

CITY OF TWIN FALLS, IDAHO
FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

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INDEPENDENT AUDITORS' REPORT

June 30, 2008

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, 2007, 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 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, 2007, 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 June 30, 2008, 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 Management's Discussion and Analysis and budgetary comparison information on pages 3 through 11 and 66 through 83 respectively, 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 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 combining and individual nonmajor funds financial statements 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.

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 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 not a required part of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sincerely,



HCM HOLMSTEAD, PLLC



City of Twin Falls, Idaho

Management's Discussion and Analysis

As of and for the Year Ended September 30, 2007

The following discussion and analysis of the City of Twin Falls' (City) financial activities for the year ended September 30, 2007 is provided by management of the City. Please read this analysis in conjunction with the City's financial statements that begin on page 12.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

Fund Financial Statements

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

Notes to the Financial Statements

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

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

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

Financial Analysis of the City as a Whole

Analysis of Condensed Statement of Net Assets

The table below presents the City's Condensed Statement of Net Assets as of September 30, 2007 and 2006, derived from the government-wide Statement of Net Assets. The assets of the City exceeded its liabilities (net assets) at the close of the year by \$178,589,151 for governmental activities and by \$36,659,697 for business-type activities, for a combined total of \$215,248,848 for the primary government. The net assets for governmental activities for 2007 is greater than 2006 by \$126,136,955, of which \$120,377,506 resulted from the timely first reporting of infrastructure assets in compliance with new governmental standards. The three components of net assets include invested in capital assets, net of related debt; restricted; and unrestricted. The largest component of net assets, totaling \$188,154,802 at year end, is the investment in capital assets, net of related debt, which likewise was increased by the first reporting of infrastructure assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not available for future spending. Restricted assets totaling \$7,481,339 represent resources that are subject to external restrictions and other provisions on how they can be used. The remaining balance of \$19,612,707 is unrestricted and available to meet the ongoing obligations of the City to its citizens and creditors.

Condensed Statement of Net Assets

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2007	2006	2007	2006	2007
Current and other assets	16,050,863	18,794,871	11,141,530	12,167,144	27,192,393	30,962,015
Capital assets	40,060,987	163,733,378	38,350,256	39,398,745	78,411,243	203,132,123
Total assets	<u>56,111,850</u>	<u>182,528,249</u>	<u>49,491,786</u>	<u>51,565,889</u>	<u>105,603,636</u>	<u>234,094,138</u>
Other liabilities	994,035	967,111	1,598,136	780,509	2,592,171	1,747,620
Noncurrent liabilities	2,665,619	2,971,987	14,134,191	14,125,683	16,799,810	17,097,670
Total liabilities	<u>3,659,654</u>	<u>3,939,098</u>	<u>15,732,327</u>	<u>14,906,192</u>	<u>19,391,981</u>	<u>18,845,290</u>
Net assets:						
Invested in capital assets net of related debt	39,049,171	162,753,014	23,316,060	25,401,788	62,365,231	188,154,802
Restricted	7,409,555	7,481,339	-	-	7,409,555	7,481,339
Unrestricted	5,993,470	8,354,798	10,443,399	11,257,909	16,436,869	19,612,707
Total net assets	<u>52,452,196</u>	<u>178,589,151</u>	<u>33,759,459</u>	<u>36,659,697</u>	<u>86,211,655</u>	<u>215,248,848</u>

Analysis of Condensed Statement of Activities

The following table presents the City's condensed statement of activities for the fiscal year 2006-07 and fiscal year 2005-06, as derived from the government-wide Statement of Activities. Over time, increase and decreases in net assets measure whether the City's financial position is improving or deteriorating. The City's total net assets increased during the fiscal year 2006-07 by \$128,945,829. The net assets of governmental activities increased by \$126,136,955, of which \$120,377,506 resulted from the timely first reporting of infrastructure assets in compliance with new governmental standards, and the net assets of business-type activities increased by \$2,900,238.

Condensed Statement of Activities						
For the Fiscal Year Ended September 30						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2007	2006	2007	2006	2007
Program revenues						
Charges for services	3,351,416	4,271,272	12,117,743	13,032,113	15,469,159	17,303,385
Grants and contributions						
Operating	5,707,668	5,914,021	111,951	105,790	5,819,619	6,019,811
Capital	1,526,692	9,148,706	-	-	1,526,692	9,148,706
Total program revenue	10,585,776	19,333,999	12,229,694	13,137,903	22,815,470	32,471,902
General revenues and payments						
Property taxes	10,447,413	12,294,724	-	-	10,447,413	12,294,724
Other taxes	255,730	237,051	-	-	255,730	237,051
Investment earnings	466,226	817,725	363,333	584,623	829,559	1,402,348
Other revenues	885,592	1,358,026	98,913	93,478	984,505	1,451,504
Total general revenues and payments	12,054,961	14,707,526	462,246	678,101	12,517,207	15,385,627
Total general revenues and payments	22,640,737	34,041,525	12,691,940	13,816,004	35,332,677	47,857,529
Program expenses						
General government	3,551,200	11,351,031	-	-	3,551,200	11,351,031
Public safety	9,027,920	9,946,619	-	-	9,027,920	9,946,619
Public works	2,796,566	3,561,578	-	-	2,796,566	3,561,578
Culture and recreation	2,381,653	2,632,384	-	-	2,381,653	2,632,384
Airport	1,154,004	1,260,775	-	-	1,154,004	1,260,775
Water	-	-	3,494,474	3,556,862	3,494,474	3,556,862
Sewer	-	-	4,194,932	4,411,613	4,194,932	4,411,613
Sanitation	-	-	1,703,004	1,719,314	1,703,004	1,719,314
Recreation enterprises	-	-	720,813	749,267	720,813	749,267
Other	-	-	37,681	8,399	37,681	8,399
Total program expenses	18,911,343	28,752,387	10,150,904	10,445,455	29,062,247	39,197,842
Excess (deficiency) before gain (loss) and transfers	3,729,394	5,289,138	2,541,036	3,370,549	6,270,430	8,659,687
Transfers	657,193	470,311	(748,557)	(470,311)	-	-
Change in net assets	4,386,587	5,759,449	1,792,479	2,900,238	6,270,430	8,659,687
Beginning net assets	48,065,609	52,452,196	31,966,980	33,759,459	80,032,589	86,211,655
Retroactive reporting of Infrastructure Assets	-	120,377,506	-	-	-	120,377,506
Ending net assets	52,452,196	178,589,151	33,759,459	36,659,697	86,303,019	215,248,848

Governmental Revenues

The City is heavily reliant on property taxes and shared state revenues to support governmental operations. For 2007 property taxes are 36.1%, shared state revenues are 14.3%, charges for services are 12.5%, capital grants are 26.9%, investment income is 2.4%, franchise fees are 3.0% and all other is 4.8% of general revenues and payments.

Program Expenses and Revenue for Governmental Activities

The following table presents the net costs for governmental activities. Net program costs increased slightly as compared to the prior year. Overall program revenues contributed 13.6% to programs expenses, with the balance coming from general revenues, i.e. property taxes and state shared revenues.

Program revenues for 2007 are greater than in 2006 by \$8,748,223, of which \$8,467,303 is street infrastructure assets contributed to the City from development activities.

Program expenses for 2007 are greater than in 2006 by \$9,841,044, of which nearly \$6.9 million is depreciation expense on infrastructure assets being first reported in 2007, and the balance is from fuller employment in public safety departments, and larger capital expenditures in 2007.

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

Functions/Programs	Program Expenses 2007	Less Program Revenues 2007	Net Program Costs		Program Revenues as a Percentage of Program Expenses	
			2007	2006	2007	2006
General government	11,351,031	879,512	10,471,519	2,595,022	7.7%	25.3%
Fire	3,260,636	330,619	2,930,017	2,995,832	10.1%	0.1%
Police	6,685,983	678,300	6,007,683	5,665,897	10.1%	6.0%
Engineering & planning	1,311,514	1,527,663	(216,149)	(100,416)	116.5%	109.2%
Library	1,241,462	58,960	1,182,502	1,062,912	4.7%	6.2%
Culture & recreation	1,390,922	149,247	1,241,675	1,090,908	10.7%	12.6%
Highways & streets	2,250,064	75,367	2,174,697	1,628,192	3.3%	4.3%
Airport	1,260,775	572,029	688,746	621,580	45.4%	46.1%
Totals	28,752,387	4,271,697	24,480,690	15,559,927	14.9%	17.5%

Program Expenses and Revenue for Business-type Activities

The following table presents net income and costs for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses except for the Municipal Golf Course and the City Pool. The golf course revenues are dependent on weather and patron usage and its net costs were less in 2007 than in 2006. The city pool is operated by the YMCA with the City receiving no revenue while providing the costs of heat and electricity plus and \$50,000 annually for other operating and maintenance costs, which remained about the same in 2007.

Revenues in the water fund are impacted by weather's affect on irrigation usage, growth in the city, and rates. Rates were increased 5% in 2006 and overall revenue increased by 6.3%, while costs were nearly unchanged, which resulted is improved net income in 2006.

Revenues in the sewer fund have the same impacts as water, although the effect of weather is not so strong. A more significant factor for sewer is the large industrial users of the system. Rates were increased 5% here as well, but overall revenue increased by only 2.2% and costs decreased by 4.3%, resulting in improved net income in 2006.

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

Functions/Programs	Program Revenues	Less Program Expenses	Net Program Income (Costs)		Program Expenses as a Percentage of Program Revenues	
			2007	2006	2007	2006
Water	5,164,648	3,556,862	1,607,786	939,441	68.9%	78.8%
Sewer	5,265,812	4,411,613	854,199	870,749	83.8%	82.8%
Sanitation	1,988,817	1,719,314	269,503	200,587	86.4%	89.5%
Golf	374,091	384,924	(10,833)	(7,608)	102.9%	102.1%
Pool	-	216,226	(216,226)	(209,075)	n/a	n/a
Dierkes Lk/Shoshone Fls	163,914	147,117	16,797	138,158	89.8%	49.5%
Parking	69,825	6,459	63,366	34,587	9.3%	52.1%
Common Area Maintenance	5,006	1,940	3,066	-	38.8%	0.0%
Totals	13,032,113	10,444,455	2,587,658	1,966,839	80.1%	83.8%

Fund Analysis

Governmental Funds

The City's governmental funds reported a combined ending fund balance of \$16,113,432 at September 30, 2007, with \$15,725,222 reported as unreserved; compared to \$13,698,435 and \$13,152,441 at September 30, 2006. The only changes of note during the fiscal year 2006-07 occurred in the General and Street Funds.

The General Fund balance increased by \$1,456,156 due to revenues from property taxes, building permits, state shared revenues, and investment income that exceeded anticipated amounts by a combined total of nearly \$660,000; and expenditures in principally the areas of information services, police, fire, building inspection, and engineering were less in total than anticipated by nearly \$800,000. The lower expenditures were largely the result of vacant job positions. Extremely competitive wages in these professions and a very low general unemployment rate have caused higher levels of turnover than normal and limited the ability of the City to quickly fill job vacancies.

The Street Fund balance increased by \$1,061,888, principally from intentional efforts to accumulate funds for upcoming projects by increasing property taxes levied and allocated.

Proprietary Funds

The City's proprietary funds reported a combined ending fund net assets of \$36,659,699 at September 30, 2007, with \$25,401,787 invested in capital assets (net of debt) and \$11,257,912 reported as unrestricted. On September 30, 2006 the fund net assets were \$33,759,459, of which \$23,316,061 was invested in capital assets (net) and \$10,443,394 was reported as unrestricted.

The most significant changes during the year ended September 30, 2007 were in the water and wastewater funds, where the fund net assets increased by \$1,654,368 and \$895,442, respectively.

In the Water Fund net income of \$1,654,368 was \$799,733 more than the prior year, due largely to \$732,110 more operating revenue.

In the Wastewater Fund net income of \$895,442 was \$184,041 more than the prior year, due to \$306,213 more revenue net of \$122,172 more expense.

Capital Asset Activity

At September 30, 2007 the City reported net capital assets of \$162,753,014, an increase of \$123,703,843 for governmental activities due to the first reporting of infrastructure assets; and \$25,401,788, an increase of \$2,085,728 for business-type activities.

The increases in net assets for governmental activities resulted primarily from the new reporting of infrastructure assets of \$120,377,506, net of accumulated depreciation and before current year depreciation expense recognition now required by governmental reporting standards, plus new automotive equipment for various departments, and construction of a new engineering lab.

The increases in net assets for business-type activities resulted primarily from upgrades to water, pressurized irrigation, and wastewater facilities and systems and new automotive equipment for water and wastewater operations.

Long-Term Debt Activity

The City has no outstanding general obligation bonds.

In fiscal year 2006-2007 the city incurred long-term debt for governmental activities in the amount of \$366,882 to purchase a new fire truck and made payments of \$398,334 on existing long-term debt for equipment and airport improvements, with the total remaining balance due at September 30, 2007 of \$2,028,746, including \$1,048,382 for future compensated absences.

In fiscal year 2006-2007 the city incurred no new long-term debt for business activities and made payments of \$1,047,963 on existing debt leaving a balance due at September 30, 2007 of \$14,125,683, including \$128,726 for future compensated absences. Of this amount, \$8,757,154 is debt incurred for improvements to the sewer plant in 1995 and 1998; and \$5,239,803 is debt incurred for improvements to the water system in 1998.

Economic Factors

Twin Falls continues to grow but at a more moderate pace. Official population estimates show growth to be 15.1 percent during the last five years, and 4.1% in 2006. Unemployment rates are very low at 3.1% for 2006 and 2.5% for 2007.

Employment levels increased by 17.1% in the last five years and by 6.6% in 2007, to a total of 20,707 in the City and 9.8% in the last five years and by 1.2% in 2007 to a total of 37,274 in the County. In the City the civilian labor force grew by 14.9% in the five years and by 5.9% in 2007; and by 7.8 in the five years and by 1.2% for 2007 in the County, which shows why the unemployment rate has gone down.

During this same time, the last five years, per capita income has increased by 9.2%, not quite keeping up with the nation at 12.8% or the State of Idaho at 13.8%

Building in Twin Falls has been very strong, with nearly 2,400 single family residences built during 2002 through 2006, hitting 664 in 2005 and falling to 547 in 2006. For 2007 the number fell further to 258. This portion of the economy, like the rest of the nation, is slowing down, but commercial development is growing, with two new hotels, a new hospital, a new high school, and many smaller projects keeping the construction industry very busy.

The building growth has impacted the city utilities as well, with water accounts growing by 19.8% or 2,440, from 12,312 to 14,752 accounts between September 30, 2001 and 2006. For 2007 this number stood at 15,158. Sewer and sanitation have grown accordingly.

