

CITY OF TWIN FALLS, IDAHO
FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

**CITY OF TWIN FALLS, IDAHO
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITORS' REPORT

February 6, 2010

City Council
City of Twin Falls, Idaho

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Twin Falls, Idaho as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Twin Falls, Idaho's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Twin Falls, Idaho, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 17 to the financial statements, the City has changed their capitalization threshold.

In accordance with Government Auditing Standards, we have also issued our report dated February 6, 2010, on our consideration of the City of Twin Falls, 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 and should be considered in assessing the results of our audit.

The budgetary comparison information on pages 52 through 77, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Twin Falls, Idaho's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the City of Twin Falls, Idaho. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,



HCM HOLMSTEAD, PLLC



City of Twin Falls, Idaho

Management's Discussion and Analysis As of and for the Year Ended September 30, 2009

The following discussion and analysis of the City of Twin Falls' (City) financial activities for the year ended September 30, 2009 is provided by management of the City. Please read this analysis in conjunction with the City's financial statements that begin on page 13.

Overview of the Financial Statements

The City's basic financial statements are comprised of the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases reported in the Statement of Net Assets. Information on how the City's net assets changed during the fiscal year is presented in the Statement of Activities. Financial information for the City's component unit, the Urban Renewal Agency of the City of Twin Falls is also presented.

Fund Financial Statements

Fund financial statements for governmental and proprietary funds focus on individual parts of the City, reporting the City's separate operations in more detail than the government-wide financial statements.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the government-wide and fund financial statements. Note 1 to the financial statements provides more information on the elements of the financial statements.

The table below summarizes the major features of the basic financial statements.

| Major Features of the Basic Financial Statements | | | |
|---|--|--|--|
| | Government-wide Financial Statements | Fund Financial Statements | |
| | | <i>Governmental Funds</i> | <i>Proprietary Funds</i> |
| Scope | Entire City government and the City's component unit | Activities of the City that are not proprietary | Activities of the City that are operated similar to private business |
| Required financial statements | - Statement of net assets - Statement of activities | - Balance sheet - Statement of revenues, expenditures, and changes in fund balances | - Statement of net assets - Statement of revenues, expenses, and changes in net assets - Statement of cash flows |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| Type of asset / liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term |
| Type of inflow / outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | - Revenues for which cash is received during or soon after the end of the year - Expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid |

Financial Analysis of the City as a Whole

Analysis of Condensed Statement of Net Assets

The table below presents the City's Condensed Statement of Net Assets as of September 30, 2009 and 2008, derived from the government-wide Statement of Net Assets. The assets of the City exceeded its liabilities (net assets) at the close of the year by \$181,085,980 for governmental activities and by \$41,781,810 for business-type activities, for a combined total of \$222,867,790 for the primary government. The net assets for governmental activities increased by \$2,496,829 from 2008 to 2009, while the net assets for business type activities increased \$5,122,113 during the same period. These increases include a significant change in the way the City tracks its' fixed assets. In the current year the City effectively expensed accumulated capital assets it had been tracking in the accounting records that cost between \$500 and \$5,000. That change resulted in a decrease to total net assets of \$829,673. Even though the value of these assets is no longer reflected in the financial statements of the City, responsibility for these assets and the monitoring of them continues with the City's various department heads.

The three components of net assets include amounts invested in capital assets, net of related debt; restricted; and unrestricted. The largest component of net assets, totaling \$188,754,647 at year end, is the investment in capital assets, net of related debt, which includes all of the sewer and water lines and roads of the City. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not available for future spending. Restricted assets totaling \$14,559,798 represent resources that are subject to external restrictions and other provisions on how they can be used. The remaining balance of \$19,553,345 is unrestricted and available to meet the ongoing obligations of the City to its citizens and creditors.

As of September 30

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|----------------------------|--------------------|-----------------------------|-------------------|-----------------------------|--------------------|
| | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> |
| Current and other assets | 23,330,532 | 18,794,871 | 12,341,296 | 12,167,144 | 35,671,828 | 30,962,015 |
| Capital assets | 162,805,345 | 163,733,378 | 42,996,536 | 39,398,745 | 205,801,881 | 203,132,123 |
| Total assets | <u>186,135,877</u> | <u>182,528,249</u> | <u>55,337,832</u> | <u>51,565,889</u> | <u>241,473,709</u> | <u>234,094,138</u> |
| Current liabilities | 1,224,226 | 2,617,569 | 1,140,171 | 2,484,275 | 2,364,397 | 5,101,844 |
| Noncurrent liabilities | 2,722,516 | 2,532,973 | 12,844,165 | 21,499,054 | 15,566,681 | 24,032,027 |
| Total liabilities | <u>3,946,742</u> | <u>5,150,542</u> | <u>13,984,336</u> | <u>23,983,329</u> | <u>17,931,078</u> | <u>29,133,871</u> |
| Net assets: | | | | | | |
| Invested in capital assets net of related debt | 162,233,909 | 157,805,240 | 29,769,561 | 30,949,407 | 192,003,470 | 188,754,647 |
| Restricted | 11,336,688 | 13,892,797 | - | 667,001 | 11,336,688 | 14,559,798 |
| Unrestricted | 8,618,538 | 9,387,943 | 11,583,935 | 10,165,402 | 20,202,473 | 19,553,345 |
| Total net assets | <u>182,189,135</u> | <u>181,085,980</u> | <u>41,353,496</u> | <u>41,781,810</u> | <u>223,542,631</u> | <u>222,867,790</u> |

Analysis of Condensed Statement of Activities

The following table presents the City's condensed statement of activities for the fiscal year 2007-08 and fiscal year 2008-09, as derived from the government-wide Statement of Activities. Over time, increase and decreases in net assets measure whether the City's financial position is improving or deteriorating. The City's total net assets increased during the fiscal year 2008-09 by \$330,461 before the effect of an adjustment that affected prior periods. Of that total, governmental activities decreased by \$243,351 and the net assets of business-type activities increased by \$573,812.

| | Condensed Statement of Activities | | | | | |
|---|--|--------------------|-----------------------------|-------------------|-----------------------------|--------------------|
| | For the Fiscal Year Ended September 30 | | | | | |
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
| | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 |
| Program revenues | | | | | | |
| Charges for services | 5,242,968 | 5,105,008 | 14,418,667 | 14,299,503 | 19,661,635 | 19,404,511 |
| Grants and contributions | | | | | | |
| Operating | 6,402,597 | 5,950,919 | 112,047 | 161,833 | 6,514,644 | 6,112,752 |
| Capital | 5,335,406 | 1,597,966 | 1,798,625 | 196,201 | 7,134,031 | 1,794,167 |
| Total program revenue | 16,980,971 | 12,653,893 | 16,329,339 | 14,657,537 | 33,310,310 | 27,311,430 |
| General revenues and payments | | | | | | |
| Property taxes | 14,117,690 | 15,112,226 | - | - | 14,117,690 | 15,112,226 |
| Other taxes | 186,585 | 238,775 | - | - | 186,585 | 238,775 |
| Investment earnings | 593,666 | 830,451 | 399,018 | 421,640 | 992,684 | 1,252,091 |
| Other revenues | 980,454 | 711,803 | 209,053 | 11,136 | 1,189,507 | 722,939 |
| Total general revenues and payments | 15,878,395 | 16,893,255 | 608,071 | 432,776 | 16,486,466 | 17,326,031 |
| Total general revenues and payments | 32,859,366 | 29,547,148 | 16,937,410 | 15,090,313 | 49,796,776 | 44,637,461 |
| Program expenses | | | | | | |
| General government | 11,017,593 | 11,731,668 | - | - | 11,017,593 | 11,731,668 |
| Public safety | 10,661,244 | 11,014,016 | - | - | 10,661,244 | 11,014,016 |
| Public works | 3,595,810 | 3,801,034 | - | - | 3,595,810 | 3,801,034 |
| Culture and recreation | 2,854,322 | 2,927,852 | - | - | 2,854,322 | 2,927,852 |
| Airport | 1,795,466 | 1,393,113 | - | - | 1,795,466 | 1,393,113 |
| Water | - | - | 4,317,630 | 5,822,351 | 4,317,630 | 5,822,351 |
| Sewer | - | - | 4,513,630 | 4,875,189 | 4,513,630 | 4,875,189 |
| Sanitation | - | - | 1,869,566 | 1,958,583 | 1,869,566 | 1,958,583 |
| Recreation enterprises | - | - | 839,436 | 698,220 | 839,436 | 698,220 |
| Other | - | - | 38,296 | 84,974 | 38,296 | 84,974 |
| Total program expenses | 29,924,435 | 30,867,683 | 11,578,558 | 13,439,317 | 41,502,993 | 44,307,000 |
| Excess (deficiency) before gain (loss) and transfers | 2,934,931 | (1,320,535) | 5,358,852 | 1,650,996 | 8,293,783 | 330,461 |
| Transfers | 665,053 | 1,077,184 | (665,053) | (1,077,184) | - | - |
| Change in net assets | 3,599,984 | (243,351) | 4,693,799 | 573,812 | 8,293,783 | 330,461 |
| Beginning net assets | 178,589,151 | 182,189,135 | 36,659,697 | 41,353,496 | 215,248,848 | 223,542,631 |
| Prior Period Adjustment | - | (859,804) | - | (145,498) | - | (1,005,302) |
| Ending net assets | 182,189,135 | 181,085,980 | 41,353,496 | 41,781,810 | 223,542,631 | 222,867,790 |

Governmental Revenues

The City is heavily reliant on property taxes and shared state revenues to support governmental operations. For 2009, in the governmental funds, property taxes are 50.4%, shared state revenues are 19.0%, charges for services are 7.6%, and federal grants 6.1%, with all other sources of revenue account for the remaining 16.9% of governmental revenues.

Program Expenses and Revenue for Governmental Activities

The following table presents the net costs for governmental activities. Net program costs increased slightly as compared to the prior year. Overall program revenues contributed 16.5% to programs expenses, with the balance coming from general revenues, i.e. property taxes and state shared revenues.

Program revenues for 2009 are less than in 2008 by \$137,960 and Program expenses for 2009 are greater than in 2008 by \$943,248.

Net cost of Governmental Activities For the Fiscal Year Ended September 30

| <u>Functions/Programs</u> | Program Expenses <u>2009</u> | Less | Net Program | | Program Revenues as a Percentage of Program Expenses | |
|---------------------------|------------------------------------|------------------------------------|----------------------|-------------------|--|--------------|
| | | Program Revenues <u>2009</u> | Costs <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| General government | 11,731,668 | 1,046,793 | 10,684,875 | 10,072,382 | 8.9% | 8.6% |
| Fire | 3,576,095 | 373,835 | 3,202,260 | 3,161,754 | 10.5% | 10.2% |
| Police | 7,437,921 | 791,708 | 6,646,213 | 6,348,350 | 10.6% | 11.1% |
| Engineering & planning | 1,408,542 | 995,143 | 413,399 | 240,784 | 70.7% | 84.0% |
| Library | 1,414,190 | 63,971 | 1,350,219 | 1,307,337 | 4.5% | 4.5% |
| Culture & recreation | 1,513,662 | 185,847 | 1,327,815 | 1,284,594 | 12.3% | 13.5% |
| Highways & streets | 2,392,492 | 951,155 | 1,441,337 | 1,492,623 | 39.8% | 28.6% |
| Airport | 1,393,113 | 696,556 | 696,557 | 773,643 | 50.0% | 56.9% |
| Totals | 30,867,683 | 5,105,008 | 25,762,675 | 24,681,467 | 16.5% | 17.5% |

Program Expenses and Revenue for Business-type Activities

The following table presents net income and costs for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses except for the Water Fund, Municipal Golf Course and the City Pool. The golf course revenues are dependent on weather and patron usage and its net costs were less in 2009 than in 2008. The city pool contracted to be operated by the YMCA for \$3,583 per month. The City is receiving no revenue from the pool operation while providing the costs of heat and electricity and other operating and maintenance costs, which remained about the same in 2009.

Revenues in the water fund are impacted by weather's affect on irrigation usage, growth in the city, and rates. During the current year the City funded arsenic studies totaling over \$590,000. That study along with significant increases in the maintenance costs and interest on new debt caused the City to experience a dramatic decrease in net program income in the Water fund from \$1,210,931 to \$(70,558). Also of note is the City's decrease in Sewer Net Program Income from \$1,716,495 to \$837,279. That decrease relates directly to a decrease in revenue reductions from industrial and commercial users for the year.

Net Income (Costs) of Business-type Activities
For the Fiscal Year Ended September 30

| <u>Functions/Programs</u> | <u>Program Revenues</u> | <u>Less Program Expenses</u> | <u>Net Program Income (Costs)</u> | | <u>Program Expenses as a Percentage of Program Revenues</u> | |
|---------------------------|-------------------------|------------------------------|-----------------------------------|------------------|---|--------------|
| | | | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Water | 5,751,793 | 5,822,351 | (70,558) | 1,210,931 | 101.2% | 78.1% |
| Sewer | 5,712,468 | 4,875,189 | 837,279 | 1,716,495 | 85.3% | 72.4% |
| Sanitation | 2,175,488 | 1,958,583 | 216,905 | 198,432 | 90.0% | 90.4% |
| Golf | 337,446 | 372,315 | (34,869) | (88,252) | 110.3% | 124.9% |
| Pool | - | 151,076 | (151,076) | (218,012) | n/a | n/a |
| Dierkes Lk/Shoshone Fls | 224,489 | 174,829 | 49,660 | (5,365) | 77.9% | 103.1% |
| Parking | 67,619 | 55,751 | 11,868 | 25,323 | 82.4% | 44.7% |
| Common Area Maintenance | 30,200 | 29,223 | 977 | 557 | 96.8% | 97.0% |
| Totals | 14,299,503 | 13,439,317 | 860,186 | 2,840,109 | 94.0% | 83.8% |

Fund Analysis

Governmental Funds

The City's governmental funds reported a combined ending fund balance of \$23,562,690 at September 30, 2009, with \$19,135,600 reported as undesignated; compared to \$20,283,533 and \$19,651,493 at September 30, 2008. Changes of note during the fiscal year 2008-09 occurred in the Street Fund where the balance increased by \$1,020,712. Budgeted revenues for construction projects were available, but delays in construction activity reduced expenditures more than was anticipated. The reduced expenditures are timing issues which will be manifest in future periods as construction starts on major projects.

Proprietary Funds

The City's proprietary funds reported a combined ending fund net assets of \$41,781,810 at September 30, 2009, with \$30,949,407 invested in capital assets (net of debt) and \$10,165,402 reported as unrestricted. On September 30, 2008 the fund net assets were \$41,353,495, of which \$29,769,560 was invested in capital assets (net) and \$11,583,935 was reported as unrestricted.

The most significant changes during the year ended September 30, 2009 were in the water and wastewater funds, where the fund net assets decreased by \$286,336 and increased by \$721,932, respectively. In the Water Fund the net loss of \$286,336 was down from the prior year's net income of \$1,514,334. The shift was largely due to increased maintenance costs; funding for studies and projects relating to the new arsenic standards; as well as an increase in interest expense on funds to acquire new water sources. During the year the City completed the purchase of the Pristine Springs property which will provide the City with a new source of water while assisting the City in its need to comply with new Federal water standards. The City's share of the purchase was \$10,000,000 and was finalized early in the year.

In the Wastewater Fund net income before transfers and contributions of \$1,163,002 was \$950,312 less than the prior year. The reduction was primarily due to decreased revenues from commercial and industrial sewer users and increased operating costs from contracted service and maintenance costs.

Capital Asset Activity

At September 30, 2009 the City reported net capital assets of \$211,525,736, a decrease of \$4,650,913 for governmental activities and an increase of \$10,374,765 for business-type activities. Both funds experienced a decrease in net capital assets due to a change in the City's definition of what a capital asset is for the City's records. Capitalization limits were increased from \$500 to \$5,000. Assets between these two limitations, which had been previously recorded in prior years, were "written off" in the current year. The change in policy resulted in a reduction of net capital assets in government activities of \$684,175 and a reduction of \$145,498 for business-type activities. Major increases in capital assets for the government activities include rehabilitation of the airport runway for \$932,387, acquisition of a 16 acre softball complex through a property exchange with the Twin Falls School District and several

infrastructure projects improving the roads and streets. Significant purchases by the City for business-type activities during the current year included the acquisition of Pristine Springs mentioned previously and work on Phase I of the NE Sewer Project for \$2,451,332.

During the next year the City has scheduled the enlarging and widening of several main street arteries in the City including Washington Street and Falls Avenue.

Long-Term Debt Activity

The City has no outstanding general obligation bonds.

In fiscal year 2008-2009 the city incurred no new long-term debt for governmental. The City made payments of \$222,245 on existing long-term debt for equipment, with the total remaining balance due at September 30, 2009 of \$349,191 which excludes \$1,250,216 for future compensated absences.

In fiscal year 2008-2009 the city incurred long-term debt for business-type activities in the amount of \$10,255,000 plus costs of funding the debt. The new debt financed the City's portion of the Pristine Springs purchase.

The city made payments of \$944,908 on existing debt leaving a balance due at September 30, 2009 of \$22,421,898, which excludes \$154,944 for future compensated absences. Of this unpaid balance, \$7,231,155 is for debt incurred on improvements to the sewer plant in 1995 and 1998; \$4,656,877 is for debt incurred on improvements to the water system in 1998; \$76,297 is for the purchase of golf equipment; and the balance of the \$22,421,898 is the new loan on the Pristine Springs water supply and the costs to finance it.

Economic Factors

Twin Falls continues to grow but at a very modest pace. Like the rest of the nation, residential construction is slowing down. Single family building permits issued by the City for the past five years are as follows:

| Fiscal Year Ending | | Permits Issued |
|--------------------|--|----------------|
| 2005 | | 664 |
| 2006 | | 547 |
| 2007 | | 258 |
| 2008 | | 233 |
| 2009 | | 158 |

However, commercial construction was a bright spot for the area. Work continued or was completed on new hotels, a new hospital, a new high school, a large retail store, and many smaller projects. Commercial building permits issued for the 2008/2009 fiscal year totaled \$53 million in estimated value.

The leveling of residential construction tracked with the small increases in the seasonally adjusted civilian labor force where the City's labor force of 22,023 increased by less than 1% during the previous two years.

Also following the national trend, unemployment levels increased in the City. A year ago the City's unemployment level was reported at 4.2%, at the end of the current year, unemployment had reached 7.0%. That 7.0% occurred at the end of the fiscal year when the national level was 9.8%.

The building growth has impacted the city utilities as well, with water service connections accounts only growing by .80% or 128, from 15,746 to 15,874 between September 30, 2008 and 2009. Sewer and sanitation have also grown comparably little.

Appraised values within the City increased by 8.0% from \$2,095,114,614 to \$2,276,127,009. That increase tracked close to the increased funding needs of the City from property tax revenue and let the levy rate remain relatively unchanged for the year.

Following is a table showing a comparison of the levy rates for 2009 and 2008.

| Taxing District | 2008 Levy Rates (funded 2008-09 budget) | 2007 Rates (funded 2007-08 budget) | Percent Change |
|--------------------------------------|---|--|-------------------|
| City of Twin Falls | 0.006592610 | 0.006652024 | -0.9% |
| Twin Falls County | 0.003726219 | 0.003695145 | 0.8% |
| Twin Falls County Ambulance District | 0.000166942 | 0.000165659 | 0.8% |
| Twin Falls County Abatement District | 0.000105117 | | 100.0% |
| Twin Falls School District 411 | 0.002585037 | 0.002635825 | -1.9% |
| Twin Falls Highway District | 0.000947925 | 0.000943895 | 0.4% |
| College of Southern Idaho | 0.000804923 | 0.000798289 | 0.8% |
| Combined | 0.014928773 | 0.014890837 | 0.3% |

Future Issues

As the City has grown, infrastructure needs have also grown. Changes in arsenic standards for water and discharge limits for wastewater are impacting service capacities in negative manners. Additionally, current long-term drought conditions frequently jeopardize existing water supplies. The city has engaged in the process of finding solutions to these issues. The optimum solution for the City's water needs and the arsenic standards was the merging of a new fresh water supply with existing sources. The acquisition of Pristine Springs has provided the method to accomplish this. The City is in the process of bringing that water supply on line. However, that acquisition and its development will likely result in significant rate increases for these services in the future.

The economic downturn that is affecting most of the nation is influencing Idaho as well. The State has forecast reduced funding in revenue areas that it shares with the City. The City has taken a proactive approach to managing changing levels of State funding. Senior staff meets on a regular basis to monitor funding levels and make adjustments as necessary. Items that are capital in nature have been rated into three categories and purchase approval is only given when needs are critical and funding is available. All training and travel is now subject to enhanced scrutiny and requires prior senior staff approval even if budgeted previously.

Urban Renewal Agency

The Urban Renewal Agency of the City of Twin Falls, Idaho was organized under Idaho law in 1965 to redevelop deteriorating areas and to promote economic development. Under governmental accounting standards the Agency is considered a component unit of the City so a summary of its financial information is discretely presented in the City's financial statements.

