMENTS – (CONTINUED)**

- j. Time deposit accounts and savings accounts of Federal savings and loan associations located within the geographical boundaries of the State in amounts not to exceed the insurance provided by the Federal Deposit Insurance 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.
- k. Revenue bonds of institutions of higher education of the State of Idaho.
- l. Share, savings, and deposit accounts of State and Federal credit unions located within the geographical boundaries of the State in amounts not to exceed the insurance provided by the National Credit Union Share Insurance Fund and/or any other authorized deposit 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.
- m. Money market funds whose portfolios consist of any allowed investment as specified in this section. The securities held in money market portfolios must be dollar-denominated, meaning that all principal and interest payments on such a security are payable to security holders in United States dollars.

The City pools idle cash from all funds for purpose of increasing income through investment activities. As of September 30, 2022, the City's investments consisted of \$2,672,712 (21%) in the State of Idaho Local Government Diversified Bond fund (DBF), \$7,028,329 (55%) in the State of Idaho Local Government Investment Pool (LGIP), and \$3,166,141 (24%) in Moreton Asset Management.

*Fair Value of Investments*

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

*Level 1-* Valuations based on quoted prices in active markets for identical assets or liabilities. Since valuations are based upon quoted prices that are readily and regularly available, the valuation of these securities does not entail any significant degree of judgement. Securities classified as Level 1 includes U.S Government securities and other U.S. Agency and sovereign government obligations.



CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**E. CASH AND INVESTMENTS – (CONTINUED)**

*Level 2-* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 includes corporate and municipal bonds, and “brokered” or securitized certificates of deposit.

*Level 3-* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At September 30, 2022, 100% of DBF and LGIP investments are level 2 valuations. Moreton Asset Management had the following recurring fair value measurements:

Security Type	Level 1	Level 2	Level 3	Other	Total
Agency	\$98,033				\$98,033
CD		\$2,435,074			2,435,074
Corporate		490,550			490,550
Currency	155				155
MM					
Fund	26,101				26,101
US Govt	98,844				98,844
	<u>\$223,133</u>	<u>\$2,925,624</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,148,757</u>

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of September 30, 2022, Moreton Asset Management investments had the following maturities:

Security Type	Market Value + Accrued				Total
	0 to 1 Yr.	1 to 3 Yrs.	3 to 5 Yrs	Other	
Agency		\$98,932			\$98,932
CD		2,448,929			2,448,929
Corporate	\$492,716				492,716
Currency					0
MM					
Fund	26,101				26,101
Cash		156			156
US Govt	99,307				99,307
	<u>\$618,124</u>	<u>\$2,548,017</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,166,141</u>

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**E. CASH AND INVESTMENTS – (CONTINUED)**

*Credit Risk*

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing its exposure to credit risk is to comply with the previously noted State Statute guidelines as of September 30, 2022, Moreton Asset Management investments had the following credit ratings:

<u>Rating</u>	<u>Mkt value</u>	<u>Mkt Value + Accrued</u>
AAA	\$224,495	\$226,834
AA		
AA-	572,500	596,869
A+	1,048,690	1,074,345
A		
A-	545,047	559,983
BBB+		
BBB-	180,819	200,236
NA	594,590	615,934
	<u>\$3,166,141</u>	<u>\$3,274,201</u>

*Concentration of Credit Risk*

Concentration of credit risk occurs when investments are concentrated in one issuer. The City has no investment policy limiting the amount it may invest in any one issuer. However, note that the DBF, the LGIP, and Moreton Asset Management are all diversified investment funds which are investing the City’s money numerous individual securities. This greatly reduces the City’s concentration of credit risk.

**F. INVENTORY**

Inventory consists of golf clubhouse merchandise and apparel purchased for resale. Inventory is valued at cost on a first in/first out basis.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**G. CAPITAL ASSETS**

Capital assets, which include property; plant; equipment; and infrastructure (roadways), are defined by the City as any asset with an individual cost of more than \$15,000 and an estimated useful life of at least one year. The City's assets are capitalized at historical cost or estimated historical cost. Gifts or contributions of assets are recorded at fair market value when received. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets as follows: Buildings: 20-40 years, Equipment: 5-10 years, and Infrastructure: 40 years.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, which requires the inclusion of infrastructure in local government's basic financial statements. Infrastructure includes the streets, the water purification and distribution system, the sewer collection and treatment system, and all land and buildings used by the City.

The City has elected to use the basic approach as defined by Statement No. 34 for asset reporting. Historical cost records do not exist for all of the City's assets dating back to 1901. For those assets where actual costs records could not be located, the City estimated costs using standard unit costs appropriate for acquisition date. Accumulated depreciation was computed based on the life of the assets. Book value is computed by deducting the accumulated depreciation from the original cost.

**H. ACCUMULATED COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate unused vacation and sick leave, some of which will be paid to employees upon their separation from service. This amount is included as a liability in the government-wide statements and on the proprietary fund statements.

**I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so it will not be recognized as an outflow of resources (expenditure) until then. The City does have items that qualify for reporting in this category. They are the deferred outflows of resources related to the PERSI pension base plan.

## CITY OF BLACKFOOT

### NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of these items, which arises under the government-wide accrual basis of accounting that qualifies for reporting in this category and one item, which arises only under a modified accrual basis of accounting. Accordingly, the item, “unavailable revenue”, is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The other item (reported in the government-wide statements) is an amount related to the pension base plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **K. FUND EQUITY**

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Non-spendable fund balances are required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action of the City Council. Assigned portions represent amounts set aside for specific purposes. Remaining fund balances are reported as unassigned.

When both restricted and unrestricted fund balances are available for use, it is the City’s policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those restricted fund balance classifications can be used.

#### **L. FUND BALANCE FLOW ASSUMPTIONS**

Sometimes, the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements; a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## CITY OF BLACKFOOT

### NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

#### **M. NET POSITION FLOW ASSUMPTIONS**

Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations, or other governments.

