COUNCIL MEMBERS

| Suzanne Hawkins | Nikki Boyd | Shawn Barigar | Chris Talkington | Gregory Lanting | Chris Reid | Ruth Pierce |
|---|---|---|---|---|---|---|
| Vice Mayor | | Mayor | | | | |

**AGENDA**
**Meeting of the Twin Falls City Council**
**Monday, March 13, 2017**
**City Council Chambers**
**305 Third Avenue East - Twin Falls, Idaho**

5:00 P.M.
PLEDGE OF ALLEGIANCE TO THE FLAG
CALL MEETING TO ORDER
CONFIRMATION OF QUORUM
CONSIDERATION OF THE AMENDMENTS TO THE AGENDA
PROCLAMATIONS: None
GENERAL PUBLIC INPUT

| AGENDA ITEMS | Purpose | By: |
|---|---|---|
| I. CONSENT CALENDAR: | | |
| 1. Request to approve the Accounts Payable for March 7, 2017 – March 13, 2017. | Action | Sharon Bryan |
| 2. Request to approve the March 6, 2017, City Council Minutes. | Action | Sharon Bryan |
| II. ITEMS FOR CONSIDERATION: | | |
| 1. Request from The Salvation Army Twin Falls Corps to waive all building permit fees associated with replacing the failed HVAC system. | Action | Lt. Troy Cook<br>Jarrod Bordi |
| 2. Presentation of the City of Twin Falls' 2016 audited financial statements by Mahlke Hunsaker & Company, PLLC. | Presentation | Scott Hunsaker<br>Lorie Race |
| 3. Presentation of an update on the Main Avenue Project. | Presentation | Paul Johnson, CH2M |
| 4. Request to award the 2017 Downtown Utility Upgrades Project to Extreme Excavation, Inc., in the amount of $1,010,218.50 along with a 25% contingency amount. | Action | Jesse Schuerman |
| 5. Presentation on the Backflow Program and an update on what to expect for this upcoming irrigation season. | Presentation | Robert Bohling |
| 6. Request to adopt a resolution to destroy any semipermanent or temporary records and to notify the Idaho State Historical Society before destruction of any records. | Action | Sharon Bryan |
| 7. Request to use $652,000 of cash reserves from the capital fund and impact fees reserves to purchase furniture, fixtures and equipment (FF&E) and electronic systems for the City Hall and Public Safety Campus projects, and a security fence for the Public Safety Campus. | Action | Travis Rothweiler |
| 8. Public input and/or items from the City Manager and City Council. | | |
| III. ADVISORY BOARD REPORT/ANNOUNCEMENTS: | | |
| 6:00 P.M.<br>IV. PUBLIC HEARINGS: None | | |
| V. ADJOURNMENT TO Executive Sessions: 74-206 (1): | | |

| | | |
|---|---|---|
| (b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student.<br>(c) To acquire an interest in real property which is not owned by a public agency. | | |

Any person(s) needing special accommodations to participate in the above noticed meeting could contact Leila Sanchez at (208) 735-7287 at least two working days before the meeting. Si desea esta información en español, llame Leila Sanchez (208)735-7287.

**Public Input Procedures**

**1.** Individuals wishing to provide public input regarding matters relevant to the City of Twin Falls shall
   a. wait to be recognized by the mayor
   b. approach the microphone/podium
   c. state their name and address, and whether they are a resident or property owner in the City of Twin Falls, and
   d. proceed with their input.

**2.** The Mayor may limit input to no less than two (2) minutes. Individuals are not permitted to give their time to other speakers.

Public Hearing Procedures for Zoning Requests

**1.** Prior to opening the first Public Hearing of the session, the Mayor shall review the public hearing procedures.

**2.** Individuals wishing to testify or speak before the City Council shall wait to be recognized by the Mayor, approach the microphone/podium, state their name and address, then proceed with their comments. Following their statements, they shall write their name and address on the record sheet(s) provided by the City Clerk. The City Clerk shall make an audio recording of the Public Hearing.

**3.** The Applicant, or the spokesperson for the Applicant, will make a presentation on the application/request (request). No changes to the request may be made by the applicant after the publication of the Notice of Public Hearing. The presentation should include the following:
   - A complete explanation and description of the request.
   - Why the request is being made.
   - Location of the Property.
   - Impacts on the surrounding properties and efforts to mitigate those impacts.

   Applicant is limited to 15 minutes, unless a written request for additional time is received, at least 72 hours prior to the hearing, and granted by the Mayor.

**4.** A City Staff Report shall summarize the application and history of the request.
   - The City Council may ask questions of staff or the applicant pertaining to the request.

**5.** The general public will then be given the opportunity to provide their testimony regarding the request. The Mayor may limit public testimony to no less than two (2) minutes per person.
   - Five or more individuals, having received personal public notice of the application under consideration, may select by written petition, a spokesperson. The written petition must be received at least 72 hours prior to the hearing and must be granted by the mayor. The spokesperson shall be limited to 15 minutes.
   - Written comments, including e-mail, shall be either read into the record or displayed to the public on the overhead projector.
   - Following the Public Testimony, the applicant is permitted five (5) minutes to respond to Public Testimony.

**6.** Following the Public Testimony and Applicant's response, the hearing shall continue. The City Council, as recognized by the Mayor, shall be allowed to question the Applicant, Staff or anyone who has testified. The Mayor may again establish time limits.

**7.** The Mayor shall close the Public Hearing. The City Council shall deliberate on the request. Deliberations and decisions shall be based upon the information and testimony provided during the Public Hearing. Once the Public Hearing is closed, additional testimony from the staff, applicant or public is not allowed. Legal or procedural questions may be directed to the City Attorney.

* Any person not conforming to the above rules may be prohibited from speaking. Persons refusing to comply with such prohibitions may be asked to leave the hearing and, thereafter removed from the room by order of the Mayor.