In 2007, the County Assessor completed reevaluations of most residential property that increased taxable market in the City substantially, which with new construction and annexation, raised the City's net taxable market value by 35.3%. So, while the City levied an additional \$1,815,100 in property taxes for next year, an increase of 14.97%, the levy rate actually declined by 15.01%

Following is a table showing a comparison of the levy rates for 2006 and 2007.

<u>Taxing District</u>	<u>2006 Levy Rates (funded 2006-07 budget)</u>	<u>2007 Rates (funded 2007-08 budget)</u>	<u>Percent Change</u>
City of Twin Falls	0.007826922	0.006652024	-15.0%
Twin Falls County	0.004376157	0.003695145	-15.6%
Twin Falls County Ambulance District	0.000203051	0.000165659	-18.4%
Twin Falls School District 411	0.002584747	0.002635825	2.0%
Twin Falls Highway District	0.001140629	0.000943895	-17.2%
College of Southern Idaho	0.000932323	0.000798289	-14.4%
Combined	0.017063829	0.014890837	-12.7%

Future Issues

As the City has grown, infrastructure needs have also grown. Further, changes in arsenic standards for water and discharge limits for wastewater are impacting service capacities in negative manners. Additionally, current long-term drought conditions have jeopardized existing water supplies. So, for the last several years, the city has been engaged in the process of finding solutions to these issues. There are solutions and alternatives, but they come at a price that will likely result in significant rate increases for these services in the future.

Urban Renewal Agency

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

The Agency's financial statements are available upon request.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Twin Falls, Idaho
Statement of Net Assets
September 30, 2007

	<u>Primary Government</u>			Component Unit- Urban Renewal
	Governmental Activities	Business Type Activities	Total	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 6,370,611	\$ 5,623,271	\$ 11,993,882	\$ 1,413,919
Restricted Cash	519,488	1,713,935	2,233,423	996,230
Investments	9,168,796	3,757,556	12,926,352	-
Receivables:				
Taxes	325,468	-	325,468	384
Fees and Services	12,108	1,395,484	1,407,592	-
Intergovernmental	1,363,809	28,363	1,392,172	5,101
Interest	55,390	37,728	93,118	15,442
Accounts	279,894	24,584	304,478	-
Capital Lease Receivable	-	-	-	1,415,165
Internal Balances	699,307	(699,307)	-	-
Inventory	-	285,530	285,530	-
Deferred Charges	-	-	-	42,306
Land	4,900,771	1,171,063	6,071,834	-
Land, Buildings and Structures	13,206,679	17,351,718	30,558,397	2,272,362
Infrastructure	239,668,928	-	239,668,928	-
Improvements	13,855,361	35,390,060	49,245,421	-
Machinery and Equipment	13,428,601	5,922,993	19,351,594	-
Accumulated Depreciation	(124,383,021)	(22,104,578)	(146,487,599)	-
Construction in Progress	3,056,059	1,667,489	4,723,548	-
Total Assets	<u>\$ 182,528,249</u>	<u>\$ 51,565,889</u>	<u>\$ 234,094,138</u>	<u>\$ 6,160,909</u>
<u>Liabilities</u>				
Accounts Payable	\$ 238,212	\$ 499,170	\$ 737,382	\$ 30,043
Accrued Expenses	560,255	-	560,255	-
Accrued Interest	22,247	170,374	192,621	134,302
Deferred Revenue	955,879	-	955,879	-
Customer Deposits	133,759	110,965	244,724	-
Leases and Equipment Notes	886,010	12,198,916	13,084,926	2,990,127
General Obligation Bonds	-	-	-	-
Revenue Bond Payable	94,354	1,798,041	1,892,395	7,110,000
Compensated Absences	1,048,382	128,726	1,177,108	-
Total Liabilities	<u>3,939,098</u>	<u>14,906,192</u>	<u>18,845,290</u>	<u>10,264,472</u>
<u>Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	162,753,014	25,401,788	188,154,802	2,272,362
Debt with no Related Capital Assets				(8,684,962)
Restricted for:				
Capital Projects	1,839,758	-	1,839,758	-
Debt Service	231,352	-	231,352	861,928
Other Purposes	5,410,229	-	5,410,229	42,306
Unrestricted	8,354,798	11,257,909	19,612,707	1,404,803
Total Net Assets	<u>178,589,151</u>	<u>36,659,697</u>	<u>215,248,848</u>	<u>(4,103,563)</u>
Total Liabilities and Fund Equity	<u>\$ 182,528,249</u>	<u>\$ 51,565,889</u>	<u>\$ 234,094,138</u>	<u>\$ 6,160,909</u>

See accompanying notes and accountants' report.

City of Twin Falls, Idaho
Statement of Activities
For the Year Ended September 30, 2007

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	\$ 11,351,031	\$ 879,512	\$ 3,421,523	8,945,894	\$ 1,895,898	\$ -	\$ 1,895,898	
Fire	3,260,636	330,619	-	-	(2,930,017)	-	(2,930,017)	
Police	6,685,983	678,300	-	-	(6,007,683)	-	(6,007,683)	
Engineering/Planning	1,311,514	1,527,238	-	-	215,724	-	215,724	
Library	1,241,462	58,960	-	-	(1,182,502)	-	(1,182,502)	
Culture and Recreation	1,390,922	149,247	5,018	-	(1,236,657)	-	(1,236,657)	
Highway and Street	2,250,064	75,367	2,209,894	-	35,197	-	35,197	
Airport	1,260,775	572,029	277,586	202,812	(208,348)	-	(208,348)	
Total Governmental Activities	28,752,387	4,271,272	5,914,021	9,148,706	(9,418,388)	-	(9,418,388)	-
Business-Type Activities:								
Water	3,556,862	5,164,648	-	-	-	1,607,786	1,607,786	
Sewer	4,411,613	5,265,812	-	-	-	854,199	854,199	
Sanitation	1,719,314	1,988,817	-	-	-	269,503	269,503	
Golf	384,924	374,091	-	-	-	(10,833)	(10,833)	
Pool	216,226	-	105,790	-	-	(110,436)	(110,436)	
Dierkes Lake/Shoshone Falls	148,117	163,914	-	-	-	15,797	15,797	
Parking	6,459	69,825	-	-	-	63,366	63,366	
Common Area Maintenance	1,940	5,006	-	-	-	3,066	3,066	
Total Business-Type Activities	10,445,455	13,032,113	105,790	-	-	2,692,448	2,692,448	
Total Primary Government	\$ 39,197,842	\$ 17,303,385	\$ 6,019,811	\$ 9,148,706	\$ (9,418,388)	\$ 2,692,448	\$ (6,725,940)	
Component Unit:								
Urban Renewal Agency								(543,782)
General Revenues:								
Taxes:								
Property taxes, Levied for General Purposes					\$ 12,294,684	\$ -	\$ 12,294,684	\$ 1,548,318
Property taxes, Levied for Debt Service					40	-	40	-
Franchise and Public Service Taxes					237,051	-	237,051	-
Interest and Investment Earnings					817,725	584,623	1,402,348	174,029
Miscellaneous Revenues					1,358,026	93,478	1,451,504	-
Transfers					470,311	(470,311)	-	-
					15,177,837	207,790	15,385,627	1,722,347
Changes in Net Assets					5,759,449	2,900,238	8,659,687	1,178,565
Net Assets - October 1, 2006					52,452,196	33,759,459	86,211,655	(5,282,128)
Retroactive Reporting of Infrastructure Assets					120,377,506	-	120,377,506	-
Net Assets - September 30, 2007					\$ 178,589,151	\$ 36,659,697	\$ 215,248,848	\$ (4,103,563)

See accompanying notes and accountants' report.

FUND FINANCIAL STATEMENTS

City of Twin Falls, Idaho
Fund Balance Sheets
Governmental Funds
September 30, 2007

	<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	\$ 3,892,551	\$ (258,794)	\$ 1,655,399	\$ 248,687	\$ (95,845)	\$ 576,196	\$ 6,018,194
Restricted Cash	148,844	-	-	-	192,064	196,871	537,779
Investments	5,247,725	2,931,249	310,578	540,940	-	1,730	9,032,222
Receivables (net of allowance)							
Taxes	247,040	17,779	7,365	15,577	-	32,489	320,250
Fees and Services	-	12,108	-	-	-	-	12,108
Intergovernmental	588,049	382,763	1,423	382,348	-	7,985	1,362,568
Interest	37,416	10,329	1,038	3,168	-	2,861	54,812
Accounts	65,643	-	38,175	-	8,028	168,049	279,895
Due from Other Funds	2,499,685	-	-	-	-	-	2,499,685
Total Assets	<u>\$ 12,726,953</u>	<u>\$ 3,095,434</u>	<u>\$ 2,013,978</u>	<u>\$ 1,190,720</u>	<u>\$ 104,247</u>	<u>\$ 986,181</u>	<u>\$ 20,117,513</u>
 <u>Liabilities</u>							
Accounts Payable	\$ 197,679	\$ 40,609	\$ 7,700	\$ 43,117	\$ 2,429	\$ 35,630	\$ 327,164
Accrued Expenses	452,288	-	-	-	-	7,376	459,664
Deferred Revenue	247,629	17,247	963,241	15,443	-	32,556	1,276,116
Customer Deposits Payable	140,759	-	-	-	-	-	140,759
Due to Other Funds	-	-	-	-	1,561,805	238,573	1,800,378
Total Liabilities	<u>1,038,355</u>	<u>57,856</u>	<u>970,941</u>	<u>58,560</u>	<u>1,564,234</u>	<u>314,135</u>	<u>4,004,081</u>
 <u>Fund Balances</u>							
Reserved for:							
Dedicated Purposes	-	-	-	-	-	156,860	156,860
Debt Service	-	-	-	-	-	231,350	231,350
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	11,686,841	-	-	-	-	-	11,686,841
Special Revenue Fund	-	2,731,628	1,016,622	1,132,160	-	188,053	5,068,463
Capital Projects Fund	-	-	-	-	(1,459,987)	95,783	(1,364,204)
Total Fund Balance	<u>11,688,598</u>	<u>3,037,578</u>	<u>1,043,037</u>	<u>1,132,160</u>	<u>(1,459,987)</u>	<u>672,046</u>	<u>16,113,432</u>
Total Liabilities and Fund Equity	<u>\$ 12,726,953</u>	<u>\$ 3,095,434</u>	<u>\$ 2,013,978</u>	<u>\$ 1,190,720</u>	<u>\$ 104,247</u>	<u>\$ 986,181</u>	<u>\$ 20,117,513</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, 2007

	<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	\$ 9,085,744	\$ 913,129	\$ 281,358	\$ 625,658	\$ -	1,201,004	\$ 12,106,893
Other Taxes	639,613	-	-	-	-	237,051	876,664
Special Assessments, Including Interest	-	-	-	-	-	182,725	182,725
Fines and Forfeitures	6,751	-	-	-	-	36,681	43,432
Licenses and Permits	1,550,591	-	-	-	-	-	1,550,591
Fees and Services	856,616	75,367	455,576	-	107,989	26,757	1,522,305
Intergovernmental	1,929,402	2,113,900	292,586	1,413,489	-	5,018	5,754,395
Federal Grants	33,556	95,994	-	22,019	187,812	427,789	767,170
Miscellaneous	961,226	155,918	88,408	1,000,842	1,634	231,371	2,439,399
Total Revenue	15,063,499	3,354,308	1,117,928	3,062,008	297,435	2,348,396	25,243,574
Expenditures							
Current							
General Government	2,012,159	-	-	461,442	-	-	2,473,601
Public Safety	10,078,865	-	-	569,141	-	10,453	10,658,459
Engineering	1,185,134	-	-	-	-	-	1,185,134
Community Development	111,714	-	-	-	-	714,120	825,834
Culture and Recreation	1,188,366	-	-	212,918	-	1,191,500	2,592,784
Highway and Streets	-	1,232,472	-	24,235	-	285,826	1,542,533
Airport	-	-	733,791	-	552,304	-	1,286,095
Capital Outlay	-	1,446,446	-	1,159,569	-	-	2,606,015
Debt Service							
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	14,576,238	2,678,918	733,791	2,427,305	552,304	2,201,899	23,170,455
Excess of Revenues Over (Under) Expenditures	487,261	675,390	384,137	634,703	(254,869)	146,497	2,073,119
Operating Transfers							
Transfers In	1,061,895	564,783	-	-	70,000	142,074	1,838,752
Transfers Out	(93,000)	(178,285)	(257,510)	(659,968)	-	(308,107)	(1,496,870)
Net Transfers	<u>968,895</u>	<u>386,498</u>	<u>(257,510)</u>	<u>(659,968)</u>	<u>70,000</u>	<u>(166,033)</u>	<u>341,882</u>
Net Change in Fund Balance	1,456,156	1,061,888	126,627	(25,265)	(184,869)	(19,536)	2,415,001
Fund Balance October 1, 2006	<u>10,232,442</u>	<u>1,975,690</u>	<u>916,410</u>	<u>1,157,425</u>	<u>(1,275,118)</u>	<u>691,582</u>	<u>13,698,431</u>
Fund Balance September 30, 2007	<u>\$ 11,688,598</u>	<u>\$ 3,037,578</u>	<u>\$ 1,043,037</u>	<u>\$ 1,132,160</u>	<u>\$ (1,459,987)</u>	<u>\$ 672,046</u>	<u>\$ 16,113,432</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, 2007

Governmental Fund Balances at September 30, 2007	\$ 16,113,432
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.	163,403,695
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	325,469
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.	773,230
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>(2,026,675)</u>
Net Assets for Governmental Activities-per reconciliation	<u>\$ 178,589,151</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, 2007

Net Change in Fund Balances - Total Government Funds	\$ 2,415,001
Amounts reported for governmental activities in the Statement of Activities are different because:	
Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period	3,412,008
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	(366,882)
Repayments:	
To bond, certificate, and note holders	296,124
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.	(80,804)
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.	29,318
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	<u>54,684</u>
Change in Net Assets of Governmental Activities	<u>\$ 5,759,449</u>

See accompanying notes and accountants' report.