The Agency's financial statements are available upon request.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Twin Falls, Idaho
Statement of Net Assets
September 30, 2009

| | <u>Primary Government</u> | | | Component Unit- Urban Renewal |
|---|------------------------------------|---|-----------------------|--|
| | Governmental Activities | Business Type Activities | Total | |
| Assets | | | | |
| Cash and Cash Equivalents | \$ 13,555,097 | \$ 7,070,856 | \$ 20,625,953 | \$ 3,082,359 |
| Restricted Cash | 1,189,244 | 667,001 | 1,856,245 | 699,913 |
| Investments | 8,524,450 | 3,493,490 | 12,017,940 | - |
| Receivables: | | | | |
| Taxes | 480,307 | - | 480,307 | 29,124 |
| Fees and Services | 25,074 | 1,514,549 | 1,539,623 | - |
| Intergovernmental | 2,736,468 | 42,310 | 2,778,778 | 2,890 |
| Interest | 31,847 | 14,979 | 46,826 | 3,808 |
| Accounts | 569,970 | 52,237 | 622,207 | - |
| Capital Lease Receivable | - | - | - | 1,065,307 |
| Internal Balances | 969,634 | (969,634) | - | - |
| Inventory | - | 508,046 | 508,046 | - |
| Deferred Charges | - | - | - | 17,000 |
| Land | 6,532,440 | 11,400,494 | 17,932,934 | 2,631,089 |
| Land, Buildings and Structures | 16,545,276 | 17,466,358 | 34,011,634 | - |
| Infrastructure | 242,075,924 | - | 242,075,924 | - |
| Improvements | 15,191,399 | 40,304,730 | 55,496,129 | - |
| Machinery and Equipment | 12,485,852 | 6,466,840 | 18,952,692 | - |
| Accumulated Depreciation | (139,877,201) | (24,322,689) | (164,199,890) | - |
| Construction in Progress | 5,200,741 | 2,055,572 | 7,256,313 | - |
| Total Assets | \$ 186,236,522 | \$ 65,765,139 | \$ 252,001,661 | \$ 7,531,490 |
| Liabilities | | | | |
| Accounts Payable | \$ 2,176,107 | \$ 1,074,453 | \$ 3,250,560 | \$ 8,208 |
| Accrued Expenses | 177,574 | 10,359 | 187,933 | - |
| Accrued Interest | 7,857 | 162,825 | 170,682 | 108,964 |
| Deferred Revenue | 814,939 | - | 814,939 | - |
| Customer Deposits | 374,657 | 158,850 | 533,507 | - |
| Leases, Equipment and Property Notes | 349,191 | 11,035,831 | 11,385,022 | 2,537,112 |
| Revenue Bond Payable | - | 11,386,067 | 11,386,067 | 6,435,000 |
| Compensated Absences | 1,250,217 | 154,944 | 1,405,161 | - |
| Total Liabilities | 5,150,542 | 23,983,329 | 29,133,871 | 9,089,284 |
| Net Assets | | | | |
| Invested in Capital Assets, Net of Related Debt | 157,805,240 | 30,949,407 | 188,754,647 | 2,258,283 |
| Restricted for: | | | | |
| Capital Projects | 4,424,886 | - | 4,424,886 | - |
| Debt Service | 37,738 | 667,001 | 704,739 | 755,760 |
| Other Purposes | 9,430,173 | - | 9,430,173 | - |
| Unrestricted | 9,387,943 | 10,165,402 | 19,553,345 | (4,571,837) |
| Total Net Assets | 181,085,980 | 41,781,810 | 222,867,790 | (1,557,794) |
| Total Liabilities and Fund Equity | \$ 186,236,522 | \$ 65,765,139 | \$ 252,001,661 | \$ 7,531,490 |

See accompanying notes and accountants' report.

City of Twin Falls, Idaho
Statement of Activities
For the Year Ended September 30, 2009

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|---|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------|--------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Unit - Urban Renewal |
| | | | | | Governmental Activities | Business-Type Activities | Total | |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 11,731,668 | \$ 1,046,793 | \$ 3,126,297 | 18,448 | \$ (7,540,130) | \$ - | \$ (7,540,130) | |
| Fire | 3,576,095 | 373,835 | - | - | (3,202,260) | - | (3,202,260) | |
| Police | 7,437,921 | 791,708 | - | - | (6,646,213) | - | (6,646,213) | |
| Engineering/Planning | 1,408,542 | 995,143 | - | - | (413,399) | - | (413,399) | |
| Library | 1,414,190 | 63,971 | - | - | (1,350,219) | - | (1,350,219) | |
| Culture and Recreation | 1,513,662 | 185,847 | 4,518 | - | (1,323,297) | - | (1,323,297) | |
| Highway and Street | 2,392,492 | 951,155 | 2,325,848 | - | 884,511 | - | 884,511 | |
| Airport | 1,393,113 | 696,556 | 494,256 | 1,579,518 | 1,377,217 | - | 1,377,217 | |
| Total Governmental Activities | 30,867,683 | 5,105,008 | 5,950,919 | 1,597,966 | (18,213,790) | - | (18,213,790) | - |
| Business-Type Activities: | | | | | | | | |
| Water | 5,822,351 | 5,751,793 | - | 20,232 | - | (50,326) | (50,326) | |
| Sewer | 4,875,189 | 5,712,468 | - | 175,969 | - | 1,013,248 | 1,013,248 | |
| Sanitation | 1,958,583 | 2,175,488 | - | - | - | 216,905 | 216,905 | |
| Golf | 372,315 | 337,446 | - | - | - | (34,869) | (34,869) | |
| Pool | 151,076 | - | 161,833 | - | - | 10,757 | 10,757 | |
| Dierkes Lake/Shoshone Falls | 174,829 | 224,489 | - | - | - | 49,660 | 49,660 | |
| Parking | 55,751 | 67,619 | - | - | - | 11,868 | 11,868 | |
| Common Area Maintenance | 29,223 | 30,200 | - | - | - | 977 | 977 | |
| Total Business-Type Activities | 13,439,317 | 14,299,503 | 161,833 | 196,201 | - | 1,218,220 | 1,218,220 | |
| Total Primary Government | \$ 44,307,000 | \$ 19,404,511 | \$ 6,112,752 | \$ 1,794,167 | \$ (18,213,790) | \$ 1,218,220 | \$ (16,995,570) | |
| Component Unit: | | | | | | | | |
| Urban Renewal Agency | | | | | | | | \$ (406,968) |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, Levied for General Purposes | | | | | \$ 15,112,231 | \$ - | \$ 15,112,231 | \$ 1,936,990 |
| Property taxes, Levied for Debt Service | | | | | (5) | - | (5) | - |
| Franchise and Public Service Taxes | | | | | 238,775 | - | 238,775 | - |
| Interest and Investment Earnings | | | | | 830,451 | 421,640 | 1,252,091 | 19,195 |
| Miscellaneous Revenues | | | | | 711,803 | 11,136 | 722,939 | (284,600) |
| Transfers | | | | | 1,077,184 | (1,077,184) | - | - |
| | | | | | 17,970,439 | (644,408) | 17,326,031 | 1,671,585 |
| Changes in Net Assets | | | | | (243,351) | 573,812 | 330,461 | 1,264,617 |
| Net Assets - October 1, 2008 | | | | | 182,189,135 | 41,353,496 | 223,542,631 | (2,822,411) |
| Prior Period Adjustment | | | | | (859,804) | (145,498) | (1,005,302) | |
| Net Assets - September 30, 2009 | | | | | \$ 181,085,980 | \$ 41,781,810 | \$ 222,867,790 | \$ (1,557,794) |

See accompanying notes and accountants' report.

FUND FINANCIAL STATEMENTS

City of Twin Falls, Idaho
Fund Balance Sheets
Governmental Funds
September 30, 2009

| | <u>General</u> | <u>Street</u> | <u>Airport</u> | <u>Capital Improvement</u> | <u>Airport Construction</u> | <u>Other Governmental</u> | <u>Total Governmental</u> |
|--|-----------------------------|----------------------------|----------------------------|--------------------------------|---------------------------------|-------------------------------|-------------------------------|
| <u>Assets</u> | | | | | | | |
| Cash and Cash Equivalents | \$ 5,787,671 | \$ 2,837,592 | \$ 1,802,361 | \$ 1,806,490 | \$ (44,812) | \$ 966,368 | \$ 13,155,670 |
| Restricted Cash | 396,518 | - | - | 11,583 | 294,581 | 486,562 | 1,189,244 |
| Investments | 4,878,937 | 2,725,253 | 288,751 | 502,925 | - | 1,608 | 8,397,474 |
| Receivables (net of allowance) | | | | | | | |
| Taxes | 351,066 | 38,158 | 9,989 | 26,286 | - | 48,126 | 473,625 |
| Fees and Services | - | 25,074 | - | - | - | - | 25,074 |
| Intergovernmental | 760,809 | 361,665 | 2,415 | 322,579 | 1,274,272 | 13,010 | 2,734,750 |
| Interest | 17,652 | 8,415 | 888 | 3,063 | - | 1,586 | 31,604 |
| Accounts | 99,153 | 217,772 | 25,492 | - | 16,284 | 209,228 | 567,929 |
| Due from Other Funds | 2,823,865 | - | - | - | - | - | 2,823,865 |
| Total Assets | <u>\$ 15,115,671</u> | <u>\$ 6,213,929</u> | <u>\$ 2,129,896</u> | <u>\$ 2,672,926</u> | <u>\$ 1,540,325</u> | <u>\$ 1,726,488</u> | <u>\$ 29,399,235</u> |
| <u>Liabilities</u> | | | | | | | |
| Accounts Payable | \$ 163,655 | \$ 781,702 | \$ 7,174 | \$ 166,561 | \$ 1,022,127 | \$ 33,853 | \$ 2,175,072 |
| Accrued Expenses | 155,183 | - | - | - | - | 8,089 | 163,272 |
| Deferred Revenue | 327,492 | 34,148 | 824,257 | 24,521 | - | 44,894 | 1,255,312 |
| Customer Deposits Payable | 388,657 | - | - | - | - | - | 388,657 |
| Due to Other Funds | - | - | - | 53,854 | 1,561,805 | 238,573 | 1,854,232 |
| Total Liabilities | <u>1,034,987</u> | <u>815,850</u> | <u>831,431</u> | <u>244,936</u> | <u>2,583,932</u> | <u>325,409</u> | <u>5,836,545</u> |
| <u>Fund Balances</u> | | | | | | | |
| Reserved for: | | | | | | | |
| Dedicated Purposes | 3,220,383 | - | - | 11,583 | 294,581 | 862,805 | 4,389,352 |
| Debt Service | - | - | - | - | - | 37,738 | 37,738 |
| Undesignated Reported In: | | | | | | | |
| General Fund | 10,860,301 | - | - | - | (1,338,188) | - | 9,522,113 |
| Special Revenue Fund | - | 5,398,079 | 1,298,465 | 2,416,407 | - | 473,243 | 9,586,194 |
| Capital Projects Fund | - | - | - | - | - | 27,293 | 27,293 |
| Total Fund Balance | <u>14,080,684</u> | <u>5,398,079</u> | <u>1,298,465</u> | <u>2,427,990</u> | <u>(1,043,607)</u> | <u>1,401,079</u> | <u>23,562,690</u> |
| Total Liabilities and Fund Equity | <u>\$ 15,115,671</u> | <u>\$ 6,213,929</u> | <u>\$ 2,129,896</u> | <u>\$ 2,672,926</u> | <u>\$ 1,540,325</u> | <u>\$ 1,726,488</u> | <u>\$ 29,399,235</u> |

See accompanying notes and accountants' report.

City of Twin Falls, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2009

| | <u>General</u> | <u>Street</u> | <u>Airport</u> | <u>Capital Improvement</u> | <u>Airport Construction</u> | <u>Other Governmental</u> | <u>Total Governmental</u> |
|---|----------------------|---------------------|---------------------|--------------------------------|---------------------------------|-------------------------------|-------------------------------|
| Revenues | | | | | | | |
| Property Taxes, Including Interest | \$ 10,774,784 | \$ 1,456,957 | \$ 304,483 | \$ 887,611 | \$ - | \$ 1,507,304 | \$ 14,931,139 |
| Other Taxes | 687,352 | - | - | - | - | 238,775 | 926,127 |
| Special Assessments, Including Interest | - | - | - | - | - | 212,456 | 212,456 |
| Fines and Forfeitures | 7,701 | - | - | - | - | 38,583 | 46,284 |
| Licenses and Permits | 984,983 | - | - | - | - | - | 984,983 |
| Fees and Services | 1,143,115 | 244,632 | 463,878 | - | 96,691 | 64,475 | 2,012,791 |
| Intergovernmental | 1,824,413 | 2,097,849 | 301,874 | 1,184,741 | 217,382 | 4,518 | 5,630,777 |
| Federal Grants | 16,804 | 227,999 | - | - | 1,554,518 | 6,000 | 1,805,321 |
| Miscellaneous | 1,010,080 | 925,696 | 119,373 | 388,368 | 239 | 183,740 | 2,627,496 |
| Total Revenue | <u>16,449,232</u> | <u>4,953,133</u> | <u>1,189,608</u> | <u>2,460,720</u> | <u>1,868,830</u> | <u>2,255,851</u> | <u>29,177,374</u> |
| Expenditures | | | | | | | |
| Current | | | | | | | |
| General Government | 2,651,444 | - | - | 377,601 | - | - | 3,029,045 |
| Public Safety | 11,144,780 | - | - | 446,110 | - | 28,372 | 11,619,262 |
| Engineering | 1,352,528 | - | - | - | - | - | 1,352,528 |
| Community Development | 108,561 | - | - | - | - | 300,062 | 408,623 |
| Culture and Recreation | 1,300,221 | - | - | 362,568 | - | 1,314,169 | 2,976,958 |
| Highway and Streets | - | 1,720,966 | - | 9,864 | - | 310,249 | 2,041,079 |
| Airport | - | - | 664,321 | - | 1,843,645 | - | 2,507,966 |
| Capital Outlay | - | 2,086,317 | - | 714,898 | - | - | 2,801,215 |
| Total Expenditures | <u>16,557,534</u> | <u>3,807,283</u> | <u>664,321</u> | <u>1,911,041</u> | <u>1,843,645</u> | <u>1,952,852</u> | <u>26,736,676</u> |
| Excess of Revenues Over (Under) Expenditures | (108,302) | 1,145,850 | 525,287 | 549,679 | 25,185 | 302,999 | 2,440,698 |
| Interfund Transfers, Donations and Other | | | | | | | |
| Donation of Assets | - | - | - | 78,500 | - | - | 78,500 |
| Transfers In | 1,349,405 | 71,423 | - | - | 70,000 | 525 | 1,491,353 |
| Transfers Out | - | (196,561) | (341,288) | (525) | - | (17,391) | (555,765) |
| Net Transfers and Donations | <u>1,349,405</u> | <u>(125,138)</u> | <u>(341,288)</u> | <u>77,975</u> | <u>70,000</u> | <u>(16,866)</u> | <u>1,014,088</u> |
| Net Change in Fund Balance | 1,241,103 | 1,020,712 | 183,999 | 627,654 | 95,185 | 286,133 | 3,454,786 |
| Fund Balance October 1, 2008 | 12,839,581 | 4,552,996 | 1,114,466 | 1,800,336 | (1,138,792) | 1,114,946 | 20,283,533 |
| Prior Period Adjustment | <u>(175,629)</u> | <u>(175,629)</u> | <u>(175,629)</u> | <u>(175,629)</u> | <u>(175,629)</u> | <u>(175,629)</u> | <u>(175,629)</u> |
| Fund Balance September 30, 2009 | <u>\$ 14,080,684</u> | <u>\$ 5,398,079</u> | <u>\$ 1,298,465</u> | <u>\$ 2,427,990</u> | <u>\$ (1,043,607)</u> | <u>\$ 1,401,079</u> | <u>\$ 23,562,690</u> |

See accompanying notes and accountants' report.

City of Twin Falls, Idaho
 Reconciliation of Governmental Fund Statements to Government Wide Statements

Reconciliation of Governmental Fund Balances to Government Wide Net Assets at September 30, 2009

| | |
|---|-----------------------|
| Governmental Fund Balances at September 30, 2009 | \$ 23,562,690 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 157,836,870 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | 446,607 |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance, and vehicle repairs and maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. | 829,610 |
| Long-term liabilities, including capitalized leases, equipment notes and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds. | <u>(1,589,797)</u> |
| Net Assets for Governmental Activities-per reconciliation | <u>\$ 181,085,980</u> |

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the year ended September 30, 2009

| | |
|--|---------------------|
| Net Change in Fund Balances - Total Government Funds | \$ 3,454,786 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period | (3,964,780) |
| Note Proceeds and Capitalized Leases are reported as financing sources in government funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. | |
| Debt Issued: | |
| Municipal lease/purchase for the Communications Center | - |
| Repayments: | |
| To bond, certificate, and note holders | 222,245 |
| 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 government funds. | (51,465) |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and shop repairs and maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. | 47,806 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | <u>48,057</u> |
| Change in Net Assets of Governmental Activities | <u>\$ (243,351)</u> |

See accompanying notes and accountants' report.

City of Twin Falls, Idaho

Fund Balance Sheets

Proprietary Funds

September 30, 2009

| | Business-Type Activities | | | | | Governmental Activities - Internal Service Funds |
|---|---------------------------------|----------------------|---------------------|-------------------------------------|----------------------|---|
| | Waterworks | Wastewater | Sanitation | Other Business- Type | Total | |
| Assets | | | | | | |
| Cash and Cash Equivalents | \$ 3,149,039 | \$ 3,006,179 | \$ 838,920 | \$ 76,718 | \$ 7,070,856 | \$ 399,426 |
| Investments | 2,604,754 | 776,966 | 111,770 | - | 3,493,490 | 126,976 |
| Receivables (net of allowance for uncollect.) | | | | | | |
| Taxes | - | - | - | - | - | 6,682 |
| Fees and Services | 624,421 | 641,083 | 243,933 | 5,112 | 1,514,549 | - |
| Intergovernmental | - | - | - | 42,310 | 42,310 | 1,718 |
| Interest | 7,826 | 5,654 | 1,201 | 298 | 14,979 | 243 |
| Accounts | 8,842 | 23,620 | 11,459 | 8,316 | 52,237 | 2,042 |
| Inventories | 508,045 | - | - | - | 508,045 | - |
| Total Current Assets | 6,902,927 | 4,453,502 | 1,207,283 | 132,754 | 12,696,466 | 537,087 |
| Restricted Assets | 354,472 | 312,529 | - | - | 667,001 | - |
| Due from Other Funds | - | 20,794 | - | - | 20,794 | - |
| Fixed Assets (Net of Accum. Depreciation) | 26,206,265 | 24,361,858 | 78,828 | 2,724,354 | 53,371,305 | 317,560 |
| Total Assets | \$ 33,463,664 | \$ 29,148,683 | \$ 1,286,111 | \$ 2,857,108 | \$ 66,755,566 | \$ 854,647 |
| Liabilities and Equity | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable | \$ 232,119 | \$ 665,182 | \$ 154,204 | \$ 22,948 | \$ 1,074,453 | \$ 1,336 |
| Accrued Expenses | 77,854 | 83,639 | - | 11,691 | 173,184 | - |
| Due to Other Funds | 291,120 | - | - | 699,307 | 990,427 | - |
| Deferred Revenue | - | - | - | - | - | 6,233 |
| Notes Payable - Current | 282,412 | 375,078 | - | 24,148 | 681,638 | - |
| Compensated Absences | 96,663 | 28,173 | 23,430 | 6,678 | 154,944 | 17,468 |
| Total Current Liabilities | 980,168 | 1,152,072 | 177,634 | 764,772 | 3,074,646 | 25,037 |
| Current Liab. Payable from Restricted Assets: | | | | | | |
| Revenue Bonds Payable - Current | 555,000 | - | - | - | 555,000 | - |
| Customer Deposits Payable | 154,515 | 1,805 | - | 2,530 | 158,850 | - |
| Total Curr. Liab. From Restricted Assets | 709,515 | 1,805 | - | 2,530 | 713,850 | - |
| NonCurrent Liabilities: | | | | | | |
| Notes Payable - Equipment | 4,425,041 | 5,877,008 | - | 52,144 | 10,354,193 | - |
| Revenue Bonds Payable (Net of Discounts) | 9,571,638 | 1,259,429 | - | - | 10,831,067 | - |
| Total Non-current Liabilities | 13,996,679 | 7,136,437 | - | 52,144 | 21,185,260 | - |
| Total Liabilities | 15,686,362 | 8,290,314 | 177,634 | 819,446 | 24,973,756 | 25,037 |
| Net Assets | | | | | | |
| Invested In Capital Assets, net of related debt | 11,372,174 | 16,850,343 | 78,828 | 2,648,062 | 30,949,407 | 317,560 |
| Restricted | 354,472 | 312,529 | - | - | 667,001 | - |
| Unrestricted | 6,050,656 | 3,695,497 | 1,029,649 | (610,400) | 10,165,402 | 512,050 |
| Total Equity | 17,777,302 | 20,858,369 | 1,108,477 | 2,037,662 | 41,781,810 | 829,610 |
| Total Liabilities and Equity | \$ 33,463,664 | \$ 29,148,683 | \$ 1,286,111 | \$ 2,857,108 | \$ 66,755,566 | \$ 854,647 |

See accompanying notes and accountants' report.

