

CITY OF TWIN FALLS, IDAHO
FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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

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Justamere Inn
401 Gooding Street North, Suite 201
P.O. Box 1293
Twin Falls, Idaho 83303-1293

Phone (208) 734-2077
Fax (208) 734-2079

office@hcmholmstead.com

INDEPENDENT AUDITORS' REPORT

August 24, 2009

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, 2008, 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, 2008, 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.

In accordance with Government Auditing Standards, we have also issued our report dated August 24, 2009, 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 54 through 79, 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 introductory section, 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

The City of Twin Falls, Idaho has not presented the required Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Sincerely,



HCM HOLMSTEAD, PLLC

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Twin Falls, Idaho
Statement of Net Assets
September 30, 2008

	Primary Government			Component Unit- Urban Renewal
	Governmental Activities	Business Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 10,763,468	\$ 6,101,212	\$ 16,864,680	\$ 1,896,999
Restricted Cash	1,075,565	1,754,882	2,830,447	993,057
Investments	8,007,694	3,281,713	11,289,407	-
Receivables:				
Taxes	398,550	-	398,550	332
Fees and Services	21,683	1,545,632	1,567,315	-
Intergovernmental	1,557,256	29,472	1,586,728	14,379
Interest	60,036	31,934	91,970	10,859
Accounts	476,646	32,271	508,917	-
Capital Lease Receivable	-	-	-	1,242,564
Internal Balances	969,634	(969,634)	-	-
Inventory	-	533,814	533,814	-
Deferred Charges	-	-	-	19,292
Land	6,180,771	1,400,494	7,581,265	2,648,518
Land, Buildings and Structures	16,467,969	17,466,358	33,934,327	-
Infrastructure	240,176,093	-	240,176,093	-
Improvements	14,866,654	37,444,090	52,310,744	-
Machinery and Equipment	14,151,836	6,828,759	20,980,595	-
Accumulated Depreciation	(132,817,591)	(23,355,105)	(156,172,696)	-
Construction in Progress	3,779,613	3,211,940	6,991,553	-
Total Assets	\$ 186,135,877	\$ 55,337,832	\$ 241,473,709	\$ 6,826,000
Liabilities				
Accounts Payable	\$ 245,870	\$ 321,640	\$ 567,510	\$ 96,545
Accrued Expenses	717,776	-	717,776	-
Accrued Interest	12,001	163,623	175,624	121,564
Deferred Revenue	899,378	-	899,378	900
Customer Deposits	295,790	120,880	416,670	-
Leases and Equipment Notes	571,436	11,690,740	12,262,176	2,649,402
General Obligation Bonds	-	-	-	-
Revenue Bond Payable	-	1,536,235	1,536,235	6,780,000
Compensated Absences	1,204,491	151,218	1,355,709	-
Total Liabilities	3,946,742	13,984,336	17,931,078	9,648,411
Net Assets				
Invested in Capital Assets, Net of Related Debt	162,233,909	29,769,561	192,003,470	2,584,512
Debt with no Related Capital Assets				(8,186,838)
Restricted for:				
Capital Projects	3,943,325	-	3,943,325	-
Debt Service	36,386	-	36,386	871,493
Other Purposes	7,356,977	-	7,356,977	19,292
Unrestricted	8,618,538	11,583,935	20,202,473	1,889,130
Total Net Assets	182,189,135	41,353,496	223,542,631	(2,822,411)
Total Liabilities and Fund Equity	\$ 186,135,877	\$ 55,337,832	\$ 241,473,709	\$ 6,826,000

See accompanying notes and accountants' report.

City of Twin Falls, Idaho
Statement of Activities
For the Year Ended September 30, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit - Urban Renewal
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business- Type Activities		
Primary Government:								
Governmental Activities:								
General Government	\$ 11,017,593	\$ 945,211	\$ 3,435,928	4,236,993	\$ (2,399,461)	\$ -	\$ (2,399,461)	
Fire	3,522,826	361,072	-	-	(3,161,754)	-	(3,161,754)	
Police	7,138,418	790,068	-	-	(6,348,350)	-	(6,348,350)	
Engineering/Planning	1,504,867	1,264,083	-	-	(240,784)	-	(240,784)	
Library	1,369,324	61,987	-	-	(1,307,337)	-	(1,307,337)	
Culture and Recreation	1,484,998	200,404	4,805	-	(1,279,789)	-	(1,279,789)	
Highway and Street	2,090,943	598,320	2,681,395	-	1,188,772	-	1,188,772	
Airport	1,795,466	1,021,823	280,469	1,098,413	605,239	-	605,239	
Total Governmental Activities	29,924,435	5,242,968	6,402,597	5,335,406	(12,943,464)	-	(12,943,464)	-
Business-Type Activities:								
Water	4,317,630	5,528,561	-	156,211	-	1,367,142	1,367,142	
Sewer	4,513,630	6,230,125	-	1,642,414	-	3,358,909	3,358,909	
Sanitation	1,869,566	2,067,998	-	-	-	198,432	198,432	
Golf	442,726	354,474	-	-	-	(88,252)	(88,252)	
Pool	218,012	-	112,047	-	-	(105,965)	(105,965)	
Dierkes Lake/Shoshone Falls	178,698	173,333	-	-	-	(5,365)	(5,365)	
Parking	20,475	45,798	-	-	-	25,323	25,323	
Common Area Maintenance	17,821	18,378	-	-	-	557	557	
Total Business-Type Activities	11,578,558	14,418,667	112,047	1,798,625	-	4,750,781	4,750,781	
Total Primary Government	\$ 41,502,993	\$ 19,661,635	\$ 6,514,644	\$ 7,134,031	\$ (12,943,464)	\$ 4,750,781	\$ (8,192,683)	
Component Unit:								
Urban Renewal Agency								(560,497)
General Revenues:								
Taxes:								
Property taxes, Levied for General Purposes					\$ 14,117,685	\$ -	\$ 14,117,685	\$ 1,707,140
Property taxes, Levied for Debt Service					5	-	5	-
Franchise and Public Service Taxes					186,585	-	186,585	-
Interest and Investment Earnings					593,666	399,018	992,684	134,509
Miscellaneous Revenues					980,454	209,053	1,189,507	-
Transfers					665,053	(665,053)	-	-
					16,543,448	(56,982)	16,486,466	1,841,649
Changes in Net Assets					3,599,984	4,693,799	8,293,783	1,281,152
Net Assets - October 1, 2007					178,589,151	36,659,697	215,248,848	(4,103,563)
Net Assets - September 30, 2008					\$ 182,189,135	\$ 41,353,496	\$ 223,542,631	\$ (2,822,411)

See accompanying notes and accountants' report.

FUND FINANCIAL STATEMENTS

City of Twin Falls, Idaho
Fund Balance Sheets
Governmental Funds
September 30, 2008

	<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	\$ 5,472,473	\$ 1,479,948	\$ 1,731,379	\$ 1,011,799	\$ 209,039	\$ 489,153	\$ 10,393,791
Restricted Cash	314,763	-	-	4,950	205,868	549,983	1,075,564
Investments	4,583,173	2,560,046	271,247	472,438	-	1,511	7,888,415
Receivables (net of allowance)							
Taxes	309,637	14,995	8,919	17,855	-	40,539	391,945
Fees and Services	-	21,683	-	-	-	-	21,683
Intergovernmental	764,494	375,712	2,889	397,529	-	14,646	1,555,270
Interest	38,436	12,430	1,206	4,670	-	2,762	59,504
Accounts	111,186	164,182	20,178	-	8,106	165,597	469,249
Due from Other Funds	2,652,745	-	-	-	-	171,120	2,823,865
Total Assets	<u>\$ 14,246,907</u>	<u>\$ 4,628,996</u>	<u>\$ 2,035,818</u>	<u>\$ 1,909,241</u>	<u>\$ 423,013</u>	<u>\$ 1,435,311</u>	<u>\$ 24,679,286</u>
 <u>Liabilities</u>							
Accounts Payable	\$ 197,649	\$ 61,005	\$ 13,056	\$ 37,196	\$ -	\$ 33,134	\$ 342,040
Accrued Expenses	593,250	-	-	-	-	8,119	601,369
Deferred Revenue	309,637	14,995	908,296	17,855	-	40,539	1,291,322
Customer Deposits Payable	306,790	-	-	-	-	-	306,790
Due to Other Funds	-	-	-	53,854	1,561,805	238,573	1,854,232
Total Liabilities	<u>1,407,326</u>	<u>76,000</u>	<u>921,352</u>	<u>108,905</u>	<u>1,561,805</u>	<u>320,365</u>	<u>4,395,753</u>
 <u>Fund Balances</u>							
Reserved for:							
Dedicated Purposes	-	-	-	-	-	261,543	261,543
Debt Service	-	-	-	-	-	36,375	36,375
Unreserved:							
Designated for Subsequent Years'	-	-	-	-	-	-	-
Expenditures, Reported In:	-	-	-	-	-	-	-
General Fund	1,757	-	-	-	-	-	1,757
Special Revenue Fund	-	305,950	26,415	-	-	-	332,365
Capital Projects Fund	-	-	-	-	-	-	-
Undesignated Reported In:							
General Fund	12,837,824	-	-	-	-	-	12,837,824
Special Revenue Fund	-	4,247,046	1,088,051	1,800,336	-	269,902	7,405,335
Capital Projects Fund	-	-	-	-	(1,138,792)	547,126	(591,666)
Total Fund Balance	<u>12,839,581</u>	<u>4,552,996</u>	<u>1,114,466</u>	<u>1,800,336</u>	<u>(1,138,792)</u>	<u>1,114,946</u>	<u>20,283,533</u>
Total Liabilities and Fund Equity	<u>\$ 14,246,907</u>	<u>\$ 4,628,996</u>	<u>\$ 2,035,818</u>	<u>\$ 1,909,241</u>	<u>\$ 423,013</u>	<u>\$ 1,435,311</u>	<u>\$ 24,679,286</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, 2008

	<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	\$ 10,102,321	\$ 1,023,085	\$ 284,265	\$ 1,154,586	\$ -	\$ 1,353,670	\$ 13,917,927
Other Taxes	649,631	-	-	-	-	186,585	836,216
Special Assessments, Including Interest	-	-	-	-	-	208,140	208,140
Fines and Forfeitures	8,654	-	-	-	-	38,538	47,192
Licenses and Permits	1,242,704	-	-	-	-	-	1,242,704
Fees and Services	1,061,960	225,144	790,449	-	108,846	33,245	2,219,644
Intergovernmental	1,896,457	2,128,113	280,469	1,364,548	-	4,805	5,674,392
Federal Grants	22,311	553,281	-	13,656	1,098,413	45,838	1,733,499
Miscellaneous	875,431	498,646	192,285	362,536	772	485,501	2,415,171
Total Revenue	<u>15,859,469</u>	<u>4,428,269</u>	<u>1,547,468</u>	<u>2,895,326</u>	<u>1,208,031</u>	<u>2,356,322</u>	<u>28,294,885</u>
Expenditures							
Current							
General Government	2,320,373	-	-	303,782	-	-	2,624,155
Public Safety	10,749,802	-	-	455,635	-	24,574	11,230,011
Engineering	1,253,384	-	-	-	-	-	1,253,384
Community Development	237,477	-	-	-	-	154,163	391,640
Culture and Recreation	1,264,173	-	-	702,306	-	1,294,580	3,261,059
Highway and Streets	-	1,268,173	-	9,257	-	288,322	1,565,752
Airport	-	-	1,147,670	-	956,836	-	2,104,506
Capital Outlay	-	1,525,501	-	962,625	-	-	2,488,126
Total Expenditures	<u>15,825,209</u>	<u>2,793,674</u>	<u>1,147,670</u>	<u>2,433,605</u>	<u>956,836</u>	<u>1,761,639</u>	<u>24,918,633</u>
Excess of Revenues Over (Under) Expenditures	34,260	1,634,595	399,798	461,721	251,195	594,683	3,376,252
Interfund Transfers and Donations							
Donation of Assets	-	-	-	263,646	-	-	263,646
Transfers In	1,198,474	68,022	-	-	70,000	64,778	1,401,274
Transfers Out	(81,750)	(187,200)	(328,369)	(57,191)	-	(216,563)	(871,073)
Net Transfers and Donations	<u>1,116,724</u>	<u>(119,178)</u>	<u>(328,369)</u>	<u>206,455</u>	<u>70,000</u>	<u>(151,785)</u>	<u>793,847</u>
Net Change in Fund Balance	1,150,984	1,515,417	71,429	668,176	321,195	442,898	4,170,099
Fund Balance October 1, 2007	<u>11,688,597</u>	<u>3,037,579</u>	<u>1,043,037</u>	<u>1,132,160</u>	<u>(1,459,987)</u>	<u>672,048</u>	<u>16,113,434</u>
Fund Balance September 30, 2008	<u>\$ 12,839,581</u>	<u>\$ 4,552,996</u>	<u>\$ 1,114,466</u>	<u>\$ 1,800,336</u>	<u>\$ (1,138,792)</u>	<u>\$ 1,114,946</u>	<u>\$ 20,283,533</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, 2008

Governmental Fund Balances at September 30, 2007	\$ 20,283,533
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.	162,484,474
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	398,550
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.	783,155
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>(1,760,577)</u>
Net Assets for Governmental Activities-per reconciliation	<u>\$ 182,189,135</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, 2008

Net Change in Fund Balances - Total Government Funds	\$ 4,170,099
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	(919,221)
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	408,928
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.	(142,830)
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.	9,926
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	<u>73,082</u>
Change in Net Assets of Governmental Activities	<u>\$ 3,599,984</u>

See accompanying notes and accountants' report.

