

**CITY OF TWIN FALLS, IDAHO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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

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## **INTRODUCTORY SECTION**



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321 Second Avenue East

Twin Falls, Idaho 83303-1907

Fax: (208) 736-2296

February 10, 2014

Mayor Don Hall, City Council,  
and Citizens of the City of Twin Falls, Idaho

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Twin Falls, Idaho (the City) for the fiscal year ended September 30, 2013.

This report is published to provide the City Council, City staff, our citizens, and other readers with detailed information concerning the financial position and activities of the City. City management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

### **THE REPORT**

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, an organizational chart and names of the City's principal officials, and the Government Finance Officers Association of the United States (GFOA) Certificate of Achievement for Distinguished Budget Presentation Award.

The financial section is prepared in accordance with accounting principles generally accepted in the United States of America. This section of the CAFR includes the independent auditor's report; the Management's Discussion and Analysis (MD&A), which can be found immediately following the report of the independent auditors; the basic financial statements and combining and individual fund statements and schedules; as well as required supplementary information and information on federal awards and expenditures with an accompanying auditor's report on that activity.

The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements and should be read in conjunction with this transmittal letter. The basic financial statements include the government-wide financial statements that present an overview of the City's entire operations, while the fund level statements present the financial information of each of the City's major funds, as well as non-major funds.

Lastly, the statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

### **CITY PROFILE**

We currently are home to more than 44,500 residents and we expect to grow 11 percent to more than 52,300 citizens by 2020. Our citizens are as diverse as our geography, with more than 70 percent of residents having moved to the area from outside of Idaho. Twin Falls is located in the Magic Valley, which is a vibrant collection of small communities spread across the vast high desert between Boise and Pocatello in southern Idaho and is the heart of south-central Idaho. Located halfway between Seattle and Denver on U.S. Interstate 84, Twin Falls is a very convenient location to serve markets throughout the western United States. Since it was founded in 1905, Twin Falls has grown from its base of agriculture and food processing to become the hub of south-central Idaho (serving 250,000) which includes business services, health care facilities, education, and retail.

## **Letter of Transmittal, Continued:**

Twin Falls enjoys a reputation for being business friendly—this is shown, not just by our low cost of doing business, but also by ensuring that companies, developers, and builders are able to quickly complete their development. Twin Falls is attracting some of the largest and most successful companies, including Chobani Greek Yogurt, Con Agra Foods/Lamb Weston and Jayco RV Incorporated.

Idaho statutes are the basic governing law under which the City operates. Twin Falls conducts its business with a City Council/City Manager style of government. Seven City Council members are elected, at-large, to four-year terms. They serve on a part-time basis. The council members act as legislators and administrators; are responsible for enacting and enforcing City laws, and approving the annual budget. The City Council has secured the services of a City Manager who works full time implementing the wishes of the Council.

The City provides the following services to its citizens:

- Planning and community development: building plan reviews, housing services, employment and economic development
- Public safety: police, fire, and rescue, emergency communications and emergency management
- Street improvements and street maintenance
- Support services: Information systems, communications, facilities, financial, fleet, human resources, information, and risk management
- Parks, recreational and cultural services
- Utilities: water, sewer, sanitation
- Other operations: refuse disposal and environmental remediation

## **REPORTING ENTITY**

This report includes all funds of the City including those organizations required to be included because the City is financially accountable for them. A unique relationship exists between the City and the City Library. Under Idaho State statutes the City Library is a separate governmental agency with its own independent governing board. However, the Library is not a taxing district and most of the revenue to support the Library comes from property taxes. Therefore the Library must interface with the City during the budgeting process. The Library budget is included in the City's budget and because of the close relationship between the two organizations the Library Fund activity is included in these financial statements

Another organization which the City has a special relationship to is the Urban Renewal Agency of Twin Falls, Idaho (URA). This organization is required to have separate financial audits conducted by external certified public accountants. However, the City can exert a certain degree of control over the organization's governance by appointing individuals to the URA's board of directors. That control feature requires that the URA's activities be included in this report as well. The information of the URA that is presented, has been condensed from the separate financial report of the Agency

## **ECONOMIC CONDITIONS AND OUTLOOK**

### **A. Recent economic performance**

The local economy has shown signs of improvement despite the ongoing national economic challenges. Twin Falls is fortunate to have a strong, diversified tax base that helps to mitigate some of the negative effects of economic fluctuations. Although property values have once again decreased for the current tax year, an increase in personal income and a decrease in unemployment rates reflect trends that have continued for the past several years. These trends coupled with the extraordinary success that the City has had in attracting new businesses have blunted the economic declines exhibited by the state and nation.

### **B. Outlook and Long-Term Planning**

Just as we were last year, we remain guardedly optimistic about the health of our local economy. We continue to conservatively project that any recovery will remain protracted, steady and occasionally fickle. New construction activity will see modest growth; however, no significant development of new subdivisions or annexations is anticipated. We are projecting growth from new construction activities will be under \$20 million for each of the upcoming fiscal years through FY 2016.

**Letter of Transmittal, Continued:**

Idaho taxes (sales tax, personal income tax, and corporate income tax) continue to outpace projections and the prior year's performance. The City will benefit directly and indirectly from this revenue advancement.

Local government budgets in Idaho are driven by growth in their taxable valuations. Although revenues from sources other than property taxes are improving, we continue to project declines in property values, which are often used as one of the leading indicators to determine the health of a community. In our budgeting recommendations, we have been mindful to not make expenditures that would create or cause future structural imbalance in our budget. Balancing the priorities of the community with the needs to ensure long-term sustainability is increasingly important.

**C. Major initiatives**

The City has committed, through the budgeting process, to improvements in its infrastructure and to the City's compensation levels. These topics are discussed more fully in sections of the Management Discussion and Analysis as well as the City's approved budget report at the City's website (<http://www.tfid.org/index.aspx?nid=161>).

Probably the largest project the City has committed to undertake is an expansion of the City's wastewater treatment capacity. The citizens gave their approval for the City to seek up to \$38,000,000 in a bond issuance for the improvements. Steps are being taken to secure the proceeds as well as begin preliminary facility design creation.

**FINANCIAL INFORMATION**

**A. Accounting system**

The City's accounting system supports an adequate internal control structure. This structure helps to safeguard the City's assets against loss, theft, or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The internal control structure provides reasonable, but not absolute, assurance that the City's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits require estimates and judgments by management.

**B. Budgetary Control**

The preparation of the City's budget is governed by Idaho State Law. The City Manager proposes a budget and the City Council serves as the "Budget Committee" in approving and adopting the budget. Public notice is given for all budget meetings. Citizens are involved in the budget process through forums and public hearings. The City Council is required to adopt a budget no later than September 30, the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The Council, with the assistance of City staff, monitors the budget during the fiscal year to address any changing financial needs and conditions.

The Government Finance Officers Association (GFOA) has awarded a Distinguished Budget Presentation Award to the City for the way it presented its budget for the fiscal year ending September 30, 2012. In order to receive the award, the City must publish an easily readable and efficiently organized budget report, whose contents conform to program standards. The Award is valid for a period of one year only. We believe our current budget report continues to conform to professional requirements and the GFOA's best practices, and we are submitting it again to determine its eligibility for another award.

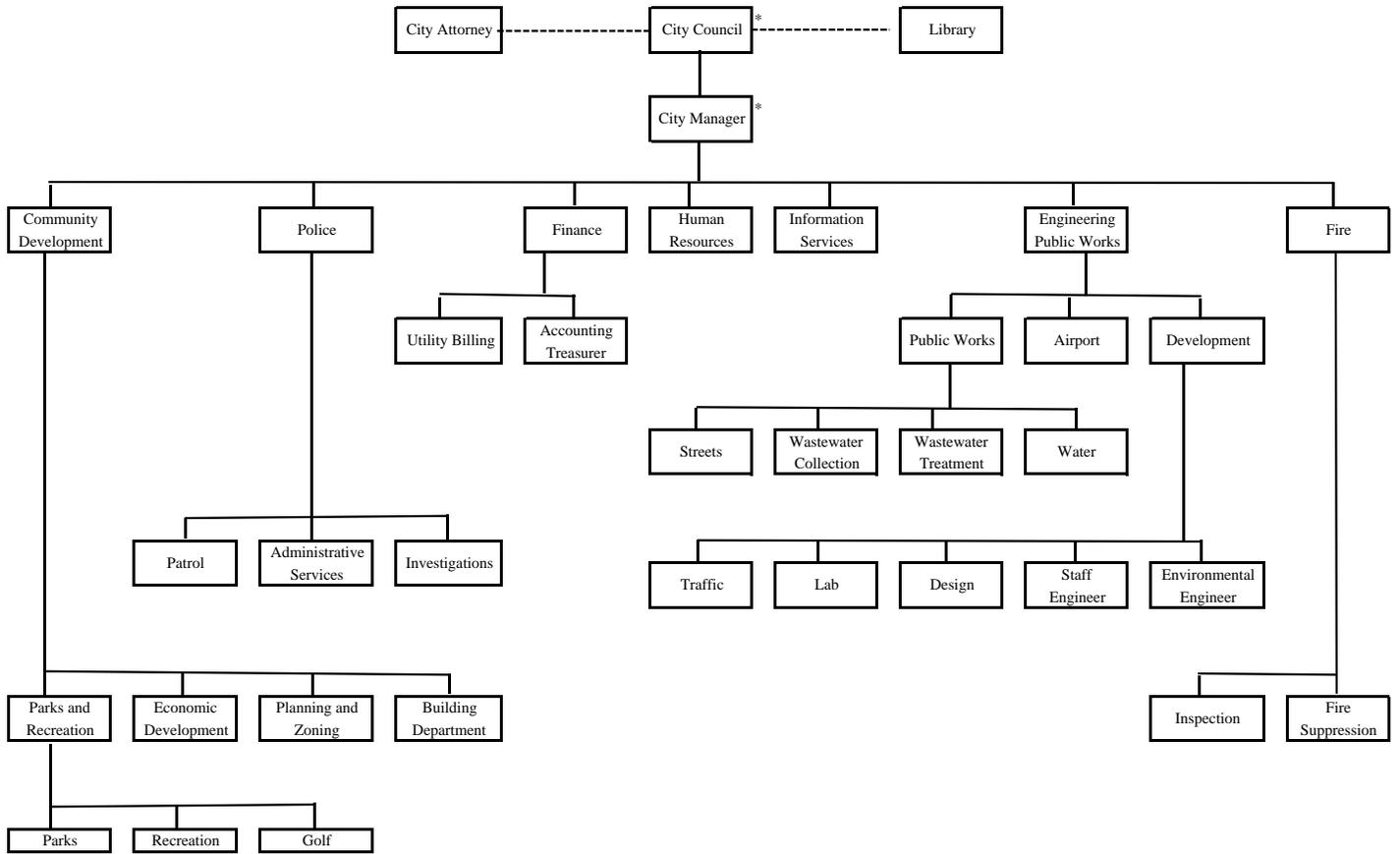
**C. Financial Policies**

The City of Twin Falls follows entity wide financial policies in the budget development process including long term financial policies in areas such as budget and planning, investments, and fund balances.

Respectfully submitted,

  
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Lorie Race  
Finance Director

## City of Twin Falls, Idaho



**\* City Council and City Manager:**

Hall, Don	Mayor	dhall@tfid.org
Hawkins, Suzanne	Vice-mayor	shawkins@tfid.org
Barigar, Shawn	City Councilman	sbarigar@tfid.org
Lanting, Greg	City Councilman	glanting@tfid.org
Mills Sojka, Rebecca	City Councilwoman	rsojka@tfid.org
Munn, Jim	City Councilman	jmunn@tfid.org
Talkington, Chris	City Councilman	ctalkington@tfid.org
Rothweiler, Travis	City Manager	trothweiler@tfid.org



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Twin Falls, ID  
Idaho**

For the Fiscal Year Beginning

**October 1, 2012**

*Christopher P. Moirill*

President

*Jeffrey R. Egan*

Executive Director

## **FINANCIAL SECTION**

**INDEPENDENT AUDITORS' REPORT**

February 10, 2014

City Council  
City of Twin Falls, Idaho

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Twin Falls, Idaho, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Twin Falls, Idaho, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-12 and 54-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Twin Falls, Idaho's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2014, 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, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Twin Falls, Idaho's internal control over financial reporting and compliance

Sincerely,

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., PLLC  
Twin Falls, Idaho



# City of Twin Falls, Idaho

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## Management's Discussion and Analysis As of and for the Year Ended September 30, 2013

This section of the City of Twin Falls' annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2013. Please read it in conjunction with the School's financial statements, which begin on page 13.

### Financial Highlights

- During the year, the City's revenues generated from taxes and other revenues of the governmental and business-type programs were \$4,445,346 more than the \$47,748,486 governmental and business-type program expenditures. Of that total, governmental activities increased by \$1,706,016 and business-type activities increase by \$2,739,330.
- The general fund reported a \$3,431,117 current year surplus primarily due to a repayment of \$2,900,000 from the Wastewater Fund.
- The capital improvement fund reported a \$253,071 current year surplus, but this can be attributed to the timing of work completed and billed by outside sources. Funds are encumbered to cover projects where there was a legal obligation to pay, but work has not been completed.

### Overview of the Financial Statements

This report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include:

- Government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- Fund financial statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the government-wide statements.
- Fiduciary fund statements that provide reporting on the financial relationships where the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. The City of Twin Falls has no fiduciary statements this year.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed information or date. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

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

<b>Major Features of the Basic Financial Statements</b>			
	<b>Government-wide Financial Statements</b>	<b>Fund Financial Statements</b>	
		<b><i>Governmental Funds</i></b>	<b><i>Proprietary Funds</i></b>
<b>Scope</b>	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
<b>Required financial statements</b>	- Statement of net position - Statement of activities	- Balance sheet - Statement of revenues, expenditures, and changes in fund balances	- Statement of net position - Statement of revenues, expenses, and changes in net position - Statement of cash flows
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset / liability information</b>	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
<b>Type of inflow / outflow information</b>	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 Position***

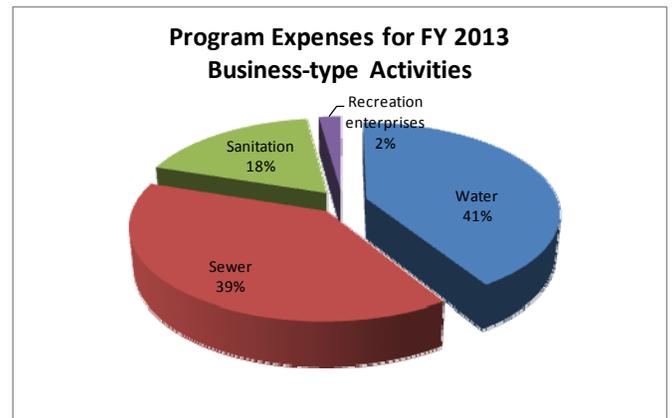
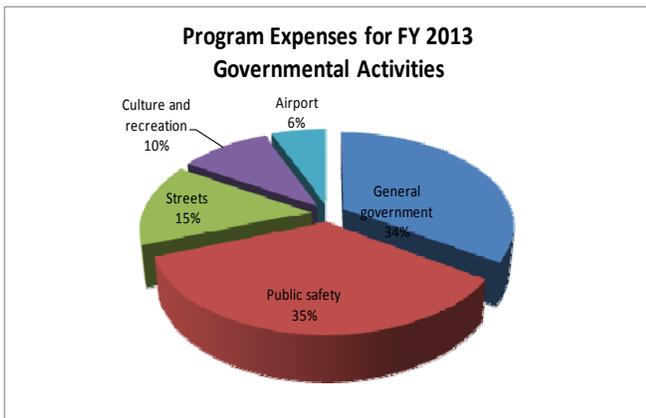
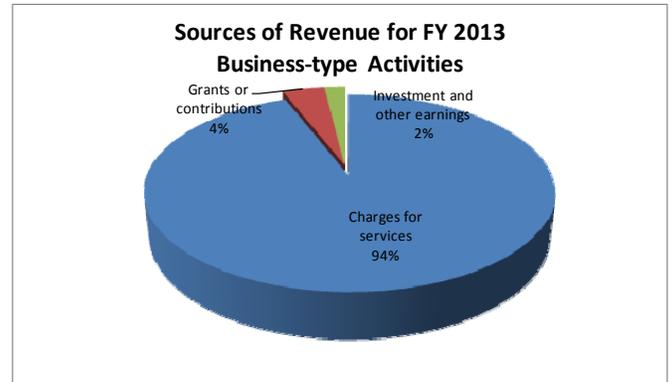
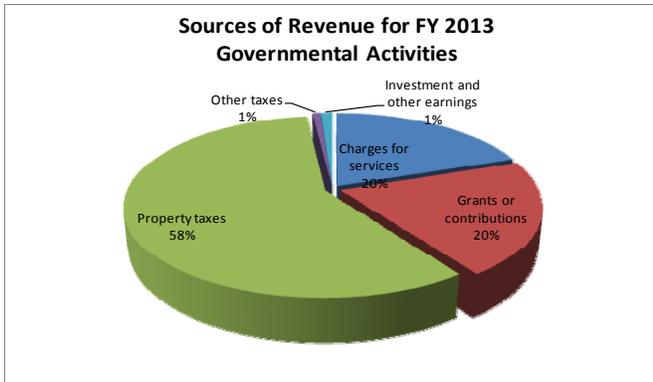
The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the City, consisting of revenue bonds, and compensated absences payable, have been reported in this manner on the Statement of Net Position. The difference between the City's assets and liabilities is its net position.

The table below presents the City's Condensed Statement of Net Position as of September 30, 2013 and 2012, derived from the government-wide Statement of Net Position. The assets of the City exceeded its liabilities (net position) at the close of the year by approximately \$177,319,000 for governmental activities and by \$60,063,000 for business-type activities, for a combined total of \$237,382,000 for the primary government. Governmental activities increased by approximately \$1,764,000 from 2012 to 2013, while the net position for business type activities increased by approximately \$2,682,000 during the same period.

The three components of net position include net investment in capital assets; restricted; and unrestricted. The largest component of net position, totaling approximately \$190,996,000 at year end, is the investment in capital assets, which includes all of the sewer and water lines and roads of the City. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not available for future spending. Restricted assets totaling approximately \$16,459,000 represent resources that are subject to external restrictions and other provisions on how they can be used. The remaining balance of approximately \$29,928,000 is unrestricted and available to meet the ongoing obligations of the City to its citizens and creditors.

**Condensed Statement of Net Position**  
As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	31,281,615	24,411,262	21,381,952	16,765,072	52,663,567	41,176,334
Capital assets	149,862,775	153,880,017	79,523,131	78,468,832	229,385,906	232,348,849
Total assets	181,144,390	178,291,279	100,905,083	95,233,904	282,049,473	273,525,183
Current liabilities	1,613,903	682,553	2,332,606	5,537,204	3,946,509	6,219,757
Noncurrent liabilities	2,211,509	2,053,394	38,509,741	32,315,664	40,721,250	34,369,058
Total liabilities	3,825,412	2,735,947	40,842,347	37,852,868	44,667,759	40,588,815
Net position:						
Investment in capital assets	149,862,775	153,880,017	41,132,893	44,224,642	190,995,668	198,104,659
Restricted	16,259,022	15,353,423	199,519	1,781,582	16,458,541	17,135,005
Unrestricted	11,197,181	6,321,892	18,730,324	11,374,812	29,927,505	17,696,704
Total net position	177,318,978	175,555,332	60,062,736	57,381,036	237,381,714	232,936,368



### *Analysis of Condensed Statement of Activities*

The following table presents the City's condensed statement of activities for the fiscal year 2012-13 and fiscal year 2011-12, as derived from the government-wide Statement of Activities. Over time, increase and decreases in net position measure whether the City's financial position is improving or deteriorating. The City's total net position increased during the fiscal year 2012-13 by approximately \$4,445,000. Of that total, governmental activities increased by approximately \$1,763,000 and the net position of business-type activities increased by approximately \$2,682,000. These changes differ from those detailed on the previous page due to the elimination, in the current year, of some smaller funds and the transfer of their balances to the general fund, a governmental type fund.

<b>Condensed Statement of Activities</b>						
For the Fiscal Year Ended September 30						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Program revenues</b>						
Charges for services	5,652,382	5,629,074	19,902,491	18,906,147	25,554,873	24,535,221
Grants and contributions						
Operating	5,882,115	5,898,413	-	-	5,882,115	5,898,413
Capital	2,314,982	668,580	845,391	81,463	3,160,373	750,043
<b>Total program revenue</b>	<u>13,849,479</u>	<u>12,196,067</u>	<u>20,747,882</u>	<u>18,987,610</u>	<u>34,597,361</u>	<u>31,183,677</u>
<b>General revenues and payments</b>						
Property taxes	16,651,268	16,075,739	-	-	16,651,268	16,075,739
Other taxes	223,358	196,323	-	-	223,358	196,323
Investment earnings	(44,176)	259,959	(56,627)	111,004	(100,803)	370,963
Other revenues	370,696	554,904	451,952	122,845	822,648	677,749
Total general revenues and payments	<u>17,201,146</u>	<u>17,086,925</u>	<u>395,325</u>	<u>233,849</u>	<u>17,596,471</u>	<u>17,320,774</u>
<b>Total general revenues and payments</b>	<u>31,050,625</u>	<u>29,282,992</u>	<u>21,143,207</u>	<u>19,221,459</u>	<u>52,193,832</u>	<u>48,504,451</u>
<b>Program expenses</b>						
General government	11,474,562	10,564,109	-	-	11,474,562	10,564,109
Public safety	11,799,703	11,326,990	-	-	11,799,703	11,326,990
Public works	4,803,308	4,073,657	-	-	4,803,308	4,073,657
Culture and recreation	3,396,872	3,321,978	-	-	3,396,872	3,321,978
Airport	2,050,091	1,380,459	-	-	2,050,091	1,380,459
Water	-	-	5,842,097	5,398,289	5,842,097	5,398,289
Sewer	-	-	5,528,219	4,560,436	5,528,219	4,560,436
Sanitation	-	-	2,524,489	2,479,909	2,524,489	2,479,909
Recreation enterprises	-	-	308,754	368,731	308,754	368,731
Other	-	-	20,391	111,407	20,391	111,407
<b>Total program expenses</b>	<u>33,524,536</u>	<u>30,667,193</u>	<u>14,223,950</u>	<u>12,918,772</u>	<u>47,748,486</u>	<u>43,585,965</u>
Excess (deficiency) before gain (loss) and transfers	(2,473,911)	(1,384,201)	6,919,257	6,302,687	4,445,346	4,918,486
Transfers	4,179,927	(5,274,297)	(4,179,927)	5,274,297	-	-
Change in net position	1,706,016	(6,658,498)	2,739,330	11,576,984	4,445,346	4,918,486
Beginning net position	175,555,332	182,213,830	57,381,036	45,804,052	232,936,368	228,017,882
Transfers of net position	57,630	-	(57,630)	-	-	-
Ending net position	<u>177,318,978</u>	<u>175,555,332</u>	<u>60,062,736</u>	<u>57,381,036</u>	<u>237,381,714</u>	<u>232,936,368</u>

## Governmental Revenues

The City is heavily reliant on property taxes and shared state revenues to support governmental operations. Total revenues for 2013, in the governmental funds, are comprised of property taxes (54%), shared state revenues are (21%), charges for services (18%), and federal grants (6%), with all other sources of revenue account for the remaining (1%) governmental revenues.

### *Program Expenses and Revenue for Governmental Activities*

The following table presents the net costs for governmental activities. Net program costs increased 6.5% compared to the prior year. Overall program revenues increased 13.5% this year and contributed 41% to programs expenses, with the balance coming from general revenues, i.e. property taxes and state shared revenues.

Program revenues for 2013 are more than in 2012 by approximately \$1,653,000 and program expenses for 2013 are more than in 2012 by approximately \$2,857,000.

The City again renewed an operating agreement for management of the City's pool. The City does not receive any revenue from the pool and has provided support for the pool with an allocation of governmental revenues. Budget expenditures are kept at a level where it can keep the pool operational and provide it as a recreational resource for community members. The pool activities are included in the culture and recreation function below.

#### Net Cost of Governmental Activities For the Fiscal Year Ended September 30

Functions/Programs	Program Expenses	Less Program Revenues	Net Program Costs		Program Revenues as a Percentage of Program Expenses	
	2013	2013	2013	2012	2013	2012
General government	11,474,562	5,135,835	6,338,727	5,654,451	44.8%	46.9%
Fire	3,949,996	401,375	3,548,621	3,313,263	10.2%	10.4%
Police	7,849,707	799,935	7,049,772	6,846,806	10.2%	10.2%
Engineering & planning	1,492,029	868,107	623,922	639,916	58.2%	41.8%
Library	1,521,534	62,454	1,459,080	1,431,393	4.1%	8.4%
Culture & recreation	1,705,144	205,040	1,500,104	1,405,029	12.0%	12.3%
Highways & streets	3,311,279	3,428,845	(117,566)	(551,312)	103.6%	125.5%
Pool	170,194	124,974	45,220	34,166	73.4%	125.5%
Airport	2,050,091	2,822,914	(772,823)	(302,586)	137.7%	189.8%
<b>Totals</b>	<b>33,524,536</b>	<b>13,849,479</b>	<b>19,675,057</b>	<b>18,471,126</b>	<b>41.3%</b>	<b>41.3%</b>

### *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 generally sufficient to cover most program expenses. An exception is the City's golf activities. In the previous year the City entered into a new contract leasing the golf course. The contract reduced the City's exposure to losses and still allows the City to retain enough input to assure that this asset of the City retains its value and continues to provide recreation services to the community. Even though the program revenues from this activity did not cover program expenditures in the current year, the loss is a significant improvement over historical averages and the golf course financial activities are projected to be trending up. The lease allows the City to participate in profits of its lessee/partner at a certain level. This year the golf course achieved that level and the lessee sent the City a distribution of the excess earnings. The City is cautiously optimistic this level of profitability will continue or increase.

