

CITY OF MOSCOW

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Art Bettge
Mayor

Bill Belknap
City Supervisor

Maureen Laflin
Council President

Sandra Kelly
Council Member

Gina Taruscio
Council Vice-President

Hailey Lewis
Council Member

Drew Davis
Council Member

Julia Parker
Council Member

FISCAL YEAR ENDED SEPTEMBER 30, 2022



Annual Comprehensive Financial Report



CITY OF MOSCOW, IDAHO

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022

Prepared
by the
Finance Department

Sarah L. Banks
Finance Director



INTRODUCTORY SECTION

CITY OF MOSCOW, IDAHO

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	6
GFOA Certificate of Achievement	14
Organizational Chart	15
List of Elected and Appointed Officials	16
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	18
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	21
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	43
Statement of Activities	45
FUND FINANCIAL STATEMENTS	
Balance Sheet – Governmental Funds	46
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	48
Statement of Net Position - Proprietary Funds	50
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	51
Statement of Cash Flows – Proprietary Funds	52
NOTES TO FINANCIAL STATEMENTS	54
REQUIRED SUPPLEMENTARY INFORMATION (RSI)	
Budgetary Comparison Schedule – General Fund	81
Budgetary Comparison Schedule – Street Fund	82
Budgetary Comparison Schedule – Recreation and Culture Fund	83
Budgetary Comparison Schedule – Hamilton Fund	84
Schedule of the City's Share of Net Pension Liability	85
Schedule of the City's Contributions to Pension Plans	86
SUPPLEMENTARY INFORMATION	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Major Governmental Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Capital Projects Fund	88

	<u>Page</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (CONTINUED)	
Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis – Budget and Actual	
MSD Community Playfields	92
1912 Center	93
Transit Center	94
LID Construction	95
Bond and Interest	96
Special Assessments	97
Major Proprietary Funds	
Enterprise Funds	
Schedule of Revenues, Expenses, and Changes in Fund Balance – Budgetary Basis – Budget and Actual	
Water	99
Sewer	100
Sanitation	101
Stormwater	102
Internal Service Funds	
Combining Statement of Net Position	104
Combining Statement of Revenues, Expenses, and Changes in Net Position	105
Combining Statement of Cash Flows	106
STATISTICAL SECTION	
Net Position by Component	109
Changes in Net Position	110
Fund Balances, Governmental Funds	111
Changes in Fund Balances, Governmental Funds	112
Tax Revenue by Source, Governmental Funds	113
Assessed Value and Estimated Actual Value of Taxable Property	114
Direct and Overlapping Property Tax Rates	115
Principal Property Taxpayers	116
Property Tax Levies and Collections	117
Ratios of Outstanding Debt by Type	118
Ratios of Net General Bonded Debt Outstanding	119
Direct and Overlapping Government Activities Debt	120
Legal Debt Margin Information	121
Historical Operating Results and Debt Service Coverage - Sewer Bonds	122
Special Assessment Billings and Collections	123
Pledged Revenue Coverage	124
Principal Employers	125
Demographic and Economic Statistics	126
Full-time Equivalent City Government Employees by Function/Program	127
Operating Indicators by Function/Program	128
Capital Asset Statistics by Function/Program	129
COMPLIANCE REPORTING SECTION	
Independent Auditor’s Report – <i>Government Auditing Standards</i>	131
Independent Auditor’s Report – <i>Uniform Guidance</i>	133
Schedule of Findings and Questioned Costs	136
Schedule of Expenditures of Federal Awards – Modified Accrual Basis	138



Heart of the Arts



Arthur D. Bettge
Mayor

Maureen Laflin
Council President

Gina Taruscio
Council Vice-President

Drew Davis
Council Member

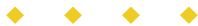
Sandra Kelly
Council Member

Hailey Lewis
Council Member

Julia Parker
Council Member



Bill Belknap
City Supervisor



City of Moscow, City Hall
c/o Bill Belknap, City Supervisor
206 East 3rd Street
P.O. Box 9203
Moscow ID 83843
Phone (208) 883-7000
Fax (208) 883-7018

Website: www.ci.moscow.id.us
Hearing Impaired (208) 883-7019



March 15, 2023

Honorable Mayor, City Council Members, and Citizens of the City of Moscow:

We are pleased to submit to you the audited Annual Comprehensive Financial Report (ACFR) for the City of Moscow, Idaho (hereinafter "City") for the fiscal year October 1, 2021 through September 30, 2022.

Idaho state law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB), and an audit report in accordance with auditing standards generally accepted in the United States of America by Certified Public Accountants. Pursuant to that requirement, we hereby issue the audited annual financial statements of the City for the fiscal year ended September 30, 2022.

The City of Moscow Finance Department has prepared this report to present the financial position of the City as of September 30, 2022. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included. Responsibility of both the accuracy of the data, and the completeness and fairness of the presentation and disclosures rests with City management.

Moscow's Mission Statement:

The City of Moscow delivers quality municipal services while ensuring responsible use of resources. We anticipate and meet the needs of our diverse population in order to build public trust and enhance a sense of community.

ACFR Presentation:

The ACFR was prepared by the City of Moscow Finance Department in accordance with GAAP and GASB. It is intended to provide sufficient information to permit the assessment of stewardship and accountability, to demonstrate legal compliance, and to facilitate management control. City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by City Council. Activities of all funds are included in the annual adopted budget.



Presnell Gage, PLLC, Accounting and Consulting, a firm of Certified Public Accountants, have issued an opinion that the City's financial statements were presented fairly in all material respects for the year ended September 30, 2022. The Independent Auditor's report is located at the front of the financial section of this report.

The ACFR is presented in four sections: Introductory, Financial, Statistical, and Compliance. The Introductory section, which is unaudited, includes this Letter of Transmittal, a City organizational chart, the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting awarded for the 2021 fiscal year, and a list of the City's principal elected officials. The Letter of Transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with the MD&A. The City's MD&A can be found in the financial section along with the independent auditor's opinion, basic financial statements (including entity-wide fund financial statements), notes to the basic financial statements, required supplementary information and supplemental information, combining and individual statements, and schedules for the City's funds. The Statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

City of Moscow Profile:

Moscow Idaho is located among the rolling Palouse hills of Latah County in northern Idaho and the western City limits border the State of Washington. The City encompasses a land area of approximately 7.4 square miles. Moscow is the county seat and largest city in Latah County and with a population of 25,850 (2022 U.S. Census Bureau) and is the 13th largest city in Idaho. Latah County's population is 40,313 (2020 U.S. Census Bureau) and comprises the majority of the eastern portion of the Palouse region, which is world-renowned for its agriculture and fertile soil. Latah County is the only county in the United States that was established by an act of Congress. Originally part of Nez Perce County, Latah County was created in 1888 and named for Latah Creek, which is located in its northwest corner.

The City of Moscow is home to the University of Idaho, the state's land grant institution and primary research university. Eight miles (13 km) west is Pullman Washington, home of Washington State University, also a land-grant institution. The close proximity of these two universities creates an environment that is a wonderful combination of small-town comfort and safety, together with the cultural, recreational, and educational opportunities of a larger city.

The City of Moscow was incorporated on July 12, 1887. The City operates under a Mayor/Council form of government consisting of an elected mayor and six council members. The mayor and six council members are elected on an at-large, non-partisan basis, and the council serves staggered 4-year terms, with one-half of the council positions elected every two years. The City is considered to be a "full service" city and provides the following services authorized by charter and by Title 50 of the *Idaho Code*: general government, public safety, culture and recreation, transportation, water, sewer, stormwater and sanitation.





Moscow's City Council is required to adopt a final budget no later than the close of the current fiscal year. The City's fiscal year starts on October 1 and ends on September 30. The annual budget serves as the foundation for the City's management and financial planning and controls and is prepared by the Administration and Finance Departments. Department managers are responsible for their department's budgetary controls. The budget is adopted at the fund level by the City Council following a public hearing and meets the state's legal requirement for a balanced budget of revenues and expenditures. The same public budget process is necessary on any occasion when budget amendments are necessary to accept unanticipated revenues and expenditures.

Moscow Idaho is settled into the Palouse, a landscape historically and currently inhabited by the Nimiipuu (Nez Perce) people indigenous to the region. Incorporated in 1887, the City's modern history is rooted in agriculture; the region is a major global producer of peas and lentils. The presence of farming in the community goes far beyond commerce, however, as grain silos and other architectural features announce agricultural endeavors as part of the community's aesthetic identity. The City is home to the University of Idaho (UI), a land grant institution established in 1889. School spirit infuses the atmosphere of the City with the balance of gravitas and celebration that characterizes the educational experience. Moscow's culture is woven together with the work of passionate citizens and creative institutions dedicated to the arts in all their forms. The City of Moscow stands out amongst Idaho cities in many ways, and its tradition of Arts and Culture programming contributes greatly to that unique identity.

Listed below are City-sponsored cultural offerings:

- Moscow Farmers Market (MFM) is held every Saturday from May through October. Established in 1977, the MFM is the longest-running market in the state of Idaho and provides farmers, artisans, and customers the opportunity to connect with one another in Moscow's downtown core;
- Third Street Gallery and The Box Gallery, both located in Moscow City Hall, bring art installations into the heart of the public process;
- Artwalk is a monthly event featuring multiple forms of art at host locations throughout the community on the 3rd Thursday of each month from October through June;
- Entertainment in the Park is a summer performance series at Moscow's East City Park, featuring programming, especially for children and families;
- Palouse Plein Air is an annual painting event that brings artists together in celebration of the picturesque Palouse;
- Moscow Poet Laureate increases awareness of the role that poetry and literature play in the community;
- Annual tree-lighting, Light up the Season Parade, and other downtown events get the whole community into the spirit of the winter season;
- Public Art in Moscow thrives with an annually-refreshed temporary collection, a portable collection, and features works in the permanent collection made possible by the City's 2004 adoption of a 1% for the Public Arts ordinance.



The City of Moscow is proud to partner with the following cultural institutions and events:

- The University of Idaho's Prichard Art Gallery, Lionel Hampton Jazz Festival, and Festival Dance;
- Moscow Renaissance Fair;
- Rendezvous in the Park;
- The Kenworthy Performing Arts Center;
- Latah County Library District;
- Moscow Contemporary;
- The 1912 Center, a property owned by the City and operated through contract by the non-profit organization Heart of the Arts, Inc.

The City has a highly skilled and educated workforce supporting many thriving businesses, as well as the University of Idaho and nearby Washington State University. The University of Idaho is a nationally recognized research institution committed to undergraduate and graduate research education, with extension services responsive to Idaho and to the region's business and community needs. Many students take advantage of an emphasis on undergraduate research opportunities in computer science, transportation innovation, environmental science, evolutionary biology, and biomedical research. The University of Idaho enrolls 11,507 students. As Idaho's land grant research university, the University of Idaho offers students a complete living and learning experience. The residential campus in Moscow matches architectural beauty with a small and friendly academic community. Outdoor recreational activities complement the many cultural amenities. The University of Idaho ranked in the top 30 in the nation as a "great university to hit the books and backcountry" by Outside magazine. Living and learning in Moscow will put you just minutes from opportunities for skiing, snowboarding, whitewater rafting, biking, climbing, camping, fishing, and more.

Local Economic Outlook:

Moscow's major employers are heavily represented in the sectors of education, health care, retail, and government. These four sectors represent 65 percent of Moscow's economy. The Latah County unemployment rate (not seasonally adjusted) for the month ending in September 2022 was 2.2 percent compared with 2.0 percent in September 2021. The September 2022 unemployment rate (not seasonally adjusted) of 2.2 percent was below a state unemployment rate of 2.5 percent and a national unemployment rate of 3.5 percent.

Latah County saw employment expansion in the following sectors from 2020 – 2021:

- Construction (9.7 percent)
- Manufacturing (8.1 percent)
- Wholesale Trade (0.6 percent)
- Retail Trade (8.0 percent)
- Information (3.1 percent)
- Real Estate (0.6 percent)
- Professional and Technical Services (8.3 percent)
- Management (16.7 percent)
- Administrative Services (4.3 percent)





- Educational Services (30.4 percent)
- Accommodation and Food Services (5.7 percent)

Latah County saw employment contraction in the following sectors:

- Finance and Insurance (-2.5 percent)
- Health Care and Social Assistance (-0.4 percent)
- Arts, Entertainment, and Recreation (-2.9 percent)

Real Estate:

- The average home sale price in the City of Moscow increased 15.1 percent from \$346,727 in 2021 to \$399,247 in 2022, after a 10.4 percent increase the prior year.
- The average home sale price in Latah County increased 17.2 percent from \$338,270 in 2021 to \$396,525 in 2022 after an 18.3 percent increase the prior year.

Tourism:

- In the 2022 calendar year, Latah County transient occupancy tax increased by approximately 19 percent.

Building Permits:

- Total permitted construction value in the City of Moscow dropped from \$47.3 million in 2021 to \$37.5 million in 2022, but remained above the 10-year average of \$30.6 million.

Moscow continues its economic development efforts. The Moscow Urban Renewal Agency (MURA) manages one active urban renewal district called the Legacy Crossing District, which covers approximately 169 acres and includes former railroad right-of-way and industrial areas, comprising the majority of the blighted and underutilized properties located between Moscow's historic downtown and the University of Idaho. The primary objective in creating this District was to eliminate conditions impeding the City's economic growth in the area. The MURA's focus is to assist and encourage the transition of properties from former agricultural and/or industrial uses to new uses and economic vibrancy adding to the quality of civic life and improving the public safety of citizens and visitors.

The Legacy Crossing District will have long-term positive impacts on the community. The re-urbanization of inner-city districts, particularly those with land uses transitioning from industrial uses to mixed-uses, requires an extended planning horizon. Redevelopment activities continue within the District and on the MURA-owned property located at the southwest corner of the intersection of Sixth and Jackson Streets, including the completion of environmental remediation activities and the planning for the redevelopment of the site.





The City is a leader in a consortium that maintains a 15.4-mile fiber optic network serving government, education, medical, and business facilities in the City. Other members of the consortium include the Idaho Transportation Department, Moscow School District #281, and Gritman Medical Center.

The Intermodal Transit Center (ITC) is home to public transit provider Sustainable Moscow Area Regional Transportation (SMART), which provides services to area residents and the University of Idaho. The fixed-route public transportation service in Moscow continues to see increased ridership. The ITC houses administrative and passenger service areas, exterior covered passenger boarding areas, bicycle parking facilities, and transit vehicle parking and serves as a link between transportation service providers to facilitate the seamless integration of transportation options for the Palouse region. Public transportation services are provided by not only SMART, but also Northwest Trailways (providing inter-city passenger service) and the University of Idaho's Vandal Access Service.

Tourism is Idaho's third-largest industry statewide. The City provides and hosts many cultural opportunities along with other art attractions. The arts, entertainment, and recreation sectors include a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of the local and surrounding population.

Long-Term Financial Planning for the City:

The City's future capital improvement projects include:

- Street, sidewalk, and utility improvements on Lilly and First Streets;
- A pedestrian underpass on South Main Street;
- Landscape enhancements at the south couplet;
- Installation of amenities in the downtown core of the City, including bicycle racks, street trees, vintage lighting, and other features consistent with the Historic and Central Business district themes;
- Continued upgrades to deficient sidewalks and the installation of missing sidewalks throughout the City;
- Water Reclamation and Reuse Facility (WRRF) improvements to meet the National Pollutant Discharge Elimination System (NPDES) permit issued by the United States Environmental Protection Agency (EPA);
- Various sewer and water main replacements and rehabilitations;
- Various street surface restoration projects;
- Various park, pathway, and playground improvements;
- Renovations of two water booster stations utilized to provide consistent water pressure to all sectors of the City.

The City has completed several comprehensive plans, including water, sewer, intermodal transportation, parks, and facilities. These plans define the operational and capital needs for those service sectors. These planning documents provided the information necessary to develop the City of Moscow's Strategic Plan as well as the City's Capital Improvement Plan (CIP) are excellent resources for reviewing progress made on the major challenge areas adopted by the Moscow City Council in that plan. In turn, Administration and Finance are then able to continue the development of a comprehensive long-range financial plan to assist policymakers in developing strategies to meet the City's operational and capital needs.





The City has fund balances assigned for long-term capital needs of \$7.5 million for general government purposes and \$28.7 million restricted for water, sewer, stormwater, and sanitation, which will assist in the long-term capital improvement projects list.

Financial Policies:

On September 7, 2011, the City Council adopted Resolution No. 2011-11. This Resolution established financial policies for the City, which address general finance, revenue, operating expenditure, capital expenditure, and debt and fund balance working capital. The City implements all GASB pronouncements in order to remain in compliance with the accounting standards for governments. This year, the City's financial statements reflect all changes to meet the guidelines of the GASB 68 pronouncement.

GFOA Award for Excellence in Financial Reporting:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ending September 30, 2021. This was the nineteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy GAAP, GASB, and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only and, therefore, must be applied for each subsequent year. Staff represents that the City's current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and the ACFR ending September 30, 2022, will be submitted to the GFOA for consideration.

Audited Statements Introduction:

Presnell Gage, PLLC, Accounting and Consulting, a firm of Certified Public Accountants, has audited the City's financial statements. The goal of the annual independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit examines, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The independent audit also involves the assessment of the accounting principles used and the significant estimates made by management and the evaluation of the presentation of the overall financial statements. The independent auditor, based upon the audit, concluded there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP and GASB. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the City's financial statements requires the independent auditor to report not only on the fair presentation of the financial statements but also with special emphasis on the audited government's internal controls and compliance with legal requirements. Because the cost of controls should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.





Acknowledgments:

The preparation of this report would not have been possible without the professional, efficient, and dedicated services of the City's Audit Committee and the entire staff of the Finance and Administration Departments. Appreciation is also extended to all members of the other City departments who assisted and contributed to the preparation of this report. Our thanks are also extended to the Mayor and the City Council for their support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Bill Belknap
City Supervisor



Sarah L. Eanks
Finance Director

MANAGEMENT REVIEW DRAFT





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

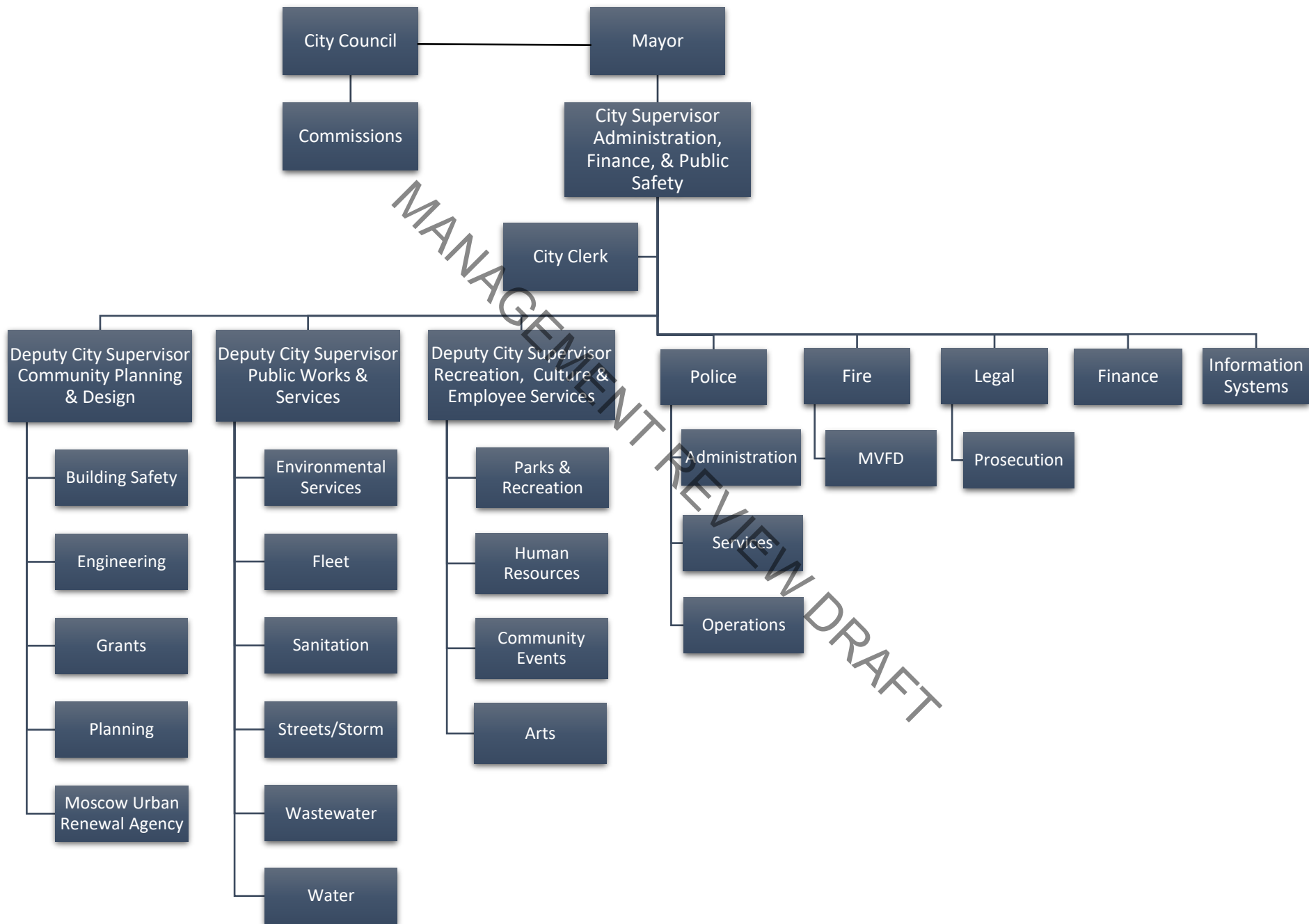
**City of Moscow
Idaho**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO



Public Officials

For information on how to vote in Moscow, please visit IdahoVotes.gov or the Latah County website (www.latah.id.us). You may also call the Latah County Courthouse at (208) 883-2249 or the City Clerk's office at (208) 883-7015.

Elected Officials at 09/30/2022

Official	Name	Term End
Mayor	Art Bettge	12/31/2025
Council Member	Sandra Kelly	12/31/2023
Council Member	Hailey Lewis	12/31/2025
Council Member	Maureen Laflin	12/31/2023
Council Member	Julia Parker	12/31/2025
Council Member	Gina Taruscio	12/31/2025
Council Member	Anne Zabala	12/31/2023

Elected Officials at 01/03/2023

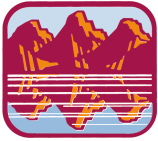
Official	Name	Term End
Mayor	Art Bettge	12/31/2025
Council Member	Drew Davis	12/31/2023
Council Member	Sandra Kelly	12/31/2023
Council Member	Hailey Lewis	12/31/2025
Council Member	Maureen Laflin	12/31/2023
Council Member	Julia Parker	12/31/2025
Council Member	Gina Taruscio	12/31/2025

Appointed Officials at 09/30/2022

Official	Name
City Supervisor	Bill Belknap
City Attorney	Mia Bautista
City Clerk	Laurie M. Hopkins
Deputy City Supervisor Community Planning and Design	Cody Riddle
Deputy City Supervisor Recreation, Culture and Employee Services	Jen Pfiffner
Deputy City Supervisor Public Works and Services	Tyler Palmer
Finance Director	Sarah L. Banks
Fire Chief	Brian Nickerson
Human Resources Director	Jen Pfiffner
Police Chief	James Fry



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Members of the City Council
City of Moscow, Idaho
Moscow, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Moscow, Idaho, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Moscow, Idaho's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Moscow, Idaho, 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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 of Moscow, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other required supplementary information on pages 21 through 41 and 81 through 86, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moscow, Idaho's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, capital asset schedules, and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) 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 our 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 Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2023, on our consideration of the City of Moscow, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Moscow, Idaho's internal control over financial reporting and compliance.

March 3, 2023

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the financial performance of the City of Moscow (hereinafter the "City") provides an overview of the City's financial activities for the fiscal year ended September 30, 2022 (FY2022) and is intended to:

- Assist the reader in focusing on significant financial issues;
- Provide an overview of the City's financial activity;
- Identify changes in the City's financial position (its ability to address challenges in subsequent years); identify any material deviations from the financial plan and the adopted budget; and
- Identify individual fund issues or concerns. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the report year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter found in the introductory section (page 6) and the City's financial statements beginning on page 43.

Financial Highlights

- The City's general fund (the City's primary operating fund), on a current financial resource basis, reported a fund balance increase for FY2022 of \$899,943 (12.4%) as a result of the following: the committed fund balance, which includes drug enforcement of \$67,200 and an increase in working capital of \$412,663 (8.9%) to \$5,069,000. Assigned fund balance includes a decrease in employee compensated absences of \$27,106 (3.5%) to \$746,059 while general governmental health programs decreased by \$2,000 (3.6%) to \$53,500.
- Working capital is the funding necessary to meet the cash flow needs of any particular fund. In compliance with the City's adopted financial policies, working capital is reported on the balance sheet for governmental funds. The General Fund working capital increased in FY2022 by \$412,663 (8.9%) to \$5,069,000. The Street Fund working capital for FY2022 increased by \$195,726 (22.7%) to \$1,059,124. The Recreation and Culture Fund working capital for FY2022 increased by \$187,262 (24.9%) to \$937,915.
- The City of Moscow has an investment policy that manages and directs the Finance Director and provides a guide to invest available funds. In FY2020, the City updated its Investment Policy, which can be found in Resolution #2020-02. In short, the investment policy prioritizes City investments by several factors including safety, liquidity, and yield. The City invests in U.S. Agencies containing adequate guarantees. Bond values can change inversely to interest rate changes during the time that the City holds the bond. When bonds mature, they are valued at 100% of the bond price (par).
 - In FY2019, the City reviewed its investment strategies and engaged an Investment Advisory Committee consisting of financial professionals associated with the University of Idaho and Lewis-Clark State College to formulate a sustainable investment strategy focused on minimizing risks and maximizing returns on these public dollars. This strategy was implemented in FY2020, which included entering into an asset management agreement with Moreton Asset Management, LLC, which was continued through FY2022.
- Governmental activities program revenue increased \$850,695 (7.4%) to \$12,299,483 in FY2022. This is mainly due to an increase in capital grants and contributions. In FY2022, the City complied with the single audit reporting requirements and federal funding received totaled \$3,931,827 compared with \$2,876,374 the prior year.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Business-type activities (enterprise funds) program revenue increased in FY2022 by \$470,702 (2.1%) to \$23,272,488. The new Stormwater utility added \$1,163,513 to program revenue while Capital grants and contributions decreased by \$977,914. FY2022 included a 5.0% water rate increase, a 2.25% increase in sewer rates, and no change to residential sanitation and stormwater rates. Both water and sewer rate adjustments were made in conformance with the recommendations of the rate study adopted by the City Council. Water connection fees are comprised of meter charges and general facility charges.
- The City continued work on water system improvements throughout the City. The largest project consists of the second phase of the replacement of six water booster stations (two remaining stations) and associated water main improvements for a cost of approximately \$4.0 million. The Booster Station's project is needed to address fire-flow deficiencies in boosted zones located at higher elevations in the City. To finance these projects, the City is combining a loan obtained from the Idaho State Revolving Loan Fund for water system improvements (administered by the Idaho Department of Environmental Quality (IDEQ)) with City of Moscow Water Capital Program funding. The first phase of the Booster Stations project (the first three stations) is complete. The design of the second phase of the Booster Station's project is complete and construction began in the winter of 2022.
- In FY2022, the City received \$3,931,827 in federal grant funding reimbursements which contributed to various City projects related to disaster assistance and in response to the COVID-19 pandemic. The federal funding assisted several City departments including Public Works, Police, Parks, Arts, and Community Development:
 - The Economic Development Administration (EDA) under the U.S. Department of Commerce awarded funding to the City through the Economic Adjustment Assistance program to assist with the replacement of the Sixth Street Bridge, which was damaged during the April 2019 flood event. The new single-span multimodal bridge will include two vehicular travel lanes, sidewalks, and bike lanes. The project was bid and awarded for construction during FY2022 (\$158,439).
 - The Idaho Department of Commerce (IDOC) under the US Department of Housing and Urban Development awarded the City an Idaho Community Development Block Grant (ICDBG) for Public Parks ADA Accessibility Improvements to enhance accessibility at both Mountain View Park and Indian Hills Park. The project included the remodeling of the existing Mountain View Park restroom building to create four single-occupant ADA-accessible restrooms. The Indian Hills Park project includes the installation of a precast restroom with a connecting pathway and one accessible ADA parking space. In FY2022, the reimbursable project expenses included procurement, purchase, and delivery of the precast restroom (\$65,409).
 - The Bureau of Justice Assistance (BJA) provides funding to state and local law enforcement departments under the Bulletproof Vest Partnership (BVP) where individual jurisdictions receive funding for reimbursement of body armor purchases. The BVP Reauthorization Act of 2015 includes a provision that states the BJA may fund up to 50% of each armor vest purchased for law enforcement officers that are uniquely fitted for each individual. These vests are ballistic and stab resistant. The Moscow Police Department has participated in this program for many years. In FY2022, the City received a 50% reimbursement for the purchase of five vests (\$5,886).