City of Twin Falls, Idaho
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2009

| | Business-Type Activities | | | | Total | Governmental Activities - Internal Service Funds |
|---|---------------------------------|----------------------|---------------------|-------------------------------------|----------------------|---|
| | Waterworks | Wastewater | Sanitation | Other Business- Type | | |
| Operating Revenues: | | | | | | |
| Charges for Services | \$ 5,458,661 | \$ 5,496,276 | \$ 2,155,540 | \$ 629,534 | \$ 13,740,011 | \$ 246,593 |
| Special Assessments, Including Interest | - | - | - | - | - | 193,786 |
| Taps, Connection and Other Fees | 155,492 | 3,525 | - | - | 159,017 | - |
| Miscellaneous | 76,826 | (8,156) | 19,770 | 33,894 | 122,334 | 11,700 |
| Total Operating Revenues | 5,690,979 | 5,491,645 | 2,175,310 | 663,428 | 14,021,362 | 452,079 |
| Operating Expenses: | | | | | | |
| Contracted Services | 270,607 | 3,023,534 | 1,126,044 | 187,526 | 4,607,711 | 1,093 |
| Personnel Expenses | 1,529,460 | 491,731 | 168,338 | 305,448 | 2,494,977 | 171,797 |
| Depreciation and Amortization | 549,495 | 806,392 | 6,740 | 110,510 | 1,473,137 | 8,334 |
| Utilities | 729,809 | - | - | 128,972 | 858,781 | 6,964 |
| Landfill Expenses | - | - | 647,831 | - | 647,831 | - |
| Supplies | 589,802 | 11,689 | 1,671 | 33,557 | 636,719 | 18,941 |
| Insurance | - | - | - | - | - | 331,141 |
| Repairs and Maintenance | 264,252 | 168,920 | 1,758 | (14,612) | 420,318 | 6,607 |
| Vehicle Expenses | 97,127 | 32,535 | 4,462 | 23,427 | 157,551 | 585 |
| Studies and Projects | 695,243 | - | 1,132 | - | 696,375 | - |
| Rental Expense | 115,254 | - | - | 631 | 115,885 | - |
| Miscellaneous Expense | 13,169 | 4,389 | 50 | 2,099 | 19,707 | 382 |
| Testing and Monitoring | 46,783 | - | - | - | 46,783 | - |
| Telephone | 20 | - | - | (20) | - | - |
| Travel and Meetings | 1,686 | 140 | 558 | 875 | 3,259 | 25 |
| Total Operating Expenses | 4,902,707 | 4,539,330 | 1,958,584 | 778,413 | 12,179,034 | 545,869 |
| Operating Income (Loss) | 788,272 | 952,315 | 216,726 | (114,985) | 1,842,328 | (93,790) |
| Non-Operating Revenues (Expenses): | | | | | | |
| Development Fees | - | 221,620 | - | - | 221,620 | - |
| Interest Income | 231,334 | 148,957 | 34,778 | 6,571 | 421,640 | - |
| Rent and Royalties | 65,850 | - | - | - | 65,850 | - |
| Federal Grants | 20,232 | 175,969 | - | - | 196,201 | - |
| Intergovernmental | - | - | - | 161,834 | 161,834 | - |
| Interest Expense | (919,644) | (335,859) | - | (4,781) | (1,260,284) | - |
| Total Non-Operating Revenues (Exp.) | (602,228) | 210,687 | 34,778 | 163,624 | (193,139) | - |
| Income (Loss) Before Interfund Transfers and Contributions | 186,044 | 1,163,002 | 251,504 | 48,639 | 1,649,189 | (93,790) |
| Interfund Transfers, Contributions and Changes: | | | | | | |
| Contribution of Assets | - | 1,808 | - | - | - | - |
| Operating Transfers In | 224,100 | - | - | - | 224,100 | 185,075 |
| Operating Transfers Out | (696,480) | (442,878) | (134,988) | (26,938) | (1,301,284) | (43,479) |
| Net Transfers and Contributions | (472,380) | (441,070) | (134,988) | (26,938) | (1,077,184) | 141,596 |
| Net Income | (286,336) | 721,932 | 116,516 | 21,701 | 573,813 | 47,806 |
| Total Net Assets, October 1, 2008 | 18,140,513 | 20,176,238 | 994,217 | 2,042,527 | 41,353,495 | 783,155 |
| Prior Period Adjustment | (76,875) | (39,801) | (2,256) | (26,566) | (145,498) | (1,351) |
| Total Net Assets, September 30, 2009 | \$ 17,777,302 | \$ 20,858,369 | \$ 1,108,477 | \$ 2,037,662 | \$ 41,781,810 | \$ 829,610 |

See accompanying notes and accountants' report.

City of Twin Falls, Idaho
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2008

| | Business-Type Activities | | | | | Governmental Activities - Internal Service Funds |
|--|---------------------------------|---------------------|-------------------|-------------------------------------|---------------------|---|
| | Waterworks | Wastewater | Sanitation | Other Business- Type | Total | |
| Cash Flows from Operating Activities | | | | | | |
| Receipts from Customers | \$ 5,626,676 | \$ 5,537,078 | \$ 2,145,897 | \$ 625,664 | \$ 13,935,315 | \$ 251,768 |
| Special Assessments | - | - | - | - | - | 193,786 |
| Payments to Suppliers | (2,720,016) | (2,583,075) | (1,775,780) | (353,467) | (7,432,338) | (373,639) |
| Payments to Employees | (1,516,216) | (490,087) | (167,458) | (317,488) | (2,491,249) | (181,680) |
| Other Receipts (Payments) | 76,826 | (8,156) | 19,770 | 33,894 | 122,334 | 11,700 |
| Net Cash Provided (Used) by Operating Activities | 1,467,270 | 2,455,760 | 222,429 | (11,397) | 4,134,062 | (98,065) |
| Cash Flows from Non-Capital Financing Activities | | | | | | |
| Operating Subsidies and Transfers to Other Funds | (472,380) | (442,878) | (134,986) | (26,938) | (1,077,182) | 141,596 |
| Other Revenue Sources - Non-Operating | 86,082 | 399,397 | - | 135,268 | 620,747 | - |
| Net Cash Provided (Used) by Non-Capital Financing Activities | (386,298) | (43,481) | (134,986) | 108,330 | (456,435) | 141,596 |
| Cash Flows from Capital and Related Financing Activities | | | | | | |
| Proceeds from Capital Debt | 10,255,000 | - | - | - | 10,255,000 | - |
| Purchase of Capital Assets | (10,659,708) | (1,153,436) | (74,838) | (87,478) | (11,975,460) | (6,374) |
| Disposals, Transfers of Capital Assets | - | - | - | 28,663 | 28,663 | - |
| Principal Paid on Capital Debt | (406,655) | (650,513) | - | (22,951) | (1,080,119) | - |
| Increase in Amounts Due to Other Funds | - | - | - | - | - | - |
| Interest Paid on Capital Debt | (915,996) | (339,905) | - | 5,138 | (1,250,763) | - |
| Increase in Restricted Assets | 467,038 | 620,843 | - | - | 1,087,881 | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (1,260,321) | (1,523,011) | (74,838) | (76,628) | (2,934,798) | (6,374) |
| Cash Flows from Investing Activities | | | | | | |
| Increase in Bank Overdraft | - | - | - | - | - | - |
| Purchase of Securities | (157,901) | (47,100) | (6,776) | - | (211,777) | (7,697) |
| Interest, Dividends and Changes in Market Value | 242,054 | 153,614 | 36,239 | 6,684 | 438,591 | 289 |
| Net Cash Provided (Used) by Investing Activities | 84,153 | 106,514 | 29,463 | 6,684 | 226,814 | (7,408) |
| Net Increase (Decrease) in Cash and Cash Equivalents Balances - Beginning of the Year | (95,196) | 995,782 | 42,068 | 26,989 | 969,643 | 29,749 |
| Balances - End of the Year | \$ 3,149,039 | \$ 3,006,179 | \$ 838,920 | \$ 76,718 | \$ 7,070,856 | \$ 399,426 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | | | |
| Operating Income | \$ 788,272 | \$ 952,315 | \$ 216,726 | \$ (114,985) | \$ 1,842,328 | \$ (93,790) |
| Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities: | | | | | | |
| Depreciation and Amortization | 549,495 | 806,392 | 6,740 | 110,510 | 1,473,137 | 8,334 |
| Change in Assets and Liabilities: | | | | | | |
| Receivables, Net | (22,352) | 36,671 | (9,643) | (6,400) | (1,724) | 5,548 |
| Inventories | 25,769 | - | - | - | 25,769 | - |
| Due From Other Funds | - | - | - | - | - | - |
| Deferred Revenue | - | - | - | - | - | (373) |
| Accounts Payable | 77,967 | 658,133 | 7,726 | 8,988 | 752,814 | (7,901) |
| Customer Deposits | 34,875 | 605 | - | 2,530 | 38,010 | - |
| Compensated Absences | 13,244 | 1,644 | 880 | (12,040) | 3,728 | (9,883) |
| Net Cash Provided (Used) by Operating Activities | \$ 1,467,270 | \$ 2,455,760 | \$ 222,429 | \$ (11,397) | \$ 4,134,062 | \$ (98,065) |

See accompanying notes and accountants' report.

NOTES TO FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES

The City of Twin Falls, Idaho is a municipal corporation governed by an elected seven-member council.

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

Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended component unit and each discretely presented component unit has a September 30 year end.

Blended Component Units-Twin Falls Public Library and Business Improvement District

Blended component units are legally separate from the City but are so intertwined with the City that they are, in substance, the same as the City. The component units are reported as part of the City and blended into the appropriate funds.

The Library is governed by a separate board appointed by the City Council; however, final responsibility relative to budget, taxing and debt remains with the City. The Library is reported as a special revenue fund.

The Historic Downtown and Old Towne Business Improvement Districts (B.I.D.) are governed by separate boards comprised of dues paying members; however, final responsibility relative to the budget, taxing and debt remains with the City. The Business Improvement Districts are reported in two permanent fund groups defined by services provided.

Discretely Presented Component Units-Urban Renewal Agency

The Urban Renewal Agency is a directly presented component unit of the City

A discretely presented component unit is legally separate from the City but is financially accountable to the City, or its relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Component units are reported in a separate column to emphasize that they are legally separate from the primary government.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

The Urban Renewal Agency is responsible for rehabilitation, conservation and redevelopment of deteriorated properties in areas within the City's jurisdiction. The seven-member board is appointed by the City Council. The City and the Agency have an agreement that the City will make available certain personnel for administrative, legal, engineering, budgeting and accounting services and assistance to the Agency to the extent that the City has appropriated necessary funds to provide such assistance. The Agency has agreed to reimburse the City annually for these costs. The City has no responsibility for debt issuance of the Agency. The Agency is presented as a governmental fund type.

Complete financial statements for the Urban Renewal Agency may be obtained at the entity's administrative offices.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional 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. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers.

These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Fund Types and Major Funds

The City reports the following major governmental funds:

The **general fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **special revenue funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The **debt service fund** accounts for the servicing of general long-term debt not being financed by proprietary or non-expendable trust funds.

The **capital projects funds** account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or non-expendable trust funds.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Other Fund Types

The City also reports the following fund types:

Internal service funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund financial statements and financial statements of City component units also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include property taxes, franchise taxes, licenses, interest and special assessments. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. See Note 4 for information describing restricted assets.

Budgets

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

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Deposits and Investments

Cash and cash equivalents include amounts of cash on hand, demand deposits and highly liquid short-term investments with an original maturity of three months or less from the date acquired by the government.

State statutes authorize the City and Agency to invest any available funds in obligations issued or guaranteed by the U.S. Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

Investments are stated at fair market value, as determined by quoted market prices, except for certificates of deposits, which are non-participating contracts, and are therefore carried at amortized cost. Idaho Code provided authorization for the investment of funds as well as to what constitutes an allowable investment. The City policy allows for investment of idle funds consistent with the Idaho State Code 67-1210 and 67-1210A.

Custodial Credit Risk

For deposits and investments, custodial credit risk 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 deposits, investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk outside of the deposit and investment agreements.

The City is authorized to invest in the State of Idaho Local Government Investment Pool. This is part of the Joint Powers Investment Pool managed by the State of Idaho Treasurer's Office and is established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield.

Credit Risk

Credit risk is the risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's and Fitch's. The investments of the City are not rated and the City's policy does not restrict them to rated investments.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund balance sheets. They are eliminated on the government-wide financial statements. Short-term inter-fund loans are classified as “interfund receivables /payables”.

All trade and property tax receivables are shown net of an allowance for uncollectibles for the City and the Agency.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventory items are recognized as expenditures in governmental financial statements and as expenses in government-wide and proprietary fund financial statements when used (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

Passenger fees collected at the City’s airport are committed for future airport expansion. Restricted assets in the enterprise funds include deposit obligations and resources set aside for repayment of certificates of participation.

Urban Renewal Agency tax increment property tax revenues are restricted first to the ongoing payment of revenue bonds outstanding. When received the revenues are deposited in a separate account controlled by a bank trustee. All use of the funds must be requisitioned for approval by the trustee before payment is made. The amount shown as restricted cash for the Urban Renewal Agency in these financial statements is based on the largest principal and interest payment due. The payment is the required payment on August 1, 2013.

Capital Assets, Depreciation, and Amortization

The City’s property, plant equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and combining component unit’s financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
 September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Estimated useful lives, in years, for depreciable assets are as follows:

| | |
|--------------------------|-----------------|
| Land | Not depreciated |
| Buildings and Structures | 20-50 |
| Infrastructure | 40 |
| Improvements | 30 |
| Machinery and equipment | 3-20 |

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated in the proprietary funds using the straight-line method over the following estimated useful lives:

| | |
|----------------------------|-----------------|
| Land | Not depreciated |
| Buildings and improvements | 50 years |
| Machinery and equipment | 5-20 years |

The Urban Renewal Agency has acquired certain properties and made improvements such as streets, parking lots and parks in its effort to rehabilitate many areas of the City of Twin Falls. Many of these parcels acquired and constructed have been contributed to the City of Twin Falls but certain real estate acquisitions are held by the Agency for future rehabilitation, conservation, redevelopment, and sale in accordance with its purpose.

No depreciation has been computed or recorded in these statements for any existing buildings on these properties for the Agency.

The Agency acquired a building to lease to Dell Corporation as a call center. This building was financed by the Agency and subsequently given to the City of Twin Falls. However the debt for this building was retained by the Agency, with the agreement that annual rents received by the City would be given to the Agency for debt service. On September 10, 2009 Dell announced that it was closing the call center. See Note 14.

Fund Overdrafts

The City uses a pooled cash system of cash management. All city obligations are paid through the general fund. Cash is then allocated to the other funds based on amounts received and spent. Some funds have investments that cover the fund overdrafts. Also, some funds are involved in federal grants that the City must fund and then request reimbursement from the federal government.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, comp hours in lieu of overtime hours, and sick pay benefits. Vacation pay and comp hours are accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay and comp hours for governmental funds are reported as expenditures of the related fund when paid. Accrued vacation pay and comp hours of governmental funds are further recorded as liabilities in the Government Wide Financial Statements.

No liability is reported for unpaid accumulated sick leave. However, once employees reach a maximum sick leave accrual amount, any excess hours are accumulated in a "Retirement Account" and at retirement they may be converted to their dollar equivalent and used exclusively for the purchase of health insurance. Retirement hour accruals and expenditures are treated the same as unused vacation and comp hours.

Long-Term Obligations

In the government-wide, proprietary, and component unit financial statements, outstanding debts are reported as liabilities. Bond issuance costs, bond discounts or premiums, are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. Designations of fund balance represent tentative management plans that are subject to change.

2. LEGAL COMPLIANCE - BUDGETS

On or before June 1st of each year, all agencies of the City submit requests for appropriation to the City's manager so that a budget may be prepared. The Budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The budget does not include allowances for depreciation.

Before August 31, the proposed budget is presented to the City's Council for review. The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City's manager or the revenue estimates must be changed by an affirmative vote of a majority of the City's Council. The City's department heads may make transfers of appropriations within a department.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

2. LEGAL COMPLIANCE – BUDGETS – Continued

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, some supplementary appropriations were necessary.

Individual fund expenditures exceeded amounts appropriated as follows: Fireworks Fund, \$1,682, Trail Fund, \$21,652, Golf Fund, \$139,196, Parking Development Fund, \$35,709, and the Waterworks Fund, \$1,092,811.

3. DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents - A reconciliation of cash and cash equivalents at September 30, 2009 is as follows:

| | |
|---------------------------|---------------------|
| Reconciled Bank Accounts | \$ 256,097 |
| State Investment Pool | 16,917,982 |
| Certificates of Deposit | 3,328,001 |
| Money Market Mutual Funds | 1,964,652 |
| Library Operating Fund | 13,709 |
| Petty Cash | <u>1,757</u> |
| | 22,482,198 |
| Reported as Restricted | <u>(1,856,245)</u> |
| Total Net Cash | <u>\$20,625,953</u> |

At September 30, 2009, the Urban Renewal Agency's reconciliation of cash and cash equivalents is as follows:

| | |
|-------------------------|---------------------|
| Cash in Bank | \$ 160,906 |
| Money-Market Bond Funds | 3,244,366 |
| Certificates of Deposit | <u>377,000</u> |
| Total | 3,782,272 |
| Reported as Restricted | <u>(699,913)</u> |
| Total Net Cash | <u>\$ 3,082,359</u> |

The reconciled bank balance is covered by \$250,000 federal depository insurance with the remainder covered by collateral held by the City's agent in the City's name. The reconciled bank balance for Urban Renewal Agency a discretely presented component unit, is covered by FDIC insurance of \$ 250,000.

Investments – The city held the following investments at September 30, 2009.

| | |
|---|---------------------|
| Federal National Mortgage Association (FNMA) | \$ 2,888,998 |
| Federal Home Loan Mortgage Corporation (FHLM) | 2,310,049 |
| Government National Mortgage Association (GNMA) | 5,485,360 |
| Federal Home Loan Bank (FHLB) | <u>1,333,533</u> |
| Total | <u>\$12,017,940</u> |

All investments are guaranteed by the U.S. Government. All investments were held in trust for the City in the Agents name.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2009

3. DEPOSITS AND INVESTMENTS - Continued

The City or Agency has no investments in foreign currency and no exposure to foreign currency risk.

4. RESTRICTED ASSETS

Restriction on cash and cash equivalents were due to the following:

| | 2009 |
|---|---------------------|
| General Fund | |
| Customer or Developer Deposits | \$ 351,516 |
| Custody/Evidence Account | 39,089 |
| Other | 5,913 |
| Trail Fund | 40 |
| Park Development Fund | 486,521 |
| Capital Projects Funds | |
| Public Art Fund | 11,583 |
| Passenger Facility Charges Held for Lease Payments | 294,582 |
| Enterprise Funds | |
| Cash within Fund to Pay Obligation of Certificates of Deposit | 544,681 |
| Refundable Customer Utility Deposits | 122,320 |
| Total Restricted Assets | \$ 1,856,245 |

Restriction on cash and cash equivalents for the Urban Renewal Agency were due to the following:

| | Total |
|--|--------------|
| Cash reserved to pay interest and principal on the revenue bonds | \$ 699,913 |

5. TAXES RECEIVABLE, DEFERRED REVENUE, AND DUE FROM OTHER GOVERNMENTS

The City of Twin Falls and its component unit, the Urban Renewal Agency, are located in Twin Falls County.

Taxes on property are due on the 20th of December; however, they may be paid in two installments with the second installment due June 20. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date.

Taxes on real property are a lien on the property and attach on July 1, of the year for which taxes are levied. After a three-year waiting period, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest and costs before sale.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

5. TAXES RECEIVABLE, DEFERRED REVENUE, AND DUE FROM OTHER GOVERNMENTS - Continued

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation.

Property taxes uncollected by November 30, 2009, are considered to be deferred revenue. Taxes receivable and deferred revenue as of September 30, 2009, consist of the following for the City:

| Fund | Taxes Receivable | Deferred Revenue |
|---------------------|-------------------|---------------------|
| General | \$ 351,066 | \$ 327,492 |
| Street | 38,158 | 34,148 |
| Street Lighting | 3,010 | 2,808 |
| Airport | 9,989 | 824,257 |
| Library Revenue | 45,116 | 42,086 |
| Capital Improvement | 26,286 | 24,521 |
| Insurance | 6,682 | 6,233 |
| Total | <u>\$ 480,307</u> | <u>\$ 1,261,545</u> |

Deferred revenue, per the fund balance sheets fund types and account groups, consists of the following:

| | |
|------------------------|---------------------|
| Property Taxes | \$ 446,607 |
| Prepaid Rent & Parking | 814,938 |
| Total | <u>\$ 1,261,545</u> |

Urban Renewal Agency taxes receivable and deferred revenue at September 30, 2009 consist of 2008 property tax revenue to be collected after November 30, 2009.