In an earlier year the City opted to offer curbside recycling as part of its sanitation services. The City elected to subsidize the additional costs of that service initially. Last year the City reevaluated that position and adjusted rates to make sanitation services self-funding. This year is the first full year that the Sanitation function has had the benefit of those increased rates and the Sanitation Fund was able to cover all of its operating costs.

Revenues in the water fund are impacted by weather's effect on irrigation usage, growth in the city, and rates. The current year was the first full year the City was using a new system for blending a new source of City water from the Pristine Springs area with other City water sources having a higher arsenic content. This process now fully assures the City's compliance with new mandated federal arsenic level requirements. Bonds secured to finance the project were schedule to be repaid with an \$11.15 monthly charge to all the City water users. After review the City was able to reduce that rate to \$10.75 for each water user.

In the Wastewater Fund and the Water Fund the City implemented an increase in rates for residential and industrial users. Those increased rates along with increased usage, particularly among the City's industrial users, resulted in better than projected revenues in the funds. The rate increases were on historical information and the City's need to remain in compliance with rate requirements in its bond covenants. Another significant increase is scheduled to take place for the 2013-2014 fiscal year. The City must maintain significant profits in the Water and Sewer area to be able to repay bond liabilities and fund capital improvements.

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

<u>Functions/Programs</u>	<u>Program</u>	<u>Less</u>	<u>Net Program</u>		<u>Program Expenses</u>	
	<u>Revenues</u>	<u>Program</u>	<u>Income (Costs)</u>		<u>as a Percentage of</u>	
	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Water	9,440,638	5,842,097	3,598,541	3,796,199	61.9%	58.1%
Sewer	8,500,465	5,528,219	2,972,246	2,425,405	65.0%	85.3%
Sanitation	2,567,778	2,524,489	43,289	(2,297)	98.3%	113.0%
Golf	7,378	82,998	(75,620)	(93,014)	1124.9%	133.0%
Dierkes Lk/Shoshone Fls	202,547	225,756	(23,209)	86,306	111.5%	71.5%
Parking	-	-	-	8,771	0.0%	86.9%
Common Area Maintenance	29,076	20,391	8,685	(9,179)	70.1%	138.3%
<b>Totals</b>	<b>20,747,882</b>	<b>14,223,950</b>	<b>6,523,932</b>	<b>6,212,191</b>	<b>68.6%</b>	<b>77.5%</b>

**Fund Analysis**

**Governmental Funds**

The City's governmental funds reported a combined ending fund balance of approximately \$27,789,000 at September 30, 2013, with approximately \$14,534,000 reported as unassigned; compared to a combined ending fund balance of approximately \$21,959,000 at September 30, 2012. The most dramatic change was in the General Fund itself. The General Fund experienced an increase in its fund balance by approximately \$3,341,000. The bulk of that increase came from transfers into the general fund of approximately \$4,558,000. In a previous year the General Fund had transferred approximately \$2,900,000 to the Wastewater Fund to finance a construction project. The City Council made a conscience decision this year to "repay" the General Funds those funds after long-term financing was secured, through the bonding process, for those construction projects.

### ***Proprietary Funds***

The City's proprietary funds reported combined ending net position of approximately \$60,063,000 at September 30, 2013, with approximately \$41,133,000 invested in capital assets (net of debt) and approximately \$18,730,000 reported as unrestricted. On September 30, 2012 the funds net position were approximately \$57,381,000, of which approximately \$44,225,000 was invested in capital assets (net) and approximately \$11,375,000 was reported as unrestricted.

### **Capital Asset Activity**

At September 30, 2013 the City reported, on a government wide basis, net investment in capital assets of approximately \$229,386,000, a decrease of approximately \$4,017,000 for governmental activities and an increase of approximately \$1,054,000 for business-type activities from the previous year. Most of the major increases in capital assets for the government activities fell into two groups. Assets between \$20,000 and \$100,000 which related to scheduled asset replacements due to equipment wear and obsolescence or significant improvements in infrastructure. During the year the City committed resources to improvements for the airport runways, initial design planning to make the airport terminal more functional, park improvements, and road development on Eastland Drive North, final construction costs associated with the arsenic project, a new fire truck, and engineering costs associated with future projects.

Most of the City's large construction projects take several years from conception to completion. During the course of construction those costs are inventoried annually in a category called Construction in Progress. As projects are completed they are transferred out of this temporary holding account into an asset classification. During the year the City's water system enhancement called the Arsenic System became fully operational and allowed the City to meet Federal water quality requirements. \$18,771,000 was moved out of construction in progress and classified as infrastructure in the Water Fund for the project.

In its mission to provide citizens of the City the services and protections they require, the City maintains a substantial investment in streets, water systems, waste treatment and disposal structures, offices, a pool of vehicles, and general and heavy equipment. All of those capital assets have a definitive useful life and are subject to depreciation, or a decrease in value, over time. During the current year that depreciation was estimated to be around \$8,671,000 for the government funds and \$2,041,000 for the business type activities. One way to quantify the average capital replacement needed is through depreciation. Using the City's current depreciation amounts the City would need to average \$10,700,000 in capital acquisitions each year to maintain its present level of services. The City will continue to maintain a balance with its budgeting efforts to assure that this investment in capital assets is appropriately maintained at a level which will allow the City to fulfill its mission and still assure that those needs are met in an affordable way.

### **Long-Term Debt Activity**

The City is fortunate enough to have operated without incurring any outstanding general obligation bonds. The only long-term debt in the governmental activities is compensated absences. Compensated absences have been included as a future obligation of the City in the amount of \$1,407,000. That obligation represents unused vacation pay that employees have earned and not used as well as hours worked that an employee has elected to defer payment for until a future period. As the City has grown, the number of employees has also increased. That has caused a natural increase in the balance of compensated absences being reported as a liability. The City never anticipates reducing or eliminating this liability.

In its business type activities for this year, the City secured new financing from the Idaho Bond Bank totaling \$14,670,000. The City typically undertakes major infrastructure projects through borrowed funding. Half of the new bond proceeds were used to pay off old wastewater and water bonds from previous projects. In doing so the City took advantage of better rates and terms it could now secure. The other half was used to fund capital projects in the Sewer Fund. In addition to paying off the bonds just mentioned, the city made principal payments of \$2,970,000 on existing debt in the enterprise funds leaving a balance due at September 30, 2013 of \$38,341,000; this excludes \$120,000 for future compensation issues outlined above.

One issue that has been festering over the past several years for state and local entities relates to the reporting of unfunded liabilities, primarily retirement benefits. Several studies have attempted to quantify the amount of unfunded liabilities that exist and are not reported on the financial statements of state and local municipalities, estimates exceed a trillion dollars. Fortunately the City has been very judicious in the benefits it has awarded to retiring employees. The City participates in the State sponsored retirement program, the Public Employee Retirement System of Idaho (PERSI). The administrators of PERSI have been fairly conservative in forecasting the performance of investments within portfolios as well as designing a system that is fair to retirees and not too burdensome to the taxpaying citizens. Beginning this next year municipalities and states will have to compute and report unfunded liabilities. The City will have to reflect its proportionate share of any unfunded liability PERSI has. We are not anticipating a significant impact on the net financial position the City has as a result of these new requirements.

**Economic Factors**

Twin Falls continues to grow but at a very modest pace. Like the rest of the nation, residential construction is not as robust as it has been in the past, but it does show signs of strengthening. Activity levels continue to exceed budgeted forecasts. Single family building permits issued by the City for the past five years are as follows:

Fiscal Year Ending	Permits Issued
2009	158
2010	159
2011	96
2012	151
2013	182

As measured by the number of permits issued, commercial construction also remained relatively flat increasing from 19 permits issued for the last fiscal year to 20 this year. The total estimated value of building permits issued increased from \$58.4 million last year to \$65.1 this year.

Differing a little from national trends where there is some moderation of high unemployment rates, unemployment levels increased within the City. A year ago the City’s unemployment level was reported at 6.8% at year end. At the end of the current year, unemployment stood at 7.3%. That 7.3% was somewhat higher than the State and National rates. It occurred at a time when the Idaho State unemployment was 6.8% and the National unemployment was 7.2%.

The reduced rate of building growth has impacted the city utilities as well, with water service accounts only increasing from 15,757 to 15,786 between September 30, 2012 and 2013.

Appraised values within the City decreased from \$2,314,981,873 to \$2,152,055,074. This is the third year the City has experienced a slight decrease in property values which is very unusual. Perhaps one factor contributing to the decrease may be the way the County cycles through its appraisal process. Every five years properties are required to be reassessed by the County Appraiser. It may be that these properties have lost value in earlier years but the impact of that reduction is manifesting itself as the five year cycle plays out. One related note of interest is that State shared revenues came in ahead of the budgeted amounts. Further investigation into the cause revealed that even though City property values had decreased, the decrease was less than the average drop in values State wide. Property values are one factor used by the State to allocate revenues. The City received a larger proportionate share of these allocated revenues because property values within the City had been negatively affected less.

Following is a table showing a comparison of the levy rates for 2012 and 2011.

Taxing District	2012 Levy Rates (funded 2012-13 budget)	2011 Levy Rates (funded 2011-12 budget)	Percent Change
City of Twin Falls	0.007713994	0.006922194	11.4%
Twin Falls County	0.004526841	0.004190567	8.0%
Twin Falls County Ambulance District	0.000206622	0.000187362	10.3%
Twin Falls County Abatement District	0.000125974	0.000115022	9.5%
Twin Falls School District 411	0.003788780	0.003706993	2.2%
Twin Falls Highway District	0.001181484	0.001077720	9.6%
College of Southern Idaho	0.000957570	0.000904474	5.9%
Combined	0.018501265	0.017104332	8.2%

## **Future Issues**

During the previous year the City engage in a process of strategic planning whereby it analyzed the needs of the community and the role the City may have in meeting those needs. A plan was established and goals were identified along with specific timelines. Those goals have been and will continue to be integrated with the budgeting process and regularly reviewed and reevaluated to determine the best way to move forward.

### Compensation

One issue that the City has dealt with, and that will continue into the future, is City wide compensation. The City was able to determine that many employees were being compensated at a level that was below the surrounding market. An attempt was made to compute the indirect costs to the City of the excessive turnover this caused. A strategy was planned which will eventually bring compensation up to a level that is competitive with the local market and maintain it going forward. The strategy is being implemented over several years and a determination is being made during the budgeting process at the level of progress that can be made and sustained.

### Wastewater Capacity

For a number of years the City has been advised by its engineers that the wastewater system was reaching capacity limitations on the amount of waste water that could be collected in the community and processed. City Engineers evaluated the community's future needs and the best way to meet any increased demand on the wastewater system. They developed a basic idea of what the needs were and the City went to its voters with a request to fund those treatment needs. The citizens approved a bond issuance of \$38,000,000 to rehabilitate and expand the existing sewer treatment plant and replace several miles of sewer lines. Over the next several years, work will commence on detailed design and construction to create the needed infrastructure.

### Road and Street Maintenance

The City has gone through a process to organize its regular road and street maintenance program. Instead of just listing critical needs and starting with those that are the worst, the City was divided up into eight geographic areas. Each year the City will focus on one area and rotate through these natural occurring zones. This will allow the Street Department to be more efficient in meeting road overlay and maintenance needs on a regular basis. An additional advantage is that the Water and Wastewater Departments will be able to coordinate with the Street Department for repairs and maintenance in the same areas so the roads and streets are only damaged once. The repair zone concept will require a stabilized approach to street maintenance funding.

### Water Supply

Over the years the City's water supply vacillates between drought conditions, which frequently jeopardize existing water supplies and wet water years that impact water revenue. The City has developed a new water source with the purchase and development of the Pristine Springs area. However, a commitment has been made to not use that water source for meeting expanding needs. The City will need to monitor water supply and demand issues going forward.

### Building Capacity

Other than constructing some outlying fire stations to trim response times and the remodeling of a warehouse to accommodate public works, the City has not constructed a major building in nearly 40 years. Overcrowding is particularly troublesome in the police department. When the police station was constructed, it was built when the City had 45 employees using the facility. Now the City has over 100. Locker use is especially congested. The original design did not adequately plan for the number of women, now 29, which the City would eventually employ

For several years an effort has been in place to design a remodel of the building so that it could accommodate the increased growth in the department. During the past year, plans were bid for the remodel project. The bids that came in were twice the original architect's estimate and the City determined that with the high construction costs, the City may be better off reevaluating other options to address the issue. Accommodating the space requirements of the department is one the critical needs near term that the City has.”

### **Urban Renewal Agency**

The Urban Renewal Agency of the City of Twin Falls, Idaho (URA) was organized under Idaho law in 1965 to redevelop deteriorating areas and to promote economic development. During the previous year a resolution was adopted by the Agency's Board of Directors which established a new area the Agency could participate in. That area encompasses the site that the new Chobani facility sits in. The URA and the City partnered to assist Chobani meet their requirements to construct a production facility in the area. During the year that facility became fully operational. It is now the world's largest yogurt plant. The one-million-square-foot plant was completed in just 326 days following a \$450 million investment.

In recognition of their participation the, City and the URA received the Council of Development Finance Agencies (CDFA) annual *CDFA Excellence in Tax Increment Finance Award*. The award was presented at the National Summit in Washington DC. The project was showcased in several national and state business publications as an example of the way private business and public entities can successfully partnership.

During the year the URA established another area next to the Chobani facility. This will allow the URA and the City to participate in a similar project to provide all of the infrastructure needs of Clif Bar & Company (CLIF Bar). CLIF Bar is a leading maker of nutritious and organic food and drink for people on the go and plans to build the world's largest bakery under one roof over the next several years at the site.

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 Position**  
September 30, 2013

	<u>Primary Government</u>			<b>Component Unit- Urban Renewal</b>
	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 2,236,708	\$ 5,221,251	\$ 7,457,959	\$ 7,222,559
Restricted Cash	1,029,240	199,519	1,228,759	3,573,360
Investments	24,149,371	12,833,402	36,982,773	-
Receivables:				
Taxes	504,422	-	504,422	110,166
Fees and Services	28,040	2,176,028	2,204,068	-
Intergovernmental	2,270,462	1,063,747	3,334,209	7,677
Interest	665	-	665	-
Accounts	430,359	42,672	473,031	-
Internal Balances	632,348	(632,348)	-	-
Inventory	-	477,681	477,681	-
Prepaid Items	-	-	-	33,000
Land	6,694,877	11,252,387	17,947,264	2,688,889
Land, Buildings and Structures	17,438,333	18,753,067	36,191,400	5,129,695
Infrastructure	256,697,280	23,917,614	280,614,894	-
Improvements	17,389,029	39,244,033	56,633,062	-
Machinery and Equipment	16,149,219	7,582,994	23,732,213	475,000
Accumulated Depreciation	(172,656,243)	(30,550,053)	(203,206,296)	(568,207)
Construction in Progress	8,150,280	9,323,089	17,473,369	27,152,357
<b>Total Assets</b>	<b>\$ 181,144,390</b>	<b>\$ 100,905,083</b>	<b>\$ 282,049,473</b>	<b>\$ 45,824,496</b>
<b><u>Liabilities</u></b>				
Pooled Cash	\$ 102,409	\$ 310,953	\$ 413,362	\$ -
Accounts Payable	1,411,353	1,780,221	3,191,574	406,582
Accrued Expenses	100,141	-	100,141	-
Accrued Interest	-	40,113	40,113	1,204,928
Due to Other Governments	-	-	-	574,354
Deferred Revenue	562,427	-	562,427	-
Customer Deposits	241,923	201,319	443,242	-
Advances on Construction	-	-	-	-
Leases, Equipment and Property Notes	-	49,445	49,445	215,942
Revenue Bond Payable	-	38,340,793	38,340,793	38,979,375
Compensated Absences	1,407,159	119,503	1,526,662	-
<b>Total Liabilities</b>	<b>3,825,412</b>	<b>40,842,347</b>	<b>44,667,759</b>	<b>41,381,181</b>
<b><u>Net Position</u></b>				
Net Investment in Capital Assets	149,862,775	41,132,893	190,995,668	(5,522,511)
Restricted for:				
Capital Projects	8,977,961	-	8,977,961	-
Debt Service	20,191	199,519	219,710	3,573,360
Other Purposes	7,260,870	-	7,260,870	-
Unrestricted	11,197,181	18,730,324	29,927,505	6,392,466
<b>Total Net Position</b>	<b>177,318,978</b>	<b>60,062,736</b>	<b>237,381,714</b>	<b>4,443,315</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 181,144,390</b>	<b>\$ 100,905,083</b>	<b>\$ 282,049,473</b>	<b>\$ 45,824,496</b>

See accompanying notes and accountants' report.

**City of Twin Falls, Idaho**  
Statement of Activities  
For the Year Ended September 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit - Urban Renewal
					Governmental Activities	Business- Type Activities	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 11,474,562	\$ 1,481,311	\$ 3,117,074	537,450	\$ (6,338,727)	\$ -	\$ (6,338,727)
Fire	3,949,996	401,375	-	-	(3,548,621)	-	(3,548,621)
Police	7,849,707	799,935	-	-	(7,049,772)	-	(7,049,772)
Engineering/Planning	1,492,029	868,107	-	-	(623,922)	-	(623,922)
Library	1,521,534	62,454	0	-	(1,459,080)	-	(1,459,080)
Culture and Recreation	1,705,144	203,515	1,525	-	(1,500,104)	-	(1,500,104)
Highway and Street	3,311,279	1,143,419	2,285,426	-	117,566	-	117,566
Pool	170,194	-	124,974	-	(45,220)	-	(45,220)
Airport	2,050,091	692,266	353,116	1,777,532	772,823	-	772,823
Total Governmental Activities	33,524,536	5,652,382	5,882,115	2,314,982	(19,675,057)	-	(19,675,057)
<b>Business-Type Activities:</b>							
Water	5,842,097	9,440,638	-	-	-	3,598,541	3,598,541
Sewer	5,528,219	7,655,074	-	845,391	-	2,972,246	2,972,246
Sanitation	2,524,489	2,567,778	-	-	-	43,289	43,289
Golf	82,998	7,378	-	-	-	(75,620)	(75,620)
Dierkes Lake/Shoshone Falls	225,756	202,547	-	-	-	(23,209)	(23,209)
Parking	-	-	-	-	-	-	-
Common Area Maintenance	20,391	29,076	-	-	-	8,685	8,685
Total Business-Type Activities	14,223,950	19,902,491	-	845,391	-	6,523,932	6,523,932
Total Primary Government	\$ 47,748,486	\$ 25,554,873	\$ 5,882,115	\$ 3,160,373	\$ (19,675,057)	\$ 6,523,932	\$ (13,151,125)
<b>Component Unit:</b>							
Urban Renewal Agency							\$ (2,086,494)
<b>General Revenues:</b>							
Taxes:							
Property taxes, Levied for General Purposes					\$ 16,651,268	\$ -	\$ 16,651,268
Property taxes, Levied for Debt Service					-	-	2,482,504
Franchise and Public Service Taxes					223,358	-	223,358
Interest and Investment Earnings					(44,176)	(56,627)	(100,803)
Gain on sale of assets					-	-	60,000
Miscellaneous Revenues					370,696	451,952	822,648
Transfers					4,179,927	(4,179,927)	-
					21,381,073	(3,784,602)	17,596,471
Changes in Net Position					1,706,016	2,739,330	4,445,346
<b>Net Position - October 1, 2012</b>					175,555,332	57,381,036	232,936,368
<b>Transfer of Fund Net Position to General Fund</b>					57,630	(57,630)	-
<b>Net Position - September 30, 2013</b>					\$ 177,318,978	\$ 60,062,736	\$ 237,381,714
							\$ 4,443,315

See accompanying notes and accountants' report.

## **FUND FINANCIAL STATEMENTS**

City of Twin Falls, Idaho  
Fund Balance Sheets  
Governmental Funds  
September 30, 2013

	<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>
<b><u>Assets</u></b>							
Cash and Cash Equivalents	\$ 806,214	\$ 38,981	\$ 14,922	\$ 8,444	\$ -	\$ 881,525	\$ 1,750,086
Restricted Cash	249,939	-	-	37,320	453,024	288,957	1,029,240
Investments	12,666,064	3,870,733	1,454,458	3,782,266	-	2,220,067	23,993,588
Receivables (net of allowance)							
Taxes	404,285	52,337	4,359	14,674	-	23,133	498,788
Fees and Services	-	28,040	-	-	-	-	28,040
Intergovernmental	771,058	381,732	3,628	705,301	355,039	51,881	2,268,639
Interest	665	-	-	-	-	-	665
Accounts	162,049	92	31,336	-	19,938	216,944	430,359
Due from Other Funds	1,558,033	-	-	-	-	-	1,558,033
<b>Total Assets</b>	<b><u>\$ 16,618,307</u></b>	<b><u>\$ 4,371,915</u></b>	<b><u>\$ 1,508,703</u></b>	<b><u>\$ 4,548,005</u></b>	<b><u>\$ 828,001</u></b>	<b><u>\$ 3,682,507</u></b>	<b><u>\$ 31,557,438</u></b>
<b><u>Liabilities</u></b>							
Pooled Cash	\$ -	\$ -	\$ -	\$ -	\$ 76,247	\$ 26,162	\$ 102,409
Accounts Payable	94,902	550,684	15,758	278,518	449,572	21,843	1,411,277
Accrued Expenses	88,824	-	-	-	-	11,317	100,141
Customer Deposits Payable	241,923	-	-	-	-	-	241,923
Due to Other Funds	-	-	-	53,854	295,973	575,859	925,686
<b>Total Liabilities</b>	<b><u>425,649</u></b>	<b><u>550,684</u></b>	<b><u>15,758</u></b>	<b><u>332,372</u></b>	<b><u>821,792</u></b>	<b><u>635,181</u></b>	<b><u>2,781,436</u></b>
<b>Deferred Inflows of Resources</b>							
Unavailable Revenue - Property Taxes	344,451	44,592	566,139	12,502	-	19,709	987,393
<b><u>Fund Balances</u></b>							
Nonspendable Fund Balance	-	-	-	-	-	-	-
Restricted Fund Balance	249,939	-	-	37,320	453,024	288,957	1,029,240
Committed Fund Balance	158,843	-	-	-	-	3,197,704	3,356,547
Assigned Fund Balance	-	3,776,639	926,806	4,165,811	-	-	8,869,256
Unassigned Fund Balance	15,439,425	-	-	-	(446,815)	(459,044)	14,533,566
<b>Total Fund Balance</b>	<b><u>15,848,207</u></b>	<b><u>3,776,639</u></b>	<b><u>926,806</u></b>	<b><u>4,203,131</u></b>	<b><u>6,209</u></b>	<b><u>3,027,617</u></b>	<b><u>27,788,609</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b><u>\$ 16,618,307</u></b>	<b><u>\$ 4,371,915</u></b>	<b><u>\$ 1,508,703</u></b>	<b><u>\$ 4,548,005</u></b>	<b><u>\$ 828,001</u></b>	<b><u>\$ 3,682,507</u></b>	<b><u>\$ 31,557,438</u></b>

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, 2013

	<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>
<b>Revenues</b>							
Property Taxes, Including Interest	\$ 12,686,003	\$ 1,493,021	\$ 341,689	\$ 407,259	\$ -	\$ 1,589,451	\$ 16,517,423
Other Taxes	520,231	-	-	-	-	223,358	743,589
Special Assessments, Including Interest	-	-	-	-	-	72,757	72,757
Fines and Forfeitures	5,505	-	-	-	-	40,463	45,968
Licenses and Permits	891,886	-	-	-	-	-	891,886
Fees and Services	1,084,014	249,986	530,221	-	94,315	786,689	2,745,225
Intergovernmental	2,142,179	2,284,426	343,116	1,478,945	-	124,975	6,373,641
Federal Grants	28,083	1,000	-	-	1,777,532	2,311	1,808,926
Miscellaneous	652,239	884,170	134,158	(9,193)	153	13,138	1,674,665
<b>Total Revenue</b>	<u>18,010,140</u>	<u>4,912,603</u>	<u>1,349,184</u>	<u>1,877,011</u>	<u>1,872,000</u>	<u>2,853,142</u>	<u>30,874,080</u>
<b>Expenditures</b>							
Current							
General Government	2,958,105	-	-	489,670	-	-	3,447,775
Public Safety	11,961,954	-	-	449,695	-	35,612	12,447,261
Engineering	1,350,315	-	-	-	-	-	1,350,315
Community Development	141,714	-	-	-	-	55,477	197,191
Culture and Recreation	1,471,042	-	-	210,458	-	1,706,694	3,388,194
Highway and Streets	-	1,345,708	-	8,538	-	285,707	1,639,953
Airport	-	-	815,064	-	2,348,565	-	3,163,629
Capital Outlay	-	3,017,336	-	452,891	-	-	3,470,227
<b>Total Expenditures</b>	<u>17,883,130</u>	<u>4,363,044</u>	<u>815,064</u>	<u>1,611,252</u>	<u>2,348,565</u>	<u>2,083,490</u>	<u>29,104,545</u>
Excess of Revenues Over (Under) Expenditures	127,010	549,559	534,120	265,759	(476,565)	769,652	1,769,535
<b>Interfund Transfers, Donations and Other</b>							
Donation of Assets	-	-	-	2,512	-	-	2,512
Transfers In	4,558,113	1,301,667	-	-	176,168	12,000	6,047,948
Transfers Out	(1,254,006)	(257,244)	(500,885)	(15,200)	-	(20,737)	(2,048,072)
Net Transfers and Donations	<u>3,304,107</u>	<u>1,044,423</u>	<u>(500,885)</u>	<u>(12,688)</u>	<u>176,168</u>	<u>(8,737)</u>	<u>4,002,388</u>
<b>Net Change in Fund Balance</b>	3,431,117	1,593,982	33,235	253,071	(300,397)	760,915	5,771,923
<b>Fund Balance October 1, 2012</b>	12,324,861	2,182,657	893,571	3,950,060	306,606	2,301,301	21,959,056
Transfer of Fund Balance to General Fund	92,229	-	-	-	-	(34,599)	57,630
<b>Fund Balance September 30, 2013</b>	<u>\$ 15,848,207</u>	<u>\$ 3,776,639</u>	<u>\$ 926,806</u>	<u>\$ 4,203,131</u>	<u>\$ 6,209</u>	<u>\$ 3,027,617</u>	<u>\$ 27,788,609</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 Position at September 30, 2013**

Governmental Fund Balances at September 30, 2013	\$ 27,788,609
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	149,534,058
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	429,768
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.	950,038
Long-term liabilities, including capitalized leases, equipment notes and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,383,495)</u>
Net Position for Governmental Activities-per reconciliation:	<u><u>\$ 177,318,978</u></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, 2013**

Net Change in Fund Balances - Total Government Funds	\$ 5,771,923
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	(4,014,127)
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.	(104,814)
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.	(12,944)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	<u>65,978</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,706,016</u></u>

See accompanying notes and accountants' report.