City of Twin Falls, Idaho

Fund Balance Sheets

Proprietary Funds

September 30, 2008

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business- Type	Total	
Assets						
Cash and Cash Equivalents	\$ 3,244,235	\$ 2,010,397	\$ 796,852	\$ 49,729	\$ 6,101,213	\$ 369,677
Investments	2,446,853	729,866	104,994	-	3,281,713	119,279
Receivables (net of allowance for uncollect.)						
Taxes	-	-	-	-	-	6,606
Fees and Services	606,898	698,025	237,947	2,761	1,545,631	-
Intergovernmental	-	-	-	29,472	29,472	1,987
Interest	18,546	10,311	2,664	411	31,932	532
Accounts	4,013	3,351	7,802	17,105	32,271	7,397
Inventories	533,814	-	-	-	533,814	-
Total Current Assets	6,854,359	3,451,950	1,150,259	99,478	11,556,046	505,478
Restricted Assets	821,510	933,372	-	-	1,754,882	-
Due from Other Funds	-	20,794	-	-	20,794	-
Fixed Assets (Net of Accum. Depreciation)	16,166,079	24,041,421	12,986	2,776,049	42,996,535	320,871
Total Assets	\$ 23,841,948	\$ 28,447,537	\$ 1,163,245	\$ 2,875,527	\$ 56,328,257	\$ 826,349
Liabilities and Equity						
Current Liabilities:						
Accounts Payable	\$ 154,152	\$ 7,049	\$ 146,478	\$ 13,960	\$ 321,639	\$ 9,237
Accrued Expenses	74,206	87,685	-	1,772	163,663	-
Due to Other Funds	291,120	-	-	699,307	990,427	-
Deferred Revenue	-	-	-	-	-	6,606
Notes Payable - Current	271,445	360,513	-	22,950	654,908	-
Compensated Absences	83,419	26,531	22,550	18,718	151,218	27,351
Total Current Liabilities	874,342	481,778	169,028	756,707	2,281,855	43,194
Current Liab. Payable from Restricted Assets:						
Revenue Bonds Payable - Current	-	-	-	-	-	-
Customer Deposits Payable	119,640	1,200	-	-	120,840	-
Total Curr. Liab. From Restricted Assets	119,640	1,200	-	-	120,840	-
NonCurrent Liabilities:						
Notes Payable - Equipment	4,707,453	6,252,086	-	76,293	11,035,832	-
Revenue Bonds Payable (Net of Discounts)	-	1,536,235	-	-	1,536,235	-
Total Non-current Liabilities	4,707,453	7,788,321	-	76,293	12,572,067	-
Total Liabilities	5,701,435	8,271,299	169,028	833,000	14,974,762	43,194
Net Assets						
Invested In Capital Assets, net of related debt	11,187,181	15,892,587	12,986	2,676,806	29,769,560	320,871
Restricted	-	-	-	-	-	-
Unrestricted	6,953,332	4,283,651	981,231	(634,279)	11,583,935	462,284
Total Equity	18,140,513	20,176,238	994,217	2,042,527	41,353,495	783,155
Total Liabilities and Equity	\$ 23,841,948	\$ 28,447,537	\$ 1,163,245	\$ 2,875,527	\$ 56,328,257	\$ 826,349

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, 2008

	Business-Type Activities				Total	Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business- Type		
Operating Revenues:						
Charges for Services	\$ 5,236,353	\$ 5,827,133	\$ 2,048,805	\$ 552,674	\$ 13,664,965	\$ 219,510
Special Assessments, Including Interest	-	-	-	-	-	189,622
Taps, Connection and Other Fees	211,233	11,930	-	-	223,163	-
Miscellaneous	93,254	206,922	19,342	153,649	473,167	4,168
Total Operating Revenues	5,540,840	6,045,985	2,068,147	706,323	14,361,295	413,300
Operating Expenses:						
Contracted Services	479,162	2,758,363	1,034,324	176,177	4,448,026	833
Personnel Expenses	1,454,769	488,243	165,954	292,228	2,401,194	178,491
Depreciation and Amortization	526,258	793,698	4,546	110,672	1,435,174	8,813
Utilities	681,002	-	-	123,413	804,415	6,933
Landfill Expenses	-	-	655,442	-	655,442	-
Supplies	333,423	11,192	2,199	54,054	400,868	17,570
Insurance	-	-	-	-	-	315,899
Repairs and Maintenance	141,592	22,187	590	81,333	245,702	4,349
Vehicle Expenses	112,739	43,796	5,276	25,512	187,323	3,055
Studies and Projects	182,289	6,287	1,563	7,392	197,531	-
Rental Expense	108,663	-	-	2,580	111,243	-
Miscellaneous Expense	24,344	27,461	(1,245)	2,435	52,995	1,470
Testing and Monitoring	65,619	-	-	-	65,619	-
Telephone	455	50	50	20	575	-
Travel and Meetings	4,194	120	971	82	5,367	813
Total Operating Expenses	4,114,509	4,151,397	1,869,670	875,898	11,011,474	538,226
Operating Income (Loss)	1,426,331	1,894,588	198,477	(169,575)	3,349,821	(124,926)
Non-Operating Revenues (Expenses):						
Development Fees	-	258,053	-	-	258,053	-
Interest Income	247,693	111,004	32,695	15,159	406,551	-
Rent and Royalties	840	-	-	-	840	-
Federal Grants	-	211,903	-	-	211,903	-
Intergovernmental	-	-	-	112,047	112,047	-
Interest Expense	(203,120)	(362,234)	-	(1,732)	(567,086)	-
Total Non-Operating Revenues (Exp.)	45,413	218,726	32,695	125,474	422,308	-
Income (Loss) Before Interfund Transfers and Contributions	1,471,744	2,113,314	231,172	(44,101)	3,772,129	(124,926)
Interfund Transfers and Contributions:						
Contribution of Assets	156,211	1,430,511	-	-	-	-
Operating Transfers In	213,428	200,000	-	78,000	491,428	176,261
Operating Transfers Out	(613,385)	(385,044)	(128,560)	(29,492)	(1,156,481)	(41,409)
Net Transfers and Contributions	(243,746)	1,245,467	(128,560)	48,508	(665,053)	134,852
Net Income	1,227,998	3,358,781	102,612	4,407	4,693,798	9,926
Total Net Assets, October 1, 2007	16,912,515	16,817,457	891,605	2,038,120	36,659,697	773,229
Total Net Assets, September 30, 2008	\$ 18,140,513	\$ 20,176,238	\$ 994,217	\$ 2,042,527	41,353,495	\$ 783,155

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	\$ 5,421,484	\$ 5,622,815	\$ 2,032,116	\$ 547,834	\$ 13,624,249	\$ 211,351
Special Assessments	-	-	-	-	-	189,622
Payments to Suppliers	(2,157,891)	(2,995,795)	(1,681,378)	(469,993)	(7,305,057)	(346,324)
Payments to Employees	(1,441,748)	(486,314)	(162,616)	(288,024)	(2,378,702)	(175,458)
Other Receipts (Payments)	93,254	206,922	19,342	153,649	473,167	4,168
Net Cash Provided (Used) by Operating Activities	1,915,099	2,347,628	207,464	(56,534)	4,413,657	(116,641)
Cash Flows from Non-Capital Financing Activities						
Operating Subsidies and Transfers to Other Funds	(399,957)	(185,044)	(128,560)	48,508	(665,053)	134,852
Other Revenue Sources - Non-Operating	157,051	1,900,467	-	112,047	2,169,565	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(242,906)	1,715,423	(128,560)	160,555	1,504,512	134,852
Cash Flows from Capital and Related Financing Activities						
Proceeds from Capital Debt	-	-	-	-	-	-
Purchase of Capital Assets	(2,162,008)	(2,310,282)	-	(549,452)	(5,021,742)	-
Disposals, Transfers of Capital Assets	113	-	-	1,857	1,970	-
Principal Paid on Capital Debt	(260,905)	(621,514)	-	99,243	(783,176)	-
Increase in Amounts Due to Other Funds	-	-	-	-	-	-
Interest Paid on Capital Debt	(207,009)	(274,549)	-	40	(481,518)	-
Increase in Restricted Assets	(9,925)	(31,023)	-	-	(40,948)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,639,734)	(3,237,368)	-	(448,312)	(6,325,414)	-
Cash Flows from Investing Activities						
Increase in Bank Overdraft	-	-	-	-	-	-
Purchase of Securities	354,789	105,830	15,224	-	475,843	17,295
Interest, Dividends and Changes in Market Value	252,826	110,812	30,029	15,674	409,341	46
Net Cash Provided (Used) by Investing Activities	607,615	216,642	45,253	15,674	885,184	17,341
Net Increase (Decrease) in Cash and Cash Equivalents Balances - Beginning of the Year	(359,926)	1,042,325	124,157	(328,617)	477,939	35,552
Balances - End of the Year	\$ 3,244,235	\$ 2,010,397	\$ 796,852	\$ 49,729	\$ 6,101,213	\$ 369,677
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income	\$ 1,426,331	\$ 1,894,588	\$ 198,477	\$ (169,575)	\$ 3,349,821	\$ (124,926)
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	526,258	793,698	4,547	110,672	1,435,175	8,813
Change in Assets and Liabilities:						
Receivables, Net	(36,027)	(103,124)	(16,690)	(4,840)	(160,681)	(9,533)
Inventories	(248,284)	-	4,741	-	(243,543)	-
Due From Other Funds	291,122	(20,794)	-	-	270,328	-
Deferred Revenue	-	(92,280)	-	-	(92,280)	1,374
Accounts Payable	(67,247)	(126,339)	13,051	3,005	(177,530)	4,598
Customer Deposits	9,925	(50)	-	-	9,875	-
Compensated Absences	13,021	1,929	3,338	4,204	22,492	3,033
Net Cash Provided (Used) by Operating Activities	\$ 1,915,099	\$ 2,347,628	\$ 207,464	\$ (56,534)	\$ 4,413,657	\$ (116,641)

See accompanying notes and accountants' report.

NOTES TO FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

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 due paying members; however, final responsibility relative to the budget, taxing and debt remains with the City. The Business Improvement Districts are reported in three fund groups as related to services provided. The two B.I.D. operations are included as other permanent funds; parking meter collections and space rentals are included as an enterprise fund-Parking.

Discretely Presented Component Units-Urban Renewal Agency

Discretely presented component units are legally separate from the City but are financially accountable to the City, or their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. These 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, 2008

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 five-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 approves all actions of the Agency but, has no responsibility for debt issuance of the Agency. The Agency is presented as a governmental fund type.

Industrial Development Corporation

The Industrial Development Corporation was created by the City of Twin Falls on June 6, 1983 for the purpose of facilitating economic development and employment opportunities through financing of project costs of industrial development facilities. The five-member board of directors is appointed by the City Council. All projects financed by the Corporation must receive approval by the City. The City has no obligation for debt issued by the Corporation.

The financial activity of the Corporation is not included in the discrete presentation of component units. This exclusion is not material to the financial statements of the City.

Complete financial statements for each of the individual component units 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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting-under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation- is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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 125% coverage for the interest due prior to December 31, 2007, plus the bond reserve balance required for Series 2005A Bonds.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 \$500 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.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

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.

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: Street Light Fund, \$31,395, Library Fund, \$1,139, LID Guarantee Bond Fund, \$195,655, Fireworks Fund, \$1,195, Capital Improvements Fund, \$492,396, Trail Fund, \$4,426, Golf Fund, \$83,423, and the Pool Fund, \$25,556.

3. DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents - A reconciliation of cash and cash equivalents at September 30, 2008 is as follows:

Reconciled Bank Accounts	(\$ 995,941)
State Investment Pool	6,489,115
Certificates of Deposit	5,033,545
Money Market Mutual Funds	9,023,427
B.I.D. Operating Fund/Old Town/Parking	130,793
Library Operating Fund	12,436
Petty Cash	<u>1,752</u>
	19,695,127
Reported as Restricted	<u>(2,830,447)</u>
Total Net Cash	<u>\$16,864,680</u>

At September 30, 2008, the Urban Renewal Agency's reconciliation of cash and cash equivalents is as follows:

Cash in Bank	\$ 7,603
Money-Market Bond Funds	2,593,453
Certificates of Deposit	<u>289,000</u>
Total	<u>\$ 2,890,056</u>

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

3. DEPOSITS AND INVESTMENTS - Continued

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, 2008.

Federal National Mortgage Association (FNMA)	\$ 2,372,781
Federal Home Loan Mortgage Corporation (FHLM)	632,120
Government National Mortgage Association (GNMA)	5,973,404
Federal Home Loan Bank (FHLB)	<u>2,311,102</u>
Total	<u>\$11,289,407</u>

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

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:

	<u>2008</u>
General Fund	
Customer or Developer Deposits	\$ 277,524
Custody/Evidence Account	31,326
Other	5,913
Trail Fund	21,648
Park Development Fund	528,336
Capital Projects Funds	
Public Art Fund	4,950
Passenger Facility Charges Held for Lease Payments	205,868
Enterprise Funds	
Cash within Fund to Pay Obligation of Certificates of Deposit	1,634,042
Refundable Customer Utility Deposits	<u>120,840</u>
Total Restricted Assets	<u>\$ 2,830,447</u>

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	\$ 993,057

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

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.

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, 2008, are considered to be deferred revenue. Taxes receivable and deferred revenue as of September 30, 2008, consist of the following for the City:

<u>Fund</u>	<u>Taxes Receivable</u>	<u>Deferred Revenue</u>
General	\$ 309,637	\$ 309,637
Street	14,995	14,995
Street Lighting	1,340	1,340
Airport	8,919	908,297
Library Revenue	39,188	39,188
Library Bond	11	11
Capital Improvement	17,855	17,855
Insurance	6,605	6,605
Total	<u>\$ 398,550</u>	<u>\$ 1,297,928</u>

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

Property Taxes	\$ 398,550
Prepaid Rent	899,378
Total	<u>\$ 1,297,928</u>

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

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

Urban Renewal Agency taxes receivable and deferred revenue at September 30, 2008 consist of 2007 property tax revenue to be collected in January 2008.

Amounts due from other governments at September 30, 2008, are presented as follows for the City:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>County</u>	<u>Local</u>	<u>Total</u>
General	\$ -	\$ 519,978	\$ 119,196	\$ 125,319	\$ 764,493
Street	-	360,767	14,945	-	375,712
Street Light	-	-	727	-	727
Library	-	-	12,584	-	12,584
Airport	-	-	2,889	-	2,889
Capital Improvement	-	388,340	9,189	-	397,529
Library Bond	-	-	-	-	-
Historical Preservation	-	-	-	-	-
Pool	-	29,472	-	-	29,472
Insurance	-	-	1,987	-	1,987
Airport Construction	-	-	-	-	-
Fireworks	-	1,335	-	-	1,335
Sewer	-	-	-	-	-
Sanitation	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 1,299,892</u>	<u>\$ 161,517</u>	<u>\$ 125,319</u>	<u>\$ 1,586,728</u>

Urban Renewal Agency receivable from other governments consists of property taxes remitted by the County in January 2007.

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 \$19,172.96.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

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

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.

6. CAPITAL LEASE RECEIVABLE – URBAN RENEWAL - Continued

Accordingly, the \$1,242,564 principal balance on this lease is reported as a receivable in the Statement of Net Assets.

<u>Year Ending September</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
2009	230,076	49,598	180,478
2010	230,076	41,581	188,495
2011	230,076	33,392	196,684
2012	230,076	24,918	205,158
2013	230,076	15,936	214,140
2014-2015	264,416	6,807	257,609
Totals	\$ 1,414,796	\$ 172,232	\$ 1,242,564

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

7. FIXED ASSETS

Changes in the fixed asset groups for the City for the year ended September 30, 2008, are as follows:

	Balance October 1, 2007	Additions	Disposals	Balance September 30, 2008
Government-wide Assets				
Land	4,900,771	1,280,000	-	6,180,771
Buildings and Structures	13,206,679	3,261,290	-	16,467,969
Infrastructure	239,668,928	507,165	-	240,176,093
Improvements	13,855,361	1,011,293	-	14,866,654
Machinery and Equipment	13,428,601	1,216,236	493,001	14,151,836
Construction in Progress	3,056,059	723,554	-	3,779,613
Total	<u>288,116,399</u>	<u>7,999,538</u>	<u>493,001</u>	<u>295,622,936</u>
Accum. Deprec. For Govt. Wide				
Buildings and Structures	3,571,341	326,357	-	3,897,698
Infrastructure	109,069,507	6,958,981	-	116,028,488
Improvements	4,582,114	488,439	-	5,070,553
Machinery and Equipment	7,160,059	1,121,493	460,700	7,820,852
Total Accum. Deprec.	<u>124,383,021</u>	<u>8,895,270</u>	<u>460,700</u>	<u>132,817,591</u>
Business Type Activity Assets:				
Land	1,171,063	229,431	-	1,400,494
Buildings and Structures	17,351,718	114,640	-	17,466,358
Improvements	35,390,060	2,054,030	-	37,444,090
Machinery and Equipment	5,922,993	1,079,190	173,423	6,828,760
Construction in Progress	1,667,489	1,544,451	-	3,211,940
Total	<u>61,503,323</u>	<u>5,021,742</u>	<u>173,423</u>	<u>66,351,642</u>
Accum. Deprec. For Business Type Activities				
Buildings and Structures	9,855,218	358,675	-	10,213,893
Improvements	8,860,470	772,309	-	9,632,779
Machinery and Equipment	3,388,890	290,995	171,452	3,508,433
Total Accum. Deprec.	<u>22,104,578</u>	<u>1,421,979</u>	<u>171,452</u>	<u>23,355,105</u>

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2008

6. FIXED ASSETS-Continued

Changes in the fixed asset group for the Urban Renewal Agency for the year ended September 30, 2008, is as follows:

	Balance October 1, 2007	Additions	Disposals	Balance September 30, 2008
Government-wide Assets				
Land and Buildings	\$ 2,272,362	\$ 376,156	\$ -	\$ 2,648,518

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	\$ 7,223,745
Fire	120,135
Police	237,559
Engineering/Planning	17,593
Library	97,099
Culture and Recreation	212,824
Highway and Street	265,326
Airport	712,177
	8,886,458
Depreciation on Capital Assets held by the City's Internal Service Fund.	8,812
Total Depreciation Expense - Governmental Activities	\$ 8,895,270

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, 2008

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:					
Revenue bonds	94,354	-	(94,354)	-	-
Other long-term liabilities	886,010	-	(314,574)	571,436	222,245
Compensated absences	1,048,382	156,109	-	1,204,491	-
	2,028,746	156,109	(408,928)	1,775,927	222,245
Business-type activities:					
Certificate of Participation	1,798,041	-	(261,806)	1,536,235	-
State revolving fund loan	12,198,916	-	(607,419)	11,591,497	631,958
Other long-term liabilities	-	127,374	(28,131)	99,243	22,950
Compensated absences	128,726	22,492	-	151,218	-
	14,125,683	149,866	(897,356)	13,378,193	654,908
	\$ 16,154,429	\$ 305,975	\$ (1,306,284)	\$ 15,154,120	\$ 877,153

Revenue Bonds

The City issued a revenue bond in 2003 for the airport water system. The City pledges income derived from certain assets or programs to pay the debt service. Revenue bonds outstanding consist of debt issued by the City, its authorities, and its trusts. The revenue bond was paid off during the current year and therefore is not reported as a liability of the City's at year end.

Purpose	Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balance
Airport Water System	2002	\$535,000	2007	3.98%	\$ -

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

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.	40,020
Wells Fargo Bank, payable in annual Installments of \$124,035.26 including interest at 3.8% for Communications Center.	345,520
Twin Falls Rural Fire Protection District, payable in annual installments of \$96,528.95 including interest at 2.558% for a fire truck	<u>185,896</u>
	<u>\$ 571,436</u>

Business Type Activities:

GE Capital, payable in annual installments of \$28,131.35 including interest at 5.22% for Golf Course Equipment	<u>\$ 99,243</u>
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CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

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.

\$1,600,000

Less: Unamortized discount

(63,765)

Total

\$1,536,235

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.

4,978,898

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.

6,612,599

Total

\$11,591,497

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2008

8. LONG-TERM LIABILITIES-Continued

Debt service requirements to maturity are as follows:

	2009	2010	2011	2012	2013	2014-2018	2019-2023
Governmental Activities:							
Other long-term liabilities	222,245	229,697	119,494	-	-	-	-
Total Governmental Activities	222,245	229,697	119,494	-	-	-	-
Business-type activities:							
Certificate of Participation	-	290,000	305,000	320,000	335,000	350,000	-
Unamortized discount	(13,194)	(13,194)	(13,194)	(13,194)	(10,989)	-	-
Total COP	(13,194)	276,806	291,806	306,806	324,011	350,000	-
State revolving fund loans	631,958	657,490	684,052	711,688	740,440	4,175,821	3,990,048
Other long-term liabilities	22,950	24,148	25,409	26,736	-	-	-
Total Business Type	641,714	958,444	1,001,267	1,045,230	1,064,451	4,525,821	3,990,048
Total Amounts Due	\$ 863,959	\$ 1,188,141	\$ 1,120,761	\$ 1,045,230	\$ 1,064,451	\$ 4,525,821	\$ 3,990,048

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 7 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	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>\$ 1,600,000</u>

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2008

8. LONG-TERM LIABILITIES-Continued

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

Year Ended September 30, 2008

Revenues

Sewer Service	\$ 5,827,133
Connection Fees	11,930
Development Fees	258,053
Investment Income	111,004
Grant Revenues	211,903
Miscellaneous Fees	<u>206,922</u>
Total	6,626,945

Expenditures

Personnel	488,243
Administration	111,093
Operation & Maintenance	<u>2,758,363</u>
Total	<u>3,357,699</u>

Net Available for Debt Service \$ 3,269,246

State Revolving Fund	\$ 621,448
Certificates of Participation Services 1999	<u>368,970</u>
Total Debt Service	<u>\$ 990,418</u>

Coverage Ratio 3.30

There are no Continuing Disclosure Significant Events to report.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

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	705,000
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>\$ 6,780,000</u>

Amounts on deposit

Revenue Allocation Fund	\$ 1,725,676
Bond Fund	7,319
Reserve Fund	<u>700,974</u>
Total on deposit	<u>\$ 2,433,969</u>

Revenue Allocation Revenues

Property Taxes – 2007 (2008 budget & reporting period)	\$ 1,695,028
Property Taxes for prior periods	7,635
Property Taxes - 2008	-
Total reported in Governmental Funds	<u>\$ 1,702,663</u>

Assessed values of property within Revenue

Allocation Area Total assessed value for 2007 \$ 190,624,905

Tax increment value for 2007

\$ 113,730,575

There are no Continuing Disclosure Significant Events to report.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2008

8. LONG-TERM LIABILITIES-Continued

Long term debt of the Urban Renewal Agency outstanding at September 30, 2008, 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%

\$ 6,780,000

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.

1,342,832

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.

1,242,564

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.