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

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

#### **2. PROPERTY TAX**

The City's property taxes, levied by the second Monday of September on assessed valuation as of June 30, are payable in two equal installments for real property due December 20, and June 20. Personal taxes are payable on December 20. Assessed valuations are established by the County Assessor's office except for utility property which is established by the State and is currently at 100% of market value. Delinquent payments bear simple interest of 1% per month plus a 2% penalty. Due to the small amount of taxes not collected no adjustment is made for delinquent taxes. Uncollected property taxes are recorded as receivable at year-end, with deferred revenue representing that portion which will not be collected within 60 days after year-end.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**3. RECEIVABLES**

The following is a detail of accounts receivable:

	General Fund	Street Fund	Total
State of Idaho:			
Revenue sharing	\$391,142		\$391,142
State liquor tax	41,895		41,895
Highway user tax		\$143,484	143,484
	<u>433,037</u>	<u>143,484</u>	<u>576,521</u>
Other receivables:			
Grants	24,784		24,784
Franchise fees		26,239	26,239
Accrued interest on investments	16,783		16,783
	<u>41,567</u>	<u>26,239</u>	<u>67,806</u>
Total Receivables	<u>\$474,604</u>	<u>\$169,723</u>	<u>\$644,327</u>

**4. CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. The City has maintained a record of fixed assets since 1993. During fiscal year 2000, the infrastructure assets were added to the equipment inventory records. Original estimated costs were developed in one of three ways: 1) Actual historical cost records; 2) Estimated historical costs where actual cost records were not available; and 3) for streets, curbs, and gutters; the City used present construction cost indexed by inflation factors provided by the Idaho Department of Transportation. Accumulated depreciation was computed on a straight- line basis using appropriate life expectancies.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

4. CAPITAL ASSETS – (CONTINUED)

Capital assets of the City for the year ended September 30, 2022 are as follows:

	Assets			Accumulated Depreciation		
	Balance 10/1/2021	Change	Balance 9/30/2022	Balance 10/1/2021	Change	Balance 9/30/2022
Governmental Activities:						
Land	\$1,251,390		\$1,251,390			
Buildings	10,053,237	\$910,277	10,963,514	\$6,770,458	\$313,965	\$7,084,423
Infrastructure	27,720,861	18,677	27,739,538	16,036,929	602,539	16,639,468
Vehicles & Rolling Stock	4,556,149	120,060	4,676,209	4,002,437	62,665	4,065,102
Furniture & Equipment	2,595,185	36,189	2,631,374	1,653,965	136,430	1,790,395
	<u>\$46,176,822</u>	<u>\$862,506</u>	<u>\$47,262,025</u>	<u>\$28,463,789</u>	<u>\$1,115,599</u>	<u>\$29,579,388</u>
Business-type Activities						
Land	\$648,105		\$648,105			
Distributions System	53,833,238	\$2,495,238	56,328,476	\$19,279,551	\$1,741,305	\$21,020,856
Vehicles & Rolling Stock	3,129,341	(78,906)	3,050,435	2,552,898	(204,820)	2,348,078
Furniture & Equipment	1,745,596	39,062	1,784,658	1,022,345	87,128	1,109,473
	<u>\$59,356,280</u>	<u>\$2,455,394</u>	<u>\$61,811,674</u>	<u>\$22,854,794</u>	<u>\$1,623,613</u>	<u>\$24,478,407</u>

For the fiscal year ended September 30, 2022, depreciation expense on capital assets was charged to the governmental functions in the City-wide statements as follows:

General	
Government	\$36,773
Public Safety	156,400
Street	647,967
Cemetery	3,867
Airport	191,651
Library	10,539
Parks	163,480
	<u>\$1,210,677</u>

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**5. ACCOUNTS PAYABLE**

Accounts payable consists of the following:

	General Fund	Street Fund	Ambulance Fund	Parks and Recreation Fund	Other Non-major Funds	Total
Vendors payable	\$115,681	\$40,026	\$11,401	\$51,457	\$24,320	\$242,885
Wages payable	77,032	5,327	10,843	11,259	5,392	109,853
Prepaid employee tax & benefits	97,982					97,982
Customer deposits	20,674					20,674
Golf tournament credits				31,898		31,898
	<u>\$311,369</u>	<u>\$45,353</u>	<u>\$22,244</u>	<u>\$94,614</u>	<u>\$29,712</u>	<u>\$503,292</u>
	Water Fund	Sewer Fund	Sanitation Fund	Total		
Vendors payable	\$62,925	\$133,257	\$45,640	\$241,822		
Wages payable	6,483	8,474	5,246	20,203		
	<u>\$69,408</u>	<u>\$141,731</u>	<u>\$50,886</u>	<u>\$262,025</u>		

**6. FINANCE LEASE**

During 2019, the City entered into a lease agreement with Zion’s Bank to finance a Fire Truck. It is being repaid over 6 years with interest at 3.38%. As of September 30, 2022, the annual requirements to amortize the debt are as follows:

<u>Date</u>	<u>Payment Amount</u>	<u>3.38% Interest</u>	<u>Principal</u>	<u>Balance</u>
				\$81,489
Mar 2023	\$21,272	\$1,377	\$19,895	61,594
Sep 2023	21,272	1,041	20,231	41,363
Mar 2024	21,272	699	20,573	20,790
Sep 2024	21,272	482	20,790	0
	<u>\$85,088</u>	<u>\$3,599</u>	<u>\$81,489</u>	



CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

7. OPERATING LEASES

The City leases its police vehicles instead of purchasing them. At the end of the vehicle's 5-year lease term, the vehicle will be returned to the lessor. As of September 30, 2022, the City is leasing sixteen police vehicles. The annual lease obligation on those vehicles is as follows:

	Balance	Incurred	Satisfied	Balance	Annual Lease Debt obligations			
	<u>9/30/21</u>	<u>or issued</u>	<u>or matured</u>	<u>9/3/22</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
2020 police car operating leases:								
#1	\$24,166		(\$8,129)	\$16,037	\$8,227	\$7,810		
#2	23,282		(7,912)	15,370	8,007	7,363		
#3	23,281		(7,912)	15,369	8,007	7,362		
#4	23,056		(7,986)	15,070	8,083	6,987		
#5	23,093		(7,865)	15,228	7,960	7,268		
#6	23,093		(7,865)	15,228	7,960	7,268		
2021 police car operating leases:								
#7	33,878		(8,359)	25,519	8,461	8,563	\$8,495	
#8	33,878		(8,359)	25,519	8,461	8,563	8,495	
#9	33,878		(8,359)	25,519	8,461	8,563	8,495	
#10	33,878		(8,359)	25,519	8,461	8,563	8,495	
#11	33,878		(8,359)	25,519	8,461	8,563	8,495	
2022 police car operating leases:								
#12	0	\$40,826	(6,834)	33,992	7,444	8,109	8,832	\$9,607
#13	0	41,419	(7,009)	34,410	7,596	8,232	8,922	9,660
#14	0	41,313	(6,976)	34,337	7,568	8,209	8,906	9,654
#15	0	39,843	(7,058)	32,785	7,487	7,942	8,425	8,931
#16	0	37,914	(6,362)	31,552	6,923	7,532	8,194	8,903
	<u>\$309,361</u>	<u>\$201,315</u>	<u>(\$123,703)</u>	<u>\$386,973</u>	<u>\$127,567</u>	<u>\$126,897</u>	<u>\$85,754</u>	<u>\$46,755</u>

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**8. DEQ REVOLVING LOAN #WW 1501**

During 2018, the City completed a waste water facilities upgrade. The project was funded by a loan from the US Department of Environmental Quality Idaho Revolving Loan Fund. As of September 30, 2022, the annual requirements to amortize the debt including interest are as follows:

Sewer Revenue Bond Series 2018				
	<u>Payment</u>	2.75% <u>Interest</u>	<u>Principal</u>	<u>Balance</u>
				\$3,321,457
3/17/23	\$129,128	\$45,670	\$83,458	3,237,999
9/17/23	129,128	44,522	84,605	3,153,394
3/17/24	129,128	43,359	85,769	3,067,625
9/17/24	129,128	42,180	86,948	2,980,677
3/17/25	129,128	40,984	88,144	2,892,533
9/17/25	129,128	39,772	89,356	2,803,177
3/17/26	129,128	38,544	90,584	2,712,593
9/17/26	129,128	37,298	91,830	2,620,763
3/17/27	129,128	36,035	93,092	2,527,671
9/17/27	129,128	34,755	94,373	2,433,298
3/17/28	129,128	33,458	95,670	2,337,628
9/17/28	129,128	32,142	96,986	2,240,642
3/17/29	129,128	30,809	98,319	2,142,323
9/17/29	129,128	29,457	99,671	2,042,652
3/17/30	129,128	28,086	101,042	1,941,611
9/17/30	129,128	26,697	102,431	1,839,180
3/17/31	129,128	25,289	103,839	1,735,341
9/17/31	129,128	23,861	105,267	1,630,074
3/17/32	129,128	22,414	106,714	1,523,359
9/17/32	129,128	20,946	108,182	1,415,177
3/17/33	129,128	19,459	109,669	1,305,508
9/17/33	129,128	17,951	111,177	1,194,331
3/17/34	129,128	16,422	112,706	1,081,625
9/17/34	129,128	14,872	114,256	967,369
3/17/35	129,128	13,301	115,827	851,543
9/17/35	129,128	11,709	117,419	734,123
3/17/36	129,128	10,094	119,034	615,090
9/17/36	129,128	8,457	120,670	494,419
3/17/37	129,128	6,798	122,330	372,089
9/17/37	129,128	5,116	124,012	248,078
3/17/38	129,128	3,411	125,717	122,361
9/17/38	124,043	1,682	122,361	0

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**9. DEQ REVOLVING LOAN #DW 1001**

During 2012, the City completed a water facilities upgrade. The project was funded by a loan from the US Department of Environmental Quality Idaho Revolving Loan Fund. As of September 30, 2022, the annual requirements to amortize the debt including interest are as follows:

Water Bond Series 2015				
<u>Date</u>	<u>Payment Amount</u>	<u>1.75% Interest</u>	<u>Principal</u>	<u>Balance</u>
				\$2,116,453
3/11/23	\$115,860	\$18,518	\$97,342	2,019,111
9/11/23	115,860	17,667	98,193	1,920,919
3/11/24	115,860	16,808	99,052	1,821,867
9/11/24	115,860	15,941	99,919	1,721,948
3/11/25	115,860	15,067	100,793	1,621,156
9/11/25	115,860	14,185	101,675	1,519,481
3/11/26	115,860	13,295	102,565	1,416,916
9/11/26	115,860	12,398	103,462	1,313,454
3/11/27	115,860	11,493	104,367	1,209,088
9/11/27	115,860	10,580	105,280	1,103,808
3/11/28	115,860	9,658	106,202	997,606
9/11/28	115,860	8,729	107,131	890,476
3/11/29	115,860	7,792	108,068	782,408
9/11/29	115,860	6,846	109,014	673,394
3/11/30	115,860	5,892	109,968	563,427
9/11/30	115,860	4,930	110,930	452,497
3/11/31	115,860	3,959	111,901	340,596
9/11/31	115,860	2,980	112,880	227,717
3/11/32	115,860	1,993	113,867	113,850
9/11/32	114,846	996	113,850	0

**10. DEQ WASTE WATER LOAN # 1703.**

During fiscal year 2019, the City began drawing down on the DEQ Waste Water Loan #1703. As of September 30, 2022, the City had drawn down \$14,541,062.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**11. BLACKFOOT URBAN RENEWAL TAX INCREMENT BONDS**

During fiscal year 2021, BURA sold \$1,814,887 in tax increment bonds to fund construction costs associated with the Downtown Districts Projects. These bonds will be repaid from future property tax revenues. As of September 30, 2022, the annual requirements to amortize this debt including interest are as follows:

Series 2021 <u>Date</u>	Payment <u>Amount</u>	2.86% <u>Interest</u>	<u>Principal</u>	Total Debt <u>Service</u>
3/1/23		\$20,909.60		\$20,909.60
9/1/23	\$189,422.97	20,909.60	\$168,513.37	189,422.97
3/1/24		18,499.86		18,499.86
9/1/24	191,832.71	18,499.86	173,332.85	191,832.71
3/1/25		16,021.20		16,021.20
9/1/25	194,311.37	16,021.20	178,290.17	194,311.37
3/1/26		13,471.65		13,471.65
9/1/26	196,860.92	13,471.65	183,389.27	196,860.92
3/1/27		18,849.18		18,849.18
9/1/27	199,483.39	10,849.18	188,634.21	199,483.39
3/1/28		8,151.71		8,151.71
9/1/28	202,180.86	8,151.71	194,029.15	202,180.86
3/1/29		5,377.10		5,377.10
9/1/29	204,955.47	5,377.10	199,578.37	204,955.47
3/1/30		2,523.13		2,523.13
9/1/30	178,965.50	2,523.13	176,442.37	178,965.50
	<u>\$1,558,013.19</u>	<u>\$199,606.86</u>	<u>\$1,462,209.76</u>	<u>\$1,661,816.62</u>

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**12. BLACKFOOT URBAN RENEWAL TAX INCREMENT BONDS**

During fiscal year 2006, BURA sold \$1,100,000 in tax increment bonds to fund construction costs associated with the Riverview Technology Park. These bonds will be repaid from future property tax revenues. As of September 30, 2022, the annual requirements to amortize this debt including interest are as follows:

Series 2006 Date	Principal Amount	Interest Rate	Interest Amount	Total Debt Service
March 1, 2023	\$85,000.00	7.250%	\$14,137.50	\$99,137.50
September 1, 2023			11,056.25	11,056.25
March 1, 2024	95,000.00	7.250%	11,056.25	106,056.25
September 1, 2024			7,612.50	7,612.50
March 1, 2025	100,000.00	7.250%	7,612.50	107,612.50
September 1, 2025			3,987.50	3,987.50
March 1, 2026	110,000.00	7.250%	3,987.50	113,987.50
	<u>\$390,000.00</u>		<u>\$59,450.00</u>	<u>\$449,450.00</u>

**13. RESTRICTED CASH**

**BURA** - As per the terms of Tax Increment Bond Series 2021, BURA agreed to deposit \$181,489 in a separate account, to remain on deposit until the Bonds are paid off. As of September 30, 2022, BURA is in compliance with this bond requirements.