City of Twin Falls, Idaho

Fund Balance Sheets

Proprietary Funds

September 30, 2007

	Business-Type Activities				Total	Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business- Type		
Assets						
Cash and Cash Equivalents	\$ 3,604,161	\$ 968,072	\$ 672,695	378,346	\$ 5,623,274	334,125
Investments	2,801,642	835,696	120,218	-	3,757,556	136,574
Receivables (net of allowance for uncollect.)						
Taxes	-	-	-	-	-	5,218
Fees and Services	568,834	598,254	226,054	2,343	1,395,485	-
Intergovernmental	-	-	-	28,363	28,363	1,240
Interest	23,679	10,119	3,005	926	37,729	578
Accounts	6,050	-	4,741	13,792	24,583	-
Inventories	285,530	-	-	-	285,530	-
Total Current Assets	7,289,896	2,412,141	1,026,713	423,770	11,152,520	477,735
Restricted Assets	811,585	902,349	-	-	1,713,934	-
Deferred Charges	-	-	-	-	-	-
Fixed Assets (Net of Accum. Depreciation)	14,530,442	22,511,643	17,533	2,339,126	39,398,744	329,684
Total Assets	\$ 22,631,923	\$ 25,826,133	\$ 1,044,246	\$ 2,762,896	\$ 52,265,198	\$ 807,419
Liabilities and Equity						
Current Liabilities:						
Accounts Payable	\$ 221,399	\$ 133,388	\$ 133,427	\$ 10,955	\$ 499,169	\$ 4,639
Accrued Expenses	78,095	92,280	-	-	170,375	-
Due to Other Funds	-	-	-	699,307	699,307	-
Deferred Revenue	-	-	-	-	-	5,232
Notes Payable - Current	260,905	346,514	-	-	607,419	-
Compensated Absences	70,398	24,602	19,212	14,514	128,726	24,318
Total Current Liabilities	630,797	596,784	152,639	724,776	2,104,996	34,189
Current Liab. Payable from Restricted Assets:						
Revenue Bonds Payable - Current	-	-	-	-	-	-
Customer Deposits Payable	109,715	1,250	-	-	110,965	-
Total Curr. Liab. From Restricted Assets	109,715	1,250	-	-	110,965	-
NonCurrent Liabilities:						
Notes Payable - Equipment	4,978,898	6,612,599	-	-	11,591,497	-
Revenue Bonds Payable (Net of Discounts)	-	1,798,041	-	-	1,798,041	-
Total Non-current Liabilities	4,978,898	8,410,640	-	-	13,389,538	-
Total Liabilities	5,719,410	9,008,674	152,639	724,776	15,605,499	34,189
Net Assets						
Invested In Capital Assets, net of related debt	9,290,639	13,754,489	17,533	2,339,126	25,401,787	329,684
Restricted	-	-	-	-	-	-
Unrestricted	7,621,874	3,062,970	874,074	(301,006)	11,257,912	443,546
Total Equity	16,912,513	16,817,459	891,607	2,038,120	36,659,699	773,230
Total Liabilities and Equity	\$ 22,631,923	\$ 25,826,133	\$ 1,044,246	\$ 2,762,896	\$ 52,265,198	\$ 807,419

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, 2007

	Business-Type Activities				Total	Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business- Type		
Operating Revenues:						
Charges for Services	\$ 4,742,247	\$ 4,852,258	\$ 1,971,398	\$ 576,141	\$ 12,142,044	\$ 218,827
Special Assessments, Including Interest	-	16,345	-	-	16,345	191,298
Taps, Connection and Other Fees	352,485	-	-	-	352,485	-
Miscellaneous	91,966	89,813	17,451	43,378	242,608	6,875
Total Operating Revenues	5,186,698	4,958,416	1,988,849	619,519	12,753,482	417,000
Operating Expenses:						
Contracted Services	161,048	2,656,741	963,476	135,792	3,917,057	911
Personnel Expenses	1,313,625	394,691	102,135	258,120	2,068,571	161,966
Depreciation and Amortization	476,264	761,758	4,602	92,174	1,334,798	10,167
Utilities	490,550	(4)	-	134,658	625,204	6,010
Landfill Expenses	-	-	634,579	-	634,579	-
Supplies	444,250	16,418	1,837	43,697	506,202	16,028
Insurance	-	-	-	-	-	319,475
Repairs and Maintenance	(398,069)	87,566	437	48,715	(261,351)	-
Vehicle Expenses	89,236	32,630	3,863	23,552	149,281	457
Studies and Projects	522,739	-	2,038	8,632	533,409	-
Rental Expense	167,389	-	-	362	167,751	-
Miscellaneous Expense	30,738	24,959	6,343	11,384	73,424	521
Testing and Monitoring	38,544	-	-	-	38,544	-
Telephone	47	1	4	12	64	-
Travel and Meetings	4,052	20	-	-	4,072	576
Total Operating Expenses	3,340,413	3,974,780	1,719,314	757,098	9,791,605	516,111
Operating Income (Loss)	1,846,285	983,636	269,535	(137,579)	2,961,877	(99,111)
Non-Operating Revenues (Expenses):						
Development Fees	-	366,273	-	-	366,273	-
Interest Income	383,654	149,076	38,987	17,907	589,624	-
Rent and Royalties	840	-	-	-	840	-
Federal Grants	-	-	-	-	-	-
Intergovernmental	-	-	-	105,790	105,790	-
Interest Expense	(216,451)	(436,835)	-	(567)	(653,853)	-
Total Non-Operating Revenues (Exp)	168,043	78,514	38,987	123,130	408,674	-
Income (Loss) Before Operating Transfers	2,014,328	1,062,150	308,522	(14,449)	3,370,551	(99,111)
Operating Transfers:						
Operating Transfers In	203,264	200,000	-	258,000	661,264	167,866
Operating Transfers Out	(563,224)	(366,708)	(122,437)	(79,206)	(1,131,575)	(39,437)
Net Transfers	(359,960)	(166,708)	(122,437)	178,794	(470,311)	128,429
Net Income	1,654,368	895,442	186,085	164,345	2,900,240	29,318
Total Net Assets, October 1, 2006	15,258,145	15,922,017	705,522	1,873,775	33,759,459	743,912
Total Net Assets, September 30, 2007	\$ 16,912,513	\$ 16,817,459	\$ 891,607	\$ 2,038,120	36,659,699	\$ 773,230

See accompanying notes and accountants' report.

City of Twin Falls, Idaho
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2007

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business- Type	Total	
Cash Flows from Operating Activities						
Receipts from Customers	\$ 5,091,003	\$ 5,092,845	\$ 1,973,350	\$ 572,147	\$ 12,729,345	\$ 218,900
Special Assessments	-	-	-	-	-	191,298
Payments to Suppliers	(1,438,621)	(2,772,839)	(1,611,668)	(404,985)	(6,228,113)	(340,506)
Payments to Employees	(1,325,072)	(393,828)	(102,306)	(258,088)	(2,079,294)	(168,946)
Other Receipts (Payments)	91,966	89,813	17,451	43,378	242,608	6,875
Net Cash Provided (Used) by Operating Activities	2,419,276	2,015,991	276,827	(47,548)	4,664,546	(92,379)
Cash Flows from Non-Capital Financing Activities						
Operating Subsidies and Transfers to Other Funds	(359,960)	(166,708)	(122,437)	178,794	(470,311)	128,429
Other Revenue Sources - Non-Operating	840	366,273	-	105,790	472,903	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(359,120)	199,565	(122,437)	284,584	2,592	128,429
Cash Flows from Capital and Related Financing Activities						
Proceeds from Capital Debt	-	-	-	-	-	-
Purchase of Capital Assets	(1,142,961)	(1,144,949)	-	(95,892)	(2,383,802)	-
Disposals, Transfers of Capital Assets	47	469	-	-	516	-
Principal Paid on Capital Debt	(425,773)	(579,864)	-	(31,601)	(1,037,238)	-
Increase in Amounts Due to Other Funds	-	-	-	-	-	-
Interest Paid on Capital Debt	(220,465)	(392,504)	-	(1,132)	(614,101)	-
Increase in Restricted Assets	(64,040)	(901,194)	-	-	(965,234)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,853,193)	(3,018,041)	-	(128,625)	(4,999,859)	-
Cash Flows from Investing Activities						
Increase in Bank Overdraft	-	-	-	-	-	-
Purchase of Securities	(272,395)	(81,253)	(11,688)	-	(365,336)	(13,279)
Interest, Dividends and Changes in Market Value	359,975	138,957	35,982	16,980	551,894	(578)
Net Cash Provided (Used) by Investing Activities	87,580	57,704	24,294	16,980	186,558	(13,857)
Net Increase (Decrease) in Cash and Cash Equivalents Balances - Beginning of the Year	294,543	(744,781)	178,684	125,391	(146,163)	22,193
Balances - End of the Year	\$ 3,309,618	\$ 1,712,853	\$ 494,011	\$ 252,955	\$ 5,769,437	\$ 311,932
Balances - End of the Year	\$ 3,604,161	\$ 968,072	\$ 672,695	\$ 378,346	\$ 5,623,274	\$ 334,125
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income	\$ 1,846,285	\$ 983,636	\$ 269,535	\$ (137,579)	\$ 2,961,877	\$ (99,111)
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	476,264	761,758	4,602	92,174	1,334,798	10,167
Change in Assets and Liabilities:						
Receivables, Net	(25,326)	204,655	1,952	(3,999)	177,282	(458)
Inventories	(7,407)	-	-	-	(7,407)	-
Deferred Charges	7,147	19,492	-	-	26,639	-
Deferred Revenue	-	-	-	-	-	531
Reserve for Existing Insurance Claims	-	-	-	-	-	-
Accounts Payable	119,310	45,492	909	1,824	167,535	3,472
Customer Deposits	14,450	95	-	-	14,545	-
Compensated Absences	(11,447)	863	(171)	32	(10,723)	(6,980)
Net Cash Provided (Used) by Operating Activities	\$ 2,419,276	\$ 2,015,991	\$ 276,827	\$ (47,548)	\$ 4,664,546	\$ (92,379)

See accompanying notes and accountants' report.

NOTES TO FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

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, 2007

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. These revenues are subject to

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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, 2007

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.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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

Budgets

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

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk outside of the deposit and investment agreements.

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

Credit Risk

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

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.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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

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

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

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

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Long-Term Obligations

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

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

Fund Equity

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

2. LEGAL COMPLIANCE - BUDGETS

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

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

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, \$339, Airport Construction Fund, \$303,260, Wastewater Fund, \$237,722, Historic Preservation Fund, \$4,741, Library Fund, \$48,543, Library Bond Fund, \$1,160, LID Guarantee Bond Fund, \$243,484 and the Fireworks Fund, \$1,482.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

3. DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents - A reconciliation of cash and cash equivalents at September 30, 2007 is as follows:

Reconciled Bank Accounts	(\$ 642,972)
State Investment Pool	2,952,003
Certificates of Deposit	6,049,204
Money Market Mutual Funds	5,838,872
Cash with Trustee	-
B.I.D. Operating Fund/Old Town/Parking	27,642
Library Operating Fund	804
Petty Cash	<u>1,752</u>
	14,227,305
Reported as Restricted	<u>(2,233,423)</u>
Total Net Cash	<u>\$11,993,882</u>

At September 30, 2007, the Urban Renewal Agency's reconciliation of cash and cash equivalents is as follows:

Cash in Bank	\$ 5,569
Money-Market Bond Funds	1,976,580
Certificates of Deposit	<u>428,000</u>
Total	<u>\$ 2,410,149</u>

The reconciled bank balance is covered by \$100,000 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 \$ 100,000.

Investments – The city held the following investments at September 30, 2007.

Federal National Mortgage Association (FNMA)	\$ 4,295,233
Federal Home Lone Mortgage Corporation (FHLM)	5,018,182
Government National Mortgage Association (GNMA)	1,681,175
Federal Home Loan Bank (FHLB)	<u>1,931,762</u>
	<u>\$12,926,352</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.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2007

4. RESTRICTED ASSETS

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

	Total
General Fund	
Customer or Developer Deposits	\$ 113,474
Custody/Evidence Account	29,457
Other	5,913
Trail Fund	26,049
Park Development Fund	152,531
Capital Projects Funds	
Passenger Facility Charges Held for Lease Payments	192,064
Enterprise Funds	
Cash within Fund to Pay Obligation of Certificates of Deposit	1,602,970
Refundable Customer Utility Deposits	110,965
Total Restricted Assets	\$ 2,233,423

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	\$ 996,230

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

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

Property taxes uncollected by November 30, 2007, are considered to be deferred revenue. Taxes receivable and deferred revenue as of September 30, 2007, consist of the following for the City:

<u>Fund</u>	<u>Taxes Receivable</u>	<u>Deferred Revenue</u>
General	\$ 247,040	\$ 247,040
Street	17,779	17,779
Street Lighting	1,374	1,374
Airport	7,365	963,243
Library Revenue	31,113	31,113
Library Bond	2	2
Capital Improvement	15,577	15,577
Insurance	5,218	5,218
Totals	<u>\$ 325,468</u>	<u>\$ 1,281,346</u>

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

Property Taxes	\$ 325,468
Prepaid Rent	<u>955,878</u>
Total	<u>\$ 1,281,346</u>

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

Amounts due from other governments at September 30, 2007, 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	\$ 3,228	\$ 487,243	\$ 97,579	\$ -	\$ 588,050
Street	-	366,891	15,873	-	382,764
Street Light	-	-	167	-	167
Library	-	-	6,432	-	6,432
Airport	-	-	1,423	-	1,423
Capital Improvement	-	379,556	2,792	-	382,348
Library Bond	-	-	5	-	5
Historical Preservation	-	-	-	-	-
Pool	-	28,363	-	-	28,363
Insurance	-	-	1,240	-	1,240
Airport Construction	-	-	-	-	-
Fireworks	-	1,380	-	-	1,380
Sewer	-	-	-	-	-
Sanitation	-	-	-	-	-
	<u>\$ 3,228</u>	<u>\$ 1,263,433</u>	<u>\$ 125,511</u>	<u>\$ -</u>	<u>\$ 1,392,172</u>

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2007

5. TAXES RECEIVABLE AND DEFERRED REVENUE - Continued

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

6. CAPITAL LEASE RECEIVABLE

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.

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

Accordingly, the \$1,415,165 principal balance on this lease is reported as a receivable in the Statement of Net Assets; and the total remaining lease payments of \$1,644,672 is reported in the Governmental Funds with deferred revenue \$1,606,326 provided for the lease payments not available to pay current liabilities.