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The American Relief Plan Act of 2021 (ARPA) provided funding to Non-Entitlement Units of Local Government (NEU) for local fiscal recovery funding. A NEU is any city in the State of Idaho with a population less than 50,000 that is not otherwise receiving direct funding from the US Treasury. The City allocated \$600,000 of the ARPA funding in FY2022 to the Stormwater Utility to fund the purchase of a new vacuum truck equipped with a high-pressure water jet system and a high-performance industrial vacuum. The City also awarded \$609,694 in assistance to small businesses and community and social service non-profit organizations located in or providing services in the Moscow city limits to help them recover from the COVID-19 pandemic (1,209,694).
- The U.S. Department of Transportation provides funding to the Idaho Transportation Department (ITD) which operates the Office of Highway Safety (OHS) to provide various Traffic Enforcement Mobilizations, which the Moscow Police Department (MPD) has participated in for multiple years. This mobilization program establishes project requirements and a funding process to support the enforcement efforts by Idaho law enforcement agencies to reduce deaths, serious injuries, and economic loss as part of the Strategic Highway Safety Plan (SHSP). The purpose is to address Idaho's own unique circumstances and specific highway needs. The program funds overtime enforcement hours and/or traffic enforcement equipment for hours worked during designated mobilizations or through mini-grants for special events held in Moscow to address the City's specific driver safety needs. In FY2022, mobilization events provided reimbursement for overtime hours for the MPD (\$3,786).
- The National Highway Traffic Safety Administration (NHTSA) sponsors a federal grant program available to the Idaho Transportation Department (ITD) Office of Highway Safety (OHS). This program is also referred to as the Selective Traffic Enforcement Program (STEP) which addresses specific behaviors related to traffic safety priority areas and safety deficiencies within local law enforcement jurisdictions. The STEP is focused on combatting traffic crashes resulting in fatal and serious injuries. This grant funding reimburses law enforcement departments for the time dedicated to traffic enforcement. Recipients are required to track problem identification including objectives, performance measures and targets, and budgeted expenses. The annual maximum request for the program is 2,080 regular-time traffic officer enforcement hours with allowable benefit percentages. Requests can also include a maximum of 200 hours of overtime and equipment purchases (\$94,131).
- The City received an Idaho Transportation Department (ITD) award from the Surface Transportation Program (STP) for a planned enhancement project to improve traffic flow and safety from Sixth Street to Joseph Street on Mountain View Road. The project included widening the existing 24-foot wide two-lane rural roadway to a 36-foot wide two-lane urban road including bike lanes and turn lanes at select street intersections. The project also included the installation of curbs, gutters, and sidewalks along the corridor while improving ADA accessibility. Additional project features included a rectangular rapid flash beacon (RRFB) on Seventh Street and Mountain View Road for pedestrian crossing as well as intersection improvements at Joseph Street and Mountain View Road. The final project construction elements included a roundabout at Sixth Street and Mountain View Road for traffic flow and safety improvements. Expenses for FY2022 included construction bidding, utility relocations, construction, and construction inspection (\$1,076,531).

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Local Highway Safety Improvement Program (LHSIP) grant managed by the Local Highway Technical Assistance Council (LHTAC) on behalf of ITD was awarded to the City for Public Avenue Corridor Safety Improvements. The project will provide a pedestrian/bike friendly environment and driver cautions through the installation of curbing, advance warning signs for curves, and reduction of roadside hazards to prevent roadway departures. The project also includes retroreflective signage, thermoplastic crosswalk bars, and a permanent concrete splitter island at the intersection of Polk Street and Public Avenue. In FY2022, the City was reimbursed for expenses including professional consultant services for surveying, mapping, right-of-way review, and preliminary and conceptual design (\$62,156).
- The Local Highway Safety Improvement Program (LHSIP) grant managed by the Local Highway Technical Assistance Council (LHTAC) on behalf of ITD was awarded to the City for Sixth Street Safety Improvements to include installation of ADA-compliant curb extensions from Jefferson Street to Almon Street to reduce the pedestrian crossing length and improve pedestrian visibility. The project also included the improvement of pedestrian ramps and crosswalks on Sixth Street at intersections to eliminate gaps in the ADA-compliant corridor that connects the University of Idaho to the downtown central business district. Project expenses in FY2022 included project inspection and construction costs (\$297,845).
- The Local Highway Safety Improvement Program (LHSIP) grant managed by the Local Highway Technical Assistance Council (LHTAC) on behalf of ITD was awarded to the City for a Third Street/SH8 Corridor safety project from State Highway 8 to Lieuellen Street, including demolition and removal of deteriorated and non-ADA compliant infrastructure comprised of concrete sidewalks, outdated curb ramps, and unused vehicle access approaches. The project also included the installation of new sidewalks, curbs, gutters, pedestrian ramps, crosswalks, and LED luminaires to improve night-time safety. Project expenses during FY2022 included project inspection and construction costs (\$818,120).
- The Idaho Commission on the Arts (ICA) receives an annual appropriation from the National Endowment of the Arts to support public programs in the arts and sub-awards funds to non-profit and municipal organizations throughout Idaho. The purpose of the program is to expand arts engagement and increase arts participation. The program supports the creative, cultural, professional, and economic development of communities through public programming of the arts. In FY2022, the Moscow Arts Department received funding for general operating support from ICA Public Programs in the Arts (\$7,224).
- The Department of Health and Human Services funds the Idaho Office of Drug Policy through the Partnership for Success Law Enforcement Grant Funding program. The Moscow Police Department (MPD) receives funding from this grant aimed to prevent underage drinking, marijuana use, and methamphetamine use in Moscow. The funding is used to conduct compliance checks, interdiction activities, party patrols, shoulder tap operations, and provide presentations on topics related to the targeted prevention focuses. MPD began participation in the program in July of 2019 and in FY2022, the MPD received reimbursement for police officer enforcement and patrol operations per the award parameters (\$2,229).

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Federal Emergency Management Agency (FEMA) announced on June 12, 2019, that the President approved federal disaster assistance for the State of Idaho to supplement state, tribal, and local recovery efforts in areas affected by severe storms, flooding, landslides, and mudslides during April 7 – 13, 2019. The City was greatly impacted by a city-wide flash flood on April 9, 2019, due to heavy rains. FEMA representatives held a meeting with the City on May 6, 2019, to begin the process of data collection and damage assessment. The submittal of documentation for various eligible projects included emergency protective measures, donated resources, damages to facilities and equipment at the wastewater treatment plant, Paradise Path, Kiwanis Park, Mountain View Park, Highway 8 underpass, Joseph Street ditch repairs, culvert/headwall repairs at Mountain View and Joseph Street, city-wide debris removal, and project management costs. Clean-up costs and damages have totaled \$116,000 and reimbursement from federal and state disaster assistance funding to include administrative expense are \$109,000. The FY2022 year-end accrued expenses due for reimbursement are (\$57,171).
- The Idaho Office of Emergency Management (IOEM), Hazardous Mitigation Division, under the U.S. Department of Homeland Security, including FEMA awarded the City an Advanced Assistance grant to explore potential flood hazard mitigation alternatives and determine the most viable method to resolve flooding issues extending from the northeast city limits near Mountain View Park to the Paradise Creek crossing of the Troy Highway near the intersection with Styner and White Avenue, referred to as the “impacted area”. The scope of work includes a Hydrologic and Hydraulic Study (H & H Study) of Paradise Creek (Phase I), an alternatives analysis, LiDAR and data collection, environmental considerations, application development, benefit-cost analysis, pre-engineering, and CLOMR application. The H & H modeling of the proposed study extends upstream to the area from Darby Road Bridge to the south of the Troy Highway (Idaho State Highway 8) crossing. The results of the H & H study will be used to select an alternative, prepare preliminary design documents and complete a benefit-cost analysis of the selected alternative in order to apply for additional funding to construct the recommended mitigation option. This project will be completed in FY2023 (\$73,206).
- Idaho State House Bill 312 remained effective in FY2022. This legislation implemented an increase in state fuel taxes with the intent that the additional funding would be used exclusively for the maintenance of bridges and roads and replacement projects at both the state and local levels. The City of Moscow received \$284,959 of HB312 funds in FY2022.

CITY OF MOSCOW, IDAHO

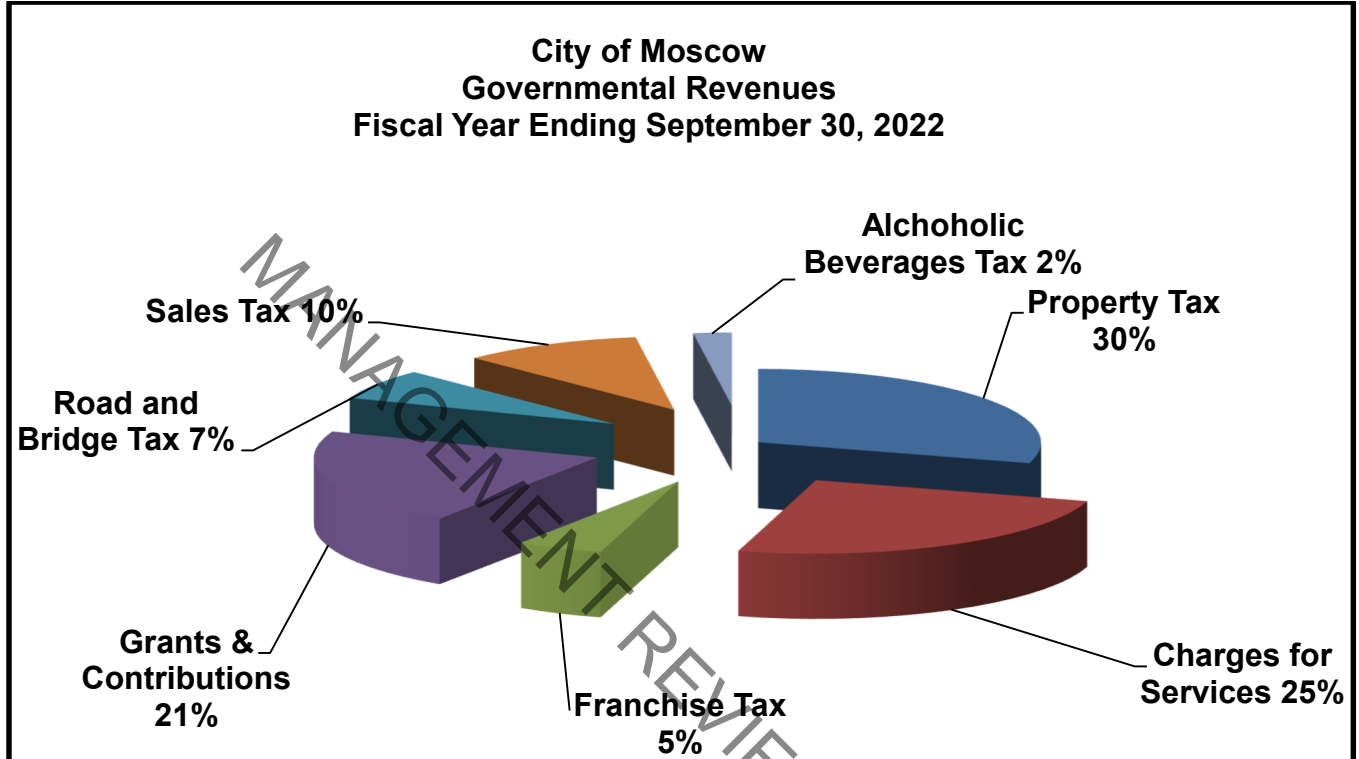
MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund revenues, comprised primarily of property taxes, charges for services, franchise fees, and state shared revenue and were used to support the following major activities:

Public Safety
General Government

Highways and Streets
Recreation and Culture

Interest on Long-term Debt



CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Major Initiatives

Fiscal Year 2022 Highlights:

The City of Moscow operates under an administrative structure that includes two Deputy City Supervisors who oversee the management of relevant groups, according to like functions and budget type. The structure also allowed for redundant positions to be eliminated through attrition and reduced the management load for the City Supervisor.



There have never been higher expectations for public programs and services. Demand for services has grown, but so has public scrutiny, competition for limited resources, the complexity of regulations, and security and safety concerns. Along with these, frustrations with public services have also seemed to increase, a driving force behind the City's deep commitment to financial accountability, exceptional quality, consistent performance, and meaningful contribution to the entire Moscow community. Strategic planning is becoming a hallmark of how the City of Moscow manages these expectations in a transparent and fiscally sound manner.

The City's strategic plan, initially developed in 2015, has provided the foundation for overcoming many significant issues and major challenge areas facing the organization and, in turn, the community of Moscow. The Strategic Plan is based on data-driven research quantifying substantial issues facing the organization and/or community. Above all, strategic plans look over the horizon to determine those impending forces that must be addressed or planned for so they do not pose severe threats to the City's integrity, health, or quality of life.

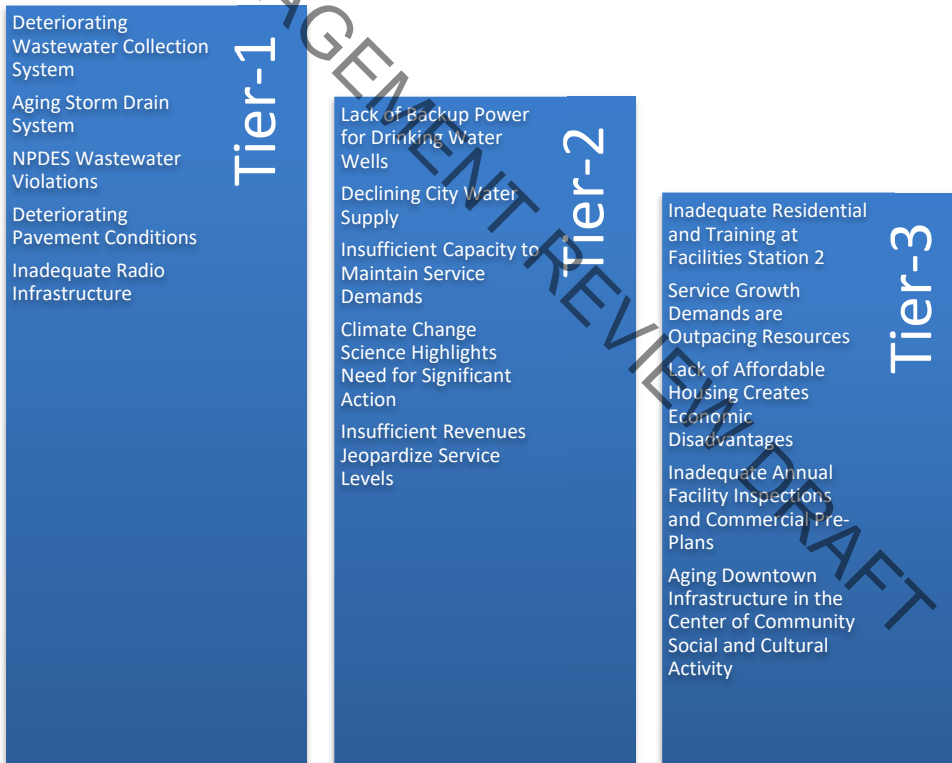
CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Major Challenge Areas' are the most significant problems and/or issues the community faces and must address. Some challenges are internal – detailing issues that will affect the effectiveness, efficiency, productivity, or service quality. Others are external – impacting desired community outcomes that represent the quality of life and long-term community prosperity.

Once identified and listed comprehensively, these issues are then vetted and prioritized by the City Council to determine Major Challenge Areas, also known as MCAs. This prioritization process is undertaken every few years to provide an opportunity for new Council members to weigh in, identify new issues, prioritize them appropriately, and ensure agreement on the prioritization of focus for resources and staff time.

In January of 2021, staff provided an update to the Strategic Plan noting the many successes realized since 2015 and outline two new issues for Council's consideration in the prioritization process. Several minor changes were made in the adoption of Major Challenge Areas (MCA) in 2021, with MCAs prioritized as follows:



Significant progress has been made in achieving success to alleviate issues the City has faced as major challenge areas. Specifically, the recent completion of the construction of a new Police Services Facility as a result of a citizen-approved bond election in 2019 and regular budgeting and replacement of fire engines. The City's commitment to moving forward strategically, intentionally, and mindfully is steadfast and is proving to be a hallmark of the City's success. The City Council is currently working to update the Strategic Plan and a new plan is anticipated to be adopted in 2023.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Strategic Plan has also paved the way for a comprehensive Capital Improvement Plan. The Capital Improvement Program (CIP) is a statement of the City of Moscow's plan to address long-term capital asset maintenance and development necessary to support the continued and expanded delivery of public services to the community. The CIP incorporates planned capital investments in the City's water and wastewater utilities, transportation systems, parks, and recreation facilities, and general government facilities. The continuous maintenance, repair, and reinvestment in these critical systems are essential to ensure that the City has the supporting infrastructure necessary to serve our current and future residents, businesses, and institutions.

This program strategically focuses on projects for a five-year period and is reviewed and updated annually. To be included in the CIP, a project should generally require a total expenditure of at least \$25,000, have a functional life of over five years, and/or extend the functional life or capacity of an existing capital asset. By providing a planned schedule, cost estimates, and location of public sector improvements, the CIP provides elected officials and the community with valuable information concerning proposed public facilities and their associated costs.

The City of Moscow promotes and implements sustainable practices across all departments. The City's interoffice recycling program has been revamped to streamline recycling practices across all City facilities. Other standardized practices include sustainable purchasing, reuse, and waste reduction strategies. With the combined success of the EcoDriver and fleet replacement programs, emissions and fuel consumption continue to decline. The City has set goals for Green House Gas emission reductions with biennial inventory updates. A number of budgeted projects have reduced carbon emissions and made City operations more efficient while saving the City money in power costs.

The Finance Department earned the prestigious Government Finance Officers Association (GFOA) Award for the City's Annual Comprehensive Financial Report for the nineteenth consecutive year.

The Moscow Volunteer Fire Department and Ambulance Company (MVFD) has been serving the Moscow community for more than 129 years. This organization operates with mostly volunteers who number approximately 105 firefighters and emergency medical personnel and 7 career staff. During FY2022, the volunteers of the MVFD responded to approximately 2,776 calls, averaging approximately 231 calls for service each month. The volunteers logged more than 9,000 hours of training to prepare themselves to serve and maintain the level of professionalism the citizens of Moscow have come to expect. In addition to the excellent emergency medical response provided by the volunteers, the MVFD has maintained a Class 3 ISO rating (2022 Insurance Services Office audit). This rating results in significant fire insurance savings to both residential and commercial property owners within Moscow, and is similar to the ISO ratings of much larger fire departments/communities such as the City of Boise and the City of Coeur d'Alene.

The City continues to be an effective regional partner in the areas of water research and conservation, actively supporting the work of the Palouse Basin Aquifer Committee (PBAC), promoting customer conservation efforts, and exploring alternative water resources, including surface water detention and expansion of treated effluent reuse infrastructure. Annually, approximately 80 million gallons of treated wastewater effluent from the City of Moscow Water Reclamation and Reuse Facility is land-applied for irrigation on the University of Idaho campus. The City supported PBAC's research and operations in the amount of \$47,000 in FY2022.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Sanitation collection rates were not increased for FY2022. Sanitation tipping (weight) related fees at the Solid Waste Processing Facility were contractually obligated to be adjusted annually, based on fluctuation to the *Consumer Price Index*. Solid Waste Disposal Contracts between the City of Moscow and Latah County, the cities of Bovill, Deary, Genesee, Juliaetta, Kendrick, Potlatch, and Troy were renegotiated and amended to reflect the findings of the FY2016 Rate Study update requiring tipping fee increases at the Solid Waste Processing Facility of 4.4% each year from FY2017 through FY2020 and 2% each year beginning in FY2021 through FY2023.

City Ordinance No. 2004-30 states that it is the policy of the City to support public art through the dedication of 1% of the total cost of public capital improvement projects to facilitate the installation of art in public places in order to beautify public areas, enhance the quality of life for Moscow citizens, attract tourism, and provide incentives to businesses to locate within the City. The ending balance at the close of FY2022 was \$157,250.

Parks and Recreation accomplishments during the year include the following:

- The Moscow Tree Commission received the 2022 Idaho Recreation and Parks Association Outstanding Innovative Program Award for the Moscow Heritage Tree Program.
- The Harvest Park Management Plan was developed and approved by Moscow City Council.
- The City of Moscow became a Bee City USA affiliate after a recommendation by the Parks and Recreation Commission.
- Anderson Frontier Park was designated as a pesticide-free park.
- The City of Moscow received funding from Public Health-Idaho North Central District to plant trees at Indian Hills Park and Mountain View Park for shading the playground areas. Funding also provided bike racks at Anderson Frontier Park, Mountain View Park, and Indian Hills Park.
- The Moscow Pathways Commission hosted the first annual pedestrian tour beginning at the Moscow School District Community Playfields and ending at Heron's Hideout.
- To recognize National Bike Month, the Moscow Pathways Commission hosted its annual bike tour in May and celebrated national Bike to Work Day on May 20, 2022.
- Pathway lighting was installed from Highway 95 to Styner Avenue along the Paradise Pathway.
- A pond circulator was installed at Hordemann Pond to improve the fishery and reduce algae in the pond, with partial funding from a donor.
- New drinking fountains, including bottle fillers and dog drinking fountains were installed at East City Park and Morgan's Orchard Park.
- Park staff rebuilt the boardwalk at Anderson Frontier Park.
- The ADA lift at the Hamilton-Lowe Aquatic Center was replaced.
- Five park benches were installed with funding from donors at Carol Ryrie Brink Nature Park, Kiwanis Park, East City Park, Indian Hills Park, and Anderson Frontier Park. Four trees were donated, three at Heron's Hideout and one at East City Park.

Report Layout: The City's Annual Comprehensive Financial Report (ACFR) consists of four sections: (1) the introduction section; (2) financial section; (3) statistical section; and (4) the compliance reporting section. Taken together, they provide an overview of the City. The components of the report include the following:

Management's Discussion and Analysis: This section of the report provides financial highlights, overview, and economic factors affecting the City. It is intended to serve as an introduction to the City's basic financial statements.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Basic Financial Statements: The City's basic financial statements comprise three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

1. Government-Wide Financial Statements:

The government-wide financial statements focus on an entity-wide presentation using the accrual basis of accounting and are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. The difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the City owns, the liabilities it owes and the net difference. The focus of the statement of net position (the "unrestricted net position") is designed to be similar to a bottom line or "net worth" for the City and its governmental and business-type activities. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement of net position for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). This statement of net position summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues. The statement of activities focuses on both the gross and net cost of various activities, which are provided by the government's property tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities and/or component units.

The governmental activities reflect the City's basic services, including general government, public safety, transportation, recreation and culture, and interest on long-term debt. A further explanation of these categories will assist the reader's understanding of the statements. General government consists of the following departments: legislative, executive, administration, finance, legal, human resources, general buildings and grounds, community development, non-departmental expenses, fleet, and information systems. Public Safety consists of the following departments: police, emergency communication, parking enforcement services, code enforcement, fire, and public health. Transportation consists of the following services: street repair and maintenance, street sweeping, streetlights, Intermodal Transit Center management, and coordination of resources with state and county highway projects. Recreation and Culture consists of the following departments: parks administration, maintenance and operation of City parks, recreation programs, Hamilton-Lowe Aquatics Center, Hamilton Indoor Recreation Center (HIRC), Eggan Youth Center, Moscow School District Community Playfield fund (MSDCP), 1912 Center, Arts, and Community Events. Finally, the interest on long-term debt consists of the 2019 general obligation bond interest payments for the construction of a new police facility. Property and roadway taxes, State revenue sharing, franchise fees, and user fees finance the majority of these aforementioned services.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The business-type activities reflect the following private sector type operations of water, sewer, stormwater and solid waste management utility services (which the financial statements list as “sanitation”), where the fee for service typically covers all costs associated with the operation, including depreciation and net investment in capital assets. These services are classified as Enterprise Funds.

The statements present an aggregate view of the City's finances. Government-wide statements contain useful long-term information as well as information for the just completed fiscal year. To assess the overall financial condition of the City, additional non-financial factors, such as changes in the condition of the City buildings, facilities, and equipment should also be considered.

2. Fund Financial Statements:

A fund is a fiscal and accounting entity that is used to provide control over resources that have been segregated for specific activities or objectives. Funds allow the City to track sources of funding and spending for specific programs and to demonstrate compliance with various regulatory requirements.