64,005

Total

\$ 9,429,401

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2008

8. LONG-TERM LIABILITIES-Continued

Expected annual maturities of the obligations, are as follows:

Year Ending September	Total	Interest	Principal
2009	1,252,733	469,811	782,922
2010	1,251,859	133,131	1,118,728
2011	1,255,303	394,955	860,348
2012	1,256,489	353,571	902,918
2013	1,242,192	310,318	931,874
2014-2018	3,755,621	1,068,010	2,687,611
2019-2022	2,786,715	341,715	2,445,000
Total	\$ 12,800,912	\$ 3,071,511	\$ 9,729,401

Changes in Long-Term Debt of the Agency for the year ended September 30, 2008 is as follows:

	09/30/07	Additions	Repayments	09/30/08
Promissory note payable to Dell USA L.P.	\$ 1,574,962	\$ -	\$ 232,130	\$ 1,342,832
Promissory note payable to Larry McElliot	-	75,000	10,995	64,005
Promissory note payable to D.L. Evans Bank	1,415,165	-	172,601	1,242,564
Revenue Allocation Bond, Series 2005A	7,110,000	-	330,000	6,780,000
Total	\$ 10,100,127	\$ 75,000	\$ 745,726	\$ 9,429,401

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, 2008

9. INTERFUND TRANSACTIONS - Continued

Individual fund interfund receivable/payable balances at September 30, 2008:

	Interfund Receivable	Interfund Payable
General Fund	\$ 2,652,745	\$ -
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
CDBG	171,120	
Waste Water	20,794	
Total	\$ 2,844,659	\$ 2,844,659

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 numerous 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, 2008

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, 2008, 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 \$1,618,975, \$1,502,929 and \$1,350,331 for the three years ended September 30, 2008, 2007 and 2006, respectively.

12. FUND BALANCE AND NET ASSET DEFICITS

Fund deficits as of September 30, 2008, which are significant, are as follows:

Airport Construction Fund- The deficit of \$1,138,792 is due to accumulated costs of construction that exceeded revenues.

Street Light- The deficit of \$202,417 is being reduced through excess revenues.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2008

13. URBAN RENEWAL SUMMARIZED INFORMATION

	Year Ended
	September 30, 2008
Assets	\$ 6,826,000
Total Assets	\$ 6,826,000
Liabilities & Net Assets	
Liabilities	\$ 9,648,411
Net Assets:	
Debt with no related capital assets	(8,186,838)
Invested in Capital Assets with no related debt	2,584,512
Restricted	890,785
Unrestricted	1,889,130
Total Liabilities & Net Assets	\$ 6,826,000
Revenues	\$ 2,156,552
Expenditures	875,400
Excess (Deficiency) Revenues over Expenditures	1,281,152
Fund Balance - Beginning of Year	(4,103,563)
Fund Balance - End of Year	\$ (2,822,411)

14. COMMITMENTS AND SUBSEQUENT EVENTS

On April 28, 2008 the City of Twin Falls entered into an agreement with the State of Idaho’s Water Resource Board to purchase water rights known as Pristine Springs for \$10,000,000 plus costs and expenses. This purchase is an integral step in the City of Twin Falls’ plan to meet new drinking water standards for arsenic limits in drinking water, by the compliance date of January 26, 2011 in its Agreements with Idaho Department of Environmental Quality.

On January 9, 2009, the Fifth Judicial District Court of the State of Idaho determined the acquisition of these water rights to be an ordinary and necessary expense allowing the City to enter into long-term financial arrangements for the purchase of these water rights.

Following this finding by the court, the City entered into an agreement with and issued its Promissory Note in the amount of \$10,255,000 to the Idaho Bond Bank Authority, which issued revenue bonds in the same amount to fund the Note to complete the purchase of the water rights from the Resource Board on June 11, 2009.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2008

14. COMMITMENTS AND SUBSEQUENT EVENTS- Continued

The Note will be repaid over fifteen years at the interest rates established by the serial bonds issued, ranging from .75% to 5.00% per annum, in varying annual amounts of approximately \$900,000, using net revenues of the water system of the City.

Further, the City will need to borrow and spend an additional amount of up to \$23,000,000 to complete the system required to use this water right to meet the arsenic standards by the compliance date.

The Urban Renewal Agency has made commitments to make 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. At September 30, 2008 these commitments included \$150,000 for improvements required on Washington Street South, at the Jayco building. And since year end, one parcel of property was acquired in the Urban Renewal Area for the amount of \$330,000, financed with the seller over ten years at \$3,664 with interest of 6% per annum.

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, 2007, 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 2007, the Wastewater Fund did not bill other City departments for sewer service provided during the year.

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, 2008

With Comparative Actual Amounts from the Previous Year

	2008				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Actual
Revenues:					
Property Taxes, Including Penalty and Interest	\$ 9,969,705	\$ 9,969,705	\$10,102,321	\$ 132,616	\$ 9,085,744
Non-property Taxes	670,000	670,000	649,631	(20,369)	639,613
Fines and Forfeitures	5,500	5,500	8,654	3,154	6,751
Licenses and Permits	1,237,775	1,237,775	1,242,704	4,929	1,550,591
Fees and Services	1,032,900	1,032,900	1,061,960	29,060	856,616
Intergovernmental	1,881,686	1,881,686	1,896,457	14,771	1,929,402
Federal Grants	-	-	22,311	22,311	33,556
Miscellaneous	851,085	851,085	875,431	24,346	961,226
Total Revenues	15,648,651	15,648,651	15,859,469	210,818	15,063,499
Expenditures:					
Current					
General Government	2,554,313	2,554,313	2,320,373	233,940	2,012,159
Public Safety	11,249,732	11,249,732	10,749,802	499,930	10,078,865
Engineering	1,463,094	1,463,094	1,253,384	209,710	1,185,135
Economic Development	136,638	136,638	237,477	(100,839)	111,714
Culture and Recreation	1,350,348	1,350,348	1,264,173	86,175	1,188,366
Total Expenditures	16,754,125	16,754,125	15,825,209	928,916	14,576,239
Excess (Deficiency) of Revenue Over Expenditures	(1,105,474)	(1,105,474)	34,260	1,139,734	487,260
Other Financing Sources (Uses)					
Operating Transfers In	1,198,474	1,198,474	1,198,474	-	1,061,895
Operating Transfers Out	(93,000)	(93,000)	(81,750)	11,250	(93,000)
Total Other Financing Sources (Uses)	1,105,474	1,105,474	1,116,724	11,250	968,895
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -	1,150,984	\$ 1,150,984	1,456,155
Fund Balance, October 1st			11,688,597		10,232,442
Fund Balance, September 30th			\$12,839,581		\$ 11,688,597

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Fiscal Year Ended September 30, 2008
 With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Expenditures:					
Data Processing	\$ 910,367	\$ 910,367	889,753	\$ 20,614	\$ 683,394
Council	148,961	148,961	141,759	7,202	144,144
Manager	255,995	255,995	254,407	1,588	228,453
Finance	678,184	678,184	620,059	58,125	544,860
Attorney	175,680	175,680	173,365	2,315	166,645
Personnel	385,126	385,126	241,030	144,096	244,663
Total General Government	<u>2,554,313</u>	<u>2,554,313</u>	<u>2,320,373</u>	<u>233,940</u>	<u>2,012,159</u>
Police	7,105,746	7,105,746	6,618,536	487,210	6,220,013
Fire	3,437,735	3,437,735	3,402,691	35,044	3,157,371
Inspection	425,199	425,199	428,582	(3,383)	455,425
Animal Control	281,052	281,052	299,993	(18,941)	246,055
Total Public Safety	<u>11,249,732</u>	<u>11,249,732</u>	<u>10,749,802</u>	<u>499,930</u>	<u>10,078,864</u>
Engineering	1,060,245	1,060,245	900,555	159,690	867,887
Planning and Zoning	402,849	402,849	352,829	50,020	317,248
Total Engineering and Planning	<u>1,463,094</u>	<u>1,463,094</u>	<u>1,253,384</u>	<u>209,710</u>	<u>1,185,135</u>
Economic Development	136,638	136,638	237,477	(100,839)	111,714
Parks	940,430	940,430	837,588	102,842	794,131
Recreation	409,918	409,918	426,585	(16,667)	394,235
Total Culture and Recreation	<u>1,350,348</u>	<u>1,350,348</u>	<u>1,264,173</u>	<u>86,175</u>	<u>1,188,366</u>
Total Expenditures	<u><u>\$16,754,125</u></u>	<u><u>\$16,754,125</u></u>	<u><u>\$15,825,209</u></u>	<u><u>\$ 928,916</u></u>	<u><u>\$ 14,576,238</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes	\$ 1,011,944	\$ 1,011,944	\$ 1,023,085	\$ 11,141	\$ 913,130
Fees and Services	225,000	225,000	225,144	144	75,367
Intergovernmental	2,175,000	2,175,000	2,128,113	(46,887)	2,113,900
Grants	-	-	553,281	553,281	95,994
Miscellaneous	593,000	593,000	498,646	(94,354)	155,918
Total Revenues	<u>4,004,944</u>	<u>4,004,944</u>	<u>4,428,269</u>	<u>423,325</u>	<u>3,354,309</u>
Expenditures:					
Current					
Highways and Streets	1,291,667	1,291,667	1,268,173	23,494	1,232,472
Capital Outlay	2,194,099	2,194,099	1,525,501	668,598	1,446,446
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>3,485,766</u>	<u>3,485,766</u>	<u>2,793,674</u>	<u>692,092</u>	<u>2,678,918</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	519,178	519,178	1,634,595	1,115,417	675,391
Other Financing Sources (Uses)					
Operating Transfers In	68,022	68,022	68,022	-	564,783
Operating Transfers Out	(187,200)	(187,200)	(187,200)	-	(178,285)
Total Other Sources (Uses)	<u>(119,178)</u>	<u>(119,178)</u>	<u>(119,178)</u>	<u>-</u>	<u>386,498</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ 400,000</u>	<u>\$ 400,000</u>	1,515,417	<u>\$ 1,115,417</u>	1,061,889
Fund Balances, October 1st			<u>3,037,579</u>		<u>1,975,690</u>
Fund Balances, September 30th			<u>\$ 4,552,996</u>		<u>\$ 3,037,579</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007
	Proposed Budget	Final Budget	Actual		Actual
Revenues:					
Property Taxes	\$ 280,469	\$ 280,469	\$ 284,265	\$ 3,796	\$ 281,358
Fees and Services	476,000	746,161	790,449	44,288	455,576
Intergovernmental	280,469	280,469	280,469	-	292,586
Federal Grants	-	-	-	-	-
Farm Income	24,840	24,840	31,627	6,787	8,463
Miscellaneous	63,000	161,839	160,658	(1,181)	79,945
Total Revenues	<u>1,124,778</u>	<u>1,493,778</u>	<u>1,547,468</u>	<u>53,690</u>	<u>1,117,928</u>
Expenditures:					
Current					
Airport	796,409	1,203,909	1,147,670	56,239	733,791
Total Expenditures	<u>796,409</u>	<u>1,203,909</u>	<u>1,147,670</u>	<u>56,239</u>	<u>733,791</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	328,369	289,869	399,798	109,929	384,137
Other Financing Sources (Uses)					
Operating Transfers In	-	38,500	-	38,500	-
Operating Transfers Out	(328,369)	(328,369)	(328,369)	-	(257,510)
Total Other Sources (Uses)	<u>(328,369)</u>	<u>(289,869)</u>	<u>(328,369)</u>	<u>38,500</u>	<u>(257,510)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	71,429	<u>\$ 148,429</u>	126,627
Fund Balances, October 1st			<u>1,043,037</u>		<u>916,410</u>
Fund Balances, September 30th			<u>\$ 1,114,466</u>		<u>\$ 1,043,037</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, 2008

With Comparative Actual Amounts from the Previous Year

	2008				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Actual
Revenues:					
Property Taxes	\$ 1,150,713	\$ 1,150,713	\$ 1,154,586	\$ 3,873	\$ 625,659
Intergovernmental	1,427,114	1,427,114	1,364,548	(62,566)	1,413,489
Federal Grants	-	-	13,656	13,656	22,019
Miscellaneous or Reserves	349,303	886,303	362,536	(523,767)	751,710
Total Revenues	2,927,130	3,464,130	2,895,326	(568,804)	2,812,877
Expenditures:					
Current					
General Government	411,095	411,095	303,782	107,313	288,942
Public Safety	441,748	441,748	455,635	(13,887)	569,141
Culture and Recreation	442,686	442,686	702,306	(259,620)	136,286
Highways and Streets	20,600	20,600	9,257	11,343	24,235
Capital Outlay	663,743	1,200,743	962,625	238,118	1,159,569
Total Expenditures	1,979,872	2,516,872	2,433,605	83,267	2,178,173
Excess (Deficiency) of Revenues Over (Under) Expenditures	947,258	947,258	461,721	(485,537)	634,704
Other Financing Sources (Uses)					
Contribution of Assets			263,646		
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(64,050)	(64,050)	(57,191)	(6,859)	(659,968)
Total Other Sources (Uses)	(64,050)	(64,050)	206,455	(6,859)	(659,968)
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ 883,208	\$ 883,208	668,176	\$ (492,396)	(25,264)
Fund Balances, October 1st			1,132,160		1,157,424
Fund Balances, September 30th			\$ 1,800,336		\$ 1,132,160