City of Twin Falls, Idaho  
Statement of Net Position  
Proprietary Funds  
September 30, 2013

	<b>Business-Type Activities</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Waterworks</b>	<b>Wastewater</b>	<b>Sanitation</b>	<b>Other Business- Type</b>	<b>Total</b>	
<b>Assets</b>						
Cash and Cash Equivalents	\$ 427,177	\$ 4,600,991	\$ 95,025	\$ 98,058	\$ 5,221,251	\$ 486,622
Investments	8,442,491	3,848,339	316,171	226,401	12,833,402	155,783
Receivables (net of allowance for uncollect.)						
Taxes	-	-	-	-	-	5,634
Fees and Services	931,740	987,297	252,169	4,822	2,176,028	-
Intergovernmental	149,109	914,638	-	-	1,063,747	1,823
Interest	-	-	-	-	-	-
Accounts	12,671	1,831	23,014	5,156	42,672	-
Inventories	477,681	-	-	-	477,681	-
Total Current Assets	10,440,869	10,353,096	686,379	334,437	21,814,781	649,862
Restricted Assets	197,090	2,429	-	-	199,519	-
Due from Other Funds	-	20,794	-	-	20,794	-
Fixed Assets (Net of Accum. Depreciation)	45,466,870	32,490,639	44,587	1,521,035	79,523,131	328,716
<b>Total Assets</b>	<b>\$ 56,104,829</b>	<b>\$ 42,866,958</b>	<b>\$ 730,966</b>	<b>\$ 1,855,472</b>	<b>\$ 101,558,225</b>	<b>\$ 978,578</b>
<b>Liabilities and Net Position</b>						
Current Liabilities:						
Pooled Cash	\$ -	\$ -	\$ -	\$ 310,953	\$ 310,953	\$ -
Accounts Payable	310,326	1,259,380	197,147	13,368	1,780,221	76
Accrued Expenses	31,171	8,942	-	-	40,113	-
Due to Other Funds	291,121	-	-	362,021	653,142	-
Unavailable Revenue	-	-	-	-	-	4,800
Notes Payable - Current	-	-	-	-	-	-
Compensated Absences	77,582	33,247	977	7,697	119,503	23,664
<b>Total Current Liabilities</b>	<b>710,200</b>	<b>1,301,569</b>	<b>198,124</b>	<b>694,039</b>	<b>2,903,932</b>	<b>28,540</b>
Current Liab. Payable from Restricted Assets:						
Revenue Bonds Payable - Current	1,930,000	11,814,685	-	-	13,744,685	-
Customer Deposits Payable	198,890	2,429	-	-	201,319	-
Total Curr. Liab. From Restricted Assets	2,128,890	11,817,114	-	-	13,946,004	-
NonCurrent Liabilities:						
Notes Payable - Equipment	-	49,445	-	-	49,445	-
Revenue Bonds Payable (Net of Discounts)	24,596,108	-	-	-	24,596,108	-
<b>Total Non-current Liabilities</b>	<b>24,596,108</b>	<b>49,445</b>	<b>-</b>	<b>-</b>	<b>24,645,553</b>	<b>-</b>
<b>Total Liabilities</b>	<b>27,435,198</b>	<b>13,168,128</b>	<b>198,124</b>	<b>694,039</b>	<b>41,495,489</b>	<b>28,540</b>
<b>Net Position</b>						
Net Investment In Capital Assets	18,940,762	20,626,509	44,587	1,521,035	41,132,893	328,716
Restricted	197,090	2,429	-	-	199,519	-
Unrestricted	9,531,779	9,069,892	488,255	(359,602)	18,730,324	621,322
<b>Total Net Position</b>	<b>28,669,631</b>	<b>29,698,830</b>	<b>532,842</b>	<b>1,161,433</b>	<b>60,062,736</b>	<b>950,038</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 56,104,829</b>	<b>\$ 42,866,958</b>	<b>\$ 730,966</b>	<b>\$ 1,855,472</b>	<b>\$ 101,558,225</b>	<b>\$ 978,578</b>

See accompanying notes and accountants' report.

**City of Twin Falls, Idaho**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended September 30, 2013

	<b>Business-Type Activities</b>				<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Waterworks</b>	<b>Wastewater</b>	<b>Sanitation</b>	<b>Other Business- Type</b>		
<b>Operating Revenues:</b>						
Charges for Services	\$ 9,347,841	\$ 7,521,962	\$ 2,567,778	\$ 239,001	\$ 19,676,582	\$ 305,492
Property Taxes, Including Interest	-	-	-	-	-	173,697
Taps, Connection and Other Fees	92,796	160	-	-	92,956	-
Miscellaneous	112,290	269,901	-	3,600	385,791	(494)
<b>Total Operating Revenues</b>	<b>9,552,927</b>	<b>7,792,023</b>	<b>2,567,778</b>	<b>242,601</b>	<b>20,155,329</b>	<b>478,695</b>
<b>Operating Expenses:</b>						
Contracted Services	216,393	3,065,245	1,675,622	70,599	5,027,859	1,534
Personnel Expenses	1,493,076	545,246	216,831	79,767	2,334,920	244,741
Depreciation and Amortization	956,722	986,728	7,519	90,344	2,041,313	15,163
Utilities	889,730	8,242	-	5,444	903,416	6,278
Landfill Expenses	-	-	602,884	-	602,884	-
Supplies	434,907	12,938	1,264	4,003	453,112	25,740
Insurance	-	-	-	-	-	354,592
Repairs and Maintenance	172,909	23,656	5,489	9,087	211,141	9,492
Vehicle Expenses	141,421	49,029	7,110	1,180	198,740	958
Small Equipment	323,054	173,068	-	64,020	560,142	15,807
Studies and Projects	8,610	-	1,382	-	9,992	-
Rental Expense	124,714	-	-	-	124,714	-
Miscellaneous Expense	66,653	244,643	5,994	4,371	321,661	385
Testing and Monitoring	75,669	-	-	-	75,669	-
Telephone	11,841	-	-	-	11,841	-
Travel and Meetings	5,596	648	394	329	6,967	-
<b>Total Operating Expenses</b>	<b>4,921,295</b>	<b>5,109,443</b>	<b>2,524,489</b>	<b>329,144</b>	<b>12,884,371</b>	<b>674,690</b>
<b>Operating Income (Loss)</b>	<b>4,631,632</b>	<b>2,682,580</b>	<b>43,289</b>	<b>(86,543)</b>	<b>7,270,958</b>	<b>(195,995)</b>
<b>Non-Operating Revenues (Expenses):</b>						
Development Fees	-	132,954	-	-	132,954	-
Interest Income	(29,127)	(24,338)	(1,934)	(1,229)	(56,628)	-
Rent and Royalties	66,159	-	-	-	66,159	-
Federal Grants	-	845,391	-	-	845,391	-
Intergovernmental	-	-	-	-	-	-
Interest Expense	(915,801)	(418,778)	-	-	(1,334,579)	-
<b>Total Non-Operating Revenues (Exp.)</b>	<b>(878,769)</b>	<b>535,229</b>	<b>(1,934)</b>	<b>(1,229)</b>	<b>(346,703)</b>	<b>-</b>
<b>Income (Loss) Before Interfund Transfers and Contributions</b>	<b>3,752,863</b>	<b>3,217,809</b>	<b>41,355</b>	<b>(87,772)</b>	<b>6,924,255</b>	<b>(195,995)</b>
<b>Interfund Transfers, Contributions and Changes:</b>						
Contribution of Assets	-	-	-	-	-	-
Operating Transfers In	267,208	-	-	38,700	305,908	234,894
Operating Transfers Out	(859,846)	(3,457,344)	(161,976)	(11,669)	(4,490,835)	(51,843)
Net Transfers and Contributions	<b>(592,638)</b>	<b>(3,457,344)</b>	<b>(161,976)</b>	<b>27,031</b>	<b>(4,184,927)</b>	<b>183,051</b>
<b>Net Income</b>	<b>3,160,225</b>	<b>(239,535)</b>	<b>(120,621)</b>	<b>(60,741)</b>	<b>2,739,328</b>	<b>(12,944)</b>
<b>Total Net Position, October 1, 2012</b>	<b>25,509,406</b>	<b>29,938,365</b>	<b>653,463</b>	<b>1,279,804</b>	<b>57,381,038</b>	<b>962,982</b>
Transfer of Fund Balance to General Fund	-	-	-	(57,630)	(57,630)	-
<b>Total Net Position, September 30, 2013</b>	<b>\$ 28,669,631</b>	<b>\$ 29,698,830</b>	<b>\$ 532,842</b>	<b>\$ 1,161,433</b>	<b>\$ 60,062,736</b>	<b>\$ 950,038</b>

See accompanying notes and accountants' report.

**City of Twin Falls, Idaho**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2013

	<b>Business-Type Activities</b>				<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Waterworks</b>	<b>Wastewater</b>	<b>Sanitation</b>	<b>Other Business- Type</b>		
<b>Cash Flows from Operating Activities</b>						
Receipts from Customers	\$ 9,910,345	\$ 10,455,238	\$ 2,566,329	\$ 259,487	\$ 23,191,399	\$ 400,344
Property Taxes, Including Interest	-	-	-	-	-	173,697
Payments to Suppliers	(2,435,411)	(5,059,179)	(2,299,729)	(160,419)	(9,954,738)	(416,487)
Payments to Employees	(1,488,200)	(547,079)	(219,063)	(78,545)	(2,332,887)	(240,423)
Other Receipts (Payments)	112,290	269,901	-	3,600	385,791	(494)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>6,099,024</b>	<b>5,118,881</b>	<b>47,537</b>	<b>24,123</b>	<b>11,289,565</b>	<b>(83,363)</b>
<b>Cash Flows from Non-Capital Financing Activities</b>						
Operating Subsidies and Transfers to Other Funds	(592,638)	(3,457,344)	(161,974)	(30,599)	(4,242,555)	183,051
Other Revenue Sources - Non-Operating	66,159	978,345	-	-	1,044,504	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(526,479)</b>	<b>(2,478,999)</b>	<b>(161,974)</b>	<b>(30,599)</b>	<b>(3,198,051)</b>	<b>183,051</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from Capital Debt	3,398,386	12,534,685	-	-	15,933,071	-
Purchase of Capital Assets	(631,825)	(2,605,227)	-	(47,487)	(3,284,539)	(12,046)
Disposals, Transfers of Capital Assets	88,868	47,682	-	2,000	138,550	-
Principal Paid on Capital Debt	(5,702,073)	(6,034,573)	-	-	(11,736,646)	-
Increase in Amounts Due to Other Funds	-	-	-	(311,635)	(311,635)	-
Interest Paid on Capital Debt	(972,272)	(477,209)	-	-	(1,449,481)	-
Increase in Restricted Assets	649,720	932,343	-	-	1,582,063	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(3,169,196)</b>	<b>4,397,701</b>	<b>-</b>	<b>(357,122)</b>	<b>871,383</b>	<b>(12,046)</b>
<b>Cash Flows from Investing Activities</b>						
(Purchase) or Sale of Securities	(3,370,496)	(3,776,496)	114,083	29,768	(7,003,141)	(2,116)
Interest, Dividends and Changes in Market Value	(24,227)	(24,269)	(1,520)	(931)	(50,947)	149
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(3,394,723)</b>	<b>(3,800,765)</b>	<b>112,563</b>	<b>28,837</b>	<b>(7,054,088)</b>	<b>(1,967)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(991,374)</b>	<b>3,236,818</b>	<b>(1,874)</b>	<b>(334,761)</b>	<b>1,908,809</b>	<b>85,675</b>
<b>Balances - Beginning of the Year</b>	<b>1,418,551</b>	<b>1,364,173</b>	<b>96,899</b>	<b>121,866</b>	<b>3,001,489</b>	<b>400,947</b>
<b>Balances - End of the Year</b>	<b>\$ 427,177</b>	<b>\$ 4,600,991</b>	<b>\$ 95,025</b>	<b>\$ (212,895)</b>	<b>\$ 4,910,298</b>	<b>\$ 486,622</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>						
Operating Income	\$ 4,631,632	\$ 2,682,580	\$ 43,289	\$ (86,543)	\$ 7,270,958	\$ (195,995)
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	956,722	986,728	7,518	90,344	2,041,312	15,163
Change in Assets and Liabilities:						
Receivables, Net	115,900	2,611,880	(24,278)	(6,667)	2,696,835	(569)
Prepaid Expenses	-	-	-	-	-	-
Inventories	(74,090)	-	-	-	(74,090)	-
Due From Other Funds	334,217	321,405	22,830	28,713	707,165	94,464
Deferred Revenue	-	-	-	-	-	957
Accounts Payable	110,177	(1,481,708)	410	(1,386)	(1,372,507)	(1,701)
Customer Deposits	19,590	(171)	-	(1,560)	17,859	-
Compensated Absences	4,876	(1,833)	(2,232)	1,222	2,033	4,318
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 6,099,024</b>	<b>\$ 5,118,881</b>	<b>\$ 47,537</b>	<b>\$ 24,123</b>	<b>\$ 11,289,565</b>	<b>\$ (83,363)</b>

See accompanying notes and accountants' report.

**City of Twin Falls, Idaho**  
Statement of Fiduciary Net Position - Fiduciary Fund  
September 30, 2013

	Agency Fund
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$ -
Receivables (net of allowance for uncollect.)	
Intergovernmental	26,159
<b>Total Assets</b>	<b>\$ 26,159</b>
 <b><u>Liabilities</u></b>	
Pooled Cash	25,037
Accounts Payable	1,122
<b>Total Liabilities</b>	26,159
 <b><u>Net Position</u></b>	
Held in Trust for Specific Purposes	-
<b>Total Net Position</b>	<b>\$ -</b>

## **NOTES TO FINANCIAL STATEMENTS**

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**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 City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements. 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. A brief description of the discretely presented components units follows:

**Blended Component Unit-Twin Falls Public Library**

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 unit is reported as part of the City and blended into the appropriate fund.

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.

**Discretely Presented Component Units-Urban Renewal Agency**

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

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

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

***1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued***

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

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

**BASIS OF PRESENTATION**

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and the component units are presented separately within these 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 grants and the City's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The fiduciary funds of the primary government are not included in the government-wide financial statements.

The statement of net position presents the financial position of the governmental and business-type activities of the City and its discretely presented component unit at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

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 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. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued**

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements**

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns.

**Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds**

Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between its governmental fund assets and its liabilities and deferred inflows of resources as fund balance. The following are the City's major governmental funds:

**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**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds.

The *waterworks* fund is used to account for the costs necessary to operate the City's water system and the charges necessary to offset those costs.

The *wastewater* fund is used to account for the costs necessary to operate the City's sewer system and the charges necessary to offset those costs.

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

***1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued***

The *sanitation* fund is used to account for the costs necessary to operate the City's garbage collection and the charges necessary to offset those costs.

**Fiduciary funds**

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.

**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.

**MEASUREMENT FOCUS**

**Government-wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statements of cash flows provide information about how the City finances and meets the cash flow needs of its proprietary activities.

**BASIS OF ACCOUNTING**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Fiduciary funds use the accrual basis at the fund reporting level. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

***1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued***

**Revenues-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**Revenues-Non-exchange Transactions**

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized in the governmental funds.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: Property taxes, franchise taxes, licenses, interest, federal and state grants 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.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

***1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued***

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY**

**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.

The City's Investment Policy requires that investments within the portfolio be diversified in order to avoid risks in specific instruments, individual financial institutions or maturities.

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.

The City is a voluntary participant in the State of Idaho Local Government Investment Pool (LPIG). The LPIG is regulated by State of Idaho Code under the oversight of the Treasurer of the State of Idaho. The fair value of the City's investments in the pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair market value provided by the fund for the entire portfolio. The LGIP is not rated by a nationally recognized statistical rating organization.

**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, 2013

***1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued***

**Restricted Assets**

Passenger fees collected at the City's airport are committed for future airport expansion.

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

**Capital Assets, Depreciation, and Amortization**

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

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

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

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

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

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

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

***1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued***

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.

**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.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Compensated Absences**

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

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

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

***1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued***

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

**Debt Premiums, Discounts and Issuance Costs**

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against debt payable and debt issuance costs are recognized as an outflow of resources in the period incurred. On the government-wide and proprietary fund type statement of activities, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

At the government fund reporting level, debt premiums and discounts are reported as other financing sources and uses, separately from the face amount of the debt issued. Debt issuance costs are reported as debt service expenditures.

**Fund Equity**

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

**Governmental Fund Balances**

Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted Fund Balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the City’s highest level of decision-making authority, the City Council.

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

***1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued***

Assigned Fund Balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City manager through the budgetary process.

Unassigned Fund Balance – This classification includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, wastewater and sanitation. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. Items that do not result from the provision of goods or services to customers or directly relate to the principal and usual activity of the fund are recorded as nonoperating revenues and expenses. These items include investment earnings and gains or losses on the disposition of capital assets.

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. It is at least reasonably possible that the significant estimates used will change within the next year.

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued**

**Comparative Data**

Comparative total data for the prior year have been presented only for individual funds in the required supplementary information and in the supplementary information in order to provide an understanding of the changes in the financial position and operations of these funds.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

On or before June 1<sup>st</sup> 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 includes amounts for capital expenditures but 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.

**Excess of Expenditures over Appropriations**

For the fund year ended September 30, 2013, expenditures exceeded appropriation in the Airport Construction Fund by \$48,870, the Sanitation Fund by \$120,621, the Dierkes Lake Fund by \$31,911, the Pool Fund by \$2,323, the Shop Revolving Fund by \$9,027, the Golf Fund by \$34,919 and the Fireworks Fund by \$365.

**2. DEPOSITS AND INVESTMENTS**

**Cash and Cash Equivalents –**

A reconciliation of cash and cash equivalents at September 30, 2013 is as follows:

Reconciled Bank Accounts	\$ 136,126
State Investment Pool	4,862,145
Certificates of Deposit	2,606,442
Money Market Mutual Funds	654,633
Library Operating Fund	12,008
Petty Cash	2,002
Total	<u>8,273,356</u>
Reported as Restricted	<u>(1,228,759)</u>
Total Net Cash	<u>\$ 7,044,597</u>

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**1. DEPOSITS AND INVESTMENTS-Continued**

At September 30, 2013, the Urban Renewal Agency’s reconciliation of cash and cash equivalents is as follows:

Cash in Bank	\$ 959,541
Money-Market Bond Funds	<u>9,836,378</u>
Total	10,795,919
Reported as Restricted	<u>(3,573,360)</u>
Total Net Cash	<u>\$ 7,222,559</u>

The City’s reconciled bank balance is covered by \$136,128 federal depository insurance with the remainder covered by collateral held by the City’s agent in the City’s name. The reconciled bank balance for Urban Renewal Agency a discretely presented component unit, is covered by FDIC insurance of \$ 250,000.

**Investments** – The City held the following investments at September 30, 2013.

Federal National Mortgage Association (FNMA)	\$ 2,293,405
Federal Home Loan Mortgage Corporation (FHLM)	1,035,095
Federal Home Loan Bank (FHLB)	3,556,628
Government National Mortgage Association (GNMA)	2,176,026
Federal Farm Credit Bank (FFCB)	1,382,690
Resolution Funding Corporation (RFC)	791,158
Other Mortgage Backed Securities	987,643
Corporate Obligations	<u>24,760,128</u>
Total	<u>\$ 36,982,773</u>

All investments are guaranteed by the U.S. Government except for the corporate obligations. 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.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City’s debt type investments to this risk, using the segmented time distribution model is as follows:

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**3. DEPOSITS AND INVESTMENTS-Continued**

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
FNMA	\$ 2,293,405	\$ 15,124	\$ 845,256	\$ 34,980	\$ 1,398,045
FHLM	1,035,095	-	501,665	533,430	-
FHLB	3,556,628	-	976,440	239,510	2,340,678
GNMA	2,176,026	-	-	23,445	2,152,581
FFCB	1,382,690	-	193,942	1,188,748	-
RFC	791,158	-	-	791,158	-
Other Mtg. Sec	987,643	-	-	987,643	-
Corporate	24,760,128	4,833,473	15,534,210	4,392,445	-
Total	<u>\$ 36,982,773</u>	<u>\$ 4,848,597</u>	<u>\$ 18,051,513</u>	<u>\$ 8,191,359</u>	<u>\$ 5,891,304</u>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy requires a rating of A- or its equivalent by two or more public rating agencies at the time of purchase. Short term credit ratings for commercial paper must be top tier AI/PI/FI by two of the three credit rating agencies at the time of purchase. The ratings of investments subject to credit risk are as follows:

<b>Investments subject to credit risk:</b>	<u>Fair Value</u>	<u>Rating</u>
FNMA	\$ 2,293,405	AAA-
FHLM	1,035,095	AA+
FHLB	3,556,628	AA+
GNMA	2,176,026	AA+
FFCB	1,382,690	AA+
Resolution FDG Corp	791,158	Not Rated
Piper Jaffray & Co.	987,643	Not Rated
Corporate Bonds	2,261,970	A+
Corporate Bonds	4,585,390	A
Corporate Bonds	4,983,996	A-
Corporate Bonds	3,979,370	AA-
Corporate Bonds	2,444,235	BBB+
Corporate Bonds	5,677,102	BBB
Corporate Bonds	328,065	BB-
Corporate Bonds	500,000	BBB-

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**4. DEPOSITS AND INVESTMENTS-Continued**

**Concentration of Credit Risk**

The City's investment policy has limits on the amount that can be invested in any one issuer. The City did not have investments in any one issuer (other than State investment pools) that represented 5% or more of total City investments.

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percentage</u>
Federal National Mortgage Assn (FNMA)	U.S. Agency Bond	\$ 2,293,440	6.21%
Federal Home Loan Bank (FHLB)	U.S. Agency Bond	3,556,628	9.62%
Government National Mortgage Assn. (GNMA)	U.S. Agency Bond	2,176,026	5.89%
Corporate Bonds	Corporate Obligations	24,760,128	66.95%

**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 only conducts investment purchases on a delivery versus payment basis with all securities held by a safe keeper, in the City's name, to eliminate custodial credit risk.

**5. RESTRICTED ASSETS**

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

	<u>2013</u>
<b>General Fund</b>	
Customer or Developer Deposits	\$ 189,695
Custody/Evidence Account	54,331
Other	5,913
Trail Fund	541
Park Development Fund	203,416
Pool Fund-Bubble	85,000
<b>Capital Projects Funds</b>	
Public Art Fund	37,320
Passenger Facility Charges Held for Lease Payments	453,024
<b>Enterprise Funds</b>	
Refundable Customer Utility Deposits	199,519
<b>Total Restricted Assets</b>	<u>\$ 1,228,759</u>

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

	Total
Cash reserved to pay interest and principal on the revenue bonds	<u>\$ 3,573,360</u>

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**5. TAXES RECEIVABLE, UNAVAILABLE 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 20<sup>th</sup> of December; however, they may be paid in two installments with the second installment due June 20. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date.

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

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

Property taxes uncollected by November 30, 2013, are considered to be deferred revenue.

Taxes receivable and deferred revenue as of September 30, 2013, consist of the following for the City:

<u>Fund</u>	<u>Taxes Receivable</u>	<u>Unavailable Revenue</u>
General	\$ 404,285	\$ 344,451
Street	52,337	44,592
Street Lighting	3,704	3,156
Airport	4,359	566,139
Library	19,429	16,553
Capital Improvement	14,674	12,502
Insurance	5,634	4,800
Total	<u>\$ 504,422</u>	<u>\$ 992,193</u>

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

Property Taxes	\$ 429,768
Prepaid Rent & Parking	<u>562,425</u>
Total	<u>\$ 992,193</u>

Urban Renewal Agency taxes receivable and unavailable revenue at September 30, 2013 consist of 2012 property tax revenue to be collected after November 30, 2013.