The City of Moscow maintains eighteen individual funds in six separate categories. The categories and their funds include:

- **The General Fund** is the City's chief operating fund, and accounts for all financial resources except those required to be accounted for in another fund.
- **Special Revenue** funds include the Street fund, Recreation and Culture Fund, Moscow School District Community Playfield fund (MSDCP), 1912 Center fund, and Transit Center fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are assigned for specific purposes.
- **Enterprise** funds include the water, sewer, stormwater and sanitation funds. Enterprise funds account for activity for which a fee is charged to external users for goods and/or services.
- **Debt service** funds include the bond and interest, local improvement district, and guaranty funds. Debt service funds are used to set aside resources to meet current and future debt service requirements on general long-term debt.
- **Capital projects** funds include capital projects, LID Construction, and Hamilton funds. Capital projects funds are used to account for major capital acquisitions and construction separately from ongoing operating activities.
- **Internal service** funds include the information systems and fleet management funds. Internal service funds are used to account for centralized services and then allocate the cost of those services within the government.

Fund financial statements generally report operations in more detail than the government-wide statements. These statements focus on its most significant or “major” funds and not on the City as a whole. Governmental fund statements follow the more traditional presentation of financial statements.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's major governmental funds are each presented in their own column. Budgetary comparison statements are presented for the funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than fund types. Major funds are defined in the following manner:

- The City's main operating fund, the general fund, is always considered a major fund; and
- Each of the City's enterprise funds; and
- Any fund whose assets, liabilities, revenues or expenses are at least:
 - A. 10% of the total for all governmental OR enterprise funds; AND
 - B. 5% of the total for all governmental AND enterprise funds COMBINED.
- City management may designate any fund as a major fund believed to be important to the users of the City's financial statements.
- City management has determined the following funds are major funds:
 - A. The governmental funds: included are the general fund, street fund, recreation and culture fund, capital projects fund, and the Hamilton fund.
 - B. The enterprise funds: included are the water fund, sewer fund, stormwater fund and sanitation fund.

Governmental Funds. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of available resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available to be spent at the end of the fiscal year. These funds are reported on the "modified accrual" basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides.

Proprietary Funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds, (as previously noted) are used to report the functions presented as business-type activities in the government-wide financial statements. The City's enterprise funds are the water, sewer, stormwater and sanitation funds. Internal service funds keep, accumulate, and allocate costs integrally among the City's various functions. Internal service funds include the fleet management fund, which accounts for fleet activities, and the information system fund, which accounts for network and communication activities. Because services provided by these internal service funds predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities section in the government-wide statements.

3. Notes to the Financial Statements:

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

4. Additional Supplementary Information:

The basic financial statements are followed by a section of supplementary information that further explains and supports the information in the financial statements. The supplementary information includes a budgetary comparison schedule reconciling the statutory operating activities for budgetary purposes to the generally accepted principles operating activities and fund balances, as presented in the governmental fund financial statements.

5. Statistical Information:

Following the supplementary information is the statistical section of the Annual Comprehensive Financial Report (ACFR). The statistical section consists of historical data and non-financial data useful in establishing trends and should be used in conjunction with the financial information in establishing a full representation of the overall financial health of the City.

6. Compliance Reporting:

This section contains compliance reporting on internal controls and Federal awards. Compliance reporting on Federal awards is a federal requirement when expending monies in excess of \$750,000 from Federal awards.

Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal control is a process utilized by the City Council, Administration, and staff, which is designed to provide reasonable assurance, not absolute assurance, regarding the achievements of objectives in the following categories: (1) the effectiveness and efficiency of operations; (2) reliability of financial reporting; and (3) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefit likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The financial statements meet requirements as set forth by the Governmental Accounting Standards Board (GASB). Generally accepted accounting principles promulgated by GASB, as appropriate for cities, have been followed in handling financial transactions and in preparation of reports.

Activities of the general fund, special revenue funds, debt service fund, and capital projects fund are included in the City's annual budget. Budgetary control is maintained by the issuance of monthly financial statements, which reflect current and year-to-date expenses in comparison to budgeted amounts. Anticipated expenses are reviewed to determine that sufficient funds are available prior to commitment. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Capital Assets. General capital assets include land, improvements to land, buildings, vehicles, machinery and equipment, infrastructure, and all other tangible assets that are used in operations and that have initial useful lives in excess of three years and which exceed the City's capitalization threshold of \$5,000. These capital assets provide services to the City's residents; consequently, these assets are not available for future spending. The largest portion of the City's net position (56.5%) reflects the net investment in capital assets, which totaled \$90,805,250 in FY2022.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City must elect to either a) depreciate these assets over their estimated useful life; or b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City has elected to depreciate its assets. Accumulated depreciation was recorded for the first time in 2003 based on the date of acquisition and the life span of the asset.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve as a useful indicator of a city's financial position. In the case of the City of Moscow, assets exceeded liabilities by \$160,737,104 in FY2022.

City of Moscow
Statement of Net Position (in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 38,307	\$ 33,086	\$ 46,938	\$ 44,525	\$ 85,245	\$ 77,611
Capital assets (net of accumulated depreciation)	61,829	57,865	45,640	44,359	107,469	102,224
Total assets	\$ 100,136	\$ 90,951	\$ 92,578	\$ 88,884	\$ 192,714	\$ 179,835
Defined Benefit Pension	\$ 4,923	\$ 2,533	\$ 1,033	\$ 562	\$ 5,956	\$ 3,095
Total deferred outflows	\$ 4,923	\$ 2,533	\$ 1,033	\$ 562	\$ 5,956	\$ 3,095
Long-term debt	\$ 15,951	\$ 8,128	\$ 10,252	\$ 9,568	\$ 26,203	\$ 17,696
Other liabilities	6,841	5,336	4,681	3,793	11,522	9,129
Total liabilities	\$ 22,792	\$ 13,464	\$ 14,933	\$ 13,361	\$ 37,725	\$ 26,825
Defined benefit pension	\$ 243	\$ 6,005	\$ (35)	\$ 1,251	\$ 208	\$ 7,256
Total deferred inflows	\$ 243	\$ 6,005	\$ (35)	\$ 1,251	\$ 208	\$ 7,256
Net investment in Capital assets	\$ 54,348	\$ 49,575	\$ 36,457	\$ 34,038	\$ 90,805	\$ 83,613
Restricted	1,596	2,854	29,803	28,754	31,399	31,608
Unrestricted	26,080	21,587	12,453	12,042	38,533	33,629
Total Net Position	\$ 82,024	\$ 74,015	\$ 78,713	\$ 74,834	\$ 160,737	\$ 148,849

Statement of net position - as of the end of FY2022 the City's government-wide net position increased by \$11,888,523 (8.0%) to \$160,737,104. The increase identified in the business-type activities restricted net position is due to the accumulation of funds for future capital outlay. The City's business-type activities restricted fund balance of \$29,803,266 consists of \$28,702,285 for water, sewer, stormwater, and sanitation capital projects and \$1,100,981 for debt service. The City's restricted fund balance for governmental activities of \$1,595,984 consists of \$505,105 for debt service, \$300,766 for highway user tax purposes, and \$790,113 for parks and recreation as directed by Bobby Hamilton's bequest to the City in FY2000.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

**City of Moscow
Changes In Net Position (in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Program Revenue:						
Charges for services	\$ 6,603	\$ 6,315	\$ 22,790	\$ 21,342	\$ 29,393	\$ 27,657
Operating grants and contributions	2,339	2,440			2,339	2,440
Capital grants and contributions	3,358	2,694	482	1,460	3,840	4,154
General Revenue:						
Property taxes	7,875	7,437			7,875	7,437
Sales taxes	2,749	2,573			2,749	2,573
Franchise taxes	1,312	1,307			1,312	1,307
Road and bridge taxes	1,786	855			1,786	855
Alcoholic beverage taxes	582	660			582	660
Gain/loss on sale of capital assets	903	42			903	42
Investment earnings	(438)	31	(628)	96	(1,066)	127
Total revenues	<u>27,069</u>	<u>24,354</u>	<u>22,644</u>	<u>22,898</u>	<u>49,713</u>	<u>47,252</u>
Expenses:						
General government	9,174	6,653			9,174	6,653
Public Safety	7,221	6,915			7,221	6,915
Highways and Streets	3,255	3,216			3,255	3,216
Recreation and Culture	4,793	3,318			4,793	3,318
Interest on long term debt	213	227			213	227
Water – distribution			3,484	3,144	3,484	3,144
Sewer – collection						
And treatment			4,220	4,381	4,220	4,381
Sanitation			5,010	4,705	5,010	4,705
Stormwater			456			
Total expenses	<u>24,656</u>	<u>20,329</u>	<u>13,170</u>	<u>12,230</u>	<u>37,826</u>	<u>32,559</u>
Transfers in (out)	<u>5,595</u>	<u>4,842</u>	<u>(5,595)</u>	<u>(4,842)</u>	<u>0</u>	<u>0</u>
Changes in net position	8,008	8,867	3,879	5,826	11,887	14,693
Net position - beginning	74,016	65,148	74,834	69,008	148,850	134,156
Net position - ending	<u>\$ 82,024</u>	<u>\$ 74,015</u>	<u>\$ 78,713</u>	<u>\$ 74,834</u>	<u>\$ 160,737</u>	<u>\$ 148,849</u>

Changes in net position - The table above shows that the changes in net position for FY2022 governmental activities increased the City's net position by \$8,009,237 (10.8%), and business-type activities increased net position by \$3,879,686 (5.2%). The City had total expenses of \$37,824,618 and total revenues of \$49,713,141, contributing to a total net position increase of \$11,888,523 (8.0%).

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As of the end of FY2022, the City's governmental funds reported a combined ending fund balance of \$20,969,301, an increase of \$2,728,678 (15.0%) when compared to the ending fund balance of \$18,240,623 for FY2021. The increase is mainly due to accumulation of funds in the Capital Projects fund for future projects.

The unassigned fund balance for the general fund is \$2,205,027 or 10.5% of the governmental fund balance. The \$2,205,027 is mostly comprised of outstanding receivables, which are collected within 60 days. The remaining unassigned fund balance within the governmental funds is available for spending at the government's discretion in accordance with adopted budgets. The remaining fund balances are either assigned a specific purpose or project or otherwise committed.

General Fund. The general fund is the maintenance and operation fund for the City. At the end of FY2022, the general fund balance was \$8,140,786, an \$899,943 (12.4%) increase from the ending balance of \$7,240,843 for FY2021. This fluctuation in balance is attributed to capital transfers to the fleet and capital projects funds for future capital outlay.

Street Fund. The street fund is responsible for the construction and maintenance of public streets and traffic services within the City. The ending fund balance for FY2022 was \$2,328,729, an increase of \$196,846 (9.2%) from the prior year's fund balance of \$2,131,883.

Recreation and Culture Fund. The recreation and culture fund accounts for the costs of maintaining and improving parks facilities, culture and recreational programs, and community center operations in the City. At the end of FY2022, the recreation and culture fund balance was \$1,327,496, a \$279,391 (26.7%) increase from the ending balance of \$1,048,105 for FY2021. Fund balance policy requires a working capital balance of \$937,915 leaving a fund balance of \$389,581. This is made up of \$157,250 of restricted fund balance and \$232,231 of assigned fund balance.

Capital Projects Fund. The capital projects fund accounts for money set aside by the City Council for identified and unidentified future projects. Additionally, this fund is used to accumulate grant match funds and capital grant monies for anticipated future projects. The accumulation of monies for street projects include: South Couplet Beautification, South Main Underpass, and the Public Avenue Safety Improvement projects. The accumulation for parks and recreation projects include land and park developments, playground equipment, building improvements, and parkland dedication. General government projects that were designed, constructed, or completed during the year include street improvements, sidewalk improvements, park pathways, and completion of the new police facility. The fund balance increased in FY2022 by \$2,563,145 (52.3%) to \$7,464,213 due to an increase in accumulation for future capital projects.

Hamilton Fund. The Hamilton fund accounts for money bequeathed to the City by the Last Will and Testament of Mr. Bobby C. Hamilton. Mr. Hamilton's will stipulates the money be designated "for the benefit of the Parks and Recreation Department to be used as much as possible for the benefit of young children." At the end of FY2022, the ending fund balance in the fund was \$790,113. This represents a decrease of \$1,308,344 (62.3%) from FY2021 due to funding of the Palouse Ice Rink and the net difference between interest earnings and the transfers to the parks and recreation department for funding operation of the Hamilton Indoor Recreation Center (HIRC).

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Enterprise Funds. The City's proprietary funds consist of water, sewer, stormwater and sanitation.

The Water Fund. The water fund is responsible for the operation and maintenance of four tank reservoirs, six active wells, and the distribution systems for potable water. The City's reservoirs include two elevated tanks with capacities of 285,000 gallons and 450,000 gallons of water. However, the smaller reservoir is off-line and unlikely to return to service. The capacity of the two ground tank reservoirs is 2,000,000 gallons each. The wells are numbered, and wells #2 and #3 are supplied by the Wanapum Aquifer, while wells #6, #8, #9 and #10 access the deeper Grande Ronde Aquifer. Well #10 is now the largest producer at 3,200 gallons per minute. The consumption fees for commercial accounts are flat, while residential consumption fees are reflective of a tiered rate structure encouraging conservation. Construction of the second phase of the booster upgrades is underway with anticipated completion in FY2024. The Comprehensive Water System Plan was adopted in January 2012 and the Water Rate Study was approved in May 2020. Ending fund balance for FY2022 decreased by \$38,659 (1.6%) to \$2,354,556 due to an increase in project spending offset by a 5% overall water rate increase to support the water fund's capital improvement plan.

The Sewer Fund. The sewer fund accounts for the operation and maintenance of the Water Reclamation and Reuse Facility and the Water Reclamation conveyance system. The Water Reclamation and Reuse Facility treats on average 650 million gallons annually. The Water Reclamation conveyance system consists of 87 miles of sewer pipe and 4 lift stations pumping a combined average daily total of 300,000 gallons. Rates are comprised of two elements: a base fee and a consumption (volume) fee. Consumption fees are only assessed to commercial accounts and vary according to account classification due to contaminate loading at the Water Reclamation and Reuse Facility. The Comprehensive Sewer System Plan was adopted in June 2022 and the Sewer Rate Study approved in May 2020. Ending fund balance for FY2022 increased by \$1,273,990 (6.8%) to \$19,965,502.

The Stormwater Fund. The stormwater fund accounts for the planning, operation, construction, maintenance, and management of the stormwater control system. The stormwater system consists of 94 miles of storm drain pipe, 10 miles of open ditch, 3,000+ manholes/inlets, and 9.5 miles of receiving waters (Paradise Creek, Hogg Creek, S. Fork of the Palouse River). Rates are based on the total impervious surface area (ISA) for the three customer groups: residential properties, multi-family residential properties, and non-residential properties. The NPDES Permit went into effect in October 2019 and the stormwater fees were implemented in October 2021. Ending fund balance after the first year of operations was \$280,196.

The Sanitation Fund. The Sanitation fund accounts for all transactions related to the collection of garbage or refuse, recycling, and hauling or transportation and disposal. The City contracts with Latah Sanitation, Inc. (LSI) for collection and delivery of solid waste to the Solid Waste Processing Facility. The City contracts with Waste Connections, Inc., for transportation and final disposal of municipal solid waste at Finley Buttes Landfill in Boardman, Oregon. The City contracts with LSI for disposal of non-municipal solid waste (NMSW) at the LSI Landfill located at the Solid Waste Processing Facility site. LSI acts as the City's agent for collection of fees at the Solid Waste Processing Facility and NMSW Landfill from self-haul and commercial customers. The City also owns Moscow Recycling Center and contracts with Moscow Recycling (a division of LSI) for operations of the recycling center. The Sanitation Strategic Plan was adopted in February of 2011. The first Comprehensive Sanitation Rate Study was adopted in November of 2013 and a Sanitation Rate Study update was completed in FY2016 and FY2022. Ending fund balance for FY2022 increased by \$335,804 (3.3%) to \$10,654,476.

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUDGETARY HIGHLIGHTS

In the general fund, differences between the budget and actual figures included a \$380,292 (2.6%) net increase in total revenues and a \$1,777,771 (12.0%) decrease in total expenses. The significant highlights are summarized as follows:

- Revenues:
 - A \$249,482 positive variance in sales tax revenues,
 - A \$208,012 positive variance in property tax revenues,
 - A \$161,999 positive variance in refunds and reimbursements,
 - A \$85,406 positive variance in licenses and permits;
 - A \$314,543 negative variance in investment earnings.
- Expenses:
 - A \$1,081,154 positive variance for general government expenses,
 - A \$675,912 positive variance for public safety expenses.

Budget to actual revenues for the general fund reflect a mix of positive and negative variances in revenue. The remaining categories reflect minimal positive and negative variances.

Budget to actual expenses for the general fund reflect variances in general government and public safety expenses. The remaining categories reflect minimal positive and negative variances.

Additional information comparing the City's budgeted expenses to actual expenses can be found in the financial statements on pages 81-102 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's net investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$90,805,250. This net investment in capital assets includes land, buildings, collection and distribution systems, improvements, equipment, roads, streets, and bridges. The total increase in the City's net investment in capital assets for FY2022 was 8.6% (a 9.6% increase for governmental activities and a 7.1% increase for business-type activities).

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Major capital asset events during FY2022 included the following projects:

- City of Moscow Public Works Department:
 - Continued work on the South US95 Water / Sewer Extension (\$1,378,193)
 - Continued work on Mountain View Road Reconstruction (\$1,103,773)
 - Continued work on Sixth Street Bridge (\$544,556)
 - Continued work on Third Street Safety Improvements (\$842,535)
 - Completion of the Taylor Booster Station (\$336,425)
 - Continued work on Well 6 Building Replacement (\$347,841)
- City of Moscow Parks Department continued the development of Moscow parks and playgrounds (\$407,633)
- Completion of the new police facility (\$617,484)

Net Investment in Capital Assets

	Governmental Activities	Business-Type Activities	Total
Capital Assets	\$ 106,277,816	\$ 91,507,770	\$ 197,785,586
Depreciation	(44,446,958)	(45,867,416)	(90,314,374)
Total Liabilities	(7,482,674)		(7,482,674)
DEQ Loans & Bonds Payable		(9,183,288)	(9,183,288)
Total	<u>\$ 54,348,184</u>	<u>\$ 36,457,066</u>	<u>\$ 90,805,250</u>

Additional information on the City's capital assets can be found in Note 3 beginning on page 65 of this report.

Debt Outstanding, At Year-End

	Governmental Activities	Business-Type Activities	Total
General obligation bonds	\$ 6,285,000		\$ 6,285,000
Revenue bonds		\$ 2,910,000	2,910,000
Idaho DEQ Loan		3,951,250	3,951,250
Total	<u>\$ 6,285,000</u>	<u>\$ 6,861,250</u>	<u>\$ 13,146,250</u>

CITY OF MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Outstanding. At the end of FY2022, the City had total bonded debt outstanding of \$9,195,000: \$2,910,000 representing bonds secured solely by specified sewer revenue resources and \$6,285,000 of general obligation bonds for construction of a new police facility.

In FY2021, the City secured a loan for improvements to the City's domestic water system in the amount of \$4,300,000. Current borrowings against this loan are \$2,282,247.

General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
	General obligation bonds	\$6,285,000	\$ 7,050,000			\$ 6,285,000
Revenue bonds			\$ 2,910,000	\$ 3,920,000	2,910,000	3,920,000
Total	<u>\$6,285,000</u>	<u>\$ 7,050,000</u>	<u>\$ 2,910,000</u>	<u>\$ 3,920,000</u>	<u>\$ 9,195,000</u>	<u>\$ 10,970,000</u>

Additional information on the City's long-term debt can be found in Note 3D beginning on page 70 of this report.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Any questions or requests for additional information should be directed to the City's Finance Director, Sarah L. Banks, at City Hall, 206 East Third Street, Moscow, Idaho, 83843, by phone at (208) 883-7016, or by email at sbanks@ci.moscow.id.us.



BASIC FINANCIAL STATEMENTS

CITY OF MOSCOW, IDAHO

STATEMENT OF NET POSITION
September 30, 2022

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Urban Renewal Agency
ASSETS				
CURRENT ASSETS				
Cash	\$ 295,138	\$ 50,000	\$ 345,138	\$ 21,889
Investments	31,203,293	11,886,253	43,089,546	2,442,669
Receivables	3,524,703	2,297,406	5,822,109	4,376
Loans receivable		2,282,247	2,282,247	
Inventory		456,366	456,366	
Prepaid and other assets				5,260
Total current assets	35,023,134	16,972,272	51,995,406	2,474,194
NONCURRENT ASSETS				
Temporarily restricted cash and investments	2,536,656	29,965,550	32,502,206	
Net pension asset	748,582		748,582	
Capital assets:				
Land	9,368,336	1,675,539	11,043,875	679,420
Buildings	27,137,177	4,073,705	31,210,882	
Vehicles	7,914,818	181,175	8,095,993	
Improvements	44,848,252	1,129,271	45,977,523	
Machinery and equipment	8,078,531	16,168,858	24,247,389	
Infrastructure		64,328,728	64,328,728	
Construction in progress	5,348,885	3,950,494	9,299,379	
Information systems	3,556,217		3,556,217	
Right of use asset	25,600		25,600	
Accumulated depreciation	(44,446,958)	(45,867,416)	(90,314,374)	
Accumulated amortization	(2,327)		(2,327)	
Total noncurrent assets	65,113,769	75,605,904	140,719,673	679,420
Total assets	100,136,903	92,578,176	192,715,079	3,153,614
DEFERRED OUTFLOWS OF RESOURCES				
Defined benefit pension	4,922,892	1,032,978	5,955,870	

See accompanying notes

CITY OF MOSCOW, IDAHO

STATEMENT OF NET POSITION
September 30, 2022

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Urban Renewal Agency
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	\$ 1,123,490	\$ 1,895,520	\$ 3,019,010	\$ 92,316
Deposits payable	528,902	77,716	606,618	5,000
Accrued interest payable	32,123	67,578	99,701	
Unearned revenue	4,243,987	1,404,506	5,648,493	
Current portion of long-term liabilities	795,000	1,215,315	2,010,315	40,000
Current portion of compensated absences	117,584	20,286	137,870	
Total current liabilities	<u>6,841,086</u>	<u>4,680,921</u>	<u>11,522,007</u>	<u>137,316</u>
LONG-TERM OBLIGATIONS				
Compensated absences	823,088	141,998	965,086	
Landfill post closure care payable		88,491	88,491	
Net pension liability	8,440,685	2,053,339	10,494,024	
Long-term liabilities, net of current portion	6,687,674	7,967,973	14,655,647	237,537
Total long-term obligations	<u>15,951,447</u>	<u>10,251,801</u>	<u>26,203,248</u>	<u>237,537</u>
Total liabilities	<u>22,792,533</u>	<u>14,932,722</u>	<u>37,725,255</u>	<u>374,853</u>
DEFERRED INFLOWS OF RESOURCES				
Defined benefit pension	<u>243,478</u>	<u>(34,888)</u>	<u>208,590</u>	
NET POSITION				
Net investment in capital assets	54,348,184	36,457,066	90,805,250	452,420
Restricted for:				
Recreation and culture	790,113		790,113	
Debt service	505,105	1,100,981	1,606,086	44,312
Capital outlay		28,702,285	28,702,285	
Transportation	300,766		300,766	
Unrestricted	<u>26,079,616</u>	<u>12,452,988</u>	<u>38,532,604</u>	<u>2,282,029</u>
Total net position	<u>\$ 82,023,784</u>	<u>\$ 78,713,320</u>	<u>\$ 160,737,104</u>	<u>\$ 2,778,761</u>

See accompanying notes

CITY OF MOSCOW, IDAHO

STATEMENT OF ACTIVITIES
Year Ended September 30, 2022

See accompanying notes
45

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Urban Renewal Agency
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental activities								
General government	\$ 9,173,761	\$ 3,851,254	\$ 628,245		\$ (4,694,262)	\$ (4,694,262)		
Public safety	7,220,500	1,700,139	715,727		(4,804,634)	(4,804,634)		
Highways and streets	3,254,599	345,185	936,823	\$ 3,357,815	1,385,224	1,385,224		
Recreation and culture	4,792,595	705,237	58,558	500	(4,028,300)	(4,028,300)		
Interest on long-term debt	213,408				(213,408)	(213,408)		
Total governmental activities	<u>24,654,863</u>	<u>6,601,815</u>	<u>2,339,353</u>	<u>3,358,315</u>	<u>(12,355,380)</u>	<u>\$ 0</u>	<u>\$ 0</u>	
Business-type Activities								
Water	3,483,918	6,466,775		207,523		3,190,380	3,190,380	
Sewer	4,219,848	8,601,773		147,284		4,529,209	4,529,209	
Sanitation	5,009,635	6,558,333				1,548,698	1,548,698	
Stormwater	456,354	1,163,513		127,287		834,446	834,446	
Total business-type activities	<u>13,169,755</u>	<u>22,790,394</u>	<u>0</u>	<u>482,094</u>	<u>0</u>	<u>10,102,733</u>	<u>10,102,733</u>	
Total primary government	<u>\$ 37,824,618</u>	<u>\$ 29,392,209</u>	<u>\$ 2,339,353</u>	<u>\$ 3,840,409</u>	<u>(12,355,380)</u>	<u>10,102,733</u>	<u>(2,252,647)</u>	<u>0</u>
Component Units:								
Urban Renewal Agency	\$ 507,433						0	(507,433)
Total component units	<u>\$ 507,433</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>			<u>0</u>	<u>(507,433)</u>
General revenues:								
Property taxes					7,874,875	7,874,875		876,060
Sales taxes					2,749,482	2,749,482		
Franchise taxes					1,312,134	1,312,134		
Road and bridge taxes					1,786,012	1,786,012		
Alcoholic beverage taxes					582,294	582,294		
Unrestricted investment earnings (losses)					(438,315)	(628,475)	(1,066,790)	15,035
Gain on sale of capital assets					903,163	903,163		(31,234)
Transfers					5,594,972	(5,594,972)	0	
					<u>20,364,617</u>	<u>(6,223,447)</u>	<u>14,141,170</u>	<u>859,861</u>
Change in net position					8,009,237	3,879,286	11,888,523	352,428
Net position - beginning					74,014,547	74,834,034	148,848,581	2,426,333
Net position - ending					<u>\$ 82,023,784</u>	<u>\$ 78,713,320</u>	<u>\$ 160,737,104</u>	<u>\$ 2,778,761</u>