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, 2008

With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Fees and Services	\$ 122,000	\$ 122,000	\$ 108,846	\$ (13,154)	\$ 107,989
Intergovernmental	-	-	-	-	-
Federal Grants	650,000	1,535,778	1,098,413	(437,365)	187,812
Miscellaneous	1,500	1,500	772	(728)	1,634
Total Revenues	<u>773,500</u>	<u>1,659,278</u>	<u>1,208,031</u>	<u>(451,247)</u>	<u>297,435</u>
Expenditures:					
Current					
Airport	748,109	1,633,887	956,836	677,051	552,304
Total Expenditures	<u>748,109</u>	<u>1,633,887</u>	<u>956,836</u>	<u>677,051</u>	<u>552,304</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,391	25,391	251,195	225,804	(254,869)
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>\$ 95,391</u>	<u>\$ 95,391</u>	321,195	<u>\$ 225,804</u>	(184,869)
Fund Balances, October 1st			<u>(1,459,987)</u>		<u>(1,275,118)</u>
Fund Balances, September 30th			<u>\$ (1,138,792)</u>		<u>\$ (1,459,987)</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, 2008

With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Charges for Services	\$ 5,361,600	\$ 5,361,600	5,236,353	\$ (125,247)	\$ 4,740,608
Taps, Connection and Other Fees	233,750	233,750	211,233	(22,517)	352,485
Miscellaneous	389,800	389,800	93,254	(296,546)	93,606
Total Operating Revenues	<u>5,985,150</u>	<u>5,985,150</u>	<u>5,540,840</u>	<u>(444,310)</u>	<u>5,186,699</u>
Operating Expenses:					
Contracted Expenses	227,800	227,800	479,162	(251,362)	161,048
Personnel Expenses	1,508,091	1,508,091	1,454,769	53,322	1,313,625
Depreciation and Amortization	8,000	8,000	526,258	(518,258)	476,264
Utilities	624,800	624,800	681,002	(56,202)	490,550
Supplies	656,657	656,657	333,423	323,234	444,250
Repairs and Maintenance	1,813,686	1,813,686	141,592	1,672,094	(398,069)
Vehicle Expense	101,977	101,977	112,739	(10,762)	89,236
Studies and Projects	558,800	558,800	182,289	376,511	522,739
Rental Expense	100,500	100,500	108,663	(8,163)	167,389
Miscellaneous Expenses	79,450	79,450	24,344	55,106	30,738
Testing and Monitoring	162,500	162,500	65,619	96,881	38,544
Telephone	-	-	455	(455)	47
Travel and Meetings	9,500	9,500	4,194	5,306	4,052
Total Operating Expenses	<u>5,851,761</u>	<u>5,851,761</u>	<u>4,114,509</u>	<u>1,737,252</u>	<u>3,340,413</u>
Operating Income (Loss)	133,389	133,389	1,426,331	1,292,942	1,846,286
Non-operating Revenues (Expenses):					
Interest Income	300,000	300,000	247,693	(52,307)	383,654
Rent and Royalties	-	-	840	840	840
Interest Expense	(207,009)	(207,009)	(203,120)	3,889	(216,451)
Total Non-operating Revenues (Exp)	<u>92,991</u>	<u>92,991</u>	<u>45,413</u>	<u>(47,578)</u>	<u>168,043</u>
Income (Loss) before operating transfers	226,380	226,380	1,471,744	1,245,364	2,014,329
Interfund Transfers and Donations:					
Donation of Assets			156,211	156,211	
Operating Transfers In	213,428	213,428	213,428	-	203,264
Operating Transfers Out	(613,385)	(613,385)	(613,385)	-	(563,224)
Net Transfers and Donations	<u>(399,957)</u>	<u>(399,957)</u>	<u>(243,746)</u>	<u>156,211</u>	<u>(359,960)</u>
Net Income (Loss)	<u>\$ (173,577)</u>	<u>\$ (173,577)</u>	1,227,998	<u>\$ 1,401,575</u>	1,654,369
Net Assets, October 1st			<u>16,912,515</u>		<u>15,258,146</u>
Net Assets, September 30th			<u>\$ 18,140,513</u>		<u>\$ 16,912,515</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, 2008

With Comparative Actual Amounts from the Previous Year

	2008				2007
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Operating Revenues:					
Charges for Services	\$ 5,881,500	\$ 5,881,500	5,827,133	\$ (54,367)	\$ 4,852,253
Taps, Connection and Other Fees	6,750	6,750	11,930	5,180	16,345
Miscellaneous	335,000	335,000	206,922	(128,078)	89,813
Total Operating Revenues	6,223,250	6,223,250	6,045,985	(177,265)	4,958,411
Operating Expenses:					
Contracted Expenses	2,715,817	2,715,817	2,760,216	(44,399)	2,656,741
Personnel Expenses	506,625	506,625	488,243	18,382	394,691
Depreciation and Amortization	5,000	5,000	793,698	(788,698)	761,758
Utilities	24,000	24,000	-	24,000	(4)
Supplies	18,500	18,500	11,192	7,308	16,418
Repairs and Maintenance	1,935,842	1,935,842	22,187	1,913,655	87,566
Vehicle Expense	39,709	39,709	43,796	(4,087)	32,630
Studies and Projects	-	-	6,287	(6,287)	-
Rental Expense	500	500	-	500	-
Miscellaneous Expenses	2,000	2,000	25,608	(23,608)	24,959
Telephone	-	-	50	(50)	1
Travel and Meetings	1,000	1,000	120	880	20
Total Operating Expenses	5,248,993	5,248,993	4,151,397	1,097,596	3,974,780
Operating Income (Loss)	974,257	974,257	1,894,588	920,331	983,631
Non-operating Revenues (Expenses):					
Development Fees	303,500	303,500	258,053	(45,447)	366,273
Interest Income	100,000	100,000	111,004	11,004	149,076
Interest Expense	(366,829)	(366,829)	(362,234)	4,595	(436,835)
Federal Grant	-	-	211,903	211,903	-
Total Non-operating Revenues (Exp)	36,671	36,671	218,726	182,055	78,514
Income (Loss) before operating transfers	1,010,928	1,010,928	2,113,314	1,102,386	1,062,145
Interfund Transfers and Donations:					
Donation of Assets			1,430,511	1,430,511	
Operating Transfers In	200,000	200,000	200,000	-	200,000
Operating Transfers Out	(385,044)	(385,044)	(385,044)	-	(366,708)
Net Transfers and Donations	(185,044)	(185,044)	1,245,467	1,430,511	(166,708)
Net Income (Loss)	\$ 825,884	\$ 825,884	3,358,781	\$ 2,532,897	895,437
Net Assets, October 1st			16,817,457		15,922,020
Net Assets, September 30th			\$ 20,176,238		\$ 16,817,457

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, 2008

With Comparative Actual Amounts from the Previous Year

	2008				2007
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Operating Revenues:					
Charges for Services	\$ 1,970,640	\$ 1,970,640	\$ 2,048,805	\$ 78,165	\$ 1,988,665
Miscellaneous	1,000	1,000	19,342	18,342	182
Total Operating Revenues	1,971,640	1,971,640	2,068,147	96,507	1,988,847
Operating Expenses:					
Contracted Expenses	1,113,200	1,113,200	1,034,324	78,876	963,476
Personnel Expenses	143,092	143,092	165,954	(22,862)	102,135
Depreciation and Amortization	-	-	4,546	(4,546)	4,602
Landfill Expenses	700,000	700,000	655,442	44,558	634,579
Supplies	2,500	2,500	2,199	301	1,837
Repairs and Maintenance	4,000	4,000	590	3,410	437
Vehicle Expense	4,368	4,368	5,276	(908)	3,863
Studies and Projects	5,550	5,550	1,563	3,987	2,038
Miscellaneous Expenses	1,800	1,800	(1,245)	3,045	6,343
Telephone	-	-	50	(50)	4
Travel and Meetings	500	500	971	(471)	-
Total Operating Expenses	1,975,010	1,975,010	1,869,670	105,340	1,719,314
Operating Income (Loss)	(3,370)	(3,370)	198,477	201,847	269,533
Non-operating Revenues (Expenses):					
Interest Income	20,000	20,000	32,695	12,695	38,987
Interest Expense	-	-	-	-	-
Total Non-operating Revenues (Exp)	20,000	20,000	32,695	12,695	38,987
Income (Loss) before operating transfers	16,630	16,630	231,172	214,542	308,520
Operating Transfers:					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(128,560)	(128,560)	(128,560)	-	(122,437)
Net Transfers	(128,560)	(128,560)	(128,560)	-	(122,437)
Net Income (Loss)	\$ (111,930)	\$ (111,930)	102,612	\$ 214,542	186,083
Net Assets, October 1st			891,605		705,522
Net Assets, September 30th			\$ 994,217		\$ 891,605

See accountants' report.

SUPPLEMENTARY INFORMATION

City of Twin Falls, Idaho
Combining Statement - Other Governmental Funds
Fund Balance Sheets
September 30, 2008

	Special Revenue Funds			Debt Service Fund		
	Street Light	Library	Total	LID Guarantee Bond	Library Bond	Total
Assets						
Cash and Cash Equivalents	\$ (30,915)	\$ 468,693	\$ 437,778	\$ 17,247	\$ 18,986	\$ 36,233
Restricted Cash	-	-	-	-	-	-
Investments	-	1,511	1,511	-	-	-
Receivables (net of allowance)						
Taxes	1,340	39,188	40,528	-	11	11
Fees and Services	-	-	-	-	-	-
Intergovernmental	727	12,584	13,311	-	-	-
Interest	-	1,451	1,451	91	51	142
Accounts	81,865	-	81,865	-	-	-
Due from Other Funds	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-
Total Assets	\$ 53,017	\$ 523,427	\$ 576,444	\$ 17,338	\$ 19,048	\$ 36,386
Liabilities						
Accounts Payable	20,174	3,801	23,975	-	-	-
Accrued Expenses	-	8,119	8,119	-	-	-
Deferred Revenue	1,340	39,188	40,528	-	11	11
Customer Deposits Payable	-	-	-	-	-	-
Due to Other Funds	233,920	-	233,920	-	-	-
Total Liabilities	255,434	51,108	306,542	-	11	11
Fund Balance						
Reserved for:						
Dedicated Purposes	-	-	-	-	-	-
Debt Service	-	-	-	17,338	19,037	36,375
Unreserved:						
Designated For Subsequent Year's Exp.	-	-	-	-	-	-
Undesignated	(202,417)	472,319	269,902	-	-	-
Total Fund Balance	(202,417)	472,319	269,902	17,338	19,037	36,375
Total Liabilities and Fund Equity	\$ 53,017	\$ 523,427	\$ 576,444	\$ 17,338	\$ 19,048	\$ 36,386

See accountants' report.