**CITY OF TWIN FALLS, IDAHO**

*Notes to Financial Statements*

September 30, 2013

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

Amounts due from other governments at September 30, 2013, 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	\$ 400	\$ 541,626	\$ 150,921	\$ 78,110	\$ 771,057
Street	-	361,853	19,880	-	381,733
Street Light	-	-	1,297	-	1,297
Library	-	-	15,546	-	15,546
Airport	355,039	-	3,628	-	358,667
Capital Improvement	-	406,198	38,713	260,390	705,301
Liability Insurance	-	-	1,823	-	1,823
Pool	-	32,727	-	-	32,727
Historic Preservation	2,311	-	-	-	2,311
Water Works	-	-	-	149,109	149,109
Waste Water	228,779	521,004	-	164,855	914,638
	<u>\$ 586,529</u>	<u>\$ 1,863,408</u>	<u>\$ 231,808</u>	<u>\$ 652,464</u>	<u>\$ 3,334,209</u>

Urban Renewal Agency receivable from other governments consists of property taxes collected by the County prior to December 1, 2013.

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**6. FIXED ASSETS**

Changes in the fixed asset groups for the City for the year ended September 30, 2013, are as follows:

	Balance October 1, 2012	Additions/ Transfers In	Disposals/ Transfers Out	Balance September 30, 2013
<b>Government-wide Assets</b>				
Land	\$ 6,694,877	\$ -	\$ -	\$ 6,694,877
Buildings and Structures	17,290,672	186,420	(38,759)	17,438,333
Infrastructure	255,772,292	924,988	-	256,697,280
Improvements	17,086,256	302,773	-	17,389,029
Machinery and Equipment	15,289,231	1,523,827	(663,839)	16,149,219
Construction in Progress	6,363,656	3,637,472	(1,850,848)	8,150,280
Total	<u>\$ 318,496,984</u>	<u>\$ 6,575,480</u>	<u>\$ (2,553,446)</u>	<u>\$ 322,519,018</u>
<b>Accum. Deprec. For Govt. Wide</b>				
Buildings and Structures	\$ 5,479,521	\$ 398,824	\$ (7,752)	\$ 5,870,593
Infrastructure	143,014,582	6,778,974	-	149,793,556
Improvements	7,792,502	598,842	-	8,391,344
Machinery and Equipment	8,330,362	909,305	(638,917)	8,600,750
Total Accum. Deprec.	<u>\$ 155,941,429</u>	<u>\$ 8,685,945</u>	<u>\$ (646,669)</u>	<u>\$ 172,656,243</u>
<b>Business Type Activity Assets:</b>				
Land	\$ 11,252,387	\$ -	\$ -	\$ 11,252,387
Buildings and Structures	18,753,067	-	-	18,753,067
Infrastructure	879,700	23,037,914	-	23,917,614
Improvements	39,203,660	54,183	(13,810)	39,244,033
Machinery and Equipment	6,956,283	711,193	(84,482)	7,582,994
Construction in Progress	29,980,388	2,270,727	(22,928,026)	9,323,089
Total	<u>\$ 98,971,831</u>	<u>\$ 26,074,017</u>	<u>\$ (23,026,318)</u>	<u>\$ 110,073,184</u>
<b>Accum. Deprec. For Business Type Activities</b>				
Buildings and Structures	\$ 11,875,439	\$ 428,336	\$ -	\$ 12,303,775
Infrastructure	161,597	483,856	-	645,453
Improvements	12,455,327	834,908	(13,810)	13,276,425
Machinery and Equipment	4,064,290	344,593	(84,483)	4,324,400
Total Accum. Deprec.	<u>\$ 28,556,653</u>	<u>\$ 2,091,693</u>	<u>\$ (98,293)</u>	<u>\$ 30,550,053</u>

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**7. FIXED ASSETS - Continued**

Changes in the fixed asset group for the Urban Renewal Agency for the year ended September 30, 2013, is as follows:

	Balance October 1, 2012	Additions	Disposals	Balance September 30, 2013
<b>Government-wide Assets</b>				
Construction in Progress	\$ 11,553,589	\$ 15,598,768	\$ -	\$ 27,152,357
Land and Buildings	2,688,889	-	-	2,688,889
<b>Total</b>	<b>\$ 14,242,478</b>	<b>\$ 15,598,768</b>	<b>\$ -</b>	<b>\$ 29,841,246</b>
<b>Business Type Activities:</b>				
Land	\$ 1,350,000	\$ -	\$ -	\$ 1,350,000
Buildings & Improvments	3,500,000	-	-	3,500,000
Equipment	690,264	64,431	-	754,695
<b>Total</b>	<b>\$ 5,540,264</b>	<b>\$ 64,431</b>	<b>\$ -</b>	<b>\$ 5,604,695</b>
<b>Accumulated Depreciation for Business-Type Activities</b>				
Building & Improvements	\$ 186,667	\$ 79,040	\$ -	\$ 265,707
Equipment	220,000	82,500	-	302,500
<b>Total</b>	<b>\$ 406,667</b>	<b>\$ 161,540</b>	<b>\$ -</b>	<b>\$ 568,207</b>

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

General Government	\$ 6,702,486
Fire	123,237
Police	193,053
Library	109,366
Culture and Recreation	224,687
Highway and Street	403,382
Pool	37,397
Airport	877,174
	<u>8,670,782</u>
Depreciation on Capital Assets held by the City's Internal Service Fund.	<u>15,163</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 8,685,945</u></b>

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**8. LONG-TERM LIABILITIES**

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

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

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

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
<b>PRIMARY GOVERNMENT</b>					
<b>Governmental Activities:</b>					
Compensated absences	\$ 1,298,029	\$ 109,130	\$ -	\$ 1,407,159	\$ -
Total	\$ 1,298,029	\$ 109,130	\$ -	\$ 1,407,159	\$ -
<b>Business-type Activities:</b>					
Idaho Bond Bank Authority Water Bonds	\$ 25,337,881	\$ -	\$ (1,930,159)	\$ 23,407,722	\$ 1,930,159
Idaho Bond Bank Authority, Parity Lien Revenue Refunding Bond, Series 2012C	-	3,398,386	(280,000)	3,118,386	275,000
Idaho Bond Bank Authority, Parity Lien Sewer Revenue Refunding Bond, Series 2012A	-	4,467,924	(340,000)	4,127,924	365,000
Idaho Bond Bank Authority, Parity Lien Sewer Revenue Bond, Series 2012B	-	8,066,761	(380,000)	7,686,761	420,000
State Revolving Fund Loan	8,906,309	-	(8,906,309)	-	-
Compensated Absences	117,472	2,031	-	119,503	-
Total	34,361,662	15,935,102	(11,836,468)	38,460,296	2,990,159
Total Long-Term Liabilities	\$ 35,659,691	\$ 16,044,232	\$ (11,836,468)	\$ 39,867,455	\$ 2,990,159

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**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.

<i>Idaho Bond Bank Authority Loan Payable</i> , Payable in semi-annual installments over 15 years with interest rates that varies from 2 to 5.1%.	\$ 7,955,000	
Less: Unamortized discount	<u>(117,611)</u>	
Total		\$ 7,837,389
<i>Idaho Bond Bank Authority Loan Payable</i> , Payable in semi-annual installments over 15 years with interest rates that varies from 3 to 5.06%.	15,640,000	
Less: Unamortized discount	<u>(69,667)</u>	
Total		15,570,333
<i>Idaho Bond Bank Authority, Parity Lien Water Revenue Refunding Bond, Series 2012C</i> , Payable in semi-annual installments over 15 years with interest rates that varies from 2 to 5%.	2,790,000	
Plus: Premium	<u>328,386</u>	
Total		3,118,386
<i>Idaho Bond Bank Authority, Parity Lien Water Revenue Refunding Bond, Series 2012C</i> , Payable in semi-annual installments over 15 years with interest rates that varies from 2 to 5%.	3,690,000	
Plus: Premium	<u>437,924</u>	
Total		4,127,924
<i>Idaho Bond Bank Authority, Parity Lien Sewer Revenue Bond Series 2012B</i> , Payable in semi-annual installments over 15 years with interest rates that varies from 2 to 5%.	7,190,000	
Plus: Premium	<u>496,761</u>	
Total		<u>7,686,761</u>
Total		<u>\$ 38,340,793</u>

**CITY OF TWIN FALLS, IDAHO**

*Notes to Financial Statements*

September 30, 2013

**8. LONG-TERM LIABILITIES-Continued**

Debt service requirements to maturity are as follows:

Year Ending September	Total	Interest	Principal
2014	\$ 3,134,462	\$ 1,356,353	\$ 1,778,109
2015	3,122,377	1,310,601	1,811,776
2016	5,346,829	1,325,053	4,021,776
2017	5,338,919	1,212,143	4,126,776
2018	4,223,096	1,101,530	3,121,566
2019-2023	19,920,163	3,562,967	16,357,196
2018-2022	7,613,550	489,956	7,123,594
<b>Total</b>	<u>\$ 48,699,396</u>	<u>\$ 10,358,603</u>	<u>\$ 38,340,793</u>

**Urban Renewal Agency**

**Continuing Disclosure**

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

Continuing Disclosure Bond Information

Maturity	Interest Rate	Original Principal	Outstanding Principal
August 1, 2008	4.35%	\$ 955,000	\$ -
August 1, 2010	4.60%	705,000	-
August 1, 2014	4.95%	1,640,000	1,260,000
August 1, 2017	5.15%	1,455,000	1,455,000
August 1, 2022	5.45%	2,980,000	2,980,000
<b>Total</b>		<u>\$ 7,735,000</u>	<u>\$ 5,695,000</u>

Amounts on deposit	
Revenue Allocation Fund	\$ 2,777,160
Bond Fund	796
Reserve Fund	699,913
Total on deposit	<u>\$ 3,477,869</u>

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
 September 30, 2013

**8. LONG-TERM LIABILITIES-Continued**

Revenue Allocation Revenues	
Property Taxes – 2013 (2012 budget & reporting period)	\$ 2,438,499
Property Taxes for prior periods	<u>65,436</u>
Total reported in Governmental Funds	<u>\$ 2,503,935</u>

Assessed values of property within Revenue Allocation Area Total assessed value for 2012	<u>\$ 207,601,916</u>
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Tax increment value for 2012	<u>\$ 130,839,765</u>
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There are no Continuing Disclosure Significant Events to report.

Long term debt of the Urban Renewal Agency outstanding at September 30, 2013, 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%

\$ 4,875,000

*Revenue Allocation Bonds, Series 2013A*, dated February 21, 2013 and maturing April 1, 2032. 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 acquire land and to prepare the land for industrial development and to establish a reserve fund required by terms of the issue. The bonds are term bonds that require annual sinking fund deposits on April 1 each year. Bonds maturing August 1, 2016 and later are subject to prior redemption on August 1, 2015. The bonds bear interest at 5.002%

32,509,000

**CITY OF TWIN FALLS, IDAHO**

*Notes to Financial Statements*

September 30, 2013

**8. LONG-TERM LIABILITIES-Continued**

*Revenue Allocation Bonds, Series 2013B*, dated February 21, 2013 and maturing April 1, 2032. 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 acquire land and to prepare the land for industrial development and to establish a reserve fund required by terms of the issue. The bonds are term bonds that require annual sinking fund deposits on April 1 each year. Bonds maturing August 1, 2016 and later are subject to prior redemption on August 1, 2015. The bonds bear interest at 5.002%.

2,024,000

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

215,942

	Total	39,623,942
Less: Unamortized discount		<u>(428,625)</u>
	Total	<u>\$ 39,195,317</u>

Expected annual maturities of the obligations, are as follows:

Year Ending September	Total	Interest	Principal
2014	3,616,362	2,190,479	1,425,883
2015	3,613,928	1,927,087	1,686,841
2016	3,615,564	1,841,636	1,773,928
2017	3,615,911	1,751,767	1,864,144
2018	3,613,820	1,657,323	1,956,497
2019-2023	17,188,291	6,691,642	10,496,649
2024-2028	14,366,252	4,133,252	10,233,000
2029-2032	11,491,922	1,304,922	10,187,000
<b>Total</b>	<b>\$ 61,122,050</b>	<b>\$ 21,498,108</b>	<b>\$ 39,623,942</b>

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**8. LONG-TERM LIABILITIES-Continued**

Changes in Long-Term Debt of the Agency for the year ended September 30, 2013 is as follows:

	<b>09/30/12</b>	<b>Additions</b>	<b>Repayments</b>	<b>09/30/13</b>
Promissory note payable to Larry McElliot	\$ 2,878	\$ -	\$ 2,878	\$ -
Promissory note payable to Larry Tucker	245,965	-	30,023	215,942
Revenue Allocation Bond, Series 2005A	5,295,000	-	420,000	4,875,000
Revenue Allocation Bond, Series 2013A	-	32,509,000	-	32,509,000
Revenue Allocation Bond, Series 2013B	-	2,024,000	-	2,024,000
Total	<b>\$ 5,543,843</b>	<b>34,533,000</b>	<b>\$ 452,901</b>	<b>\$ 39,623,942</b>

**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, 2013:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Airport Construction	-	295,973
Capital Improvement	-	53,854
Fireworks	-	666
General Fund	\$ 1,558,033	\$ -
Golf	-	362,021
Historic	-	3,987
Pool	-	337,286
Street Light	-	233,920
Waterworks	20,794	291,120
Total	<b>\$ 1,578,827</b>	<b>\$ 1,578,827</b>

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**10. RISK MANAGEMENT**

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

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

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

**11. PUBLIC EMPLOYEES RETIREMENT SYSTEM OF IDAHO**

The Public Employee Retirement System of Idaho (PERSI) – The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible member or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of average monthly salary for the highest consecutive 42 months.

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

The actuarially determined contribution requirements of the City and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2013, the required contribution rate as a percentage of covered payrolls for members was 6.79% for general members and 8.36% for police/firefighters. The employer rate as a percentage of covered payroll was 11.32% for general members and 11.66% for police/firefighter members. The City employer contributions required and paid were \$1,709,167, \$1,709,167 and \$1,668,948 for the three years ended September 30, 2013, 2012 and 2011, respectively.

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

**12. FUND BALANCE AND NET ASSET DEFICITS**

Fund deficits as of September 30, 2013, which are significant, are as follows:

Golf Fund- The deficit of \$223,727 is due to accumulated costs exceeding revenues over a number of years. The City has entered into a new lease agreement where the lessor will be responsible for golf course costs in the future.

Street Light- The deficit of \$128,173 is being reduced through excess revenues.

Pool Fund – The deficit of \$231,813 will be taken care of through the budget process over a period of years.

**13. CHANGE IN GENERAL FUND NET POSITION AND FUND BALANCE**

During the current fiscal year the following funds were closed out and their fund balances were transferred to the General Fund:

LID Bond Guarantee	\$(18,376)
CDBG	61
Historic Downtown	(16,284)
Parking	57,630

**14. URBAN RENEWAL SUMMARIZED INFORMATION**

	<b>Year Ended</b> <b>September 30, 2013</b>
<b>Assets</b>	<u>\$ 45,824,496</u>
<b>Total Assets</b>	<u><u>\$ 45,824,496</u></u>
 <b>Liabilities &amp; Net Position</b>	
Liabilities	\$ 41,381,181
Net Assets:	
Net Investment in Capital Assets	(5,522,511)
Restricted	3,573,360
Unrestricted	6,392,466
<b>Total Liabilities &amp; Net Position</b>	<u><u>\$ 45,824,496</u></u>
 <b>Revenues</b>	\$ 2,974,618
<b>Expenditures</b>	<u>2,504,177</u>
<b>Excess (Deficiency) Revenues over Expenditures</b>	470,441
 <b>Net Position - Beginning of Year</b>	<u>3,972,874</u>
 <b>Net Position - End of Year</b>	<u><u>\$ 4,443,315</u></u>

**CITY OF TWIN FALLS, IDAHO**  
*Notes to Financial Statements*  
September 30, 2013

***15. COMMITMENTS AND SUBSEQUENT EVENTS***

On October 17, 2013 the City and the Urban Renewal Agency entered into a development agreement with Clif Bar & Company, a California corporation (Clif Bar). Clif Bar is desirous of constructing a manufacturing plant in the City of Twin Falls. Construction costs are estimated to range between \$90,000,000 and \$160,000,000 and employ approximately 450 full time employees when fully operational. The City's public wastewater collection systems, water systems, and roadways will require upgrades and improvements in order to serve the new plant.

**City of Twin Falls**

The City has committed to provide \$3,500,000 toward the construction of a new five million gallon per day water storage tank. The new water tank will service the Clif Bar plant and provide additional needed capacity to the entire City of Twin Falls

The City has evaluated subsequent events through February 10, 2014, the date which the financial statements were available to be issued.

**Urban Renewal Agency**

The Urban Renewal Agency has committed to providing funds for the project as well. The Agency will provide \$4,479,083 for land acquisition; \$4,057,873 for the above increase water storage tank;\$5,823,146 to enhance the capacity for wastewater treatment including pretreatment at the plant; \$1,650,000 for improvements to local streets; \$3,800,000 for a twenty million megawatt substation; and \$268,960 to the City for Impact and other fees.

94% of the funding that is provided by the Agency will be financed by the issuance of bonds. The improvements to the property by Clif Bar will substantially increase the taxes generated by the property and most of those new property taxes will be used for repayment of the bonds.

In addition to the City commitment and the Agency's commitments, the State of Idaho, Department of Commerce, has agreed to a contribution of \$1,800,000 toward construction of the project.

The Agency has evaluated subsequent events through February 10, 2014, the date which the financial statements were available to be issued.

***16. 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, 2013, the City is in compliance with these covenants.

**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, 2013

With Comparative Actual Amounts from the Previous Year

	2013				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>Revenues:</b>					
Property Taxes, Including Penalty and Interest	\$ 12,611,988	\$ 12,611,989	\$ 12,686,003	\$ 74,014	\$ 11,742,238
Non-property Taxes	552,000	552,000	520,231	(31,769)	600,727
Fines and Forfeitures	4,500	4,500	5,505	1,005	4,536
Licenses and Permits	610,250	610,250	891,886	281,636	765,285
Fees and Services	1,044,700	1,044,700	1,084,014	39,314	1,099,629
Intergovernmental	1,952,028	1,952,028	2,142,179	190,151	1,970,627
Federal Grants	43,200	43,200	28,083	(15,117)	91,295
Miscellaneous	739,846	739,846	652,239	(87,607)	696,918
<b>Total Revenues</b>	<u>17,558,512</u>	<u>17,558,513</u>	<u>18,010,140</u>	<u>451,627</u>	<u>16,971,255</u>
<b>Expenditures:</b>					
Current					
General Government	3,052,525	3,052,525	2,958,105	94,420	2,757,684
Public Safety	12,813,430	12,813,430	11,961,954	851,476	11,410,936
Engineering	1,633,374	1,633,374	1,378,999	254,375	1,266,254
Economic Development	162,007	162,007	113,030	48,977	118,115
Culture and Recreation	1,517,788	1,517,788	1,471,042	46,746	1,387,822
Total Expenditures	<u>19,179,124</u>	<u>19,179,124</u>	<u>17,883,130</u>	<u>1,295,994</u>	<u>16,940,811</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>(1,620,612)</u>	<u>(1,620,611)</u>	<u>127,010</u>	<u>1,747,621</u>	<u>30,444</u>
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	1,658,112	1,658,111	4,558,113	2,900,002	1,609,817
Operating Transfers Out	(37,500)	(1,254,006)	(1,254,006)	-	(6,485,899)
Total Other Financing Sources (Uses)	<u>1,620,612</u>	<u>404,105</u>	<u>3,304,107</u>	<u>2,900,002</u>	<u>(4,876,082)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>\$ -</u>	<u>\$ (1,216,506)</u>	<u>\$ 3,431,117</u>	<u>\$ 4,647,623</u>	<u>\$ (4,845,638)</u>
<b>Fund Balance, October 1st</b>			12,324,861		17,170,499
<b>Transfer of Fund Balances to General Account</b>			<u>92,229</u>		<u>-</u>
<b>Fund Balance, September 30th</b>			<u>\$ 15,848,207</u>		<u>\$ 12,324,861</u>

See accountants' report.

**CITY OF TWIN FALLS, IDAHO**  
 General Fund  
 Statement of Expenditures - Budget and Actual  
 For the Fiscal Year Ended September 30, 2013  
 With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Expenditures:</b>					
Data Processing	\$ 1,226,399	\$ 1,226,399	\$ 1,141,092	\$ 85,307	\$ 1,056,911
Council	145,978	145,978	145,423	555	147,270
Manager	467,858	467,858	498,382	(30,524)	452,913
Finance	679,392	679,392	651,878	27,514	619,108
Attorney	186,000	186,000	185,019	981	173,618
Personnel	346,898	346,898	336,311	10,587	307,864
Total General Government	<u>3,052,525</u>	<u>3,052,525</u>	<u>2,958,105</u>	<u>94,420</u>	<u>2,757,684</u>
Police	8,031,129	8,031,129	7,278,243	752,886	7,088,411
Fire	3,999,790	3,999,790	3,826,759	173,031	3,610,312
Inspection	405,637	405,637	478,465	(72,828)	371,663
Animal Control	376,874	376,874	378,487	(1,613)	340,550
Total Public Safety	<u>12,813,430</u>	<u>12,813,430</u>	<u>11,961,954</u>	<u>851,476</u>	<u>11,410,936</u>
Engineering	1,246,967	1,246,967	976,872	270,095	922,857
Planning and Zoning	386,407	386,407	402,127	(15,720)	343,397
Total Engineering and Planning	<u>1,633,374</u>	<u>1,633,374</u>	<u>1,378,999</u>	<u>254,375</u>	<u>1,266,254</u>
Economic Development	162,007	162,007	113,030	48,977	118,115
Parks	1,073,187	1,073,187	982,516	90,671	962,133
Recreation	444,601	444,601	488,526	(43,925)	425,689
Total Culture and Recreation	<u>1,517,788</u>	<u>1,517,788</u>	<u>1,471,042</u>	<u>46,746</u>	<u>1,387,822</u>
<b>Total Expenditures</b>	<u><u>\$ 19,179,124</u></u>	<u><u>\$ 19,179,124</u></u>	<u><u>\$ 17,883,130</u></u>	<u><u>\$ 1,295,994</u></u>	<u><u>\$ 16,940,811</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, 2013

With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues:</b>					
Property Taxes	\$ 1,473,985	\$ 1,473,985	\$ 1,493,021	\$ 19,036	\$ 1,825,203
Fees and Services	247,000	247,000	249,986	2,986	245,183
Intergovernmental	2,191,000	2,191,000	2,284,426	93,426	2,237,455
Grants	-	-	1,000	1,000	-
Miscellaneous	843,040	843,040	884,170	41,130	1,038,786
<b>Total Revenues</b>	<u>4,755,025</u>	<u>4,755,025</u>	<u>4,912,603</u>	<u>157,578</u>	<u>5,346,627</u>
<b>Expenditures:</b>					
Current					
Highways and Streets	1,489,093	1,505,074	1,345,708	159,366	1,271,394
Capital Outlay	3,653,850	4,854,375	3,017,336	1,837,039	4,496,363
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<u>5,142,943</u>	<u>6,359,449</u>	<u>4,363,044</u>	<u>1,996,405</u>	<u>5,767,757</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(387,918)	(1,604,424)	549,559	2,153,983	(421,130)
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	85,162	1,301,668	1,301,667	1	82,681
Operating Transfers Out	(257,244)	(257,244)	(257,244)	-	(249,534)
<b>Total Other Sources (Uses)</b>	<u>(172,082)</u>	<u>1,044,424</u>	<u>1,044,423</u>	<u>1</u>	<u>(166,853)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (560,000)</u>	<u>\$ (560,000)</u>	1,593,982	<u>\$ 2,153,982</u>	\$ (587,983)
<b>Fund Balances, October 1st</b>			<u>2,182,657</u>		<u>2,770,640</u>
<b>Fund Balances, September 30th</b>			<u>\$ 3,776,639</u>		<u>\$ 2,182,657</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, 2013