COUNCIL MEMBERS

| Suzanne Hawkins | Nikki Boyd | Shawn Barigar | Chris Talkington | Gregory Lanting | Chris Reid | Ruth Pierce |
|---|---|---|---|---|---|---|
| Vice Mayor | | Mayor | | | | |

**MINUTES**

**Meeting of the Twin Falls City Council**
**Monday, March 6, 2017**
**City Council Chambers**
**305 Third Avenue East - Twin Falls, Idaho**

5:00 P.M.
PLEDGE OF ALLEGIANCE TO THE FLAG
CALL MEETING TO ORDER
CONFIRMATION OF QUORUM
CONSIDERATION OF THE AMENDMENTS TO THE AGENDA
PROCLAMATIONS:
MARCH FOR MEALS – Request made by Jeanette Rowe, Twin Falls Senior Center
GROUND WATER AWARENESS WEEK – Request made by Rob Bohling, City of Twin Falls
GENERAL PUBLIC INPUT

| AGENDA ITEMS | Purpose | By: |
|---|---|---|
| I. CONSENT CALENDAR: | | |
| 1. Request to approve the Accounts Payable for February 28–March 6, 2017. | Action | Sharon Bryan |
| 2. Request to approve the February 27, City Council Minutes. | Action | Sharon Bryan |
| 3. Request to approve the annual Canyon Rim Classic Soccer Tournament to be held at the Sunway Soccer Complex, Canyon Ridge High School and Robert Stuart Middle School on May 6 and 7, 2017. | Action | Sgt. Justin Diamond |
| 4. Request to approve the Annual Mother's Day Fiesta and Cinco de Mayo event to be held at the Twin Falls City Park on Sunday, May 14, 2017, from 1:00 p.m. to 8:00 p.m. | Action | Sgt. Justin Diamond |
| 5. Consideration of a request to accept the Improvement Agreement for the purpose of developing Benno’s Point Subdivision No. 2. | Action | Troy Vitek |
| II. ITEMS FOR CONSIDERATION: | | |
| 1. Presentation of Certificates of Appreciation to Jody Tatum and Christopher Reid in recognition of their service on the Planning & Zoning Commission. | Presentation | Rene’e V. Carraway-Johnson |
| 2. Presentation of a service plaque to Liyah Babayan in recognition of her service on the Parks & Recreation Commission. | Presentation | Wendy Davis |
| 3. Request to appoint ZJ Martinez and Sherry Murray to the Parks & Recreation Commission. | Action | Mayor Shawn Barigar |
| 4. Request to appoint Richard Brown to serve a five-year term in the capacity of Resident Commissioner for the Twin Falls Housing Authority Board. | Action | Leanne Trappen<br>*TF Housing Authority* |
| 5. Presentation on the successes of Southern Idaho Tourism and plans on the upcoming tourist season. | Presentation | Melissa Barry<br>*Southern Idaho Tourism* |
| 6. Request by People for Pets for a change in the timing of their annual audit. | Action | Brian Pike<br>Sarah Harris and<br>Debra Blackwood |
| 7. Public input and/or items from the City Manager and City Council. | | |
| III. ADVISORY BOARD REPORT/ANNOUNCEMENTS: | | |
| 6:00 P.M.<br>IV. PUBLIC HEARINGS: None | | |
| V. ADJOURNMENT: | | |

Any person(s) needing special accommodations to participate in the above noticed meeting could contact Leila Sanchez at (208) 735-7287 at least two working days before the meeting. Si desea esta información en español, llame Leila Sanchez (208)735-7287.

Present: Shawn Barigar, Suzanne Hawkins, Nikki Boyd, Chris Talkington, Greg Lanting, Christopher Reid, Ruth Pierce

Absent: None

Staff Present: City Manager Travis Rothweiler, City Attorney Fritz Wonderlich, Deputy City Manager Mitchel Humble, Deputy City Manager Brian Pike, Planning and Zoning Manager Renee Carraway-Johnson, Parks and Recreation Director Wendy Davis, Deputy City Clerk Sharon Bryan

Mayor Barigar ask for a moment of silence in honor of Kent Just.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

Mayor Barigar called the meeting to order at 5:00 P.M. He then invited all present, who wished, to recite the pledge of Allegiance to the Flag.

**CONFIRMATION OF QUORUM**

A quorum is present.

**CONSIDERATION OF THE AMENDMENTS TO THE AGENDA – None**

**PROCLAMATIONS:**

MARCH FOR MEALS – Request made by Jeanette Rowe, Twin Falls Senior Center

Mayor Barigar read proclamation and presented it to Jeanette Rowe, Twin Falls Senior Center.

Jeanette Rowe thanked City Council.

GROUND WATER AWARENESS WEEK – Request made by Rob Bohling, City of Twin Falls

Mayor Barigar read proclamation and presented it to Rob Bohling, City of Twin Falls Water Superintendent.

Rob Bohling thanked City Council.

**GENERAL PUBLIC INPUT**

Heather Tubbs, 2552 Poleline Road East, Twin Falls, addressed her concerns with the Snake River Trail Enhancement Project. She said that the trail would be invasive to their privacy and security.

City Council discussion ensued on the following:

Realtor inform you that a future trail was planned for the area.
Trees are on Tubbs property and would be not be maintained by the City.
Snake River Trial Enhancement Project neighborhood meeting, March 7, 2017, 6:00 PM at Visitors Center.

I. <u>CONSENT CALENDAR:</u>

1. Request to approve the Accounts Payable for February 28–March 6, 2017.
2. Request to approve the February 27, City Council Minutes.
3. Request to approve the annual Canyon Rim Classic Soccer Tournament to be held at the Sunway Soccer Complex, Canyon Ridge High School and Robert Stuart Middle School on May 6 and 7, 2017.
4. Request to approve the Annual Mother's Day Fiesta and Cinco de Mayo event to be held at the Twin Falls City Park on Sunday, May 14, 2017, from 1:00 p.m. to 8:00 p.m.
5. Consideration of a request to accept the Improvement Agreement for the purpose of developing Benno's Point Subdivision No. 2.

**MOTION:**

Councilmember Boyd moved to approve the Consent Calendar as presented. Councilmember Pierce seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0

II. ITEMS FOR CONSIDERATION:

1. Presentation of Certificates of Appreciation to Jody Tatum and Christopher Reid in recognition of their service on the Planning & Zoning Commission.