City of Twin Falls, Idaho
 Combining Statement - Other Governmental Funds
 Fund Balance Sheets
 September 30, 2008

Capital Projects Fund					Other Permanent Funds				Total Other Government Funds
Historic Preservation	Idaho CDBG	Park Develop.	Trail Fund	Total	Drug Seizure	Historic Downtown	Fireworks	Total	
\$ (39)	\$ (171,120)	\$ -	\$ -	\$ (171,159)	\$ 85,890	\$ 102,856	\$ (2,445)	\$ 186,301	\$ 489,153
-	-	528,335	21,648	549,983	-	-	-	-	549,983
-	-	-	-	-	-	-	-	-	1,511
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	40,539
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,335	1,335	14,646
-	-	1,124	45	1,169	-	-	-	-	2,762
-	-	-	-	-	61,650	22,082	-	83,732	165,597
-	171,120	-	-	171,120	-	-	-	-	171,120
-	-	-	-	-	-	-	-	-	-
<u>\$ (39)</u>	<u>\$ -</u>	<u>\$ 529,459</u>	<u>\$ 21,693</u>	<u>\$ 551,113</u>	<u>\$ 147,540</u>	<u>\$ 124,938</u>	<u>\$ (1,110)</u>	<u>\$ 271,368</u>	<u>\$ 1,435,311</u>
-	-	-	-	-	-	9,159	-	9,159	33,134
-	-	-	-	-	-	-	-	-	8,119
-	-	-	-	-	-	-	-	-	40,539
-	-	-	-	-	-	-	-	-	-
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>9,159</u>	<u>666</u>	<u>9,825</u>	<u>320,365</u>
-	-	-	-	-	147,540	115,779	(1,776)	261,543	261,543
-	-	-	-	-	-	-	-	-	36,375
-	-	-	-	-	-	-	-	-	-
(4,026)	-	529,459	21,693	547,126	-	-	-	-	817,028
<u>(4,026)</u>	<u>-</u>	<u>529,459</u>	<u>21,693</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>\$ (39)</u>	<u>\$ -</u>	<u>\$ 529,459</u>	<u>\$ 21,693</u>	<u>\$ 551,113</u>	<u>\$ 147,540</u>	<u>\$ 124,938</u>	<u>\$ (1,110)</u>	<u>\$ 271,368</u>	<u>\$ 1,435,311</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, 2008

	Special Revenue Funds			Debt Service Fund		
	Street Light	Library	Total	LID		
				Guarantee Bond	Library Bond	Total
Revenues						
Property Taxes, Including Interest	\$ 86,905	\$ 1,266,769	\$ 1,353,674	\$ -	\$ (4)	\$ (4)
Other Taxes	186,585	-	186,585	-	-	-
Special Assessments, Including Interest	-	-	-	-	-	-
Fines and Forfeitures	-	38,538	38,538	-	-	-
Licenses and Permits	-	-	-	-	-	-
Fees and Services	-	31,245	31,245	-	-	-
Intergovernmental	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-
Miscellaneous	-	14,080	14,080	4,345	684	5,029
Total Revenue	273,490	1,350,632	1,624,122	4,345	680	5,025
Expenditures						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Culture and Recreation	-	1,294,580	1,294,580	-	-	-
Highway and Streets	288,322	-	288,322	-	-	-
Airport	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal Retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	288,322	1,294,580	1,582,902	-	-	-
Excess of Revenues Over (Under) Expenditures	(14,832)	56,052	41,220	4,345	680	5,025
Operating Transfers						
Transfers In	-	57,191	57,191	-	-	-
Transfers Out	16,563	-	16,563	200,000	-	200,000
Net Transfers	(16,563)	57,191	40,628	(200,000)	-	(200,000)
Net Change in Fund Balance	(31,395)	113,243	81,848	(195,655)	680	(194,975)
Fund Balance October 1, 2007	(171,022)	359,076	188,054	212,993	18,357	231,350
Fund Balance September 30, 2008	\$(202,417)	\$ 472,319	\$ 269,902	\$ 17,338	\$ 19,037	\$ 36,375

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, 2008

Capital Projects Fund					Other Permanent Funds				Total Other
Historic Preservation	Idaho CDBG	Park Develop.	Trail Fund	Total	Drug Seizure	Historic Downtown	Fireworks	Total	Government Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,353,670
-	-	-	-	-	-	-	-	-	186,585
-	-	-	-	-	52,381	155,759	-	208,140	208,140
-	-	-	-	-	-	-	-	-	38,538
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,000	2,000	33,245
-	-	-	-	-	-	-	4,805	4,805	4,805
9,627	36,211	-	-	45,838	-	-	-	-	45,838
-	-	386,628	630	387,258	-	79,134	-	79,134	485,501
9,627	36,211	386,628	630	433,096	52,381	234,893	6,805	294,079	2,356,322
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	24,574	-	-	24,574	24,574
-	-	-	-	-	-	-	-	-	-
4,925	(38,185)	9,957	5,056	(18,247)	-	164,410	8,000	172,410	154,163
-	-	-	-	-	-	-	-	-	1,294,580
-	-	-	-	-	-	-	-	-	288,322
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4,925	(38,185)	9,957	5,056	(28,204)	24,574	164,410	8,000	196,984	1,761,639
4,702	74,396	376,671	(4,426)	451,343	27,807	70,483	(1,195)	97,095	594,683
-	-	-	-	-	-	7,587	-	7,587	64,778
-	-	-	-	-	-	-	-	-	216,563
-	-	-	-	-	-	7,587	-	7,587	(151,785)
4,702	74,396	376,671	(4,426)	451,343	27,807	78,070	(1,195)	104,682	442,898
(8,728)	(74,396)	152,788	26,119	95,783	119,733	37,709	(581)	156,861	672,048
\$ (4,026)	\$ -	\$ 529,459	\$ 21,693	\$ 547,126	\$ 147,540	\$ 115,779	\$ (1,776)	\$ 261,543	\$ 1,114,946

See accountants' report.

City of Twin Falls, Idaho
Combining Statement - Proprietary Funds
Fund Balance Sheets
September 30, 2008

	Business-Type Activities					Total
	Golf	Pool	Dierkes Lake	Parking	Common	
			Shoshone		Area	
		Falls		Maintenance		
Assets						
Cash and Cash Equivalents	\$ (124,430)	\$ 14,545	\$ 141,720	\$ 16,884	\$ 1,010	\$ 49,729
Investments	-	-	-	-	-	-
Receivables (net of allowance for uncollected.)	-	-	-	-	-	-
Fees and Services	-	-	-	-	2,761	2,761
Intergovernmental	-	29,472	-	-	-	29,472
Interest	-	-	411	-	-	411
Accounts	5,451	2,350	-	9,304	-	17,105
Inventories	-	-	-	-	-	-
Total Current Assets	(118,979)	46,367	142,131	26,188	3,771	99,478
Restricted Assets	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-
Fixed Assets (Net of Accum. Depreciation)	714,394	891,426	1,163,478	6,751	-	2,776,049
Total Assets	\$ 595,415	\$ 937,793	\$ 1,305,609	\$ 32,939	\$ 3,771	\$ 2,875,527
Liabilities and Equity						
Current Liabilities:						
Accounts Payable	\$ 8,877	\$ 1,314	\$ 3,567	\$ 159	\$ 43	\$ 13,960
Accrued Expenses	1,732	-	-	40	-	1,772
Due to Other Funds	362,021	337,286	-	-	-	699,307
Notes Payable - Current	22,950	-	-	-	-	22,950
Compensated Absences	18,718	-	-	-	-	18,718
Total Current Liabilities	414,298	338,600	3,567	199	43	756,707
Current Liab. Payable from Restricted Assets:						
Revenue Bonds Payable - Current	-	-	-	-	-	-
Customer Deposits Payable	-	-	-	-	-	-
Total Curr. Liab. From Restricted Assets	-	-	-	-	-	-
NonCurrent Liabilities:						
Notes Payable - Equipment	76,293	-	-	-	-	76,293
Revenue Bonds Payable (Net of Discounts)	-	-	-	-	-	-
Total Non-Current Liabilities	76,293	-	-	-	-	76,293
Total Liabilities	490,591	338,600	3,567	199	43	833,000
Net Assets						
Invested In Capital Assets, net of related debt	615,151	891,426	1,163,478	6,751	-	2,676,806
Restricted	-	-	-	-	-	-
Unrestricted	(510,327)	(292,233)	138,564	25,989	3,728	(634,279)
Total Equity	104,824	599,193	1,302,042	32,740	3,728	2,042,527
Total Liabilities and Equity	\$ 595,415	\$ 937,793	\$ 1,305,609	\$ 32,939	\$ 3,771	\$ 2,875,527

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, 2008

	Business-Type Activities					Totals
	Golf	Pool	Dierkes Lake Shoshone		Common Area Maintenance	
			Falls	Parking		
Operating Revenues:						
Charges for Services	\$ 322,019	\$ -	\$ 166,477	\$ 45,800	\$ 18,378	\$ 552,674
Taps, Connection and Other Fees	-	-	-	-	-	-
Miscellaneous	32,456	2,410	125,968	(7,185)	-	153,649
Total Operating Revenues	354,475	2,410	292,445	38,615	18,378	706,323
Operating Expenses:						
Contracted Services	56,072	44,167	52,736	6,038	17,164	176,177
Personal Expenses	223,576	-	59,642	9,010	-	292,228
Depreciation and Amortization	31,355	39,381	36,206	3,730	-	110,672
Utilities	9,799	109,808	3,254	-	552	123,413
Landfill Expenses	-	-	-	-	-	-
Supplies	45,312	1,841	5,494	1,407	-	54,054
Insurance	-	-	-	-	-	-
Repairs and Maintenance	39,114	22,427	19,649	143	-	81,333
Vehicle Expenses	24,230	-	1,282	-	-	25,512
Studies and Projects	7,392	-	-	-	-	7,392
Rental Expense	2,230	350	-	-	-	2,580
Miscellaneous Expense	1,916	-	435	84	-	2,435
Testing and Monitoring	-	-	-	-	-	-
Telephone	-	-	-	20	-	20
Travel and Meetings	-	39	-	43	-	82
Total Operating Expenses	440,996	218,013	178,698	20,475	17,716	875,898
Operating Income (Loss)	(86,521)	(215,603)	113,747	18,140	662	(169,575)
Non-Operating Revenues (Expenses):						
Development Fees	-	-	-	-	-	-
Interest Income	-	-	15,159	-	-	15,159
Rent and Royalties	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-
Intergovernmental	-	112,047	-	-	-	112,047
Interest Expense	(1,732)	-	-	-	-	(1,732)
Total Non-Operating Revenues (Exp.)	(1,732)	112,047	15,159	-	-	125,474
Income (Loss) Before Operating Transfers	(88,253)	(103,556)	128,906	18,140	662	(44,101)
Operating Transfers:						
Operating Transfers In	-	78,000	-	-	-	78,000
Operating Transfers Out	(18,408)	-	(7,247)	(3,837)	-	(29,492)
Net Transfers	(18,408)	78,000	(7,247)	(3,837)	-	48,508
Net Income (Loss)	(106,661)	(25,556)	121,659	14,303	662	4,407
Total Net Assets, October 1, 2007	211,485	624,749	1,180,383	18,437	3,066	2,038,120
Total Net Assets, September 30, 2008	\$ 104,824	\$ 599,193	\$ 1,302,042	\$ 32,740	\$ 3,728	\$ 2,042,527

See accountants' report.

City of Twin Falls, Idaho
Combining Statement - Internal Service Funds
Fund Balance Sheets
September 30, 2008

	Governmental Activities - Internal Service Funds		
	Shop		
	Insurance	Revolving	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 73,261	\$ 296,416	\$ 369,677
Investments	119,279	-	119,279
Receivables (net of allowance for uncollect.)			-
Taxes	6,606	-	6,606
Fees and Services	-	-	-
Intergovernmental	1,987	-	1,987
Interest	532	-	532
Accounts	7,397	-	7,397
Inventories	-	-	-
Total Current Assets	209,062	296,416	505,478
Restricted Assets			
Deferred Charges			
Fixed Assets (Net of Accum. Depreciation)	-	320,871	320,871
Total Assets	\$ 209,062	\$ 617,287	\$ 826,349
 <u>Liabilities and Equity</u>			
Current Liabilities:			
Accounts Payable	\$ 8,826	\$ 411	\$ 9,237
Accrued Expenses	-	-	-
Deferred Revenue	6,606	-	6,606
Notes Payable - Current	-	-	-
Compensated Absences	-	27,351	27,351
Total Current Liabilities	15,432	27,762	43,194
 Total Liabilities	 15,432	 27,762	 43,194
 <u>Net Assets</u>			
Invested In Capital Assets, net of related debt	-	320,871	320,871
Restricted	-	-	-
Unrestricted	193,630	268,654	462,284
Total Equity	193,630	589,525	783,155
 Total Liabilities and Equity	\$ 209,062	\$ 617,287	\$ 826,349