With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues:</b>					
Property Taxes	\$ 343,116	\$ 343,116	\$ 341,689	\$ (1,427)	\$ 321,916
Fees and Services	451,795	451,795	530,221	78,426	719,411
Intergovernmental	343,116	343,116	343,116	-	343,464
Federal Grants	-	-	-	-	-
Farm Income	29,775	29,775	62,729	32,954	33,555
Miscellaneous	18,209	28,209	71,429	43,220	183,711
<b>Total Revenues</b>	<u>1,186,011</u>	<u>1,196,011</u>	<u>1,349,184</u>	<u>153,173</u>	<u>1,602,057</u>
<b>Expenditures:</b>					
Current					
Airport	861,294	871,294	815,064	56,230	991,876
<b>Total Expenditures</b>	<u>861,294</u>	<u>871,294</u>	<u>815,064</u>	<u>56,230</u>	<u>991,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	324,717	324,717	534,120	209,403	610,181
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(324,717)	(500,885)	(500,885)	-	(367,692)
<b>Total Other Sources (Uses)</b>	<u>(324,717)</u>	<u>(500,885)</u>	<u>(500,885)</u>	<u>-</u>	<u>(367,692)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ (176,168)</u>	33,235	<u>\$ 209,403</u>	242,489
<b>Fund Balances, October 1st</b>			<u>893,571</u>		<u>651,082</u>
<b>Fund Balances, September 30th</b>			<u>\$ 926,806</u>		<u>\$ 893,571</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, 2013  
With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Proposed Budget	Final Budget	Actual		
<b>Revenues:</b>					
Property Taxes	\$ 403,701	\$ 403,701	\$ 407,259	\$ 3,558	\$ 570,152
Intergovernmental	1,347,972	1,347,972	1,478,945	130,973	1,434,886
Federal Grants	-	-	-	-	-
Miscellaneous or Reserves	54,000	54,000	(9,193)	(63,193)	57,309
<b>Total Revenues</b>	<u>1,805,673</u>	<u>1,805,673</u>	<u>1,877,011</u>	<u>71,338</u>	<u>2,062,347</u>
<b>Expenditures:</b>					
Current					
General Government	617,178	617,178	489,670	127,508	396,106
Public Safety	530,500	530,500	449,695	80,805	490,979
Culture and Recreation	379,300	379,300	210,458	168,842	414,751
Highways and Streets	-	-	8,538	(8,538)	-
Capital Outlay	263,495	263,495	452,891	(189,396)	452,988
<b>Total Expenditures</b>	<u>1,790,473</u>	<u>1,790,473</u>	<u>1,611,252</u>	<u>179,221</u>	<u>1,754,824</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,200	15,200	265,759	250,559	307,523
<b>Other Financing Sources (Uses)</b>					
Contribution of Assets			2,512	2,512	741
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(15,200)	(20,482)	(15,200)	5,282	(133,247)
<b>Total Other Sources (Uses)</b>	<u>(15,200)</u>	<u>(20,482)</u>	<u>(12,688)</u>	<u>7,794</u>	<u>(132,506)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ (5,282)</u>	253,071	<u>\$ 258,353</u>	175,017
<b>Fund Balances, October 1st</b>			<u>3,950,060</u>		<u>3,775,043</u>
<b>Fund Balances, September 30th</b>			<u>\$ 4,203,131</u>		<u>\$ 3,950,060</u>

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, 2013  
 With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues:</b>					
Fees and Services	\$ 115,000	\$ 115,000	\$ 94,315	\$ (20,685)	\$ 101,492
Intergovernmental	-	-	-	-	-
Federal Grants	1,000,000	1,414,818	1,777,532	362,714	319,587
Miscellaneous	140	7,815	153	(7,662)	158
<b>Total Revenues</b>	<u>1,115,140</u>	<u>1,537,633</u>	<u>1,872,000</u>	<u>334,367</u>	<u>421,237</u>
<b>Expenditures:</b>					
Current					
Airport	1,066,667	1,965,328	2,348,565	(383,237)	279,035
<b>Total Expenditures</b>	<u>1,066,667</u>	<u>1,965,328</u>	<u>2,348,565</u>	<u>(383,237)</u>	<u>279,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,473	(427,695)	(476,565)	(48,870)	142,202
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	176,168	176,168	-	52,650
Operating Transfers Out	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	<u>-</u>	<u>176,168</u>	<u>176,168</u>	<u>-</u>	<u>52,650</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ 48,473</u>	<u>\$ (251,527)</u>	(300,397)	<u>\$ (48,870)</u>	194,852
<b>Fund Balances, October 1st</b>			<u>306,606</u>		<u>111,754</u>
<b>Fund Balances, September 30th</b>			<u>\$ 6,209</u>		<u>\$ 306,606</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, 2013  
With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Operating Revenues:</b>					
Charges for Services	\$ 8,563,570	\$ 8,563,570	\$ 9,347,841	\$ 784,271	\$ 8,984,545
Taps, Connection and Other Fees	26,262	26,262	92,796	66,534	38,904
Miscellaneous	85,001	85,001	112,290	27,289	123,823
<b>Total Operating Revenues</b>	<u>8,674,833</u>	<u>8,674,833</u>	<u>9,552,927</u>	<u>878,094</u>	<u>9,147,272</u>
<b>Operating Expenses:</b>					
Contracted Expenses	290,625	290,625	216,393	74,232	402,599
Personnel Expenses	1,743,539	1,743,539	1,493,076	250,463	1,437,174
Depreciation and Amortization	-	-	956,722	(956,722)	526,111
Utilities	828,583	828,583	889,730	(61,147)	799,574
Supplies	525,121	525,121	434,907	90,214	391,098
Repairs and Maintenance	157,019	157,019	172,909	(15,890)	117,571
Vehicle Expense	152,236	152,236	141,421	10,815	134,783
Capital & Equipment	1,253,000	1,253,000	323,054	929,946	139,989
Studies and Projects	22,600	22,600	8,610	13,990	193,578
Rental Expense	113,900	113,900	124,714	(10,814)	117,567
Miscellaneous Expenses	71,400	71,400	66,653	4,747	65,235
Testing and Monitoring	85,000	85,000	75,669	9,331	54,051
Telephone	-	-	11,841	(11,841)	-
Travel and Meetings	5,500	5,500	5,596	(96)	2,961
<b>Total Operating Expenses</b>	<u>5,248,523</u>	<u>5,248,523</u>	<u>4,921,295</u>	<u>327,228</u>	<u>4,382,291</u>
Operating Income (Loss)	3,426,310	3,426,310	4,631,632	1,205,322	4,764,981
<b>Non-operating Revenues (Expenses):</b>					
Interest Income	94,172	94,172	(29,127)	(123,299)	112,256
Rent and Royalties	65,010	65,010	66,159	1,149	65,010
Federal Grants	-	-	-	-	-
Debt Principal Payments	(2,115,000)	(5,728,083)	-	5,728,083	-
Interest Expense	(882,854)	(970,292)	(915,801)	54,491	(1,016,000)
<b>Total Non-operating Revenues (Exp.)</b>	<u>(2,838,672)</u>	<u>(6,539,193)</u>	<u>(878,769)</u>	<u>5,660,424</u>	<u>(838,734)</u>
Income (Loss) before operating transfers	587,638	(3,112,883)	3,752,863	6,865,746	3,926,247
<b>Interfund Transfers and Donations:</b>					
Donation of Assets	-	-	-	-	-
Operating Transfers In	267,208	267,208	267,208	-	259,423
Operating Transfers Out	(854,846)	(859,846)	(859,846)	-	(829,465)
Net Transfers and Donations	<u>(587,638)</u>	<u>(592,638)</u>	<u>(592,638)</u>	<u>-</u>	<u>(570,042)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ (3,705,521)</u>	3,160,225	<u>\$ 6,865,746</u>	3,356,205
<b>Net Position, October 1st</b>			<u>25,509,406</u>		<u>22,153,201</u>
<b>Net Position, September 30th</b>			<u>\$ 28,669,631</u>		<u>\$ 25,509,406</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, 2013

With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Proposed Budget	Final Budget	Actual		
<b>Operating Revenues:</b>					
Charges for Services	\$ 6,998,789	\$ 6,998,788	\$ 7,521,962	\$ 523,174	\$ 6,637,147
Taps, Connection and Other Fees	1,500	1,500	160	(1,340)	335
Miscellaneous	192,566	192,566	269,901	77,335	166,756
<b>Total Operating Revenues</b>	<u>7,192,855</u>	<u>7,192,854</u>	<u>7,792,023</u>	<u>599,169</u>	<u>6,804,238</u>
<b>Operating Expenses:</b>					
Contracted Expenses	3,608,260	3,608,260	3,065,245	543,015	2,845,488
Personnel Expenses	518,466	518,466	545,246	(26,780)	525,145
Depreciation and Amortization	-	-	986,728	(986,728)	983,499
Utilities	-	-	7,747	(7,747)	29
Supplies	16,400	16,400	12,938	3,462	23,554
Repairs & Maintenance	18,300	18,300	23,656	(5,356)	16,440
Vehicle Expense	50,548	50,548	49,524	1,024	49,978
Capital & Equipment	1,338,000	1,957,547	173,068	1,784,479	(168,322)
Studies and Projects	-	-	-	-	-
Rental Expense	-	-	-	-	-
Miscellaneous Expenses	2,300	2,300	244,643	(242,343)	40,256
Telephone	-	-	-	-	-
Travel and Meetings	1,000	1,000	648	352	51
<b>Total Operating Expenses</b>	<u>5,553,274</u>	<u>6,172,821</u>	<u>5,109,443</u>	<u>1,063,378</u>	<u>4,316,118</u>
Operating Income (Loss)	1,639,581	1,020,033	2,682,580	1,662,547	2,488,120
<b>Non-operating Revenues (Expenses):</b>					
Development Fees	116,000	116,000	132,954	16,954	125,118
Interest Income	21,637	21,637	(24,338)	(45,975)	11,107
Debt Principal Payments	(885,000)	(6,114,234)	-	6,114,234	-
Interest Expense	(334,874)	(417,617)	(418,778)	(1,161)	(244,317)
Federal Grant	-	-	845,391	845,391	81,463
<b>Total Non-operating Revenues (Exp.)</b>	<u>(1,082,237)</u>	<u>(6,394,214)</u>	<u>535,229</u>	<u>6,929,443</u>	<u>(26,629)</u>
Income (Loss) before operating transfers	557,344	(5,374,181)	3,217,809	8,591,990	2,461,491
<b>Interfund Transfers and Donations:</b>					
Donation of Assets	-	-	-	-	-
Operating Transfers In	-	-	-	-	6,440,899
Operating Transfers Out	(557,344)	(3,457,344)	(3,457,344)	-	(539,776)
Net Transfers and Donations	<u>(557,344)</u>	<u>(3,457,344)</u>	<u>(3,457,344)</u>	<u>-</u>	<u>5,901,123</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ (8,831,525)</u>	<u>(239,535)</u>	<u>\$ 8,591,990</u>	<u>8,362,614</u>
<b>Net Position, October 1st</b>			<u>29,938,365</u>		<u>21,575,751</u>
<b>Net Position, September 30th</b>			<u>\$ 29,698,830</u>		<u>\$ 29,938,365</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, 2013

With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012
	Proposed Budget	Final Budget	Actual		Actual
<b>Operating Revenues:</b>					
Charges for Services	\$ 2,408,452	\$ 2,408,452	\$ 2,567,778	\$ 159,326	\$ 2,460,651
Miscellaneous	413,900	413,900	-	(413,900)	35,590
<b>Total Operating Revenues</b>	<u>2,822,352</u>	<u>2,822,352</u>	<u>2,567,778</u>	<u>(254,574)</u>	<u>2,496,241</u>
<b>Operating Expenses:</b>					
Contracted Expenses	1,809,808	1,809,808	1,675,622	134,186	1,744,639
Personnel Expenses	208,460	208,460	216,831	(8,371)	119,519
Depreciation and Amortization	-	-	7,519	(7,519)	7,519
Landfill Expenses	630,360	630,360	602,884	27,476	595,166
Supplies	2,700	2,700	1,264	1,436	731
Repairs and Maintenance	6,100	6,100	5,489	611	4,858
Vehicle Expense	7,173	7,173	7,110	63	5,411
Small Equipment	-	-	-	-	-
Studies and Projects	1,625	1,625	1,382	243	1,515
Miscellaneous Expenses	1,150	1,150	5,994	(4,844)	18,850
Telephone	-	-	-	-	-
Travel and Meetings	1,000	1,000	394	606	330
<b>Total Operating Expenses</b>	<u>2,668,376</u>	<u>2,668,376</u>	<u>2,524,489</u>	<u>143,887</u>	<u>2,498,538</u>
Operating Income (Loss)	153,976	153,976	43,289	(110,687)	(2,297)
<b>Non-operating Revenues (Expenses):</b>					
Interest Income	8,000	8,000	(1,934)	(9,934)	7,889
Interest Expense	-	-	-	-	-
<b>Total Non-operating Revenues (Exp.)</b>	<u>8,000</u>	<u>8,000</u>	<u>(1,934)</u>	<u>(9,934)</u>	<u>7,889</u>
Income (Loss) before operating transfers	161,976	161,976	41,355	(120,621)	5,592
<b>Operating Transfers:</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(161,976)	(161,976)	(161,976)	-	(157,203)
Net Transfers	<u>(161,976)</u>	<u>(161,976)</u>	<u>(161,976)</u>	<u>-</u>	<u>(157,203)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>(120,621)</u>	<u>\$ (120,621)</u>	<u>(151,611)</u>
<b>Net Position, October 1st</b>			<u>653,463</u>		<u>805,074</u>
<b>Net Position, September 30th</b>			<u>\$ 532,842</u>		<u>\$ 653,463</u>

See accountants' report.

**SUPPLEMENTARY INFORMATION**

**City of Twin Falls, Idaho**  
Combining Statement - Other Governmental Funds  
Fund Balance Sheets  
September 30, 2013

	<u>Special Revenue Funds</u>				<u>Debt Service Fund</u>		
	<u>Street Light</u>	<u>Library</u>	<u>Pool</u>	<u>Total</u>	<u>LID Guarantee Bond</u>	<u>Library Bond</u>	<u>Total</u>
<b><u>Assets</u></b>							
Cash and Cash Equivalents	\$ 123,365	\$ 87,197	\$ -	\$ 210,562	\$ -	\$ 20,191	\$ 20,191
Restricted Cash	-	-	85,000	85,000	-	-	-
Investments	-	993,295	-	993,295	-	-	-
Receivables (net of allowance)	-	-	-	-	-	-	-
Taxes	3,704	19,429	-	23,133	-	-	-
Fees and Services	-	-	-	-	-	-	-
Intergovernmental	1,297	15,546	32,727	49,570	-	-	-
Interest	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 128,366</b>	<b>\$ 1,115,467</b>	<b>\$ 117,727</b>	<b>\$ 1,361,560</b>	<b>\$ -</b>	<b>\$ 20,191</b>	<b>\$ 20,191</b>
<b><u>Liabilities</u></b>							
Pooled Cash	\$ -	-	\$ 14,446	\$ 14,446	-	-	-
Accounts Payable	19,463	2,232	(2,192)	19,503	-	-	-
Accrued Expenses	-	11,317	-	11,317	-	-	-
Customer Deposits Payable	-	-	-	-	-	-	-
Due to Other Funds	233,920	-	337,286	571,206	-	-	-
<b>Total Liabilities</b>	<b>253,383</b>	<b>13,549</b>	<b>349,540</b>	<b>616,472</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>							
Unavailable Revenue - Property Taxes	3,156	16,553	-	19,709	-	-	-
<b><u>Fund Balance</u></b>							
Nonspendable Fund Balance	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	85,000	85,000	-	-	-
Committed Fund Balance	-	1,085,365	-	1,085,365	-	20,191	20,191
Assigned Fund Balance	-	-	-	-	-	-	-
Unassigned Fund Balance	(128,173)	-	(316,813)	(444,986)	-	-	-
<b>Total Fund Balance</b>	<b>(128,173)</b>	<b>1,085,365</b>	<b>(231,813)</b>	<b>725,379</b>	<b>-</b>	<b>20,191</b>	<b>20,191</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 128,366</b>	<b>\$ 1,115,467</b>	<b>\$ 117,727</b>	<b>\$ 1,361,560</b>	<b>\$ -</b>	<b>\$ 20,191</b>	<b>\$ 20,191</b>

See accountants' report.

**City of Twin Falls, Idaho**  
 Combining Statement - Other Governmental Funds  
 Fund Balance Sheets  
 September 30, 2013

<u>Capital Projects Fund</u>						<u>Other Permanent Funds</u>				<u>Total</u>
<u>Historic Preservation</u>	<u>Park Develop.</u>	<u>Trail Fund</u>	<u>Impact Fee</u>	<u>CDBG</u>	<u>Total</u>	<u>Drug Seizure</u>	<u>Historic Downtown</u>	<u>Fireworks</u>	<u>Total</u>	<u>Other Government Funds</u>
\$ -	\$ -	\$ -	\$ 549,107	\$ -	\$ 549,107	\$ 101,665	\$ -	\$ -	\$ 101,665	\$ 881,525
-	203,416	541	-	-	203,957	-	-	-	-	288,957
-	-	-	1,226,772	-	1,226,772	-	-	-	-	2,220,067
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	23,133
-	-	-	-	-	-	-	-	-	-	-
2,311	-	-	-	-	2,311	-	-	-	-	51,881
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	216,944	-	-	216,944	216,944
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>\$ 2,311</u>	<u>\$ 203,416</u>	<u>\$ 541</u>	<u>\$ 1,775,879</u>	<u>\$ -</u>	<u>\$ 1,982,147</u>	<u>\$ 318,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,609</u>	<u>\$ 3,682,507</u>
\$ 1,479	\$ -	\$ 1	\$ -	\$ -	1,480	\$ -	\$ -	\$ 10,236	\$ 10,236	\$ 26,162
-	-	-	2,340	-	2,340	-	-	-	-	21,843
-	-	-	-	-	-	-	-	-	-	11,317
-	-	-	-	-	-	-	-	-	-	-
3,987	-	-	-	-	3,987	-	-	666	666	575,859
5,466	-	1	2,340	-	7,807	-	-	10,902	10,902	635,181
-	-	-	-	-	-	-	-	-	-	19,709
-	203,416	541	-	-	203,957	-	-	-	-	288,957
-	-	-	1,773,539	-	1,773,539	318,609	-	-	318,609	3,197,704
-	-	-	-	-	-	-	-	-	-	-
(3,155)	-	(1)	-	-	(3,156)	-	-	(10,902)	(10,902)	(459,044)
<u>(3,155)</u>	<u>203,416</u>	<u>540</u>	<u>1,773,539</u>	<u>-</u>	<u>1,974,340</u>	<u>318,609</u>	<u>-</u>	<u>(10,902)</u>	<u>307,707</u>	<u>3,027,617</u>
<u>\$ 2,311</u>	<u>\$ 203,416</u>	<u>\$ 541</u>	<u>\$ 1,775,879</u>	<u>\$ -</u>	<u>\$ 1,982,147</u>	<u>\$ 318,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,609</u>	<u>\$ 3,682,507</u>

See accountants' report.

**City of Twin Falls, Idaho**  
Combining Statement - Other Governmental Funds  
Statements of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended September 30, 2013

	<b>Special Revenue Funds</b>				<b>Debt Service Fund</b>		
	<b>Street Light</b>	<b>Library</b>	<b>Pool</b>	<b>Total</b>	<b>LID Guarantee Bond</b>	<b>Library Bond</b>	<b>Total</b>
<b>Revenues</b>							
Property Taxes, Including Interest	\$ 123,327	\$ 1,466,124	\$ -	\$ 1,589,451	\$ -	\$ -	\$ -
Other Taxes	223,358	-	-	223,358	-	-	-
Special Assessments, Including Interest	-	-	-	-	-	-	-
Fines and Forfeitures	-	40,463	-	40,463	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Fees and Services	-	34,297	-	34,297	-	-	-
Intergovernmental	-	-	124,975	124,975	-	-	-
Federal Grants	-	-	-	-	-	-	-
Miscellaneous	-	(4,016)	2,585	(1,431)	-	-	-
Total Revenue	<u>346,685</u>	<u>1,536,868</u>	<u>127,560</u>	<u>2,011,113</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>							
<b>Current</b>							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Culture and Recreation	-	1,573,896	132,798	1,706,694	-	-	-
Highway and Streets	285,707	-	-	285,707	-	-	-
Airport	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	<u>285,707</u>	<u>1,573,896</u>	<u>132,798</u>	<u>1,992,401</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	60,978	(37,028)	(5,238)	18,712	-	-	-
<b>Operating Transfer:</b>							
Transfers In	-	-	5,500	5,500	-	-	-
Transfers Out	20,737	-	-	20,737	-	-	-
Net Transfers	<u>(20,737)</u>	<u>-</u>	<u>5,500</u>	<u>(15,237)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	40,241	(37,028)	262	3,475	-	-	-
<b>Fund Balance October 1, 2012</b>	(168,414)	1,122,393	(232,075)	721,904	18,376	20,191	38,567
Transfer of Fund Balances to the General Fund	-	-	-	-	(18,376)	-	(18,376)
<b>Fund Balance September 30, 2013</b>	<u>\$ (128,173)</u>	<u>\$ 1,085,365</u>	<u>\$ (231,813)</u>	<u>\$ 725,379</u>	<u>\$ -</u>	<u>\$ 20,191</u>	<u>\$ 20,191</u>

See accountants' report.

**City of Twin Falls, Idaho**  
 Combining Statement - Other Governmental Funds  
 Statements of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended September 30, 2013

Capital Projects Fund						Other Permanent Fund				Total Other Governmental Funds
Historic Preservation	Park Develop.	Trail Fund	Impact Fee	CDBG	Total	Drug Seizure	Historic Downtown	Fireworks	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,589,451
-	-	-	-	-	-	-	-	-	-	223,358
-	-	-	-	-	-	72,757	-	-	72,757	72,757
-	-	-	-	-	-	-	-	-	-	40,463
-	-	-	-	-	-	-	-	-	-	-
-	-	-	751,367	-	751,367	-	-	1,025	1,025	786,689
-	-	-	-	-	-	-	-	-	-	124,975
2,311	-	-	-	-	2,311	-	-	-	-	2,311
-	17,455	-	(4,411)	-	13,044	-	-	1,525	1,525	13,138
2,311	17,455	-	746,956	-	766,722	72,757	-	2,550	75,307	2,853,142
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	35,612	-	-	35,612	35,612
-	-	-	-	-	-	-	-	-	-	-
2,281	6,521	-	37,260	-	46,062	-	-	9,415	9,415	55,477
-	-	-	-	-	-	-	-	-	-	1,706,694
-	-	-	-	-	-	-	-	-	-	285,707
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
2,281	6,521	-	37,260	-	46,062	35,612	-	9,415	45,027	2,083,490
30	10,934	-	709,696	-	720,660	37,145	-	(6,865)	30,280	769,652
-	-	-	-	-	-	-	-	6,500	6,500	12,000
-	-	-	-	-	-	-	-	-	-	20,737
-	-	-	-	-	-	-	-	6,500	6,500	(8,737)
30	10,934	-	709,696	-	720,660	37,145	-	(365)	36,780	760,915
(3,185)	192,482	540	1,063,843	(61)	1,253,619	281,464	16,284	(10,537)	287,211	2,301,301
-	-	-	-	61	61	-	(16,284)	-	(16,284)	(34,599)
\$ (3,155)	\$ 203,416	\$ 540	\$ 1,773,539	\$ -	\$ 1,974,340	\$ 318,609	\$ -	\$ (10,902)	\$ 307,707	\$ 3,027,617

See accountants' report.

**City of Twin Falls, Idaho**  
Combining Statement - Proprietary Funds  
Fund Balance Sheets  
September 30, 2013

**Business-Type Activities**

	<b>Business-Type Activities</b>				<b>Total</b>
	<b>Golf</b>	<b>Dierkes Lake Shoshone Falls</b>	<b>Parking</b>	<b>Common Area Maintenance</b>	
<b>Assets</b>					
Cash and Cash Equivalents	\$ -	\$ 79,196	\$ -	\$ 18,862	\$ 98,058
Investments	-	226,401	-	-	226,401
Receivables (net of allowance for uncollected.)	-	-	-	-	-
Fees and Services	-	-	-	4,822	4,822
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Accounts	4,607	549	-	-	5,156
Due From Other Funds	-	-	-	-	-
Inventories	-	-	-	-	-
<b>Total Current Assets</b>	<b>4,607</b>	<b>306,146</b>	<b>-</b>	<b>23,684</b>	<b>334,437</b>
Restricted Assets	-	-	-	-	-
Deferred Charges	-	-	-	-	-
Fixed Assets (Net of Accum. Depreciation)	452,035	1,069,000	-	-	1,521,035
<b>Total Assets</b>	<b>\$ 456,642</b>	<b>\$ 1,375,146</b>	<b>\$ -</b>	<b>\$ 23,684</b>	<b>\$ 1,855,472</b>
<b>Liabilities and Equity</b>					
Current Liabilities:					
Pooled Cash	\$ 310,953	\$ -	\$ -	\$ -	\$ 310,953
Accounts Payable	(302)	12,465	-	1,205	13,368
Accrued Expenses	-	-	-	-	-
Due to Other Funds	362,021	-	-	-	362,021
Notes Payable - Current	-	-	-	-	-
Compensated Absences	7,697	-	-	-	7,697
<b>Total Current Liabilities</b>	<b>680,369</b>	<b>12,465</b>	<b>-</b>	<b>1,205</b>	<b>694,039</b>
Current Liab. Payable from Restricted Assets:					
Revenue Bonds Payable - Current	-	-	-	-	-
Customer Deposits Payable	-	-	-	-	-
<b>Total Curr. Liab. From Restricted Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NonCurrent Liabilities:					
Notes Payable - Equipment	-	-	-	-	-
Revenue Bonds Payable (Net of Discounts)	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>680,369</b>	<b>12,465</b>	<b>-</b>	<b>1,205</b>	<b>694,039</b>
<b>Net Position</b>					
Invested In Capital Assets, net of related debt	452,035	1,069,000	-	-	1,521,035
Restricted	-	-	-	-	-
Unrestricted	(675,762)	293,681	-	22,479	(359,602)
<b>Total Equity</b>	<b>(223,727)</b>	<b>1,362,681</b>	<b>-</b>	<b>22,479</b>	<b>1,161,433</b>
<b>Total Liabilities and Equity</b>	<b>\$ 456,642</b>	<b>\$ 1,375,146</b>	<b>\$ -</b>	<b>\$ 23,684</b>	<b>\$ 1,855,472</b>

See accountants' report.