   Planning and Zoning Manager Carraway-Johnson and Mayor Barigar presented Certificates of Appreciation to Jody Tatum and Christopher Reid for their service on the Planning and Zoning Commission.

   City Council thanked Jody Tatum and Christopher Reid for their service.

   Councilmember Reid introduced his family and thanked City Council for giving him the opportunity to serve the Community.

2. Presentation of a service plaque to Liyah Babayan in recognition of her service on the Parks & Recreation Commission.

   Mayor Barigar said that Liyah Babayan was not able to attend tonight. Plaque will be presented another time.

3. Request to appoint ZJ Martinez and Sherry Murray to the Parks & Recreation Commission.

   Mayor Barigar request that the Council confirm my appointments of ZJ Martinez and Sherry Murray to the Parks and Recreation Commission.

**MOTION:**

Councilmember Boyd moved to approve the appointments of ZJ Martinez and Sherry Murray to the Parks and Recreation Commission. Councilmember Reid seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0

4. Request to appoint Richard Brown to serve a five-year term in the capacity of Resident Commissioner for the Twin Falls Housing Authority Board.

   Leanne Trappen, Twin Falls Housing Authority request that the City Council confirm the appointment of Richard Brown to serve a five-year term in the capacity of Resident Commissioner for the Twin Falls Housing Authority Board.

**MOTION:**

Vice Mayor Hawkins moved to approve the appointments of Richard Brown to serve a five-year term in the capacity of Resident Commissioner for the Twin Falls Housing Authority Board. Councilmember Pierce seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0

5. Presentation on the successes of Southern Idaho Tourism and plans on the upcoming tourist season.

   Melissa Barry, Southern Idaho Tourism, gave a presentation on the successes of Southern Idaho Tourism and plans for the upcoming tourist season.

   City Council discussion ensued on the following:

   Total Eclipse this summer will bring quite a few people to town.
   Overview of the tourism appreciated.
   Public land survey areas.

6. Request by People for Pets for a change in the timing of their annual audit.

   Sara Harris, Board President, and Debra Blackwood, Executive Director, People for Pets asked City Council to extend the time frame of their annual audit to June to reduce the cost of their audit.

City Council discussion ensued on the following:
How often Board meets.
When did the letters for audit request go out?
What is the difference between a financial review and audit.
Clarification on what happens if Council does not agree to extend the audit.

City Manager Rothweiler said that a full audit will be done and that People for Pets will continue to operate the pound.

Deputy City Manager Pike explained that the request would only be for this year. Next year they will budget for and audit to done in December.

City Council discussion ensued on the motion:
An audit is important.
Willing to extend audit it to June 1, 2017.
Concerned with $1,000 funding.

**MOTION:**

Councilmember Talkington moved to extend the People for Pets audit to be done by July 31, 2017 and giving $1,000.00 toward funding audit. Councilmember Lanting seconded the motion. Roll call vote showed those voting AYE: Talkington, Lanting and Barigar. Those voting NAY: Reid, Pierce, Hawkins, Boyd. Motion failed 4 to 3.

**MOTION:**

Councilmember Lanting moved to extend the People for Pets audit to be done by July 31, 2017. Vice Mayor Hawkins seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0

7. Public input and/or items from the City Manager and City Council.

City Manager Rothweiler reported that the City of Twin Falls and YMCA have dissolved our relationship.
City Manager Rothweiler said that there might not be a meeting on March 20, 2017
City Manager Rothweiler said that 39 employees are doing the One City Training at First Federal Building this week.
Vice Mayor Hawkins asked permission to get a Paint Magic Team together. City Council gave their permission.
Councilmember Lanting worried about the conditions of the roads. Would like Public Works to update City Council road repairs.
City Manager Rothweiler said that Public Works would give a report in April on plans for road repairs.

III. ADVISORY BOARD REPORT/ANNOUNCEMENTS:

IV. PUBLIC HEARINGS: None

V. ADJOURNMENT:

The meeting adjourned at 6:30 PM

__________________________________
Deputy City Clerk, Sharon Bryan

http://twinfalls.granicus.com/MediaPlayer.php?view_id=2&clip_id=647

| | |
|---|---|
| **Date:** | Monday, March 13th, 2017 |
| **To:** | Honorable Mayor and City Council |
| **From:** | Jarrod Bordi, Building Official |

**Request:**

Request from The Salvation Army Twin Falls Corps asking the City Council to waive all building permit fees associated with replacing the failed HVAC system.

**Time Estimate:**

The request and presentation will take approximately 10 minutes.

**Background:**

Lt. Troy Cook is the Commanding Officer for The Salvation Army Twin Falls Corps. The heating system has failed at their Community Center building located at 348 4th Ave N. They are without heat, and Lt. Cook approached City staff to waive our building permit fees in an effort to reduce the overall cost of the project.

In the past, the City Council has elected to waive building department fees for similar non-profit organizations, such as the Valley House, Jubilee House, Safe Harbor, Disabled Veterans, etc.

The estimated total cost of the building permit is **$265.34.**

**Approval Process:**

Approval of this request requires a simple majority (50%+1) of the members in attendance at this meeting.

**Budget Impact:**

If the request is granted, the City of Twin Falls will not receive the building permit revenue for this project.

**Regulatory Impact:**

There is no regulatory impact.

**Conclusion:**

Staff is asking Council review this request and direct staff on how to proceed.

**Attachments:**

Letter from The Salvation Army Twin Falls Corps and mechanical permit application.