**CITY** - As per the terms of Sewer Revenue Bond Series 2018, identified in the financial statements as DEQ loan WW 1501, the City agreed to deposit in a separate account an amount equal to one-tenth of an annual payment every year until the reserve equals the annual payment. As of September 30, 2022, the City has segregated \$258,256 as restricted cash on d financial statements.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**14. LONG-TERM DEBT**

The following is a summary of the City’s long-term debt transactions for the year ended September 30, 2022:

	Balance 10/1/2021	Incurred or issued	Satisfied or matured	Balance 9/30/2022	Amounts Due within one year
Governmental Activities:					
Compensated absences	\$518,089		(\$78,650)	\$439,439	
Operating lease payable	309,361	\$201,315	(123,703)	386,973	
Finance lease contracts	120,292		(38,803)	81,489	\$40,126
City's share of unfunded PERSI	(62,343)	3,882,021		3,819,678	
	<u>\$885,399</u>	<u>\$4,083,336</u>	<u>(\$241,156)</u>	<u>\$4,727,579</u>	<u>\$40,126</u>
Business-type Activities:					
Compensated absences	\$77,753		(\$1,772)	\$75,981	
DEQ WWTP loan #1001	2,308,721		(192,268)	2,116,453	\$195,533
DEQ WWTP loan #1501	3,485,256		(163,799)	3,321,457	168,063
DEQ WWTP loan #1703	13,843,793	\$697,269		14,541,062	
City's share of unfunded PERSI	(20,569)	659,659		639,090	
	<u>\$19,694,954</u>	<u>\$1,356,928</u>	<u>(\$357,839)</u>	<u>\$20,694,043</u>	<u>\$363,596</u>
Blackfoot Urban Renewal District:					
2021 tax revenue bonds	\$1,626,038		(\$163,828)	\$1,462,210	\$168,513
2006 tax revenue bonds	470,000		(80,000)	390,000	85,000
	<u>\$2,096,038</u>	<u>\$0</u>	<u>(\$243,828)</u>	<u>\$1,852,210</u>	<u>\$253,513</u>

**15. LEGAL DEBT MARGIN**

The City is subject to a statutory limitation by the State of Idaho for indebtedness payable principally from property taxes. The limit is 2% of market value per the year’s tax roll. The City’s outstanding general obligation debt is under the legal limit.

**16. TRANSFERS BETWEEN FUNDS**

Administrative Charges:	To	From
General Fund	\$894,276	
Street Fund		\$76,584
Ambulance Fund		\$65,484
Airport Fund		\$10,368
Cemetery Fund		\$10,068
Library Fund		\$11,796
Water Fund		\$140,076
Sewer Fund		\$466,464
Sanitation fund		\$113,436
Fund Subsidy:		
Parks and Recreation Fund	\$130,414	
General Fund		\$130,414

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**16. TRANSFERS BETWEEN FUNDS**

Administrative Charges:	<u>To</u>	<u>From</u>
General Fund	\$894,276	
Street Fund		\$76,584
Ambulance Fund		\$65,484
Airport Fund		\$10,368
Cemetery Fund		\$10,068
Library Fund		\$11,796
Water Fund		\$140,076
Sewer Fund		\$466,464
Sanitation fund		\$113,436
 Fund Subsidy:		
Parks and Recreation Fund	\$130,414	
General Fund		\$130,414

**17. CONTINGENT LIABILITIES**

To save on health insurance costs, the City has purchased a policy with large individual deductibles. Rather than pass that cost to the employees, the City has agreed to pay up to \$1,000 for individuals and \$2,000 for families. The City’s maximum risk at any time is approximately \$170,000. The City has set up a Health Care Reserve Fund to account for this activity.

The City has chosen to participate in the Idaho Independent Inter-governmental Authority Insurance, which is a self-funded insurance policy that Idaho municipalities are eligible to participate in. If in the future there are a high number of claims which depletes the reserve, the City could possibly be required to re-fund this reserve. This potential additional expense has not been determined at this time, but based upon past experience, there is sufficient money in the Health Care Reserve Fund to meet the City’s current needs.

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

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**18. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The General Fund spent \$90,687 more than was budgeted. General Fund revenues exceeded budget amounts by \$354,596.

The Ambulance Fund spent \$184,617 more than was budgeted. Ambulance Fund revenues exceeded budget amounts by \$374,300.

The Airport Fund spent \$161,587 more than was budgeted. Airport Fund revenues exceeded budget amounts by \$265,164.

**19. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, and natural disasters. Significant losses are covered by commercial insurance.



CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**20. PUBLIC EMPLOYEE RETIREMENT SYSTEM**

*Plan Description*

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

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

*Pension Benefits*

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

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

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**20. PUBLIC EMPLOYEE RETIREMENT SYSTEM - (CONTINUED)**

*Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by State law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2022, it 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. The City's contributions were \$533,010 for the PERSI year ended June 30, 2022.

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

At September 30, 2022, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participation PERSI Base Plan employers. At June 30, 2022, the City's proportion was .1132023 percent.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**20. PUBLIC EMPLOYEE RETIREMENT SYSTEM - (CONTINUED)**

For the year ended September 30, 2022 the City recognized pension expense of \$1,155,831. At September 30, 2022, the City reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$368,139	(\$28,294)
Changes in assumptions or other inputs	(\$224,832)	\$0
Net difference between projected and actual earnings on pension plan investments	\$0	(2,604,264)
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$1,981,665	\$2,753,638
Contributions subsequent to the measurement date	\$209,783	\$0
<b>Total</b>	<b>\$2,334,755</b>	<b>\$121,080</b>

\$209,783 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2022, the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

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

**Year ended September 30, 2022:**

2023	\$531,654
2024	\$577,161
2025	\$266,936
2026	\$847,471

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**20. PUBLIC EMPLOYEE RETIREMENT SYSTEM - (CONTINUED)**

*Actuarial Assumptions*

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

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

**Contributing Members, Service Retirement Members, and Beneficiaries**

General Employees and all Beneficiaries - Male Pub-2010 General Tables increased 11%

General Employees and all Beneficiaries - Female Pub-2010 General Tables increased 21%

Teachers – Males Pub-2010 Teacher Tables, increased 12%

Teachers – Females Pub-2010 Teacher Tables, increased 21%

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.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**20. PUBLIC EMPLOYEE RETIREMENT SYSTEM - (CONTINUED)**

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 the 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.

2022		
<u>Asset Class</u>	<u>DB Plans</u>	<u>Sick Leave</u>
Fixed Income	30.0%	50.0%
US/Global Equity	55.0%	39.3%
International Equity	15.0%	10.7%
Cash	0.0%	0.0%
Total	100.0%	100.0%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plan’s 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.

CITY OF BLACKFOOT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

SEPTEMBER 30, 2022

**20. PUBLIC EMPLOYEE RETIREMENT SYSTEM - (CONTINUED)**

*Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.*

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$7,869,285	\$4,458,766	(\$1,667,344)

*Pension Plan Fiduciary Net Position*

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

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.gov](http://www.persi.gov).