Amounts due from other governments at September 30, 2009, are presented as follows for the City:

| Fund | Federal | State | County | Local | Total |
|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|
| General | \$ - | \$ 449,211 | \$ 105,780 | \$ 205,818 | \$ 760,809 |
| Street | - | 350,454 | 11,211 | - | 361,665 |
| Street Light | - | - | 542 | - | 542 |
| Library | - | - | 11,256 | - | 11,256 |
| Airport | 1,274,272 | - | 2,415 | - | 1,276,687 |
| Capital Improvement | - | 316,851 | 5,728 | - | 322,579 |
| Pool | - | 42,310 | - | - | 42,310 |
| Insurance | - | - | 1,718 | - | 1,718 |
| Fireworks | - | 1,212 | - | - | 1,212 |
| | <u>\$ 1,274,272</u> | <u>\$ 1,160,038</u> | <u>\$ 138,650</u> | <u>\$ 205,818</u> | <u>\$ 2,778,778</u> |

Urban Renewal Agency receivable from other governments consists of property taxes collected by the County prior to December 1, 2009.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2009

6. CAPITAL LEASE RECEIVABLE – URBAN RENEWAL

On December 13, 2004, the Agency purchased the building at 621 Washington Street South in Twin Falls, to lease to Jayco, Inc., a major national manufacturer of recreational vehicles.

The building was purchased for \$2,400,000 plus expenses of \$53,101. The agency paid \$82,320, applied the funds of a Development Block Grant of \$500,000 received from the State of Idaho, and entered into a promissory note with D.L. Evans Bank of Twin Falls for the balance of \$1,870,781. The note has a term of 10 years, bears interest at 4.26% per annum and monthly payments are \$19,173.

The rent due under the lease agreement is the same as monthly debt service, the term is the same as the note, title transfers at the end of the lease, and rents are assigned to the bank for debt service on the note. These terms require the lease to be treated as a capital lease under generally accepted accounting principles, which give it the same characteristics as a contract of sale.

Accordingly, the \$1,065,307 principal balance on this lease is reported as a receivable in the Statement of Net Assets.

Annual Maturities of this lease follows:

| Year Ending September | Total | Interest | Principal |
|----------------------------------|---------------------|-------------------|---------------------|
| 2010 | \$ 230,076 | \$ 41,733 | \$ 188,343 |
| 2011 | 230,076 | 33,551 | 196,525 |
| 2012 | 230,076 | 25,014 | 205,062 |
| 2013 | 230,076 | 16,105 | 213,971 |
| 2014-2015 | 264,217 | 2,811 | 261,406 |
| Totals | \$ 1,184,521 | \$ 119,214 | \$ 1,065,307 |

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

7. FIXED ASSETS

Changes in the fixed asset groups for the City for the year ended September 30, 2009, are as follows:

| | Balance October 1, 2008 | Additions and Transfers | Disposals | Balance September 30, 2009 |
|--|-------------------------------|----------------------------|-----------------------|----------------------------------|
| Government-wide Assets | | | | |
| Land | \$ 6,180,772 | \$ 351,668 | \$ - | \$ 6,532,440 |
| Buildings and Structures | 16,467,969 | 77,307 | - | 16,545,276 |
| Infrastructure | 240,176,093 | 1,899,831 | - | 242,075,924 |
| Improvements | 14,866,654 | 340,745 | (16,000) | 15,191,399 |
| Machinery and Equipment | 14,151,835 | 685,631 | (2,351,614) | 12,485,852 |
| Construction in Progress | 3,779,613 | 1,421,128 | - | 5,200,741 |
| Total | <u>\$ 295,622,936</u> | <u>\$ 4,776,310</u> | <u>\$ (2,367,614)</u> | <u>\$ 298,031,632</u> |
| Accum. Deprec. For Govt. Wide | | | | |
| Buildings and Structures | \$ 3,904,413 | \$ 374,427 | \$ - | \$ 4,278,840 |
| Infrastructure | 116,028,488 | 6,981,953 | - | 123,010,441 |
| Improvements | 5,071,359 | 512,746 | (1,300) | 5,582,805 |
| Machinery and Equipment | 7,813,332 | 755,087 | (1,563,304) | 7,005,115 |
| Total Accum. Deprec. | <u>\$ 132,817,592</u> | <u>\$ 8,624,213</u> | <u>\$ (1,564,604)</u> | <u>\$ 139,877,201</u> |
| Business Type Activity Assets: | | | | |
| Land | \$ 1,400,494 | \$ 10,000,000 | \$ - | \$ 11,400,494 |
| Buildings and Structures | 17,466,358 | - | - | 17,466,358 |
| Improvements | 37,444,090 | 2,860,640 | - | 40,304,730 |
| Machinery and Equipment | 6,828,762 | 271,187 | (633,109) | 6,466,840 |
| Construction in Progress | 3,211,940 | 160,529 | (1,316,897) | 2,055,572 |
| Total | <u>\$ 66,351,644</u> | <u>\$ 13,292,356</u> | <u>\$ (1,950,006)</u> | <u>\$ 77,693,994</u> |
| Accum. Deprec. For Business Type Activities | | | | |
| Buildings and Structures | \$ 10,213,892 | \$ 360,295 | \$ - | \$ 10,574,187 |
| Improvements | 9,632,779 | 816,761 | - | 10,449,540 |
| Machinery and Equipment | 3,508,433 | 276,039 | (485,510) | 3,298,962 |
| Total Accum. Deprec. | <u>\$ 23,355,104</u> | <u>\$ 1,453,095</u> | <u>\$ (485,510)</u> | <u>\$ 24,322,689</u> |

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

7. FIXED ASSETS - Continued

Changes in the fixed asset group for the Urban Renewal Agency for the year ended September 30, 2009, is as follows:

| | Balance October 1, 2008 | Additions | Disposals | Balance September 30, 2009 |
|-------------------------------|-------------------------------|-----------------------------|-----------------------------|----------------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Government-wide Assets | | | | |
| Land and Buildings | \$ 2,648,518 | \$ 371,562 | \$ 388,991 | \$ 2,631,089 |

Investments in real estate have not been allocated between land and buildings. Depreciation expense was charged to the governmental functions for the City as follows:

| | |
|---|----------------------------|
| General Government | \$ 6,964,028 |
| Fire | 95,188 |
| Police | 209,035 |
| Engineering/Planning | 9,447 |
| Library | 80,866 |
| Culture and Recreation | 205,441 |
| Highway and Street | 323,247 |
| Airport | <u>728,627</u> |
| | 8,615,879 |
| Depreciation on Capital Assets held by the City's Internal Service Fund. | <u>8,334</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 8,624,213</u></u> |

The City elected to implement capitalization and depreciation of streets owned and maintained by the City in the current year. Other infrastructure assets owned by the City have been included in the Government-wide financial statements.

8. LONG-TERM LIABILITIES

Long-term liabilities consist of bonds, notes, and other indebtedness including liabilities associated with compensated absences.

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

8. LONG-TERM LIABILITIES – Continued

In the fund financial statements, government fund types recognize bond premiums and discounts as well as bond issuance cost, 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. Issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

A summary of Long-term liabilities for the City for the year ended is as follows. Additional detailed information is available on the following pages.

| | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|--|----------------------|---------------|----------------|-------------------|------------------------|
| PRIMARY GOVERNMENT | | | | | |
| Governmental Activities: | | | | | |
| Other long-term liabilities | \$ 571,436 | \$ - | \$ (222,245) | \$ 349,191 | \$ 229,697 |
| Compensated absences | 1,204,491 | 45,726 | - | 1,250,217 | - |
| | 1,775,927 | 45,726 | (222,245) | 1,599,408 | 229,697 |
| Business-type activities: | | | | | |
| Certificate of Participation & Revenue Bonds | 1,536,235 | 10,255,000 | (405,168) | 11,386,067 | 527,973 |
| State revolving fund loan | 11,591,497 | - | (631,958) | 10,959,539 | 657,490 |
| Other long-term liabilities | 99,243 | - | (22,951) | 76,292 | 24,148 |
| Compensated absences | 151,218 | 3,726 | - | 154,944 | - |
| | 13,378,193 | 10,258,726 | (1,060,077) | 22,576,842 | 1,209,611 |
| | \$ 15,154,120 | \$ 10,304,452 | \$ (1,282,322) | \$ 24,176,250 | \$ 1,439,308 |

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

8. LONG-TERM LIABILITIES - Continued

Equipment Leases Payable

The City has entered into leasing agreements as lessee for financing the acquisition of equipment. These agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. Future minimum lease obligations and net present values are included with the presentation of debt service requirements.

Governmental Activities:

| | |
|--|-----------|
| Wells Fargo Bank, payable in annual Installments of \$21,385.68 including interest at 4.55% for lights at Harmon Park. | \$ 20,455 |
|--|-----------|

| | |
|--|---------|
| Wells Fargo Bank, payable in annual Installments of \$124,035.26 including interest at 3.8% for Communications Center. | 234,614 |
|--|---------|

| | |
|--|-------------------|
| Twin Falls Rural Fire Protection District, payable in annual installments of \$96,528.95 including interest at 2.558% for a fire truck | <u>94,122</u> |
| | <u>\$ 349,191</u> |

Leases Equipment & Property Notes

Business Type Activities:

| | |
|---|------------------|
| GE Capital, payable in annual installments of \$28,131.35 including interest at 5.22% for Golf Course Equipment | <u>\$ 76,292</u> |
|---|------------------|

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

8. LONG-TERM LIABILITIES - Continued

Business-Type Activities - Revenue Obligations

In 2004, the City issued refunding certificates of participation to refund and refinance, the Water Revenue Certificates of Participation, Series 1993 that were originally used to upgrade the City's water system.

Following are the outstanding certificates of participation and other obligations that the City has pledged income derived from the acquired or constructed assets to pay debt service.

Certificates of participation-\$3,910,000 issued August 1, 1999, for improvements to the sewer treatment system, interest at 4.00% to 5.00%, payable semi-annually, subject to prior redemption after October 1, 2007 through August 2013.

\$1,310,000

Less: Unamortized discount

(50,571)

Total

\$1,259,429

Idaho Bond Bank Authority Loan Payable, Payable in semi-annual installments over 15 years with interest rates that vary from 2 to 5.1%.

\$10,255,000

Less: Unamortized discount

(128,362)

Total

\$10,126,638

Total

\$11,386,067

State Revolving Fund Loan Payable

Division of Environmental Quality State Water Quality Programs, payable in semi-annual installments over 20 years at 4%, upon project completion-Wastewater Treatment.

\$ 6,252,086

State Revolving Fund Loan Payable

Division of Environmental Quality State Water Quality Programs, payable in semi-annual installments over 20 years at 4%, upon project completion-Water System Improvements.

4,707,453

Total

\$ 10,959,539

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2009

8. LONG-TERM LIABILITIES-Continued

Debt service requirements to maturity are as follows:

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015-2019 | 2020-2024 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Governmental Activities: | | | | | | | |
| Other long-term liabilities | \$ 229,697 | \$ 119,494 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Governmental Activities | 229,697 | 119,494 | - | - | - | - | - |
| Business-type activities: | | | | | | | |
| Certificate of Participation | - | 305,000 | 320,000 | 335,000 | 350,000 | - | - |
| Unamortized discount | (13,194) | (13,194) | (13,194) | (10,989) | - | - | - |
| Total COP | (13,194) | 291,806 | 306,806 | 324,011 | 350,000 | - | - |
| Revenue Bonds | 555,000 | 565,000 | 575,000 | 605,000 | 620,000 | 3,335,000 | 4,000,000 |
| Unamortized discount | (13,833) | (13,744) | 39,347 | (22,519) | (22,519) | (90,200) | (4,894) |
| Total Revenue Bonds | 541,167 | 551,256 | 614,347 | 582,481 | 597,481 | 3,244,800 | 3,995,106 |
| State revolving fund loans | 657,490 | 684,052 | 711,687 | 740,440 | 770,354 | 4,344,524 | 3,050,992 |
| Other long-term liabilities | 24,148 | 25,409 | 26,735 | - | - | - | - |
| Total Other | 681,638 | 709,461 | 738,422 | 740,440 | 770,354 | 4,344,524 | 3,050,992 |
| Total Business Type | 1,209,611 | 1,552,523 | 1,659,575 | 1,646,932 | 1,717,835 | 7,589,324 | 7,046,098 |
| Total Amounts Due | \$ 1,439,308 | \$ 1,672,017 | \$ 1,659,575 | \$ 1,646,932 | \$ 1,717,835 | \$ 7,589,324 | \$ 7,046,098 |

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

8. LONG-TERM LIABILITIES-Continued

Additional Required Disclosure Required by SEC Rule 15c2-12(b) (5)

Sewer Revenue Certificates of Participation, Series 1999

On August 4, 1999, the city issued \$3,910,000 Sewer Revenue Certificates of Participation, Series 1999, for the purpose of advance refunding Series 1995 Certificates to achieve a change in certain covenants. (See earlier portion of Note 8 for details.)

Item 2 (a), Status of Certificates

| <u>Maturity-October 1</u> | <u>Interest Rate</u> | <u>Original Principal</u> | <u>Outstanding Principal</u> |
|---------------------------|----------------------|---------------------------|------------------------------|
| 1999 | 4.00% | \$ 230,000 | \$ - |
| 2000 | 4.25% | 195,000 | - |
| 2001 | 4.50% | 200,000 | - |
| 2002 | 4.50% | 210,000 | - |
| 2003 | 4.50% | 220,000 | - |
| 2004 | 4.50% | 230,000 | - |
| 2005 | 4.50% | 240,000 | - |
| 2006 | 4.55% | 250,000 | - |
| 2007 | 4.70% | 260,000 | - |
| 2008 | 4.70% | 275,000 | - |
| 2009 | 4.75% | 290,000 | - |
| 2010 | 4.90% | 305,000 | 305,000 |
| 2011 | 5.00% | 320,000 | 320,000 |
| 2012 | 5.00% | 335,000 | 335,000 |
| 2013 | 5.00% | 350,000 | 350,000 |
| Total | | <u>\$ 3,910,000</u> | <u>\$ 1,310,000</u> |

Item 2 (b), Proceeds Account Activity

| <u>Description</u> | <u>Amount</u> |
|--|---------------|
| Proceeds from issuance of certificates | \$ 3,910,000 |
| Premium | 107 |
| Accrued Interest | 1,521 |
| Issuance Costs | (223,809) |
| Deposit to Escrow Fund | (3,687,819) |
| Balance, September 30, 1999 | <u>\$ -</u> |

Item 2 (c), Amounts on Deposit

There are no amounts on deposit

Item 2 (d), Revenue and Expenditures of the System

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

8. LONG-TERM LIABILITIES-Continued

Year Ended September 30, 2009

| | |
|---|-------------------------|
| <u>Revenues</u> | |
| Sewer Service | \$ 5,496,276 |
| Connection Fees | 3,525 |
| Development Fees | 221,620 |
| Investment Income | 148,957 |
| Grant Revenues | 175,969 |
| Miscellaneous Fees | <u>2,606</u> |
| Total | 6,048,953 |
| <u>Expenditures</u> | |
| Personnel | 491,731 |
| Administration | 281,430 |
| Operation & Maintenance | <u>3,023,534</u> |
| Total | <u>3,796,695</u> |
| Net Available for Debt Service | <u>\$ 2,252,258</u> |
| State Revolving Fund | \$ 621,448 |
| Certificates of Participation Services 1999 | <u>360,433</u> |
| Total Debt Service | <u>\$ 981,881</u> |
| Coverage Ratio | <u>2.29</u> |

There are no Continuing Disclosure Significant Events to report.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

8. LONG-TERM LIABILITIES-Continued

Urban Renewal Agency

Continuing Disclosure

The 2005 bonds are subject to the requirements of Continuing Disclosure under S.E.C Rule 15c2-12(b)(5). The following information is provided in compliance with this requirement. Additionally, these financial statements have been submitted to Wells Fargo Bank, Trustee and Dissemination Agent for the bonds, for placement in a nationally recognized repository.

Continuing Disclosure Bond Information

| <u>Maturity</u> | <u>Interest Rate</u> | <u>Original Principal</u> | <u>Outstanding Principal</u> |
|-----------------|----------------------|---------------------------|------------------------------|
| August 1, 2008 | 4.35% | \$ 955,000 | \$ - |
| August 1, 2010 | 4.60% | 705,000 | 360,000 |
| August 1, 2014 | 4.95% | 1,640,000 | 1,640,000 |
| August 1, 2017 | 5.15% | 1,455,000 | 1,455,000 |
| August 1, 2022 | 5.45% | 2,980,000 | 2,980,000 |
| Total | | <u>\$ 7,735,000</u> | <u>\$ 6,435,000</u> |

Amounts on deposit

| | |
|-------------------------|---------------------|
| Revenue Allocation Fund | \$ 2,454,684 |
| Bond Fund | 78 |
| Reserve Fund | <u>699,918</u> |
| Total on deposit | <u>\$ 3,154,680</u> |

Revenue Allocation Revenues

| | |
|--|---------------------|
| Property Taxes – 2008 (2009 budget & reporting period) | 1,746,907 |
| Property Taxes for prior periods | 10,685 |
| Property Taxes - 2008 | - |
| Total reported in Governmental Funds | <u>\$ 1,757,592</u> |

Assessed values of property within Revenue

Allocation Area Total assessed value for 2008 \$ 214,999,956

Tax increment value for 2008 \$ 138,984,983

There are no Continuing Disclosure Significant Events to report.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

8. LONG-TERM LIABILITIES-Continued

Long term debt of the Urban Renewal Agency outstanding at September 30, 2009, is as follows:

Revenue Allocation Refunding Bonds, Series 2005A, dated August 1, 2005 and maturing August 1, 2022. These are revenue allocation (tax-increment) bonds payable, both principal and interest, solely from the income, proceeds, revenues and funds the Agency derives from and in connection with the increased property taxes generated from the revenue allocation area as described in the bond ordinance and instrument. The proceeds of the bonds provided funds to advance refund prior obligations issued, and establish a reserve fund required by terms of the issue. The bonds are term bonds that require annual sinking fund deposits on August 1 each year. Bonds maturing August 1, 2016 and later are subject to prior redemption on August 1, 2015. The bonds bear interest at rates ranging from 4.35% to 5.45%

\$ 6,435,000

Promissory Note due Dell USA LP, dated November 8, 2002, for the purchase of the Dell building. This note is payable in ten annual installments of \$ 309,303.40, beginning November 1, 2003, including interest of 4.90%. It is secured by a Deed of Trust on the building; the Agency conveyed the building to the City of Twin Falls for the City to lease to Dell. The City and/or the Agency are obligated to use annual rents received to repay this note.

1,099,327

Promissory Note due D.L. Evans Bank, dated November 30, 2004, for the purchase of land and building. It is secured by a Deed of Trust on the property purchased and leased to Jayco, Inc. with rents received assigned to make the payments on this note. This note is payable in monthly installments of \$19,172.96, beginning December 30, 2004, including interest of 4.26% and matures November 30, 2014.

1,061,756

Promissory Note due Larry and Karen Tucker, dated June 8, 2009, for the purchase of real estate. This note is payable in monthly installments of \$3,663.68, beginning August 1, 2009, including interest of 6.00% and matures August 1, 2019.

325,962

Promissory Note due Larry McElliott, dated November 20, 2007, for the purchase of land. This note is payable in monthly installments of \$1,449.96, beginning December 1, 2007, including interest of 6.00% and matures November 1, 2012.

50,067

Total

\$ 8,972,112

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2009

8. LONG-TERM LIABILITIES-Continued

Expected annual maturities of the obligations, are as follows:

| Year Ending September | Total | Interest | Principal |
|--------------------------|----------------------|---------------------|---------------------|
| 2010 | \$ 1,295,823 | \$ 452,006 | \$ 843,817 |
| 2011 | 1,299,267 | 412,282 | 886,985 |
| 2012 | 1,300,453 | 369,257 | 931,196 |
| 2013 | 1,286,156 | 324,259 | 961,897 |
| 2014 | 973,162 | 277,843 | 695,319 |
| 2015-2019 | 3,737,168 | 964,270 | 2,772,898 |
| 2020-2024 | 2,088,462 | 208,462 | 1,880,000 |
| Total | \$ 11,980,491 | \$ 3,008,379 | \$ 8,972,112 |

Changes in Long-Term Debt of the Agency for the year ended September 30, 2009 is as follows:

| | 09/30/08 | Additions | Repayments | 09/30/09 |
|--|---------------------|-------------------|-------------------|---------------------|
| Promissory note payable to Dell USA L.P. | \$ 1,342,832 | \$ - | \$ 243,505 | \$ 1,099,327 |
| Promissory note payable to Larry McElliot | 64,005 | - | 13,938 | 50,067 |
| Promissory note payable to Larry Tucker | - | 330,000 | 4,038 | 325,962 |
| Promissory note payable to D.L. Evans Bank | 1,242,564 | - | 180,808 | 1,061,756 |
| Revenue Allocation Bond, Series 2005A | 6,780,000 | - | 345,000 | 6,435,000 |
| Total | \$ 9,429,401 | \$ 330,000 | \$ 787,289 | \$ 8,972,112 |

9. INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions among funds, including expenditures and transfers of resources primarily to provide services. The Governmental Fund Type and Proprietary Fund Types financial statements generally reflect such transactions as transfers.