<u>Year Ending September</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
2008	230,076	57,581	172,495
2009	230,076	49,425	180,651
2010	230,076	41,578	188,498
2011	230,076	33,389	196,687
2012	230,076	24,915	205,161
2013-2015	494,291	22,618	471,673
Totals	\$ 1,644,671	\$ 229,506	\$ 1,415,165

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

7. FIXED ASSETS

Changes in the fixed asset groups for the City for the year ended September 30, 2007, are as follows:

	Balance October 1, 2006	Additions	Disposals	Balance September 30, 2007
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Government-wide Assets				
Land	\$ 4,898,146	\$ 2,625	\$ -	\$ 4,900,771
Buildings and Structures	13,032,892	173,787		13,206,679
Infrastructure	6,326,209	233,342,719		239,668,928
Improvements	13,253,931	601,430		13,855,361
Machinery and Equipment	12,331,763	1,357,807	260,969	13,428,601
Construction in Progress	5,228,564		2,172,505	3,056,059
Total	<u>\$ 55,071,505</u>	<u>\$ 235,478,368</u>	<u>\$ 2,433,474</u>	<u>\$ 288,116,399</u>
Accum. Deprec. For Govt. Wide				
Buildings and Structures	\$ 3,287,194	\$ 284,147	\$ -	\$ 3,571,341
Infrastructure	1,120,614	107,948,893		109,069,507
Improvements	4,124,956	457,158		4,582,114
Machinery and Equipment	6,477,755	913,702	231,398	7,160,059
Total Accum. Deprec.	<u>\$ 15,010,519</u>	<u>\$ 109,603,900</u>	<u>\$ 231,398</u>	<u>\$ 124,383,021</u>
Business Type Activity Assets:				
Land	\$ 921,809	\$ 249,254	\$ -	\$ 1,171,063
Buildings and Structures	17,308,231	43,487		17,351,718
Improvements	35,192,752	197,308		35,390,060
Machinery and Equipment	5,567,806	511,529	156,342	5,922,993
Construction in Progress	276,670	1,390,819		1,667,489
Total	<u>\$ 59,267,268</u>	<u>\$ 2,392,397</u>	<u>\$ 156,342</u>	<u>\$ 61,503,323</u>
Accum. Deprec. For Business Type Activities				
Buildings and Structures	\$ 9,501,096	\$ 354,122		\$ 9,855,218
Improvements	8,116,694	743,776		8,860,470
Machinery and Equipment	3,299,221	245,494	155,825	3,388,890
Total Accum. Deprec.	<u>\$ 20,917,011</u>	<u>\$ 1,343,392</u>	<u>\$ 155,825</u>	<u>\$ 22,104,578</u>

The City retroactively reported the infrastructure assets in the current year.

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2007

7. FIXED ASSETS-Continued

Changes in the fixed asset group for the Urban Renewal Agency for the year ended September 30, 2007, is as follows:

	Balance October 1, 2006	Additions	Disposals	Balance September 30, 2007
Government-wide Assets				
Land and Buildings	\$ 2,272,362	\$ -	\$ -	\$ 2,272,362

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	\$ 7,025,831
Fire	103,265
Police	232,880
Engineering/Planning	15,154
Library	95,853
Culture and Recreation	197,416
Highway and Street	224,945
Airport	656,715
	<u>8,552,059</u>
Depreciation on Capital Assets held by the City's Internal Service Fund.	<u>10,167</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 8,562,226</u></u>

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

8. LONG-TERM LIABILITIES

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

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

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

8. LONG-TERM LIABILITIES - Continued

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.

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	185,096	-	(90,742)	94,354	94,354
Other long-term liabilities	826,720	366,882	(307,592)	886,010	314,574
Compensated absences	966,261	82,121	-	1,048,382	-
	1,978,077	449,003	(398,334)	2,028,746	408,928
Business-type activities:					
Certificate of Participation	2,219,847	-	(421,806)	1,798,041	-
State revolving fund loan	12,782,748	-	(583,832)	12,198,916	607,419
Other long-term liabilities	31,601	-	(31,601)	-	-
Compensated absences	139,450	-	(10,724)	128,726	-
	15,173,646	-	1,047,963	14,125,683	607,419
	\$ 17,151,723	\$ 449,003	\$ (1,481,809)	\$ 16,154,429	\$ 1,016,347

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

8. LONG-TERM LIABILITIES - Continued

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 issued and reported as a liability of the City's governmental activities is as follows:

<u>Purpose</u>	<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year-end Balance</u>
Airport Water System	2002	\$535,000	2007	3.98%	\$94,354

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.

Wells Fargo Bank, payable in annual installments of \$11,746.30 including interest at 3.58% for Media Hardware.	\$ 11,340
Wells Fargo Bank, payable in annual installments of \$21,385.68 including interest at 4.55% for lights at Harmon Park.	58,733
Wells Fargo Bank, payable in annual installments of \$92,245.85 including interest at 4.6% for city wide Dell computers.	88,189
Wells Fargo Bank, payable in annual installments of \$124,035.26 including interest at 3.8% for Communications Center.	452,366
Twin Falls Rural Fire Protection District, payable in annual installments of \$96,528.95 including interest at 2.558% for a fire truck	<u>275,382</u>
	<u>\$ 886,010</u>

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

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.

\$1,875,000

Less: Unamortized discount
Total

(76,959)
\$1,798,041

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.

5,239,803

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.

6,959,113

Total

\$12,198,916

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2007

8. LONG-TERM LIABILITIES-Continued

Defeased Bonds Outstanding

In 1999, the City issued refunding certificates of participation to defease, in substance, certain outstanding certificates of participation in order to enter into a loan agreement to upgrade the City's Wastewater Treatment Plant. The City placed proceeds from the refunding issue in an irrevocable account with a trust agent to provide for all future debt service on the refunded certificates.

Accordingly, the trust account assets and liabilities for the defeased certificates are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2007, outstanding certificates totaling \$3,510,000 were considered defeased.

Debt service requirements to maturity are as follows:

	2008	2009	2010	2011	2012	2013-2017	2018-2022
Governmental Activities:							
Revenue bonds	\$ 94,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other long-term liabilities	314,574	222,245	229,697	119,494	-	-	-
Total Governmental Activities	408,928	222,245	229,697	119,494	-	-	-
Business-type activities:							
Certificate of Participation	-	275,000	290,000	305,000	320,000	685,000	-
Unamortized discount	(13,194)	(13,194)	(13,194)	(13,194)	(13,194)	(10,989)	-
Total COP	(13,194)	261,806	276,806	291,806	306,806	674,011	-
State revolving fund loans	607,419	631,958	657,490	684,052	711,688	4,013,669	4,892,640
Other long-term liabilities	-	-	-	-	-	-	-
Total Business Type	594,225	893,764	934,296	975,858	1,018,494	4,687,680	4,892,640
Total Amounts Due	\$ 1,003,153	\$ 1,116,009	\$ 1,163,993	\$ 1,095,352	\$ 1,018,494	\$ 4,687,680	\$ 4,892,640

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

Sewer Revenue Certificates of Participation, Series 1995

On October 17 1995, the city issued \$4,000,000 Sewer Revenue Certificates of Participation, Series 1995, for the purpose of making improvements to its wastewater collection and treatment system.

*Item 2 (a), Status of Certificates
(October 1)*

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

8. LONG-TERM LIABILITIES-Continued

<u>Maturity</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Outstanding Principal</u>
1999	4.30%	\$ 155,000	\$ -
2000	4.40%	165,000	-
2001	4.50%	170,000	-
2002	4.60%	180,000	-
2003	4.70%	185,000	-
2004	4.85%	195,000	-
2005	4.95%	205,000	-
2006	5.05%	215,000	-
2007	5.15%	225,000	0
2008	5.25%	235,000	235,000
2009	5.35%	250,000	250,000
2010	5.45%	265,000	265,000
2015	5.75%	1,555,000	1,555,000
Totals		<u>\$ 4,000,000</u>	<u>\$ 2,305,000</u>

Item 2(b), Proceeds Account Activity

<u>Description</u>	<u>Amount</u>
Deposit from issuance of bonds, October 17, 1995	\$ 3,466,286
Additional issuance and account setup costs	(348)
Interest earnings on account balance to September 30, 1998	157,364
Amounts advanced for Costs of Construction to September 30, 1998	(3,106,759)
Balance, September 30, 1998	<u>516,543</u>
Interest earnings on account balance to September 30, 1999	16,327
Amounts advanced for Costs of Construction to September 30, 1999	(531,921)
Transfer to Installment Purchase Payment Account	(949)
Balance, September 30, 1999	<u>\$ -</u>

Item 2 (c), Amounts on deposit

There are no amounts on deposit.

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

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

8. LONG-TERM LIABILITIES-Continued

Year Ended September 30, 2007

<u>Revenues</u>	
Sewer Service	\$ 4,852,258
Connection Fees	16,345
Development Fees	366,273
Investment Income	146,076
Miscellaneous Fees	<u>89,813</u>
Total	5,473,768
<u>Expenditures</u>	
Personnel	394,691
Administration	161,590
Operation & Maintenance	<u>2,656,741</u>
Total	<u>3,213,022</u>
Net Available for Debt Service	<u>\$ 2,260,745</u>
State Revolving Fund	\$ 621,448
Certificates of Participation Services 1999	<u>366,895</u>
Total Debt Service	<u>\$ 988,343</u>
Coverage Ratio	<u>2.29</u>

Item 2 (e), Significant Events

On August 4, 1999, the City issued \$3,910,000 Sewer Revenue Refunding Certificates of Participation, Series 1999 to advance refund the Series 1995 Certificates.

An escrow fund was established using the proceeds of the Series 1999 Certificates and existing debt services funds to provide for all future payments of the Series 1995 Certificates. This provision results in an in-substance defeasance allowing the removal of this liability from the financial statements of the City. Since this did not create a legal defeasance, this disclosure must continue until the advance refunding actually occurs on October 1, 2006 (See description of Series 1999 below.)

As a part of this refunding, all Series 1995 Certificates with a stated maturity date of October 1, 2007, and beyond will be called on October 1, 2006.

There are no other significant events.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

8. LONG-TERM LIABILITIES-Continued

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	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>\$ 1,875,000</u>

Item 2 (b), Proceeds Account Activity

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

Item 2 (c), Amounts on Deposit

There are no amounts on deposit

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

See schedule included above under Series 1995 Certificates

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

8. LONG-TERM LIABILITIES-Continued

Water Revenue Certificates of Participation, Series 2004

On February 24, 2004, the city issued \$935,000 Water Revenue Certificates of Participation, Series 2004 to refund and refinance the Water Revenue Certificates of Participation, Series 1993.

Item 2 (a), Status of Certificates

<u>Maturity-September 1</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Outstanding Principal</u>
2004	1.90%	\$ 250,000	\$ -
2005	1.90%	255,000	-
2006	1.90%	255,000	-
2007	1.90%	175,000	-
Total		<u>\$ 935,000</u>	<u>\$ -</u>

Item 2 (b), Proceeds Account Activity

<u>Description</u>	<u>Amount</u>
Proceeds from issuance of certificates	\$ 935,000
Original Purchase Fee	(9,350)
Issuance Costs	(14,926)
Deposit to Escrow Fund	(910,724)
Balance, September 30, 2005	<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, 2007

<u>Revenues</u>	
Water Service	\$ 4,742,247
Connection Fees	352,485
Rent & Royalties	840
Investment Income	383,654
Miscellaneous Fees	91,966
Total	<u>5,571,192</u>
<u>Expenditures</u>	
Personnel	1,313,625
Operation & Maintenance	<u>1,550,524</u>
Total	<u>2,864,149</u>
Net Available for Debt Service	<u>\$ 2,707,043</u>
Certificates of Participation Services 2004	<u>\$ -</u>

There are no other significant events.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

8. LONG-TERM LIABILITIES - Continued

Long term debt of the Urban Renewal Agency outstanding at September 30, 2007, 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%

\$ 7,110,000

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.

1,574,962

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.

1,415,165

Taxable Revenue Note, Series 2002, due Wells Fargo Brokerage Services LLC, dated November 1, 2002, for the purchase of the Dell building. This note is payable in five annual installments of \$114,626.79, beginning November 8, 2003, including interest of 4.73% and was to mature on November 8, 2007 but was paid in full during the year.

_____ -

Total

\$10,100,127

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2007

8. LONG-TERM LIABILITIES-Continued

Expected annual maturities of the obligations, are as follows:

Year Ending September	Total	Interest	Principal
2008	1,234,686	500,062	734,624
2009	1,235,333	466,177	769,156
2010	1,234,461	430,528	803,933
2011	1,237,903	393,263	844,640
2012	1,239,091	352,849	886,242
2013-2017	4,297,299	1,215,771	3,081,528
2018-2022	3,484,125	504,121	2,980,004
Total	\$ 13,962,898	\$ 3,862,771	\$ 10,100,127

Changes in Long-Term Debt of the Agency for the year ended September 30, 2007 is as follows:

	09/30/06	Additions	Repayments	09/30/07
Promissory note payable to Dell USA L.P.	\$ 1,796,249		\$ 221,287	\$ 1,574,962
Taxable Revenue Note Due Wells Fargo Brokerage Services, LLC	213,957		213,957	-
Promissory note payable to D.L. Evans Bank	1,583,080		167,915	1,415,165
Revenue Allocation Bond, Series 2005A	7,430,000		320,000	7,110,000
Total	\$ 11,023,286	\$ -	\$ 923,159	\$ 10,100,127

CITY OF TWIN FALLS, IDAHO
Notes to Financial Statements
September 30, 2007

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.

Individual fund interfund receivable/payable balances at September 30, 2007:

	Interfund Receivable	Interfund Payable
General Fund	\$ 2,499,685	\$ -
Street Fund		233,920
Historic Preservation		3,987
Airport Construction		1,561,805
Golf Fund		362,021
Pool		337,286
Fireworks		666
Total	\$ 2,499,685	\$ 2,499,685

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, 2007

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. Financial reports for the plan are available from PERSI upon request.

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 is 2.0% (2.3% police/firefighter) of average monthly salary for the highest consecutive 42 months.

The 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, 2007, the required contribution rate as a percentage of covered payroll 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 \$1,502,929, \$1,350,331 and \$1,267,023 for the three years ended September 30, 2007, 2006 and 2005, respectively.

12. FUND BALANCE AND NET ASSET DEFICITS

Fund deficits as of September 30, 2007, which are significant, are as follows:

Airport Construction Fund- The deficit of \$1,459,987 is due to accumulated costs of construction that exceeded revenues.

Street Light- The deficit of \$171,022 is being reduced through excess revenues.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

13. URBAN RENEWAL SUMMARIZED INFORMATION

	Year Ended
	September 30, 2007
Assets	\$ 6,160,909
Total Assets	\$ 6,160,909
Liabilities & Net Assets	
Liabilities	\$ 10,264,472
Net Assets:	
Debt with no related capital assets	(8,684,962)
Invested in Capital Assets with no related debt	2,272,362
Restricted	904,234
Unrestricted	1,404,803
Total Liabilities & Net Assets	\$ 6,160,909
Revenues	\$ 2,036,350
Expenditures	857,785
Excess (Deficiency) Revenues over Expenditures	1,178,565
Fund Balance - Beginning of Year	(5,282,128)
Fund Balance - End of Year	\$ (4,103,563)

14. COMMITMENTS AND SUBSEQUENT EVENTS

The Agency has made commitments to make certain public and redevelopment improvements within the Urban Renewal Area, and is in the on-going process of considering properties to be acquired and improvements to be made. At September 30, 2007 these commitments included \$150,000, for improvements required on Washington Street South in front of the Jayco building, and \$175,000 for the purchase of development property in the Urban Renewal Area. Since year end the property was acquired, with \$75,000 of the price financed by the seller over ten years, and the Agency has entered into further agreements for redevelopment planning in the Historic Downtown area of Twin Falls in the amount of approximately \$160,000. The Agency is also accumulating funds for the purpose of exercising its option to purchase the Dell parking lot in 2008.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2007

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, 2006, the City did not comply with the following covenants:

1993 Water Certificates of Participation

One covenant requires that the City provide no free service, including usage by the City departments. During 2006, the Waterworks Fund did not bill other City departments for water used during the year.