**City of Twin Falls, Idaho**  
Combining Statement - Proprietary Funds  
Statements of Revenues, Expenses, and Changes in Fund Net Position  
For the Year Ended September 30, 2013

	<b>Business-Type Activities</b>				
		<b>Dierkes Lake Shoshone</b>		<b>Common Area</b>	
	<b>Golf</b>	<b>Falls</b>	<b>Parking</b>	<b>Maintenance</b>	<b>Totals</b>
<b>Operating Revenues:</b>					
Charges for Services	\$ 7,378	\$ 202,547	\$ -	\$ 29,076	\$ 239,001
Taps, Connection and Other Fees	-	-	-	-	-
Miscellaneous	-	3,600	-	-	3,600
<b>Total Operating Revenues</b>	<b>7,378</b>	<b>206,147</b>	<b>-</b>	<b>29,076</b>	<b>242,601</b>
<b>Operating Expenses:</b>					
Contracted Services	-	55,166	-	15,433	70,599
Personal Expenses	(3,986)	83,753	-	-	79,767
Depreciation and Amortization	39,288	51,056	-	-	90,344
Utilities	-	4,596	-	848	5,444
Landfill Expenses	-	-	-	-	-
Supplies	-	4,003	-	-	4,003
Insurance	-	-	-	-	-
Repairs and Maintenance	-	5,016	-	4,071	9,087
Vehicle Expenses	-	1,180	-	-	1,180
Small Equipment	47,366	16,654	-	-	64,020
Studies and Projects	-	-	-	-	-
Rental Expense	-	-	-	-	-
Miscellaneous Expense	-	4,332	-	39	4,371
Testing and Monitoring	-	-	-	-	-
Telephone	-	-	-	-	-
Travel and Meetings	329	-	-	-	329
<b>Total Operating Expenses</b>	<b>82,997</b>	<b>225,756</b>	<b>-</b>	<b>20,391</b>	<b>329,144</b>
Operating Income (Loss)	(75,619)	(19,609)	-	8,685	(86,543)
<b>Non-Operating Revenues (Expenses):</b>					
Development Fees	-	-	-	-	-
Interest Income	-	(1,229)	-	-	(1,229)
Rent and Royalties	-	-	-	-	-
Federal Grants	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Loss on Transfer of Assets	-	-	-	-	-
Interest Expense	-	-	-	-	-
<b>Total Non-Operating Revenues (Exp.)</b>	<b>-</b>	<b>(1,229)</b>	<b>-</b>	<b>-</b>	<b>(1,229)</b>
Income (Loss) Before Operating Transfers	(75,619)	(20,838)	-	8,685	(87,772)
<b>Operating Transfers:</b>					
Operating Transfers In	40,700	(2,000)	-	-	38,700
Operating Transfers Out	-	(9,073)	-	(2,596)	(11,669)
<b>Net Transfers</b>	<b>40,700</b>	<b>(11,073)</b>	<b>-</b>	<b>(2,596)</b>	<b>27,031</b>
Net Income (Loss)	(34,919)	(31,911)	-	6,089	(60,741)
<b>Total Net Position, October 1, 2012</b>	<b>(188,808)</b>	<b>1,394,592</b>	<b>57,630</b>	<b>16,390</b>	<b>1,279,804</b>
<b>Transfer of Fund Balance to General Fund</b>	<b>-</b>	<b>-</b>	<b>(57,630)</b>	<b>-</b>	<b>(57,630)</b>
<b>Total Net Position, September 30, 2013</b>	<b>\$ (223,727)</b>	<b>\$ 1,362,681</b>	<b>\$ -</b>	<b>\$ 22,479</b>	<b>\$ 1,161,433</b>

See accountants' report.

**City of Twin Falls, Idaho**  
Combining Statement - Internal Service Funds  
Statement of Net Position  
September 30, 2013

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Shop</b>		
	<b>Insurance</b>	<b>Revolving</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 59,761	\$ 426,861	\$ 486,622
Investments	155,783	-	155,783
Receivables (net of allowance for uncollect.)			-
Taxes	5,634	-	5,634
Fees and Services	-	-	-
Intergovernmental	1,823	-	1,823
Interest	-	-	-
Accounts	-	-	-
Due From Other Funds	-	-	-
Inventories	-	-	-
Total Current Assets	223,001	426,861	649,862
Restricted Assets			
Deferred Charges			
Fixed Assets (Net of Accum. Depreciation)	-	328,716	328,716
<b>Total Assets</b>	\$ 223,001	\$ 755,577	\$ 978,578
<b><u>Liabilities and Net Position</u></b>			
Current Liabilities:			
Pooled Cash	\$ -	\$ -	\$ -
Accounts Payable	-	76	76
Accrued Expenses	-	-	-
Deferred Revenue	4,800	-	4,800
Notes Payable - Current	-	-	-
Compensated Absences	-	23,664	23,664
<b>Total Current Liabilities</b>	4,800	23,740	28,540
<b>Total Liabilities</b>	4,800	23,740	28,540
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	-	328,716	328,716
Restricted	-	-	-
Unrestricted	218,201	403,121	621,322
<b>Total Net Position</b>	218,201	731,837	950,038
<b>Total Liabilities and Net Position</b>	\$ 223,001	\$ 755,577	\$ 978,578

See accountants' report.

**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, 2013

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Insurance</b>	<b>Shop Revolving</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for Services	\$ -	\$ 305,492	\$ 305,492
Property Taxes, Including Interest	173,697	-	173,697
Taps, Connection and Other Fees	-	-	-
Miscellaneous	(688)	194	(494)
<b>Total Operating Revenues</b>	<u>173,009</u>	<u>305,686</u>	<u>478,695</u>
<b>Operating Expenses:</b>			
Contracted Services	-	1,534	1,534
Personal Expenses	-	244,741	244,741
Depreciation and Amortization	-	15,163	15,163
Utilities	-	6,278	6,278
Landfill Expenses	-	-	-
Supplies	-	25,740	25,740
Insurance	354,592	-	354,592
Repairs and Maintenance	-	9,492	9,492
Vehicle Expenses	-	958	958
Small Equipment	-	15,807	15,807
Studies and Projects	-	-	-
Rental Expense	-	-	-
Miscellaneous Expense	385	-	385
Testing and Monitoring	-	-	-
Telephone	-	-	-
Travel and Meetings	-	-	-
<b>Total Operating Expenses</b>	<u>354,977</u>	<u>319,713</u>	<u>674,690</u>
Operating Income (Loss)	(181,968)	(14,027)	(195,995)
<b>Non-Operating Revenues (Expenses):</b>			
Development Fees	-	-	-
Interest Income	-	-	-
Rent and Royalties	-	-	-
Federal Grants	-	-	-
Intergovernmental	-	-	-
Interest Expense	-	-	-
<b>Total Non-Operating Revenues (Exp.)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Operating Transfers	(181,968)	(14,027)	(195,995)
<b>Operating Transfers:</b>			
Operating Transfers In	229,894	5,000	234,894
Operating Transfers Out	(51,843)	-	(51,843)
<b>Net Transfers</b>	<u>178,051</u>	<u>5,000</u>	<u>183,051</u>
Net Income (Loss)	(3,917)	(9,027)	(12,944)
<b>Total Net Position, October 1, 2012</b>	<u>222,118</u>	<u>740,864</u>	<u>962,982</u>
<b>Total Net Position, September 30, 2013</b>	<u>\$ 218,201</u>	<u>\$ 731,837</u>	<u>\$ 950,038</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, 2013  
With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues:</b>					
Property Taxes	\$ 122,537	\$ 122,537	\$ 123,327	\$ 790	\$ 99,979
Non-Property Taxes	199,260	199,260	223,358	24,098	196,323
Miscellaneous & Intergovernmental	-	-	-	-	-
<b>Total Revenues</b>	<u>321,797</u>	<u>321,797</u>	<u>346,685</u>	<u>24,888</u>	<u>296,302</u>
<b>Expenditures:</b>					
Current					
Highways and Streets	301,060	301,060	285,707	15,353	250,225
<b>Total Expenditures</b>	<u>301,060</u>	<u>301,060</u>	<u>285,707</u>	<u>15,353</u>	<u>250,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,737	20,737	60,978	40,241	46,077
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(20,737)	(20,737)	(20,737)	-	(20,133)
<b>Total Other Sources (Uses)</b>	<u>(20,737)</u>	<u>(20,737)</u>	<u>(20,737)</u>	<u>-</u>	<u>(20,133)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	40,241	<u>\$ 40,241</u>	25,944
<b>Fund Balances, October 1st</b>			<u>(168,414)</u>		<u>(194,358)</u>
<b>Fund Balances, September 30th</b>			<u>\$ (128,173)</u>		<u>\$ (168,414)</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, 2013

With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues:</b>					
Property Taxes	\$ 1,473,293	\$ 1,473,293	\$ 1,466,124	\$ (7,169)	\$ 1,446,755
Fines and Forfeits	28,000	28,000	40,463	12,463	41,328
Fees and Services	32,500	32,500	34,297	1,797	32,886
Grants	-	-	-	-	35,300
Miscellaneous	14,000	14,000	(4,016)	(18,016)	29,561
<b>Total Revenues</b>	<u>1,547,793</u>	<u>1,547,793</u>	<u>1,536,868</u>	<u>(10,925)</u>	<u>1,585,830</u>
<b>Expenditures:</b>					
Current					
Culture and Recreation	61,500	61,500	1,409,791	(1,348,291)	1,418,617
Capital Outlay	1,673,293	1,673,293	164,105	1,509,188	112,885
<b>Total Expenditures</b>	<u>1,734,793</u>	<u>1,734,793</u>	<u>1,573,896</u>	<u>160,897</u>	<u>1,531,502</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(187,000)	(187,000)	(37,028)	149,972	54,328
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	-	-	-	60,000
Operating Transfers Out	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (187,000)</u>	<u>\$ (187,000)</u>	(37,028)	<u>\$ 149,972</u>	\$ 114,328
<b>Fund Balances, October 1st</b>			<u>1,122,393</u>		<u>1,008,065</u>
<b>Fund Balances, September 30th</b>			<u>\$ 1,085,365</u>		<u>\$ 1,122,393</u>

See accountants' report.

**CITY OF TWIN FALLS, IDAHO**  
Special Revenue - Pool Fund  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended September 30, 2013  
With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Operating Revenues:</b>					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous and Reserves	-	2,586	-	(2,586)	-
<b>Total Operating Revenues</b>	<u>-</u>	<u>2,586</u>	<u>-</u>	<u>(2,586)</u>	<u>-</u>
<b>Operating Expenses:</b>					
Contracted Expenses	120,000	120,000	120,000	-	120,000
Personnel Expenses	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-
Utilities	-	-	-	-	-
Supplies	-	300	(520)	820	(14)
Repairs and Maintenance	-	2,396	3,466	(1,070)	3,943
Rental Expense	-	-	-	-	249
Telephone	-	-	-	-	-
Travel and Meetings	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>120,000</u>	<u>122,696</u>	<u>122,946</u>	<u>(250)</u>	<u>124,178</u>
Operating Income (Loss)	(120,000)	(120,110)	(122,946)	(2,836)	(124,178)
<b>Non-operating Revenues (Expenses):</b>					
Intergovernmental	120,000	120,000	124,975	4,975	127,409
Loss on Transfer of Assets	-	-	2,585	-	-
Capital Outlay	(5,500)	(10,672)	(9,852)	820	-
<b>Total Non-operating Revenues (Exp.)</b>	<u>114,500</u>	<u>109,328</u>	<u>117,708</u>	<u>5,795</u>	<u>127,409</u>
Income (Loss) before operating transfers	(5,500)	(10,782)	(5,238)	2,959	3,231
<b>Operating Transfers:</b>					
Operating Transfers In	5,500	10,782	5,500	(5,282)	-
Operating Transfers Out	-	-	-	-	(815,253)
Net Transfers	<u>5,500</u>	<u>10,782</u>	<u>5,500</u>	<u>(5,282)</u>	<u>(815,253)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	262	<u>\$ (2,323)</u>	(812,022)
<b>Fund Balances, October 1st</b>			<u>(232,075)</u>		<u>579,947</u>
<b>Fund Balances, September 30th</b>			<u>\$ (231,813)</u>		<u>\$ (232,075)</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, 2013  
With Comparative Actual Amounts from the Previous Year

	2013				2012
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues:</b>					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	-	-	-	-	-
<b>Expenditures:</b>					
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	6
<b>Total Expenditures</b>	-	-	-	-	6
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(6)
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ -	\$ -	-	\$ -	(6)
<b>Fund Balances, October 1st</b>			18,376		18,382
<b>Transfer of Fund Balance to General Account</b>			(18,376)		-
<b>Fund Balances, September 30th</b>			\$ -		\$ 18,376

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, 2013  
With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Proposed Budget	Final Budget	Actual		
<b>Revenues:</b>					
Property Taxes, Including Penalty and Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Current					
Culture and Recreation	-	-	-	-	7
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(7)
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	(7)
<b>Fund Balances, October 1st</b>			<u>20,191</u>		<u>20,198</u>
<b>Fund Balances, September 30th</b>			<u>\$ 20,191</u>		<u>\$ 20,191</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, 2013  
 With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Proposed Budget	Final Budget	Actual		
<b>Revenues:</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	6,000	6,000	2,311	(3,689)	5,826
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<u>6,000</u>	<u>6,000</u>	<u>2,311</u>	<u>(3,689)</u>	<u>5,826</u>
<b>Expenditures:</b>					
Current					
Community Development	6,000	6,000	2,281	3,719	889
<b>Total Expenditures</b>	<u>6,000</u>	<u>6,000</u>	<u>2,281</u>	<u>3,719</u>	<u>889</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	30	30	4,937
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	30	<u>\$ 30</u>	4,937
<b>Fund Balances, October 1st</b>			<u>(3,185)</u>		<u>(8,122)</u>
<b>Fund Balances, September 30th</b>			<u>\$ (3,155)</u>		<u>\$ (3,185)</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, 2013  
 With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Proposed Budget	Final Budget	Actual		
<b>Revenues:</b>					
Miscellaneous	\$ -	\$ -	\$ 17,455	\$ 17,455	\$ 2,542
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>17,455</u>	<u>17,455</u>	<u>2,542</u>
<b>Expenditures:</b>					
Current					
Industrial Development	11,150	11,150	6,521	4,629	104,318
<b>Total Expenditures</b>	<u>11,150</u>	<u>11,150</u>	<u>6,521</u>	<u>4,629</u>	<u>104,318</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,150)	(11,150)	10,934	22,084	(101,776)
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (11,150)</u>	<u>\$ (11,150)</u>	10,934	<u>\$ 22,084</u>	(101,776)
<b>Fund Balances, October 1st</b>			<u>192,482</u>		<u>294,258</u>
<b>Fund Balances, September 30th</b>			<u>\$ 203,416</u>		<u>\$ 192,482</u>

See accountants' report.

**CITY OF TWIN FALLS, IDAHO**

Capital Projects - Trail Fund

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

For the Fiscal Year Ended September 30, 2013

With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Proposed Budget	Final Budget	Actual		
<b>Revenues:</b>					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ 499
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>499</u>
<b>Expenditures:</b>					
Current					
Trail Fund	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	499
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	499
<b>Fund Balances, October 1st</b>			<u>540</u>		<u>41</u>
<b>Fund Balances, September 30th</b>			<u>\$ 540</u>		<u>\$ 540</u>

See accountants' report.

**CITY OF TWIN FALLS, IDAHO**

Other Funds - Impact Fees

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

For the Fiscal Year Ended September 30, 2013

With Comparative Actual Amounts from the Previous Year

	2013			Variance	2012
	Proposed	Final	Actual	Favorable	Actual
	Budget	Budget	Actual	(Unfavorable)	Actual
<b>Operating Revenues:</b>					
Fees and Services	\$ -	\$ -	\$ 751,367	\$ 751,367	\$ 610,473
Miscellaneous	-	-	(4,411)	(4,411)	8,778
<b>Total Operating Revenues</b>	<u>-</u>	<u>-</u>	<u>746,956</u>	<u>746,956</u>	<u>619,251</u>
<b>Operating Expenses:</b>					
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	<u>392,000</u>	<u>392,000</u>	<u>37,260</u>	<u>354,740</u>	<u>-</u>
<b>Total Operating Expenses</b>	<u>392,000</u>	<u>392,000</u>	<u>37,260</u>	<u>354,740</u>	<u>-</u>
Income (Loss) before operating transfers	(392,000)	(392,000)	709,696	1,101,696	619,251
<b>Operating Transfers:</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ (392,000)</u>	<u>\$ (392,000)</u>	709,696	<u>\$ 1,101,696</u>	619,251
<b>Fund Balances, October 1st</b>			<u>1,063,843</u>		<u>444,592</u>
<b>Fund Balances, September 30th</b>			<u>\$ 1,773,539</u>		<u>\$ 1,063,843</u>

See accountants' report.

**CITY OF TWIN FALLS, IDAHO**

Other Funds - CDBG

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

For the Fiscal Year Ended September 30, 2013

With Comparative Actual Amounts from the Previous Year

	2013				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>Operating Revenues:</b>					
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-
<b>Total Operating Revenues</b>	-	-	-	-	-
<b>Operating Expenses:</b>					
Community Development	-	-	-	-	-
<b>Total Operating Expenses</b>	-	-	-	-	-
Income (Loss) before operating transfers	-	-	-	-	-
<b>Operating Transfers:</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Net Transfers	-	-	-	-	-
Net Income (Loss)	\$ -	\$ -	-	\$ -	-
<b>Fund Balances, October 1st</b>			(61)		(61)
<b>Transfer Fund Balance to General Fund</b>			61		-
<b>Fund Balances, September 30th</b>			\$ -		\$ (61)

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, 2013

With Comparative Actual Amounts from the Previous Year

	2013				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>Operating Revenues:</b>					
Special Assessments, Including Interest	\$ -	\$ -	\$ 72,757	\$ 72,757	\$ 91,567
Miscellaneous	-	-	-	-	-
<b>Total Operating Revenues</b>	-	-	72,757	72,757	91,567
<b>Operating Expenses:</b>					
Public Safety	33,800	35,612	35,612	-	67,261
<b>Total Operating Expenses</b>	33,800	35,612	35,612	-	67,261
Income (Loss) before operating transfers	(33,800)	(35,612)	37,145	72,757	24,306
<b>Operating Transfers:</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Net Transfers	-	-	-	-	-
Net Income (Loss)	\$ (33,800)	\$ (35,612)	37,145	\$ 72,757	24,306
<b>Fund Balances, October 1st</b>			281,464		257,158
<b>Fund Balances, September 30th</b>			\$ 318,609		\$ 281,464

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, 2013  
 With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Operating Revenues:</b>					
Special Assessments, Including Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating Expenses:</b>					
Community Development	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) before operating transfers	-	-	-	-	-
<b>Operating Transfers:</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Net Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
<b>Fund Balances, October 1st</b>			16,284		16,284
<b>Transfer Fund Balance to General Fund</b>			<u>(16,284)</u>		<u>-</u>
<b>Fund Balances, September 30th</b>			<u>\$ -</u>		<u>\$ 16,284</u>

See accountants' report.

**CITY OF TWIN FALLS, IDAHO**

Other Funds - Fireworks Fund

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

For the Fiscal Year Ended September 30, 2013

With Comparative Actual Amounts from the Previous Year

	2013				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>Operating Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous and Permits	1,500	3,000	2,550	(450)	1,869
<b>Total Operating Revenues</b>	1,500	3,000	2,550	(450)	1,869
<b>Operating Expenses:</b>					
Community Development	8,000	9,500	9,415	85	8,000
<b>Total Operating Expenses</b>	8,000	9,500	9,415	85	8,000
Income (Loss) before operating transfers	(6,500)	(6,500)	(6,865)	(365)	(6,131)
<b>Operating Transfers:</b>					
Operating Transfers In	6,500	6,500	6,500	-	6,500
Operating Transfers Out	-	-	-	-	-
Net Transfers	6,500	6,500	6,500	-	6,500
Net Income (Loss)	\$ -	\$ -	(365)	\$ (365)	369
<b>Fund Balances, October 1st</b>			(10,537)		(10,906)
<b>Fund Balances, September 30th</b>			\$ (10,902)		\$ (10,537)

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, 2013

With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Operating Revenues:</b>					
Charges for Services	\$ -	\$ -	\$ 7,378	\$ 7,378	\$ 18,029
Miscellaneous	-	-	-	-	969
<b>Total Operating Revenues</b>	<u>-</u>	<u>-</u>	<u>7,378</u>	<u>7,378</u>	<u>18,998</u>
<b>Operating Expenses:</b>					
Contracted Expenses	37,500	37,500	-	37,500	11,380
Personnel Expenses	-	-	(3,986)	3,986	38,497
Depreciation and Amortization	-	-	39,288	(39,288)	40,145
Utilities	-	-	-	-	2,548
Supplies	-	-	-	-	5,161
Repairs and Maintenance	-	-	-	-	8,697
Vehicle Expense	-	-	-	-	3,415
Small Equipment	3,200	3,200	47,366	(44,166)	1,396
Studies and Projects	-	-	-	-	-
Rental Expense	-	-	-	-	-
Miscellaneous Expenses	-	-	-	-	87
Telephone	-	-	-	-	-
Travel and Meetings	-	-	329	(329)	184
<b>Total Operating Expenses</b>	<u>40,700</u>	<u>40,700</u>	<u>82,997</u>	<u>(42,297)</u>	<u>111,510</u>
Operating Income (Loss)	(40,700)	(40,700)	(75,619)	(34,919)	(92,512)
<b>Non-operating Revenues (Expenses):</b>					
Interest Income	-	-	-	-	-
Interest Expense	-	-	-	-	467
<b>Total Non-operating Revenues (Exp.)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>467</u>
Income (Loss) before operating transfers	(40,700)	(40,700)	(75,619)	(34,919)	(92,045)
<b>Operating Transfers:</b>					
Operating Transfers In	40,700	40,700	40,700	-	111,747
Operating Transfers Out	-	-	-	-	-
Net Transfers	<u>40,700</u>	<u>40,700</u>	<u>40,700</u>	<u>-</u>	<u>111,747</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>(34,919)</u>	<u>\$ (34,919)</u>	<u>19,702</u>
<b>Net Position, October 1st</b>			<u>(188,808)</u>		<u>(208,510)</u>
<b>Net Position, September 30th</b>			<u>\$ (223,727)</u>		<u>\$ (188,808)</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, 2013  
With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Operating Revenues:</b>					
Charges for Services	\$ 170,866	\$ 170,866	\$ 202,547	\$ 31,681	\$ 215,724
Miscellaneous and Reserves	-	-	3,600	3,600	3,262
<b>Total Operating Revenues</b>	<u>170,866</u>	<u>170,866</u>	<u>206,147</u>	<u>35,281</u>	<u>218,986</u>
<b>Operating Expenses:</b>					
Contracted Expenses	61,300	61,300	55,166	6,134	56,143
Personnel Expenses	69,973	69,973	83,753	(13,780)	82,942
Depreciation and Amortization	-	-	51,056	(51,056)	49,408
Utilities	4,320	4,320	4,596	(276)	4,494
Supplies	5,000	5,000	4,003	997	4,893
Repairs and Maintenance	8,000	8,000	5,016	2,984	8,715
Vehicle Expense	-	-	1,180	(1,180)	1,008
Small Equipment	11,000	11,000	16,654	(5,654)	(190)
Miscellaneous Expenses	5,500	5,500	4,332	1,168	6,824
Telephone	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>165,093</u>	<u>165,093</u>	<u>225,756</u>	<u>(60,663)</u>	<u>214,237</u>
Operating Income (Loss)	5,773	5,773	(19,609)	(25,382)	4,749
<b>Non-operating Revenues (Expenses):</b>					
Interest Income	3,300	3,300	(1,229)	(4,529)	3,759
Interest Expense	-	-	-	-	-
<b>Total Non-operating Revenues (Exp.)</b>	<u>3,300</u>	<u>3,300</u>	<u>(1,229)</u>	<u>(4,529)</u>	<u>3,759</u>
Income (Loss) before operating transfers	9,073	9,073	(20,838)	(29,911)	8,508
<b>Operating Transfers:</b>					
Operating Transfers In	-	-	(2,000)	(2,000)	-
Operating Transfers Out	(9,073)	(9,073)	(9,073)	-	(8,808)
Net Transfers	<u>(9,073)</u>	<u>(9,073)</u>	<u>(11,073)</u>	<u>(2,000)</u>	<u>(8,808)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	(31,911)	<u>\$ (31,911)</u>	(300)
<b>Net Position, October 1st</b>			<u>1,394,592</u>		<u>1,394,892</u>
<b>Net Position, September 30th</b>			<u>\$ 1,362,681</u>		<u>\$ 1,394,592</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, 2013