All City funds record payments to the Internal Service Funds as operating expenses. The Proprietary Funds Types record operating subsidies as other revenue whereas the fund paying the subsidy records it as either an expenditure or transfer.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

9. INTERFUND TRANSACTIONS - Continued

Individual fund interfund receivable/payable balances at September 30, 2009:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------------|---------------------------------|------------------------------|
| General Fund | \$ 2,823,865 | \$ - |
| Street Fund | | 233,920 |
| Historic Preservation | | 3,987 |
| Airport Construction | | 1,561,805 |
| Golf Fund | | 362,021 |
| Pool | | 337,286 |
| Fireworks | | 666 |
| Capital Improvements | | 53,854 |
| Waterworks | | 291,120 |
| Waste Water | 20,794 | - |
| Total | <u>\$ 2,844,659</u> | <u>\$ 2,844,659</u> |

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There are a few lawsuits and claims pending against the City. The City currently is defending its position through its legal staff, other law firms or its insurance company if the insurance company acknowledges coverage.

The fund is budgeted through property tax assessments and transfers from the general fund. The City is insured for all risk through ICRMP (Idaho County Risk Management Program). The annual deductible is \$20,000.

The City participates in a number of federal and state assisted grant programs, the principal of which are the Community Development Block Grants, FAA Airport Improvement Program and Local Public Works Programs which have been subjected to financial and compliance audit under Circular A-133. All audits are subject to review by the granting agencies but the City does not expect any questioned costs as a result of review.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

11. PUBLIC EMPLOYEES RETIREMENT SYSTEM OF IDAHO

The Public Employee Retirement System of Idaho (PERSI) – The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible member or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. 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. After 5 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 month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available stand alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website www.persi.idaho.gov

The actuarially determined contribution requirements of the City and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2009, the required contribution rate as a percentage of covered payrolls for members was 6.23% for general members and 7.65% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. The City employer contributions required and paid were \$1,698,170, \$1,618,975 and \$1,502,929 for the three years ended September 30, 2009, 2008 and 2007, respectively.

12. FUND BALANCE AND NET ASSET DEFICITS

Fund deficits as of September 30, 2009, which are significant, are as follows:

Airport Construction Fund- The deficit of \$1,043,607 is due to accumulated costs of construction that exceeded revenues.

Street Light- The deficit of \$178,409 is being reduced through excess revenues.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2009

13. URBAN RENEWAL SUMMARIZED INFORMATION

| | Year Ended September 30, 2009 |
|---|--|
| Assets | \$ 7,531,490 |
| Total Assets | \$ 7,531,490 |
| Liabilities & Net Assets | |
| Liabilities | \$ 9,089,284 |
| Net Assets: | |
| Invested in Capital Assets | 2,258,283 |
| Restricted | 755,760 |
| Unrestricted | (4,571,837) |
| Total Liabilities & Net Assets | \$ 7,531,490 |
| Revenues | |
| Expenditures | \$ 1,059,235 |
| Excess (Deficiency) Revenues over Expenditures | 1,264,617 |
| Fund Deficit - Beginning of Year | (2,822,411) |
| Fund Deficit - End of Year | \$ (1,557,794) |

14. COMMITMENTS AND SUBSEQUENT EVENTS

The Urban Renewal Agency makes commitments to certain public and redevelopment improvements within Urban Renewal Area, and is in the on-going process of considering properties to be acquired and improvements to be made. There were no such commitments at September 30, 2009.

On September 10, 2009 Dell announced that it was closing its call center and exercising early termination options under the lease agreement, currently being treated as a capital lease. The financial impact of the early termination cannot be determined as various options are available for the lessee and lessor to select to implement that decision and final choices have not been made.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2009

15. BOND COVENANT COMPLIANCE

The City is subject to various covenants as a result of the various bonds and certificates of participation issued by the City. During the year ended September 30, 2009, the City did not comply with the following covenants:

1999 Sewer Certificates of Participation

One covenant requires that the City provide no free service, including usage by the City departments. During 2009, the Wastewater Fund did not bill other City departments for sewer service provided during the year.

16. PRIOR PERIOD ADJUSTMENTS

From 1990 to 2008 Twin Falls County, using Idaho Tax Commission software, had misapportioned assessments to the city which should have gone to the highway district. During the current year the City and Twin Falls Highway District reached an agreement for the City to pay back \$175,629 in misapportioned funds.

17. CHANGE IN CAPITALIZATION THRESHOLD

The City also changed its policy regarding capitalization of fixed assets. The City's policy increased the capitalization limits from \$500 to \$5,000. The increased limitation brings the City's accounting principles into compliance with the GFOA which recommends that "In no case should capitalization thresholds be less than \$5,000". This change in accounting principal and the payment for misapportioned funds to the highway district have been reflected as a prior period adjustment in the current financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TWIN FALLS, IDAHO

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended September 30, 2009

With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 |
|---|--------------------|--------------------|---------------------|--|---------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | | |
| Property Taxes, Including Penalty and Interest | \$10,666,240 | \$10,666,240 | \$10,774,784 | \$ 108,544 | \$10,102,321 |
| Non-property Taxes | 687,000 | 687,000 | 687,352 | 352 | 649,631 |
| Fines and Forfeitures | 8,000 | 8,000 | 7,701 | (299) | 8,654 |
| Licenses and Permits | 1,327,775 | 1,327,775 | 984,983 | (342,792) | 1,242,704 |
| Fees and Services | 1,111,540 | 1,111,540 | 1,143,115 | 31,575 | 1,061,960 |
| Intergovernmental | 1,856,726 | 1,856,726 | 1,824,413 | (32,313) | 1,896,457 |
| Federal Grants | - | - | 16,804 | 16,804 | 22,311 |
| Miscellaneous | 943,375 | 943,375 | 1,010,080 | 66,705 | 875,431 |
| Total Revenues | 16,600,656 | 16,600,656 | 16,449,232 | (151,424) | 15,859,469 |
| Expenditures: | | | | | |
| Current | | | | | |
| General Government | 2,880,822 | 2,880,822 | 2,651,444 | 229,378 | 2,320,373 |
| Public Safety | 11,902,178 | 11,902,178 | 11,144,780 | 757,398 | 10,749,802 |
| Engineering | 1,587,934 | 1,587,934 | 1,352,528 | 235,406 | 1,253,384 |
| Economic Development | 156,243 | 156,243 | 108,561 | 47,682 | 237,477 |
| Culture and Recreation | 1,422,884 | 1,422,884 | 1,300,221 | 122,663 | 1,264,173 |
| Total Expenditures | 17,950,061 | 17,950,061 | 16,557,534 | 1,392,527 | 15,825,209 |
| Excess (Deficiency) of Revenue Over Expenditures | (1,349,405) | (1,349,405) | (108,302) | 1,241,103 | 34,260 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 1,349,405 | 1,349,405 | 1,349,405 | - | 1,198,474 |
| Operating Transfers Out | - | - | - | - | (81,750) |
| Total Other Financing Sources (Uses) | 1,349,405 | 1,349,405 | 1,349,405 | - | 1,116,724 |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | \$ - | \$ - | 1,241,103 | \$ 1,241,103 | 1,150,984 |
| Fund Balance, October 1st | | | 12,839,581 | | 11,688,597 |
| Fund Balance, September 30th | | | \$14,080,684 | | \$12,839,581 |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Fiscal Year Ended September 30, 2009
 With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 Actual |
|--------------------------------|----------------------------|----------------------------|----------------------------|--|-----------------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | |
| Expenditures: | | | | | |
| Data Processing | \$ 1,167,923 | \$ 1,167,923 | 1,011,504 | \$ 156,419 | \$ 889,753 |
| Council | 155,965 | 155,965 | 146,198 | 9,767 | 141,759 |
| Manager | 350,055 | 350,055 | 397,356 | (47,301) | 254,407 |
| Finance | 670,614 | 670,614 | 643,526 | 27,088 | 620,059 |
| Attorney | 179,050 | 179,050 | 191,086 | (12,036) | 173,365 |
| Personnel | 357,215 | 357,215 | 261,774 | 95,441 | 241,030 |
| Total General Government | <u>2,880,822</u> | <u>2,880,822</u> | <u>2,651,444</u> | <u>229,378</u> | <u>2,320,373</u> |
| Police | 7,451,251 | 7,451,251 | 6,873,925 | 577,326 | 6,618,536 |
| Fire | 3,634,937 | 3,634,937 | 3,480,907 | 154,030 | 3,402,691 |
| Inspection | 455,738 | 455,738 | 434,987 | 20,751 | 428,582 |
| Animal Control | 360,252 | 360,252 | 354,961 | 5,291 | 299,993 |
| Total Public Safety | <u>11,902,178</u> | <u>11,902,178</u> | <u>11,144,780</u> | <u>757,398</u> | <u>10,749,802</u> |
| Engineering | 1,220,756 | 1,220,756 | 997,476 | 223,280 | 900,555 |
| Planning and Zoning | 367,178 | 367,178 | 355,052 | 12,126 | 352,829 |
| Total Engineering and Planning | <u>1,587,934</u> | <u>1,587,934</u> | <u>1,352,528</u> | <u>235,406</u> | <u>1,253,384</u> |
| Economic Development | 156,243 | 156,243 | 108,561 | 47,682 | 237,477 |
| Parks | 985,159 | 985,159 | 898,371 | 86,788 | 837,588 |
| Recreation | 437,725 | 437,725 | 401,850 | 35,875 | 426,585 |
| Total Culture and Recreation | <u>1,422,884</u> | <u>1,422,884</u> | <u>1,300,221</u> | <u>122,663</u> | <u>1,264,173</u> |
| Total Expenditures | <u><u>\$17,950,061</u></u> | <u><u>\$17,950,061</u></u> | <u><u>\$16,557,534</u></u> | <u><u>\$ 1,392,527</u></u> | <u><u>\$ 15,825,209</u></u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Special Revenue - Street Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 Actual |
|---|--------------------|------------------|---------------------|--|---------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | |
| Revenues: | | | | | |
| Property Taxes | \$ 1,474,019 | \$ 1,474,019 | \$ 1,456,957 | \$ (17,062) | \$ 1,023,085 |
| Fees and Services | 225,000 | 225,000 | 244,632 | 19,632 | 225,144 |
| Intergovernmental | 2,083,000 | 2,083,000 | 2,097,849 | 14,849 | 2,128,113 |
| Grants | 1,300,000 | 1,300,000 | 227,999 | (1,072,001) | 553,281 |
| Miscellaneous | 852,002 | 852,002 | 925,696 | 73,694 | 498,646 |
| Total Revenues | <u>5,934,021</u> | <u>5,934,021</u> | <u>4,953,133</u> | <u>(980,888)</u> | <u>4,428,269</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| Highways and Streets | 2,754,848 | 2,754,848 | 1,720,966 | 1,033,882 | 1,268,173 |
| Capital Outlay | 3,054,035 | 3,054,035 | 2,086,317 | 967,718 | 1,525,501 |
| Debt Service | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Total Expenditures | <u>5,808,883</u> | <u>5,808,883</u> | <u>3,807,283</u> | <u>2,001,600</u> | <u>2,793,674</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 125,138 | 125,138 | 1,145,850 | 1,020,712 | 1,634,595 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 71,423 | 71,423 | 71,423 | - | 68,022 |
| Operating Transfers Out | (196,561) | (196,561) | (196,561) | - | (187,200) |
| Total Other Sources (Uses) | <u>(125,138)</u> | <u>(125,138)</u> | <u>(125,138)</u> | <u>-</u> | <u>(119,178)</u> |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | <u>\$ -</u> | <u>\$ -</u> | 1,020,712 | <u>\$ 1,020,712</u> | 1,515,417 |
| Fund Balances, October 1st | | | 4,552,996 | | <u>3,037,579</u> |
| Prior Period Adjustment | | | (175,629) | | |
| Fund Balances, September 30th | | | <u>\$ 5,398,079</u> | | <u>\$ 4,552,996</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Special Revenue - Airport Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 |
|---|--------------------|------------------|---------------------|--|---------------------|
| | Proposed Budget | Final Budget | Actual | | Actual |
| Revenues: | | | | | |
| Property Taxes | \$ 301,875 | \$ 301,875 | \$ 304,483 | \$ 2,608 | \$ 284,265 |
| Fees and Services | 491,850 | 491,850 | 463,878 | (27,972) | 790,449 |
| Intergovernmental | 301,875 | 301,875 | 301,874 | (1) | 280,469 |
| Federal Grants | - | - | - | - | - |
| Farm Income | 27,300 | 27,300 | 26,128 | (1,172) | 31,627 |
| Miscellaneous | 8,000 | 8,000 | 93,245 | 85,245 | 160,658 |
| Total Revenues | <u>1,130,900</u> | <u>1,130,900</u> | <u>1,189,608</u> | <u>58,708</u> | <u>1,547,468</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| Airport | <u>789,612</u> | <u>789,612</u> | <u>664,321</u> | <u>125,291</u> | <u>1,147,670</u> |
| Total Expenditures | <u>789,612</u> | <u>789,612</u> | <u>664,321</u> | <u>125,291</u> | <u>1,147,670</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 341,288 | 341,288 | 525,287 | 183,999 | 399,798 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | <u>(341,288)</u> | <u>(341,288)</u> | <u>(341,288)</u> | - | <u>(328,369)</u> |
| Total Other Sources (Uses) | <u>(341,288)</u> | <u>(341,288)</u> | <u>(341,288)</u> | - | <u>(328,369)</u> |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | <u>\$ -</u> | <u>\$ -</u> | 183,999 | <u>\$ 183,999</u> | 71,429 |
| Fund Balances, October 1st | | | <u>1,114,466</u> | | <u>1,043,037</u> |
| Fund Balances, September 30th | | | <u>\$ 1,298,465</u> | | <u>\$ 1,114,466</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO

Special Revenue - Capital Improvement Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended September 30, 2009

With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | |
|---|---------------------|---------------------|---------------------|--|---------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2008 Actual |
| Revenues: | | | | | |
| Property Taxes | \$ 884,920 | \$ 884,920 | \$ 887,611 | \$ 2,691 | \$ 1,154,586 |
| Intergovernmental | 1,303,073 | 1,303,073 | 1,184,741 | (118,332) | 1,364,548 |
| Federal Grants | 500,000 | 500,000 | - | (500,000) | 13,656 |
| Miscellaneous or Reserves | 341,303 | 341,303 | 388,368 | 47,065 | 362,536 |
| Total Revenues | 3,029,296 | 3,029,296 | 2,460,720 | (568,576) | 2,895,326 |
| Expenditures: | | | | | |
| Current | | | | | |
| General Government | 1,038,830 | 1,038,830 | 377,601 | 661,229 | 303,782 |
| Public Safety | 691,566 | 691,566 | 446,110 | 245,456 | 455,635 |
| Culture and Recreation | 489,400 | 489,400 | 362,568 | 126,832 | 702,306 |
| Highways and Streets | 57,000 | 57,000 | 9,864 | 47,136 | 9,257 |
| Capital Outlay | 910,521 | 910,521 | 714,898 | 195,623 | 962,625 |
| Total Expenditures | 3,187,317 | 3,187,317 | 1,911,041 | 1,276,276 | 2,433,605 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (158,021) | (158,021) | 549,679 | 707,700 | 461,721 |
| Other Financing Sources (Uses) | | | | | |
| Contribution of Assets | | | 78,500 | (78,500) | 263,646 |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | (525) | 525 | (57,191) |
| Total Other Sources (Uses) | - | - | 77,975 | (77,975) | 206,455 |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | \$ (158,021) | \$ (158,021) | 627,654 | \$ 629,725 | 668,176 |
| Fund Balances, October 1st | | | 1,800,336 | | 1,132,160 |
| Fund Balances, September 30th | | | \$ 2,427,990 | | \$ 1,800,336 |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 Capital Projects - Airport Construction Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2009
 With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 Actual |
|---|--------------------|------------------|-----------------------|--|-----------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | |
| Revenues: | | | | | |
| Fees and Services | \$ 95,000 | \$ 95,000 | \$ 96,691 | \$ 1,691 | \$ 108,846 |
| Intergovernmental | - | - | 217,382 | 217,382 | - |
| Federal Grants | 2,550,000 | 2,550,000 | 1,554,518 | (995,482) | 1,098,413 |
| Miscellaneous | 900 | 900 | 239 | (661) | 772 |
| Total Revenues | <u>2,645,900</u> | <u>2,645,900</u> | <u>1,868,830</u> | <u>(777,070)</u> | <u>1,208,031</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| Airport | 2,715,900 | 2,715,900 | 1,843,645 | 872,255 | 956,836 |
| Total Expenditures | <u>2,715,900</u> | <u>2,715,900</u> | <u>1,843,645</u> | <u>872,255</u> | <u>956,836</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (70,000) | (70,000) | 25,185 | 95,185 | 251,195 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 70,000 | 70,000 | 70,000 | - | 70,000 |
| Operating Transfers Out | - | - | - | - | - |
| Total Other Sources (Uses) | <u>70,000</u> | <u>70,000</u> | <u>70,000</u> | <u>-</u> | <u>70,000</u> |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | <u>\$ -</u> | <u>\$ -</u> | 95,185 | <u>\$ 95,185</u> | 321,195 |
| Fund Balances, October 1st | | | <u>(1,138,792)</u> | | <u>(1,459,987)</u> |
| Fund Balances, September 30th | | | <u>\$ (1,043,607)</u> | | <u>\$ (1,138,792)</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO

Enterprise - Waterworks Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended September 30, 2009

With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 |
|--|--------------------|-------------------|----------------------|--|----------------------|
| | Proposed Budget | Final Budget | Actual | | Actual |
| Operating Revenues: | | | | | |
| Charges for Services | \$ 6,026,563 | \$ 6,026,563 | 5,458,661 | \$ (567,902) | \$ 5,235,513 |
| Taps, Connection and Other Fees | 235,000 | 235,000 | 155,492 | (79,508) | 211,233 |
| Miscellaneous | 396,000 | 396,000 | 76,826 | (319,174) | 94,094 |
| Total Operating Revenues | <u>6,657,563</u> | <u>6,657,563</u> | <u>5,690,979</u> | <u>(966,584)</u> | <u>5,540,840</u> |
| Operating Expenses: | | | | | |
| Contracted Expenses | 180,600 | 180,600 | 270,607 | (90,007) | 474,491 |
| Personnel Expenses | 1,608,643 | 1,608,643 | 1,529,460 | 79,183 | 1,454,769 |
| Depreciation and Amortization | - | - | 549,495 | (549,495) | 526,258 |
| Utilities | 649,800 | 649,800 | 729,809 | (80,009) | 681,002 |
| Supplies | 783,255 | 783,255 | 589,802 | 193,453 | 333,423 |
| Repairs and Maintenance | 1,664,225 | 1,664,225 | 264,252 | 1,399,973 | 146,263 |
| Vehicle Expense | 130,390 | 130,390 | 97,127 | 33,263 | 112,739 |
| Studies and Projects | 186,226 | 186,226 | 695,243 | (509,017) | 182,289 |
| Rental Expense | 100,650 | 100,650 | 115,254 | (14,604) | 108,663 |
| Miscellaneous Expenses | 79,450 | 79,450 | 13,169 | 66,281 | 24,344 |
| Testing and Monitoring | 37,500 | 37,500 | 46,783 | (9,283) | 65,619 |
| Telephone | 1,000 | 1,000 | 20 | 980 | 455 |
| Travel and Meetings | 10,500 | 10,500 | 1,686 | 8,814 | 4,194 |
| Total Operating Expenses | <u>5,432,239</u> | <u>5,432,239</u> | <u>4,902,707</u> | <u>529,532</u> | <u>4,114,509</u> |
| Operating Income (Loss) | 1,225,324 | 1,225,324 | 788,272 | (437,052) | 1,426,331 |
| Non-operating Revenues (Expenses): | | | | | |
| Interest Income | 250,000 | 250,000 | 231,334 | (18,666) | 247,693 |
| Rent and Royalties | - | - | 65,850 | 65,850 | 840 |
| Federal Grants | - | - | 20,232 | 20,232 | - |
| Capital Asset Changes-Resolution | - | - | - | - | - |
| Interest Expense | (196,469) | (196,469) | (919,644) | (723,175) | (203,120) |
| Total Non-operating Revenues (Expenses) | <u>53,531</u> | <u>53,531</u> | <u>(602,228)</u> | <u>(655,759)</u> | <u>45,413</u> |
| Income (Loss) before operating transfers | 1,278,855 | 1,278,855 | 186,044 | (1,092,811) | 1,471,744 |
| Interfund Transfers and Donations: | | | | | |
| Donation of Assets | | | - | - | 156,211 |
| Operating Transfers In | 224,100 | 224,100 | 224,100 | - | 213,428 |
| Operating Transfers Out | (696,480) | (696,480) | (696,480) | - | (613,385) |
| Net Transfers and Donations | <u>(472,380)</u> | <u>(472,380)</u> | <u>(472,380)</u> | <u>-</u> | <u>(243,746)</u> |
| Net Income (Loss) | <u>\$ 806,475</u> | <u>\$ 806,475</u> | (286,336) | <u>\$ (1,092,811)</u> | 1,227,998 |
| Net Assets, October 1st | | | 18,140,513 | | 16,912,515 |
| Prior Period Adjustment | | | <u>(76,875)</u> | | - |
| Net Assets, September 30th | | | <u>\$ 17,777,302</u> | | <u>\$ 18,140,513</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO

Enterprise - Wastewater Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended September 30, 2009

With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 Actual |
|---|---------------------|---------------------|----------------------|--|----------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | |
| Operating Revenues: | | | | | |
| Charges for Services | \$ 6,227,581 | \$ 6,227,581 | 5,496,276 | \$ (731,305) | \$ 5,827,133 |
| Taps, Connection and Other Fees | 6,750 | 6,750 | 3,525 | (3,225) | 11,930 |
| Miscellaneous | 383,250 | 383,250 | (8,156) | (391,406) | 206,922 |
| Total Operating Revenues | <u>6,617,581</u> | <u>6,617,581</u> | <u>5,491,645</u> | <u>(1,125,936)</u> | <u>6,045,985</u> |
| Operating Expenses: | | | | | |
| Contracted Expenses | 2,812,133 | 2,812,133 | 3,012,264 | (200,131) | 2,760,216 |
| Personnel Expenses | 466,900 | 466,900 | 491,731 | (24,831) | 488,243 |
| Depreciation and Amortization | - | - | 806,392 | (806,392) | 793,698 |
| Utilities | 24,000 | 24,000 | - | 24,000 | - |
| Supplies | 25,070 | 25,070 | 11,689 | 13,381 | 11,192 |
| Repairs and Maintenance | 3,217,720 | 3,217,720 | 168,920 | 3,048,800 | 22,187 |
| Vehicle Expense | 49,539 | 49,539 | 32,535 | 17,004 | 43,796 |
| Studies and Projects | - | - | - | - | 6,287 |
| Rental Expense | - | - | - | - | - |
| Miscellaneous Expenses | 309,400 | 309,400 | 15,659 | 293,741 | 25,608 |
| Telephone | - | - | - | - | 50 |
| Travel and Meetings | 1,000 | 1,000 | 140 | 860 | 120 |
| Total Operating Expenses | <u>6,905,762</u> | <u>6,905,762</u> | <u>4,539,330</u> | <u>2,366,432</u> | <u>4,151,397</u> |
| Operating Income (Loss) | (288,181) | (288,181) | 952,315 | 1,240,496 | 1,894,588 |
| Non-operating Revenues (Expenses): | | | | | |
| Development Fees | 268,500 | 268,500 | 221,620 | (46,880) | 258,053 |
| Interest Income | 100,000 | 100,000 | 148,957 | 48,957 | 111,004 |
| Interest Expense | (339,905) | (339,905) | (335,859) | 4,046 | (362,234) |
| Federal Grant | - | - | 175,969 | 175,969 | 211,903 |
| Total Non-operating Revenues (Exp) | <u>28,595</u> | <u>28,595</u> | <u>210,687</u> | <u>182,092</u> | <u>218,726</u> |
| Income (Loss) before operating transfers | (259,586) | (259,586) | 1,163,002 | 1,422,588 | 2,113,314 |
| Interfund Transfers and Donations: | | | | | |
| Donation of Assets | - | - | 1,808 | 1,808 | 1,430,511 |
| Operating Transfers In | - | - | - | - | 200,000 |
| Operating Transfers Out | (442,878) | (442,878) | (442,878) | - | (385,044) |
| Net Transfers and Donations | <u>(442,878)</u> | <u>(442,878)</u> | <u>(441,070)</u> | <u>1,808</u> | <u>1,245,467</u> |
| Net Income (Loss) | <u>\$ (702,464)</u> | <u>\$ (702,464)</u> | 721,932 | <u>\$ 1,424,396</u> | 3,358,781 |
| Net Assets, October 1st | | | 20,176,238 | | 16,817,457 |
| Prior Period Adjustment | | | (39,801) | | - |
| Net Assets, September 30th | | | <u>\$ 20,858,369</u> | | <u>\$ 20,176,238</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO

Enterprise - Sanitation Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended September 30, 2009

With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 |
|---|--------------------|-------------------|---------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | | Actual |
| Operating Revenues: | | | | | |
| Charges for Services | \$ 2,150,209 | \$ 2,150,209 | \$ 2,155,540 | \$ 5,331 | \$ 2,067,998 |
| Miscellaneous | 500 | 500 | 19,770 | 19,270 | 150 |
| Total Operating Revenues | <u>2,150,709</u> | <u>2,150,709</u> | <u>2,175,310</u> | <u>24,601</u> | <u>2,068,148</u> |
| Operating Expenses: | | | | | |
| Contracted Expenses | 1,107,000 | 1,107,000 | 1,126,044 | (19,044) | 1,034,324 |
| Personnel Expenses | 195,237 | 195,237 | 168,338 | 26,899 | 165,954 |
| Depreciation and Amortization | - | - | 6,740 | (6,740) | 4,546 |
| Landfill Expenses | 630,000 | 630,000 | 647,831 | (17,831) | 655,442 |
| Supplies | 2,500 | 2,500 | 1,671 | 829 | 2,199 |
| Repairs and Maintenance | 92,874 | 92,874 | 1,758 | 91,116 | 590 |
| Vehicle Expense | 6,260 | 6,260 | 4,462 | 1,798 | 5,276 |
| Studies and Projects | 5,550 | 5,550 | 1,132 | 4,418 | 1,563 |
| Miscellaneous Expenses | 2,300 | 2,300 | 50 | 2,250 | (1,245) |
| Telephone | - | - | - | - | 50 |
| Travel and Meetings | 1,000 | 1,000 | 558 | 442 | 971 |
| Total Operating Expenses | <u>2,042,721</u> | <u>2,042,721</u> | <u>1,958,584</u> | <u>84,137</u> | <u>1,869,670</u> |
| Operating Income (Loss) | 107,988 | 107,988 | 216,726 | 108,738 | 198,478 |
| Non-operating Revenues (Expenses): | | | | | |
| Interest Income | 20,000 | 20,000 | 34,778 | 14,778 | 32,695 |
| Interest Expense | - | - | - | - | - |
| Total Non-operating Revenues (Exp) | <u>20,000</u> | <u>20,000</u> | <u>34,778</u> | <u>14,778</u> | <u>32,695</u> |
| Income (Loss) before operating transfers | 127,988 | 127,988 | 251,504 | 123,516 | 231,173 |
| Operating Transfers: | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | (134,988) | (134,988) | (134,988) | - | (128,560) |
| Net Transfers | <u>(134,988)</u> | <u>(134,988)</u> | <u>(134,988)</u> | <u>-</u> | <u>(128,560)</u> |
| Net Income (Loss) | <u>\$ (7,000)</u> | <u>\$ (7,000)</u> | 116,516 | <u>\$ 123,516</u> | 102,613 |
| Net Assets, October 1st | | | 994,217 | | 891,604 |
| Prior Period Adjustment | | | (2,256) | | - |
| Net Assets, September 30th | | | <u>\$ 1,108,477</u> | | <u>\$ 994,217</u> |

See accountants' report.

SUPPLEMENTARY INFORMATION

City of Twin Falls, Idaho
Combining Statement - Other Governmental Funds
Fund Balance Sheets
September 30, 2009

| | Special Revenue Funds | | | Debt Service Fund | | |
|--|-----------------------|-------------------|-------------------|--------------------------|------------------|------------------|
| | Street Light | Library | Total | LID Guarantee Bond | Library Bond | Total |
| Assets | | | | | | |
| Cash and Cash Equivalents | \$ 4,910 | \$ 646,945 | \$ 651,855 | \$ 17,961 | \$ 19,728 | \$ 37,689 |
| Restricted Cash | - | - | - | - | - | - |
| Investments | - | 1,608 | 1,608 | - | - | - |
| Receivables (net of allowance) | | | | | | |
| Taxes | 3,010 | 45,116 | 48,126 | - | - | - |
| Fees and Services | - | - | - | - | - | - |
| Intergovernmental | 541 | 11,256 | 11,797 | - | 1 | 1 |
| Interest | - | 910 | 910 | 23 | 25 | 48 |
| Accounts | 74,363 | - | 74,363 | - | - | - |
| Due from Other Funds | - | - | - | - | - | - |
| Deferred Charges | - | - | - | - | - | - |
| Total Assets | \$ 82,824 | \$ 705,835 | \$ 788,659 | \$ 17,984 | \$ 19,754 | \$ 37,738 |
| Liabilities | | | | | | |
| Accounts Payable | 24,505 | 4,008 | 28,513 | - | - | - |
| Accrued Expenses | - | 8,089 | 8,089 | - | - | - |
| Deferred Revenue | 2,808 | 42,086 | 44,894 | - | - | - |
| Customer Deposits Payable | - | - | - | - | - | - |
| Due to Other Funds | 233,920 | - | 233,920 | - | - | - |
| Total Liabilities | 261,233 | 54,183 | 315,416 | - | - | - |
| Fund Balance | | | | | | |
| Reserved for: | | | | | | |
| Dedicated Purposes | - | - | - | - | - | - |
| Debt Service | - | - | - | 17,984 | 19,754 | 37,738 |
| Unreserved: | | | | | | |
| Designated For Subsequent Year's Exp. | - | - | - | - | - | - |
| Undesignated | (178,409) | 651,652 | 473,243 | - | - | - |
| Total Fund Balance | (178,409) | 651,652 | 473,243 | 17,984 | 19,754 | 37,738 |
| Total Liabilities and Fund Equity | \$ 82,824 | \$ 705,835 | \$ 788,659 | \$ 17,984 | \$ 19,754 | \$ 37,738 |

See accountants' report.

City of Twin Falls, Idaho
 Combining Statement - Other Governmental Funds
 Fund Balance Sheets
 September 30, 2009

| Capital Projects Fund | | | | | Other Permanent Funds | | | | Total Other Government Funds |
|--------------------------|-------------------|---------------|------------------|-------------------|-----------------------|----------------------|-------------------|-------------------|---------------------------------------|
| Historic Preservation | Park Develop. | Trail Fund | Impact Fee | Total | Drug Seizure | Historic Downtown | Fireworks | Total | |
| \$ (39) | \$ 6,601 | \$ - | \$ 24,090 | \$ 30,652 | \$ 109,164 | \$ 141,012 | \$ (4,004) | \$ 246,172 | \$ 966,368 |
| - | 486,521 | 41 | - | 486,562 | - | - | - | - | 486,562 |
| - | - | - | - | - | - | - | - | - | 1,608 |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | 48,126 |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 1,212 | 1,212 | 13,010 |
| - | 628 | - | - | 628 | - | - | - | - | 1,586 |
| - | - | - | - | - | 99,065 | 35,800 | - | 134,865 | 209,228 |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| <u>\$ (39)</u> | <u>\$ 493,750</u> | <u>\$ 41</u> | <u>\$ 24,090</u> | <u>\$ 517,842</u> | <u>\$ 208,229</u> | <u>\$ 176,812</u> | <u>\$ (2,792)</u> | <u>\$ 382,249</u> | <u>\$ 1,726,488</u> |
| - | - | - | - | - | - | 5,340 | - | 5,340 | 33,853 |
| - | - | - | - | - | - | - | - | - | 8,089 |
| - | - | - | - | - | - | - | - | - | 44,894 |
| - | - | - | - | - | - | - | - | - | - |
| 3,987 | - | - | - | 3,987 | - | - | 666 | 666 | 238,573 |
| <u>3,987</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,987</u> | <u>-</u> | <u>5,340</u> | <u>666</u> | <u>6,006</u> | <u>325,409</u> |
| - | 486,521 | 41 | - | 486,562 | 208,229 | 171,472 | (3,458) | 376,243 | 862,805 |
| - | - | - | - | - | - | - | - | - | 37,738 |
| - | - | - | - | - | - | - | - | - | - |
| (4,026) | 7,229 | - | 24,090 | 27,293 | - | - | - | - | 500,536 |
| <u>(4,026)</u> | <u>493,750</u> | <u>41</u> | <u>24,090</u> | <u>513,855</u> | <u>208,229</u> | <u>171,472</u> | <u>(3,458)</u> | <u>376,243</u> | <u>1,401,079</u> |
| <u>\$ (39)</u> | <u>\$ 493,750</u> | <u>\$ 41</u> | <u>\$ 24,090</u> | <u>\$ 517,842</u> | <u>\$ 208,229</u> | <u>\$ 176,812</u> | <u>\$ (2,792)</u> | <u>\$ 382,249</u> | <u>\$ 1,726,488</u> |

See accountants' report.

City of Twin Falls, Idaho
Combining Statement - Other Governmental Funds
Statements of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2009

| | Special Revenue Funds | | | Debt Service Fund | | |
|---|-----------------------|--------------|--------------|--------------------------|-----------------|-----------|
| | Street Light | Library | Total | LID Guarantee Bond | Library Bond | Total |
| Revenues | | | | | | |
| Property Taxes, Including Interest | \$ 112,873 | \$ 1,394,424 | \$ 1,507,297 | \$ - | \$ 7 | \$ 7 |
| Other Taxes | 238,775 | - | 238,775 | - | - | - |
| Special Assessments, Including Interest | - | - | - | - | - | - |
| Fines and Forfeitures | - | 38,583 | 38,583 | - | - | - |
| Licenses and Permits | - | - | - | - | - | - |
| Fees and Services | - | 38,585 | 38,585 | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Federal Grants | - | - | - | - | - | - |
| Miscellaneous | - | 21,385 | 21,385 | 646 | 710 | 1,356 |
| Total Revenue | 351,648 | 1,492,977 | 1,844,625 | 646 | 717 | 1,363 |
| Expenditures | | | | | | |
| Current | | | | | | |
| General Government | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - |
| Engineering | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - |
| Culture and Recreation | - | 1,314,169 | 1,314,169 | - | - | - |
| Highway and Streets | 310,249 | - | 310,249 | - | - | - |
| Airport | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - |
| Principal Retirement | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Total Expenditures | 310,249 | 1,314,169 | 1,624,418 | - | - | - |
| Excess of Revenues Over (Under) Expenditures | 41,399 | 178,808 | 220,207 | 646 | 717 | 1,363 |
| Operating Transfers | | | | | | |
| Transfers In | - | 525 | 525 | - | - | - |
| Transfers Out | 17,391 | - | 17,391 | - | - | - |
| Net Transfers | (17,391) | 525 | (16,866) | - | - | - |
| Net Change in Fund Balance | 24,008 | 179,333 | 203,341 | 646 | 717 | 1,363 |
| Fund Balance October 1, 2008 | (202,417) | 472,319 | 269,902 | 17,338 | 19,037 | 36,375 |
| Fund Balance September 30, 2009 | \$(178,409) | \$ 651,652 | \$ 473,243 | \$ 17,984 | \$ 19,754 | \$ 37,738 |

See accountants' report.

City of Twin Falls, Idaho
 Combining Statement - Other Governmental Funds
 Statements of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended September 30, 2009

| Capital Projects Fund | | | | | Other Permanent Funds | | | | Total Other |
|-----------------------|-------------------|---------------|------------------|-------------------|-----------------------|-------------------|-------------------|-------------------|---------------------|
| Historic Preservation | Park Develop. | Trail Fund | Impact Fee | Total | Drug Seizure | Historic Downtown | Fireworks | Total | Government Funds |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,507,304 |
| - | - | - | - | - | - | - | - | - | 238,775 |
| - | - | - | - | - | 89,061 | 123,395 | - | 212,456 | 212,456 |
| - | - | - | - | - | - | - | - | - | 38,583 |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | 24,090 | 24,090 | - | - | 1,800 | 1,800 | 64,475 |
| - | - | - | - | - | - | - | 4,518 | 4,518 | 4,518 |
| 6,000 | - | - | - | 6,000 | - | - | - | - | 6,000 |
| - | 115,669 | 129 | - | 115,798 | - | 45,201 | - | 45,201 | 183,740 |
| <u>6,000</u> | <u>115,669</u> | <u>129</u> | <u>24,090</u> | <u>121,798</u> | <u>89,061</u> | <u>168,596</u> | <u>6,318</u> | <u>263,975</u> | <u>2,255,851</u> |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 28,372 | - | - | 28,372 | 28,372 |
| - | - | - | - | - | - | - | - | - | - |
| 6,000 | 151,378 | 21,781 | - | 179,159 | - | 112,903 | 8,000 | 120,903 | 300,062 |
| - | - | - | - | - | - | - | - | - | 1,314,169 |
| - | - | - | - | - | - | - | - | - | 310,249 |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| <u>6,000</u> | <u>151,378</u> | <u>21,781</u> | <u>-</u> | <u>179,159</u> | <u>28,372</u> | <u>112,903</u> | <u>8,000</u> | <u>149,275</u> | <u>1,952,852</u> |
| - | (35,709) | (21,652) | 24,090 | (33,271) | 60,689 | 55,693 | (1,682) | 114,700 | 302,999 |
| - | - | - | - | - | - | - | - | - | 525 |
| - | - | - | - | - | - | - | - | - | 17,391 |
| - | - | - | - | - | - | - | - | - | (16,866) |
| - | (35,709) | (21,652) | 24,090 | (33,271) | 60,689 | 55,693 | (1,682) | 114,700 | 286,133 |
| <u>(4,026)</u> | <u>529,459</u> | <u>21,693</u> | <u>-</u> | <u>547,126</u> | <u>147,540</u> | <u>115,779</u> | <u>(1,776)</u> | <u>261,543</u> | <u>1,114,946</u> |
| <u>\$ (4,026)</u> | <u>\$ 493,750</u> | <u>\$ 41</u> | <u>\$ 24,090</u> | <u>\$ 513,855</u> | <u>\$ 208,229</u> | <u>\$ 171,472</u> | <u>\$ (3,458)</u> | <u>\$ 376,243</u> | <u>\$ 1,401,079</u> |

See accountants' report.

City of Twin Falls, Idaho
Combining Statement - Proprietary Funds
Fund Balance Sheets
September 30, 2009

| | Business-Type Activities | | | | | Total |
|---|---------------------------------|-------------------|---------------------|--------------------|-----------------|---------------------|
| | Golf | Pool | Dierkes Lake | Parking | Common | |
| | | | Shoshone | | Area | |
| | | Falls | | Maintenance | | |
| Assets | | | | | | |
| Cash and Cash Equivalents | \$ (204,350) | \$ (1,133) | \$ 228,063 | \$ 51,379 | \$ 2,759 | \$ 76,718 |
| Investments | - | - | - | - | - | - |
| Receivables (net of allowance for uncollected.) | - | - | - | - | - | - |
| Fees and Services | - | - | - | - | 5,112 | 5,112 |
| Intergovernmental | - | 42,310 | - | - | - | 42,310 |
| Interest | - | - | 298 | - | - | 298 |
| Accounts | 6,624 | - | 584 | 1,108 | - | 8,316 |
| Inventories | - | - | - | - | - | - |
| Total Current Assets | (197,726) | 41,177 | 228,945 | 52,487 | 7,871 | 132,754 |
| Restricted Assets | - | - | - | - | - | - |
| Deferred Charges | - | - | - | - | - | - |
| Fixed Assets (Net of Accum. Depreciation) | 701,761 | 895,669 | 1,125,299 | 1,625 | - | 2,724,354 |
| Total Assets | \$ 504,035 | \$ 936,846 | \$ 1,354,244 | \$ 54,112 | \$ 7,871 | \$ 2,857,108 |
| Liabilities and Equity | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable | \$ 10,493 | \$ 6,348 | \$ 2,940 | \$ - | \$ 3,167 | \$ 22,948 |
| Accrued Expenses | 1,331 | - | - | 10,360 | - | 11,691 |
| Due to Other Funds | 362,021 | 337,286 | - | - | - | 699,307 |
| Notes Payable - Current | 24,148 | - | - | - | - | 24,148 |
| Compensated Absences | 5,898 | 780 | - | - | - | 6,678 |
| Total Current Liabilities | 403,891 | 344,414 | 2,940 | 10,360 | 3,167 | 764,772 |
| Current Liab. Payable from Restricted Assets: | | | | | | |
| Revenue Bonds Payable - Current | - | - | - | - | - | - |
| Customer Deposits Payable | - | - | - | 2,530 | - | 2,530 |
| Total Curr. Liab. From Restricted Assets | - | - | - | 2,530 | - | 2,530 |
| NonCurrent Liabilities: | | | | | | |
| Notes Payable - Equipment | 52,144 | - | - | - | - | 52,144 |
| Revenue Bonds Payable (Net of Discounts) | - | - | - | - | - | - |
| Total Non-Current Liabilities | 52,144 | - | - | - | - | 52,144 |
| Total Liabilities | 456,035 | 344,414 | 2,940 | 12,890 | 3,167 | 819,446 |
| Net Assets | | | | | | |
| Invested In Capital Assets, net of related debt | 625,469 | 895,669 | 1,125,299 | 1,625 | - | 2,648,062 |
| Restricted | - | - | - | - | - | - |
| Unrestricted | (577,469) | (303,237) | 226,005 | 39,597 | 4,704 | (610,400) |
| Total Equity | 48,000 | 592,432 | 1,351,304 | 41,222 | 4,704 | 2,037,662 |
| Total Liabilities and Equity | \$ 504,035 | \$ 936,846 | \$ 1,354,244 | \$ 54,112 | \$ 7,871 | \$ 2,857,108 |

See accountants' report.