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BLACKFOOT, IDAHO

REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED SEPTEMBER 30, 2022

**Schedule of Employer's Share of Net Pension Liability**

**PERSI - Base Plan**

**Last 10 - Fiscal Years \***

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer's portion of the net pension liability	0.113202%	0.104984%	0.108440%
Employer's proportionate share of the net pension liability (Asset)	\$4,458,766	(\$82,914)	\$2,518,123
Employer's covered-employee payroll	\$6,381,819	\$5,754,425	\$5,336,476
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	69.87%	-1.44%	47.19%
Plan fiduciary net pension as a percentage of the total pension liability	83.09%	100.36%	88.22%

**Schedule of Employer's Contributions**

**PERSI - Base Plan**

**Last 10 - Fiscal Years \***

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$524,202	\$414,506	\$425,455
Contributions in relation to the statutorily required contribution	\$539,315	\$473,425	\$466,984
Contribution (deficiency) excess	\$15,113	\$58,920	\$41,529
Employer's covered-employee payroll	\$6,381,819	\$5,754,425	\$5,336,476
Contributions as a percentage of covered-employee payroll	8.21%	7.20%	7.97%

\*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 this information is available.

Data reported is measured as of June 30, 2022



<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.117487%	0.122055%	0.127392%	0.123140%	0.123492%
\$1,341,079	\$1,800,331	\$2,002,377	\$2,496,227	\$1,626,186
\$5,628,355	\$5,696,820	\$5,506,167	\$5,166,140	\$5,027,213
23.83%	31.60%	36.37%	48.32%	32.35%
93.79%	91.69%	90.68%	87.26%	91.38%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$449,552	\$473,990	\$429,580	\$366,047	\$403,944
\$458,294	\$450,552	\$453,982	\$413,269	\$396,706
\$8,742	(\$23,437)	\$24,402	\$47,221	(\$7,238)
\$5,628,355	\$5,696,820	\$5,506,167	\$5,166,140	\$5,027,213
7.99%	8.32%	7.80%	7.09%	8.04%

CITY OF BLACKFOOT, IDAHO

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE:</b>			
Taxes:			
Property taxes	\$3,948,071	\$4,080,501	\$132,430
Franchise taxes	92,131	107,419	15,288
Subtotal Taxes:	<u>4,040,202</u>	<u>4,187,920</u>	<u>147,718</u>
Licenses and Permits:			
Business licenses	17,001	22,519	5,518
Building permits	190,250	334,371	144,121
Plan review - State contract	77,250	102,306	25,056
Bicycle licenses		45	45
Subtotal Licenses and Permits:	<u>284,501</u>	<u>459,241</u>	<u>174,740</u>
Inter-governmental:			
Liquor apportionment	205,000	208,739	3,739
State revenue sharing	1,241,215	1,368,795	127,580
Blackfoot - Snake River Fire District	847,819	883,805	35,986
School resource officer	175,853	275,853	100,000
State, Federal, and local grants	241,282	179,798	(61,484)
Subtotal Intergovernmental:	<u>2,711,169</u>	<u>2,916,990</u>	<u>205,821</u>
Miscellaneous:			
Administrative charges	894,287	894,276	(11)
Fines and forfeitures	50,827	62,711	11,884
Interest	135,737	(148,375)	(284,112)
Other	10,090	108,646	98,556
Subtotal Miscellaneous:	<u>1,090,941</u>	<u>917,258</u>	<u>(173,683)</u>
Total Revenue:	<u>8,126,813</u>	<u>8,481,409</u>	<u>354,596</u>
<b>EXPENDITURES:</b>			
Administrative:			
Salaries	469,055	448,901	20,154
Benefits	544,036	423,979	120,057
Travel and meeting	21,000	13,269	7,731
Office supplies and expense	<u>181,549</u>	<u>138,239</u>	<u>43,310</u>

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - (CONTINUED)  
GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2022

EXPENDITURES:	Original		Variance
	and Final		Favorable
	Budget	Actual	(Unfavorable)
Administrative - Continued:			
Maintenance	\$39,143	\$20,893	\$18,250
Utilities and telephone	19,460	15,111	4,349
Professional services	135,050	137,894	(2,844)
Department supplies and other	20,700	23,022	(2,322)
Insurance	214,172	212,691	1,481
Covid 19		308,035	(308,035)
Contingency	138,776	63,636	75,140
Subtotal Administrative:	<u>1,782,941</u>	<u>1,805,670</u>	<u>(22,729)</u>
Police:			
Salaries	2,103,628	2,036,502	67,126
Benefits	1,071,584	983,692	87,892
Clothing allowance	18,000	14,248	3,752
Travel and training	28,000	24,528	3,472
Office supplies	34,283	28,812	5,471
Maintenance	43,000	37,420	5,580
Utilities and telephone	10,000	4,631	5,369
Fuel	57,000	84,804	(27,804)
Professional services	2,500	3,831	(1,331)
Department supplies and other	81,500	61,478	20,022
Bingham County	301,482	296,929	4,553
Grants	5,000		5,000
Capital outlay	97,115	151,754	(54,639)
Subtotal Police:	<u>3,853,092</u>	<u>3,728,629</u>	<u>124,463</u>
Fire:			
Salaries	1,136,380	1,317,895	(181,515)
Benefits	626,954	612,706	14,248
Protective clothing	23,000	18,220	4,780
Travel and training	9,500	8,019	1,481
Office supplies	19,987	17,848	2,139
Maintenance	32,800	36,574	(3,774)

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - (CONTINUED)  
GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2022

EXPENDITURES:	Original and Final		Variance Favorable
Fire - Continued:	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Utilities and telephone	\$36,200	\$28,901	\$7,299
Fuel	10,000	14,570	(4,570)
Professional services	7,300	6,963	337
Department supplies and other	25,000	9,891	15,109
Subtotal Fire:	<u>1,927,121</u>	<u>2,071,587</u>	<u>(144,466)</u>
 Building and Zoning:			
Salaries	102,048	106,444	(4,396)
Benefits	94,025	89,647	4,378
Travel and training	5,900		5,900
Office supplies	16,539	20,720	(4,181)
Utilities and telephone	1,920	1,878	42
Professional services	11,700	4,847	6,853
State building contract	120,000	197,551	(77,551)
Grants	21,000		21,000
Subtotal Building and Zoning:	<u>373,132</u>	<u>421,087</u>	<u>(47,955)</u>
 Total Expenditures:	<u>7,936,286</u>	<u>8,026,973</u>	<u>(90,687)</u>
 EXCESS REVENUE (EXPENDITURES):	190,527	454,436	263,909
 OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	<u>(335,000)</u>	<u>(130,414)</u>	<u>204,586</u>
 EXCESS REVENUE/SOURCES (EXPENDITURES/USES):	<u>(\$144,473)</u>	324,022	<u>\$468,495</u>
 FUND BALANCE - BEGINNING:		<u>3,080,043</u>	
 FUND BALANCE - ENDING:		<u>\$3,404,065</u>	