1999 Sewer Certificates of Participation

One covenant requires that the City provide no free service, including usage by the City departments. During 2006, 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, 2007

With Comparative Actual Amounts from the Previous Year

	2007				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues:					
Property Taxes, Including Penalty and Interest	\$ 8,937,248	\$ 8,937,248	\$ 9,085,744	\$ 148,496	\$ 8,626,843
Non-property Taxes	651,000	651,000	639,613	(11,387)	571,666
Fines and Forfeitures	7,500	7,500	6,751	(749)	8,710
Licenses and Permits	1,441,000	1,441,000	1,550,591	109,591	1,117,489
Fees and Services	889,000	889,000	856,616	(32,384)	788,064
Intergovernmental	1,811,726	1,811,726	1,929,402	117,676	2,080,761
Federal Grants	-	-	33,556	33,556	9,536
Miscellaneous	659,200	659,200	961,226	302,026	649,889
Total Revenues	14,396,674	14,396,674	15,063,499	666,825	13,852,958
Expenditures:					
Current					
General Government	2,070,310	2,070,310	2,012,159	58,151	1,816,917
Public Safety	10,562,593	10,562,593	10,078,865	483,728	9,097,472
Engineering	1,368,711	1,368,711	1,185,134	183,577	932,559
Economic Development	133,489	133,489	111,714	21,775	149,899
Culture and Recreation	1,238,466	1,238,466	1,188,366	50,100	1,062,730
Total Expenditures	15,373,569	15,373,569	14,576,238	797,331	13,059,577
Excess (Deficiency) of Revenue Over Expenditures	(976,895)	(976,895)	487,261	1,464,156	793,381
Other Financing Sources (Uses)					
Operating Transfers In	1,069,895	1,069,895	1,061,895	(8,000)	842,679
Operating Transfers Out	(93,000)	(93,000)	(93,000)	-	(118,226)
Total Other Financing Sources (Uses)	976,895	976,895	968,895	(8,000)	724,453
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -	1,456,156	\$ 1,456,156	1,517,834
Fund Balance, October 1st			10,232,442		8,714,608
Fund Balance, September 30th			\$11,688,598		\$ 10,232,442

See accountants' report.

CITY OF TWIN FALLS, IDAHO
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Fiscal Year Ended September 30, 2007
 With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Expenditures:					
Data Processing	\$ 738,037	\$ 738,037	683,394	\$ 54,643	\$ 576,490
Council	139,992	139,992	144,144	(4,152)	135,378
Manager	234,528	234,528	228,453	6,075	195,847
Finance	508,179	508,179	544,860	(36,681)	504,047
Attorney	172,800	172,800	166,645	6,155	164,613
Personnel	<u>276,774</u>	<u>276,774</u>	<u>244,663</u>	<u>32,111</u>	<u>240,542</u>
Total General Government	<u>2,070,310</u>	<u>2,070,310</u>	<u>2,012,159</u>	<u>58,151</u>	<u>1,816,917</u>
Police	6,498,299	6,498,299	6,220,014	278,285	5,630,638
Fire	3,237,623	3,237,623	3,157,371	80,252	2,910,114
Inspection	582,171	582,171	455,425	126,746	369,983
Animal Control	<u>244,500</u>	<u>244,500</u>	<u>246,055</u>	<u>(1,555)</u>	<u>186,737</u>
Total Public Safety	<u>10,562,593</u>	<u>10,562,593</u>	<u>10,078,865</u>	<u>483,728</u>	<u>9,097,472</u>
Engineering	1,054,700	1,054,700	867,886	186,814	739,068
Planning and Zoning	<u>314,011</u>	<u>314,011</u>	<u>317,248</u>	<u>(3,237)</u>	<u>193,491</u>
Total Engineering and Planning	<u>1,368,711</u>	<u>1,368,711</u>	<u>1,185,134</u>	<u>183,577</u>	<u>932,559</u>
Economic Development	133,489	133,489	111,714	21,775	149,899
Parks	834,137	834,137	794,131	40,006	746,555
Recreation	<u>404,329</u>	<u>404,329</u>	<u>394,235</u>	<u>10,094</u>	<u>316,175</u>
Total Culture and Recreation	<u>1,238,466</u>	<u>1,238,466</u>	<u>1,188,366</u>	<u>50,100</u>	<u>1,062,730</u>
Total Expenditures	<u><u>\$ 15,373,569</u></u>	<u><u>\$ 15,373,569</u></u>	<u><u>\$ 14,576,238</u></u>	<u><u>\$ 797,331</u></u>	<u><u>\$ 13,059,577</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, 2007

With Comparative Actual Amounts from the Previous Year

	2007			Variance Favorable (Unfavorable)	2006 Actual
	Proposed Budget	Final Budget	Actual		
Revenues:					
Property Taxes	\$ 917,063	\$ 917,063	\$ 913,129	\$ (3,934)	\$ 24,492
Fees and Services	75,000	75,000	75,367	367	72,516
Intergovernmental	1,975,000	1,975,000	2,113,900	138,900	1,992,649
Grants	-	-	95,994	95,994	-
Miscellaneous	50,000	50,000	155,918	105,918	338,496
Total Revenues	<u>3,017,063</u>	<u>3,017,063</u>	<u>3,354,308</u>	<u>337,245</u>	<u>2,428,153</u>
Expenditures:					
Current					
Highways and Streets	2,266,761	2,266,761	1,232,472	1,034,289	1,086,006
Capital Outlay	1,136,800	1,136,800	1,446,446	(309,646)	1,228,403
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>3,403,561</u>	<u>3,403,561</u>	<u>2,678,918</u>	<u>724,643</u>	<u>2,314,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(386,498)	(386,498)	675,390	1,061,888	113,744
Other Financing Sources (Uses):					
Operating Transfers In	64,783	64,783	564,783	(500,000)	61,698
Operating Transfers Out	(178,285)	(178,285)	(178,285)	-	(169,795)
Total Other Sources (Uses)	<u>(113,502)</u>	<u>(113,502)</u>	<u>386,498</u>	<u>(500,000)</u>	<u>(108,097)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Use:	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	1,061,888	<u>\$ 561,888</u>	5,647
Fund Balances, October 1st			<u>1,975,690</u>		<u>1,970,043</u>
Fund Balances, September 30th			<u>\$ 3,037,578</u>		<u>\$ 1,975,690</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, 2007
With Comparative Actual Amounts from the Previous Year

	2007			Variance Favorable (Unfavorable)	2006
	Proposed Budget	Final Budget	Actual		Actual
Revenues:					
Property Taxes	\$ 277,585	\$ 277,585	\$ 281,358	\$ 3,773	\$ 235,775
Fees and Services	391,000	391,000	455,576	64,576	372,211
Intergovernmental	277,586	277,586	292,586	15,000	229,544
Federal Grants	-	-	-	-	-
Farm Income	24,840	24,840	8,463	(16,377)	25,386
Miscellaneous	7,000	7,000	79,945	72,945	77,938
Total Revenues	<u>978,011</u>	<u>978,011</u>	<u>1,117,928</u>	<u>139,917</u>	<u>940,854</u>
Expenditures:					
Current					
Airport	<u>720,501</u>	<u>720,501</u>	<u>733,791</u>	<u>(13,290)</u>	<u>595,765</u>
Total Expenditures	<u>720,501</u>	<u>720,501</u>	<u>733,791</u>	<u>(13,290)</u>	<u>595,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	257,510	257,510	384,137	126,627	345,089
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	<u>(257,510)</u>	<u>(257,510)</u>	<u>(257,510)</u>	-	<u>(154,990)</u>
Total Other Sources (Uses)	<u>(257,510)</u>	<u>(257,510)</u>	<u>(257,510)</u>	-	<u>(154,990)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	126,627	<u>\$ 126,627</u>	190,099
Fund Balances, October 1st			<u>916,410</u>		<u>726,311</u>
Fund Balances, September 30th			<u>\$ 1,043,037</u>		<u>\$ 916,410</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, 2007

With Comparative Actual Amounts from the Previous Year

	2007				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues:					
Property Taxes	\$ 619,483	\$ 619,483	\$ 625,658	\$ 6,175	\$ 348,245
Intergovernmental	1,384,274	1,384,274	1,413,489	29,215	1,027,290
Federal Grants	145,800	145,800	22,019	(123,781)	5,623
Miscellaneous	326,803	606,803	1,000,842	394,039	355,533
Total Revenues	2,476,360	2,756,360	3,062,008	305,648	1,736,691
Expenditures:					
Current					
General Government	526,704	526,704	461,442	65,262	177,313
Public Safety	645,067	645,067	569,141	75,926	348,003
Culture and Recreation	227,186	227,186	212,918	14,268	335,548
Highways and Streets	21,643	21,643	24,235	(2,592)	21,186
Capital Outlay	1,168,975	1,618,975	1,159,569	459,406	743,845
Total Expenditures	2,589,575	3,039,575	2,427,305	612,270	1,625,895
Excess (Deficiency) of Revenues Over (Under) Expenditures	(113,215)	(283,215)	634,703	917,918	110,796
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	88,159
Operating Transfers Out	(34,721)	(214,721)	(659,968)	445,247	(31,000)
Total Other Sources (Uses)	(34,721)	(214,721)	(659,968)	445,247	57,159
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ (147,936)	\$ (497,936)	(25,265)	\$ 1,363,165	167,955
Fund Balances, October 1st			1,157,425		989,470
Fund Balances, September 30th			\$ 1,132,160		\$ 1,157,425

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, 2007
 With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Fees and Services	\$ 145,000	\$ 145,000	\$ 107,989	\$ (37,011)	\$ 134,827
Intergovernmental	-	-	-	-	-
Federal Grants	1,400,000	1,400,000	187,812	(1,212,188)	1,526,692
Miscellaneous	1,500	1,500	1,634	134	2,179
Total Revenues	<u>1,546,500</u>	<u>1,546,500</u>	<u>297,435</u>	<u>(1,249,065)</u>	<u>1,663,698</u>
Expenditures:					
Current					
Airport	1,498,109	1,498,109	552,304	945,805	1,909,504
Total Expenditures	<u>1,498,109</u>	<u>1,498,109</u>	<u>552,304</u>	<u>945,805</u>	<u>1,909,504</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,391	48,391	(254,869)	(303,260)	(245,806)
Other Financing Sources (Uses)					
Operating Transfers In	70,000	70,000	70,000	-	72,372
Operating Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>72,372</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ 118,391</u>	<u>\$ 118,391</u>	(184,869)	<u>\$ (303,260)</u>	(173,434)
Fund Balances, October 1st			(1,275,118)		(1,101,684)
Fund Balances, September 30th			<u>\$ (1,459,987)</u>		<u>\$ (1,275,118)</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, 2007

With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 4,650,000	\$ 4,650,000	4,742,247	\$ 92,247	\$ 4,148,685
Taps, Connection and Other Fees	201,360	201,360	352,485	151,125	213,010
Miscellaneous	689,120	689,120	91,966	(597,154)	92,893
Total Operating Revenues	<u>5,540,480</u>	<u>5,540,480</u>	<u>5,186,698</u>	<u>(353,782)</u>	<u>4,454,588</u>
Operating Expenses:					
Contracted Expenses	178,750	178,750	161,048	17,702	147,242
Personnel Expenses	1,480,919	1,480,919	1,313,625	167,294	1,253,705
Depreciation and Amortization	8,000	8,000	476,264	(468,264)	456,777
Utilities	431,328	431,328	490,550	(59,222)	478,049
Supplies	599,500	599,500	444,250	155,250	518,131
Repairs and Maintenance	1,878,315	1,878,315	(398,069)	2,276,384	(11,609)
Vehicle Expense	94,315	94,315	89,236	5,079	88,317
Studies and Projects	303,700	303,700	522,739	(219,039)	168,392
Rental Expense	100,500	100,500	167,389	(66,889)	74,584
Miscellaneous Expenses	17,450	17,450	30,738	(13,288)	46,136
Testing and Monitoring	162,500	162,500	38,544	123,956	36,919
Telephone	-	-	47	(47)	3,670
Travel and Meetings	9,500	9,500	4,052	5,448	3,110
Total Operating Expenses	<u>5,264,777</u>	<u>5,264,777</u>	<u>3,340,413</u>	<u>1,924,364</u>	<u>3,263,423</u>
Operating Income (Loss)	275,703	275,703	1,846,285	1,570,582	1,191,165
Non-operating Revenues (Expenses):					
Interest Income	200,000	200,000	383,654	183,654	241,743
Rent and Royalties	-	-	840	840	840
Interest Expense	(220,465)	(220,465)	(216,451)	4,014	(231,052)
Total Non-operating Revenues (Exp)	<u>(20,465)</u>	<u>(20,465)</u>	<u>168,043</u>	<u>188,508</u>	<u>11,531</u>
Income (Loss) before operating transfers	255,238	255,238	2,014,328	1,759,090	1,202,696
Operating Transfers:					
Operating Transfers In	203,264	203,264	203,264	-	193,584
Operating Transfers Out	(563,224)	(563,224)	(563,224)	-	(541,645)
Net Transfers	<u>(359,960)</u>	<u>(359,960)</u>	<u>(359,960)</u>	<u>-</u>	<u>(348,061)</u>
Net Income (Loss)	<u>\$ (104,722)</u>	<u>\$ (104,722)</u>	1,654,368	<u>\$ 1,759,090</u>	854,635
Net Assets, October 1st			<u>15,258,145</u>		<u>14,403,510</u>
Net Assets, September 30th			<u>\$ 16,912,513</u>		<u>\$ 15,258,145</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, 2007