CITY OF MOSCOW, IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2022

	General	Streets	Recreation and Culture	Capital Projects	Hamilton	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 284,873		\$ 765				\$ 285,138
Investments	10,012,848	\$ 2,620,642	1,436,562	\$ 7,478,947	\$ 788,832	\$ 934,366	23,272,197
Receivables	1,498,151	401,196	2,704	328,344	1,281	19,025	2,250,701
Total assets	<u>\$ 11,795,372</u>	<u>\$ 3,021,838</u>	<u>\$ 1,440,031</u>	<u>\$ 7,807,291</u>	<u>\$ 790,113</u>	<u>\$ 953,391</u>	<u>\$ 25,808,036</u>
LIABILITIES							
Accounts payable	\$ 83,598	\$ 51,581	\$ 32,598	\$ 343,078		\$ 26,683	\$ 537,538
Accrued salaries and benefits	356,002	27,479	55,563			2,734	441,778
Deposits payable	9,260	614,049					623,309
Other accruals	915						915
Interfund payable	250,000						250,000
Unearned revenue - other	2,917,700		24,374			6,010	2,948,084
Total liabilities	<u>3,617,475</u>	<u>693,109</u>	<u>112,535</u>	<u>343,078</u>	<u>\$ 0</u>	<u>35,427</u>	<u>4,801,624</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	37,111						37,111
Total deferred inflows of resources	<u>37,111</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,111</u>
FUND BALANCES							
Restricted for:							
Streets		300,766					300,766
Parks and recreation					790,113		790,113
Recreation and culture			157,250				157,250
Debt service						505,105	505,105
Committed for:							
Working capital	5,069,000	1,059,124	937,915			93,797	7,159,836
Drug enforcement	67,200						67,200
Assigned for:							
Compensated absences	746,059	47,501	77,148			1,026	871,734
VEBA proceeds	53,500	4,500					58,000
Special revenue fund operations		916,838	155,183			255,587	1,327,608
Capital projects				7,464,213		26,838	7,491,051
Debt service						35,611	35,611
Unassigned, reported in:							
General fund	2,205,027						2,205,027
Total fund balances	<u>8,140,786</u>	<u>2,328,729</u>	<u>1,327,496</u>	<u>7,464,213</u>	<u>790,113</u>	<u>917,964</u>	<u>20,969,301</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,795,372</u>	<u>\$ 3,021,838</u>	<u>\$ 1,440,031</u>	<u>\$ 7,807,291</u>	<u>\$ 790,113</u>	<u>\$ 953,391</u>	<u>\$ 25,808,036</u>

See accompanying notes
46

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2022

Total fund balances - Governmental Funds	\$ 20,969,301
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:	
Cost of capital assets, excluding internal service funds	93,239,547
Accumulated depreciation, excluding internal service funds	(36,277,468)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
General government debt	(6,317,123)
Unamortized premiums on bonds	(1,174,596)
Compensated absences to employees	(871,733)
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Deferred outflows	4,632,007
Deferred inflows	(163,758)
Deferred outflows and deferred inflows for leases are not due and payable in the current period and, therefore, are not reported in the funds:	
Deferred outflows	1,272,363.00
Deferred inflows	(1,301,913.00)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Net pension asset	748,582
Net pension liability	(7,964,325)
Property taxes receivable to be collected this year; but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	43,120
Internal service funds are used by management to charge information systems services and fleet services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>15,189,780</u>
Total net position - Governmental Activities	<u><u>\$ 82,023,784</u></u>

See accompanying notes
47

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2022

	General	Streets	Recreation and Culture	Capital Projects	Hamilton	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes							
Property	\$ 6,791,047					\$ 1,095,556	\$ 7,886,603
Sales	2,749,482						2,749,482
Franchise	1,312,134						1,312,134
Alcoholic beverage	582,294						582,294
Road and bridge		\$ 1,786,012					1,786,012
Licenses and permits	943,197		\$ 450	\$ 10,600			954,247
Intergovernmental	829,074	993,994	10,116	2,801,706		69,544	4,704,434
Charges for services	1,606,508	297,382	609,904			36,760	2,550,554
Fines	130,057						130,057
Special assessments							
Investment earnings (losses)	(204,543)	(68,333)	(38,232)	55,481	\$ 10,099	(7,697)	(253,225)
Contributions and donations	28,245		48,442	499,438			576,125
Refunds and reimbursements	331,999	8,060	14,099	23,103			377,261
Other	101,021		11,690			199	112,910
Total revenues	<u>15,200,515</u>	<u>3,017,115</u>	<u>656,469</u>	<u>3,390,328</u>	<u>10,099</u>	<u>1,194,362</u>	<u>23,468,888</u>
EXPENDITURES							
Current							
General government	5,264,841					450	5,265,291
Public safety	7,097,804						7,097,804
Recreation and culture			3,032,503	1,200	1,000,000	246,098	4,279,801
Transportation		1,599,785				24,290	1,624,075
Debt service							
Principal retirement						765,000	765,000
Interest						247,534	247,534
Capital outlay	650,320			5,226,813			5,877,133
Total expenditures	<u>13,012,965</u>	<u>1,599,785</u>	<u>3,032,503</u>	<u>5,228,013</u>	<u>1,000,000</u>	<u>1,283,372</u>	<u>25,156,638</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,187,550</u>	<u>1,417,330</u>	<u>(2,376,034)</u>	<u>(1,837,685)</u>	<u>(989,901)</u>	<u>(89,010)</u>	<u>(1,687,750)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	4,285,000	993,355	2,794,380	3,559,929		211,898	11,844,562
Transfers out	(5,572,607)	(2,213,839)	(138,955)	(58,786)	(318,443)	(25,191)	(8,327,821)
Gain on sale				899,687			899,687
Total other financing sources (uses)	<u>(1,287,607)</u>	<u>(1,220,484)</u>	<u>2,655,425</u>	<u>4,400,830</u>	<u>(318,443)</u>	<u>186,707</u>	<u>4,416,428</u>
NET CHANGE IN FUND BALANCES	899,943	196,846	279,391	2,563,145	(1,308,344)	97,697	2,728,678
FUND BALANCES AT BEGINNING OF YEAR	<u>7,240,843</u>	<u>2,131,883</u>	<u>1,048,105</u>	<u>4,901,068</u>	<u>2,098,457</u>	<u>820,267</u>	<u>18,240,623</u>
FUND BALANCES AT END OF YEAR	<u>\$ 8,140,786</u>	<u>\$ 2,328,729</u>	<u>\$ 1,327,496</u>	<u>\$ 7,464,213</u>	<u>\$ 790,113</u>	<u>\$ 917,964</u>	<u>\$ 20,969,301</u>

See accompanying notes
48

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2022

Net change in fund balances - Total Governmental Funds	\$ 2,728,678
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation:	
Current year capital outlay	5,877,133
Current year depreciation	(2,018,095)
Amounts borrowed on long-term debt are reported in the governmental funds as other financing sources. Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However, for governmental activities, the borrowing and repayment of funds is reflected as outstanding long-term debt:	
Current year repayment of long-term debt	765,000
Change in interest payable	2,344
Change in compensated absences	(93,646)
Net pension liability and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year:	
Current year net pension liability, deferred outflows, and deferred inflows	(711,228)
Some amounts receivable will not be collected for several months after the fiscal year-ends, and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities:	
Current year taxes receivable	43,121
Prior year taxes receivable	(89,316)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. They are, however, recorded as expenditures in the statement of activities:	
Amortization of bond premiums	66,249
Internal service funds are used by management to charge service center equipment to individual funds. The net revenue of the internal service funds is reported with governmental activities.	<u>1,438,997</u>
Change in net position - Governmental Activities	<u><u>\$ 8,009,237</u></u>

See accompanying notes
49

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental
	Water	Sewer	Sanitation	Stormwater	Total	Internal Service Funds
ASSETS						
CURRENT ASSETS						
Cash	\$ 20,000	\$ 20,000	\$ 10,000		\$ 50,000	\$ 10,000
Investments	4,427,240	3,419,917	3,512,823	\$ 526,273	11,886,253	10,467,753
Receivables	893,589	746,191	536,116	121,510	2,297,406	1,639
Internal balances						250,000
Loans receivable	2,282,247				2,282,247	
Inventory	237,372	218,994			456,366	
Total current assets	<u>7,860,448</u>	<u>4,405,102</u>	<u>4,058,939</u>	<u>647,783</u>	<u>16,972,272</u>	<u>10,729,392</u>
NONCURRENT ASSETS						
Cash and investments - restricted	5,369,156	17,645,183	6,888,374	62,837	29,965,550	
Capital assets, net	22,075,597	22,581,549	811,438	171,770	45,640,354	4,866,452
Total noncurrent assets	<u>27,444,753</u>	<u>40,226,732</u>	<u>7,699,812</u>	<u>234,607</u>	<u>75,605,904</u>	<u>4,866,452</u>
Total assets	<u>35,305,201</u>	<u>44,631,834</u>	<u>11,758,751</u>	<u>882,390</u>	<u>92,578,176</u>	<u>15,595,844</u>
DEFERRED OUTFLOWS OF RESOURCES						
Defined benefit pension	459,610	464,852	63,951	44,565	1,032,978	290,885
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and other current liabilities	622,963	802,568	451,700	18,289	1,895,520	48,852
Deposits payable	77,716				77,716	
Accrued interest payable	35,107	32,471			67,578	
Revenue bonds - current	180,315	1,035,000			1,215,315	
Current portion of compensated absences	11,413	5,683	1,674	1,517	20,287	8,617
Unearned Revenue	1,004,506			400,000	1,404,506	-
Total current liabilities	<u>1,932,020</u>	<u>1,875,722</u>	<u>453,374</u>	<u>419,806</u>	<u>4,680,922</u>	<u>57,469</u>
LONG-TERM OBLIGATIONS						
Compensated absences	79,888	39,777	11,714	10,618	141,997	60,322
Post closure care payable			88,491		88,491	
Lease liability						23,078
Net pension liability	830,080	898,387	133,982	190,890	2,053,339	476,360
Revenue bonds payable	6,053,182	1,914,791		-	7,967,973	
Total long-term obligations	<u>6,963,150</u>	<u>2,852,955</u>	<u>234,187</u>	<u>201,508</u>	<u>10,257,800</u>	<u>559,760</u>
Total liabilities	<u>8,895,170</u>	<u>4,728,677</u>	<u>687,561</u>	<u>621,314</u>	<u>14,932,722</u>	<u>617,229</u>
DEFERRED INFLOWS OF RESOURCES						
Defined benefit pension	61,135	46,899	(21,193)	(121,729)	(34,888)	79,720
NET POSITION						
Net investment in capital assets	15,842,100	19,631,758	811,438	171,770	36,457,066	4,866,452
Restricted for:						
Debt service		1,100,981			1,100,981	
Future capital outlay	5,277,855	16,498,742	6,874,986	50,702	28,702,285	10,323,328
Unrestricted	5,688,551	3,089,629	3,469,910	204,898	12,452,988	
Total net position	<u>\$ 26,808,506</u>	<u>\$ 40,321,110</u>	<u>\$ 11,156,334</u>	<u>\$ 427,370</u>	<u>\$ 78,713,320</u>	<u>\$ 15,189,780</u>

See accompanying notes
50

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
 PROPRIETARY FUNDS
 Year Ended September 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental
	Water	Sewer	Sanitation	Stormwater	Total	Activities Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 6,463,719	\$ 8,550,656	\$ 6,554,240	\$ 1,163,513	\$ 22,732,128	\$ 2,323,445
Other services	3,056	11,326	4,093		18,475	
Operating grant						600,000
Total operating revenues	<u>6,466,775</u>	<u>8,561,982</u>	<u>6,558,333</u>	<u>\$ 1,163,513</u>	<u>22,750,603</u>	<u>2,923,445</u>
OPERATING EXPENSES						
Water - distribution	2,658,540				2,658,540	
Sewer - collection and treatment		3,069,935			3,069,935	
Sanitation			4,960,040		4,960,040	
Stormwater collection and treatment				429,846	429,846	
Services provided						1,944,411
Depreciation	627,792	956,447	31,231	1,912	1,617,382	814,429
Total operating expenses	<u>3,286,332</u>	<u>4,026,382</u>	<u>4,991,271</u>	<u>431,758</u>	<u>12,735,743</u>	<u>2,758,840</u>
OPERATING INCOME (LOSS)	<u>3,180,443</u>	<u>4,535,600</u>	<u>1,567,062</u>	<u>731,755</u>	<u>10,014,860</u>	<u>164,605</u>
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	(166,335)	(274,021)	(188,119)		(628,475)	(185,090)
Interest expense	(90,330)	(83,862)			(174,192)	
PERSI retirement actuarial charges	(107,256)	(109,604)	(18,366)	(24,596)	(259,822)	(67,234)
Gain (loss) on disposition of assets						3,476
Amortization of bond premium		39,791			39,791	
Total nonoperating revenues (expenses)	<u>(363,921)</u>	<u>(427,696)</u>	<u>(206,485)</u>	<u>(24,596)</u>	<u>(1,022,698)</u>	<u>(248,848)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>2,816,522</u>	<u>4,107,904</u>	<u>1,360,577</u>	<u>707,159</u>	<u>8,992,162</u>	<u>(84,243)</u>
CONTRIBUTIONS AND TRANSFERS						
General facility charges	164,700	143,643			308,343	
Capital contributions	42,823	3,641		127,287	173,751	
Transfers in	825,398	1,521,632		74,400	2,421,430	1,527,240
Transfers out	(3,505,632)	(2,941,197)	(1,088,095)	(481,476)	(8,016,400)	(4,000)
Total contributions and transfers	<u>(2,472,711)</u>	<u>(1,272,281)</u>	<u>(1,088,095)</u>	<u>(279,789)</u>	<u>(5,112,876)</u>	<u>1,523,240</u>
CHANGE IN NET POSITION	<u>343,811</u>	<u>2,835,623</u>	<u>272,482</u>	<u>427,370</u>	<u>3,879,286</u>	<u>1,438,997</u>
NET POSITION AT BEGINNING OF YEAR	<u>26,464,695</u>	<u>37,485,487</u>	<u>10,883,852</u>	<u>0</u>	<u>74,834,034</u>	<u>13,750,783</u>
NET POSITION AT END OF YEAR	<u>\$ 26,808,506</u>	<u>\$ 40,321,110</u>	<u>\$ 11,156,334</u>	<u>\$ 427,370</u>	<u>\$ 78,713,320</u>	<u>\$ 15,189,780</u>

See accompanying notes
51

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended September 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Sanitation	Stormwater	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 6,465,507	\$ 8,526,553	\$ 6,613,205	\$ 1,442,003	\$ 23,047,268	\$ 2,327,424
Payments from other funds		250,000			250,000	
Payments to suppliers	(1,219,337)	(1,459,610)	(4,786,029)	(139,846)	(7,604,822)	(1,335,208)
Payments to employees	(1,210,335)	(1,228,608)	(198,024)	(259,576)	(2,896,543)	(730,402)
Net cash provided by operating activities	4,035,835	6,088,335	1,629,152	1,042,581	12,795,903	261,814
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	825,398	1,521,632		74,400	2,421,430	1,527,240
Transfers to other funds	(3,505,632)	(2,941,197)	(1,088,095)	(481,476)	(8,016,400)	(4,000)
Net cash provided (used) by noncapital financing activities	(2,680,234)	(1,419,565)	(1,088,095)	(407,076)	(5,594,970)	1,523,240
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(1,074,695)	(1,604,252)		(46,395)	(2,725,342)	(952,165)
Right of use asset						(25,600)
Sale of capital assets						(33,450)
General facility charges	164,700	143,643			308,343	
Principal paid on capital debt	(176,326)	(1,010,000)			(1,186,326)	
Interest paid on capital debt	(91,896)	(98,736)			(190,634)	
Net cash used by capital and related financing activities	(1,178,217)	(2,569,347)	0	(46,395)	(3,793,959)	(1,011,215)
CASH FLOWS FROM INVESTING ACTIVITIES						
Net investment activity in LGIP	(11,096)	(1,825,402)	(352,938)	(589,110)	(2,778,546)	(611,827)
Lease liability						23,078
Interest received	(166,288)	(274,021)	(188,119)		(628,428)	(185,090)
Net cash used by investing activities	(177,384)	(2,099,423)	(541,057)	(589,110)	(3,406,974)	(773,839)
Net change in cash	0	0	0	0	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	20,000	20,000	10,000	0	50,000	10,000
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 20,000	\$ 20,000	\$ 10,000	\$ 0	\$ 50,000	\$ 10,000

52 See accompanying notes

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended September 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental
	Water	Sewer	Sanitation	Stormwater	Total	Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income	\$ 3,180,443	\$ 4,535,600	\$ 1,567,062	\$ 731,755	\$ 10,014,860	\$ 164,605
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	627,792	956,447	31,231	1,912	1,617,382	814,429
Changes in:						
Accounts receivable	(145,241)	(35,429)	54,872	(121,510)	(247,308)	3,979
Due to (from) other funds		250,000			250,000	
Inventory	63,210	(11,372)			51,838	
Prepaid assets						
Accounts payable	167,169	394,438	132,928	5,707	700,242	(122,553)
Payroll payable	(2,747)	4,310	2,310	12,582	16,455	2,025
Deposits payable	3,667				3,667	
Contracts payable	15,614				15,614	
Unearned revenue	140,306			400,000	540,306	(600,000)
Post closure care payable			(158,532)		(158,532)	
Other assets and liabilities	(14,378)	(5,659)	(719)	12,135	(8,621)	(671)
Net cash provided by operating activities	<u>\$ 4,035,835</u>	<u>\$ 6,088,335</u>	<u>\$ 1,629,152</u>	<u>\$ 1,042,581</u>	<u>\$ 12,795,903</u>	<u>\$ 261,814</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Capital asset contributions received	<u>\$ 42,823</u>	<u>\$ 3,641</u>	<u>\$ 0</u>	<u>\$ 127,287</u>	<u>\$ 173,751</u>	<u>\$ 0</u>

See accompanying notes
53

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Moscow, Idaho, was incorporated on July 12, 1887. The City operates under a Mayor/Council form of government and provides the following services as authorized by its charter and by Title 50 of the *Idaho Code*: general government, public safety, highway and streets, culture and recreation, community development, water, sewer, stormwater, and sanitation.

United States generally accepted accounting principles require the City of Moscow's financial statements to include component units. Component units are entities for which the City of Moscow is considered to be financially accountable. The City has one discretely presented component unit that is reported in a separate column in the government-wide financial statement to emphasize that it is legally separate from the government.

Discretely Presented Component Unit. The Moscow Urban Renewal Agency (the Agency), is empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property, public improvements, and revitalization activities in those areas of the City determined to be in a declining condition. The Agency's governing board is made up of seven commissioners appointed by the Mayor of the City of Moscow. The City's management also provides the Agency with management and oversight through a service contract with an annual obligation of \$53,733. Complete financial statements of the Agency may be obtained at the City of Moscow's administrative offices.

B. Measurement Focus Basis of Accounting and Basis of Presentation

The financial statements of the City are prepared in accordance with United States generally accepted accounting principles (GAAP). The City uses the following two bases of accounting in these financial statements.

Economic Resources Measurement Focus and Accrual Basis of Accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting. Under this measurement focus, revenues are recorded when they become measurable and available. For this purpose, the City considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year-end. All material revenues, including property taxes, grants, entitlements, and donations, are considered measurable and available and are, thus, susceptible to accrual.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting (Continued). Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash. The City reports unearned revenue in its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the City receives resources before it has a legal claim to them, as when recreational program or grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. An exception to this general rule is principal and interest on general long-term obligations, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds.

Restricted Resources

Program expenses are allocated to restricted program revenue first and then to the next highest level of net position/fund balance restrictions when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB #54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB #54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable

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

Restricted

Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed

Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned

Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Restricted Resources (Continued)

Unassigned

Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

Government-Wide Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed but the statements distinguish governmental activities generally supported by taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external customers. Eliminations have been made to minimize the double-counting of internal activities, interfund services provided and used are not eliminated in the process of consolidation.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the function program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. These revenues are subject to externally imposed restrictions to these program uses. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, including the reclassification or elimination of internal activity (between or within funds).

Fund Financial Statements

The fund financial statements provide information about the City's fund categories. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining funds are aggregated and reported as non-major funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Funds. All governmental funds are accounted for using the current financial resources measurement focus and modified accrual basis of accounting. The City reports the following major governmental funds:

- **General Fund.** This is the City's primary operating fund. The General Fund accounts for all financial resources of the City, except those required to be accounted for in another fund.
- **Street Fund.** The "Street Fund" is responsible for the construction and maintenance of streets and traffic services within the City. Dedicated revenue is derived from state shared revenues and gas, county road, and bridge taxes.
- **Capital Projects.** The "Capital Projects Fund" accounts for money set aside by the City Council for identified future projects.
- **Recreation and Culture Fund.** The "Recreation and Culture Fund" accounts for the costs of maintaining and improving park facilities, recreational programs, and community center operations in the City. Revenue is derived from user fees of the park facilities.
- **Hamilton Fund.** The "Hamilton Fund" accounts for the money willed to the City by Mr. Bobby C. Hamilton. Mr. Hamilton's will stipulates the money is "for the benefit of the parks and recreation department to be used as much as possible for the benefit of young children." The Hamilton Fund is considered a special revenue fund

Proprietary Funds. All proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Proprietary funds include enterprise funds and internal service funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds 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 nonoperating revenues and expenses.

The enterprise funds recognize general facility charges as non-operating revenue. General facility charges represent a charge to new customers for their share of the capital cost of increasing the capacity of the system to meet the additional demand created by the connection of new customers.

Enterprise Funds. Enterprise Funds are used to account for activities that are similar to those often found in the private sector. The City reports the following major enterprise funds:

- **Water Fund.** This activity accounts for the provision of water services to the residents of the City.
- **Sewer Fund.** This activity accounts for the provision of sewer services to the residents of the City.
- **Stormwater Fund.** This activity accounts for the provision of sewer services to the residents of the city.
- **Sanitation Fund.** This activity provides sanitation services to all City residents.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Internal Service Funds. Internal service funds are used to allocate fleet maintenance and information systems services to other funds of the City on a cost reimbursement basis. The internal service funds are included in governmental activities for government-wide reporting purposes. As a general rule, the revenue and expenses of the internal service funds have been eliminated from the government-wide financial statements. The excess revenue or expenses for the fund are allocated to the appropriate functional activity.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the state of Idaho and its agencies, U.S. Treasury and U.S. agencies, City coupon and local improvement district bonds, repurchase agreements, tax and revenue anticipation bonds, notes, and the Idaho State Treasurer's Local Government Investment Pool (LGIP).

Investments are stated at fair value as quoted for the purchase and sale of units.

Deposits in the LGIP are stated at fair value, which is the same as the value of the pool shares. The Idaho State Treasurer oversees the LGIP under the Joint Exercises of Power provisions of *Idaho Code*.

The State Treasurer combines deposits from all governmental entities in the State, which participate in the LGIP and purchases the following types of investments:

- Local Certificates of Deposit
- Repurchase Agreements
- U.S. Government Securities
- Bonds and debentures of "A" rated companies

The entities participating in the LGIP own a percentage of each investment held. This percentage is calculated by dividing the individual entity's deposits by the total deposits held in the LGIP. The purpose of this is to:

- Increase the overall rate of return.
- Reduce the risk of default.
- Place each entity under the FDIC and SLIC limits of \$250,000.

Investments held at year-end are disclosed in Note 3A.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements.

All trade accounts receivable are shown net of an allowance for doubtful accounts. No allowance for uncollectible accounts has been provided for governmental and enterprise fund receivables. Management has determined that uncollectible amounts are immaterial. Substantially, all property taxes are collected; therefore, no allowance is provided for property taxes.

The City’s property taxes are levied by Latah County in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the City in the month following collection. When the taxes are delinquent a lien is filed the day following the due date. A tax deed is issued on property three years from the date of delinquency. At fiscal year-end, the receivables represent delinquent taxes. Amounts not paid within 60 days are recorded as unavailable revenue for the fund financial statements.

3. Inventory

Inventory is valued at cost, which approximates market, using the first-in, first-out method. The cost of inventories are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

The City’s property, plant, and equipment, with useful lives of more than three years and an initial individual cost of more than \$5,000, are stated at historical cost. Donated capital assets are valued at their acquisition value. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Infrastructure assets acquired prior to implementation of GASB 34 are also reported.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. Capital Assets (Continued)

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Buildings and structures	10 to 40
Infrastructure systems	20 to 50
Machinery and equipment	3 to 15

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. For example, grant expenditures paid in advance of meeting timing requirements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The item "unavailable revenue" is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure of the governmental fund that will pay it. Only the portion of vested or accumulated leave that has matured is reported as a liability in the governmental funds. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for the vesting portion of accumulating sick leave benefits that is estimated will be taken by the employee at retirement. Each fund is responsible to pay for its own compensated absences.

The funds that have historically paid for compensated absences are the general, street, recreation and culture, fleet, information systems, and enterprise funds. City-wide compensated absences accrued and paid out were \$91,971 and \$136,418, respectively, during the current year. This resulted in a change of liability from \$1,147,403 to \$1,102,956. The current amount of \$137,870, which is shown on the statement of net position, has been estimated by the City based on a reasonable estimate of expected usage.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the current period.

8. Cash Flow Statement

The City considers all bank accounts, restricted, and unrestricted cash to be cash for the proprietary and internal service funds statement of cash flow purposes.

9. Use of Estimates

Management of the City uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

10. Adoption of New Accounting Standard

As of October 1, 2021, the City adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The City did not identify lease contracts that required recognition under the provision of GASB Statement No. 87, resulting in no prior effect on the beginning net position and fund balance as of October 1, 2021.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

2. BUDGETARY AND LEGAL COMPLIANCE

A. Budgetary Information

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to September 1, the City Supervisor submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1 and ending September 30. The operating budget includes proposed expenditures and the means of allocating resources by fund.

Public hearings are conducted at various times during the year to obtain taxpayer comments.

Prior to the submission to the county auditor on the Thursday following the first Tuesday in September, the budget is legally enacted through passage of an appropriations ordinance. The budget covers all governmental and proprietary fund types. The City adopts budgets on the modified accrual basis of accounting for all governmental fund types. The City adopts budgets on the accrual basis of accounting for proprietary fund types. At any time during the fiscal year, the Council may amend the appropriations ordinance for unforeseen and unanticipated revenues by following the same procedures used during the budget adoption process.

Revisions that alter the total expenditures of any fund must be approved by the City Council and the legal level of budgetary control is the fund level.

For the fiscal year ended September 30, 2022, no fund expenditures exceeded appropriations.

3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits and investment policies are disclosed in Note 1C.

The bank statement cash balances amounted to \$2,236,809. Of the bank statement cash balances, \$277,360 was covered by federal depository insurance.

As of September 30, 2022, the City had the following investments and maturities:

	<u>Less than 1</u>	<u>1-5</u>	<u>Greater than 5</u>	<u>Interest Rate</u>	<u>Fair Value</u>
U.S. Government obligations	\$ 3,185,284	\$ 12,996,054		0.10-2.13	\$ 16,181,338
Certificate of deposit	5,462,455	6,082,699		0.10-3.00	11,545,154
Corporate obligations	2,917,298	7,835,711		0.00-2.30	10,753,009
Cash and equivalents	828,497			0.03-0.32	828,497
External investment pools	36,259,103			0.1206	36,259,103
Other	50,620				50,620
Total investments	\$ 48,703,257	\$ 26,914,464	\$ 0		\$ 75,617,721

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Other investments in the governmental activities include gold, silver, and jewelry. The City did not invest in corporate stock or these other investments. They were received from the estate of Bobby C. Hamilton. Other investments also include accrued income held in the City's Moreton Asset Management investment account.