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STREET FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Property taxes	\$600,884	\$531,892	(\$68,992)
Highway users' tax	582,589	866,498	283,909
County road and street	60,000	50,654	(9,346)
Franchise fees	110,584	120,090	9,506
Federal and State grants		17,306	17,306
Miscellaneous		2,881	2,881
Interest on investments		2,910	2,910
Total Revenue:	<u>1,354,057</u>	<u>1,592,231</u>	<u>238,174</u>
EXPENDITURES:			
Salaries	336,277	324,809	11,468
Benefits	328,024	266,808	61,216
Clothing	5,600	5,835	(235)
Travel and training	1,500		1,500
Office supplies	7,861	8,586	(725)
Maintenance	58,500	76,835	(18,335)
Utilities and telephone	172,150	146,726	25,424
Fuel	35,000	27,960	7,040
Professional services	5,625	1,159	4,466
Department supplies and other	120,650	95,539	25,111
Indirect cost reimbursement	76,584	76,584	0
Grant expense			0
Construction materials	91,150	12,532	78,618
Capital outlay	37,596	20,769	16,827
Total Expenditures:	<u>1,276,517</u>	<u>1,064,142</u>	<u>212,375</u>
EXCESS REVENUE (EXPENDITURES):	77,540	528,089	450,549
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS REVENUE/SOURCES OR (EXPENDITURES/USES):	<u>\$77,540</u>	528,089	<u>\$450,549</u>
FUND BALANCE - BEGINNING:		<u>1,317,016</u>	
FUND BALANCE - ENDING:		<u>\$1,845,105</u>	

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
AMBULANCE FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Hospital collections - ambulance	\$767,774	\$753,707	(\$14,067)
County ambulance	692,119	749,312	57,193
Bingham memorial	35,000	70,000	35,000
Wildland Fire/Ambulance		69,179	69,179
Grants		222,000	222,000
Miscellaneous		4,995	4,995
Total Revenue:	<u>1,494,893</u>	<u>1,869,193</u>	<u>374,300</u>
EXPENDITURES:			
Salaries	813,181	793,693	19,488
Benefits	495,643	430,550	65,093
Protective clothing	3,000	3,110	(110)
Travel and training	11,360	4,802	6,558
Office supplies	8,175	12,731	(4,556)
Maintenance	29,000	42,379	(13,379)
Utilities and telephone	11,000	4,892	6,108
Fuel	25,000	36,341	(11,341)
Professional services	6,500	12,715	(6,215)
Department supplies and other	96,000	108,603	(12,603)
Grant expense			0
Indirect cost reimbursement	65,488	65,484	4
Collection expense and refunds			0
Capital outlay		233,664	(233,664)
Total Expenditures:	<u>1,564,347</u>	<u>1,748,964</u>	<u>(184,617)</u>
EXCESS REVENUE (EXPENDITURES):	(69,454)	120,229	189,683
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS REVENUE/SOURCES OR  (EXPENDITURES/USES):	<u>(\$69,454)</u>	120,229	<u>\$189,683</u>
FUND BALANCE - BEGINNING:		<u>110,316</u>	
FUND BALANCE - ENDING:		<u>\$230,545</u>	

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT, IDAHO

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PARKS AND RECREATION FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Property taxes	\$227,445	\$227,174	(\$271)
County participation	20,000	21,500	1,500
Golf course	628,102	732,146	104,044
Park reservation fees and donations	18,761	33,197	14,436
Recreation fees and donations	27,877	26,030	(1,847)
Storm water maintenance fee	28,000		(28,000)
Interest on investments		1,252	1,252
Other	309	12,097	11,788
<b>Total Revenue:</b>	<b>950,494</b>	<b>1,053,396</b>	<b>102,902</b>
EXPENDITURES (Parks):			
Salaries	169,498	158,682	10,816
Benefits	71,865	64,028	7,837
Clothing allowance	1,550	496	1,054
Travel and training	2,000		2,000
Office supplies	10,161	8,627	1,534
Maintenance	146,700	61,054	85,646
Utilities and telephone	26,000	17,166	8,834
Fuel	25,000	19,163	5,837
Professional services	1,000	3,248	(2,248)
Department supplies and other	43,150	34,242	8,908
Capital outlay	0	11,170	(11,170)
<b>Total Expenditures (Parks):</b>	<b>496,924</b>	<b>377,876</b>	<b>119,048</b>
EXPENDITURES (Recreation):			
Salaries		11,848	(11,848)
Benefits		1,411	
Department supplies and other		7,946	(7,946)
<b>Total Expenditures (Recreation):</b>	<b>0</b>	<b>21,205</b>	<b>(19,794)</b>

The accompanying notes are an integral part of these statements.

CITY OF BLACKFOOT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PARKS AND RECREATION FUND - (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Pool):			
Maintenance	\$3,000	\$119	\$2,881
Utilities and telephone	7,000	3,296	3,704
	<u>10,000</u>	<u>3,415</u>	<u>6,585</u>
Total Expenditures (Pool):			
EXPENDITURES (Golf):			
Salaries	281,694	311,155	(29,461)
Benefits	184,929	171,331	13,598
Clothing allowance	1,250		1,250
Travel and training	3,000		3,000
Office supplies	20,571	6,599	13,972
Maintenance	109,500	86,364	23,136
Utilities and telephone	29,500	38,837	(9,337)
Fuel	6,500	28,776	(22,276)
Professional services	750	540	210
Resale items	95,000	162,170	(67,170)
Department supplies and other	34,600	42,811	(8,211)
Capital outlay	7,000	7,000	0
	<u>774,294</u>	<u>855,583</u>	<u>(81,289)</u>
Total Expenditures (Golf):			
Total Fund Expenditures:	<u>1,281,218</u>	<u>1,258,079</u>	<u>24,550</u>
EXCESS REVENUE (EXPENDITURES):	(330,724)	(204,683)	126,041
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	<u>335,000</u>	<u>130,414</u>	<u>(204,586)</u>
EXCESS REVENUE/SOURCES OR (EXPENDITURES/USES):	<u>\$4,276</u>	<u>(74,269)</u>	<u>(\$78,545)</u>
FUND BALANCE - BEGINNING:		<u>74,269</u>	
FUND BALANCE - ENDING:		<u>\$0</u>	

The accompanying notes are an integral part of these statements.



BLACKFOOT URBAN RENEWAL AGENCY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Property taxes	\$1,100,000	\$1,123,897	\$23,897
Investment income	4,500	14,243	9,743
Grant application fees		275	275
2021 Revenue Bond proceeds			0
Total Revenue:	<u>1,104,500</u>	<u>1,138,415</u>	<u>33,915</u>
EXPENDITURES:			
Administration	4,000	2,896	1,104
Professional fees	18,000	15,045	2,955
Projects:			
Downtown District:			
Blight & Development projects	1,598,051		1,598,051
Façade improvements	78,600	67,495	11,105
Maple Street - Mickelsen Bldg		40,000	(40,000)
Michael Johnson - Perfect Point		10,000	(10,000)
Oleson Convention Center		24,336	(24,336)
Teton House		207,308	(207,308)
2021 Revenue Bond payment		210,333	(210,333)
Riverview District:			
Blight & Development projects	1,400,000		1,400,000
Façade improvements	100,000		100,000
Technology Park Project	20,000	20,000	0
Twin Bridges Park Project		2,962	(2,962)
Tax anticipation note	645,664		645,664
2006 Revenue Bond payment		111,175	(111,175)
Total Expenditures:	<u>3,864,315</u>	<u>711,550</u>	<u>3,152,765</u>
EXCESS REVENUE/SOURCES OR (EXPENDITURES/USES):	<u>(\$2,759,815)</u>	426,865	<u>\$3,186,680</u>
FUND BALANCE - BEGINNING:		<u>2,552,584</u>	
FUND BALANCE - ENDING:		<u>\$2,979,449</u>	

The accompanying notes are an integral part of these statements.