With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Proposed Budget	Final Budget	Actual		
<b>Operating Revenues:</b>					
Charges for Services	\$ 63,525	\$ 63,525	\$ -	\$ (63,525)	\$ 46,322
Miscellaneous	-	-	-	-	11,167
<b>Total Operating Revenues</b>	<u>63,525</u>	<u>63,525</u>	<u>-</u>	<u>(63,525)</u>	<u>57,489</u>
<b>Operating Expenses:</b>					
Contracted Expenses	3,885	3,885	-	3,885	1,065
Personnel Expenses	57,135	57,135	-	57,135	50,513
Depreciation and Amortization	-	-	-	-	-
Supplies	150	150	-	150	44
Repairs and Maintenance	500	500	-	500	821
Miscellaneous Expenses	2,785	2,785	-	2,785	15,651
Telephone	-	-	-	-	35
Travel	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>64,455</u>	<u>64,455</u>	<u>-</u>	<u>64,455</u>	<u>68,129</u>
Operating Income (Loss)	(930)	(930)	-	930	(10,640)
<b>Non-operating Revenues (Expenses):</b>					
Interest Income	930	930	-	(930)	916
Interest Expense	-	-	-	-	-
<b>Total Non-operating Revenues (Exp.)</b>	<u>930</u>	<u>930</u>	<u>-</u>	<u>(930)</u>	<u>916</u>
Income (Loss) before operating transfers	-	-	-	-	(9,724)
<b>Operating Transfers:</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Net Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(9,724)</u>
<b>Net Position, October 1st</b>			57,630		67,354
<b>Transfer Net Position to the General Fund</b>			<u>(57,630)</u>		<u>-</u>
<b>Net Position, September 30th</b>			<u>\$ -</u>		<u>\$ 57,630</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, 2013  
 With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Proposed Budget	Final Budget	Actual		
<b>Operating Revenues:</b>					
Charges for Services	\$ 26,676	\$ 26,676	\$ 29,076	\$ 2,400	\$ 27,269
Miscellaneous	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>26,676</u>	<u>26,676</u>	<u>29,076</u>	<u>2,400</u>	<u>27,269</u>
<b>Operating Expenses:</b>					
Contracted Expenses	22,200	22,200	15,433	6,767	21,090
Personnel Expenses	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-
Utilities	1,080	1,080	848	232	847
Supplies	-	-	-	-	-
Repairs and Maintenance	800	800	4,071	(3,271)	2,567
Vehicle Expense	-	-	-	-	-
Miscellaneous Expenses	-	-	39	(39)	146
Telephone	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>24,080</u>	<u>24,080</u>	<u>20,391</u>	<u>3,689</u>	<u>24,650</u>
Operating Income (Loss)	2,596	2,596	8,685	6,089	2,619
<b>Non-operating Revenues (Expenses):</b>					
Interest Income	-	-	-	-	-
Interest Expense	-	-	-	-	-
<b>Total Non-operating Revenues (Exp.)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) before operating transfers	2,596	2,596	8,685	6,089	2,619
<b>Operating Transfers:</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(2,596)	(2,596)	(2,596)	-	(2,520)
Net Transfers	<u>(2,596)</u>	<u>(2,596)</u>	<u>(2,596)</u>	<u>-</u>	<u>(2,520)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	6,089	<u>\$ 6,089</u>	99
<b>Net Position, October 1st</b>			<u>16,390</u>		<u>16,291</u>
<b>Net Position, September 30th</b>			<u>\$ 22,479</u>		<u>\$ 16,390</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, 2013  
With Comparative Actual Amounts from the Previous Year

	2013				2012 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Operating Revenues:</b>					
Special Assessments, Including Interest	\$ 172,322	\$ 172,322	\$ 173,697	\$ 1,375	\$ 169,693
Miscellaneous	2,200	2,200	(688)	(2,888)	1,847
<b>Total Operating Revenues</b>	<u>174,522</u>	<u>174,522</u>	<u>173,009</u>	<u>(1,513)</u>	<u>171,540</u>
<b>Operating Expenses:</b>					
Insurance Expense	351,773	357,773	354,592	3,181	352,815
Miscellaneous Expenses	650	650	385	265	431
Travel and Meetings	150	150	-	150	-
<b>Total Operating Expenses</b>	<u>352,573</u>	<u>358,573</u>	<u>354,977</u>	<u>3,596</u>	<u>353,246</u>
Operating Income (Loss)	(178,051)	(184,051)	(181,968)	2,083	(181,706)
<b>Non-operating Revenues (Expenses):</b>					
Interest Income	-	-	-	-	-
Interest Expense	-	-	-	-	-
<b>Total Non-operating Revenues (Exp.)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) before operating transfers	(178,051)	(184,051)	(181,968)	2,083	(181,706)
<b>Operating Transfers:</b>					
Operating Transfers In	229,894	229,894	229,894	-	220,893
Operating Transfers Out	(51,843)	(51,843)	(51,843)	-	(50,333)
Net Transfers	<u>178,051</u>	<u>178,051</u>	<u>178,051</u>	<u>-</u>	<u>170,560</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ (6,000)</u>	(3,917)	<u>\$ 2,083</u>	(11,146)
<b>Net Position, October 1st</b>			<u>222,118</u>		<u>233,264</u>
<b>Net Position, September 30th</b>			<u>\$ 218,201</u>		<u>\$ 222,118</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, 2013  
With Comparative Actual Amounts from the Previous Year

	2013			Variance Favorable (Unfavorable)	2012 Actual
	Proposed Budget	Final Budget	Actual		
<b>Operating Revenues:</b>					
Charges for Services	\$ 293,447	\$ 293,447	\$ 305,492	\$ 12,045	\$ 267,433
Miscellaneous	-	-	194	194	230
<b>Total Operating Revenues</b>	<u>293,447</u>	<u>293,447</u>	<u>305,686</u>	<u>12,239</u>	<u>267,663</u>
<b>Operating Expenses:</b>					
Contracted Expenses	1,450	1,450	1,534	(84)	1,690
Personnel Expenses	222,847	227,847	244,741	(16,894)	216,074
Depreciation and Amortization	-	-	15,163	(15,163)	13,416
Utilities	9,200	9,200	6,278	2,922	5,288
Supplies	26,100	26,100	25,740	360	19,687
Repairs and Maintenance	12,000	12,000	9,492	2,508	3,957
Vehicle Expense	1,000	1,000	958	42	660
Small Equipment	19,850	19,850	15,807	4,043	11,346
Studies and Prljects	-	-	-	-	-
Miscellaneous Expenses	1,000	1,000	-	1,000	-
Telephone	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>293,447</u>	<u>298,447</u>	<u>319,713</u>	<u>(21,266)</u>	<u>272,118</u>
Operating Income (Loss)	-	(5,000)	(14,027)	(9,027)	(4,455)
<b>Non-operating Revenues (Expenses):</b>					
Interest Income	-	-	-	-	-
Interest Expense	-	-	-	-	-
<b>Total Non-operating Revenues (Exp.)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) before operating transfers	-	(5,000)	(14,027)	(9,027)	(4,455)
<b>Operating Transfers:</b>					
Operating Transfers In	-	5,000	5,000	-	-
Operating Transfers Out	-	-	-	-	8,767
Net Transfers	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>8,767</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>(9,027)</u>	<u>\$ (9,027)</u>	<u>4,312</u>
<b>Net Position, October 1st</b>			<u>740,864</u>		<u>736,552</u>
<b>Net Position, September 30th</b>			<u>\$ 731,837</u>		<u>\$ 740,864</u>

See accountants' report.

## **SINGLE AUDIT INFORMATION**

**CITY OF TWIN FALLS, IDAHO**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2013**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
<b>Historical Society</b>			
Historic Preservation Fund Grants	15.904		\$ 5,826
<b>Department of Transportation</b>			
State and Community Highway Safety	20.600		4,326
Alcohol Traffic Safety & Drunk Driving Prevention	20.601		1,716
<b>Department of Justice</b>			
Bulletproof Vest Partnership Program	16.607		6,935
Internet Crimes Against Children	16.800		24,998
<b>Department of Homeland Security</b>			
Law Enforcement Officer Reimbursement Program	97.090		3,569
<b>Department of Housing and Urban Development</b>			
Community Development Block Grant	14.228		552,395
<b>Federal Highway Administration</b>			
CSI Safety Initiative	20.205		38,378
Highway Planning and Construction	20.205		1,105
<b>Environmental Protection Agency</b>			
Congressionally Mandated Projects	66.202		851,026
<b>Federal Aviation Administration</b>			
Airport Improvement Program-Runway and Apron Rehab.	20.106		309,961
Airport Improvement Program-SRE Building	20.106		1,458,261
Airport Improvement Program-Master Plan	20.106		1,635
<b>Total Expenditures of Federal Awards</b>			<b>\$ 3,260,131</b>

The City of Twin Falls received equipment in the amount of \$48,173 from Department of Homeland Security.

CITY OF TWIN FALLS, IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year ended September 30, 2013

**Financial Statements**

Unqualified

Type of auditor's report issued:

Internal Control over financial reporting:

Material Weakness(es) identified? Yes  No

Significant deficiency(ies) 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

Significant deficiency(ies) 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>
Congressionally Mandated Projects	66.202

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

Auditee Qualified as low-risk auditee? Yes  No

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

To the City Council  
City of Twin Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Twin Falls, Idaho, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise City of Twin Falls, Idaho's basic financial statements, and have issued our report thereon dated February 10, 2014.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & Co., PLLC  
Twin Falls, Idaho  
February 10, 2014



Mahlke Hunsaker & Company PLLC

C e r t i f i e d P u b l i c A c c o u n t a n t s

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the City Council  
City of Twin Falls, Idaho

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

We have audited City of Twin Falls, Idaho's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Twin Falls, Idaho's major federal programs for the year ended September 30, 2013. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

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

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

In our opinion, the City of Twin Falls, Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

**Report on Internal Control Over Compliance**

Management of the City of Twin Falls, Idaho, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The City of Twin Falls, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Twin Falls, Idaho's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Sincerely,

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & Co., PLLC  
February 10, 2014

## **STATISTICAL SECTION**

**CITY OF TWIN FALLS, IDAHO**  
*Statistical Section Overview*  
September 30, 2013

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

**Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Schedule 1-5)

**Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax. (Schedule 6-8)

**Debt Capacity**

These schedules present information that will help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Schedule 9-12)

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. (Schedule 13-14)

**Operating Information**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Schedule 15)

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year or the accounting and budget records on file at the City.

City of Twin Falls, Idaho

September 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Schedule of Net Position - Schedule 1</b>										
(accrual basis of accounting)										
Governmental Activities										
Net Investment in Capital Assets (a)	\$ 149,862,775	\$ 153,880,017	\$ 155,596,113	\$ 157,523,535	\$ 157,805,240	\$ 162,233,909	\$ 162,753,014	\$ 39,049,171	\$ 36,632,395	\$ 31,759,481
Restricted	16,259,022	15,353,423	13,881,916	15,515,339	13,892,797	11,336,688	7,481,339	7,185,036	9,335,715	6,778,662
Unrestricted	11,197,181	6,321,892	12,155,857	7,319,535	9,387,943	8,618,538	8,354,798	6,217,989	2,322,018	3,765,941
<b>Total Governmental Activities Net Position</b>	<b>\$ 177,318,978</b>	<b>\$ 175,555,332</b>	<b>\$ 181,633,886</b>	<b>\$ 180,358,409</b>	<b>\$ 181,085,980</b>	<b>\$ 182,189,135</b>	<b>\$ 178,589,151</b>	<b>\$ 52,452,196</b>	<b>\$ 48,290,128</b>	<b>\$ 42,304,084</b>
Business-Type Activities										
Net Investment in Capital Assets	\$ 41,132,893	\$ 44,224,642	\$ 34,747,495	\$ 21,929,263	\$ 30,949,407	\$ 29,769,561	\$ 25,401,788	\$ 23,316,060	\$ 21,950,699	\$ 21,515,102
Restricted	199,519	1,781,582	688,746	667,001	667,001					
Unrestricted	18,730,324	11,374,812	10,947,759	20,828,711	10,165,402	11,583,935	11,257,909	10,443,399	10,016,280	9,343,031
<b>Total Governmental Activities Net Position</b>	<b>\$ 60,062,736</b>	<b>\$ 57,381,036</b>	<b>\$ 46,384,000</b>	<b>\$ 43,424,975</b>	<b>\$ 41,781,810</b>	<b>\$ 41,353,496</b>	<b>\$ 36,659,697</b>	<b>\$ 33,759,459</b>	<b>\$ 31,966,979</b>	<b>\$ 30,858,133</b>
Primary Government										
Net Investment in Capital Assets	\$ 190,995,668	\$ 198,104,659	\$ 190,343,608	\$ 179,452,798	\$ 188,754,647	\$ 192,003,470	\$ 188,154,802	\$ 62,365,231	\$ 58,583,094	\$ 53,274,583
Restricted	16,458,541	17,135,005	14,570,662	16,182,340	14,559,798	11,336,688	7,481,339	7,185,036	9,335,715	6,778,662
Unrestricted	29,927,505	17,696,704	23,103,616	28,148,246	19,553,345	20,202,473	19,612,707	16,661,388	12,338,298	13,108,972
<b>Total Primary Government Net Position</b>	<b>\$ 237,381,714</b>	<b>\$ 232,936,368</b>	<b>\$ 228,017,886</b>	<b>\$ 223,783,384</b>	<b>\$ 222,867,790</b>	<b>\$ 223,542,631</b>	<b>\$ 215,248,848</b>	<b>\$ 86,211,655</b>	<b>\$ 80,257,107</b>	<b>\$ 73,162,217</b>

(a) The City began to report accrual information when it implemented GASB 34 in fiscal year 2004. The City delayed the inclusion of infrastructure until fiscal year 2007. The Net Investment in Capital Assets in the Governmental Activities for fiscal years 2004, 2005, 2006 are not comparable to later years when the infrastructure was included.

City of Twin Falls, Idaho

September 30,

2013                      2012                      2011                      2010                      2009                      2008                      2007                      2006                      2005                      2004

**Schedule of Changes in Net Position - Schedule 2**

(accrual basis of accounting)

Expenses:

Governmental Activities:

General Government (a)	\$	11,474,562	\$	10,564,109	\$	10,102,271	\$	11,440,065	\$	11,731,668	\$	11,017,593	\$	11,351,031	\$	3,775,719	\$	4,293,881	\$	3,410,629
Fire		3,949,996		3,694,364		3,658,319		3,606,947		3,576,095		3,522,826		3,260,636		2,999,532		2,801,488		2,698,128
Police		7,849,707		7,632,626		7,487,176		7,553,869		7,437,921		7,138,418		6,685,983		6,028,388		5,616,896		5,478,676
Engineering/Planning		1,492,029		1,384,368		1,380,902		1,357,850		1,408,542		1,504,867		1,311,514		1,095,858		945,791		928,171
Streets		3,311,279		2,689,289		2,581,089		2,517,207		2,392,492		2,090,943		2,250,064		1,700,708		1,580,848		1,708,395
Library		1,521,534		1,548,327		1,631,261		1,504,640		1,414,190		1,369,324		1,241,462		1,132,837		1,073,219		1,141,016
Culture and Recreation		1,705,144		1,612,078		1,533,417		1,519,264		1,513,662		1,484,998		1,390,922		1,248,816		1,183,315		1,127,579
Pool (b)		170,194		161,573		187,079		180,827		151,076		218,012		216,226		209,075		206,773		181,531
Airport		2,050,091		1,380,459		1,149,725		1,750,030		1,393,113		1,795,466		1,260,775		1,154,004		1,124,316		1,101,932
<b>Total</b>		<b>33,524,536</b>		<b>30,667,193</b>		<b>29,711,239</b>		<b>31,430,699</b>		<b>31,018,759</b>		<b>30,142,447</b>		<b>28,968,613</b>		<b>19,344,937</b>		<b>18,826,527</b>		<b>17,776,057</b>

Business-Type Activities:

Water		5,842,097		5,398,289		4,805,882		4,949,667		5,822,351		4,317,630		3,556,862		3,494,474		3,487,035		3,347,419
Wastewater		5,528,219		4,560,436		4,928,568		5,318,229		4,875,189		4,513,630		4,411,613		4,194,932		4,383,164		4,231,432
Sanitation		2,524,489		2,498,537		2,480,848		1,958,948		1,958,583		1,869,566		1,719,314		1,703,004		1,476,678		1,384,240
Golf		82,998		111,044		341,903		493,525		372,315		442,726		384,924		376,280		376,742		389,176
Dierkes Lake/Shoshone Falls		225,756		214,236		216,536		201,260		174,829		178,698		148,117		135,458		109,633		115,164
Other		20,391		92,779		91,407		82,243		84,974		38,296		8,399		37,681		21,549		16,786
<b>Total</b>		<b>14,223,950</b>		<b>12,875,321</b>		<b>12,865,144</b>		<b>13,003,872</b>		<b>13,288,241</b>		<b>11,360,546</b>		<b>10,229,229</b>		<b>9,941,829</b>		<b>9,854,801</b>		<b>9,484,217</b>
<b>Total Primary Government</b>	<b>\$</b>	<b>47,748,486</b>	<b>\$</b>	<b>43,542,514</b>	<b>\$</b>	<b>42,576,383</b>	<b>\$</b>	<b>44,434,571</b>	<b>\$</b>	<b>44,307,000</b>	<b>\$</b>	<b>41,502,993</b>	<b>\$</b>	<b>39,197,842</b>	<b>\$</b>	<b>29,286,766</b>	<b>\$</b>	<b>28,681,328</b>	<b>\$</b>	<b>27,260,274</b>

Program Revenues:

Governmental Activities:

Charges for Services	\$	5,652,382	\$	5,629,074	\$	4,964,450	\$	4,885,343	\$	5,105,008	\$	5,242,968	\$	3,938,087	\$	3,351,416	\$	3,171,220	\$	2,742,740
Operating Grants and Contributions		5,882,115		5,898,413		5,764,661		6,590,889		5,950,919		6,402,597		6,237,316		5,707,668		5,408,683		5,372,734
Capital Grants and Contributions		2,314,982		668,580		1,478,780		927,338		1,597,966		5,335,406		3,981,626		1,526,692		4,245,743		840,314
<b>Total</b>		<b>13,849,479</b>		<b>12,196,067</b>		<b>12,207,891</b>		<b>12,403,570</b>		<b>12,653,893</b>		<b>16,980,971</b>		<b>14,157,029</b>		<b>10,585,776</b>		<b>12,825,646</b>		<b>8,955,788</b>

Business-Type Activities:

Charges for Services	\$	19,902,491	\$	18,906,147	\$	16,832,890	\$	15,585,180	\$	14,299,503	\$	14,418,667	\$	13,032,113	\$	12,117,743	\$	11,400,960	\$	10,795,008
Operating Grants and Contributions		-		-		175,131		185,559		161,833		112,047		105,790		111,951		104,149		101,362
Capital Grants and Contributions		845,391		81,463		58,969		109,432		196,201		1,798,625		-		-		-		-
<b>Total</b>		<b>20,747,882</b>		<b>18,987,610</b>		<b>17,066,990</b>		<b>15,880,171</b>		<b>14,657,537</b>		<b>16,329,339</b>		<b>13,137,903</b>		<b>12,229,694</b>		<b>11,505,109</b>		<b>10,896,370</b>
<b>Total Primary Government</b>	<b>\$</b>	<b>34,597,361</b>	<b>\$</b>	<b>31,183,677</b>	<b>\$</b>	<b>29,274,881</b>	<b>\$</b>	<b>28,283,741</b>	<b>\$</b>	<b>27,311,430</b>	<b>\$</b>	<b>33,310,310</b>	<b>\$</b>	<b>27,294,932</b>	<b>\$</b>	<b>22,815,470</b>	<b>\$</b>	<b>24,330,755</b>	<b>\$</b>	<b>19,852,158</b>

**Schedule of Changes in Net Position - Schedule 2 Continued**

(accrual basis of accounting)

General Revenues and Other Changes in Net Position:

Governmental Activities:

Property Taxes - General Purposes	\$	16,651,268	\$	16,075,739	\$	15,764,702	\$	15,607,739	\$	15,112,226	\$	14,117,690	\$	12,294,725	\$	10,447,413	\$	10,126,978	\$	9,548,420
Franchise Taxes		223,358		196,323		189,820		151,479		238,775		186,585		237,051		255,730		235,771		210,726
Interest and Investment Earnings		(44,176)		259,959		151,341		343,218		830,451		593,666		817,725		466,226		195,899		265,336
Miscellaneous Revenues		370,696		554,904		1,338,416		761,452		711,803		980,454		1,367,916		885,592		545,125		515,416
Transfers		4,237,557		(5,274,297)		1,237,773		1,254,843		1,077,184		665,053		470,311		657,193		676,379		637,551
Total		21,438,703		11,812,628		18,682,052		18,118,731		17,970,439		16,543,448		15,187,728		12,712,154		11,780,152		11,177,449

Business-Type Activities:

Interest and Investment Earnings	\$	(56,627)	\$	111,004	\$	106,459	\$	186,049	\$	421,640	\$	399,018	\$	584,623	\$	363,333	\$	229,569	\$	197,176
Miscellaneous Revenues		451,952		79,394		75,572		16,487		11,136		209,053		93,478		98,913		112,120		41,913
Transfers		(4,237,557)		5,274,297		(1,237,773)		(1,254,843)		(1,077,184)		(665,053)		(470,311)		(748,557)		(676,379)		(637,551)
Total		(3,842,232)		5,464,695		(1,055,742)		(1,052,307)		(644,408)		(56,982)		207,790		(286,311)		(334,690)		(398,462)
Total Primary Government	\$	17,596,471	\$	17,277,323	\$	17,626,310	\$	17,066,424	\$	17,326,031	\$	16,486,466	\$	15,395,518	\$	12,425,843	\$	11,445,462	\$	10,778,987

Change in Net Position:

Governmental Activities	\$	1,763,646	\$	(6,658,498)	\$	1,178,704	\$	(908,398)	\$	(394,427)	\$	3,381,972	\$	376,144	\$	3,952,993	\$	5,779,271	\$	2,357,180
Business-Type Activities		2,681,700		11,576,984		3,146,104		1,823,992		724,888		4,911,811		3,116,464		2,001,554		1,315,618		1,013,691
Total Primary Government	\$	4,445,346	\$	4,918,486	\$	4,324,808	\$	915,594	\$	330,461	\$	8,293,783	\$	3,492,608	\$	5,954,547	\$	7,094,889	\$	3,370,871

(a) The City began to report accrual information when it implemented GASB 34 in fiscal year 2004. The City delayed the inclusion of infrastructure until fiscal year 2007. General Government Expenses in the Governmental Activities for fiscal years 2004, 2005, 2006 are not comparable to later years because of the substantial increase in depreciation related to infrastructure as those assets were included.

(b) When the pool was charging admissions it was reported as a business-type activity. Then later it was reclassified as a governmental activity when the pool management was shifted to the YMCA and the fund was supported with governmental revenues. For presentation purposes it is presented over the ten year historical presentation as a governmental activity.

City of Twin Falls, Idaho

September 30,

2013                      2012                      2011                      2010                      2009                      2008                      2007                      2006                      2005                      2004

**Program Labor Burden - Schedule 3**

(cash basis of accounting)

Labor Cost:

General Government	\$ 1,958,510	\$ 1,784,519	\$ 1,771,966	\$ 1,963,735	\$ 1,951,944	\$ 1,813,409	\$ 1,531,729	\$ 1,402,307	\$ 1,297,362	\$ 1,187,288
Fire	2,362,685	2,268,505	2,245,222	2,243,158	2,188,994	2,164,464	2,010,128	1,851,530	1,688,725	1,647,924
Police	4,980,524	4,796,982	4,644,092	4,659,091	4,741,028	4,566,707	4,221,832	3,952,939	3,650,596	3,477,035
Engineering/Planning	1,072,775	969,021	961,611	993,219	963,036	903,431	780,752	752,743	646,719	679,683
Streets	567,264	522,918	507,040	545,142	543,766	574,691	511,385	486,755	427,774	414,082
Library	733,922	709,564	691,030	667,879	672,102	619,861	550,063	526,600	463,215	503,926
Culture and Recreation	731,027	731,409	673,557	675,535	685,619	711,300	697,485	701,429	643,819	551,053
Airport	349,287	308,228	295,303	299,910	316,667	307,408	253,714	238,873	271,958	272,952
Water	1,049,847	944,786	912,610	987,601	981,853	935,869	815,688	807,942	814,591	764,471
Wastewater	341,046	327,009	313,325	310,333	310,433	301,856	267,370	232,075	206,290	183,460
Sanitation	86,904	56,603	100,668	95,749	96,787	92,847	100,743	101,785	93,572	90,919
Golf	46,568	45,377	46,371	45,579	61,895	74,708	83,839	88,960	93,298	94,741
Dierkes Lake/Shoshone Falls	42,029	41,045	37,136	30,507	31,956	31,335	30,840	40,770	43,464	38,053
<b>Total</b>	<b>\$ 13,588,466</b>	<b>\$ 12,796,401</b>	<b>\$ 12,508,900</b>	<b>\$ 12,849,559</b>	<b>\$ 12,873,979</b>	<b>\$ 12,478,024</b>	<b>\$ 11,305,505</b>	<b>\$ 10,658,108</b>	<b>\$ 9,878,169</b>	<b>\$ 9,401,659</b>

Program Labor Hours:

General Government	\$ 74,745	\$ 70,860	\$ 70,438	\$ 75,699	\$ 75,766	\$ 72,941	\$ 66,683	\$ 64,411	\$ 55,849	\$ 52,484
Fire	141,493	140,996	142,546	141,597	133,288	132,627	130,542	123,372	118,151	119,719
Police	276,448	278,673	273,870	276,758	277,188	266,566	262,809	207,772	192,287	188,070
Engineering/Planning	40,207	37,269	37,862	39,418	38,997	38,784	34,272	32,949	29,093	32,180
Streets	28,105	28,030	26,974	28,829	28,748	31,485	29,616	29,578	25,750	24,755
Library	50,532	51,563	50,536	47,957	44,942	40,967	40,179	37,555	N/A	N/A
Culture and Recreation	43,150	45,285	41,076	41,552	43,105	46,090	45,880	49,753	47,103	39,030
Airport	18,630	18,220	18,234	18,721	18,508	18,218	15,683	12,946	14,362	15,045
Water	55,115	51,806	50,972	52,852	52,009	50,771	46,761	48,885	51,805	48,374
Wastewater	15,397	15,541	15,079	15,185	15,324	15,001	14,990	13,417	12,518	11,080
Sanitation	4,160	3,200	4,338	3,630	3,640	3,525	5,035	5,965	5,513	5,527
Golf	2,120	2,127	2,216	2,189	3,268	4,661	6,497	7,674	8,397	8,613
Dierkes Lake/Shoshone Falls	5,083	4,957	4,530	3,710	3,967	4,036	4,029	5,237	6,010	5,192
<b>Total</b>	<b>\$ 704,654</b>	<b>\$ 696,964</b>	<b>\$ 688,135</b>	<b>\$ 700,139</b>	<b>\$ 693,808</b>	<b>\$ 684,705</b>	<b>\$ 662,797</b>	<b>\$ 601,960</b>	<b>\$ 566,838</b>	<b>\$ 550,070</b>

Note: Years with N/A denote information that is not available as the City implements GASB 44, or the cost does not outweigh the benefit to secure it. The lack of this information will become less significant as older years are dropped off.