THE SALVATION ARMY
TWIN FALLS CORPS
348 4TH Avenue North
P.O. Box 166
Twin Falls, ID 83301-0166

Lt. Troy Cook
Commanding Officer



Dear City Counsel Representatives:
Twin Falls County, ID
February, 28 2017

**RE: The Salvation Army Twin Falls Corps Community Center Request to Wave Permit Costs**

Dear City Counsel Representatives,

Since 1951 The Salvation Army in cooperation with other local service providers, has been an active force in assisting the community of Twin Falls by targeting the needs of the homeless, the hungry, and those with emergency situations. Some of the services we provide are as follows, but not limited to:

- Providing meals through our fully certified lunch program Monday-Friday
- Funding for emergency shelter & bus tickets
- Furnishing basic emergency needs (e.g. food boxes, thrift store vouchers, assistance with utilities, hygiene kits, transportation, school supplies, food and toys during Christmas season, to name a few.)
- Food education to the community on how to prepare and shop for cost effective, healthy meals.
- Offering showers to homeless who are in need.
- Bus pick ups of children for our homework help programs

Exciting things have been happening in the past 2 years with The Salvation Army Twin Falls Corps Community Center. As we are completely dependent on donor support, we have been blessed with grant monies and have completed a full remodel our kitchen & bathrooms, which had extensive water damage due to roof issues in the winter. In a typical year we have approximately 20 kids in our homework help program every day, as well as over 50 kids in our summer day camp program when that is running. Our goal in The Salvation Army is to reach the broken and lost in the community and our mission is to serve all without discrimination.

In conjunction with our Advisory Board here at the Twin Falls Corps Community Center we have some short term and long term goals which include:

- Being able to offer our lunch program on Saturdays
- Opening up of community center for recovery programs.(e.g A.A. or Celebrate Recovery)
- Make our youth options available to teens every Friday night.
- Open our gym to the local schools or sporting programs that need a place to practice.
- Add a Job Seeking/Resume preparation course to our social service element.

As we continue in partnership with other local service providers, to battle hunger and poverty in the Magic Valley area, we desperately need your assistance. The building (which was built in the 1940's) that we, The Salvation Army Twin Falls Corps Community Center, are currently operating from is in emergency need of new HVAC units. There are currently two units that facilitate heating and air conditioning to our chapel and our game room areas. There is currently no temperature control in this central area of our building. Both of these areas are utilized by many of the programs listed above. We had a gracious donor step up and give $6,000.00 to help purchase new HVAC units for our rooftop. In receiving multiple bids, the cost for two new units and install is well over $10,000.00. In that Home Heating & Air Conditioning has also stepped up to donated the cost of the second unit and labor involved for install. Our humble request is that the City will wave the permit costs for this install so that we can provide a weatherized climate to our clients, church members, and children's programs once again. This way our goal can stay on track with making sure we are truly "Doing the Most Good" as our slogan says, by providing the necessary resources for our community of need, rather than spending money that is just not available at this time.

Thank you, very much, for your time and consideration of this request. If you are in need of any further information, or would like to stop by for a tour of our facility, please don't hesitate to contact us here Monday-Friday 9am-6pm.

Sincerely,

*Lieutenant Troy A. Cook*
Commanding Officer in Charge: (208) 733-8720 ext.113

**Website:**
http://www.cascade.salvationarmy.org/cascade/twin_falls_corps_community_center_page

The Salvation Army Twin Falls Corps Community Center
348 4th Ave. North
Twin Falls, ID 83301
(208) 733-8720

Project Type: Mechanical Permit
Permit Type: Commercial Installation

**Applied Date: 03/08/2017**
**Issued Date:**

**Permit No: 17-0567**

Address: 348 4th Ave N, Twin Falls, Idaho, 83301

**Owner Name:** Salvation Army
348 4Th Ave N
Twin Falls ID 83301
208-73-8720

**Contractor:** Home Heating & A/C Inc
Po Box 431
Kimberly ID 83341
Phone: 208-732-1211
Contractor License/Registration # HVC-C-592

**Permit Information**

| | |
|---|---|
| Description of Work | Furnace Change Out |
| Commercial Project Value | 10,534.00 |

| Fee Date | Description | Qty/Hrs | Fee Waived | Fee Amount | Amount Due |
|---|---|---|---|---|---|
| 03/08/2017 | Mech-Elec-Plum Comm. Project Value | 10,534.00 | No | 265.34 | 265.34 |

| | |
|---|---|
| **Total Fees:** | **265.34** |
| **Payment Amount:** | **0.00** |
| **Amount Due:** | **265.34** |

This permit may be transfered with the property paperwork filled out and signed. Permit becomes null and void if work is not commenced within 180 days or is abandoned for a period of 180 days.

Property Owners: By signing this form you are certifying that you are the legal owner and will personally perform the work covered by this permit. You recognize that this permit is only valid for the work on a primary or secondary residence and associated outbuildings not used for commercial purposes. By signing this, you accept responsibililty for all work being performed, and understand that all work must be inspected by the City of Twin Falls, Building Department.

Inspection Line Phone Numbers:

Building: 208-735-7333 Electrical: 208-735-7235 Mechanical: 208-735-7289 Plumbing: 208-735-7299

For same day inspections call before 7:30 a.m. the day you want the inspection,
If you call after 7:30 a.m. your inspection will be the next day.

Signature: ______________________ Date: ______________________

Date: Monday, March 13, 2017

To: Honorable Mayor and City Council

From: Lorie Race, CFO

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Request:

A presentation of the City of Twin Falls' 2016 audited financial statements. The presentation will be made by Scott Hunsaker of Mahlke Hunsaker & Company, PLLC.

Time Estimate:

Scott will give a brief presentation, followed by questions from the Council. I would estimate this item taking approximately 10 minutes.

Background:

The finance team, led by Brent Hyatt, prepared an audit plan for 2016. Susan Klein began field work in December 2016. Their work was completed by late February 2017, and statements were issued February 24, 2017.

Budget Impact:

There is no budget impact.

Regulatory Impact:

Idaho Code 67-450B states "The governing body of a local governmental entity whose annual expenditures (from all sources) exceed two hundred fifty thousand dollars ($250,000) shall cause a full and complete audit of its financial statements to be made each fiscal year."

Conclusion:

There is no action required by the City Council.

Attachments:

Electronic copy of the 2016 audited financial statements.

A copy of the statements is also available on the City's website at www.tfid.org .