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OTHER SUPPLEMENTAL INFORMATION

CITY OF BLACKFOOT, IDAHO

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	Airport Fund	Cemetery Fund	Library Fund	Capital Improvements Fund
ASSETS:				
Cash and investments	\$444,653	\$208,517	\$478,858	\$7,325
Receivables:				
Property taxes	1,473	4,300	6,760	\$2,796
Total Assets:	<u>\$446,126</u>	<u>\$212,817</u>	<u>\$485,618</u>	<u>\$10,121</u>
LIABILITIES:				
Accounts payable	\$10,526	\$5,342	\$13,844	
Total Liabilities:	<u>10,526</u>	<u>5,342</u>	<u>13,844</u>	<u>\$0</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - Property taxes	1,268	3,748	5,888	2,386
FUND BALANCE:				
Assigned - Capital Improvements				7,735
Unassigned	434,332	203,727	465,886	
Total Fund Balance:	<u>434,332</u>	<u>203,727</u>	<u>465,886</u>	<u>7,735</u>
Total Liabilities and Fund Balance:	<u>\$446,126</u>	<u>\$212,817</u>	<u>\$485,618</u>	<u>\$10,121</u>

Health Care Reserve Fund	Total Non-major Governmental Funds
\$463,465	\$1,602,818
<u>                    </u>	<u>          15,329</u>
<u>\$463,465</u>	<u>\$1,618,147</u>
<u>                    </u>	<u>          \$29,712</u>
<u>          \$0</u>	<u>          29,712</u>
<u>          0</u>	<u>          13,290</u>
<u>          463,465</u>	<u>          7,735</u> <u>          1,567,410</u>
<u>          463,465</u>	<u>          1,575,145</u>
<u>\$463,465</u>	<u>\$1,618,147</u>

CITY OF BLACKFOOT, IDAHO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	Airport Fund	Cemetery Fund	Library Fund	Capital Improvements Fund
REVENUES:				
Property taxes	\$45,023	\$171,369	\$266,788	\$104,945
Fees	137,936	71,050	10,308	
Grants and contributions	249,936		1,585	
Blackfoot Rural Library District			236,510	
Interest	380	879	1,395	481
Miscellaneous	7,380	150		
Total Revenues:	<u>440,655</u>	<u>243,448</u>	<u>516,586</u>	<u>105,426</u>
EXPENDITURES:				
General government		271,787		
Airport	287,038			
Library			492,429	
Capital outlay				43,996
Total Expenditures:	<u>287,038</u>	<u>271,787</u>	<u>492,429</u>	<u>43,996</u>
EXCESS REVENUE (EXPENDITURES):	153,617	(28,339)	24,157	61,430
OTHER FINANCING SOURCES (USES):				
Operating transfers (to) from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS REVENUE/SOURCES OR (EXPENDITURES/USES):	153,617	(28,339)	24,157	61,430
FUND BALANCE - BEGINNING:	<u>280,715</u>	<u>232,066</u>	<u>441,729</u>	<u>(53,695)</u>
FUND BALANCE - ENDING:	<u>\$434,332</u>	<u>\$203,727</u>	<u>\$465,886</u>	<u>\$7,735</u>

Health Care Reserve Fund	Total Non-major Governmental Funds
	\$588,125
\$65,300	284,594
	251,521
	236,510
	3,135
	7,530
<u>65,300</u>	<u>1,371,415</u>
101,373	373,160
	287,038
	492,429
	43,996
<u>101,373</u>	<u>1,196,623</u>
(36,073)	174,792
<u>0</u>	<u>0</u>
(36,073)	174,792
<u>499,538</u>	<u>1,400,353</u>
<u>\$463,465</u>	<u>\$1,575,145</u>

CITY OF BLACKFOOT, IDAHO

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
AIRPORT FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Property taxes	\$82,400	\$45,023	(\$37,377)
Charges for services	41,591	41,980	389
Fuel	50,000	95,956	45,956
Miscellaneous		7,380	7,380
Grants and contributions	1,500	249,936	248,436
Interest on investments		380	380
Total Revenue:	<u>175,491</u>	<u>440,655</u>	<u>265,164</u>
EXPENDITURES:			
Salaries	7,836	5,769	2,067
Benefits	8,846	6,591	2,255
Office supplies	1,217	2,990	(1,773)
Maintenance	23,100	19,674	3,426
Utilities and telephone	11,200	7,049	4,151
Fuel	50,250	35,077	15,173
Professional services	10,136	13,334	(3,198)
Department supplies and other	2,500	149	2,351
Indirect cost reimbursement	10,366	10,368	(2)
Grant expense		186,037	(186,037)
Total Expenditures:	<u>125,451</u>	<u>287,038</u>	<u>(161,587)</u>
EXCESS REVENUE (EXPENDITURES):	50,040	153,617	103,577
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS REVENUE/SOURCES OR (EXPENDITURES/USES):	<u>\$50,040</u>	153,617	<u>\$103,577</u>
FUND BALANCE - BEGINNING:		<u>280,715</u>	
FUND BALANCE - ENDING:		<u>\$434,332</u>	



CITY OF BLACKFOOT, IDAHO

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 CEMETERY FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Property taxes	\$151,083	\$171,369	\$20,286
Charges for services	54,436	71,050	16,614
Miscellaneous		150	150
Interest on investments		879	879
	<u>205,519</u>	<u>243,448</u>	<u>37,929</u>
Total Revenue:			
EXPENDITURES:			
Salaries	92,570	110,577	(18,007)
Benefits	67,550	56,630	10,920
Clothing	500	156	344
Office supplies	3,785	3,469	316
Travel and training	800		800
Maintenance	15,500	73,887	(58,387)
Utilities and telephone	6,950	4,419	2,531
Fuel	5,500	4,376	1,124
Professional services	5,000	5,234	(234)
Department supplies and other	5,200	2,971	2,229
Indirect cost reimbursement	10,067	10,068	(1)
Capital outlay	100,000		100,000
	<u>313,422</u>	<u>271,787</u>	<u>41,635</u>
Total Expenditures:			
EXCESS REVENUE (EXPENDITURES):	(107,903)	(28,339)	79,564
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS REVENUE/SOURCES OR (EXPENDITURES/USES):	<u>(\$107,903)</u>	(28,339)	<u>\$79,564</u>
FUND BALANCE - BEGINNING:		<u>232,066</u>	
FUND BALANCE - ENDING:		<u>\$203,727</u>	