Interest rate risk: The risk that changes in interest rate will reduce the value of the City's investments. As a means of limiting exposure to loss the City structures their portfolio so that maturities meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Also, the policy calls for investing funds primarily in shorter-term securities and limiting the average maturity of the portfolio.

Credit risk: As of September 30, 2022, the City's investment in the LGIP is unrated. The City's investments held through private investment banks are a variety of U.S. agency bonds, certificates of deposit, corporate bonds, and money market funds. The rating of these investments vary per type of investment. Overall Moody's rating of the Moreton Asset Management investment account is stated as A1.

Concentration of credit risk: The City's investment policy states that the City shall mitigate concentration risk by:

1. Limiting investments to avoid over concentration in securities from a specific issuer or business sector,
2. Limiting investment in securities that have higher credit risks,
3. Investing in securities with varying maturities, and
4. Continuously investing a portion of the portfolio in readily available funds such as the LGIP, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policies regarding investments require that the City only uses financial institutions and depositories approved to do business in the state of Idaho. Policies also require that the City only invests in securities allowed by *Idaho Code* 50-1013 and uses brokers that qualify under Securities & Exchange Commission *Rule 15C3-1*.

Fair Value Measurements - Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following sets forth, by level, the fair value hierarchy. The City held investment securities at fair value that meet the level 2 methodology.

The following table represents the City's investments that are measured or disclosed at fair value on a recurring basis. The City does not have any financial assets that are measured at fair value on a non-recurring basis.

Investment Type	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
<u>Debt Securities:</u>				
U.S. Government obligations	\$ 16,181,338	\$ 16,181,338		
Certificate of Deposit	11,545,154		\$ 11,545,154	
Corporate obligations	10,753,009		10,753,009	
Money Market Funds	828,497	828,497		
External investment pools	36,259,103		36,259,103	
Other	50,620	50,620		
Total investments				
measured at fair value	<u>\$ 75,617,721</u>	<u>\$ 17,060,455</u>	<u>\$ 58,557,266</u>	<u>\$ 0</u>

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 9,373,336		\$ (5,000)	\$ 9,368,336
Construction in progress	12,244,693	\$ 3,255,785	(10,151,593)	5,348,885
Total capital assets, not being depreciated	<u>21,618,029</u>	<u>3,255,785</u>	<u>(10,156,593)</u>	<u>14,717,221</u>
Capital assets being depreciated				
Buildings	16,631,364	10,750,932	(245,119)	27,137,177
Vehicles	7,204,748	724,287	(14,217)	7,914,818
Improvements	43,101,567	1,777,935	(31,250)	44,848,252
Equipment	7,780,369	320,868	(22,706)	8,078,531
Information systems	3,391,218	164,999		3,556,217
Total capital assets being depreciated	<u>78,109,266</u>	<u>13,739,021</u>	<u>(313,292)</u>	<u>91,534,995</u>
Less accumulated depreciation for				
Buildings	(7,878,955)	(400,970)	207,945	(8,071,980)
Vehicles	(4,064,013)	(595,385)	14,217	(4,645,181)
Improvements	(22,517,645)	(1,415,190)	1,105	(23,931,730)
Equipment	(5,229,483)	(238,928)	22,707	(5,445,704)
Information systems	(2,172,639)	(179,724)		(2,352,363)
Total accumulated depreciation	<u>(41,862,735)</u>	<u>(2,830,197)</u>	<u>245,974</u>	<u>(44,446,958)</u>
Total capital assets, being depreciated, net	<u>36,246,531</u>	<u>10,908,824</u>	<u>(67,318)</u>	<u>47,088,037</u>
Governmental activities capital assets, net	<u>\$ 57,864,560</u>	<u>\$ 14,164,609</u>	<u>\$ (10,223,911)</u>	<u>\$ 61,805,258</u>

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

Business-Type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,675,539			\$ 1,675,539
Construction in progress	2,775,405	\$ 1,938,030	\$ (762,941)	3,950,494
Total capital assets, not being depreciated	4,450,944	1,938,030	(762,941)	5,626,033
Capital assets being depreciated:				
Buildings	4,047,507	26,198		4,073,705
Vehicles	181,175			181,175
Improvements	645,362	483,909		1,129,271
Water systems	30,152,564	695,076		30,847,640
Equipment	16,168,858			16,168,858
Sewer systems	32,963,036	518,820	(768)	33,481,088
Total capital assets being depreciated	84,158,502	1,724,003	(768)	85,881,737
Less accumulated depreciation for:				
Buildings	(1,946,695)	(84,357)		(2,031,052)
Vehicles	(181,175)			(181,175)
Improvements	(559,000)	(13,787)		(572,787)
Water systems	(11,455,769)	(573,671)		(12,029,440)
Equipment	(15,142,232)	(100,939)		(15,243,171)
Sewer systems	(14,965,931)	(844,628)	768	(15,809,791)
Total accumulated depreciation	(44,250,802)	(1,617,382)	768	(45,867,416)
Total capital assets, being depreciated, net	39,907,700	106,621	0	40,014,321
Business-type activities capital assets, net	\$ 44,358,644	\$ 2,044,651	\$ (762,941)	\$ 45,640,354

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

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

Governmental Activities:	
General government	\$ 206,438
Public safety	349,001
Recreation and culture	475,525
Streets, including depreciation of general infrastructure assets	<u>1,799,233</u>
Total depreciation expense - governmental activities	<u>\$ 2,830,197</u>
Business-type Activities:	
Water	\$ 627,792
Sewer	956,447
Sanitation	31,232
Stormwater	<u>1,911</u>
Total depreciation expense - business-type activities	<u>\$ 1,617,382</u>

Construction Commitments. The City of Moscow has no construction commitments as of September 30, 2022.

C. Interfund Receivables, Payables, and Transfers

All interfund balances at September 30, 2022, are due to pooling of the City's cash. The City had the following interfund balances at September 30, 2022.

Interfund Receivables and Payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General		\$ 250,000
Information Systems	<u>\$ 250,000</u>	
Total interfund receivables and payables	<u>\$ 250,000</u>	<u>\$ 250,000</u>

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers:

<u>Fund</u>	Transfers <u>In</u>	Transfers <u>Out</u>
General	\$ 4,285,000	\$ 5,572,607
Streets	993,355	2,213,839
Recreation and Culture	2,794,380	138,955
MSD Community Fields	72,674	4,011
1912 Center	139,224	21,180
Water	825,398	3,505,632
Sewer	1,521,632	2,941,197
Stormwater	74,400	481,476
Sanitation		1,088,095
Fleet Management	1,046,515	
Information Systems	480,725	4,000
Capital Projects	4,056,132	
Hamilton		318,443
	<u>\$16,289,435</u>	<u>\$16,289,435</u>

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and (4) move unrestricted revenues in the amounts equivalent in value to the interfund services provided and other charges between the City's water, sewer, stormwater, sanitation, recreation and culture, and street functions.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Debt

The summary of outstanding debt as of September 30, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable					
Police Station bonds, Series 2019	\$ 7,050,000		\$ 765,000	\$ 6,285,000	\$ 795,000
Unamortized Premium on Bonds	1,240,844		66,249	1,174,595	91,417
Governmental activities liabilities	<u>\$ 8,290,844</u>	<u>\$ 0</u>	<u>\$ 831,249</u>	<u>\$ 7,459,595</u>	<u>\$ 886,417</u>
Business-type Activities:					
Sewer Revenue bonds, Series 2011	\$ 1,360,000		\$ 670,000	\$ 690,000	\$ 690,000
Sewer Revenue bonds, Series 2017	2,560,000		340,000	2,220,000	345,000
Unamortized Premium on Bonds	79,582		39,791	39,791	39,791
Water Revenue bonds, Series 2020	4,127,576		176,326	3,951,250	180,315
Water Revenue bonds, Series 2021	2,193,239	\$ 89,008		2,282,247	
Business-type activities long-term liabilities	<u>\$ 10,320,397</u>	<u>\$ 89,008</u>	<u>\$ 1,226,117</u>	<u>\$ 9,183,288</u>	<u>\$ 1,255,106</u>

The total interest expense in 2022 amounted to \$213,408 in the governmental funds. The total interest expense in 2022 amounted to \$83,862 in the business activities.

Government Obligation Bonds. On August 20, 2019, the City secured General Obligation Bonds, Series 2019, in the amount of \$8,465,000 in order to finance the new police station. The General Obligation Bonds, Series 2019, have a stated rate of between 3.00 percent and 4.00 percent and are payable in annual installments through August 15, 2029.

Year Ended September 30,	Governmental Activities Series 2019	
	Principal	Interest
2023	\$ 795,000	\$ 251,400
2024	830,000	219,600
2025	860,000	186,400
2026	895,000	152,000
2027	930,000	116,200
2028-2029	1,975,000	119,200
	<u>\$ 6,285,000</u>	<u>\$ 1,044,800</u>

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Debt (Continued)

Revenue Bonds. On November 23, 2011, the City secured advance refunding Sewer Revenue Bonds, Series 2011, in the amount of \$6 million in order to refinance the Sewer Revenue Bonds Series 2002 in November 2012, when the bonds became callable. The Sewer Revenue Bonds, Series 2011, have a stated rate of between 2.00 percent and 4.00 percent and are payable in varying semi-annual installments through November 1, 2022. In December 2017, the City secured Sewer Revenue Refinancing Bonds, Series 2017 in the amount of \$3,560,000 in order to refinance the Sewer Revenue Bonds Series 2008 in December 2017. The Sewer Revenue Bonds, Series 2017 have a stated rate of 2.48 percent and are payable in varying semi-annual installments through May 1, 2028. In May 2020, the City secured Water Revenue Bonds, Series 2020 in the amount of \$4,300,000 in order to finance improvements to the City's domestic water system. The Water Revenue Bonds, Series 2020 have a stated rate of 2.50 percent and are payable in varying semi-annual installments through May 12, 2040.

Debt service requirements for the sewer revenue bonds held to maturity are as follow:

<u>Year Ended</u> <u>September 30,</u> 2023	Business-Type Activities Series 2011	
	Principal	Interest
	\$ 690,000	\$ 10,925

<u>Year Ended</u> <u>September 30,</u> 2023 2024 2025 2026 2027 2028	Business-Type Activities Series 2017	
	Principal	Interest
	\$ 345,000	\$ 55,056
	355,000	46,500
	365,000	37,696
	375,000	28,644
	385,000	19,344
	395,000	9,796
	\$ 2,220,000	\$ 197,036

<u>Year Ended</u> <u>September 30,</u> 2023 2024 2025 2026 2027 2028-2032 2033-2037 2038-2040	Business-Type Activities Series 2020	
	Principal	Interest
	\$ 180,315	\$ 87,907
	184,168	84,054
	188,562	79,660
	192,829	75,393
	197,192	71,030
	1,054,616	286,494
	1,179,702	161,409
	773,866	30,800
	\$ 3,951,250	\$ 876,747

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Leases

City as a Lessee. The City, as a lessee, has entered into lease agreements involving fiber optic infrastructure. The City sub-leases the infrastructure to various communication companies and other governmental entities.

The total costs of the City's lease assets are recorded as \$25,600, less accumulated amortization of \$2,327.

The future lease payments under the lease arrangement are as follows:

	Leases		
	Principal	Interest	Total
2023	\$ 1,569	\$ 955	\$ 2,524
2024	1,710	890	2,600
2025	1,859	820	2,679
2026	2,016	743	2,759
2027	2,182	659	2,841
2028-2032	13,742	1,795	15,537
Total	\$ 23,078	\$ 5,862	\$ 28,940

City as a Lessor. The City, as a lessor, has entered into lease agreements involving office space, fiber optic infrastructure, and cell phone towers. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was \$1,381,647. This total includes \$1,301,913 of variable and other payments not previously included in the measurement of the lease receivable.

4. OTHER INFORMATION

A. Risk Management

The City of Moscow purchases liability and property insurance through the Idaho Counties Risk Management Program (ICRMP). ICRMP is an all-lines aggregate insurance program providing liability, property, and casualty insurance coverage to Idaho's counties and other political subdivisions on a voluntary participation basis. ICRMP assumes or reinsures all risk covered for claims. Participants are charged an annual insurance premium. The City is responsible for up to the first \$2,500 of any loss claim depending on the type of claim.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

4. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

The general insurance limits are as follows:

Property damage	Total insured value
General liability	\$3,000,000 per occurrence
Automobile liability	\$3,000,000 per occurrence
Law enforcement liability	\$3,000,000 per occurrence
Sexual molestation	\$3,000,000 per claim
Errors or omissions liability	\$3,000,000 per occurrence
Employee medical insurance benefit liability	\$3,000,000 per claim
Uninsured/underinsured motorist	\$100,000 per person, \$300,000 per accident
Crime insurance and bond	\$500,000 per occurrence
Boiler/Machinery damage	\$100,000,000 in aggregate
Chemical spraying activities	\$500,000 per occurrence

B. Public Employee Retirement System of Idaho (PERSI)

Plan Description. All permanent full-time employees of the City except firefighters who were hired before October 1, 1980, participate in the Public Employee Retirement System of Idaho (PERSI) Base Plan, a cost-sharing, multiple-employer public retirement system created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. The cost to administer the Plan is financed through the contributions and investment earnings of the Plan.

The City contributes to the Firefighters' Retirement Fund Plan (FRF) for firefighters who were hired before October 1, 1980. The FRF is a cost-sharing, multiple-employer defined benefit pension plan administered by PERSI that covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The cost to administer the Plan is financed through the contributions and investment earnings of the FRF. Additional FRF funding is obtained from receipts from a state fire insurance premium tax.

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

Pension Benefits. After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each year of credited service, the annual service retirement allowance is 2.0 percent (2.3 percent for police/firefighters under the Base Plan) of the average monthly salary for the highest consecutive 42 months for covered members of the Base Plan. The Base Plan is required to provide a 1 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent 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 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

4. OTHER INFORMATION (CONTINUED)

B. Public Employee Retirement System of Idaho (PERSI) (Continued)

Pension Benefits (Continued). The FRF cost of living increase is based upon the increase in the statewide average firefighter's wage. The retirement benefit for covered members of the FRF is based on *Idaho Code*, Title 72, Chapter 14.

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

The contribution rates for employees are set by statute at 60 percent of the employer rate for general employees and 72 percent for police and firefighters. The employer contribution rate is set by the Retirement Board and is 11.94 percent of covered compensation for general employees and 12.28 percent for police and firefighters under the Base Plan, and 12.28 percent for FRF members. The City contributions required and paid were \$1,273,268 \$1,208,439, and \$1,218,133 for the three years ended September 30, 2022, 2021, and 2020, respectively. Any fund that has covered payroll has contributed to liquidating the net pension liabilities. The highest contributors are the City's major funds.

Pension Assets, 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 of \$10,494,024 for its proportionate share of the net pension asset under the Base Plan and a net pension asset of \$748,582 for its proportionate share of the FRF. The net pension assets were measured as of July 1, 2022, and the total pension asset 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 assets was based on the City's share of contributions in the Base Plan pension plan and the FRF pension plan relative to the total contributions of all participating PERSI employers in each plan. At July 1, 2022, the City's proportion was 0.2575785 percent for the base plan and 0.3646443 percent for the FRF.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

4. OTHER INFORMATION (CONTINUED)

B. Public Employee Retirement System of Idaho (PERSI) (Continued)

Pension Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued). For the year ended September 30, 2022, the City recognized a net gain on pension expense of \$1,038,284 (\$711,228 for governmental funds, \$259,822 for business-type funds, and \$67,234 for internal service funds) for PERSI. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERSI BASE PLAN	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date of June 30, 2022	\$ 313,000	
Differences between expected and actual experience	\$ 1,153,960	\$ 46,838
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		\$ 161,752
Changes in assumptions or other inputs	\$ 1,710,840	
Net difference between projected and actual earnings on pension plan investments	\$ 2,778,070	

PERSI FRF PLAN	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date of June 30, 2022		
Net difference between projected and actual earnings on pension plan investments	\$ 363,519	

Contributions made by the employer subsequent to the measurement date for the Base Plan but before the end of the City's reporting period, will be recognized as an increase of the net pension asset in the year ending September 30, 2022. These contributions were \$313,000 and are reported as deferred outflows of resources and will be recognized as an increase of the net pension asset in the fiscal year ending September 30, 2022. The FRF Plan is currently going through a rate holiday, requiring no payments in the fiscal year.

The average of the expected remaining service lives of all employees that are provided with pensions through the system (active and inactive employees) determined at July 1, 2021, the beginning of the measurement period ended June 30, 2022, is 4.8 and 4.8 for the measurement period June 30, 2021 for the Base Plan. The FRF is a closed plan and the average expected remaining service life used is 1 year.

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

	<u>Base Plan</u>
2023	\$ 1,183,107
2024	1,309,054
2025	595,928
2026	1,982,672

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

4. OTHER INFORMATION (CONTINUED)

B. Public Employee Retirement System of Idaho (PERSI) (Continued)

Actuarial Assumptions. Valuations are based upon 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. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period 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 including inflation	3.05%
Investment rate of return	6.35%, net of pension plan investment expense
Cost of Living Adjustments (COLA)	1.00%

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

- Set back 3 years for teachers
- No offset for male fire and police
- Forward 1 year for female fire and police
- Set back 1 year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2013 through June 30, 2017, which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2022, is based on the results of an actuarial valuation date of July 1, 2022.

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

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

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

4. OTHER INFORMATION (CONTINUED)

B. Public Employee Retirement System of Idaho (PERSI) (Continued)

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.

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

Discount Rate. The discount rate used to measure the total pension liability was 6.35 percent. 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 MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

4. OTHER INFORMATION (CONTINUED)

B. Public Employee Retirement System of Idaho (PERSI) (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability and asset calculated using the discount rate of 6.35 percent, as well as what the City's proportionate share of the net pension liability and asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
City's proportionate share of the Base Plan net pension liability (asset)	\$ 18,520,923	\$ 10,494,023	\$ 3,924,213

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

C. Hamilton Estate

In January 2000, Mr. Bobby C. Hamilton passed away and made a bequest of the majority of his estate to the City. To comply with the requirements of the bequest, the City initially recorded these assets in two separate funds. Mrs. Hamilton passed away during 2011, at which time the principal amount became unrestricted to the City and the assets were transferred into the Hamilton Fund and the second fund was closed.

The Hamilton Fund: Mr. Hamilton's bequest states that the money shall be used "for the benefit of the Parks and Recreation Department to be used as much as possible for the benefit of young children." This fund is classified as a special revenue fund and is considered a major fund.

In addition to various cash and investments received from the estate, the City also received jewelry, gold bars, ingots, medallions, and silver coins. The City sold the majority of these assets during the fiscal year ending 2010. At September 30, 2022, the City had in its possession jewelry appraised at \$37,103; gold bars, ingots, and medallions with an approximate value of \$4,665; and silver coins with an approximate value of \$7,600. These assets have been recorded as investments on the City's books. The City intends to liquidate these assets.

D. Contingencies and Commitments

1. Grant and Contract Expenditures

Grant and contract expenditures are subject to the approval of various granting and contracting agencies. To be eligible for reimbursement of expenditures made under federal, state, and locally funded programs, the City must comply with regulations established by the related agency and non-compliance could result in disallowed costs and a liability for reimbursement received. The City expects such amounts, if any, to be immaterial.

CITY OF MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

4. OTHER INFORMATION (CONTINUED)

D. Contingencies and Commitments (Continued)

2. Litigation

As of September 30, 2022, there were no lawsuits or claims against the City that would have a material effect on the financial statements.

3. Solid Waste Landfill Closure Costs

The City is responsible for the costs associated with minimum closure requirements for an inert commercial/demolition non-municipal solid waste landfill and composting area. The City has established a transfer station whereby all municipal solid waste is hauled to a permanent solid waste facility in Boardman, Oregon.

The Non-MSW landfill closure and post-closure, as required by the City, State, and Federal requirements, is allocated based on a remaining useful life of 21 years, or 2040. Total current costs of landfill closure and post-closure care are estimates and subject to annual changes due to a variety of factors. The City began recording expenses for future closure and post-closure according to a 20-year expense recognition schedule during 2004. The liability for these costs increased by \$13,725 during the current fiscal year. Of the total estimated \$274,430 closure and post-closure cost, \$13,682 has yet to be amortized as of September 30, 2022.

E. Fund Balance Classifications

Restricted. Restricted net position/fund balances represent amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Restrictions for the City include revenue received from the state of Idaho for highway user fees that is restricted for the specific use of road improvements by the City's street fund. Restrictions of debt proceeds and other resources of the bond and interest fund and the sewer fund exist for the specific purpose of satisfying debt service requirements set forth by the City's individual bond related covenants. The City also has restricted funds relating to the Hamilton fund, which all funds were designated in the will of the donor for the specific purpose of benefitting the recreation and culture fund.

Committed Fund Balance. The fund balance is committed and can only be used for specific purposes pursuant to constraints imposed by a City Council approved ordinance and cannot be used for any other purpose. A City ordinance is also required to modify or rescind any fund balance commitment. Committed fund balance includes funds for drug enforcement and public art. The City has also committed funds for the purpose of maintaining proper working capital balances in governmental funds.

Assigned Fund Balance. The fund balances classified as assigned are for use for specific purposes but do not have rise to the level of restricted or committed. It is the policy of the City that all fund balance assignments are to be authorized by the City council. The City has assigned balances that include the assignments for compensated absences, VEBA proceeds, and for the activity of special revenue, capital project, and debt service funds.

4. OTHER INFORMATION (CONTINUED)

E. Fund Balance Classifications (Continued)

Unassigned Fund Balance. The unassigned fund balance is in the general fund and has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

MANAGEMENT REVIEW DRAFT



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOSCOW, IDAHO

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	
REVENUES				
Taxes				
Property	\$ 6,583,035	\$ 6,583,035	\$ 6,791,047	\$ 208,012
Sales	2,500,000	2,500,000	2,749,482	249,482
Franchise	1,255,598	1,255,598	1,312,134	56,536
Alcoholic beverage	578,283	578,283	582,294	4,011
Licenses and permits	857,791	857,791	943,197	85,406
Intergovernmental	869,882	869,882	829,074	(40,808)
Charges for services	1,640,702	1,640,702	1,606,508	(34,194)
Fines	175,300	175,300	130,057	(45,243)
Investment earnings	110,000	110,000	(204,543)	(314,543)
Contributions and donations	16,200	16,200	28,245	12,045
Refunds and reimbursements	170,000	170,000	331,999	161,999
Other	63,432	63,432	101,021	37,589
Total revenues	<u>14,820,223</u>	<u>14,820,223</u>	<u>15,200,515</u>	<u>380,292</u>
EXPENDITURES				
Current				
General government	6,996,315	6,996,315	5,915,161	1,081,154
Public safety	7,773,716	7,773,716	7,097,804	675,912
Capital outlay	20,705	20,705		20,705
Total expenditures	<u>14,790,736</u>	<u>14,790,736</u>	<u>13,012,965</u>	<u>1,777,771</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>29,487</u>	<u>29,487</u>	<u>2,187,550</u>	<u>2,158,063</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,285,000	4,285,000	4,285,000	
Transfers out	(4,451,506)	(4,451,506)	(5,572,607)	(1,121,101)
Total other financing sources (uses)	<u>(166,506)</u>	<u>(166,506)</u>	<u>(1,287,607)</u>	<u>(1,121,101)</u>
NET CHANGE IN FUND BALANCES	(137,019)	(137,019)	899,943	1,036,962
FUND BALANCES AT BEGINNING OF YEAR	<u>137,019</u>	<u>137,019</u>	<u>7,240,843</u>	<u>7,103,824</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,140,786</u>	<u>\$ 8,140,786</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

CITY OF MOSCOW, IDAHO

BUDGETARY COMPARISON SCHEDULE -
STREET FUND
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	
REVENUES				
Taxes				
Road and bridge	\$ 1,439,956	\$ 1,439,956	\$ 1,786,012	\$ 346,056
Intergovernmental	1,220,000	1,220,000	993,994	(226,006)
Charges for services	299,000	299,000	297,382	(1,618)
Fines	1,000	1,000		(1,000)
Investment earnings	30,000	30,000	(68,333)	(98,333)
Refunds and reimbursements	4,000	4,000	8,060	4,060
Total revenues	<u>2,993,956</u>	<u>2,993,956</u>	<u>3,017,115</u>	<u>23,159</u>
EXPENDITURES				
Current				
Transportation	<u>2,235,943</u>	<u>2,235,943</u>	<u>1,599,785</u>	<u>636,158</u>
Total expenditures	<u>2,235,943</u>	<u>2,235,943</u>	<u>1,599,785</u>	<u>636,158</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>758,013</u>	<u>758,013</u>	<u>1,417,330</u>	<u>659,317</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	993,355	993,355	993,355	
Transfers out	(1,217,650)	(1,217,650)	(2,213,839)	(996,189)
Total other financing sources (uses)	<u>(224,295)</u>	<u>(224,295)</u>	<u>(1,220,484)</u>	<u>(996,189)</u>
NET CHANGE IN FUND BALANCES	533,718	533,718	196,846	(336,872)
FUND BALANCES AT BEGINNING OF YEAR	<u>(533,718)</u>	<u>(533,718)</u>	<u>2,131,883</u>	<u>2,665,601</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,328,729</u>	<u>\$ 2,328,729</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

CITY OF MOSCOW, IDAHO

BUDGETARY COMPARISON SCHEDULE -
RECREATION AND CULTURE FUND
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	
REVENUES				
Licenses and permits	\$ 650	\$ 650	\$ 450	\$ (200)
Intergovernmental	19,800	19,800	10,116	(9,684)
Charges for services	597,860	597,860	609,904	12,044
Investment earnings			(38,232)	(38,232)
Contributions and donations	63,750	63,750	48,442	(15,308)
Refunds and reimbursements	8,400	8,400	14,099	5,699
Other	9,900	9,900	11,690	1,790
Total revenues	<u>700,360</u>	<u>700,360</u>	<u>656,469</u>	<u>(43,891)</u>
EXPENDITURES				
Current				
Administration	349,177	349,177	330,476	18,701
Parks	1,288,273	1,288,273	1,083,153	205,120
Recreation	299,445	299,445	271,783	27,662
Pool	583,398	583,398	503,296	80,102
Youth Center	191,560	191,560	154,635	36,925
Community Center	263,884	263,884	256,332	7,552
Art	253,753	253,753	250,825	2,928
Farmers Market	217,158	217,158	182,003	35,155
Capital outlay	29,300	29,300	0	29,300
Total expenditures	<u>3,475,948</u>	<u>3,475,948</u>	<u>3,032,503</u>	<u>443,445</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,775,588)</u>	<u>(2,775,588)</u>	<u>(2,376,034)</u>	<u>399,554</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,732,936	2,732,936	2,794,380	61,444
Transfers out	(13,675)	(13,675)	(138,955)	(125,280)
Total other financing sources (uses)	<u>2,719,261</u>	<u>2,719,261</u>	<u>2,655,425</u>	<u>(63,836)</u>
NET CHANGE IN FUND BALANCES	<u>(56,327)</u>	<u>(56,327)</u>	<u>279,391</u>	<u>335,718</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>56,327</u>	<u>56,327</u>	<u>1,048,105</u>	<u>991,778</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,327,496</u>	<u>\$ 1,327,496</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

CITY OF MOSCOW, IDAHO

BUDGETARY COMPARISON SCHEDULE -
HAMILTON FUND
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	
REVENUES				
Investment earnings	\$ 32,000	\$ 32,000	\$ 10,099	\$ (21,901)
Refunds and reimbursements				
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>10,099</u>	<u>(21,901)</u>
EXPENDITURES				
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(968,000)</u>	<u>(968,000)</u>	<u>(989,901)</u>	<u>(21,901)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	(318,443)	(318,443)	(318,443)	
Total other financing sources (uses)	<u>(318,443)</u>	<u>(318,443)</u>	<u>(318,443)</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(1,286,443)	(1,286,443)	(1,308,344)	(21,901)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,286,443</u>	<u>1,286,443</u>	<u>2,098,457</u>	<u>812,014</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 790,113</u>	<u>\$ 790,113</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

CITY OF MOSCOW, IDAHO

SCHEDULE OF THE CITY'S SHARE OF NET PENSION LIABILITY
Data reported is measured as of June 30, 2022

PERSI - Base Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Employer's portion of the net pension (asset) liability	\$ 10,494,024	\$ (215,484)	\$ 6,452,000	\$ 3,211,000	\$ 4,248,000	\$ 4,579,000	\$ 5,915,300	\$ 3,968,300	\$ 2,254,100	(1)
Employer's proportionate share of the net pension liability	0.2575785%	0.2635392%	0.2778434%	0.2724738%	0.2879787%	0.2913370%	0.2918020%	0.3013570%	0.3061953%	(1)
Employer's covered payroll	10,243,592	9,705,743	9,681,446	9,415,180	9,190,213	8,971,383	8,448,107	8,730,006	8,245,702	\$ 7,910,384
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	102%	-2%	67%	34%	46%	51%	70%	45%	27%	(1)
Plan fiduciary net position as a percentage of the total pension liability	83%	100%	88%	94%	92%	91%	87%	91%	95%	(1)

PERSI - FRF

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Employer's portion of the net pension asset	\$ 748,582	\$ 985,368	\$ 543,000	\$ 598,000	\$ 479,000	\$ 387,000	\$ 242,200	\$ 237,900	\$ 184,100	(1)
Employer's proportionate share of the net pension asset	0.3646443%	0.3646443%	0.3646443%	0.4157717%	0.4231688%	0.4513309%	0.4505920%	0.4405290%	0.4872660%	(1)
Employer's covered payroll	329,843	331,195	325,473	326,357	316,817	329,525	308,082	296,398	306,061	\$ 281,972
Employer's proportionate share of the net pension asset as a percentage of its covered payroll	227%	298%	167%	183%	151%	117%	79%	80%	60%	(1)
Plan fiduciary net position as a percentage of the total pension liability	185%	212%	156%	153%	140%	130%	118%	118%	112%	(1)

(1) PERSI has not provided calculations for years prior to implementation of GASB Statement No. 68.