With Comparative Actual Amounts from the Previous Year

	2007			Variance Favorable (Unfavorable)	2006
	Proposed Budget	Final Budget	Actual		Actual
Operating Revenues:					
Charges for Services	\$ 5,073,950	\$ 5,073,950	4,852,258	\$ (221,692)	\$ 4,527,917
Taps, Connection and Other Fees	8,250	8,250	16,345	8,095	15,237
Miscellaneous	660,000	660,000	89,813	(570,187)	109,049
Total Operating Revenues	<u>5,742,200</u>	<u>5,742,200</u>	<u>4,958,416</u>	<u>(783,784)</u>	<u>4,652,203</u>
Operating Expenses:					
Contracted Expenses	2,657,207	2,657,207	2,656,741	466	2,369,849
Personnel Expenses	447,300	447,300	394,691	52,609	371,007
Depreciation and Amortization	5,000	5,000	761,758	(756,758)	733,504
Utilities	24,000	24,000	(4)	24,004	16,129
Supplies	17,800	17,800	16,418	1,382	17,595
Repairs and Maintenance	1,075,647	1,075,647	87,566	988,081	123,266
Vehicle Expense	34,768	34,768	32,630	2,138	32,375
Studies and Projects	-	-	-	-	46,530
Rental Expense	500	500	-	500	-
Miscellaneous Expenses	2,000	2,000	24,959	(22,959)	69,451
Telephone	-	-	1	(1)	418
Travel and Meetings	500	500	20	480	100
Total Operating Expenses	<u>4,264,722</u>	<u>4,264,722</u>	<u>3,974,780</u>	<u>289,942</u>	<u>3,780,224</u>
Operating Income (Loss)	1,477,478	1,477,478	983,636	(493,842)	871,979
Non-operating Revenues (Expenses):					
Development Fees	382,500	382,500	366,273	(16,227)	490,526
Interest Income	60,000	60,000	149,076	89,076	95,998
Interest Expense	(403,879)	(403,879)	(436,835)	(32,956)	(414,707)
Total Non-operating Revenues (Exp)	<u>38,621</u>	<u>38,621</u>	<u>78,514</u>	<u>56,120</u>	<u>171,817</u>
Income (Loss) before operating transfers	1,516,099	1,516,099	1,062,150	(437,722)	1,043,796
Operating Transfers:					
Operating Transfers In	-	-	200,000	200,000	-
Operating Transfers Out	(366,708)	(366,708)	(366,708)	-	(332,395)
Net Transfers	<u>(366,708)</u>	<u>(366,708)</u>	<u>(166,708)</u>	<u>200,000</u>	<u>(332,395)</u>
Net Income (Loss)	<u>\$ 1,149,391</u>	<u>\$ 1,149,391</u>	895,442	<u>\$ (237,722)</u>	711,401
Net Assets, October 1st			<u>15,922,017</u>		<u>15,210,616</u>
Net Assets, September 30th			<u>\$ 16,817,459</u>		<u>\$ 15,922,017</u>

See accountants' report.

CITY OF TWIN FALLS, IDAHO

Enterprise - Sanitation Fund

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

For the Fiscal Year Ended September 30, 2007

With Comparative Actual Amounts from the Previous Year

	2007				2006
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Operating Revenues:					
Charges for Services	\$ 1,937,000	\$ 1,937,000	\$ 1,971,398	\$ 34,398	\$ 1,902,999
Miscellaneous	-	-	17,451	17,451	612
Total Operating Revenues	1,937,000	1,937,000	1,988,849	51,849	1,903,611
Operating Expenses:					
Contracted Expenses	1,008,200	1,008,200	963,476	44,724	921,887
Personnel Expenses	151,439	151,439	102,135	49,304	117,026
Depreciation and Amortization	-	-	4,602	(4,602)	4,423
Landfill Expenses	590,000	590,000	634,579	(44,579)	630,980
Supplies	2,500	2,500	1,837	663	635
Repairs and Maintenance	3,750	3,750	437	3,313	10,567
Vehicle Expense	4,361	4,361	3,863	498	3,572
Studies and Projects	5,550	5,550	2,038	3,512	1,520
Miscellaneous Expenses	2,800	2,800	6,343	(3,543)	11,864
Telephone	-	-	4	(4)	213
Travel and Meetings	500	500	-	500	317
Total Operating Expenses	1,769,100	1,769,100	1,719,314	49,786	1,703,004
Operating Income (Loss)	167,900	167,900	269,535	101,635	200,607
Non-operating Revenues (Expenses):					
Interest Income	13,000	13,000	38,987	25,987	21,278
Interest Expense	-	-	-	-	-
Total Non-operating Revenues (Exp)	13,000	13,000	38,987	25,987	21,278
Income (Loss) before operating transfers	180,900	180,900	308,522	127,622	221,885
Operating Transfers:					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(122,437)	(122,437)	(122,437)	-	(116,607)
Net Transfers	(122,437)	(122,437)	(122,437)	-	(116,607)
Net Income (Loss)	\$ 58,463	\$ 58,463	186,085	\$ 127,622	105,278
Net Assets, October 1st			705,522		600,244
Net Assets, September 30th			\$ 891,607		\$ 705,522

See accountants' report.

SUPPLEMENTARY INFORMATION

City of Twin Falls, Idaho
Combining Statement - Other Governmental Funds
Fund Balance Sheets
September 30, 2007

	Special Revenue Funds			Debt Service Fund		
	Street Light	Library	Total	LID Guarantee Bond	Library Bond	Total
Assets						
Cash and Cash Equivalents	\$ (7,794)	\$ 360,507	\$ 352,713	\$ 212,283	\$ 18,291	\$ 230,574
Restricted Cash	-	-	-	-	-	-
Investments	-	1,730	1,730	-	-	-
Receivables (net of allowance)						
Taxes	1,374	31,113	32,487	-	2	2
Fees and Services	-	-	-	-	-	-
Intergovernmental	167	6,432	6,599	-	5	5
Interest	-	1,487	1,487	710	61	771
Accounts	86,640	-	86,640	-	-	-
Due from Other Funds	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-
Total Assets	80,387	401,269	481,656	212,993	18,359	231,352
Liabilities						
Accounts Payable	16,138	3,615	19,753	-	-	-
Accrued Expenses	-	7,376	7,376	-	-	-
Deferred Revenue	1,351	31,203	32,554	-	2	2
Customer Deposits Payable	-	-	-	-	-	-
Due to Other Funds	233,920	-	233,920	-	-	-
Total Liabilities	251,409	42,194	293,603	-	2	2
Fund Balance						
Reserved for:						
Dedicated Purposes	-	-	-	-	-	-
Debt Service	-	-	-	212,993	18,357	231,350
Unreserved:						
Designated For Subsequent Year's Exp.	-	-	-	-	-	-
Undesignated	(171,022)	359,075	188,053	-	-	-
Total Fund Balance	(171,022)	359,075	188,053	212,993	18,357	231,350
Total Liabilities and Fund Equity	\$ 80,387	\$ 401,269	\$ 481,656	\$ 212,993	\$ 18,359	\$ 231,352

See accountants' report.

City of Twin Falls, Idaho
 Combining Statement - Other Governmental Funds
 Fund Balance Sheets
 September 30, 2007

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	
\$ (4,741)	\$ (74,396)	\$ -	\$ -	\$ (79,137)	\$ 64,237	\$ 27,396	\$ (1,296)	\$ 90,337	\$ 594,487
-	-	152,531	26,049	178,580	-	-	-	-	178,580
-	-	-	-	-	-	-	-	-	1,730
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	32,489
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,381	1,381	7,985
-	-	533	70	603	-	-	-	-	2,861
-	-	-	-	-	55,766	25,643	-	81,409	168,049
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>(4,741)</u>	<u>(74,396)</u>	<u>153,064</u>	<u>26,119</u>	<u>100,046</u>	<u>120,003</u>	<u>53,039</u>	<u>85</u>	<u>173,127</u>	<u>986,181</u>
-	-	276	-	276	270	15,331	-	15,601	35,630
-	-	-	-	-	-	-	-	-	7,376
-	-	-	-	-	-	-	-	-	32,556
-	-	-	-	-	-	-	-	-	-
3,987	-	-	-	3,987	-	-	666	666	238,573
<u>3,987</u>	<u>-</u>	<u>276</u>	<u>-</u>	<u>4,263</u>	<u>270</u>	<u>15,331</u>	<u>666</u>	<u>16,267</u>	<u>314,135</u>
-	-	-	-	-	119,733	37,708	(581)	156,860	156,860
-	-	-	-	-	-	-	-	-	231,350
-	-	-	-	-	-	-	-	-	-
(8,728)	(74,396)	152,788	26,119	95,783	-	-	-	-	283,836
<u>(8,728)</u>	<u>(74,396)</u>	<u>152,788</u>	<u>26,119</u>	<u>95,783</u>	<u>119,733</u>	<u>37,708</u>	<u>(581)</u>	<u>156,860</u>	<u>672,046</u>
\$ (4,741)	\$ (74,396)	\$ 153,064	\$ 26,119	\$ 100,046	\$ 120,003	\$ 53,039	\$ 85	\$ 173,127	\$ 986,181

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, 2007

	Special Revenue Funds			Debt Service Fund		
	Street Light	Library	Total	LID		
				Guarantee Bond	Library Bond	Total
Revenues						
Property Taxes, Including Interest	\$ 64,210	\$ 1,136,723	\$ 1,200,933	\$ -	\$ 71	\$ 71
Other Taxes	237,051	-	237,051	-	-	-
Special Assessments, Including Interest	-	-	-	-	-	-
Fines and Forfeitures	-	36,681	36,681	-	-	-
Licenses and Permits	-	-	-	-	-	-
Fees and Services	-	26,757	26,757	-	-	-
Intergovernmental	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-
Miscellaneous	-	15,097	15,097	19,558	1,394	20,952
Total Revenue	301,261	1,215,258	1,516,519	19,558	1,465	21,023
Expenditures						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Culture and Recreation	-	1,191,500	1,191,500	-	-	-
Highway and Streets	285,826	-	285,826	-	-	-
Airport	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal Retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	285,826	1,191,500	1,477,326	-	-	-
Excess of Revenues Over (Under) Expenditures	15,435	23,758	39,193	19,558	1,465	21,023
Operating Transfers						
Transfers In	-	72,301	72,301	-	-	-
Transfers Out	15,774	-	15,774	249,958	42,375	292,333
Net Transfers	(15,774)	72,301	56,527	(249,958)	(42,375)	(292,333)
Net Change in Fund Balance	(339)	96,059	95,720	(230,400)	(40,910)	(271,310)
Fund Balance October 1, 2006	(170,683)	263,016	92,333	443,393	59,267	502,660
Fund Balance September 30, 2007	\$(171,022)	\$ 359,075	\$ 188,053	\$ 212,993	\$ 18,357	\$ 231,350

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, 2007

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,201,004
-	-	-	-	-	-	-	-	-	237,051
-	-	-	-	-	80,819	101,906	-	182,725	182,725
-	-	-	-	-	-	-	-	-	36,681
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	26,757
-	-	-	-	-	-	-	5,018	5,018	5,018
-	427,789	-	-	427,789	-	-	-	-	427,789
-	-	114,208	16,107	130,315	-	65,007	-	65,007	231,371
-	427,789	114,208	16,107	558,104	80,819	166,913	5,018	252,750	2,348,396
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	10,453	-	-	10,453	10,453
-	-	-	-	-	-	-	-	-	-
4,741	502,185	8,652	-	515,578	-	192,042	6,500	198,542	714,120
-	-	-	-	-	-	-	-	-	1,191,500
-	-	-	-	-	-	-	-	-	285,826
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4,741	502,185	8,652	-	506,926	10,453	192,042	6,500	208,995	2,201,899
(4,741)	(74,396)	105,556	16,107	42,526	70,366	(25,129)	(1,482)	43,755	146,497
-	-	-	-	-	-	69,773	-	69,773	142,074
-	-	-	-	-	-	-	-	-	308,107
-	-	-	-	-	-	69,773	-	69,773	(166,033)
(4,741)	(74,396)	105,556	16,107	42,526	70,366	44,644	(1,482)	113,528	(19,536)
(3,987)	-	47,232	10,012	53,257	49,367	(6,936)	901	43,332	691,582
\$ (8,728)	\$ (74,396)	\$ 152,788	\$ 26,119	\$ 95,783	\$ 119,733	\$ 37,708	\$ (581)	\$ 156,860	\$ 672,046

See accountants' report.

City of Twin Falls, Idaho
Combining Statement - Proprietary Funds
Fund Balance Sheets
September 30, 2007

	Business-Type Activities					Total
	Golf	Pool	Dierkes Lake Shoshone Falls	Parking	Common Area Maintenance	
Assets						
Cash and Cash Equivalents	\$ (30,126)	\$ 133,231	\$ 266,543	\$ 7,957	\$ 741	\$ 378,346
Investments	-	-	-	-	-	-
Receivables (net of allowance for uncollected.)						-
Fees and Services	-	-	-	-	2,343	2,343
Intergovernmental	-	28,363	-	-	-	28,363
Interest	-	-	926	-	-	926
Accounts	2,287	-	11,505	-	-	13,792
Inventories	-	-	-	-	-	-
Total Current Assets	(27,839)	161,594	278,974	7,957	3,084	423,770
Restricted Assets						-
Deferred Charges						-
Fixed Assets (Net of Accum. Depreciation)	618,374	803,246	907,025	10,481	-	2,339,126
Total Assets	590,535	964,840	1,185,999	18,438	3,084	2,762,896
Liabilities and Equity						
Current Liabilities:						
Accounts Payable	2,515	2,806	5,617	-	17	10,955
Accrued Expenses	-	-	-	-	-	-
Due to Other Funds	362,021	337,286	-	-	-	699,307
Notes Payable - Current	-	-	-	-	-	-
Compensated Absences	14,514	-	-	-	-	14,514
Total Current Liabilities	379,050	340,092	5,617	-	17	724,776
Current Liab. Payable from Restricted Assets:						
Revenue Bonds Payable - Current	-	-	-	-	-	-
Customer Deposits Payable	-	-	-	-	-	-
Total Curr. Liab. From Restricted Assets	-	-	-	-	-	-
NonCurrent Liabilities:						
Notes Payable - Equipment	-	-	-	-	-	-
Revenue Bonds Payable (Net of Discounts)	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-
Total Liabilities	379,050	340,092	5,617	-	17	724,776
Net Assets						
Invested In Capital Assets, net of related debt	618,374	803,246	907,025	10,481	-	2,339,126
Restricted	-	-	-	-	-	-
Unrestricted	(406,889)	(178,498)	273,357	7,957	3,067	(301,006)
Total Equity	211,485	624,748	1,180,382	18,438	3,067	2,038,120
Total Liabilities and Equity	\$ 590,535	\$ 964,840	\$ 1,185,999	\$ 18,438	\$ 3,084	\$ 2,762,896