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, 2008

	Governmental Activities - Internal Service Funds		
	Shop		
	<u>Insurance</u>	<u>Revolving</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ -	\$ 219,510	\$ 219,510
Special Assessments, Including Interest Taps, Connection and Other Fees	189,622	-	189,622
Miscellaneous	4,152	16	4,168
Total Operating Revenues	<u>193,774</u>	<u>219,526</u>	<u>413,300</u>
Operating Expenses:			
Contracted Services	-	833	833
Personal Expenses	-	178,491	178,491
Depreciation and Amortization	-	8,813	8,813
Utilities	-	6,933	6,933
Landfill Expenses	-	-	-
Supplies	-	17,570	17,570
Insurance	315,899	-	315,899
Repairs and Maintenance	-	4,349	4,349
Vehicle Expenses	-	3,055	3,055
Studies and Projects	-	-	-
Rental Expense	-	-	-
Miscellaneous Expense	1,470	-	1,470
Testing and Monitoring	-	-	-
Telephone	-	-	-
Travel and Meetings	813	-	813
Total Operating Expenses	<u>318,182</u>	<u>220,044</u>	<u>538,226</u>
Operating Income (Loss)	(124,408)	(518)	(124,926)
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	(124,408)	(518)	(124,926)
Operating Transfers:			
Operating Transfers In	176,261	-	176,261
Operating Transfers Out	(41,409)	-	(41,409)
Net Transfers	<u>134,852</u>	<u>-</u>	<u>134,852</u>
Net Income (Loss)	10,444	(518)	9,926
Total Net Assets, October 1, 2007	<u>183,186</u>	<u>590,043</u>	<u>773,229</u>
Total Net Assets, September 30, 2008	<u>\$ 193,630</u>	<u>\$ 589,525</u>	<u>\$ 783,155</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes	\$ 86,563	\$ 86,563	\$ 86,905	\$ 342	\$ 64,211
Non-Property Taxes	250,000	250,000	186,585	(63,415)	237,051
Miscellaneous & Intergovernmental	-	-	-	-	-
Total Revenues	<u>336,563</u>	<u>336,563</u>	<u>273,490</u>	<u>(63,073)</u>	<u>301,262</u>
Expenditures:					
Current					
Highways and Streets	320,000	320,000	288,322	31,678	285,826
Total Expenditures	<u>320,000</u>	<u>320,000</u>	<u>288,322</u>	<u>31,678</u>	<u>285,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,563	16,563	(14,832)	(31,395)	15,436
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(16,563)	(16,563)	(16,563)	-	(15,774)
Total Other Sources (Uses)	<u>(16,563)</u>	<u>(16,563)</u>	<u>(16,563)</u>	<u>-</u>	<u>(15,774)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	(31,395)	<u>\$ (31,395)</u>	(338)
Fund Balances, October 1st			<u>(171,022)</u>		<u>(170,684)</u>
Fund Balances, September 30th			<u>\$ (202,417)</u>		<u>\$ (171,022)</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes	\$ 1,250,301	\$ 1,250,301	\$ 1,266,769	\$ 16,468	\$ 1,136,724
Fines and Forfeits	28,000	28,000	38,538	10,538	36,681
Fees and Services	32,500	32,500	31,245	(1,255)	26,757
Miscellaneous	12,500	12,500	14,080	1,580	15,097
Total Revenues	<u>1,323,301</u>	<u>1,323,301</u>	<u>1,350,632</u>	<u>27,331</u>	<u>1,215,259</u>
Expenditures:					
Current					
Culture and Recreation	1,323,301	1,323,301	1,237,389	85,912	1,119,171
Capital Outlay	-	-	57,191	(57,191)	72,329
Total Expenditures	<u>1,323,301</u>	<u>1,323,301</u>	<u>1,294,580</u>	<u>28,721</u>	<u>1,191,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	56,052	56,052	23,759
Other Financing Sources (Uses)					
Operating Transfers In	-	-	57,191	(57,191)	72,301
Operating Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>57,191</u>	<u>(57,191)</u>	<u>72,301</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	113,243	<u>\$ (1,139)</u>	96,060
Fund Balances, October 1st			<u>359,076</u>		<u>263,016</u>
Fund Balances, September 30th			<u>\$ 472,319</u>		<u>\$ 359,076</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, 2008

With Comparative Actual Amounts from the Previous Year

	2008				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Actual
Revenues:					
Miscellaneous	\$ 200,000	\$ 200,000	\$ 4,345	\$ (195,655)	\$ 19,557
Total Revenues	200,000	200,000	4,345	(195,655)	19,557
Expenditures:					
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	200,000	200,000	4,345	(195,655)	19,557
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(200,000)	(200,000)	(200,000)	-	(249,958)
Total Other Sources (Uses)	(200,000)	(200,000)	(200,000)	-	(249,958)
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ -	\$ -	(195,655)	\$ (195,655)	(230,401)
Fund Balances, October 1st			212,993		443,394
Fund Balances, September 30th			\$ 17,338		\$ 212,993

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, 2008
With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes, Including Penalty and Interest	\$ -	\$ -	\$ (4)	\$ (4)	\$ 72
Miscellaneous	-	-	684	684	1,393
Total Revenues	<u>-</u>	<u>-</u>	<u>680</u>	<u>680</u>	<u>1,465</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	<u>-</u>	<u>-</u>	<u>680</u>	<u>680</u>	<u>1,465</u>
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	
Operating Transfers Out	-	-	-	-	(42,375)
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,375)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	<u>680</u>	<u>\$ 680</u>	<u>(40,910)</u>
Fund Balances, October 1st			<u>18,357</u>		<u>59,267</u>
Fund Balances, September 30th			<u>\$ 19,037</u>		<u>\$ 18,357</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, 2008
 With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Revenues:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	5,000	5,000	9,627	4,627	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>9,627</u>	<u>4,627</u>	<u>-</u>
Expenditures:					
Current					
Community Development	5,000	5,000	4,925	75	4,741
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,925</u>	<u>75</u>	<u>4,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	4,702	4,702	(4,741)
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>	4,702	<u>\$ 4,702</u>	(4,741)
Fund Balances, October 1st			<u>(8,728)</u>		<u>(3,987)</u>
Fund Balances, September 30th			<u>\$ (4,026)</u>		<u>\$ (8,728)</u>

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 Capital Projects - Community Development Block Grant
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2008
 With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Revenues:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	-	36,000	36,211	211	427,789
Miscellaneous and Reserves	-	104,000	-	(104,000)	-
Total Revenues	<u>-</u>	<u>140,000</u>	<u>36,211</u>	<u>(103,789)</u>	<u>427,789</u>
Expenditures:					
Current					
Community Development	-	140,000	(38,185)	178,185	502,185
Total Expenditures	<u>-</u>	<u>140,000</u>	<u>(38,185)</u>	<u>178,185</u>	<u>502,185</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	74,396	74,396	(74,396)
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>	74,396	<u>\$ 74,396</u>	(74,396)
Fund Balances, October 1st			<u>(74,396)</u>		<u>-</u>
Fund Balances, September 30th			<u>\$ -</u>		<u>\$ (74,396)</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, 2008
 With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Miscellaneous	\$ 50,000	\$ 50,000	\$ 386,628	\$ 336,628	\$ 114,209
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>386,628</u>	<u>336,628</u>	<u>114,209</u>
Expenditures:					
Current					
Industrial Development	50,000	50,000	9,957	40,043	8,652
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>9,957</u>	<u>40,043</u>	<u>8,652</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	376,671	376,671	105,557
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>	376,671	<u>\$ 376,671</u>	105,557
Fund Balances, October 1st			<u>152,788</u>		<u>47,231</u>
Fund Balances, September 30th			<u>\$ 529,459</u>		<u>\$ 152,788</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, 2008

With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Miscellaneous	\$ -	\$ 5,056	\$ 630	\$ (4,426)	\$ 16,108
Total Revenues	<u>-</u>	<u>5,056</u>	<u>630</u>	<u>(4,426)</u>	<u>16,108</u>
Expenditures:					
Current					
Trail Fund	-	5,056	5,056	-	-
Total Expenditures	<u>-</u>	<u>5,056</u>	<u>5,056</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(4,426)	(4,426)	16,108
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>(4,426)</u>	<u>\$ (4,426)</u>	<u>16,108</u>
Fund Balances, October 1st			<u>26,119</u>		<u>10,011</u>
Fund Balances, September 30th			<u>\$ 21,693</u>		<u>\$ 26,119</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Special Assessments, Including Interest	\$ -	\$ -	\$ 52,381	\$ 52,381	\$ 80,820
Miscellaneous and Reserves	-	30,000	-	(30,000)	-
Total Operating Revenues	<u>-</u>	<u>30,000</u>	<u>52,381</u>	<u>22,381</u>	<u>80,820</u>
Operating Expenses:					
Public Safety	-	30,000	24,574	5,426	10,453
Total Operating Expenses	<u>-</u>	<u>30,000</u>	<u>24,574</u>	<u>5,426</u>	<u>10,453</u>
Income (Loss) before operating transfers	-	-	27,807	27,807	70,367
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>	27,807	<u>\$ 27,807</u>	70,367
Net Assets, October 1st			<u>119,733</u>		<u>49,366</u>
Net Assets, September 30th			<u>\$ 147,540</u>		<u>\$ 119,733</u>

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, 2008
 With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Special Assessments, Including Interest	\$120,000	\$120,000	\$ 155,759	\$ 35,759	101,906
Miscellaneous	110,900	110,900	79,134	(31,766)	65,007
Total Operating Revenues	<u>230,900</u>	<u>230,900</u>	<u>234,893</u>	<u>3,993</u>	<u>166,913</u>
Operating Expenses:					
Community Development	245,900	245,900	164,410	81,490	192,042
Total Operating Expenses	<u>245,900</u>	<u>245,900</u>	<u>164,410</u>	<u>81,490</u>	<u>192,042</u>
Income (Loss) before operating transfers	(15,000)	(15,000)	70,483	85,483	(25,129)
Operating Transfers:					
Operating Transfers In	15,000	15,000	7,587	(7,413)	69,773
Operating Transfers Out	-	-	-	-	-
Net Transfers	<u>15,000</u>	<u>15,000</u>	<u>7,587</u>	<u>(7,413)</u>	<u>69,773</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	78,070	<u>\$ 78,070</u>	44,644
Net Assets, October 1st			<u>37,709</u>		<u>(6,935)</u>
Net Assets, September 30th			<u>\$ 115,779</u>		<u>\$ 37,709</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, 2008
 With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Intergovernmental	\$ 5,000	\$ 5,000	\$ 4,805	\$ (195)	\$ 5,018
Miscellaneous and Permits	1,050	1,050	2,000	950	-
Total Operating Revenues	<u>6,050</u>	<u>6,050</u>	<u>6,805</u>	<u>755</u>	<u>5,018</u>
Operating Expenses:					
Community Development	6,050	8,050	8,000	50	6,500
Total Operating Expenses	<u>6,050</u>	<u>8,050</u>	<u>8,000</u>	<u>50</u>	<u>6,500</u>
Income (Loss) before operating transfers	-	(2,000)	(1,195)	805	(1,482)
Operating Transfers:					
Operating Transfers In	-	2,000	-	(2,000)	-
Operating Transfers Out	-	-	-	-	-
Net Transfers	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	(1,195)	<u>\$ (1,195)</u>	(1,482)
Net Assets, October 1st			<u>(581)</u>		<u>901</u>
Net Assets, September 30th			<u>\$ (1,776)</u>		<u>\$ (581)</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 402,140	\$ 402,140	\$ 322,019	\$ (80,121)	\$ 345,446
Miscellaneous	30,750	30,750	32,456	1,706	28,643
Total Operating Revenues	<u>432,890</u>	<u>432,890</u>	<u>354,475</u>	<u>(78,415)</u>	<u>374,089</u>
Operating Expenses:					
Contracted Expenses	59,610	59,610	56,074	3,536	46,752
Personnel Expenses	223,626	228,626	223,576	5,050	198,941
Depreciation and Amortization	-	-	31,355	(31,355)	26,429
Utilities	8,500	8,500	9,797	(1,297)	6,582
Supplies	32,450	32,450	45,312	(12,862)	39,758
Repairs and Maintenance	55,950	75,950	39,114	36,836	31,945
Vehicle Expense	21,884	21,884	24,230	(2,346)	22,870
Studies and Projects	8,700	8,700	7,392	1,308	8,632
Rental Expense	500	500	2,230	(1,730)	362
Miscellaneous Expenses	1,500	1,500	1,916	(416)	2,074
Telephone	-	-	-	-	12
Travel and Meetings	-	-	-	-	-
Total Operating Expenses	<u>412,720</u>	<u>437,720</u>	<u>440,996</u>	<u>(3,276)</u>	<u>384,357</u>
Operating Income (Loss)	20,170	(4,830)	(86,521)	(81,691)	(10,268)
Non-operating Revenues (Expenses):					
Interest Income	-	-	-	-	-
Interest Expense	-	-	(1,732)	(1,732)	(567)
Total Non-operating Revenues (Exp)	<u>-</u>	<u>-</u>	<u>(1,732)</u>	<u>(1,732)</u>	<u>(567)</u>
Income (Loss) before operating transfers	20,170	(4,830)	(88,253)	(83,423)	(10,835)
Operating Transfers:					
Operating Transfers In	-	25,000	-	-	-
Operating Transfers Out	(18,408)	(18,408)	(18,408)	-	(17,531)
Net Transfers	<u>(18,408)</u>	<u>6,592</u>	<u>(18,408)</u>	<u>-</u>	<u>(17,531)</u>
Net Income (Loss)	<u>\$ 1,762</u>	<u>\$ 1,762</u>	<u>(106,661)</u>	<u>\$ (83,423)</u>	<u>(28,366)</u>
Net Assets, October 1st			<u>211,485</u>		<u>239,851</u>
Net Assets, September 30th			<u>\$ 104,824</u>		<u>\$ 211,485</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous and Reserves	-	180,000	2,410	(177,590)	-
Total Operating Revenues	<u>-</u>	<u>180,000</u>	<u>2,410</u>	<u>(177,590)</u>	<u>-</u>
Operating Expenses:					
Contracted Expenses	50,000	50,000	44,167	5,833	51,047
Personnel Expenses	-	-	-	-	-
Depreciation and Amortization	-	-	39,381	(39,381)	32,999
Utilities	128,000	128,000	109,808	18,192	124,968
Supplies	-	-	1,841	(1,841)	354
Repairs and Maintenance	16,200	196,200	22,427	173,773	6,859
Miscellaneous Expenses	-	-	350	(350)	-
Telephone	-	-	-	-	-
Travel and Meetings	-	-	39	(39)	-
Total Operating Expenses	<u>194,200</u>	<u>374,200</u>	<u>218,013</u>	<u>156,187</u>	<u>216,227</u>
Operating Income (Loss)	(194,200)	(194,200)	(215,603)	(21,403)	(216,227)
Non-operating Revenues (Expenses):					
Intergovernmental	116,200	116,200	112,047	(4,153)	105,790
Interest Expense	-	-	-	-	-
Total Non-operating Revenues (Exp)	<u>116,200</u>	<u>116,200</u>	<u>112,047</u>	<u>(4,153)</u>	<u>105,790</u>
Income (Loss) before operating transfers	(78,000)	(78,000)	(103,556)	(25,556)	(110,437)
Operating Transfers:					
Operating Transfers In	78,000	78,000	78,000	-	258,000
Operating Transfers Out	-	-	-	-	-
Net Transfers	<u>78,000</u>	<u>78,000</u>	<u>78,000</u>	<u>-</u>	<u>258,000</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	(25,556)	<u>\$ (25,556)</u>	147,563
Net Assets, October 1st			<u>624,749</u>		<u>477,186</u>
Net Assets, September 30th			<u>\$ 599,193</u>		<u>\$ 624,749</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Charges for Services	\$ 113,000	\$ 113,000	\$ 173,330	\$ 60,330	\$ 160,864
Miscellaneous and Reserves	69,430	309,430	125,968	(183,462)	14,649
Total Operating Revenues	<u>182,430</u>	<u>422,430</u>	<u>299,298</u>	<u>(123,132)</u>	<u>175,513</u>
Operating Expenses:					
Contracted Expenses	37,600	37,600	52,736	(15,136)	36,413
Personnel Expenses	57,033	57,033	59,642	(2,609)	59,179
Depreciation and Amortization	-	-	36,206	(36,206)	29,016
Utilities	2,800	2,800	3,254	(454)	2,869
Supplies	4,500	4,500	5,494	(994)	3,585
Repairs and Maintenance	81,500	321,500	19,649	301,851	9,911
Vehicle Expense	250	250	1,282	(1,032)	682
Miscellaneous Expenses	1,500	1,500	435	1,065	6,462
Telephone	-	-	-	-	-
Total Operating Expenses	<u>185,183</u>	<u>425,183</u>	<u>178,698</u>	<u>246,485</u>	<u>148,117</u>
Operating Income (Loss)	(2,753)	(2,753)	120,600	123,353	27,396
Non-operating Revenues (Expenses):					
Interest Income	10,000	10,000	8,306	(1,694)	12,908
Interest Expense	-	-	-	-	-
Total Non-operating Revenues (Exp.)	<u>10,000</u>	<u>10,000</u>	<u>8,306</u>	<u>(1,694)</u>	<u>12,908</u>
Income (Loss) before operating transfers	7,247	7,247	128,906	121,659	40,304
Operating Transfers:					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(7,247)	(7,247)	(7,247)	-	(6,902)
Net Transfers	<u>(7,247)</u>	<u>(7,247)</u>	<u>(7,247)</u>	<u>-</u>	<u>(6,902)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	121,659	<u>\$ 121,659</u>	33,402
Net Assets, October 1st			<u>1,180,383</u>		<u>1,146,981</u>
Net Assets, September 30th			<u>\$ 1,302,042</u>		<u>\$ 1,180,383</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, 2008