CITY OF MOSCOW, IDAHO

SCHEDULE OF THE CITY'S CONTRIBUTIONS TO PENSION PLANS
Data reported is measured as of September 30, 2022

PERSI - Base Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 1,215,021	\$ 1,191,880	\$ 1,201,859	\$ 1,095,185	\$ 1,054,077	\$ 1,034,425	\$ 1,016,635	\$ 953,216	\$ 947,632	\$ 854,670
Contributions in relation to the statutorily required contribution	1,215,021	1,191,880	1,201,859	1,095,185	1,054,077	1,034,425	1,016,635	953,216	947,632	854,670
Contribution (deficiency) excess	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll	10,587,178	10,036,938	10,006,918	9,474,911	9,236,993	9,060,969	8,903,639	8,334,477	8,298,039	8,009,510
Contributions as a percentage of covered payroll	11.48%	11.87%	12.01%	11.56%	11.41%	11.42%	11.42%	11.44%	11.42%	10.67%

PERSI - FRF

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 17,179	\$ 16,560	\$ 16,274	\$ 16,255	\$ 15,949	\$ 16,448	\$ 16,170	\$ 24,053	\$ 52,861	\$ 49,245
Contributions in relation to the statutorily required contribution	17,179	16,560	16,274	16,255	15,949	16,448	16,170	24,053	52,861	49,245
Contribution (deficiency) excess	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll	343,586	331,195	325,472	325,092	318,984	328,969	323,394	298,423	306,618	285,644
Contributions as a percentage of covered payroll	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	8.06%	17.24%	17.24%

MANAGEMENT REVIEW DRAFT



SUPPLEMENTARY INFORMATION

CITY OF MOSCOW, IDAHO

CAPITAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Licenses and permits			\$ 10,600	\$ 10,600
Intergovernmental	\$ 1,360,500	\$ 1,360,500	2,801,706	1,441,206
Investment earnings	45,000	45,000	55,481	10,481
Contributions and donations	332,750	332,750	499,438	166,688
Refunds and reimbursements			23,103	23,103
Other	20,000	20,000		(20,000)
Total revenues	<u>1,758,250</u>	<u>1,758,250</u>	<u>3,390,328</u>	<u>1,632,078</u>
EXPENDITURES				
Recreation and culture	3,500	3,500	1,200	2,300
Capital outlay	5,586,059	5,586,059	5,226,813	359,246
Total expenditures	<u>5,589,559</u>	<u>5,589,559</u>	<u>5,228,013</u>	<u>361,546</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,831,309)</u>	<u>(3,831,309)</u>	<u>(1,837,685)</u>	<u>1,993,624</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,648,015	1,648,015	3,559,929	1,911,914
Transfers out			(58,786)	(58,786)
Proceeds from sale of assets	972,006	972,006	899,687	(72,319)
Total other financing sources (uses)	<u>2,620,021</u>	<u>2,620,021</u>	<u>4,400,830</u>	<u>1,780,809</u>
NET CHANGE IN FUND BALANCES	<u>(1,211,288)</u>	<u>(1,211,288)</u>	<u>2,563,145</u>	<u>3,774,433</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>4,901,068</u>	<u>4,901,068</u>
FUND BALANCES AT END OF YEAR	<u>\$ (1,211,288)</u>	<u>\$ (1,211,288)</u>	<u>\$ 7,464,213</u>	<u>\$ 8,675,501</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

CITY OF MOSCOW, IDAHO

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose.

Moscow School District Community Playfields – To account for revenue and costs associated with an agreement to jointly develop and jointly use the District owned property located adjacent to Joseph Street and Mountain View Road into a high quality athletic field complex to serve the community.

1912 Center Fund – To account for revenues and costs associated with the renovation of the 1912 Community Center. Financing is provided by rental charges, grants, and donations.

Transit Center Fund – To account for revenues and costs associated with the operation of the City of Moscow Intermodal Transit Center. Financing is provided by user fees, grants and donations.

Capital Projects Funds

LID Construction Fund – To account for the financing and construction of Local Improvement Districts consisting of benefited properties and public improvement developments. Financing is backed by the full faith and credit of the City.

Debt Service Funds

Bond and Interest – To account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Special Assessments – To account for the accumulation of resources and payment of bonds and warrants used to finance Local Improvement Districts (LID).

CITY OF MOSCOW, IDAHO

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	Special Revenue			Capital Projects	Debt Service		Totals
	MSD Community Playfields	1912 Center	Transit Center	LID Construction	Bond and Interest	Special Assessments	
ASSETS							
Investments	\$ 208,666	\$ 61,805	\$ 109,356	\$ 26,838	\$ 492,090	\$ 35,611	\$ 934,366
Property taxes					18,959		18,959
Accounts receivable							
Other					66		66
Total assets	\$ 208,666	\$ 61,805	\$ 109,356	\$ 26,838	\$ 511,115	\$ 35,611	\$ 953,391
LIABILITIES							
Accounts payable	\$ 2,388	21,180	\$ 3,115				\$ 26,683
Accrued salaries and benefits	2,734						2,734
Total liabilities	5,122	\$ 21,180	3,115	\$ 0	\$ 0	\$ 0	29,417
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes					6,010		6,010
Total deferred inflows of resources	0	0	0	0	6,010	0	6,010
FUND BALANCES							
Restricted for:							
Debt service					505,105		505,105
Committed for:							
Working capital	50,779	26,540	16,478				93,797
Assigned for:							
Compensated absences	1,026						1,026
Special revenue fund operations	151,739	14,085	89,763				255,587
Capital projects				26,838			26,838
Debt service						35,611	35,611
Total fund balances	203,544	40,625	106,241	26,838	505,105	35,611	917,964
Total liabilities, deferred inflows of resources, and fund balances	\$ 208,666	\$ 61,805	\$ 109,356	\$ 26,838	\$ 511,115	\$ 35,611	\$ 953,391

CITY OF MOSCOW, IDAHO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2022

	Special Revenue			Capital Projects	Debt Service		
	MSD Community Playfields	1912 Center	Transit Center	LID Construction	Bond and Interest	Special Assessments	Totals
REVENUES							
Property taxes					\$ 1,095,556		\$ 1,095,556
Intergovernmental	\$ 69,544						69,544
Charges for services			\$ 36,760				36,760
Special assessments							
Investment earnings	(5,657)	\$ (1,675)	(2,965)	\$ 238	2,362		(7,697)
Other			199				199
Total revenues	<u>63,887</u>	<u>(1,675)</u>	<u>33,994</u>	<u>238</u>	<u>1,097,918</u>	<u>\$ 0</u>	<u>1,194,362</u>
EXPENDITURES							
Current							
General government					450		450
Recreation and culture	114,439	131,659					246,098
Transportation			24,290				24,290
Debt service							
Principal retirement					765,000		765,000
Interest					247,534		247,534
Total expenditures	<u>114,439</u>	<u>131,659</u>	<u>24,290</u>	<u>0</u>	<u>1,012,984</u>	<u>0</u>	<u>1,283,372</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(50,552)</u>	<u>(133,334)</u>	<u>9,704</u>	<u>238</u>	<u>84,934</u>	<u>0</u>	<u>(89,010)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	72,674	139,224					211,898
Transfers out	(4,011)	(21,180)					(25,191)
Capital contributions							
Total other financing sources (uses)	<u>68,663</u>	<u>118,044</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>186,707</u>
NET CHANGES IN FUND BALANCES	18,111	(15,290)	9,704	238	84,934		97,697
FUND BALANCES AT BEGINNING OF YEAR	<u>185,433</u>	<u>55,915</u>	<u>96,537</u>	<u>26,600</u>	<u>420,171</u>	<u>35,611</u>	<u>820,267</u>
FUND BALANCES AT END OF YEAR	<u>\$ 203,544</u>	<u>\$ 40,625</u>	<u>\$ 106,241</u>	<u>\$ 26,838</u>	<u>\$ 505,105</u>	<u>\$ 35,611</u>	<u>\$ 917,964</u>

CITY OF MOSCOW, IDAHO

MSD COMMUNITY PLAYFIELDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 72,674	\$ 69,544	\$ (3,130)
Investment earnings		(5,657)	(5,657)
Total revenues	<u>72,674</u>	<u>63,887</u>	<u>(8,787)</u>
EXPENDITURES			
Recreation and culture	153,320	114,439	38,881
Total expenditures	<u>153,320</u>	<u>114,439</u>	<u>38,881</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(80,646)</u>	<u>(50,552)</u>	<u>30,094</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	72,674	72,674	
Transfers out	(4,011)	(4,011)	
Total other financing sources (uses)	<u>68,663</u>	<u>68,663</u>	<u>0</u>
NET CHANGES IN FUND BALANCES	(11,983)	18,111	30,094
FUND BALANCES AT BEGINNING OF YEAR	<u>11,983</u>	<u>185,433</u>	<u>173,450</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 203,544</u>	<u>\$ 203,544</u>

CITY OF MOSCOW, IDAHO

1912 CENTER

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Investment earnings		\$ (1,675)	\$ (1,675)
Total revenues	\$ 0	(1,675)	(1,675)
EXPENDITURES			
Recreation and culture	140,100	131,659	8,441
Capital outlay	16,600		16,600
Total expenditures	156,700	131,659	25,041
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(156,700)	(133,334)	23,366
OTHER FINANCING SOURCES (USES)			
Transfers in	139,224	139,224	
Transfers out		(21,180)	(21,180)
Total other financing sources (uses)	139,224	118,044	(21,180)
NET CHANGES IN FUND BALANCES	(17,476)	(15,290)	2,186
FUND BALANCES AT BEGINNING OF YEAR	17,476	55,915	38,439
FUND BALANCES AT END OF YEAR	\$ 0	\$ 40,625	\$ 40,625

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

TRANSIT CENTER

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 19,813	\$ 36,760	\$ 16,947
Investment earnings		(2,965)	(2,965)
Other		199	199
Total revenues	<u>19,813</u>	<u>33,994</u>	<u>14,181</u>
EXPENDITURES			
Transportation	<u>30,946</u>	<u>24,290</u>	<u>6,656</u>
Total expenditures	<u>30,946</u>	<u>24,290</u>	<u>6,656</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,133)</u>	<u>9,704</u>	<u>20,837</u>
NET CHANGES IN FUND BALANCES	(11,133)	9,704	20,837
FUND BALANCES AT BEGINNING OF YEAR	<u>11,133</u>	<u>96,537</u>	<u>85,404</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 106,241</u>	<u>\$ 106,241</u>

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

LID CONSTRUCTION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Investment earnings	\$ 1,200	\$ 238	\$ (962)
Total revenues	<u>1,200</u>	<u>238</u>	<u>(962)</u>
EXPENDITURES			
Capital outlay	28,840		28,840
Total expenditures	<u>28,840</u>	<u>0</u>	<u>28,840</u>
NET CHANGES IN FUND BALANCES	(27,640)	238	27,878
FUND BALANCES AT BEGINNING OF YEAR	<u>27,640</u>	<u>26,600</u>	<u>(1,040)</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 26,838</u>	<u>\$ 26,838</u>

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

BOND AND INTEREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 1,047,000	\$ 1,095,556	\$ 48,556
Investment earnings	1,000	2,362	1,362
Total revenues	<u>1,048,000</u>	<u>1,097,918</u>	<u>49,918</u>
EXPENDITURES			
General government	450	450	
Debt service			
Principal retirement	765,000	765,000	
Interest	282,000	247,534	34,466
Total expenditures	<u>1,047,450</u>	<u>1,012,984</u>	<u>34,466</u>
NET CHANGES IN FUND BALANCES	550	84,934	84,384
FUND BALANCES AT BEGINNING OF YEAR	<u>(550)</u>	<u>420,171</u>	<u>420,721</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 505,105</u>	<u>\$ 505,105</u>

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

SPECIAL ASSESSMENTS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
 Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Total revenues	\$ 0	\$ 0	\$ 0
EXPENDITURES			
Total expenditures	0	0	0
EXCESS OF REVENUES OVER EXPENDITURES	0	0	0
NET CHANGES IN FUND BALANCES	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	0	35,611	35,611
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 35,611</u>	<u>\$ 35,611</u>

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

ENTERPRISE FUNDS

Water Fund – To account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing, and collection.

Sewer Fund – To account for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing, and collection.

Stormwater Fund – To account for the provision of stormwater services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing, and collection.

Sanitation Fund – To account for the provision of sanitation and related services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, but not limited to, operations, billing, collecting, franchising, and contracted operations.

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

WATER

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 6,687,087	\$ 6,463,719	\$ (223,368)
Investment revenues (losses)	140,000	(166,335)	(306,335)
Other	225,000	167,756	(57,244)
Total revenues	<u>7,052,087</u>	<u>6,465,140</u>	<u>(586,947)</u>
EXPENSES			
Current			
Water distribution	3,587,443	2,658,540	928,903
Debt service			
Principal retirement	176,326		176,326
Interest	91,896	90,330	1,566
Capital outlay	5,042,329	1,074,695	3,967,634
Total expenses	<u>8,897,994</u>	<u>3,823,565</u>	<u>5,074,429</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(1,845,907)</u>	<u>2,641,575</u>	<u>4,487,482</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,122,129	825,398	(296,731)
Transfers out	<u>(3,096,759)</u>	<u>(3,505,632)</u>	<u>(408,873)</u>
Total other financing sources (uses)	<u>(1,974,630)</u>	<u>(2,680,234)</u>	<u>(705,604)</u>
NET CHANGES IN FUND BALANCES	(3,820,537)	(38,659)	3,781,878
FUND BALANCE, BEGINNING OF YEAR	<u>3,820,537</u>	<u>2,393,215</u>	<u>(1,427,322)</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 2,354,556</u>	<u>\$ 2,354,556</u>
RECONCILIATION OF CHANGES IN FUND BALANCE - BUDGETARY BASIS TO CHANGE IN NET POSITION			
Net changes in fund balances - budgetary basis		\$ (38,659)	
BUDGETED EXPENSES, WHICH DO NOT AFFECT NET POSITION			
Capital outlay		1,074,695	
NONCASH, NONBUDGET ACTIVITY, WHICH AFFECTS NET POSITION			
Capital contributions		42,823	
PERSI retirement actuarial charges		(107,256)	
Depreciation		<u>(627,792)</u>	
CHANGE IN NET POSITION		<u>\$ 343,811</u>	

CITY OF MOSCOW, IDAHO

SEWER

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 8,364,303	\$ 8,550,656	\$ 186,353
Investment revenues (losses)	210,000	(274,021)	(484,021)
Other	152,722	154,969	2,247
Total revenues	<u>8,727,025</u>	<u>8,431,604</u>	<u>(295,421)</u>
EXPENSES			
Current			
Sewer collection and treatment	3,516,560	3,069,935	446,625
Debt service			
Principal retirement	1,010,000	980,000	30,000
Interest	95,738	83,862	11,876
Capital outlay	3,055,122	1,604,252	1,450,870
Total expenses	<u>7,677,420</u>	<u>5,738,049</u>	<u>1,939,371</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>1,049,605</u>	<u>2,693,555</u>	<u>1,643,950</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,126,728	1,521,632	(605,096)
Transfers out	(4,046,658)	(2,941,197)	1,105,461
Total other financing sources (uses)	<u>(1,919,930)</u>	<u>(1,419,565)</u>	<u>500,365</u>
NET CHANGES IN FUND BALANCES	(870,325)	1,273,990	2,144,315
FUND BALANCE, BEGINNING OF YEAR	<u>870,325</u>	<u>18,691,512</u>	<u>17,821,187</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 19,965,502</u>	<u>\$ 19,965,502</u>
RECONCILIATION OF CHANGES IN FUND BALANCE - BUDGETARY BASIS TO CHANGE IN NET POSITION			
Net changes in fund balances - budgetary basis		\$ 1,273,990	
BUDGETED EXPENSES, WHICH DO NOT AFFECT NET POSITION			
Debt service principal retirement		980,000	
Capital outlay		1,604,252	
NONCASH, NONBUDGET ACTIVITY, WHICH AFFECTS NET POSITION			
Amortization of issuance costs and bond premium		39,791	
PERSI retirement actuarial charges		(109,604)	
Capital contributions		3,641	
Depreciation		<u>(956,447)</u>	
CHANGE IN NET POSITION		<u>\$ 2,835,623</u>	

CITY OF MOSCOW, IDAHO

SANITATION

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 6,216,566	\$ 6,554,240	\$ 337,674
Investment revenues (losses)	105,000	(188,119)	(293,119)
Other	250	4,093	3,843
Total revenues	<u>6,321,816</u>	<u>6,370,214</u>	<u>48,398</u>
EXPENSES			
Current			
Collection services	2,423,316	2,535,109	(111,793)
Transfer station	2,222,802	2,193,857	28,945
Recycling and compost	336,684	217,349	119,335
Capital outlay	<u>7,237,293</u>	<u>7,237,293</u>	<u>7,237,293</u>
Total expenses	<u>12,220,095</u>	<u>4,946,315</u>	<u>7,273,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(5,898,279)</u>	<u>1,423,899</u>	<u>7,322,178</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	359,935		(359,935)
Transfers out	<u>(1,448,030)</u>	<u>(1,088,095)</u>	<u>359,935</u>
Total other financing sources (uses)	<u>(1,088,095)</u>	<u>(1,088,095)</u>	<u>0</u>
NET CHANGES IN FUND BALANCES	(6,986,374)	335,804	7,322,178
FUND BALANCE, BEGINNING OF YEAR	<u>6,986,374</u>	<u>10,318,672</u>	<u>3,332,298</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 10,654,476</u>	<u>\$ 10,654,476</u>
RECONCILIATION OF CHANGES IN FUND BALANCE - BUDGETARY BASIS TO CHANGE IN NET POSITION			
Net changes in fund balances - budgetary basis		\$ 335,804	
NONCASH, NONBUDGET ACTIVITY, WHICH AFFECTS NET POSITION			
PERSI retirement actuarial charges		(18,366)	
Depreciation		(31,231)	
Post closure care costs		<u>(13,725)</u>	
CHANGE IN NET POSITION		<u>\$ 272,482</u>	

CITY OF MOSCOW, IDAHO

STORMWATER

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 1,251,924	1,163,513	\$ (88,411)
Investment revenues (losses)			
Other			
Total revenues	<u>1,251,924</u>	<u>1,163,513</u>	<u>(88,411)</u>
EXPENSES			
Current			
Stormwater collection and treatment	745,448	429,846	315,602
Capital outlay	25,000	46,395	(21,395)
Total expenses	<u>770,448</u>	<u>476,241</u>	<u>294,207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>481,476</u>	<u>687,272</u>	<u>205,796</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	74,400	74,400	0
Transfers out	(481,476)	(481,476)	0
Total other financing sources (uses)	<u>(407,076)</u>	<u>(407,076)</u>	
NET CHANGES IN FUND BALANCES	74,400	280,196	205,796
FUND BALANCE, BEGINNING OF YEAR	<u>(74,400)</u>		<u>74,400</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 280,196</u>	<u>\$ 280,196</u>
RECONCILIATION OF CHANGES IN FUND BALANCE - BUDGETARY BASIS TO CHANGE IN NET POSITION			
Net changes in fund balances - budgetary basis		\$ 280,196	
BUDGETED EXPENSES, WHICH DO NOT AFFECT NET POSITION			
Capital outlay		46,395	
NONCASH, NONBUDGET ACTIVITY, WHICH AFFECTS NET POSITION			
PERSI retirement actuarial charges		(24,596)	
Capital contributions		127,287	
Depreciation		<u>(1,912)</u>	
CHANGE IN NET POSITION		<u>\$ 427,370</u>	

CITY OF MOSCOW, IDAHO

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

Fleet Management Fund – This fund is used to account for the costs of operating the City's motorized equipment.

Information Systems Fund – This fund is used to account for the costs and operations of the computer hardware, software, and networking system within the City.

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION
September 30, 2022

	Fleet Management	Information Systems	Total
ASSETS			
CURRENT ASSETS			
Cash		\$ 10,000	\$ 10,000
Investments	\$ 5,432,413	5,035,340	10,467,753
Accounts receivable	1,639		1,639
Interfund receivable		250,000	250,000
Total current assets	<u>5,434,052</u>	<u>5,295,340</u>	<u>10,729,392</u>
CAPITAL ASSETS			
Land	47,000		47,000
Construction in progress	41,693	16,182	57,875
Buildings and improvements	255,275		255,275
Vehicles	7,914,818		7,914,818
Equipment	3,122,961	1,614,740	4,737,701
Right of Use Asset		25,600	25,600
Accumulated depreciation	(6,979,175)	(1,190,315)	(8,169,490)
Accumulated Amortization		(2,327)	(2,327)
Total capital assets	<u>4,402,572</u>	<u>463,880</u>	<u>4,866,452</u>
Total assets	<u>9,836,624</u>	<u>5,759,220</u>	<u>15,595,844</u>
DEFERRED OUTFLOWS OF RESOURCES			
Defined benefit pension	122,062	168,823	290,885
LIABILITIES			
Accounts payable	28,675	20,177	48,852
Compensated absences payable	29,068	39,871	68,939
Lease Liability		23,078	23,078
Net pension liability	219,103	257,257	476,360
Total liabilities	<u>276,846</u>	<u>340,383</u>	<u>617,229</u>
DEFERRED INFLOWS OF RESOURCES			
Defined benefit pension	20,826	58,894	79,720
NET POSITION			
Net investment in capital assets	4,402,572	463,880	4,866,452
Restricted for future capital purchases	5,256,442	5,062,886	10,319,328
Reserved for VEBA proceeds	2,000	2,000	4,000
Total net position	<u>\$ 9,661,014</u>	<u>\$ 5,528,766</u>	<u>\$ 15,189,780</u>

CITY OF MOSCOW, IDAHO

INTERNAL SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
Year Ended September 30, 2022**

	Fleet Management	Information Systems	Total
OPERATING REVENUES			
Charges for services	\$ 902,298	\$ 1,421,147	\$ 2,323,445
Operating grants	600,000		600,000
Total operating revenues	<u>1,502,298</u>	<u>1,421,147</u>	<u>2,923,445</u>
OPERATING EXPENSES			
Costs of services	533,588	679,067	1,212,655
Administration	301,406	430,350	731,756
Depreciation and amortization	733,950	80,479	814,429
Total operating expenses	<u>1,568,944</u>	<u>1,189,896</u>	<u>2,758,840</u>
OPERATING INCOME (LOSS)	<u>(66,646)</u>	<u>231,251</u>	<u>164,605</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	(94,618)	(90,472)	(185,090)
Net pension expense (revenue)	(27,429)	(39,805)	(67,234)
Gain (loss) on disposition of assets	3,476		3,476
Total nonoperating revenues (expenses)	<u>(118,571)</u>	<u>(130,277)</u>	<u>(248,848)</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(185,217)</u>	<u>100,974</u>	<u>(84,243)</u>
CONTRIBUTIONS AND TRANSFERS			
Transfers in	1,046,515	480,725	1,527,240
Transfers out		(4,000)	(4,000)
Total contributions and transfers	<u>1,046,515</u>	<u>476,725</u>	<u>1,523,240</u>
CHANGE IN NET POSITION	861,298	577,699	1,438,997
NET POSITION AT BEGINNING OF YEAR	<u>8,799,716</u>	<u>4,951,067</u>	<u>13,750,783</u>
NET POSITION AT END OF YEAR	<u>\$ 9,661,014</u>	<u>\$ 5,528,766</u>	<u>\$ 15,189,780</u>

CITY OF MOSCOW, IDAHO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended September 30, 2022

	Fleet Management	Information Systems	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 902,986	\$ 1,174,438	\$ 2,077,424
Payments to suppliers	(547,630)	(787,578)	(1,335,208)
Payments to employees	(298,308)	(432,094)	(730,402)
Payments from other City funds		250,000	250,000
Net cash provided by operating activities	<u>57,048</u>	<u>204,766</u>	<u>261,814</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds		(4,000)	(4,000)
Transfers from other funds	1,046,515	480,725	1,527,240
Net cash provided by noncapital financing activities	<u>1,046,515</u>	<u>476,725</u>	<u>1,523,240</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(770,984)	(181,181)	(952,165)
Right to use asset		(25,600)	(25,600)
Sale of capital assets	(33,450)		(33,450)
Net cash used by capital financing activities	<u>(804,434)</u>	<u>(206,781)</u>	<u>(1,011,215)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment activity in local government investment pool	(204,511)	(407,316)	(611,827)
Lease liability		23,078	23,078
Interest received	(94,618)	(90,472)	(185,090)
Net cash used by investing activities	<u>(299,129)</u>	<u>(474,710)</u>	<u>(773,839)</u>
Net change in cash	0	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	0	10,000	10,000
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (66,646)	\$ 231,251	\$ 164,605
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	733,950	80,479	814,429
Changes in:			
Accounts receivable	688	3,291	3,979
Accounts payable	(14,042)	(108,511)	(122,553)
Payroll payable	777	1,248	2,025
Unearned Revenue	(600,000)		(600,000)
Other assets and liabilities	2,321	(2,992)	(671)
Net cash provided by operating activities	<u>\$ 57,048</u>	<u>\$ 204,766</u>	<u>\$ 261,814</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



STATISTICAL SECTION

**City of Moscow, Idaho
Statistical Section
(Unaudited)**

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

Contents	Page
Financial Trends	109
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	113
These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property and sales taxes.	
Debt Capacity	118
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	125
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	127
These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.	
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.	