City of Twin Falls, Idaho
Combining Statement - Proprietary Funds
Statements of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended September 30, 2009

| | Business-Type Activities | | | | | Totals |
|---|---------------------------------|-------------------|----------------------------------|------------------|--|---------------------|
| | Golf | Pool | Dierkes Lake Shoshone | | Common Area Maintenance | |
| | | | Falls | Parking | | |
| Operating Revenues: | | | | | | |
| Charges for Services | \$ 307,324 | \$ - | \$ 224,392 | \$ 67,618 | \$ 30,200 | \$ 629,534 |
| Taps, Connection and Other Fees | - | - | - | - | - | - |
| Miscellaneous | 30,124 | - | 3,710 | 60 | - | 33,894 |
| Total Operating Revenues | 337,448 | - | 228,102 | 67,678 | 30,200 | 663,428 |
| Operating Expenses: | | | | | | |
| Contracted Services | 56,188 | 46,583 | 57,109 | 1,030 | 26,616 | 187,526 |
| Personal Expenses | 189,074 | 1,146 | 65,212 | 50,016 | - | 305,448 |
| Depreciation and Amortization | 35,613 | 38,010 | 35,262 | 1,625 | - | 110,510 |
| Utilities | 11,160 | 113,416 | 3,653 | - | 743 | 128,972 |
| Landfill Expenses | - | - | - | - | - | - |
| Supplies | 29,901 | 356 | 1,570 | 410 | 1,320 | 33,557 |
| Insurance | - | - | - | - | - | - |
| Repairs and Maintenance | 20,325 | (49,115) | 10,943 | 2,690 | 545 | (14,612) |
| Vehicle Expenses | 22,402 | - | 1,025 | - | - | 23,427 |
| Studies and Projects | - | - | - | - | - | - |
| Rental Expense | - | 631 | - | - | - | 631 |
| Miscellaneous Expense | 2,044 | - | 55 | - | - | 2,099 |
| Testing and Monitoring | - | - | - | - | - | - |
| Telephone | - | - | - | (20) | - | (20) |
| Travel and Meetings | 827 | 48 | - | - | - | 875 |
| Total Operating Expenses | 367,534 | 151,075 | 174,829 | 55,751 | 29,224 | 778,413 |
| Operating Income (Loss) | (30,086) | (151,075) | 53,273 | 11,927 | 976 | (114,985) |
| Non-Operating Revenues (Expenses): | | | | | | |
| Development Fees | - | - | - | - | - | - |
| Interest Income | - | - | 6,515 | 56 | - | 6,571 |
| Rent and Royalties | - | - | - | - | - | - |
| Federal Grants | - | - | - | - | - | - |
| Intergovernmental | - | 161,834 | - | - | - | 161,834 |
| Interest Expense | (4,781) | - | - | - | - | (4,781) |
| Total Non-Operating Revenues (Exp.) | (4,781) | 161,834 | 6,515 | 56 | - | 163,624 |
| Income (Loss) Before Operating Transfers | (34,867) | 10,759 | 59,788 | 11,983 | 976 | 48,639 |
| Operating Transfers: | | | | | | |
| Operating Transfers In | - | - | - | - | - | - |
| Operating Transfers Out | (19,329) | - | (7,609) | - | - | (26,938) |
| Net Transfers | (19,329) | - | (7,609) | - | - | (26,938) |
| Net Income (Loss) | (54,196) | 10,759 | 52,179 | 11,983 | 976 | 21,701 |
| Total Net Assets, October 1, 2008 | 104,824 | 599,193 | 1,302,042 | 32,740 | 3,728 | 2,042,527 |
| Prior Period Adjustment | (2,628) | (17,520) | (2,917) | (3,501) | - | (26,566) |
| Total Net Assets, September 30, 2009 | \$ 48,000 | \$ 592,432 | \$ 1,351,304 | \$ 41,222 | \$ 4,704 | \$ 2,037,662 |

See accountants' report.

City of Twin Falls, Idaho
 Combining Statement - Internal Service Funds
 Fund Balance Sheets
 September 30, 2009

| | Governmental Activities - Internal Service Funds | | |
|---|---|-------------------|-------------------|
| | Shop | | |
| | Insurance | Revolving | Total |
| <u>Assets</u> | | | |
| Cash and Cash Equivalents | \$ 71,559 | \$ 327,867 | \$ 399,426 |
| Investments | 126,976 | - | 126,976 |
| Receivables (net of allowance for uncollect.) | | | - |
| Taxes | 6,682 | - | 6,682 |
| Fees and Services | - | - | - |
| Intergovernmental | 1,718 | - | 1,718 |
| Interest | 243 | - | 243 |
| Accounts | 2,042 | - | 2,042 |
| Inventories | - | - | - |
| Total Current Assets | 209,220 | 327,867 | 537,087 |
| Restricted Assets | | | |
| Deferred Charges | | | |
| Fixed Assets (Net of Accum. Depreciation) | - | 317,560 | 317,560 |
| Total Assets | \$ 209,220 | \$ 645,427 | \$ 854,647 |
| <u>Liabilities and Equity</u> | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 197 | \$ 1,139 | \$ 1,336 |
| Accrued Expenses | - | - | - |
| Deferred Revenue | 6,233 | - | 6,233 |
| Notes Payable - Current | - | - | - |
| Compensated Absences | - | 17,468 | 17,468 |
| Total Current Liabilities | 6,430 | 18,607 | 25,037 |
| Total Liabilities | 6,430 | 18,607 | 25,037 |
| <u>Net Assets</u> | | | |
| Invested In Capital Assets, net of related debt | - | 317,560 | 317,560 |
| Restricted | - | - | - |
| Unrestricted | 202,790 | 309,260 | 512,050 |
| Total Equity | 202,790 | 626,820 | 829,610 |
| Total Liabilities and Equity | \$ 209,220 | \$ 645,427 | \$ 854,647 |

City of Twin Falls, Idaho
Combining Statement - Internal Service Funds
Statements of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended September 30, 2009

| | Governmental Activities - Internal Service Funds | | |
|---|---|-------------------|-------------------|
| | Shop | | |
| | <u>Insurance</u> | <u>Revolving</u> | <u>Total</u> |
| Operating Revenues: | | | |
| Charges for Services | \$ - | \$ 246,593 | \$ 246,593 |
| Special Assessments, Including Interest Taps, Connection and Other Fees | 193,786 | - | 193,786 |
| Miscellaneous | 5,326 | 6,374 | 11,700 |
| Total Operating Revenues | <u>199,112</u> | <u>252,967</u> | <u>452,079</u> |
| Operating Expenses: | | | |
| Contracted Services | - | 1,093 | 1,093 |
| Personal Expenses | - | 171,797 | 171,797 |
| Depreciation and Amortization | - | 8,334 | 8,334 |
| Utilities | - | 6,964 | 6,964 |
| Landfill Expenses | - | - | - |
| Supplies | - | 18,941 | 18,941 |
| Insurance | 331,141 | - | 331,141 |
| Repairs and Maintenance | - | 6,607 | 6,607 |
| Vehicle Expenses | - | 585 | 585 |
| Studies and Projects | - | - | - |
| Rental Expense | - | - | - |
| Miscellaneous Expense | 382 | - | 382 |
| Testing and Monitoring | - | - | - |
| Telephone | - | - | - |
| Travel and Meetings | 25 | - | 25 |
| Total Operating Expenses | <u>331,548</u> | <u>214,321</u> | <u>545,869</u> |
| Operating Income (Loss) | (132,436) | 38,646 | (93,790) |
| Non-Operating Revenues (Expenses): | | | |
| Development Fees | - | - | - |
| Interest Income | - | - | - |
| Rent and Royalties | - | - | - |
| Federal Grants | - | - | - |
| Intergovernmental | - | - | - |
| Interest Expense | - | - | - |
| Total Non-Operating Revenues (Exp.) | <u>-</u> | <u>-</u> | <u>-</u> |
| Income (Loss) Before Operating Transfers | (132,436) | 38,646 | (93,790) |
| Operating Transfers: | | | |
| Operating Transfers In | 185,075 | - | 185,075 |
| Operating Transfers Out | (43,479) | - | (43,479) |
| Net Transfers | <u>141,596</u> | <u>-</u> | <u>141,596</u> |
| Net Income (Loss) | 9,160 | 38,646 | 47,806 |
| Total Net Assets, October 1, 2008 | 193,630 | 589,525 | 783,155 |
| Prior Period Adjustment | - | (1,351) | (1,351) |
| Total Net Assets, September 30, 2009 | <u>\$ 202,790</u> | <u>\$ 626,820</u> | <u>\$ 829,610</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Special Revenue - Street Light Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 Actual |
|---|--------------------|-----------------|---------------------|--|---------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | |
| Revenues: | | | | | |
| Property Taxes | \$ 113,393 | \$ 113,393 | \$ 112,873 | \$ (520) | \$ 86,905 |
| Non-Property Taxes | 243,998 | 243,998 | 238,775 | (5,223) | 186,585 |
| Miscellaneous & Intergovernmental | - | - | - | - | - |
| Total Revenues | <u>357,391</u> | <u>357,391</u> | <u>351,648</u> | <u>(5,743)</u> | <u>273,490</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| Highways and Streets | 340,000 | 340,000 | 310,249 | 29,751 | 288,322 |
| Total Expenditures | <u>340,000</u> | <u>340,000</u> | <u>310,249</u> | <u>29,751</u> | <u>288,322</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 17,391 | 17,391 | 41,399 | 24,008 | (14,832) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | (17,391) | (17,391) | (17,391) | - | (16,563) |
| Total Other Sources (Uses) | <u>(17,391)</u> | <u>(17,391)</u> | <u>(17,391)</u> | <u>-</u> | <u>(16,563)</u> |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | <u>\$ -</u> | <u>\$ -</u> | 24,008 | <u>\$ 24,008</u> | (31,395) |
| Fund Balances, October 1st | | | <u>(202,417)</u> | | <u>(171,022)</u> |
| Fund Balances, September 30th | | | <u>\$ (178,409)</u> | | <u>\$ (202,417)</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Special Revenue - Library Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 Actual |
|---|--------------------|------------------|-------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | |
| Revenues: | | | | | |
| Property Taxes | \$ 1,380,697 | \$ 1,380,697 | \$ 1,394,424 | \$ 13,727 | \$ 1,266,769 |
| Fines and Forfeits | 28,000 | 28,000 | 38,583 | 10,583 | 38,538 |
| Fees and Services | 32,500 | 32,500 | 38,585 | 6,085 | 31,245 |
| Miscellaneous | 13,500 | 13,500 | 21,385 | 7,885 | 14,080 |
| Total Revenues | <u>1,454,697</u> | <u>1,454,697</u> | <u>1,492,977</u> | <u>38,280</u> | <u>1,350,632</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| Culture and Recreation | 1,454,697 | 1,454,697 | 1,314,169 | 140,528 | 1,237,389 |
| Capital Outlay | - | - | - | - | 57,191 |
| Total Expenditures | <u>1,454,697</u> | <u>1,454,697</u> | <u>1,314,169</u> | <u>140,528</u> | <u>1,294,580</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 178,808 | 178,808 | 56,052 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | - | - | 525 | (525) | 57,191 |
| Operating Transfers Out | - | - | - | - | - |
| Total Other Sources (Uses) | <u>-</u> | <u>-</u> | <u>525</u> | <u>(525)</u> | <u>57,191</u> |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | <u>\$ -</u> | <u>\$ -</u> | 179,333 | <u>\$ 178,283</u> | 113,243 |
| Fund Balances, October 1st | | | <u>472,319</u> | | <u>359,076</u> |
| Fund Balances, September 30th | | | <u>\$ 651,652</u> | | <u>\$ 472,319</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO

Special Revenue - LID Guarantee Bond Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended September 30, 2009

With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 |
|---|--------------------|-----------------|-----------|--|-----------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | | |
| Miscellaneous | \$ - | \$ - | \$ 646 | \$ 646 | \$ 4,345 |
| Total Revenues | - | - | 646 | 646 | 4,345 |
| Expenditures: | | | | | |
| Debt Service | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 646 | 646 | 4,345 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | (200,000) |
| Total Other Sources (Uses) | - | - | - | - | (200,000) |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | \$ - | \$ - | 646 | \$ 646 | (195,655) |
| Fund Balances, October 1st | | | 17,338 | | 212,993 |
| Fund Balances, September 30th | | | \$ 17,984 | | \$ 17,338 |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Special Revenue - Library Bond Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 Actual |
|---|--------------------|-----------------|------------------|--|------------------|
| | Proposed Budget | Final Budget | Actual | | |
| Revenues: | | | | | |
| Property Taxes, Including Penalty and Interest | \$ - | \$ - | \$ 7 | \$ 7 | \$ (4) |
| Miscellaneous | - | - | 710 | 710 | 684 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>717</u> | <u>717</u> | <u>680</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| General Government | - | - | - | - | - |
| Debt Service | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 717 | 717 | 680 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | - |
| Total Other Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | <u>\$ -</u> | <u>\$ -</u> | 717 | <u>\$ 717</u> | 680 |
| Fund Balances, October 1st | | | <u>19,037</u> | | <u>18,357</u> |
| Fund Balances, September 30th | | | <u>\$ 19,754</u> | | <u>\$ 19,037</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 Capital Projects - Historic Preservation Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2009
 With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 |
|---|--------------------|-----------------|-------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | | Actual |
| Revenues: | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal Grants | 6,000 | 5,000 | 6,000 | 1,000 | 9,627 |
| Miscellaneous | - | - | - | - | - |
| Total Revenues | <u>6,000</u> | <u>5,000</u> | <u>6,000</u> | <u>1,000</u> | <u>9,627</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| Community Development | 6,000 | 5,000 | 6,000 | (1,000) | 4,925 |
| Total Expenditures | <u>6,000</u> | <u>5,000</u> | <u>6,000</u> | <u>(1,000)</u> | <u>4,925</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | 4,702 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | - |
| Total Other Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | 4,702 |
| Fund Balances, October 1st | | | <u>(4,026)</u> | | <u>(8,728)</u> |
| Fund Balances, September 30th | | | <u>\$ (4,026)</u> | | <u>\$ (4,026)</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 Capital Projects - Park Development
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2009
 With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 Actual |
|---|--------------------|-----------------|-------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | | |
| Revenues: | | | | | |
| Miscellaneous | \$ 215,750 | \$ 215,750 | \$ 115,669 | \$ (100,081) | \$ 386,628 |
| Total Revenues | <u>215,750</u> | <u>215,750</u> | <u>115,669</u> | <u>(100,081)</u> | <u>386,628</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| Industrial Development | 215,750 | 215,750 | 151,378 | 64,372 | 9,957 |
| Total Expenditures | <u>215,750</u> | <u>215,750</u> | <u>151,378</u> | <u>64,372</u> | <u>9,957</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | (35,709) | (35,709) | 376,671 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | - |
| Total Other Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | <u>\$ -</u> | <u>\$ -</u> | (35,709) | <u>\$ (35,709)</u> | 376,671 |
| Fund Balances, October 1st | | | <u>529,459</u> | | <u>152,788</u> |
| Fund Balances, September 30th | | | <u>\$ 493,750</u> | | <u>\$ 529,459</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO

Capital Projects - Trail Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended September 30, 2009

With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 |
|---|--------------------|-----------------|----------|--|-----------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | | |
| Miscellaneous | \$ 21,781 | \$ - | \$ 129 | \$ 129 | \$ 630 |
| Total Revenues | 21,781 | - | 129 | 129 | 630 |
| Expenditures: | | | | | |
| Current | | | | | |
| Trail Fund | 21,781 | - | 21,781 | (21,781) | 5,056 |
| Total Expenditures | 21,781 | - | 21,781 | (21,781) | 5,056 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | (21,652) | (21,652) | (4,426) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | - |
| Total Other Sources (Uses) | - | - | - | - | - |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | \$ - | \$ - | (21,652) | \$ (21,652) | (4,426) |
| Fund Balances, October 1st | | | 21,693 | | 26,119 |
| Fund Balances, September 30th | | | \$ 41 | | \$ 21,693 |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 Other Funds - Impact Fees
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2009
 With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 Actual |
|--|--------------------|-----------------|------------------|--|----------------|
| | Proposed Budget | Final Budget | Actual | | |
| Operating Revenues: | | | | | |
| Fees and Services | \$ - | \$ - | \$ 24,090 | \$ 24,090 | \$ - |
| Total Operating Revenues | <u>-</u> | <u>-</u> | <u>24,090</u> | <u>24,090</u> | <u>-</u> |
| Operating Expenses: | | | | | |
| Public Safety | - | - | - | - | - |
| Community Development | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Total Operating Expenses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Income (Loss) before operating transfers | - | - | 24,090 | 24,090 | - |
| Operating Transfers: | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | - |
| Net Transfers | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ -</u> | <u>\$ -</u> | <u>24,090</u> | <u>\$ 24,090</u> | <u>-</u> |
| Net Assets, October 1st | | | <u>-</u> | | <u>-</u> |
| Net Assets, September 30th | | | <u>\$ 24,090</u> | | <u>\$ -</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO

Other Funds - Drug Seizure Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended September 30, 2009