City of Twin Falls, Idaho

September 30,

2013                      2012                      2011                      2010                      2009                      2008                      2007                      2006                      2005                      2004

**Fund Balances, Governmental Funds (a) - Schedule 4**

(modified accrual basis of accounting)

General Fund

Restricted	\$	249,939	\$	5,913	\$	5,913														
Reserved (for Dedicated Purpose)/Committed		158,843		158,843		4,370,006	\$	3,220,383	\$	3,220,383										
Unreserved/Undesignated/Unassigned		15,439,425		12,160,105		12,794,580		12,148,374		10,860,301	\$	12,839,581	\$	11,688,598	\$	10,880,470	\$	8,714,608	\$	7,115,170
Total	\$	15,848,207	\$	12,324,861	\$	17,170,499	\$	15,368,757	\$	14,080,684	\$	12,839,581	\$	11,688,598	\$	10,880,470	\$	8,714,608	\$	7,115,170

All Other Governmental Funds

Restricted	\$	779,301	\$	363,669	\$	255,419														
Reserved (for Dedicated Purpose)/Committed		3,197,704		5,582,578		4,833,493	\$	4,405,130	\$	4,427,090	\$	297,918	\$	388,210	\$	545,994	\$	658,102	\$	697,519
Unreserved/Undesignated/Assigned		7,963,397		3,687,948		4,065,138		3,202,748		5,054,916		7,146,034		4,036,624		2,271,971		2,575,429		2,678,686
Total	\$	11,940,402	\$	9,634,195	\$	9,154,050	\$	7,607,878	\$	9,482,006	\$	7,443,952	\$	4,424,834	\$	2,817,965	\$	3,233,531	\$	3,376,205

(a) The City changed the classification of fund balances in the governmental funds for fiscal year ending 2011 in accordance with GASB 54. Early changes to equity definitions were made in the fiscal year ending 2009. In preparing the schedule an attempt has been made to accommodate these changes as best as possible and to make them as comparable as possible.

City of Twin Falls, Idaho

September 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Changes in Fund Balances, Governmental Funds (a) - Schedule 5</b>										
(modified accrual basis of accounting)										
<u>Revenues:</u>										
Property Taxes	\$ 16,517,423	\$ 16,006,243	\$ 15,906,743	\$ 15,323,295	\$ 14,931,139	\$ 13,917,927	\$ 12,106,893	\$ 10,359,766	\$ 10,081,537	\$ 9,360,702
Other Taxes	743,589	797,050	763,982	806,892	926,127	836,216	876,664	827,396	718,908	680,071
Special Assessments	72,757	91,567	93,964	103,360	212,456	208,140	182,725	117,103	102,319	34,916
Fines and Forfeitures	45,968	45,864	43,394	45,491	46,284	47,192	43,432	39,015	35,093	33,837
Licenses and Permits	891,886	765,285	579,772	730,679	984,983	1,242,704	1,550,591	1,117,489	931,809	701,788
Fees and Services	2,745,225	2,810,895	2,390,857	2,317,933	2,012,791	2,219,644	1,522,305	1,407,222	1,523,133	1,294,237
Intergovernmental	6,373,641	6,113,841	5,574,317	5,479,105	5,630,777	5,674,392	5,754,395	5,335,683	5,069,567	4,781,859
Federal Grants	1,808,926	452,008	1,587,539	1,866,429	1,805,321	1,733,499	767,170	1,541,850	4,245,136	883,755
Miscellaneous	1,674,665	2,051,865	1,579,718	1,952,117	2,627,496	2,415,171	2,439,399	1,616,165	1,024,695	2,144,831
Total	30,874,080	29,134,618	28,520,286	28,625,301	29,177,374	28,294,885	25,243,574	22,361,689	23,732,197	19,915,996
<u>Expenditures:</u>										
General Government	3,447,775	3,153,796	2,722,890	2,942,735	3,029,045	2,624,155	2,473,601	1,994,230	1,665,995	2,540,606
Public Safety	12,447,261	11,969,176	11,591,611	11,782,439	11,619,262	11,230,011	10,658,459	9,479,447	8,971,670	8,592,275
Engineering	1,350,315	1,266,254	1,260,708	1,254,317	1,352,528	1,253,384	1,185,134	932,559	786,277	774,567
Community Development	197,191	231,322	648,673	270,781	408,623	391,640	825,834	390,053	389,995	317,655
Cultural and Recreation	3,388,194	3,458,260	3,038,972	3,068,414	2,976,958	3,261,059	2,592,784	2,447,993	2,219,316	2,183,076
Highways and Streets	1,639,953	1,521,619	1,492,435	1,463,938	2,041,079	1,565,752	1,542,533	1,419,113	1,249,743	1,175,704
Airport	3,163,629	1,270,911	1,769,158	1,720,310	2,507,966	2,104,506	1,286,095	2,505,269	4,358,155	2,192,801
Capital Outlay	3,470,227	4,949,351	3,679,733	7,854,083	2,801,215	2,488,126	2,606,015	1,977,611	3,194,174	2,638,310
Total	29,104,545	27,820,689	26,204,180	30,357,017	26,736,676	24,918,633	23,170,455	21,146,275	22,835,325	20,414,994
<u>Other Financing Sources (Uses):</u>										
Contributions	2,512	741	60,938	30,243	78,500	263,646				
Transfers In	6,105,578	1,811,648	1,877,766	2,877,600	1,491,353	1,401,274	1,838,752	1,179,088	1,123,177	2,882,450
Transfers Out	(2,048,072)	(8,071,758)	(906,897)	(1,762,179)	(555,765)	(871,073)	(1,496,870)	(644,207)	(563,286)	(2,357,183)
Total	4,060,018	(6,259,369)	1,031,807	1,145,664	1,014,088	793,847	341,882	534,881	559,891	525,267
Net Change in Fund Balances	\$ 5,829,553	\$ (4,945,440)	\$ 3,347,913	\$ (586,052)	\$ 3,454,786	\$ 4,170,099	\$ 2,415,001	\$ 1,750,295	\$ 1,456,763	\$ 26,269

(a) The City had an insignificant amount of long-term debt in earlier years in the governmental funds, averaging \$500,000. Debt service of those obligations has been reflected in General Government expenditures.

**City of Twin Falls, Idaho**

**Assessed Value of Taxable Property - Schedule 6**

as of September 30,	Assessed	City Levy	Calculated	Actual		Adjustments	Net Assessed	Collected in	Collected in	Outstanding
Fiscal Year	Valuation	Rate	Property Taxes	Assessment All	Cancellations	(Circuit Breaker)	Property Taxes	Year of	Subsequent Yr.	Balance
			for Budget	Property Taxes				Assessment		9-30-2014
2012	\$ 2,152,055,074	0.007713994	\$ 16,600,940	\$ 17,821,562	\$ 26,820	\$ 244,594	\$ 17,550,148	\$ 17,142,639		\$ 407,509
2011	2,314,981,873	0.006922194	16,024,754	17,079,578	56,541	237,543	16,785,494	16,368,285	\$ 211,938	205,271
2010	2,321,326,751	0.006800067	15,785,177	16,835,130	11,123	253,174	16,570,833	16,106,019	374,243	90,571
2009	2,331,983,468	0.006587793	15,362,624	16,521,630	3,850	237,989	16,279,791	15,795,086	484,029	676
2008	2,276,127,009	0.006592610	15,005,618	16,073,885	17,747	228,210	15,827,928	15,455,449	372,461	18
2007	2,095,114,614	0.006652024	13,936,753	14,844,221	46,902	231,214	14,566,105	14,291,302	274,803	-
2006	1,548,712,360	0.007826922	12,121,651							
2005	1,403,347,338	0.007340771	10,301,651							
2004	1,330,378,277	0.007517408	10,000,996							
2003	1,291,554,442	0.007322372	9,457,242							

**Property Tax Levies - Schedule 7**

Fiscal Year	Twin Falls City	Twin Falls County	Twin Falls School District	Twin Falls Highway Dist.	College of Southern Idaho	County Ambulance	County Abatement	Total
2012	0.007713994	0.004526841	0.003788780	0.001181484	0.000957570	0.000206622	0.000125974	0.018501265
2011	0.006922194	0.004190567	0.003706993	0.001077720	0.000904474	0.000187362	0.000115022	0.017104332
2010	0.006800067	0.004045866	0.002726628	0.001038132	0.000872809	0.000180899	0.000107959	0.015772360
2009	0.006587793	0.003853440	0.002629437	0.000981824	0.000835215	0.000172225	0.000108501	0.015168435
2008	0.006592610	0.003726219	0.002585037	0.000947925	0.000804923	0.000166942	0.000105117	0.014928773
2007	0.006652024	0.003695145	0.002635825	0.000943895	0.000798289	0.000165659		0.014890837
2006	0.007826922	0.004376157	0.002584747	0.001140629	0.000932323	0.000203051		0.017063829
2005	0.007340771	0.004303556	0.004970653	0.001118482	0.000920469	0.000199832		0.018853763
2004	0.007517408	0.004250138	0.004654052	0.001106459	0.000912539	0.000203333		0.018643929
2003	0.007322372	0.004117672	0.004429368	0.001071158	0.000881407			0.017821977

Source - Twin Falls County, Idaho

Notes: The County is responsible for assessing, levying, and collecting property taxes for taxing districts within its boundaries. All nonexempt property, including personal property, is subject to property taxation targeted at 100 percent of current market value as of Jan. 1 each year. Idaho law requires that all property within the County be assessed between 90% and 110% of current market value. Properties must be reassessed at least once every five years. Property taxes are a lien on the property and attach on July 1st of the year for which taxes are levied. Taxes on property are due December 20th; however, they may be paid in two installments with the second installment due June 20th.

In Idaho, taxing districts, including the City, may increase the property tax portion of their budgets by up to 3% over the highest amount of the previous three years, plus growth factors for new construction and annexation. When a city chooses to levy less than the maximum amount of property tax revenue allowed by law, the foregone amount accumulates and the city may also add any or all of that amount to its levy in any subsequent year.

The Property Tax Reduction (Circuit Breaker) program reduces property taxes for qualified applicants. The amount of reduction is based on income for the previous calendar year. It is available to personal residences and if someone qualifies, the property taxes on their home and up to one acre of land may be reduced by as much as \$1,320.

The County does not treat the Urban Renewal Agency of Twin Falls, Idaho (URA) as a separate taxing district. The URA is reported as a component unit of the City in the financial statements and the above activity of property taxes assessed and collected, as reported by the County, reflects the activity of the URA as well.

All taxing districts impacting the citizens of the City of Twin Falls have boundaries that extend beyond the City's. There are no taxing geographic boundaries that are not direct.

Date years with N/A denote information that is not available, or the cost does not outweigh the benefit to secure it. As the City implements GASB 44, the lack of this information in older years will become less significant as these years are dropped off.

City of Twin Falls, Idaho

Principal Property Tax Payers - Schedule 8

Taxpayer	2013	
	Taxable Assessed Value	Memo URA Portion
Chobani	\$ 332,583,611	\$ 331,797,176
Idaho Frozen Foods Inc.	74,497,915	58,060,444
Magic Valley Mall	31,636,266	
Glanbia Foods, Inc.	24,448,073	
Henningsen Cold Storage	22,048,496	14,285,187
Wal-Mart Stores	13,709,376	
Bridgeview Estates Real Estate Investors, LLC	13,352,686	
Base Jumper, LLC	12,635,447	
Rivercrest, LLC	12,383,983	
Costco Wholesale Corporation	10,606,476	

Ratios of Outstanding Debt by Type (a) - Schedule 9

as of September 30,

Fiscal Year	Government Activities	Business-type Activities			Total	Percentage	Per
	Term Loans	Certificates of Participation	Revenue Bonds (c)	Term Loans	Primary Government	of Personal Income (b)	Capita (b)
2013	-	-	38,340,793	49,445	38,390,238	1.47%	\$ 850
2012	-	339,011	24,998,870	8,906,309	34,244,190	1.3742	764
2011	-	660,817	26,591,882	9,644,733	36,897,432	1.5760	829
2010	119,494	967,623	28,091,804	10,354,193	39,533,114	1.7405	925
2009	349,191	1,259,429	10,126,638	11,035,831	22,771,089	0.9731	540
2008	571,436	1,536,235	-	11,690,740	13,798,411	0.6084	332
2007	980,364	1,798,041	-	12,198,916	14,977,321	0.7148	348
2006	1,011,816	2,219,847	-	12,814,349	16,046,012	0.8140	415
2005	959,688	2,711,653	-	13,406,019	17,077,360	0.9180	453
2004	1,164,771	3,193,459	-	13,974,844	18,333,074	1.0474	499

City Personal Income	City Population
\$ 2,620,007,000	45,158
2,491,872,000	44,848
2,341,182,000	44,505
2,271,421,000	42,741
2,339,979,000	42,197
2,267,895,000	41,510
2,095,294,000	43,080
1,971,259,000	38,630
1,860,210,000	37,732
1,750,368,000	36,762

Source: Assessed property values are provided by Twin Falls County. The cost of the 10 largest taxpayers from earlier years does not outweigh the benefit to secure it. This information will be available in later years. Also see notes to Schedule 6 regarding the URA.

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

(a) Debt is reflected net of any unamortized premium or discount.

(b) See also Schedule 13 regarding personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(c) The City secured the following new revenue bonds - 2009, \$10,225,000; 2010, \$18,595,000; 2013, \$14,670,000

City of Twin Falls, Idaho

**Direct and Overlapping Governmental Activities Debt (a) - Schedule 10**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct &amp; Overlapping Debt</u>
Debt Repaid with Property Taxes (b):			
Twin Falls School District - Series 2006 General Obligation Debt	\$ 36,615,000	84.27%	\$ 30,855,461
Twin Falls School District - Capital Leases	6,271,605	84.27%	5,285,082
Urban Renewal Agency of Twin Falls, Idaho (c):			
Revenue Allocation Refunding Bonds, Series 2005A	5,295,000	100.00%	5,295,000
Revenue Allocation Bonds, Series 2013A	4,875,000	100.00%	4,875,000
Revenue Allocation Bonds, Series 2013B	32,509,000	100.00%	32,509,000
Revenue Allocation Bonds, Series 2013B	2,024,000	100.00%	2,024,000
Other Debt (c):			
College of Southern Idaho - Housing	1,173,927	0.00%	-
Subtotal, overlapping debt			80,843,542
City Direct Debt:			-
Total Direct and Overlapping Debt			<u>\$ 80,843,542</u>

**Legal Debt Margin Information (e) - Schedule 11**

Sources: Assessed value data used to estimate applicable percentages provided by Twin Falls County. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government.

- (a) Both the School District and the College of Southern Idaho's debt information is as of their year end of June 30, 2013. The URA is as of September 30, 2013. The City has no Governmental Activity Debt.
- (b) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.
- (c) Even though the URA debt has been reflected as 100% applicable it does not relate to the entire City. Property taxes from specific areas within the City are dedicated for its repayment.
- (d) The note payable is reflected in the governmental activities of the College. However, the note is collateralized by the gross income and revenue to be derived from fees charged for use of a dormitory housing complex. The note is structured so that no burden will be shouldered by the citizens of the City and no revenue source is shared with the City.
- (e) Under Idaho law, the city's outstanding general obligation debt should not exceed 10 percent of total assessed property value. The City has had no general obligation debt for three years.

City of Twin Falls, Idaho

**Pledged Revenue Coverage - Schedule 12**

(cash basis of accounting)

Water Revenue Bonds

<u>Fiscal Year</u>	Utility Service <u>Charges</u>	Less: Operating <u>Expense</u>	Net Available <u>Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest (a)</u>	
2013	9,347,841	3,964,573	5,383,268	1,900,000	907,580	1.92
2012	8,984,545	3,856,180	5,128,365	1,560,000	860,031	2.12
2011	8,081,699	3,169,418	4,912,281	1,520,000	817,654	2.10
2010	6,606,498	3,602,527	3,003,971	555,000	529,900	2.77
2009	5,458,661	4,353,212	1,105,449	-	286,522	3.86
2008	5,236,353	3,588,251	1,648,102	-	-	-
2007	4,742,247	2,864,149	1,878,098	175,000	-	10.73
2006	4,149,405	2,806,646	1,342,759	255,000	-	5.27
2005	3,797,331	2,774,498	1,022,833	255,000	-	4.01
2004	3,848,072	2,616,946	1,231,126	250,000	-	4.92

Wastewater Revenue Bonds

<u>Fiscal Year</u>	Utility Service <u>Charges</u>	Less: Operating <u>Expense</u>	Net Available <u>Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2013	7,521,962	4,122,715	3,399,247	1,070,000	344,600	2.40
2012	6,637,147	3,332,619	3,304,528	335,000	34,250	8.95
2011	5,611,424	3,670,746	1,940,678	320,000	50,250	5.24
2010	5,555,071	4,059,967	1,495,104	305,000	65,195	4.04
2009	5,491,645	3,732,938	1,758,707	290,000	78,970	4.77
2008	5,827,133	3,357,699	2,469,434	275,000	91,895	6.73
2007	4,852,258	3,213,022	1,639,236	260,000	104,115	4.50
2006	4,527,917	3,046,720	1,481,197	250,000	115,490	4.05
2005	4,474,941	3,215,336	1,259,605	240,000	126,290	3.44
2004	3,969,205	3,035,966	933,239	230,000	136,640	2.55

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization.

(a) The City has qualifying Build America Bonds in its Water Fund. Under that program the federal government participates in the interest expense portion of the bond that the City pays. The interest reflected is the net interest expense after Federal participation.

City of Twin Falls, Idaho

Demographic and Economic Statistics - Schedule 13

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>City Population</u>	45,158	44,848	44,505	42,741	42,197	41,510	40,380	38,630	37,619	36,762
Total Personal Income for Twin Falls County (Thousand Dollars)	2,620,007	2,491,872	2,341,182	2,271,421	2,339,979	2,267,895	2,095,294	1,971,259	1,860,210	1,750,368
Personal Income per capita for Twin Falls County	\$ 33,336	\$ 31,917	\$ 30,198	\$ 29,781	\$ 31,140	\$ 30,756	\$ 29,112	\$ 28,228	\$ 27,232	\$ 26,542
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>City Unemployment Rate</u>	6.1	6.2	8.1	8.6	7.1	4.7	2.6	2.5	3.2	4.0
<u>City Labor Force</u>	22,152	22,227	22,013	21,645	22,169	21,521	21,085	20,061	19,560	19,222
<u>School Enrollment</u>	8,633	8,273	7,912	7,777	7,644	7,616	7,459	7,390	7,280	7,058

Source: Population information was provided by the Association of Idaho Cities. Personal income and per capita income of Twin Falls County was provided by the Federal Bureau of Economic Analysis. The Twin Falls City Unemployment Rate and City Labor Force were supplied by the Idaho Department of Labor. School enrollment information was provided by the Twin Falls School District.

Notes: The City population and the total personal income for the County and the per capita income were estimated from surveys conducted during the last quarter of each calendar year. Personal income is an estimation of the total for a calendar year. The unemployment and labor force information is as calculated for the last calendar month. The Department of Labor cautions users that the City is a small sample size for purposes of computing an unemployment rate. School enrollment information is based on the census at September 4th of each school year.

## City of Twin Falls, Idaho

### City's Largest Employers - Schedule 14

<u>2013</u>			
Business	Rank	Employment Range	Industry
St Luke's Magic Valley Reg. Medical Center	1	2,300 - 2,399	Health Care
Personnel Plus Inc.	2	1,900 - 1,999	Administrative & Support Services
Twin Falls School District #411	3	1,200 - 1,299	Local Government Education
College of Southern Idaho	4	1,100 - 1,199	Local Government Education
Conagra Foods Lamb Weston	5	600 - 699	Manufacturing
Chobani Idaho Inc.	6	600 - 699	Manufacturing
C3 Customercontact Channels Inc.	7	500 - 599	Administrative & Support Services
Amalgamated Sugar Co LLC	8	400 - 499	Manufacturing
Wal-Mart Associates Inc.	11	500 - 599	Retail Trade
City of Twin Falls	12	300 - 399	Local Government Administration

<u>2004</u>			
Business	Rank	Employment Range	Industry
Magic Valley Regional Medical Center	1	1,400 - 1,499	Health Care
Personnel Plus Inc.	2	1,200 - 1,299	Administrative & Support Services
College of Southern Idaho	3	1,100 - 1,199	Local Government Education
Twin Falls School District #411	4	900 - 999	Local Government Education
Dell USA	5	400 - 499	Administrative & Support Services
Amalgamated Sugar Co LLC	6	300 - 399	Manufacturing
Twin Falls County	8	300 - 399	Local Government Administration
City of Twin Falls	9	200 - 299	Local Government Administration
Independent Meat Co	10	200 - 299	Manufacturing
Costco	11	200 - 299	Retail Trade

Source: Quarterly Report of Employment & Wages reports as reported to the Idaho Department of Labor.

Note: Only employers that have given the Department permission to release employment range data are listed. The listing included both private and public employers and is ranked by total reported wages for the calendar year.

City of Twin Falls, Idaho

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Selected City Service Information - Schedule 15</b>										
<u>Building:</u>										
Permits Issued	182	151	96	159	159	233	295	641	614	383
Value	\$ 27,654,144	\$ 21,875,132	\$ 14,705,604	\$ 20,874,598	\$ 21,561,377	\$ 33,953,879	\$ 38,868,684	\$ 86,755,839	\$ 57,109,310	N/A
<u>Fire:</u>										
Total Incidents	3,262	3,048	3,361	3,615	3,527	3,755	3,082	1,964	2,406	1,942
Estimate of Property Saved	\$ 24,515,025	\$ 53,842,390	\$ 4,035,850	\$ 8,371,850	\$ 7,115,580	\$ 123,035,300	\$ 26,395,000	\$ 16,212,910	\$ 24,039,145	\$ 29,483,980
Estimate of Property Lost	\$ 962,475	\$ 445,280	\$ 437,755	\$ 271,335	\$ 610,025	\$ 759,750	\$ 702,945	\$ 1,828,813	\$ 1,401,635	\$ 680,120
<u>Police:</u>										
Calls for Service	54,606	48,556	48,775	49,378	48,098	48,714	47,215	46,930	40,692	45,314
<u>Airport:</u>										
Airplane Takeoff/Landings	29,731	33,855	31,386	36,155	33,424	34,192	36,225	37,106	39,963	37,560
Boarding/Deboarding	53,683	50,933	75,048	68,234	54,365	57,645	66,459	63,094	69,702	70,215
<u>Library:</u>										
Number of Cardholders	29,277	27,945	26,120	25,554	24,825	23,187	21,693	17,673	16,983	16,705
Average Daily Traffic	808	790	767	866	754	670	592	589	754	564
Total Items Checked Out	453,385	464,343	456,142	461,936	459,178	425,614	380,191	366,935	337,756	316,271
<u>Parks:</u>										
Total Maintained Acreage	1,362	1,362	1,376	1,215	1,211	1,207	1,197	1,197	1,192	1,192
<u>Water:</u>										
Water Consumed (Billions)	4,613	4,765	4,350	4,461	4,399	4,955	5,037	4,725	4,434	N/A
<u>Wastewater:</u>										
Gallons Treated (Millions)	2,560.3	2,604.2	2,473.6	2,492.2	2,415.7	2,457.1	2,453.2	2,529.1	2,529.6	2,518.9
Solids Treated (lbs. BOD):										
Treatment Plant	9,368,059	6,436,424	4,073,630	4,019,704	5,910,417	6,117,963	5,831,358	6,693,215	7,292,636	6,727,458
UASB	2,670,601	4,378,381	3,562,440	4,535,297	5,425,735	8,482,586	8,540,503	7,433,607	6,907,632	4,861,032
Total Solids Treated	<u>12,038,660</u>	<u>10,814,805</u>	<u>7,636,070</u>	<u>8,555,001</u>	<u>11,336,152</u>	<u>14,600,549</u>	<u>14,371,861</u>	<u>14,126,822</u>	<u>14,200,268</u>	<u>11,588,490</u>
<u>Sanitation:</u>										
Customer Count	13,874	13,814	13,482	13,305	13,239	12,794	12,317	11,696	11,292	10,717
Trash Tonnage (Tons)	17,037	16,777	16,975	17,683	18,770	19,015	19,254	19,254	N/A	N/A
Tonnage per Customer	1.23	1.21	1.26	1.33	1.42	1.49	1.56	1.65	N/A	N/A

Source: Information is compiled from records maintained within City departments.

Notes: The following departments are reporting data on a calendar year: Police, Fire, Airport, Parks, and Water. The following departments are reporting data on a fiscal year: Building, Library, Wastewater, and Sanitation.