Schedule 1
City of Moscow
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities										
Net Investment in capital assets	\$40,070,407	\$40,493,773	\$40,477,275	\$42,402,937	\$42,494,877	\$44,171,088	\$38,800,498	\$39,815,325	\$49,573,717	\$54,348,184
Restricted	5,181,571	3,712,913	3,384,248	3,323,418	3,143,511	2,896,395	11,507,641	3,009,701	2,854,415	1,595,984
Unrestricted	12,185,720	12,733,987	10,532,614	11,817,712	13,849,018	14,772,529	13,649,830	22,322,832	21,586,415	26,079,616
Total governmental activities net position	\$57,437,698	\$56,940,673	\$54,394,137	\$57,544,067	\$59,487,406	\$61,840,012	\$63,957,969	\$65,147,858	\$74,014,547	\$82,023,784
Business-type Activities										
Net Investment in capital assets	\$23,293,354	\$22,981,577	\$23,171,378	\$24,625,818	\$26,256,354	\$28,553,421	\$29,036,370	\$30,917,443	\$34,038,247	\$36,457,066
Restricted	9,425,133	11,049,524	13,488,693	14,709,203	15,622,009	16,385,982	20,093,558	27,984,651	28,754,412	29,803,266
Unrestricted	6,347,830	7,200,725	6,785,652	7,940,392	10,367,567	13,429,605	15,072,677	10,106,131	12,041,375	12,452,988
Total business-type activities net position	\$39,066,317	\$41,231,826	\$43,445,723	\$47,275,413	\$52,245,930	\$58,369,008	\$64,202,605	\$69,008,225	\$74,834,034	\$78,713,320
Primary Government										
Net Investment in capital assets	\$63,363,761	\$63,475,350	\$63,648,653	\$67,028,755	\$68,751,231	\$72,724,509	\$67,836,868	\$70,732,768	\$83,611,964	\$90,805,250
Restricted	14,606,704	14,762,437	16,872,941	18,032,621	18,765,520	19,282,377	31,601,199	30,994,352	31,608,827	31,399,250
Unrestricted	18,533,550	19,934,712	17,318,266	19,758,104	24,216,585	28,202,134	28,722,507	32,428,963	33,627,790	38,532,604
Total primary government net position	\$96,504,015	\$98,172,499	\$97,839,860	\$104,819,480	\$111,733,336	\$120,209,020	\$128,160,574	\$134,156,083	\$148,848,581	\$160,737,104

MANAGEMENT REVIEW DRAFT

Schedule 2

City of Moscow

Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General Government	\$ 5,341,376	\$ 5,281,476	\$ 5,805,926	\$ 5,976,857	\$ 5,954,035	\$ 6,466,636	\$ 6,644,788	\$ 7,292,640	\$ 6,653,388	\$ 9,173,761
Public Safety	6,496,491	6,800,673	6,464,442	6,944,507	7,241,400	7,224,416	7,692,487	7,691,147	6,914,806	7,220,500
Highways and Streets	2,419,077	2,433,113	2,315,481	2,342,327	2,470,955	3,339,330	3,459,802	5,567,489	3,215,785	3,254,599
Culture and Recreation	2,698,801	4,155,402	3,290,306	3,139,717	3,127,109	3,268,196	3,559,033	3,285,072	3,318,368	4,792,595
Interest on long-term debt	88,955	21,818	15,667	9,367	2,767	(15,016)	142,962	317,933	227,044	213,408
Total governmental activities expenses	17,044,700	18,692,482	17,891,822	18,412,775	18,796,266	20,283,562	21,499,072	24,154,281	20,329,391	24,654,863
Business-type Activities:										
Water	2,491,759	2,390,525	2,458,962	2,611,387	2,806,438	2,673,222	3,064,916	3,353,170	3,143,544	3,483,918
Sewer	4,184,113	4,098,168	4,143,042	4,124,504	4,339,398	4,143,667	4,277,695	4,663,589	4,380,561	4,219,848
Sanitation	3,382,736	3,483,895	3,551,475	4,217,918	4,025,778	4,236,772	4,378,824	4,615,299	4,705,275	5,009,635
Stormwater										456,354
Total business-type activities expenses	10,058,608	9,972,588	10,153,479	10,953,809	11,171,614	11,053,661	11,721,435	12,632,058	12,229,380	13,169,755
Total primary government expenses	\$ 27,103,308	\$ 28,665,070	\$ 28,045,301	\$ 29,366,584	\$ 29,967,880	\$ 31,337,223	\$ 33,220,507	\$ 36,786,339	\$ 32,558,771	\$ 37,824,618
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 2,623,494	\$ 2,747,042	\$ 2,807,239	\$ 3,164,056	\$ 3,273,252	\$ 3,134,796	\$ 3,167,669	\$ 3,675,275	\$ 3,604,013	\$ 3,851,254
Public Safety	1,472,645	1,444,003	1,491,064	1,544,973	1,544,445	1,547,700	1,692,402	1,689,153	1,790,901	1,700,139
Highways and Streets	376,172	375,408	395,542	350,384	370,228	424,833	347,716	345,030	345,572	345,185
Culture and Recreation	536,199	556,033	608,125	621,210	618,688	609,665	612,998	222,216	574,630	705,237
Operating grants and contributions	1,243,432	1,132,968	1,079,178	1,298,086	1,311,307	1,327,481	1,635,086	1,264,612	2,439,586	2,339,353
Capital grants and contributions	901,822	374,551	331,494	1,671,816	469,146	1,540,153	891,274	948,620	2,694,086	3,358,315
Total governmental activities program revenues	7,153,764	6,630,005	6,710,642	8,650,525	7,587,066	8,584,628	8,347,145	8,144,906	11,448,788	12,299,483
Business-type Activities:										
Charges for services:										
Water	3,824,909	4,254,140	4,642,230	4,838,492	5,212,423	5,475,945	5,836,424	5,872,184	6,526,141	6,466,775
Sewer	5,637,708	5,899,493	6,404,742	6,916,401	7,288,980	7,615,300	8,086,780	8,336,185	8,379,330	8,601,773
Sanitation	4,652,289	4,732,247	4,837,037	5,874,754	5,681,081	5,927,039	6,270,995	6,271,840	6,436,307	6,558,333
Stormwater										1,163,513
Capital grants and contributions	325,300	385,780	578,893	830,553	1,075,806	1,362,238	1,288,501	860,185	1,460,008	482,094
Total business-type activities program revenues	14,440,206	15,271,660	16,462,902	17,960,200	19,258,290	20,380,522	21,482,700	21,340,394	22,801,786	23,272,488
Total primary government program revenues	\$ 21,593,970	\$ 21,901,665	\$ 23,173,544	\$ 26,610,725	\$ 26,845,356	\$ 28,965,150	\$ 29,829,845	\$ 29,485,300	\$ 34,250,574	\$ 35,571,971
Net (Expense) Revenue										
Governmental activities	\$ (9,890,936)	\$ (12,062,477)	\$ (11,181,180)	\$ (9,762,250)	\$ (11,209,200)	\$ (11,698,934)	\$ (13,151,927)	\$ (16,009,375)	\$ (8,880,603)	\$ (12,355,380)
Business-type activities	4,381,598	5,299,072	6,309,423	7,006,391	8,086,676	9,326,861	9,761,265	8,708,336	10,572,406	10,102,733
Total primary government net expense	\$ (5,509,338)	\$ (6,763,405)	\$ (4,871,757)	\$ (2,755,859)	\$ (3,122,524)	\$ (2,372,073)	\$ (3,390,662)	\$ (7,301,039)	\$ 1,691,803	\$ (2,252,647)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 4,802,665	\$ 4,761,924	\$ 5,284,721	\$ 5,482,880	\$ 5,591,688	\$ 5,764,448	\$ 5,722,147	\$ 7,259,097	\$ 7,437,427	\$ 7,874,875
Sales taxes	430,383	457,009	500,820	544,653	584,051	638,480	682,864	771,140	2,573,291	2,749,482
Franchise taxes	1,185,047	1,266,728	1,280,494	1,219,095	1,251,646	1,262,269	1,239,485	1,267,438	1,306,722	1,312,134
Road and bridge taxes	615,408	664,933	660,172	662,056	694,538	720,706	775,989	821,804	854,704	1,786,012
Alcoholic beverage taxes	531,200	538,509	534,229	574,509	581,702	578,182	581,851	607,913	659,823	582,294
State Revenue Sharing	835,811	880,409	920,257	951,454	985,311	1,039,711	1,079,643	1,180,613	-	-
Unrestricted investment earnings	(550,894)	(20,799)	134,149	63,281	114,647	330,119	453,622	568,186	30,694	(438,315)
Gain (loss) on sale of capital assets	5,900	14,891	28,708	60,140	21,873	32,833	26,921	(37,513)	42,208	903,163
Transfers	2,917,040	3,001,848	3,199,481	3,354,112	3,327,083	3,684,792	4,710,392	4,738,894	4,842,423	5,594,972
Total governmental activities	10,772,560	11,565,452	12,543,031	12,912,180	13,152,539	14,051,540	15,269,884	17,167,572	17,747,292	20,364,617
Business-type Activities:										
Unrestricted investment earnings	(1,349,877)	(131,715)	47,469	147,036	216,526	483,871	779,973	836,178	95,826	(628,475)
Gain (loss) on sale of capital assets	(15,565)	-	-	30,375	(5,602)	(2,862)	2,750	-	-	-
Transfers	(2,917,040)	(3,001,848)	(3,199,481)	(3,354,112)	(3,327,083)	(3,684,792)	(4,710,391)	(4,738,894)	(4,842,423)	(5,594,972)
Total business-type activities	(4,282,482)	(3,133,563)	(3,152,012)	(3,176,701)	(3,116,159)	(3,203,783)	(3,927,668)	(3,902,716)	(4,746,597)	(6,223,447)
Total primary government activities	\$ 6,490,078	\$ 8,431,889	\$ 9,391,019	\$ 9,735,479	\$ 10,036,380	\$ 10,847,757	\$ 11,342,216	\$ 13,264,856	\$ 13,000,695	\$ 14,141,170
Changes in Net Assets										
Governmental activities	\$ 881,624	\$ (497,025)	\$ 1,361,851	\$ 3,149,930	\$ 1,943,339	\$ 2,352,606	\$ 2,117,957	\$ 1,158,197	\$ 8,866,689	\$ 8,009,237
Business-type activities	99,116	2,165,509	3,157,411	3,829,690	4,970,517	6,123,078	5,833,597	4,805,620	5,825,809	3,879,286
Total Changes in Net Assets	\$ 980,740	\$ 1,668,484	\$ 4,519,262	\$ 6,979,620	\$ 6,913,856	\$ 8,475,684	\$ 7,951,554	\$ 5,963,817	\$ 14,692,498	\$ 11,888,523

Notes: Water and Sewer rates have risen over the last years due to raising capital to replace aging infrastructure and to meet DEQ requirements.

GASB 62, 63 and 65 implemented in 2013. GASB 68 implemented 2015.

State Sales Tax Revenue Sharing was reclassified to Sales Tax from State Revenue Sharing in FY2021.

The Stormwater utility became operational in FY2022.

Schedule 3
City of Moscow
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Reserved										
Unreserved										
Committed	\$ 3,241,280	\$ 3,437,542	\$ 3,720,197	\$ 3,744,137	\$ 3,886,546	\$ 4,060,783	\$ 4,290,902	\$ 4,319,648	\$ 4,739,782	\$ 5,136,200
Assigned	476,974	490,637	487,064	545,323	559,884	547,943	534,964	699,313	828,665	799,559
Unassigned	795,009	1,183,746	1,277,946	862,002	714,414	823,972	808,652	844,904	1,672,396	2,205,027
↳ Total General Fund	<u>\$ 4,513,263</u>	<u>\$ 5,111,925</u>	<u>\$ 5,485,207</u>	<u>\$ 5,151,462</u>	<u>\$ 5,160,844</u>	<u>\$ 5,432,698</u>	<u>\$ 5,634,518</u>	<u>\$ 5,863,865</u>	<u>\$ 7,240,843</u>	<u>\$ 8,140,786</u>
All Other Governmental Funds										
Reserved										
Unreserved, reported in										
Special Revenue funds										
Capital Projects funds										
Restricted	\$ 5,181,571	\$ 3,712,913	\$ 3,384,249	\$ 3,323,418	\$ 3,143,511	\$ 2,957,383	\$ 11,573,632	\$ 3,066,028	\$ 2,946,301	\$ 1,753,234
Committed	1,362,461	1,424,911	1,631,906	1,660,792	1,725,624	1,785,525	1,734,791	1,529,990	1,687,237	2,090,836
Assigned	3,984,277	3,773,211	4,245,775	5,157,474	5,767,128	6,027,391	4,344,973	12,002,095	6,366,242	8,984,445
Total all other governmental funds	<u>\$ 10,528,309</u>	<u>\$ 8,911,035</u>	<u>\$ 9,261,930</u>	<u>\$ 10,141,684</u>	<u>\$ 10,636,263</u>	<u>\$ 10,770,299</u>	<u>\$ 17,653,396</u>	<u>\$ 16,598,113</u>	<u>\$ 10,999,780</u>	<u>\$ 12,828,515</u>

Schedule 4
City of Moscow
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes (see Schedule 5)	\$ 7,551,451	\$ 7,694,866	\$ 8,309,668	\$ 8,474,296	\$ 8,695,726	\$ 8,965,204	\$ 9,030,688	\$ 10,694,924	\$ 12,829,065	\$ 14,316,525
Licenses and permits	577,975	647,832	548,931	618,929	867,280	811,174	610,553	744,375	923,713	954,247
Intergovernmental	2,923,272	2,323,954	2,313,180	3,163,132	2,663,392	3,632,762	2,982,593	3,528,136	3,188,553	4,704,434
Charges for services	2,058,924	2,137,979	2,204,958	2,231,946	2,289,409	2,346,564	2,392,539	2,045,865	2,462,806	2,550,554
Fines and penalties	217,219	148,082	163,279	161,804	131,705	124,657	163,804	127,825	175,352	130,057
Special Assessments	32,094	22,890	15,424	12,874	36,303	9,139	3,121	5,549	5,964	-
Investment earnings	(571,401)	(20,799)	134,149	63,281	96,597	247,830	332,600	443,121	20,508	(253,225)
Contributions and donations	61,067	66,311	43,054	36,852	62,123	155,093	70,517	32,299	503,001	576,125
Refunds and reimbursements	125,918	46,777	150,580	387,464	167,131	119,726	218,423	188,172	186,988	377,261
Other revenues	131,512	113,091	132,422	81,560	84,637	112,379	69,978	67,214	110,591	112,910
Total revenues	13,108,031	13,180,983	14,015,645	15,232,138	15,094,303	16,524,528	15,874,816	17,877,480	20,406,541	23,468,888
Expenditures										
General government	3,582,926	3,590,713	4,148,625	4,252,336	4,268,791	4,496,326	4,437,178	3,605,469	3,174,489	5,265,291
Public Safety	6,122,309	6,451,874	6,362,551	6,635,677	6,980,553	6,878,441	7,568,343	7,860,743	6,778,980	7,097,804
Recreation and Culture	2,213,149	3,663,432	2,780,859	2,596,231	2,602,558	2,719,025	2,957,406	2,618,343	2,818,449	4,279,801
Transportation	1,716,872	1,661,474	1,522,566	1,433,275	1,553,472	1,702,201	1,644,189	1,700,111	1,822,575	1,624,075
Capital Outlay	2,197,734	1,244,419	813,568	2,016,366	1,370,507	3,118,153	5,542,415	4,604,942	11,036,141	5,877,133
Debt Service										
Principal	2,655,000	205,000	210,000	220,000	225,000	235,000	0	680,000	735,000	765,000
Interest	99,988	32,850	26,700	20,400	13,800	7,050	121,528	314,288	273,340	247,534
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	18,587,978	16,849,762	15,864,869	17,174,285	17,014,681	19,156,196	22,271,059	21,383,896	26,638,974	25,156,638
Excess of revenues over (under) expenditures	(5,479,947)	(3,668,779)	(1,849,224)	(1,942,147)	(1,920,378)	(2,631,668)	(6,396,243)	(3,506,416)	(6,232,433)	(1,687,750)
Other Financing Sources (Uses)										
Transfers in	7,971,794	5,498,722	6,307,498	7,010,578	7,138,333	8,210,203	10,258,856	17,963,833	9,752,090	11,844,562
Transfers out	(5,487,559)	(2,959,311)	(3,734,097)	(4,522,422)	(4,707,834)	(5,172,645)	(6,539,225)	(15,315,045)	(7,741,012)	(8,327,821)
Capital Contributions	-	110,756	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	8,465,000	-	-	-
Bond Premiums	-	-	-	-	-	-	1,296,529	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	899,687
Total other financing sources (uses)	2,484,235	2,650,167	2,573,401	2,488,156	2,430,499	3,037,558	13,481,160	2,648,788	2,011,078	4,416,428
Net change in fund balances	\$ (2,995,712)	\$ (1,018,612)	\$ 724,177	\$ 546,009	\$ 510,121	\$ 405,890	\$ 7,084,917	\$ (857,628)	\$ (4,221,355)	\$ 2,728,678
Debt service as a percentage of noncapital expenditures	16.81%	1.52%	1.57%	1.59%	1.53%	1.51%	0.73%	5.93%	6.46%	5.25%

Schedule 5
City of Moscow
Tax Revenue by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

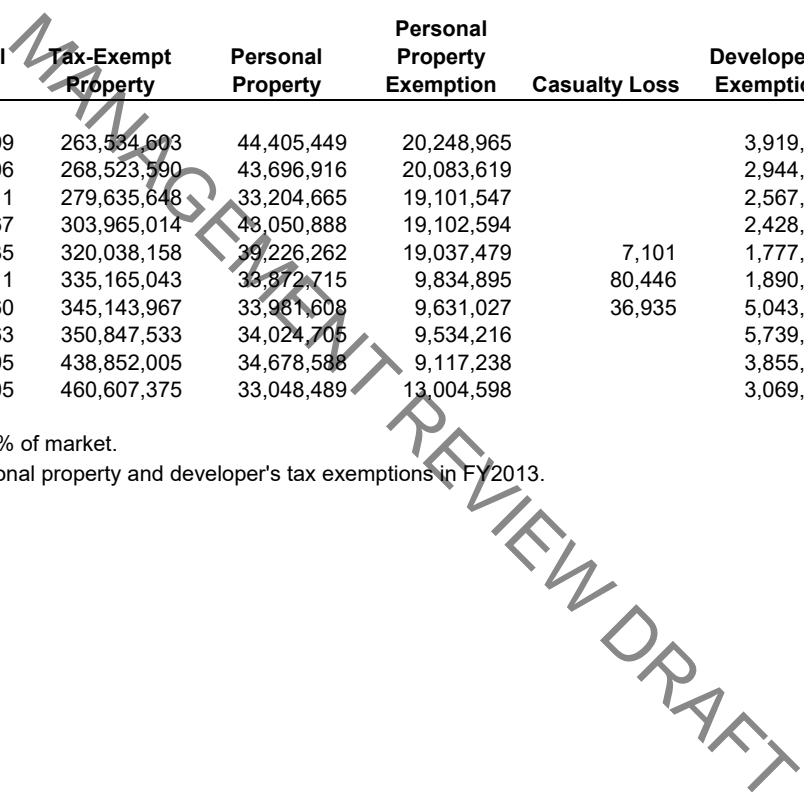
Fiscal Year	Property	Sales	Franchise	Motor Fuel	Alcoholic Beverage	Road and Bridge	Total
2013	4,789	430	1,185	0	531	616	7,551
2014	4,768	457	1,267	0	538	665	7,695
2015	5,334	501	1,280	0	534	660	8,309
2016	5,474	545	1,219	0	574	662	8,474
2017	5,584	584	1,252	0	582	694	8,696
2018	5,766	638	1,262	0	578	721	8,965
2019	5,754	683	1,238	0	582	774	9,031
2020	7,227	771	1,267	0	608	822	10,695
2021	7,434	2,573	1,307	0	660	855	12,829
2022	7,887	2,749	1,312	0	582	1,786	14,316
Change 2013-2022	64.7%	539.3%	10.7%	0.0%	9.6%	189.9%	89.6%

Note: Motor Fuel was reclassified to Intergovernmental Revenue from Tax Revenue in FY2013.
State Sales Tax Revenue Sharing was reclassified to Sales Tax from Intergovernmental Revenue in FY2021.
Road and Bridge tax increased due to one time funds received from Leading Idaho HB772.

Schedule 6
City of Moscow
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Residential Property	Commercial Property	Tax-Exempt Property	Personal Property	Personal Property Exemption	Casualty Loss	Developer's Exemption	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value
2013	927,338,276	391,312,399	263,534,603	44,405,449	20,248,965		3,919,725	1,363,056,124	4.436	1,075,352,831
2014	932,844,152	399,914,506	268,523,590	43,696,916	20,083,619		2,944,679	1,376,455,574	4.919	1,084,903,686
2015	915,602,455	344,955,011	279,635,648	33,204,665	19,101,547		2,567,550	1,293,762,131	4.999	992,457,386
2016	983,934,274	417,831,967	303,965,014	48,050,888	19,102,594		2,428,050	1,444,817,129	4.934	1,119,321,471
2017	1,018,588,828	378,333,035	320,038,158	39,226,262	19,037,479	7,101	1,777,050	1,436,148,125	4.922	1,095,288,337
2018	1,139,902,624	455,419,611	335,165,043	33,872,715	9,834,895	80,446	1,890,135	1,629,194,950	4.487	1,282,224,431
2019	1,241,976,028	497,593,460	345,143,967	33,981,608	9,631,027	36,935	5,043,908	1,773,551,096	5.205	1,413,695,259
2020	1,301,618,958	528,485,963	350,847,533	34,024,705	9,534,216		5,739,645	1,864,129,626	3.926	1,498,008,232
2021	1,424,932,782	545,157,695	438,852,005	34,678,588	9,117,238		3,855,255	2,004,769,065	5.002	1,552,944,567
2022	1,847,685,170	574,286,405	460,607,375	33,048,489	13,004,598		3,069,825	2,471,119,901	4.049	1,994,438,103

Note: Latah County assesses property values at 100% of market.
The Idaho State Legislature passed law allowing personal property and developer's tax exemptions in FY 2013.



**Schedule 7
City of Moscow
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year	City Direct Rates			Overlapping Rates		
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Latah County	Moscow School District No. 281 Levy	Other Levy
2013	4.023	0.413	4.436	4.239	7.736	2.783
2014	4.217	0.702	4.919	4.269	7.621	2.860
2015	4.723	0.276	4.999	4.349	7.502	2.954
2016	4.731	0.204	4.935	4.315	7.195	2.897
2017	4.773	0.150	4.923	4.368	7.007	2.918
2018	4.488	0.000	4.488	4.214	6.432	2.795
2019	4.502	0.704	5.206	4.062	7.055	2.687
2020	3.228	0.698	3.926	3.808	6.819	2.604
2021	4.329	0.674	5.003	3.898	6.215	2.582
2022	3.527	0.523	4.050	3.087	4.804	1.962

Latah County Assessor

Taxing Entities

- Moscow School District No. 281
- North Latah Highway District
- Latah County
- Latah County Library
- Moscow Cemetery District
- Moscow Rural Fire District

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

**Schedule 8
City of Moscow
Principal Property Taxpayers,
Current and Ten Years Ago**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hill Rental Properties, LLC	19,636,900	1	0.79%	14,123,010	2	1.04%
P.E.M. Management, LLC	15,624,600	2	0.63%	15,602,915	1	1.14%
HRA Moscow LLC	14,408,600	3	0.58%			
The Grove Apartments	13,977,700	4	0.57%	12,980,200	3	0.95%
Wal-Mart Real Estate Bus Trust	10,480,000	5	0.42%	10,940,000	4	0.80%
Gritman Medical Park LLC	9,670,018	6	0.39%	4,739,250	9	0.35%
Avista Corp (Elec)	9,338,083	7	0.38%	6,151,654	5	0.45%
Kestrel Development LLC	9,122,300	8	0.37%			
Avista Corp (Gas)	7,157,786	9	0.29%			
Idaho Apartment Rentals LLC	7,155,317	10	0.29%			
Frontier (Verizon)				4,996,096	8	0.37%
Blum Properties				6,336,943	6	0.46%
Hagadone Hospitality				4,658,150	10	0.34%
Good Samaritan Society				6,264,370	7	0.46%
Total	\$ 116,571,304		4.72%	\$ 86,792,588		6.37%

Source: Latah County Treasurer

Schedule 9
City of Moscow
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	4,771,135	4,710,640	98.73%	43,262	4,753,903	99.64%
2014	4,731,795	4,583,866	96.87%	62,940	4,646,806	98.20%
2015	5,195,775	5,016,815	96.56%	58,726	5,075,542	97.69%
2016	5,381,765	5,200,887	96.64%	57,225	5,258,112	97.70%
2017	5,481,546	5,420,864	98.89%	56,637	5,477,501	99.93%
2018	5,645,216	5,405,854	95.76%	31,676	5,437,531	96.32%
2019	5,666,358	5,371,331	94.79%	59,395	5,430,726	95.84%
2020	7,164,617	7,109,085	99.22%	48,498	7,157,583	99.90%
2021	5,730,141	5,691,032	99.32%	0	5,691,032	99.32%
2022	7,859,905	7,647,937	97.30%	0	7,647,937	97.30%

Source: Latah County

Schedule 10
City of Moscow
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

118

Fiscal Year	Governmental Activities			Business-type Activities		Total City Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Special Assessment Bonds	Sewer Revenue Bonds	Interim Financing			
2013	1,161,197	0	0	11,266,283		12,427,480	1.62%	510
2014	945,165	0	0	10,459,889		11,405,054	1.38%	459
2015	724,132	0	0	9,628,495	198,332	10,550,959	1.27%	429
2016	493,099	0	0	8,777,101	1,476,865	10,747,065	1.24%	429
2017	257,066	0	0	7,900,707	2,565,046	10,722,819	1.12%	423
2018	0	0	0	6,958,956	3,815,924	10,769,880	1.08%	428
2019	9,761,529	0	0	5,999,165	3,927,881	19,688,575	1.83%	764
2020	9,068,548	0	0	4,979,582	4,300,000	18,348,130	1.71%	714
2021	8,290,844	0	0	3,999,582	4,127,576	16,418,002	1.43%	628
2022	7,459,595	0	0	2,949,791	3,951,250	14,360,636	1.10%	556

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

See Schedule 16 for personal income and population data.