# CITY OF TWIN FALLS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT | 2016

FINANCE DEPARTMENT | FOR FISCAL YEAR ENDED SEPTEMBER 30, 2016

**CITY OF TWIN FALLS, IDAHO**
Financial Statements
Table of Contents

# INTRODUCTORY SECTION

P.O. Box 1907 321 Second Avenue East Twin Falls, Idaho 83303-1907 Fax: (208) 736-2296

February 24, 2017

Mayor Shawn Barigar, 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, 2016.

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

Twin Falls is the largest community 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. We currently are home to more than 45,000 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. Since it was founded in 1905, Twin Falls has grown from its base of agriculture and food processing to become the regional hub of both south-central Idaho and northeastern Nevada (serving 250,000) which includes business services, health care facilities, retail, and a community college with an enrollment of approximately 7,000 students.

Twin Falls became the center of national attention in September 1974 when daredevil Evel Knievel attempted to jump the Snake River Canyon in a specially modified rocket cycle. Watched by millions on closed-circuit television on a Sunday afternoon, the attempt ultimately failed due to high winds and a premature deployment of Knievel's parachute. The dirt ramp for the jump still exits and will become more assessable with expansion of the City’s trail/walking path extensions planned this year.

The City boasts an active base jumping community and was ranked No. 1 on the Livability.com’s list of “Top Ten Cities to Defy Death”. From students to the most experienced BASE jumpers, this bridge, which spans 1500 feet, offers something for everyone. The bridge is featured on the cover of this year’s report.

Twin Falls is one of only three Idaho cities which has a council-manager form of government.

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, Glanbia Cheese Innovation Center, and Jayco RV Incorporated. Clif Bar has finished constructing a new manufacturing plant within the City which is now in production.

Idaho statutes are the basic governing law under which the City operates. Twin Falls conducts its business with a City Council/City Manager form 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 direction of the Council.

The City provides the following services to its citizens:
• Planning and community development: building plan reviews, building inspections, 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 continues to show signs of moderate growth and economic stability. Twin Falls is fortunate to have a strong, diversified tax base that helps to mitigate some of the negative effects of economic fluctuations experienced nationally. That diversification benefits the City from the local ups and downs of farm commodity prices would normally make a rural community more vulnerable to traditional agricultural cycles. The City continues to experience an improving unemployment rate which has seen constant decreases from a high in 2010 of 8.7% to 3.3% in 2016.

Construction activity continues to strengthen with the value of single family building permits being valued at $47,700,000 in the last fiscal year and commercial construction permits being issued for $57,000,000.

These trends, coupled with the extraordinary success that the City has had in attracting new businesses, will continue to improve the quality of life and economic stability of the community.

### B. Outlook and Long-Term Planning

Just as last year, we remain optimistic about the long-term health of our local economy. The community has not yet felt the full benefit of the City's new manufacturing facilities. New construction activity will continue to 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 $40 million for each of the upcoming fiscal years.

Local government budgets in Idaho are driven by growth in their taxable property valuations. Property taxes are often used as one of the leading indicators to determine the heath of a community. These property values within the City are increasing. In addition, revenues from other sources such as sales tax, income taxes, and highway user taxes continue to outpace the prior year's performance. The City will benefit directly and indirectly from this revenue advancement.

In this year's 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/DocumentCenter/View/1859)

Probably the largest project the City has committed to undertake is a current 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. The proceeds have been secured and construction is now nearing completion.

The City has also obligated itself to construction projects totaling around $10,000,000 which will result in a new Public Safety Complex and a new City Hall. The renovations are scheduled to be completed during the current calendar year and are being funded out of the City's surplus reserves.

## 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 recommends 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 prior to 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) is a non-profit professional association serving approximately 17,500 government finance professionals The 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, 2016 and for the two previous years. 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. Our current budget report continues to conform to professional requirements and the GFOA's best practices.

This year the City of Twin Falls has also been awarded, for the first time, the Certificate for Excellence in Financial Reporting by the GFOA for its comprehensive financial report (CAFR) covering the fiscal year 2014-2015. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The award represents a significant accomplishment by a government and its management staff. The CAFR is judged by an impartial panel to determine if it meets the high standards of financial reporting, including demonstrating a constructive "spirit of full disclosure" to clearly communicate the City's financial story.