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, 2007

	Business-Type Activities					Totals
	Golf	Pool	Dierkes Lake Shoshone		Common Area	
			Falls	Parking	Maintenance	
Operating Revenues:						
Charges for Services	\$ 345,447	\$ -	\$ 155,864	\$ 69,826	\$ 5,004	\$ 576,141
Taps, Connection and Other Fees	-	-	-	-	-	-
Miscellaneous	28,643	-	14,649	86	-	43,378
Total Operating Revenues	<u>374,090</u>	<u>-</u>	<u>170,513</u>	<u>69,912</u>	<u>5,004</u>	<u>619,519</u>
Operating Expenses:						
Contracted Services	46,754	51,048	36,413	-	1,577	135,792
Personal Expenses	198,941	-	59,179	-	-	258,120
Depreciation and Amortization	26,429	32,999	29,016	3,730	-	92,174
Utilities	6,580	124,968	2,869	-	241	134,658
Landfill Expenses	-	-	-	-	-	-
Supplies	39,758	354	3,585	-	-	43,697
Insurance	-	-	-	-	-	-
Repairs and Maintenance	31,945	6,859	9,911	-	-	48,715
Vehicle Expenses	22,870	-	682	-	-	23,552
Studies and Projects	8,632	-	-	-	-	8,632
Rental Expense	362	-	-	-	-	362
Miscellaneous Expense	2,074	-	6,462	2,729	119	11,384
Testing and Monitoring	-	-	-	-	-	-
Telephone	12	-	-	-	-	12
Travel and Meetings	-	-	-	-	-	-
Total Operating Expenses	<u>384,357</u>	<u>216,228</u>	<u>148,117</u>	<u>6,459</u>	<u>1,937</u>	<u>757,098</u>
Operating Income (Loss)	(10,267)	(216,228)	22,396	63,453	3,067	(137,579)
Non-Operating Revenues (Expenses):						
Development Fees	-	-	-	-	-	-
Interest Income	-	-	17,907	-	-	17,907
Rent and Royalties	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-
Intergovernmental	-	105,790	-	-	-	105,790
Interest Expense	(567)	-	-	-	-	(567)
Total Non-Operating Revenues (Exp.)	<u>(567)</u>	<u>105,790</u>	<u>17,907</u>	<u>-</u>	<u>-</u>	<u>123,130</u>
Income (Loss) Before Operating Transfers	(10,834)	(110,438)	40,303	63,453	3,067	(14,449)
Operating Transfers:						
Operating Transfers In	-	258,000	-	-	-	258,000
Operating Transfers Out	(17,531)	-	(6,902)	(54,773)	-	(79,206)
Net Transfers	<u>(17,531)</u>	<u>258,000</u>	<u>(6,902)</u>	<u>(54,773)</u>	<u>-</u>	<u>178,794</u>
Net Income (Loss)	(28,365)	147,562	33,401	8,680	3,067	164,345
Total Net Assets, October 1, 2006	<u>239,850</u>	<u>477,186</u>	<u>1,146,981</u>	<u>9,758</u>	<u>-</u>	<u>1,873,775</u>
Total Net Assets, September 30, 2007	<u>\$ 211,485</u>	<u>\$ 624,748</u>	<u>\$ 1,180,382</u>	<u>\$ 18,438</u>	<u>\$ 3,067</u>	<u>\$ 2,038,120</u>

See accountants' report.

City of Twin Falls, Idaho
 Combining Statement - Internal Service Funds
 Fund Balance Sheets
 September 30, 2007

	Governmental Activities -		
	Internal Service Funds		
	Shop		
	Insurance	Revolving	Total
Assets			
Cash and Cash Equivalents	\$ 47,317	\$ 286,808	\$ 334,125
Investments	136,574	-	136,574
Receivables (net of allowance for uncollect.)			-
Taxes	5,218	-	5,218
Fees and Services	-	-	-
Intergovernmental	1,240	-	1,240
Interest	578	-	578
Accounts	-	-	-
Inventories	-	-	-
Total Current Assets	<u>190,927</u>	<u>286,808</u>	<u>477,735</u>
Restricted Assets			
Deferred Charges			
Fixed Assets (Net of Accum. Depreciation)	-	329,684	329,684
Total Assets	<u><u>190,927</u></u>	<u><u>616,492</u></u>	<u><u>807,419</u></u>
Liabilities and Equity			
Current Liabilities:			
Accounts Payable	2,508	2,131	4,639
Accrued Expenses	-	-	-
Deferred Revenue	5,232	-	5,232
Notes Payable - Current	-	-	-
Compensated Absences	-	24,318	24,318
Total Current Liabilities	<u>7,740</u>	<u>26,449</u>	<u>34,189</u>
Total Liabilities	7,740	26,449	34,189
Net Assets			
Invested In Capital Assets, net of related debt	-	329,684	329,684
Restricted	-	-	-
Unrestricted	183,187	260,359	443,546
Total Equity	<u>183,187</u>	<u>590,043</u>	<u>773,230</u>
Total Liabilities and Equity	<u><u>\$ 190,927</u></u>	<u><u>\$ 616,492</u></u>	<u><u>\$ 807,419</u></u>

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, 2007

	Governmental Activities - Internal Service Funds		
	Insurance	Shop Revolving	Total
Operating Revenues:			
Charges for Services	\$ -	\$ 218,827	\$ 218,827
Special Assessments, Including Interest Taps, Connection and Other Fees	191,298	-	191,298
Miscellaneous	6,875	-	6,875
Total Operating Revenues	<u>198,173</u>	<u>218,827</u>	<u>417,000</u>
Operating Expenses:			
Contracted Services	-	911	911
Personal Expenses	-	161,966	161,966
Depreciation and Amortization	-	10,167	10,167
Utilities	-	6,010	6,010
Landfill Expenses	-	-	-
Supplies	-	16,028	16,028
Insurance	319,475	-	319,475
Repairs and Maintenance	-	-	-
Vehicle Expenses	-	457	457
Studies and Projects	-	-	-
Rental Expense	-	-	-
Miscellaneous Expense	389	132	521
Testing and Monitoring	-	-	-
Telephone	-	-	-
Travel and Meetings	576	-	576
Total Operating Expenses	<u>320,440</u>	<u>195,671</u>	<u>516,111</u>
Operating Income (Loss)	(122,267)	23,156	(99,111)
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	(122,267)	23,156	(99,111)
Operating Transfers:			
Operating Transfers In	167,866	-	167,866
Operating Transfers Out	(39,437)	-	(39,437)
Net Transfers	<u>128,429</u>	<u>-</u>	<u>128,429</u>
Net Income (Loss)	6,162	23,156	29,318
Total Net Assets, October 1, 2006	<u>177,025</u>	<u>566,887</u>	<u>743,912</u>
Total Net Assets, September 30, 2007	<u>\$ 183,187</u>	<u>\$ 590,043</u>	<u>\$ 773,230</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, 2007
With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes	\$ 64,774	\$ 64,774	\$ 64,210	\$ (564)	\$ 21,599
Non-Property Taxes	235,000	235,000	237,051	2,051	255,730
Miscellaneous & Intergovernmental	-	-	-	-	28,091
Total Revenues	<u>299,774</u>	<u>299,774</u>	<u>301,261</u>	<u>1,487</u>	<u>305,420</u>
Expenditures:					
Current					
Highways and Streets	284,000	284,000	285,826	(1,826)	311,921
Total Expenditures	<u>284,000</u>	<u>284,000</u>	<u>285,826</u>	<u>(1,826)</u>	<u>311,921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,774	15,774	15,435	(339)	(6,501)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(15,774)	(15,774)	(15,774)	-	(15,023)
Total Other Sources (Uses)	<u>(15,774)</u>	<u>(15,774)</u>	<u>(15,774)</u>	<u>-</u>	<u>(15,023)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	(339)	<u>\$ (339)</u>	(21,524)
Fund Balances, October 1st			<u>(170,683)</u>		<u>(149,159)</u>
Fund Balances, September 30th			<u>\$ (171,022)</u>		<u>\$ (170,683)</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, 2007
With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes	\$ 1,117,381	\$ 1,117,381	\$ 1,136,723	\$ 19,342	\$ 1,102,379
Fines and Forfeits	28,000	28,000	36,681	8,681	30,305
Fees and Services	32,500	32,500	26,757	(5,743)	39,604
Miscellaneous	4,500	4,500	15,097	10,597	8,818
Total Revenues	<u>1,182,381</u>	<u>1,182,381</u>	<u>1,215,258</u>	<u>32,877</u>	<u>1,181,106</u>
Expenditures:					
Current					
Culture and Recreation	1,182,381	1,182,381	1,119,171	63,210	1,049,715
Capital Outlay	-	-	72,329	(72,329)	81,727
Total Expenditures	<u>1,182,381</u>	<u>1,182,381</u>	<u>1,191,500</u>	<u>(9,119)</u>	<u>1,131,442</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	23,758	23,758	49,664
Other Financing Sources (Uses)					
Operating Transfers In	-	-	72,301	(72,301)	68,888
Operating Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>72,301</u>	<u>(72,301)</u>	<u>68,888</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	96,059	<u>\$ (48,543)</u>	118,552
Fund Balances, October 1st			<u>263,016</u>		<u>144,464</u>
Fund Balances, September 30th			<u>\$ 359,075</u>		<u>\$ 263,016</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, 2007

With Comparative Actual Amounts from the Previous Year

	2007				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues:					
Miscellaneous	\$ 263,000	\$ 263,000	\$ 19,558	\$ (243,442)	\$ 15,638
Total Revenues	263,000	263,000	19,558	(243,442)	15,638
Expenditures:					
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	263,000	263,000	19,558	(243,442)	15,638
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	(250,000)	(249,958)	(42)	-
Total Other Sources (Uses)	-	(250,000)	(249,958)	(42)	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ 263,000	\$ 13,000	(230,400)	\$ (243,484)	15,638
Fund Balances, October 1st			443,393		427,755
Fund Balances, September 30th			\$ 212,993		\$ 443,393

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, 2007
With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes, Including Penalty and Interest	\$ -	\$ -	\$ 71	\$ 71	\$ 433
Miscellaneous	-	-	1,394	1,394	3,890
Total Revenues	<u>-</u>	<u>-</u>	<u>1,465</u>	<u>1,465</u>	<u>4,323</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>1,465</u>	<u>1,465</u>	<u>4,323</u>
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	
Operating Transfers Out	-	(45,000)	(42,375)	(2,625)	(78,809)
Total Other Sources (Uses)	<u>-</u>	<u>(45,000)</u>	<u>(42,375)</u>	<u>(2,625)</u>	<u>(78,809)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ (45,000)</u>	<u>(40,910)</u>	<u>\$ (1,160)</u>	<u>(74,486)</u>
Fund Balances, October 1st			<u>59,267</u>		<u>133,753</u>
Fund Balances, September 30th			<u>\$ 18,357</u>		<u>\$ 59,267</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, 2007
 With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	-	700	-	(700)	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>-</u>	<u>700</u>	<u>-</u>	<u>(700)</u>	<u>-</u>
Expenditures:					
Current					
Community Development	-	700	4,741	(4,041)	-
Total Expenditures	<u>-</u>	<u>700</u>	<u>4,741</u>	<u>(4,041)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(4,741)	(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>	(4,741)	<u>\$ (4,741)</u>	-
Fund Balances, October 1st			<u>(3,987)</u>		<u>(3,987)</u>
Fund Balances, September 30th			<u>\$ (8,728)</u>		<u>\$ (3,987)</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, 2007
 With Comparative Actual Amounts from the Previous Year

	2007			Variance Favorable (Unfavorable)	2006 Actual
	Proposed Budget	Final Budget	Actual		
Revenues:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	468,000	468,000	427,789	(40,211)	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>468,000</u>	<u>468,000</u>	<u>427,789</u>	<u>(40,211)</u>	<u>-</u>
Expenditures:					
Current					
Community Development	600,000	600,000	502,185	97,815	(31)
Total Expenditures	<u>600,000</u>	<u>600,000</u>	<u>502,185</u>	<u>97,815</u>	<u>(31)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132,000)	(132,000)	(74,396)	57,604	31
Other Financing Sources (Uses)					
Operating Transfers In	-	132,000	-	132,000	-
Operating Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>132,000</u>	<u>-</u>	<u>132,000</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (132,000)</u>	<u>\$ -</u>	<u>(74,396)</u>	<u>\$ 189,604</u>	<u>31</u>
Fund Balances, October 1st			<u>-</u>		<u>(31)</u>
Fund Balances, September 30th			<u>\$ (74,396)</u>		<u>\$ -</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, 2007
 With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Miscellaneous	\$ -	\$ 10,000	\$ 114,208	\$ 104,208	\$ 47,232
Total Revenues	-	10,000	114,208	104,208	47,232
Expenditures:					
Current					
Industrial Development	-	10,000	8,652	1,348	-
Total Expenditures	-	10,000	8,652	1,348	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	105,556	105,556	47,232
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ -	\$ -	105,556	\$ 105,556	47,232
Fund Balances, October 1st			47,232		-
Fund Balances, September 30th			\$ 152,788		\$ 47,232

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, 2007

With Comparative Actual Amounts from the Previous Year

	2007				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues:					
Miscellaneous	\$ -	\$ -	\$ 16,107	\$ 16,107	\$ 10,012
Total Revenues	-	-	16,107	16,107	10,012
Expenditures:					
Current					
Trail Fund	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	16,107	16,107	10,012
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ -	\$ -	16,107	\$ 16,107	10,012
Fund Balances, October 1st			10,012		-
Fund Balances, September 30th			\$ 26,119		\$ 10,012

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, 2007

With Comparative Actual Amounts from the Previous Year

	2007				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Operating Revenues:					
Special Assessments, Including Interest	\$ -	\$ -	\$ 80,819	\$ 80,819	\$ 23,932
Miscellaneous	-	-	-	-	-
Total Operating Revenues	-	-	80,819	80,819	23,932
Operating Expenses:					
Public Safety	10,200	10,200	10,453	(253)	33,972
Total Operating Expenses	10,200	10,200	10,453	(253)	33,972
Income (Loss) before operating transfers	(10,200)	(10,200)	70,366	80,566	(10,040)
Operating Transfers:					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Net Transfers	-	-	-	-	-
Net Income (Loss)	\$ (10,200)	\$ (10,200)	70,366	\$ 80,566	(10,040)
Net Assets, October 1st			49,367		59,407
Net Assets, September 30th			\$ 119,733		\$ 49,367

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, 2007

With Comparative Actual Amounts from the Previous Year

	2007			Variance	2006
	Proposed Budget	Final Budget	Actual	Favorable (Unfavorable)	Actual
Operating Revenues:					
Special Assessments, Including Interest	\$ 93,000	\$93,000	\$101,906	\$ 8,906	93,171
Miscellaneous	80,200	80,200	65,007	(15,193)	53,062
Total Operating Revenues	173,200	173,200	166,913	(6,287)	146,233
Operating Expenses:					
Community Development	188,200	188,200	192,042	(3,842)	235,185
Total Operating Expenses	188,200	188,200	192,042	(3,842)	235,185
Income (Loss) before operating transfers	(15,000)	(15,000)	(25,129)	(10,129)	(88,952)
Operating Transfers:					
Operating Transfers In	15,000	15,000	69,773	54,773	45,292
Operating Transfers Out	-	-	-	-	-
Net Transfers	15,000	15,000	69,773	54,773	45,292
Net Income (Loss)	\$ -	\$ -	44,644	\$ 44,644	(43,660)
Net Assets, October 1st			(6,936)		36,724
Net Assets, September 30th			\$ 37,708		\$ (6,936)