Sewer Revenue Bond column includes unamortized premium on bonds.

Certificates of Participation were paid in full in FY2013.

Series 2011 Refunding Bonds for the construction of the Swimming Pool at Hamilton Aquatic Center were paid off in FY2018.

Sewer Revenue Bond Series 2017 were issued as an advance refunding issue for the Sewer Revenue Bond Series 2008 to be called in May 2018.

General Obligation Bond Series 2019 for construction of new Police Station were issued in FY2019.

Schedule 11
City of Moscow
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Total		
2013	1,161,197	1,095,000	0.10%	44.95
2014	945,165	945,165	0.09%	38.07
2015	724,132	724,132	0.07%	29.42
2016	493,099	493,099	0.04%	19.68
2017	257,066	257,066	0.02%	10.15
2018	-	-	0.00%	-
2019	8,465,000	8,465,000	0.60%	329.35
2020	7,785,000	7,785,000	0.52%	302.89
2021	7,050,000	7,050,000	0.45%	269.83
2022	6,285,000	6,285,000	0.32%	243.13

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

^a See Schedule 6 for property value data.

^b Population data can be found on Schedule 16.

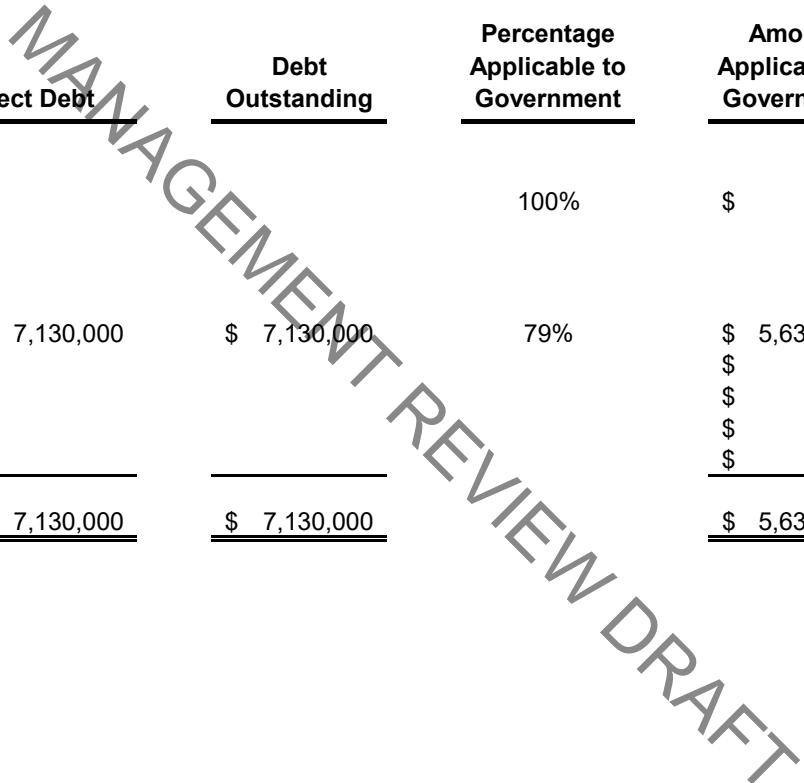
Schedule 12
City of Moscow
Direct and Overlapping Government Activities Debt

120

	<u>Direct Debt</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Jurisdiction:				
Reserved Direct:				
City of Moscow			100%	\$ -
Overlapping:				
Moscow School District No. 281	\$ 7,130,000	\$ 7,130,000	79%	\$ 5,632,700
Latah County Cemetery District				\$ -
Library				\$ -
Road District				\$ -
Total	<u>\$ 7,130,000</u>	<u>\$ 7,130,000</u>		<u>\$ 5,632,700</u>

Source: City of Moscow
Moscow School District
Latah County
Cemetery District
Library
Road District

Note: The Moscow School District #281 levied debt in FY2013. Percent applicable calculated by MSD



**Schedule 13a
City of Moscow
Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Market Valuation:

Assessed Value \$ 1,994,438,103

Debt applicable to limit

Debt limitation: 2% \$ 39,888,762

Less:

General obligation bonds 6,285,000

Legal debt margin

\$ 33,603,762

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 20,600,683	\$ 20,808,074	\$ 19,169,148	\$ 22,386,429	\$ 21,905,767	\$ 25,644,489	\$ 28,273,905	\$ 29,960,165	\$ 31,058,891	\$ 39,888,762
Total net debt applicable to limit	1,095,000	890,000	724,132	493,099	257,066	-	8,465,000	7,785,000	7,050,000	6,285,000
Legal debt margin	\$ 19,505,683	\$ 19,918,074	\$ 18,489,148	\$ 21,893,330	\$ 21,648,701	\$ 25,644,489	\$ 19,808,905	\$ 22,175,165	\$ 24,008,891	\$ 33,603,762
Total net debt applicable to the limit as a percentage of debt limit	5.32%	4.28%	3.78%	2.20%	1.17%	0.00%	29.94%	25.98%	22.70%	15.76%

Source: City of Moscow
Latah County Assessors Office

Schedule 13b
City of Moscow
Historical Operating Results and Debt Service Coverage - Sewer Bonds
Last Five Fiscal Years

	2018	2019	2020	2021	2022
OPERATING REVENUES					
Charges for services	\$ 7,549,993	\$ 8,023,375	\$ 8,291,920	\$ 8,322,862	\$ 8,550,656
Other services	8,557	23,614	4,474	16,677	11,326
Total operating revenues	7,558,550	8,046,989	8,296,394	8,339,539	8,561,982
OPERATING EXPENSES					
Sewer - collection and treatment	2,391,467	2,570,669	2,893,760	3,147,101	3,069,935
Depreciation	1,512,018	1,522,819	1,522,314	1,228,288	956,447
Total operating expenses	3,903,485	4,093,488	4,416,074	4,375,389	4,026,382
OPERATING INCOME (LOSS)	3,655,065	3,953,501	3,880,320	3,964,150	4,535,600
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	199,180	343,874	400,045	40,546	(274,021)
Interest expense	(265,733)	(184,896)	(152,760)	(118,945)	(83,862)
PERSI retirement actuarial charges	25,551	689	(94,755)	113,773	(109,604)
Gain (loss) on disposition of assets	-	2,750	-	-	-
Amortization of bond premium	56,750	39,791	39,791	39,791	39,791
Total nonoperating revenues (expenses)	15,748	202,208	192,321	75,165	(427,696)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	3,670,813	4,155,709	4,072,641	4,039,315	4,107,904
CONTRIBUTIONS AND TRANSFERS					
General facility charges	286,844	138,071	162,190	231,905	143,643
Capital contributions	466,862	422,418	408,829	468,780	3,641
Net transfers in/(out)	(1,652,473)	(1,639,985)	(2,045,563)	(1,723,560)	(1,419,565)
Total contributions and transfers	(898,767)	(1,079,496)	(1,474,544)	(1,022,875)	(1,272,281)
CHANGE IN NET POSITION	\$ 2,772,046	\$ 3,076,213	\$ 2,598,097	\$ 3,016,440	\$ 2,835,623
NET REVENUE AVAILABLE FOR DEBT SERVICE					
Change in Net Position	\$ 2,772,046	\$ 3,076,213	\$ 2,598,097	\$ 3,016,440	\$ 2,835,623
Plus Depreciation	1,512,018	1,522,819	1,522,314	1,228,288	956,447
Plus Interest Expense	265,733	184,896	152,760	118,945	83,862
Plus Sewer Capital Transfers	\$ 2,275,000	\$ 1,983,883	\$ 3,214,244	\$ 3,105,259	\$ 2,676,728
Plus Sewer Fleet Management Transfers	\$ 59,000	\$ 55,300	\$ 280,000	\$ -	\$ 75,000
Less Capital Contributions	(466,862)	(422,418)	(408,829)	(468,780)	(3,641)
Net revenue available for debt service	\$ 6,416,935	\$ 6,400,693	\$ 7,358,586	\$ 7,000,152	\$ 6,624,019
Parity Debt Service					
2008 Bonds	366,418	-	-	-	-
2011 Bonds	700,875	708,250	706,850	706,550	705,250
2017 Bonds	68,072	402,544	399,732	406,796	403,488
Total Annual Debt Service	\$ 1,135,365	\$ 1,110,794	\$ 1,106,582	\$ 1,113,346	\$ 1,108,738
Debt Service Coverage	5.65X	5.76X	6.65X	6.29X	5.97X
Net Position at End of Year	\$ 28,794,737	\$ 31,870,950	\$ 34,469,047	\$ 37,485,487	\$ 40,321,110
Debt Service Reserve Account	\$ 1,110,794	\$ 1,106,582	\$ 1,113,346	\$ 1,108,738	\$ 1,100,981
Revenue Stabilization Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Fleet Management Reserve	\$ 59,000	\$ 57,800	\$ 280,000	\$ -	\$ 75,000
Sewer Capital Reserve	\$ 2,736,263	\$ 1,983,883	\$ 3,214,244	\$ 3,105,259	\$ 2,676,728

Notes:

Capital contributions are dependent on new subdivisions/properties being added to the system.

Schedule 14a
City of Moscow
Special Assessment Billings and Collections
Last Ten Fiscal Years

Fiscal Year	Special Assessment Collected	Debt Service		Total	Coverage
		Principal	Interest		
2013	32,094	0	0	0	0.00
2014	22,890	0	0	0	0.00
2015	15,424	0	0	0	0.00
2016	12,874	0	0	0	0.00
2017	30,205	0	0	0	0.00
2018	1,693	0	0	0	0.00
2019	3,120	0	0	0	0.00
2020	5,742	0	0	0	0.00
2021	5,803	0	0	0	0.00
2022	0	0	0	0	0.00

Source: City of Moscow

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. As of fiscal year 2021, all existing Special Assessments have been paid in full.

MANAGEMENT REVIEW DRAFT

**Schedule 14b
City of Moscow
Pledged Revenue Coverage
Last Ten Fiscal Years**

Sewer Revenue Bonds

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2013 ⁽¹⁾	5,139,703	3,251,090	1,888,613	745,000	406,928	1,151,928	1.64
2014	6,012,113	3,473,461	2,538,652	765,000	392,404	1,157,404	2.19
2015	6,516,695	3,517,371	2,999,324	790,000	368,005	1,158,005	2.59
2016	7,083,694	3,514,820	3,568,874	810,000	342,560	1,152,560	3.10
2017	7,859,737	3,812,808	4,046,929	835,000	316,050	1,151,050	3.52
2018 ⁽²⁾	8,044,574	3,710,967	4,333,607	890,000	245,365	1,135,365	3.82
2019	8,528,934	3,930,919	4,598,015	915,000	195,794	1,110,794	4.14
2020	8,858,629	2,893,760	5,964,869	940,000	166,582	1,106,582	5.39
2021	8,611,990	3,147,101	5,464,889	980,000	133,346	1,113,346	4.91
2022	8,431,604	3,069,935	5,361,669	1,010,000	98,738	1,108,738	4.84

*Total revenues include interest.

*Total operating expenses exclude depreciation.

Source: City of Moscow

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

Operating expenses include operating transfers out but exclude transfers out to the Internal Service Funds for capital outlay.

(1) The 2002 Sewer Revenue Bonds were advance Refunded by the 2011 bond proceeds; consequently \$6,433,415 is paid from escrowed funds and not shown as part of the scheduled debt

(2) The 2008 Sewer Revenue Bonds were advance Refunded by the 2017 bond proceeds; consequently \$3,560,000 is paid from escrowed funds and not shown as part of the scheduled debt

**Schedule 15
City of Moscow
Principal Employers
Current Year and Ten Years Ago**

Employer	2022			2013		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total City Employment
University of Idaho	4,050	1	26.1%	4,500	1	27.4%
Gritman Medical Center	600	2	3.9%	399	3	2.4%
Moscow School District	450	3	2.9%	450	2	2.7%
Wal-Mart	300	4	1.9%	250	6	1.5%
EMSI Inc.	250	5	1.6%			0.0%
City of Moscow	200	6	1.3%	250	5	1.5%
Latah County	150	7	1.0%	150	8	0.9%
Northwest River Supplies	150	8	1.0%			0.0%
Best Western University Inn	100	9	0.6%	175	7	1.1%
Moscow Building Supply	100	10	0.6%			0.0%
Gritman Outpatient Clinic				400	4	2.4%
Bennet Lumber				126	9	0.8%
Good Samaritan Village				120	10	0.7%
Total: Top 10 City Employers	6,350		41.0%	6,820		41.5%
Total: County Employment	15,490			16,445		

Source: Regional Economist Communications & Research

Schedule 16
City of Moscow
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City Population	Personal Income (thousands of dollars)	Per Capita Income	Student Enrollment	Unemployment Rates
2013	24,358	766,205,248	31,456	2,261	5.9%
2014	24,829	829,065,139	33,391	2,322	5.7%
2015	24,615	833,340,825	33,855	2,311	4.0%
2016	25,060	865,371,920	34,532	2,337	2.9%
2017	25,322	959,146,716	37,878	2,419	2.1%
2018	25,146	995,152,950	39,575	2,371	2.6%
2019	25,766	1,065,192,206	41,341	2,304	2.9%
2020	25,702	1,075,191,766	41,833	2,172	4.2%
2021	26,128	1,148,168,832	43,944	2,196	2.6%
2022	25,850	1,310,672,550	50,703	2,207	2.9%

Source: City of Moscow
U.S. Census Bureau
Moscow School District
State of Idaho Department of Labor

MANAGEMENT REVIEW DRAFT

Schedule 17
City of Moscow
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administration	7	7	7	6	6	5.5	5	6.3	3.8	4.9
Finance	7	7	7	7	7	7	7	6.5	6.5	6.5
Legal	3	3	3	3	3	3	3	4	4	5
Human Resources	1	1	1	1	1	1.5	1.4	1.5	1.3	1.45
Community Planning & Design	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	20	20
Buildings and Grounds	2	2	2	2	2	2	2.6	2.6	2.6	2.6
Police										
Police Officers	34	34	34	35	35	35	37	37	36	36
Police Unsworn	8	8	8	8	8	8	8	8	8	8
Fire										
Officers	4.5	4.5	4.5	4.5	5	6	6	6	6	6
Admin support	1	1	1	1	1	1	1	1	1	1
Streets	9	9	9	9	8.55	8.55	9.55	9.55	9.55	9.55
Internal Service Funds										
Fleet	4	4	4	4	3.85	3.85	3.85	3.9	3.9	3.6
Information Systems	4	4	4	4	4.85	4.85	4.85	5.05	5.25	5.1
Culture and Recreation										
Recreation	5	5	5	5	5	5	2	4.4	4.9	3.85
Parks	5	5	5	5.3	5.25	5.25	9.2	7.25	7.25	9.25
MSDCP	0	0	1	0.8	0.75	0.75	0.75	0.75	0.75	0.75
Art	1.8	1.8	1.8	2	3	1.6	1.6	1.5	1.5	1.8
Community Events	0	0	0	0	0	1.4	1.4	1.7	1.7	2.2
Water	14.1	15.1	15.1	15.5	15.25	15.25	15.25	16.75	17.1	16.8
Wastewater	10.9	10.9	10.9	11.3	12	12.05	12.05	14.55	12.1	11.8
Sewer	4	4	4	4	5	5	5	3	5	5
Stormwater	0	0	0	0	0	0	0	0	0	4.75
Sanitation	1	1	1	1	1	1.5	1.5	1.5	1.6	1.75
Total	143.8	144.8	145.8	146.9	150.0	151.6	155.6	160.3	159.8	167.7

Source: City of Moscow

Notes:

Full-time employees are scheduled to work 2,080 hours per year (including vacation and sick leave).
Employees with less than full-time equivalent employment are calculated by dividing total labor hours by 2,080.
Moscow School Community Playfields fund was added in FY2015 with one FTE.
Utility Locate Technician and Forensic Computer Detective added in 2016.
Economic Development Specialist position eliminated in 2016.
Videographer and Wastewater Conveyance Operator added in 2017.
Legal Department Specialist went from part-time to full-time; Environmental Education and Sustainability Programs Specialist went from part-time to full time; IS Computer Systems Specialist position added in FY2020.
FY2021 reorganization of City management structure resulted in positions moving and/or consolidating functions/programs.
Stormwater utility was added in FY2022 and 2 FTE's were added to Parks.

**Schedule 18
City of Moscow
Operating Indicators by Function/Program
Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function/Program										
General Government										
Full-Time employees	144	146	145	147	150	151	156	160	160	168
Building permits issued	551	466	833	715	817	895	810	904	849	927
Cellular telephone co-location fees	11	11	11	11	11	7	7	7	7	8
Fire										
Number of Firefighters & Officers	4	6	6	6	6	6	6	6	6	6
Number of Paramedics	6	7	6	6	6	11	13	13	11	6
Number Volunteer Firefighters	68	73	73	73	65	62	68	65	59	45
Number Volunteer EMS	37	45	40	40	40	56	53	65	64	50
Number of Calls Answered (Fire and Ambulance)	2,131	2,604	2,431	2,342	2,400	2,400	2,350	2,049	2,822	2,778
Police										
Number of Police personnel (sworn)	34	34	34	35	35	35	37	37	36	36
Number of Police personnel (not sworn)	8	8	8	8	6	8	8	8	8	8
Physical arrests	375	291	255	228	237	252	248	188	231	210
Traffic violations	857	1,364	772	985	991	972	1,175	1,117	1,791	1,501
Parking violations	4,849	3,684	4,454	4,132	3,624	4,183	4,377	4,146	5,376	3,046
Streets										
Overlay in linear feet	0	1,625	973	5,462	4,656	2,758	0	0	600	0
Overlay in linear feet (seal)	20,336	0	0	4091	43,234	77,150	48,950	0	0	0
Pavement maintenance program sq yards	0	0	0	0	0	291,512	184,959	0	116,667	33,000
Water										
Number of consumers	5,869	5,910	5,985	6,020	6,073	6,154	6,224	6,288	6,292	6,354
Number of new connections	32	41	65	68	42	62	51	48	63	60
Average daily consumption (million gallons)	2.35	2.38	2.38	2.36	2.00	1.91	1.91	1.87	1.99	1.73
Sewer										
Average daily sewage treatment (million gallons)	2.00	2.20	1.80	1.90	2.09	1.93	1.88	1.79	1.72	2.02

Source: Various City departments

Note: Building permits are reported for calendar year and include miscellaneous residential roofing, siding, and fencing.

Schedule 19
City of Moscow
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

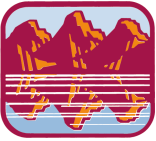
129

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Service vehicles	13	13	13	13	12	12	13	13	13	12
Fiber Optic System	15.4 miles	15.4 miles	18 miles	18 miles	18 miles	18 miles	18 miles	18.25 miles	25 miles	25 miles
Fire										
Number of stations	3	3	3	3	3	3	3	3	3	3
Fire engines and vehicles	14	14	13	13	13	13	14	15	15	15
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Police vehicles	23	23	23	24	22	22	23	23	22	21
Streets										
Area in square miles	6.92	6.92	6.92	6.98	7	7	6.93	7.19	7.58	7.58
Miles of streets	76.53	76.56	76.75	77.62	78.27	78.71	79.34	79.53	81.31	81.31
Service vehicles	28	32	29	29	25	27	27	28	28	29
Parks and Recreation										
Number of developed parks	20	21	22	22	21	21	22	22	22	22
Developed park acreage	259.6 acres	261.85 acres	262.38 acres	262.38 acres	224.56 acres	229.22 acres	235.95 acres	238.17 acres	238.17 acres	238.17 acres
Undeveloped parks	9	11	10	11	8	7	3	3	3	3
Undeveloped park acreage	62.41 acres	64.81 acres	66.9 acres	67.17 acres	59.87 acres	60.74 acres	10.57 acres	10.57 acres	10.57 acres	10.57 acres
"Open Space" properties		8	8	8	7	7	8	8	8	8
"Open Space" acreage		6.3 acres	6.3 acres	6.3 acres	6.71 acres	8.09 acres	66.25 acres	66.25 acres	66.25 acres	66.25 acres
Paradise Path System miles	2.61 miles	2.61 miles	2.61 miles	2.61 miles	3.22 miles	3.22 miles	4.97 miles	4.97 miles	4.97 miles	4.97 miles
Eggan Youth Center	1	1	1	1	1	1	1	1	1	1
1912 Center	1	1	1	1	1	1	1	1	1	1
Hamilton Indoor Recreation Center	1	1	1	1	1	1	1	1	1	1
Hamilton-Lowe Aquatics Center (swimming pools)	2	2	2	2	1	1	1	1	1	1
Service vehicles	32	32	32	32	33	33	38	38	38	40
Water										
Miles of water mains	94.35	94.41	94.41	94.95	95.99	96.65	97.36	97.67	97.98	98.9
Service vehicles	17	19	19	19	17	19	19	20	20	20
Wastewater										
Miles of sanitary sewers	83.51	84.25	84.62	84.78	84.9	85.52	88.8	89.19	86.35	87.11
Miles of storm sewers	59.8	60.5	60.5	60.46	63.82	64.73	65.86	66.4	70.2	70.2
Service vehicles	13	12	12	12	12	13	12	12	12	12
Stormwater										
Service vehicles	NA	NA	NA	NA	NA	NA	NA	NA	0	1

Source: Various City departments



COMPLIANCE REPORTING



INDEPENDENT AUDITOR'S REPORT - GOVERNMENT AUDITING STANDARDS

Members of the City Council
City of Moscow, Idaho
Moscow, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moscow, Idaho, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Moscow, Idaho's basic financial statements and have issued our report thereon dated March 3, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Moscow, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Moscow, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Moscow, Idaho's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 3, 2023

MANAGEMENT REVIEW DRAFT



INDEPENDENT AUDITOR'S REPORT – *UNIFORM GUIDANCE*

Members of City Council
City of Moscow, Idaho
Moscow, Idaho

Report on Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited the City of Moscow, Idaho's compliance with the types of compliance requirements described in the OMB's *Compliance Supplement* that could have a direct and material effect on each of the City of Moscow, Idaho's major federal programs for the year ended September 30, 2022. The City of Moscow, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Moscow, Idaho, 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 of Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Moscow, Idaho's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 of Moscow, Idaho'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*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Moscow, Idaho'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 of Moscow, Idaho'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 of Moscow, Idaho's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.

March 3, 2023

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, 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: Unmodified

Internal control over financial reporting:

- * Material weakness(es) identified yes no
- * Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified yes no
- * Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of federal program or cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.600, 20.610, 20.616	Highway Safety Cluster

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

Auditee qualified as low-risk auditee? yes no

CITY OF MOSCOW, IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2022

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

MANAGEMENT REVIEW DRAFT

CITY OF MOSCOW, IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended September 30, 2022

	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF COMMERCE				
Economic Adjustment Assistance	11.307	07-79-07731	None	\$ 158,439
Total for Department of Commerce				<u>158,439</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through the State of				
Idaho - Idaho Department of Commerce				
Community Development Block Grant	14.228	ICDBG-20-II-14-PK	None	\$ 65,409
Total for Department of Housing and Urban Development				<u>65,409</u>
DEPARTMENT OF TRANSPORTATION				
Passed through the State of				
Idaho - Transportation Department				
Highway Planning and Construction	20.205	A013(014) SMA-7674	None	\$ 1,076,531
Total Highway Planning and Construction Cluster				<u>1,076,531</u>
Passed through the State of				
Idaho - Transportation Department				
Highway Safety Grant	20.600	SPT2203	None	96,427
State Traffic Safety Information Systems Grant	20.610	20483, 20109, 21997, 22402	None	1,178,121
National Priority Safety Programs	20.616	NHTSA 2022	None	1,491
Total Highway Safety Cluster				<u>1,276,039</u> *
Total for Department of Transportation				<u>2,352,570</u>
DEPARTMENT OF JUSTICE				
Passed through the State of				
Idaho - Attorney General				
Bulletproof Vest Partnership	16.607	22032490	None	5,886
Total for Department of Justice				<u>5,886</u>
DEPARTMENT OF TREASURY				
Passed through the State of				
Idaho - Office of the Governor				
Coronavirus State and Local Fiscal Recovery Funds	21.027	20-1892-0-1-806	None	1,209,694 *
Total for Department of Treasury				<u>1,209,694</u>
NATIONAL ENDOWMENT FOR THE ARTS				
Passed through the State of				
Idaho - Commission on the Arts				
Promotion of the Arts Partnership Agreements	45.025	18632876120	None	7,224
Total for National Endowment for the Arts				<u>7,224</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the State of				
Idaho - Office of Drug Policy				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SP080981-01	None	2,229
Total for Department of Health and Human Services				<u>2,229</u>
DEPARTMENT OF HOMELAND SECURITY				
Passed through the State of				
Idaho - Military Division - Idaho Office of Emergency Management				
Disaster Grants-Public Assistance	97.036	FEMA-4443-DR-ID	None	57,171
Total for Disaster Grants-Public Assistance				<u>57,171</u>
Passed through the State of				
Idaho - Military Division - Idaho Office of Emergency Management				
Hazardous Mitigation	97.039	DR-4313-HMPG	None	73,206
Total for Hazardous Mitigation				<u>73,206</u>
Total for Department of Homeland Security				<u>130,377</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 3,931,828</u>

CITY OF MOSCOW, IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended September 30, 2022

Note 1. Basis of Presentation

BASIS OF PRESENTATION - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The schedule of expenditures of federal awards includes the federal grant awards of the City of Moscow, Idaho, and is presented on the accrual basis of accounting. 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)*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the presentation of the basic financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported 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.

DE MINIMIS INDIRECT COST RATE

The City of Moscow, Idaho, has elected not to use the 10-percent *de minimis indirect cost* rate allowed under the *Uniform Guidance*.

* Major program

MANAGEMENT REVIEW DRAFT