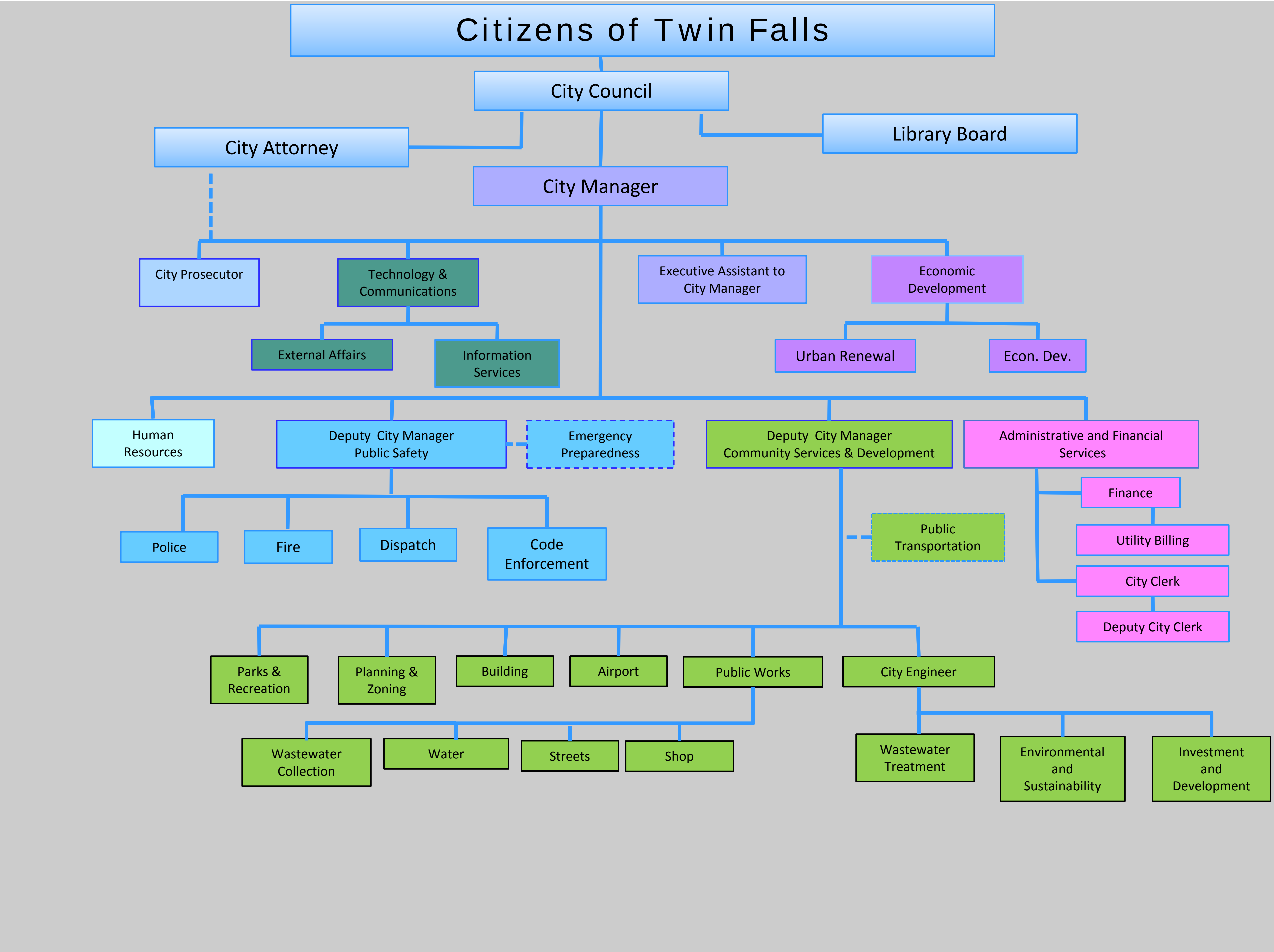
### C. Financial Policies

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,

Lorie Race

Lorie Race
Finance Director


Citizens of Twin Falls
City Council
City Attorney
Library Board
City Manager
City Prosecutor
Technology & Communications
Executive Assistant to City Manager
Economic Development
External Affairs
Information Services
Urban Renewal
Econ. Dev.
Human Resources
Deputy City Manager Public Safety
Emergency Preparedness
Deputy City Manager Community Services & Development
Administrative and Financial Services
Finance
Utility Billing
City Clerk
Deputy City Clerk
Police
Fire
Dispatch
Code Enforcement
Public Transportation
Parks & Recreation
Planning & Zoning
Building
Airport
Public Works
City Engineer
Wastewater Collection
Water
Streets
Shop
Wastewater Treatment
Environmental and Sustainability
Investment and Development

City of Twin Falls, Idaho
Names of the Principal City Officials As of
February 24, 2017

| Name | Position – Title | Email |
|---|---|---|
| Shawn Barigar | Mayor | sbarigar@tfid.org |
| Chris Reid | City Councilman | creid@tfid.org |
| Suzanne Hawkins | Vice-mayor | shawkins@tfid.org |
| Ruth Pierce | City Councilwoman | rpierce@tfid.org |
| Greg Lanting | City Councilman | glanting@tfid.org |
| Nikki Boyd | City Councilwoman | nboyd@tfid.org |
| Chris Talkington | City Councilman | ctalkington@tfid.org |
| | | |
| Travis Rothweiler | City Manager | trothweiler@tfid.org |
| Mitch Humble | Deputy City Manager,<br>Public Safety | mhumble@tfid.org |
| Brian Pike | Deputy City Manager<br>Community Services and Develop. | bpike@tfid.org |

GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished Budget Presentation Award*

**PRESENTED TO**

**City of Twin Falls**

**Idaho**

For the Fiscal Year Beginning

**October 1, 2015**

Jeffrey R. Esser

Executive Director

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Twin Falls**

**Idaho**

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

**September 30, 2015**

Jeffrey R. Emer

Executive Director/CEO

# FINANCIAL SECTION

# INDEPENDENT AUDITORS' REPORT

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 the City of Twin Falls, Idaho, as of and for the year ended September 30, 2016, 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, 2016, 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, budgetary and prior year comparison schedules, schedule of employer's share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary and prior year comparison schedules 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, budgetary comparisons schedules 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 24, 2017, 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 the City of Twin Falls, Idaho's internal control over financial reporting and compliance.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & CO., pllc
Twin Falls, Idaho
February 24, 2017

# City of Twin Falls, Idaho

## Management's Discussion and Analysis

As of and for the Year Ended September 30, 2016

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, 2016. Please read it in conjunction with the City's financial statements, which begin on page 13. Many numbers in this report are approximations or are rounded.

**Financial Highlights**

- On a government wide basis, the City's net position from governmental activities experienced a healthy increase, coming with a net increase of $2,400,000. Much of that increase will benefit the new City Hall and Safety Complex that is currently under construction (see note below). Additionally, business type activities (mainly water, wastewater, and sanitation) experienced a net increase of $4,600,000. Business type activities have heavy requirements for capital needs and infrastructure. These needs are met with current revenues; out of reserves; or borrowing. Healthy performing business type activities are necessary for future growth and development, and to fund current debt obligations.

- Previously voters had approved a substantial expansion of the wastewater treatment plant with bonding of thirty-eight million ($38,000,000). That project is nearing the end of construction with a cumulative investment of $30,000,000 at year end.

- The City outgrew its police station several years ago and has been operating with inadequate facilities. For several years plans have been under consideration to determine the best way to approach the issues in the most cost effective way. Ultimately the decision was made to renovate the old City hall and relocate the administrative functions of the police department there; then remodel and enhance the old police station to accommodate the force; and to acquire a new City Hall facility.