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, 2007

With Comparative Actual Amounts from the Previous Year

	2007				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Operating Revenues:					
Intergovernmental	\$ 5,000	\$5,000	\$5,018	\$ 18	\$ 5,439
Miscellaneous	10,000	10,000	-	(10,000)	-
Total Operating Revenues	15,000	15,000	5,018	(9,982)	5,439
Operating Expenses:					
Community Development	15,000	15,000	6,500	8,500	5,000
Total Operating Expenses	15,000	15,000	6,500	8,500	5,000
Income (Loss) before operating transfers	-	-	(1,482)	(1,482)	439
Operating Transfers:					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Net Transfers	-	-	-	-	-
Net Income (Loss)	\$ -	\$ -	(1,482)	\$ (1,482)	439
Net Assets, October 1st			901		462
Net Assets, September 30th			\$ (581)		\$ 901

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, 2007
With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 373,371	\$ 373,371	\$ 345,447	\$ (27,924)	\$ 337,335
Miscellaneous	29,250	29,250	28,643	(607)	31,666
Total Operating Revenues	<u>402,621</u>	<u>402,621</u>	<u>374,090</u>	<u>(28,531)</u>	<u>369,001</u>
Operating Expenses:					
Contracted Expenses	47,110	47,110	46,754	356	49,348
Personnel Expenses	195,141	195,141	198,941	(3,800)	183,367
Depreciation and Amortization	-	-	26,429	(26,429)	26,324
Utilities	6,000	6,000	6,580	(580)	9,245
Supplies	24,750	24,750	39,758	(15,008)	32,988
Repairs and Maintenance	84,733	154,733	31,945	122,788	35,857
Vehicle Expense	21,856	21,856	22,870	(1,014)	21,935
Studies and Projects	5,000	5,000	8,632	(3,632)	12,452
Rental Expense	500	500	362	138	534
Miscellaneous Expenses	-	-	2,074	(2,074)	2,025
Telephone	-	-	12	(12)	140
Travel and Meetings	-	-	-	-	385
Total Operating Expenses	<u>385,090</u>	<u>455,090</u>	<u>384,357</u>	<u>70,733</u>	<u>374,600</u>
Operating Income (Loss)	17,531	(52,469)	(10,267)	42,202	(5,599)
Non-operating Revenues (Expenses):					
Interest Income	-	-	-	-	-
Interest Expense	-	-	(567)	(567)	(1,679)
Total Non-operating Revenues (Exp)	<u>-</u>	<u>-</u>	<u>(567)</u>	<u>(567)</u>	<u>(1,679)</u>
Income (Loss) before operating transfers	17,531	(52,469)	(10,834)	41,635	(7,278)
Operating Transfers:					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(17,531)	(17,531)	(17,531)	-	(16,696)
Net Transfers	<u>(17,531)</u>	<u>(17,531)</u>	<u>(17,531)</u>	<u>-</u>	<u>(16,696)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ (70,000)</u>	<u>(28,365)</u>	<u>\$ 41,635</u>	<u>(23,974)</u>
Net Assets, October 1st			<u>239,850</u>		<u>263,824</u>
Net Assets, September 30th			<u>\$ 211,485</u>		<u>\$ 239,850</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, 2007
 With Comparative Actual Amounts from the Previous Year

	2007			Variance Favorable (Unfavorable)	2006 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenses:					
Contracted Expenses	50,000	100,000	51,048	48,952	50,601
Personnel Expenses	-	-	-	-	-
Depreciation and Amortization	-	-	32,999	(32,999)	35,139
Utilities	129,000	129,000	124,968	4,032	111,984
Supplies	-	-	354	(354)	-
Repairs and Maintenance	3,000	63,000	6,859	56,141	11,348
Miscellaneous Expenses	-	-	-	-	-
Telephone	-	-	-	-	3
Travel and Meetings	-	-	-	-	-
Total Operating Expenses	<u>182,000</u>	<u>292,000</u>	<u>216,228</u>	<u>75,772</u>	<u>209,075</u>
Operating Income (Loss)	(182,000)	(292,000)	(216,228)	75,772	(209,075)
Non-operating Revenues (Expenses):					
Intergovernmental	104,000	104,000	105,790	1,790	111,951
Interest Expense	-	-	-	-	-
Total Non-operating Revenues (Exp)	<u>104,000</u>	<u>104,000</u>	<u>105,790</u>	<u>1,790</u>	<u>111,951</u>
Income (Loss) before operating transfers	(78,000)	(188,000)	(110,438)	77,562	(97,124)
Operating Transfers:					
Operating Transfers In	78,000	258,000	258,000	-	78,491
Operating Transfers Out	-	-	-	-	-
Net Transfers	<u>78,000</u>	<u>258,000</u>	<u>258,000</u>	<u>-</u>	<u>78,491</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ 70,000</u>	147,562	<u>\$ 77,562</u>	(18,633)
Net Assets, October 1st			<u>477,186</u>		<u>495,819</u>
Net Assets, September 30th			<u>\$ 624,748</u>		<u>\$ 477,186</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, 2007
With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 119,155	\$ 119,155	\$ 155,864	\$ 36,709	\$ 264,846
Miscellaneous	65,000	65,000	14,649	(50,351)	-
Total Operating Revenues	<u>184,155</u>	<u>184,155</u>	<u>170,513</u>	<u>(13,642)</u>	<u>264,846</u>
Operating Expenses:					
Contracted Expenses	37,600	37,600	36,413	1,187	40,316
Personnel Expenses	58,203	58,203	59,179	(976)	52,868
Depreciation and Amortization	-	-	29,016	(29,016)	28,289
Utilities	3,000	3,000	2,869	131	2,480
Supplies	4,500	4,500	3,585	915	876
Repairs and Maintenance	136,500	136,500	9,911	126,589	6,638
Vehicle Expense	8,152	8,152	682	7,470	252
Miscellaneous Expenses	6,500	6,500	6,462	38	3,576
Telephone	-	-	-	-	164
Total Operating Expenses	<u>254,455</u>	<u>254,455</u>	<u>148,117</u>	<u>106,338</u>	<u>135,459</u>
Operating Income (Loss)	(70,300)	(70,300)	22,396	92,696	129,387
Non-operating Revenues (Expenses):					
Interest Income	5,300	5,300	17,907	12,607	13,085
Interest Expense	-	-	-	-	-
Total Non-operating Revenues (Exp.)	<u>5,300</u>	<u>5,300</u>	<u>17,907</u>	<u>12,607</u>	<u>13,085</u>
Income (Loss) before operating transfers	(65,000)	(65,000)	40,303	105,303	142,472
Operating Transfers:					
Operating Transfers In	-	-	-	-	38,576
Operating Transfers Out	-	-	(6,902)	(6,902)	(6,573)
Net Transfers	<u>-</u>	<u>-</u>	<u>(6,902)</u>	<u>(6,902)</u>	<u>32,003</u>
Net Income (Loss)	<u>\$ (65,000)</u>	<u>\$ (65,000)</u>	33,401	<u>\$ 98,401</u>	174,475
Net Assets, October 1st			<u>1,146,981</u>		<u>972,506</u>
Net Assets, September 30th			<u>\$ 1,180,382</u>		<u>\$ 1,146,981</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, 2007
With Comparative Actual Amounts from the Previous Year

	2007			Variance Favorable (Unfavorable)	2006 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Charges for Services	\$ -	\$ -	\$ 69,826	\$ 69,826	\$ 72,268
Miscellaneous	-	-	86	86	-
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>69,912</u>	<u>69,912</u>	<u>72,268</u>
Operating Expenses:					
Contracted Expenses	-	-	-	-	-
Personnel Expenses	-	-	-	-	34,762
Depreciation and Amortization	-	-	3,730	(3,730)	629
Repairs and Maintenance	-	-	-	-	-
Miscellaneous Expenses	-	-	2,729	(2,729)	2,289
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>6,459</u>	<u>(6,459)</u>	<u>37,680</u>
Operating Income (Loss)	-	-	63,453	63,453	34,588
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	-	-	63,453	63,453	34,588
Operating Transfers:					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	(54,773)	(54,773)	(45,292)
Net Transfers	<u>-</u>	<u>-</u>	<u>(54,773)</u>	<u>(54,773)</u>	<u>(45,292)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>8,680</u>	<u>\$ 8,680</u>	<u>(10,704)</u>
Net Assets, October 1st			<u>9,758</u>		<u>20,462</u>
Net Assets, September 30th			<u>\$ 18,438</u>		<u>\$ 9,758</u>

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, 2007
 With Comparative Actual Amounts from the Previous Year

	2007			Variance Favorable (Unfavorable)	2006 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Charges for Services	\$ 2,200	\$ 2,200	\$ 5,004	\$ 2,804	\$ -
Miscellaneous	-	-	-	-	-
Total Operating Revenues	<u>2,200</u>	<u>2,200</u>	<u>5,004</u>	<u>2,804</u>	<u>-</u>
Operating Expenses:					
Contracted Expenses	2,000	2,000	1,577	423	-
Personnel Expenses	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-
Utilities	200	200	241	(41)	-
Supplies	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Vehicle Expense	-	-	-	-	-
Miscellaneous Expenses	-	-	119	(119)	-
Telephone	-	-	-	-	-
Total Operating Expenses	<u>2,200</u>	<u>2,200</u>	<u>1,937</u>	<u>263</u>	<u>-</u>
Operating Income (Loss)	-	-	3,067	3,067	-
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	-	-	3,067	3,067	-
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>	3,067	<u>\$ 3,067</u>	-
Net Assets, October 1st			-		-
Net Assets, September 30th			<u>\$ 3,067</u>		<u>\$ -</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, 2007
With Comparative Actual Amounts from the Previous Year

	2007				2006 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Special Assessments, Including Interest	\$ 188,121	\$ 188,121	191,298	\$ 3,177	\$ 183,606
Miscellaneous	3,000	3,000	6,875	3,875	4,362
Total Operating Revenues	<u>191,121</u>	<u>191,121</u>	<u>198,173</u>	<u>7,052</u>	<u>187,968</u>
Operating Expenses:					
Insurance Expense	317,000	317,000	319,475	(2,475)	279,821
Miscellaneous Expenses	1,550	1,550	389	1,161	807
Travel and Meetings	1,000	1,000	576	424	129
Total Operating Expenses	<u>319,550</u>	<u>319,550</u>	<u>320,440</u>	<u>(890)</u>	<u>280,757</u>
Operating Income (Loss)	(128,429)	(128,429)	(122,267)	6,162	(92,789)
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	(128,429)	(128,429)	(122,267)	6,162	(92,789)
Operating Transfers:					
Operating Transfers In	167,866	167,866	167,866	-	159,871
Operating Transfers Out	(39,437)	(39,437)	(39,437)	-	(37,559)
Net Transfers	<u>128,429</u>	<u>128,429</u>	<u>128,429</u>	<u>-</u>	<u>122,312</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	6,162	<u>\$ 6,162</u>	29,523
Net Assets, October 1st			<u>177,025</u>		<u>147,502</u>
Net Assets, September 30th			<u>\$ 183,187</u>		<u>\$ 177,025</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, 2007
With Comparative Actual Amounts from the Previous Year

	2007			Variance Favorable (Unfavorable)	2006 Actual
	Proposed Budget	Final Budget	Actual		
Operating Revenues:					
Charges for Services	\$ 218,828	\$ 218,828	\$ 218,827	\$ (1)	\$ 210,786
Miscellaneous	-	-	-	-	1,050
Total Operating Revenues	<u>218,828</u>	<u>218,828</u>	<u>218,827</u>	<u>(1)</u>	<u>211,836</u>
Operating Expenses:					
Contracted Expenses	1,375	1,375	911	464	770
Personnel Expenses	192,288	192,288	161,966	30,322	169,228
Depreciation and Amortization	-	-	10,167	(10,167)	9,875
Utilities	6,400	6,400	6,010	390	6,527
Supplies	12,890	12,890	16,028	(3,138)	6,872
Repairs and Maintenance	5,000	5,000	-	5,000	3,244
Vehicle Expense	360	360	457	(97)	2,229
Miscellaneous Expenses	515	515	132	383	-
Telephone	-	-	-	-	5
Total Operating Expenses	<u>218,828</u>	<u>218,828</u>	<u>195,671</u>	<u>23,157</u>	<u>198,750</u>
Operating Income (Loss)	-	-	23,156	23,156	13,086
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	-	-	23,156	23,156	13,086
Operating Transfers:					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	2,812
Net Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,812</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	23,156	<u>\$ 23,156</u>	15,898
Net Assets, October 1st			<u>566,887</u>		<u>550,989</u>
Net Assets, September 30th			<u>\$ 590,043</u>		<u>\$ 566,887</u>

See accountants' report.

SINGLE AUDIT INFORMATION

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

City Council
City of Twin Falls, Idaho

We have audited the financial statements of The City of Twin Falls, Idaho, as of and for the year ended September 30, 2007 and have issued our report thereon dated June 30, 2008. 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
June 30, 2008

CITY OF TWIN FALLS, IDAHO
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2007

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
Historical Society			
Historic Preservation Fund Grants	15.904	16-02-17542	\$ 2,700
Department of Transportation			
Highway Planning and Construction	20.205	V079850	2,441
State and Community Highway Safety	20.600	SAL0601	2,499
State and Community Highway Safety	20.600	SAL0611	3,723
State and Community Highway Safety	20.600	SAL0701	2,554
State and Community Highway Safety	20.600	SSB0701	6,429
Alcohol Traffic Safety & Drunk Driving Prevention	20.601	SJ80701	467
Department of Labor			
Community Development Block Grants	14.228	B05DC160001	306,963
Department of Commerce			
Community Development Block Grants	14.228	B05DC160001	120,826
Department of Lands			
Cooperative Forestry Assistance	10.664	06-DG-11010000-015	1,134
Federal Aviation Administration			
Airport Improvement Program	20.106	AIP-16-0036-24	67,073
Airport Improvement Program	20.106	AIP-16-0036-25	<u>60,283</u>
Total Expenditures of Federal Awards			<u><u>\$ 577,092</u></u>

The City of Twin Falls received equipment in the amount of \$161,409 from Department of Homeland Security.

CITY OF TWIN FALLS, IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year ended September 30, 2007

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>
Community Development Block Grants	14.228

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

Auditee Qualified as low-risk auditee? Yes No

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

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, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2008. 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

June 30, 2008

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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, 2007. 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, 2007

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

June 30, 2008