With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | |
|--|--------------------|-----------------|------------|--|----------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2008 Actual |
| Operating Revenues: | | | | | |
| Special Assessments, Including Interest | \$ - | \$ - | \$ 89,061 | \$ 89,061 | \$ 52,381 |
| Miscellaneous and Reserves | - | - | - | - | - |
| Total Operating Revenues | - | - | 89,061 | 89,061 | 52,381 |
| Operating Expenses: | | | | | |
| Public Safety | 41,500 | 41,500 | 28,372 | 13,128 | 24,574 |
| Total Operating Expenses | 41,500 | 41,500 | 28,372 | 13,128 | 24,574 |
| Income (Loss) before operating transfers | (41,500) | (41,500) | 60,689 | 102,189 | 27,807 |
| Operating Transfers: | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | - |
| Net Transfers | - | - | - | - | - |
| Net Income (Loss) | \$ (41,500) | \$ (41,500) | 60,689 | \$ 102,189 | 27,807 |
| Net Assets, October 1st | | | 147,540 | | 119,733 |
| Net Assets, September 30th | | | \$ 208,229 | | \$ 147,540 |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 Other Funds - Historic Downtown Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2009
 With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 Actual |
|--|--------------------|-----------------|-------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | | |
| Operating Revenues: | | | | | |
| Special Assessments, Including Interest | \$127,000 | \$127,000 | \$ 123,395 | \$ (3,605) | 133,317 |
| Miscellaneous | 21,200 | 21,200 | 45,201 | 24,001 | 101,576 |
| Total Operating Revenues | <u>148,200</u> | <u>148,200</u> | <u>168,596</u> | <u>20,396</u> | <u>234,893</u> |
| Operating Expenses: | | | | | |
| Community Development | 163,200 | 163,200 | 112,903 | 50,297 | 164,410 |
| Total Operating Expenses | <u>163,200</u> | <u>163,200</u> | <u>112,903</u> | <u>50,297</u> | <u>164,410</u> |
| Income (Loss) before operating transfers | (15,000) | (15,000) | 55,693 | 70,693 | 70,483 |
| Operating Transfers: | | | | | |
| Operating Transfers In | 15,000 | 15,000 | - | (15,000) | 7,587 |
| Operating Transfers Out | - | - | - | - | - |
| Net Transfers | <u>15,000</u> | <u>15,000</u> | <u>-</u> | <u>(15,000)</u> | <u>7,587</u> |
| Net Income (Loss) | <u>\$ -</u> | <u>\$ -</u> | 55,693 | <u>\$ 55,693</u> | 78,070 |
| Net Assets, October 1st | | | <u>115,779</u> | | <u>37,709</u> |
| Net Assets, September 30th | | | <u>\$ 171,472</u> | | <u>\$ 115,779</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 Other Funds - Fireworks Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2009
 With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 Actual |
|--|--------------------|-----------------|-------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | | |
| Operating Revenues: | | | | | |
| Intergovernmental | \$ 5,000 | \$ 5,000 | \$ 4,518 | \$ (482) | \$ 4,805 |
| Miscellaneous and Permits | 3,000 | 3,000 | 1,800 | (1,200) | 2,000 |
| Total Operating Revenues | <u>8,000</u> | <u>8,000</u> | <u>6,318</u> | <u>(1,682)</u> | <u>6,805</u> |
| Operating Expenses: | | | | | |
| Community Development | 8,000 | 8,000 | 8,000 | - | 8,000 |
| Total Operating Expenses | <u>8,000</u> | <u>8,000</u> | <u>8,000</u> | <u>-</u> | <u>8,000</u> |
| Income (Loss) before operating transfers | - | - | (1,682) | (1,682) | (1,195) |
| Operating Transfers: | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | - |
| Net Transfers | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ -</u> | <u>\$ -</u> | (1,682) | <u>\$ (1,682)</u> | (1,195) |
| Net Assets, October 1st | | | <u>(1,776)</u> | | <u>(581)</u> |
| Net Assets, September 30th | | | <u>\$ (3,458)</u> | | <u>\$ (1,776)</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Enterprise - Golf Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 Actual |
|---|--------------------|-----------------|------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | |
| Operating Revenues: | | | | | |
| Charges for Services | \$ 395,529 | \$ 395,529 | \$ 307,324 | \$ (88,205) | \$ 322,019 |
| Miscellaneous | 29,750 | 29,750 | 30,124 | 374 | 32,456 |
| Total Operating Revenues | <u>425,279</u> | <u>425,279</u> | <u>337,448</u> | <u>(87,831)</u> | <u>354,475</u> |
| Operating Expenses: | | | | | |
| Contracted Expenses | 55,960 | 55,960 | 56,188 | (228) | 56,072 |
| Personnel Expenses | 231,361 | 231,361 | 189,074 | 42,287 | 223,576 |
| Depreciation and Amortization | - | - | 35,613 | (35,613) | 31,355 |
| Utilities | 8,500 | 8,500 | 11,160 | (2,660) | 9,799 |
| Supplies | 31,950 | 31,950 | 29,901 | 2,049 | 45,312 |
| Repairs and Maintenance | 131,200 | 46,200 | 20,325 | 25,875 | 39,114 |
| Vehicle Expense | 29,980 | 29,980 | 22,402 | 7,578 | 24,230 |
| Studies and Projects | - | - | - | - | 7,392 |
| Rental Expense | 500 | 500 | - | 500 | 2,230 |
| Miscellaneous Expenses | 1,500 | 1,500 | 2,044 | (544) | 1,916 |
| Telephone | - | - | - | - | - |
| Travel and Meetings | - | - | 827 | (827) | - |
| Total Operating Expenses | <u>490,951</u> | <u>405,951</u> | <u>367,534</u> | <u>38,417</u> | <u>440,996</u> |
| Operating Income (Loss) | (65,672) | 19,328 | (30,086) | (49,414) | (86,521) |
| Non-operating Revenues (Expenses): | | | | | |
| Interest Income | - | - | - | - | - |
| Interest Expense | - | - | (4,781) | (4,781) | (1,732) |
| Total Non-operating Revenues (Exp) | <u>-</u> | <u>-</u> | <u>(4,781)</u> | <u>(4,781)</u> | <u>(1,732)</u> |
| Income (Loss) before operating transfers | (65,672) | 19,328 | (34,867) | (54,195) | (88,253) |
| Operating Transfers: | | | | | |
| Operating Transfers In | 85,000 | - | - | (85,000) | - |
| Operating Transfers Out | (19,328) | (19,328) | (19,329) | (1) | (18,408) |
| Net Transfers | <u>65,672</u> | <u>(19,328)</u> | <u>(19,329)</u> | <u>(85,001)</u> | <u>(18,408)</u> |
| Net Income (Loss) | <u>\$ -</u> | <u>\$ -</u> | (54,196) | <u>\$ (139,196)</u> | (106,661) |
| Net Assets, October 1st | | | 104,824 | | 211,485 |
| Prior Period Adjustment | | | <u>(2,628)</u> | | - |
| Net Assets, September 30th | | | <u>\$ 48,000</u> | | <u>\$ 104,824</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 Enterprise - Pool Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2009
 With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 Actual |
|---|--------------------|-----------------|-------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | | |
| Operating Revenues: | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous and Reserves | - | - | - | - | 2,410 |
| Total Operating Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,410</u> |
| Operating Expenses: | | | | | |
| Contracted Expenses | 43,000 | 43,000 | 46,583 | (3,583) | 44,167 |
| Personnel Expenses | - | - | 1,146 | (1,146) | - |
| Depreciation and Amortization | - | - | 38,010 | (38,010) | 39,381 |
| Utilities | 129,000 | 129,000 | 113,416 | 15,584 | 109,808 |
| Supplies | 1,000 | 1,000 | 356 | 644 | 1,841 |
| Repairs and Maintenance | 6,000 | 6,000 | (49,115) | 55,115 | 22,427 |
| Rental Expense | - | - | 631 | (631) | 350 |
| Telephone | - | - | - | - | - |
| Travel and Meetings | - | - | 48 | (48) | 39 |
| Total Operating Expenses | <u>179,000</u> | <u>179,000</u> | <u>151,075</u> | <u>27,925</u> | <u>218,013</u> |
| Operating Income (Loss) | (179,000) | (179,000) | (151,075) | 27,925 | (215,603) |
| Non-operating Revenues (Expenses): | | | | | |
| Intergovernmental | 179,000 | 179,000 | 161,834 | (17,166) | 112,047 |
| Interest Expense | - | - | - | - | - |
| Total Non-operating Revenues (Exp) | <u>179,000</u> | <u>179,000</u> | <u>161,834</u> | <u>(17,166)</u> | <u>112,047</u> |
| Income (Loss) before operating transfers | - | - | 10,759 | 10,759 | (103,556) |
| Operating Transfers: | | | | | |
| Operating Transfers In | - | - | - | - | 78,000 |
| Operating Transfers Out | - | - | - | - | - |
| Net Transfers | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>78,000</u> |
| Net Income (Loss) | <u>\$ -</u> | <u>\$ -</u> | 10,759 | <u>\$ 10,759</u> | (25,556) |
| Net Assets, October 1st | | | 599,193 | | 624,749 |
| Prior Period Adjustment | | | <u>(17,520)</u> | | <u>-</u> |
| Net Assets, September 30th | | | <u>\$ 592,432</u> | | <u>\$ 599,193</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Enterprise - Dierkes Lake/Shoshone Falls Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 Actual |
|--|--------------------|-----------------|---------------------|--|---------------------|
| | Proposed Budget | Final Budget | Actual | | |
| Operating Revenues: | | | | | |
| Charges for Services | \$ 153,000 | \$ 153,000 | \$ 224,392 | \$ 71,392 | \$ 173,333 |
| Miscellaneous and Reserves | - | - | 3,710 | 3,710 | 125,968 |
| Total Operating Revenues | <u>153,000</u> | <u>153,000</u> | <u>228,102</u> | <u>75,102</u> | <u>299,301</u> |
| Operating Expenses: | | | | | |
| Contracted Expenses | 47,600 | 47,600 | 57,109 | (9,509) | 52,736 |
| Personnel Expenses | 59,975 | 59,975 | 65,212 | (5,237) | 59,642 |
| Depreciation and Amortization | - | - | 35,262 | (35,262) | 36,206 |
| Utilities | 3,100 | 3,100 | 3,653 | (553) | 3,254 |
| Supplies | 6,500 | 6,500 | 1,570 | 4,930 | 5,494 |
| Repairs and Maintenance | 26,500 | 26,500 | 10,943 | 15,557 | 19,649 |
| Vehicle Expense | 1,000 | 1,000 | 1,025 | (25) | 1,282 |
| Miscellaneous Expenses | 7,500 | 7,500 | 55 | 7,445 | 435 |
| Telephone | - | - | - | - | - |
| Total Operating Expenses | <u>152,175</u> | <u>152,175</u> | <u>174,829</u> | <u>(22,654)</u> | <u>178,698</u> |
| Operating Income (Loss) | 825 | 825 | 53,273 | 52,448 | 120,603 |
| Non-operating Revenues (Expenses): | | | | | |
| Interest Income | 8,000 | 8,000 | <u>6,515</u> | (1,485) | 8,303 |
| Interest Expense | - | - | - | - | - |
| Total Non-operating Revenues (Exp.) | <u>8,000</u> | <u>8,000</u> | <u>6,515</u> | <u>(1,485)</u> | <u>8,303</u> |
| Income (Loss) before operating transfers | 8,825 | 8,825 | 59,788 | 50,963 | 128,906 |
| Operating Transfers: | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | (7,609) | (7,609) | (7,609) | - | (7,247) |
| Net Transfers | <u>(7,609)</u> | <u>(7,609)</u> | <u>(7,609)</u> | <u>-</u> | <u>(7,247)</u> |
| Net Income (Loss) | <u>\$ 1,216</u> | <u>\$ 1,216</u> | 52,179 | <u>\$ 50,963</u> | 121,659 |
| Net Assets, October 1st | | | 1,302,042 | | 1,180,383 |
| Prior Period Adjustment | | | <u>(2,917)</u> | | - |
| Net Assets, September 30th | | | <u>\$ 1,351,304</u> | | <u>\$ 1,302,042</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO

Enterprise - Parking Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended September 30, 2009

With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance | 2008 |
|--|--------------------|-----------------|------------------|----------------------------|------------------|
| | Proposed Budget | Final Budget | Actual | Favorable (Unfavorable) | Actual |
| Operating Revenues: | | | | | |
| Charges for Services | \$ 71,131 | \$ 71,131 | \$ 67,618 | \$ (3,513) | \$ 45,800 |
| Miscellaneous | - | - | 60 | 60 | (7,185) |
| Total Operating Revenues | 71,131 | 71,131 | 67,678 | (3,453) | 38,615 |
| Operating Expenses: | | | | | |
| Contracted Expenses | - | - | 1,030 | (1,030) | 6,038 |
| Personnel Expenses | 37,951 | 37,951 | 50,016 | (12,065) | 9,010 |
| Depreciation and Amortization | - | - | 1,625 | (1,625) | 3,730 |
| Supplies | - | - | 410 | (410) | 1,407 |
| Repairs and Maintenance | 12,500 | 12,500 | 2,690 | 9,810 | 143 |
| Miscellaneous Expenses | 20,680 | 20,680 | - | 20,680 | 84 |
| Telephone | - | - | (20) | 20 | 20 |
| Travel | - | - | - | - | 43 |
| Total Operating Expenses | 71,131 | 71,131 | 55,751 | 15,380 | 20,475 |
| Operating Income (Loss) | - | - | 11,927 | 11,927 | 18,140 |
| Non-operating Revenues (Expenses): | | | | | |
| Interest Income | - | - | 56 | 56 | - |
| Interest Expense | - | - | - | - | - |
| Total Non-operating Revenues (Expenses) | - | - | 56 | (3,445) | - |
| Income (Loss) before operating transfers | - | - | 11,983 | 8,482 | 18,140 |
| Operating Transfers: | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | (3,837) |
| Net Transfers | - | - | - | - | (3,837) |
| Net Income (Loss) | \$ - | \$ - | 11,983 | \$ 8,482 | 14,303 |
| Net Assets, October 1st | | | 32,740 | | 18,437 |
| Prior Period Adjustment | | | (3,501) | | - |
| Net Assets, September 30th | | | \$ 41,222 | | \$ 32,740 |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Enterprise - Common Area Maintenance
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 Actual |
|---|--------------------|-----------------|-----------------|--|-----------------|
| | Proposed Budget | Final Budget | Actual | | |
| Operating Revenues: | | | | | |
| Charges for Services | \$ 27,100 | \$ 27,100 | \$30,200 | \$ 3,100 | \$ 18,378 |
| Miscellaneous | - | - | - | - | - |
| Total Operating Revenues | <u>27,100</u> | <u>27,100</u> | <u>30,200</u> | <u>3,100</u> | <u>18,378</u> |
| Operating Expenses: | | | | | |
| Contracted Expenses | 27,100 | 27,100 | 26,616 | 484 | 17,164 |
| Personnel Expenses | - | - | - | - | - |
| Depreciation and Amortization | - | - | - | - | - |
| Utilities | - | - | 743 | (743) | 552 |
| Supplies | - | - | 1,320 | (1,320) | - |
| Repairs and Maintenance | - | - | 545 | (545) | - |
| Vehicle Expense | - | - | - | - | - |
| Miscellaneous Expenses | - | - | - | - | - |
| Telephone | - | - | - | - | - |
| Total Operating Expenses | <u>27,100</u> | <u>27,100</u> | <u>29,224</u> | <u>(2,124)</u> | <u>17,716</u> |
| Operating Income (Loss) | - | - | 976 | 976 | 662 |
| Non-operating Revenues (Expenses): | | | | | |
| Interest Income | - | - | - | - | - |
| Interest Expense | - | - | - | - | - |
| Total Non-operating Revenues (Exp) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Income (Loss) before operating transfers | - | - | 976 | 976 | 662 |
| Operating Transfers: | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | - |
| Net Transfers | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ -</u> | <u>\$ -</u> | 976 | <u>\$ 976</u> | 662 |
| Net Assets, October 1st | | | <u>3,728</u> | | <u>3,066</u> |
| Net Assets, September 30th | | | <u>\$ 4,704</u> | | <u>\$ 3,728</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Internal Service - Insurance Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | | 2008 Actual |
|--|--------------------|-----------------|-------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | |
| Operating Revenues: | | | | | |
| Special Assessments, Including Interest | \$ 190,881 | \$ 190,881 | 193,786 | \$ 2,905 | \$ 189,622 |
| Miscellaneous | 4,500 | 4,500 | 5,326 | 826 | 4,152 |
| Total Operating Revenues | <u>195,381</u> | <u>195,381</u> | <u>199,112</u> | <u>3,731</u> | <u>193,774</u> |
| Operating Expenses: | | | | | |
| Insurance Expense | 333,360 | 333,360 | 331,141 | 2,219 | 315,899 |
| Miscellaneous Expenses | 1,510 | 1,510 | 382 | 1,128 | 1,470 |
| Travel and Meetings | 2,106 | 2,106 | 25 | 2,081 | 813 |
| Total Operating Expenses | <u>336,976</u> | <u>336,976</u> | <u>331,548</u> | <u>5,428</u> | <u>318,182</u> |
| Operating Income (Loss) | (141,595) | (141,595) | (132,436) | 9,159 | (124,408) |
| Non-operating Revenues (Expenses): | | | | | |
| Interest Income | - | - | - | - | - |
| Interest Expense | - | - | - | - | - |
| Total Non-operating Revenues (Expenses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Income (Loss) before operating transfers | (141,595) | (141,595) | (132,436) | 9,159 | (124,408) |
| Operating Transfers: | | | | | |
| Operating Transfers In | 185,074 | 185,074 | 185,075 | 1 | 176,261 |
| Operating Transfers Out | (43,479) | (43,479) | (43,479) | - | (41,409) |
| Net Transfers | <u>141,595</u> | <u>141,595</u> | <u>141,596</u> | <u>1</u> | <u>134,852</u> |
| Net Income (Loss) | <u>\$ -</u> | <u>\$ -</u> | 9,160 | <u>\$ 9,160</u> | 10,444 |
| Net Assets, October 1st | | | <u>193,630</u> | | <u>183,186</u> |
| Net Assets, September 30th | | | <u>\$ 202,790</u> | | <u>\$ 193,630</u> |

See accountants' report.

CITY OF TWIN FALLS, IDAHO
Internal Service - Shop Revolving Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2009
With Comparative Actual Amounts from the Previous Year

| | 2009 | | | Variance Favorable (Unfavorable) | 2008 Actual |
|--|--------------------|--------------------|-------------------|--|-------------------|
| | Proposed Budget | Final Budget | Actual | | |
| Operating Revenues: | | | | | |
| Charges for Services | \$ 246,595 | \$ 246,595 | \$ 246,593 | \$ (2) | \$ 219,510 |
| Miscellaneous | - | - | 6,374 | 6,374 | 16 |
| Total Operating Revenues | <u>246,595</u> | <u>246,595</u> | <u>252,967</u> | <u>6,372</u> | <u>219,526</u> |
| Operating Expenses: | | | | | |
| Contracted Expenses | 1,375 | 1,375 | 1,093 | 282 | 833 |
| Personnel Expenses | 209,425 | 209,425 | 171,797 | 37,628 | 178,491 |
| Depreciation and Amortization | - | - | 8,334 | (8,334) | 8,813 |
| Utilities | 6,900 | 6,900 | 6,964 | (64) | 6,933 |
| Supplies | 14,480 | 14,480 | 18,941 | (4,461) | 17,570 |
| Repairs and Maintenance | 14,300 | 14,300 | 6,607 | 7,693 | 4,349 |
| Vehicle Expense | 12,500 | 12,500 | 585 | 11,915 | 3,055 |
| Miscellaneous Expenses | 1,415 | 1,415 | - | 1,415 | - |
| Telephone | - | - | - | - | - |
| Total Operating Expenses | <u>260,395</u> | <u>260,395</u> | <u>214,321</u> | <u>46,074</u> | <u>220,044</u> |
| Operating Income (Loss) | (13,800) | (13,800) | 38,646 | 52,446 | (518) |
| Non-operating Revenues (Expenses): | | | | | |
| Interest Income | - | - | - | - | - |
| Interest Expense | - | - | - | - | - |
| Total Non-operating Revenues (Expenses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,351)</u> | <u>-</u> |
| Income (Loss) before operating transfers | (13,800) | (13,800) | 38,646 | 51,095 | (518) |
| Operating Transfers: | | | | | |
| Operating Transfers In | - | - | - | - | - |
| Operating Transfers Out | - | - | - | - | - |
| Net Transfers | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ (13,800)</u> | <u>\$ (13,800)</u> | 38,646 | <u>\$ 51,095</u> | (518) |
| Net Assets, October 1st | | | 589,525 | | 590,043 |
| Prior Period Adjustment | | | <u>(1,351)</u> | | <u>-</u> |
| Net Assets, September 30th | | | <u>\$ 626,820</u> | | <u>\$ 589,525</u> |

See accountants' report.

SINGLE AUDIT INFORMATION

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**INDEPENDENT AUDITORS' REPORT - SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

City Council
City of Twin Falls, Idaho

We have audited the financial statements of The City of Twin Falls, Idaho, as of and for the year ended September 30, 2009 and have issued our report thereon dated February 6, 2010. Those financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on those financial statements based upon our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the financial statements of City of Twin Falls, Idaho taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of City of Twin Falls, Idaho. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Sincerely,



HCM HOLMSTEAD, PLLC
February 6, 2010

CITY OF TWIN FALLS, IDAHO
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2009

| Federal Grantor/ Pass Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Expenditures |
|---|------------------------------------|--|---------------------|
| Historical Society | | | |
| Historic Preservation Fund Grants | 15.904 | | \$ 6,000 |
| Department of Transportation | | | |
| Highway Planning and Construction | 20.205 | A009(935) | 728 |
| State and Community Highway Safety | 20.600 | OP000-2008-01-00-00 | 5,540 |
| State and Community Highway Safety | 20.600 | PT000-2008-01-00-00 | 1,508 |
| State and Community Highway Safety | 20.600 | AI00-2008-01-00-00 | 5,400 |
| Alcohol Traffic Safety & Drunk Driving Prevention | 20.601 | K8000-2009-01-00-00 | 3,048 |
| Department of Justice | | | |
| Enforcing Underage Drinking Laws Program | 16.727 | | 1,496 |
| Juvenile Accountability Block Grants | 16.523 | | 3,395 |
| Department of Homeland Security | | | |
| Law Enforcement Officer Reimbursement Program | 97.090 | | 94,634 |
| Environmental Protection Agency | | | |
| Capitalization Grants for Clean Water | 66.458 | | 25,794 |
| Surveys, Studies, Investigations, Training, Demonstrations, and Special Purpose Grants | 66.115 | | 74,476 |
| Federal Aviation Administration | | | |
| Airport Improvement Program | 20.106 | AIP-16-0036-26 | 2,581 |
| | | AIP-16-0036-27/28 | 1,541,663 |
| Airport Improvement Program | 20.106 | AIP-16-0036-29 | 127 |
| Total Expenditures of Federal Awards | | | <u>\$ 1,766,390</u> |

The City of Twin Falls received equipment in the amount of \$34,199 from Department of Homeland Security.

CITY OF TWIN FALLS, IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year ended September 30, 2009

Financial Statements

Unqualified

Type of auditor's report issued:

Internal Control over financial reporting:

Material Weakness(es) identified? Yes No

Reportable Condition(s) identified that are not considered to be a Material Weakness? Yes No

Non-Compliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:

Material Weakness(es) identified? Yes No

Reportable Condition(s) identified that are not considered to be a Material Weakness? Yes No

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs

| <u>Name of Federal Program or Cluster</u> | <u>CFDA Number</u> |
|---|--------------------|
| Airport Improvement Program | 20.106 |

Dollar threshold used to distinguish between type A and Type B programs \$300,000

Auditee Qualified as low-risk auditee? Yes No

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the City Council
Twin Falls, ID 83301

We have audited the 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 Twin Falls, Idaho, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 6, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Twin Falls' internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



HCM HOLMSTEAD, PLLC

February 6, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

City Council
City of Twin Falls, Idaho

Compliance

We have audited the compliance of the City of Twin Falls, Idaho, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2009. The City of Twin Falls, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Twin Falls, Idaho's management. Our responsibility is to express an opinion on the City of Twin Falls, Idaho's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City of Twin Falls, Idaho complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

Internal Control Over Compliance

The management of the City of Twin Falls, Idaho is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program is more than inconsequential and will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



HCM HOLMSTEAD, PLLC

February 6, 2010