  Now in process, this approach will allow the police and fire departments to consolidate some functions into a new Public Safety Complex taking up the entire city block. It will also allow the City to consolidate several departments, which were previously geographically disbursed, into one facility, helping the City become more efficient. A citizen's committee determined that the best approach for the new City Hall was to purchase and renovate an abandoned structure in the middle of downtown. The new City Hall will cost about $6,300,000 and the remodel of the Public Safety Complex will be around $3,600,000.

- The City and County share joint responsibility for a municipal airport. The configuration of the airport, it's loading and waiting accommodations, was designed and built many years ago. It did not lend itself to much in the way of security and security processing. In addition, several areas of the airport had been outgrown. A significant overhaul and remodel of the facility was approved by the Federal Aviation Administration. After several years of evaluation and design work construction began. The Federal government, through the FAA, has born most of the funding burden of the project, with the City and County responsible for a small portion of local participation. The renovated building is scheduled for a ribbon cutting ceremony April, 2017.

**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 general 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 dates. 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.

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

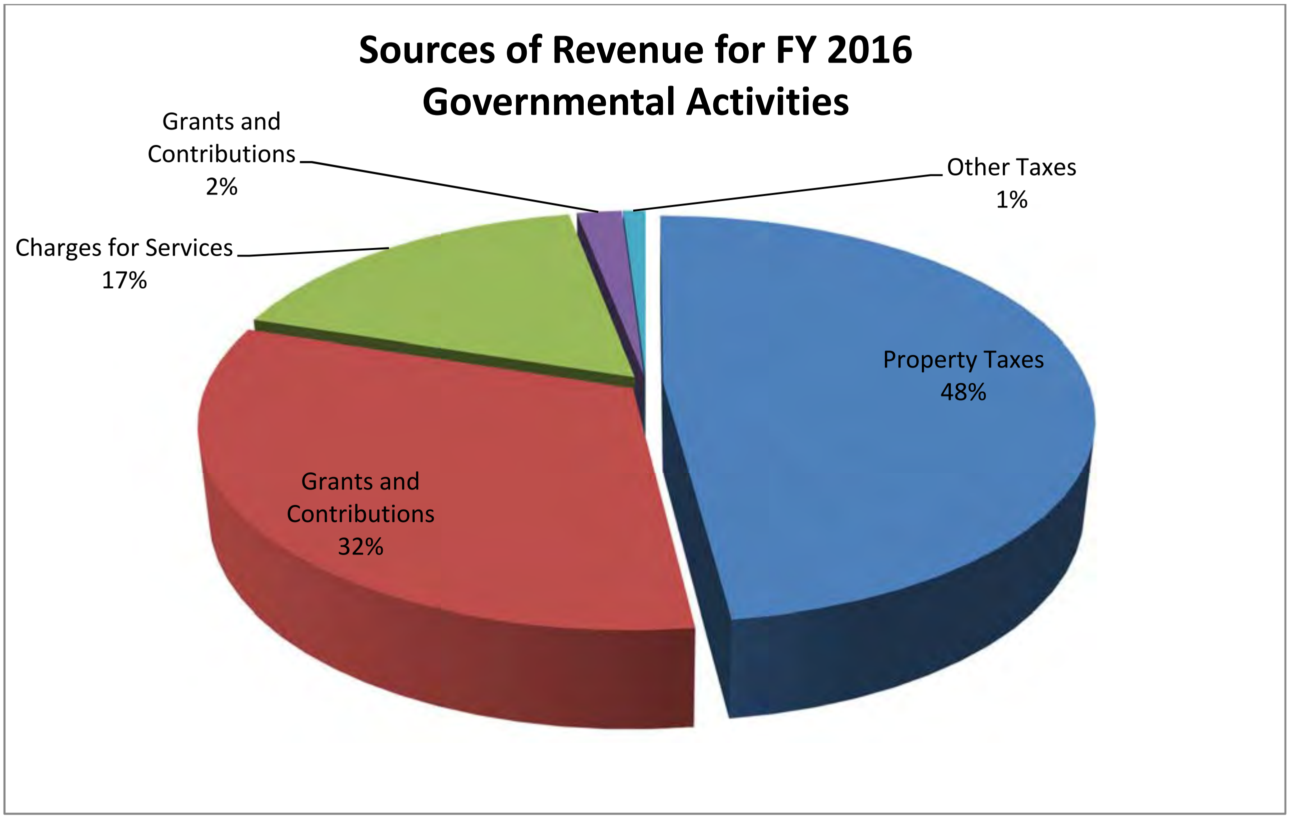
The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. This year and last year significant amounts were reported as "Deferred Inflows and Outflow of Resources". Those amounts relate to the new reporting requirement for unfunded pension costs. They represent activity happening currently within PERSI that will have an impact in the future on the City and its responsibility to fund the retirement plans.