CITY OF BLACKFOOT, IDAHO

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 LIBRARY FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE:</b>			
Property taxes	\$243,605	\$266,788	\$23,183
Charges for services	10,159	10,308	149
Blackfoot Rural Library District	243,606	236,510	(7,096)
Interest on investments		1,395	1,395
Grants and contributions		1,585	1,585
	<u>497,370</u>	<u>516,586</u>	<u>19,216</u>
<b>Total Revenue:</b>			
<b>EXPENDITURES:</b>			
Salaries	244,453	197,412	47,041
Benefits	89,522	73,239	16,283
Books and subscriptions	73,496	58,358	15,138
Travel and training	1,500	831	669
Office supplies	22,582	17,276	5,306
Maintenance	26,600	31,183	(4,583)
Utilities and telephone	13,220	10,570	2,650
Professional services	7,000	5,635	1,365
Department supplies and other	16,250	12,024	4,226
Indirect cost reimbursement	11,799	11,796	3
Capial outlay		74,105	(74,105)
	<u>506,422</u>	<u>492,429</u>	<u>13,993</u>
<b>Total Expenditures:</b>			
<b>EXCESS REVENUE (EXPENDITURES):</b>	(9,052)	24,157	33,209
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers (to) from other funds	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXCESS REVENUE/SOURCES OR (EXPENDITURES/USES):</b>	<u>(9,052)</u>	24,157	<u>\$33,209</u>
<b>FUND BALANCE - BEGINNING:</b>		<u>441,729</u>	
<b>FUND BALANCE - ENDING:</b>		<u>\$465,886</u>	

CITY OF BLACKFOOT, IDAHO

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 CAPITAL IMPROVEMENTS FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Property taxes	\$103,000	\$104,945	\$1,945
Interest on investments		481	481
	<u>\$103,000</u>	<u>105,426</u>	<u>2,426</u>
Total Revenue:			
	<u>\$103,000</u>	<u>105,426</u>	<u>2,426</u>
EXPENDITURES:			
Professional services		1,452	(1,452)
Capital outlay	103,000	42,544	60,456
	<u>103,000</u>	<u>43,996</u>	<u>59,004</u>
Total Expenditures:			
	<u>103,000</u>	<u>43,996</u>	<u>59,004</u>
EXCESS REVENUE (EXPENDITURES):	0	61,430	61,430
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS REVENUE/SOURCES OR (EXPENDITURES/USES):	<u>\$0</u>	61,430	<u>\$61,430</u>
FUND BALANCE - BEGINNING:		<u>(53,695)</u>	
FUND BALANCE - ENDING:		<u>\$7,735</u>	

CITY OF BLACKFOOT, IDAHO

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 HEALTH CARE RESERVE FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Reserve receipts	<u>\$140,000</u>	<u>\$65,300</u>	<u>(\$74,700)</u>
Total Revenue:	<u>140,000</u>	<u>65,300</u>	<u>(74,700)</u>
EXPENDITURES:			
Healthcare expense	100,000	87,276	12,724
Flex spending expense	20,000	(1,707)	21,707
Benefits administration	<u>20,000</u>	<u>15,804</u>	<u>4,196</u>
Total Expenditures:	<u>140,000</u>	<u>101,373</u>	<u>38,627</u>
EXCESS REVENUE (EXPENDITURES):	0	(36,073)	(36,073)
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS REVENUE/SOURCES OR (EXPENDITURES/USES):	<u>\$0</u>	<u>(36,073)</u>	<u>(\$36,073)</u>
FUND BALANCE - BEGINNING:		<u>499,538</u>	
FUND BALANCE - ENDING:		<u>\$463,465</u>	

SINGLE AUDIT SECTION

# Morgan J Hatt CPA PC

## *Certified Public Accountant*

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

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.

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

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

I have audited the City of Blackfoot's (the City) 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 each of the City's major Federal programs for the year ended September 30, 2022. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In my opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2022.

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

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the City, and to meet other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major Federal program. My audit does not provide a legal determination of District'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 Federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

My 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 my 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from

Honorable Mayor and Members of the  
City Council  
City of Blackfoot, Idaho  
Page 2

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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- 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.

I am 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 I identified during the audit.

### **Report on Internal Control over Compliance**

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

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My 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.

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.

*Morgan J Hatt CPA PC*  
Pocatello, Idaho  
February 2, 2023

CITY OF BLACKFOOT, IDAHO  
BLACKFOOT, IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2022

Title	Catalogue of Federal Domestic Assistance Number	Expenditures
<u>Department of Defense:</u>		
Army Corp of Engineers - Waste Water Treatment facilities (Direct Funding)	12.000	<u>\$313,908</u>
<u>Department of Housing and Urban Development:</u>		
Community Development Block Grant -Waste Water Improvement (State of Idaho pass-through funding)	14.228	<u>\$26,000</u>
<u>Department of Transportation :</u>		
Airport Improvement - (Direct funding)	20.106	\$186,037
Highway Planning & Construction (State of Idaho pass-through funding)	20.205	\$58,732
State Community Highway Safety (State of Idaho pass-through funding)	20.600	<u>\$29,469</u>
Subtotal of Department of Transportation:		<u>\$274,238</u>
<u>Department of the Treasury:</u>		
Cares Act (State of Idaho pass-through funding)	21.019	<u>\$716,746</u>
<u>Environmental Protection Agency:</u>		
Capitalization grants and revolving loans WW 1703 (State of Idaho pass-through funding)	66.468	<u>\$699,480</u>
<u>Department of Health and Human Services:</u>		
Substance Abuse and Mental Health Services (State of Idaho pass-through funding)	93.243	<u>\$15,213</u>
Total Federal Expenditures:		<u>\$2,045,585</u>

**Note 1: Basis of Presentation** - The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of the City of Blackfoot, Idaho for the year ended September 30, 2022. The information in this schedule is presented 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)*.

The April 2022 *Compliance Supplement* was used to audit major programs.

Because the Schedule presents only a selected portion of the City's operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Blackfoot, Idaho.

**Note 2: Summary of Significant Accounting Policies** - Expenditures reported on the Schedule are on the accrual basis of accounting. 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.

**Note 3: Indirect Cost Rate** - The City of Blackfoot, Idaho has elected not to use the 10% de minimus cost rate allowed under the Uniform Guidance.



CITY OF BLACKFOOT, IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2022

Section I - Summary of Auditor's Results:

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Reportable conditions identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

Material weaknesses identified? No

Reportable conditions identified that are not considered to be material weaknesses? No

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 2 CFR Section 200.516(a)? No

Identification of Major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
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21.019	Cares Act
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Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Summary of Auditor's Results: None

Section III - Federal Award Findings and Questioned Costs: None