With Comparative Actual Amounts from the Previous Year

	2008			Variance	2007
	Proposed Budget	Final Budget	Actual	Favorable (Unfavorable)	Actual
Operating Revenues:					
Charges for Services	\$ -	\$ 20,000	\$ 45,800	\$ 25,800	\$ 69,825
Miscellaneous	-	-	(7,185)	(7,185)	86
Total Operating Revenues	-	20,000	38,615	18,615	69,911
Operating Expenses:					
Contracted Expenses	-	6,038	6,038	-	-
Personnel Expenses	-	9,010	9,010	-	-
Depreciation and Amortization	-	-	3,730	(3,730)	3,729
Repairs and Maintenance	-	143	143	-	-
Miscellaneous Expenses	-	1,554	1,554	-	2,729
Total Operating Expenses	-	16,745	20,475	(3,730)	6,458
Operating Income (Loss)	-	3,255	18,140	14,885	63,453
Non-operating Revenues (Expenses):					
Interest Income	-	-	-	-	-
Interest Expense	-	-	-	-	-
Total Non-operating Revenues (Expenses)	-	-	-	-	-
Income (Loss) before operating transfers	-	3,255	18,140	14,885	63,453
Operating Transfers:					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	(3,255)	(3,837)	(582)	(54,773)
Net Transfers	-	(3,255)	(3,837)	(582)	(54,773)
Net Income (Loss)	\$ -	\$ 0	14,303	\$ 14,303	8,680
Net Assets, October 1st			18,437		9,757
Net Assets, September 30th			\$ 32,740		\$ 18,437

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, 2008
 With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Charges for Services	\$ 24,300	\$ 24,300	\$ 18,378	\$ (5,922)	\$ 5,005
Miscellaneous	-	-	-	-	-
Total Operating Revenues	<u>24,300</u>	<u>24,300</u>	<u>18,378</u>	<u>(5,922)</u>	<u>5,005</u>
Operating Expenses:					
Contracted Expenses	24,300	24,300	17,164	7,136	1,577
Personnel Expenses	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-
Utilities	-	-	552	(552)	243
Supplies	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Vehicle Expense	-	-	-	-	-
Miscellaneous Expenses	-	-	-	-	119
Telephone	-	-	-	-	-
Total Operating Expenses	<u>24,300</u>	<u>24,300</u>	<u>17,716</u>	<u>6,584</u>	<u>1,939</u>
Operating Income (Loss)	-	-	662	662	3,066
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	-	-	662	662	3,066
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>	662	<u>\$ 662</u>	3,066
Net Assets, October 1st			<u>3,066</u>		<u>-</u>
Net Assets, September 30th			<u>\$ 3,728</u>		<u>\$ 3,066</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008				2007 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Special Assessments, Including Interest	\$ 187,055	\$ 187,055	189,622	\$ 2,567	\$ 191,297
Miscellaneous	4,500	4,500	4,152	(348)	6,875
Total Operating Revenues	<u>191,555</u>	<u>191,555</u>	<u>193,774</u>	<u>2,219</u>	<u>198,172</u>
Operating Expenses:					
Insurance Expense	324,257	324,257	315,899	8,358	319,475
Miscellaneous Expenses	1,150	1,150	1,470	(320)	389
Travel and Meetings	1,000	1,000	813	187	576
Total Operating Expenses	<u>326,407</u>	<u>326,407</u>	<u>318,182</u>	<u>8,225</u>	<u>320,440</u>
Operating Income (Loss)	(134,852)	(134,852)	(124,408)	10,444	(122,268)
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	(134,852)	(134,852)	(124,408)	10,444	(122,268)
Operating Transfers:					
Operating Transfers In	176,261	176,261	176,261	-	167,866
Operating Transfers Out	(41,409)	(41,409)	(41,409)	-	(39,437)
Net Transfers	<u>134,852</u>	<u>134,852</u>	<u>134,852</u>	<u>-</u>	<u>128,429</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	10,444	<u>\$ 10,444</u>	6,161
Net Assets, October 1st			<u>183,186</u>		<u>177,025</u>
Net Assets, September 30th			<u>\$ 193,630</u>		<u>\$ 183,186</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, 2008
With Comparative Actual Amounts from the Previous Year

	2008			Variance Favorable (Unfavorable)	2007 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Charges for Services	\$ 219,510	\$ 219,510	\$ 219,510	\$ -	\$ 218,827
Miscellaneous	-	-	16	16	-
Total Operating Revenues	<u>219,510</u>	<u>219,510</u>	<u>219,526</u>	<u>16</u>	<u>218,827</u>
Operating Expenses:					
Contracted Expenses	1,375	1,375	833	542	911
Personnel Expenses	179,420	179,420	178,491	929	161,966
Depreciation and Amortization	-	-	8,813	(8,813)	10,167
Utilities	6,800	6,800	6,933	(133)	6,010
Supplies	13,900	13,900	17,570	(3,670)	16,028
Repairs and Maintenance	5,000	5,000	4,349	651	-
Vehicle Expense	12,500	12,500	3,055	9,445	457
Miscellaneous Expenses	515	515	-	515	132
Telephone	-	-	-	-	-
Total Operating Expenses	<u>219,510</u>	<u>219,510</u>	<u>220,044</u>	<u>(534)</u>	<u>195,671</u>
Operating Income (Loss)	-	-	(518)	(518)	23,156
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	-	-	(518)	(518)	23,156
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>	(518)	<u>\$ (518)</u>	23,156
Net Assets, October 1st			<u>590,043</u>		<u>566,887</u>
Net Assets, September 30th			<u>\$ 589,525</u>		<u>\$ 590,043</u>

See accountants' report.

SINGLE AUDIT INFORMATION

Justamere Inn
401 Gooding Street North, Suite 201
P.O. Box 1293
Twin Falls, Idaho 83303-1293

Phone (208) 734-2077
Fax (208) 734-2079

office@hcmholmstead.com

**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, 2008 and have issued our report thereon dated August 24, 2009. 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
August 24, 2009

CITY OF TWIN FALLS, IDAHO
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Historical Society			
Historic Preservation Fund Grants	15.904	16-07-21616	\$ 4,740
Historic Preservation Fund Grants	15.904	16-08-21717	4,886
Department of Transportation			
Highway Planning and Construction	20.205	A010(745)	1,950
Highway Planning and Construction	20.205	A009(853)	227,017
State and Community Highway Safety	20.600	SSB0821	353
State and Community Highway Safety	20.600	SPT0701	2,143
State and Community Highway Safety	20.600	SAL0701	2,930
State and Community Highway Safety	20.600	SPT0801	885
Alcohol Traffic Safety & Drunk Driving Prevention	20.601	SJ80701	1,000
Safety Incentive Grant for Use of Seatbelts	20.604	S570P81	1,134
Interagency Hazardous Material Public Sector Train	20.703		4,361
Department of Homeland Security			
Law Enforcement Officer Reimbursemnt Program	97.090		104,858
Department of Commerce			
Community Development Block Grants	14.228	B05DC160001	36,211
Department of Lands			
Cooperative Forestry Assistance	10.664	06-DG-11010000-026	2,867
Federal Aviation Administration			
Airport Improvement Program	20.106	AIP-16-0036-25	199,958
Airport Improvement Program	20.106	AIP-16-0036-26	888,911
Total Expenditures of Federal Awards			<u>\$ 1,484,202</u>

The City of Twin Falls received equipment in the amount of \$57,356 from Department of Homeland Security.

CITY OF TWIN FALLS, IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year ended September 30, 2008

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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P.O. Box 1293
Twin Falls, Idaho 83303-1293

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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**

City Council
City of Twin Falls, Idaho

We have audited the accompanying financial statements of 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, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 24, 2009. 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 of Twin Falls, Idaho's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Twin Falls, Idaho's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 *Governmental Auditing Standards*.

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

Sincerely,

A handwritten signature in cursive script that reads "HCM Holmstead".

HCM HOLMSTEAD, PLLC

August 24, 2009

Justamere Inn
401 Gooding Street North, Suite 201
P.O. Box 1293
Twin Falls, Idaho 83303-1293

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**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, 2008. 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 *Governmental 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City of Twin Falls, Idaho'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 of Twin Falls, Idaho'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, 2008

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 of Twin Falls, Idaho'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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We did not note any matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City of Twin Falls, Idaho's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

August 24, 2009