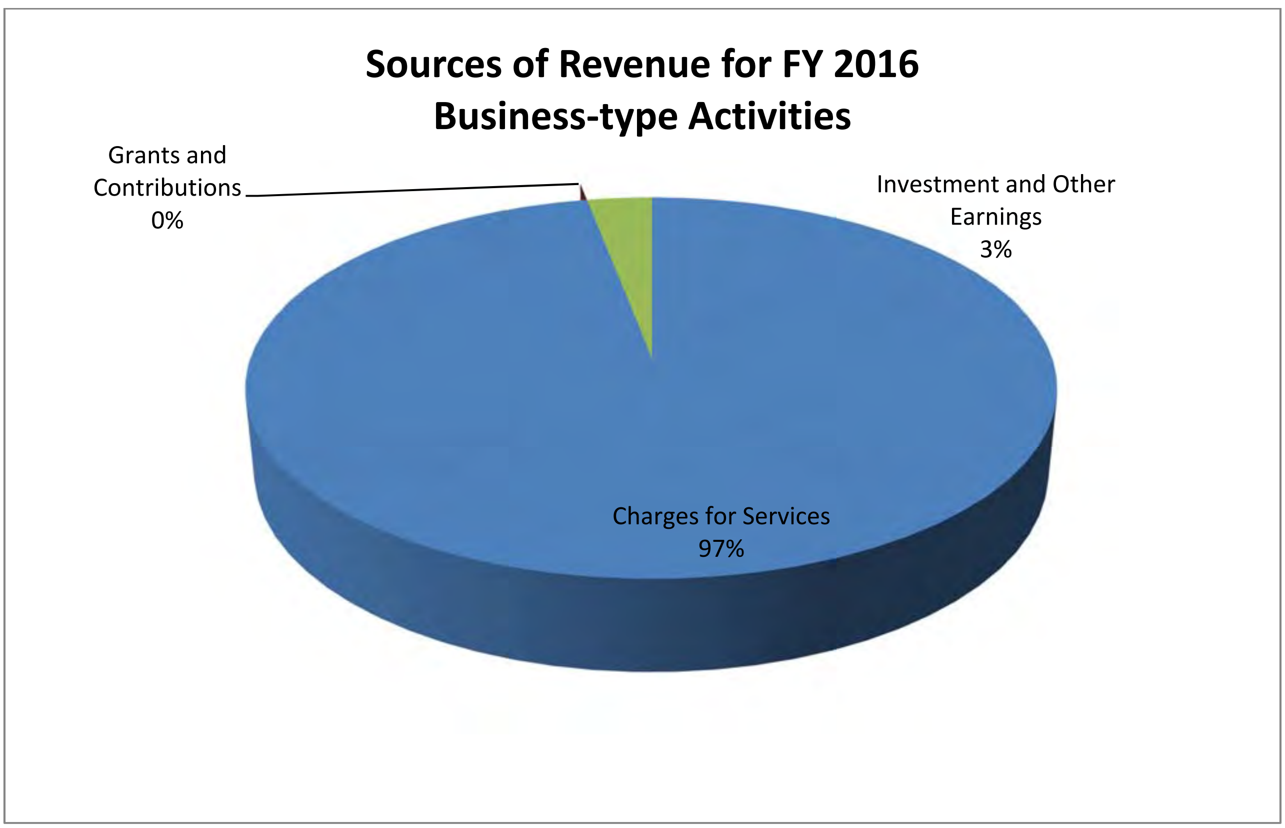
Liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the City, consisting of revenue bonds, and compensated absences payable, have been reported in this manner on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

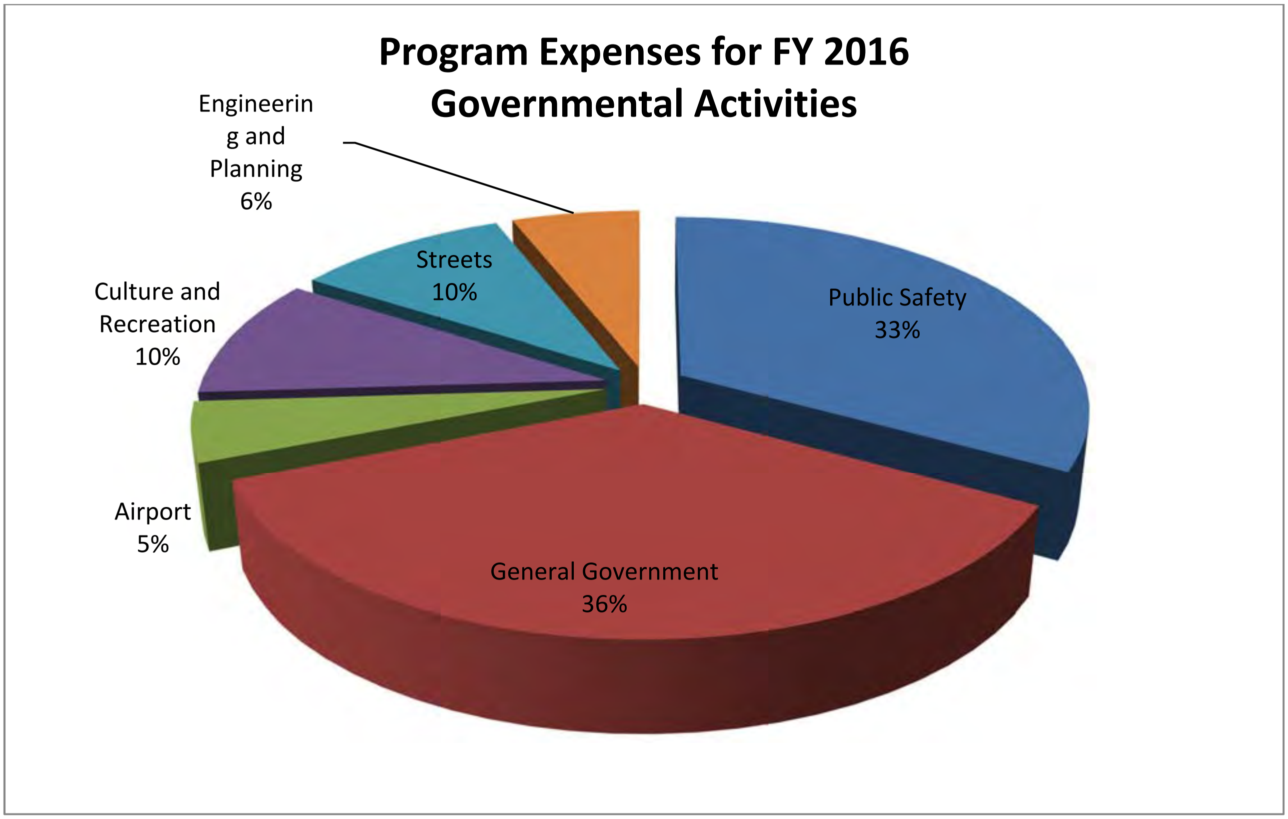
The table below presents the City's Condensed Statement of Net Position as of September 30, 2016 and 2015, derived from the government-wide Statement of Net Position. The assets of the City exceeded its liabilities (net position) at the close of the year by $176,200,000 for governmental activities and by $102,500,000 for business-type activities, for a combined total of $278,700,000 for the primary government. Governmental activities increased by $2,400,000 from 2015 to 2016, while the net position for business type activities increased by $4,600,000 during the same period.

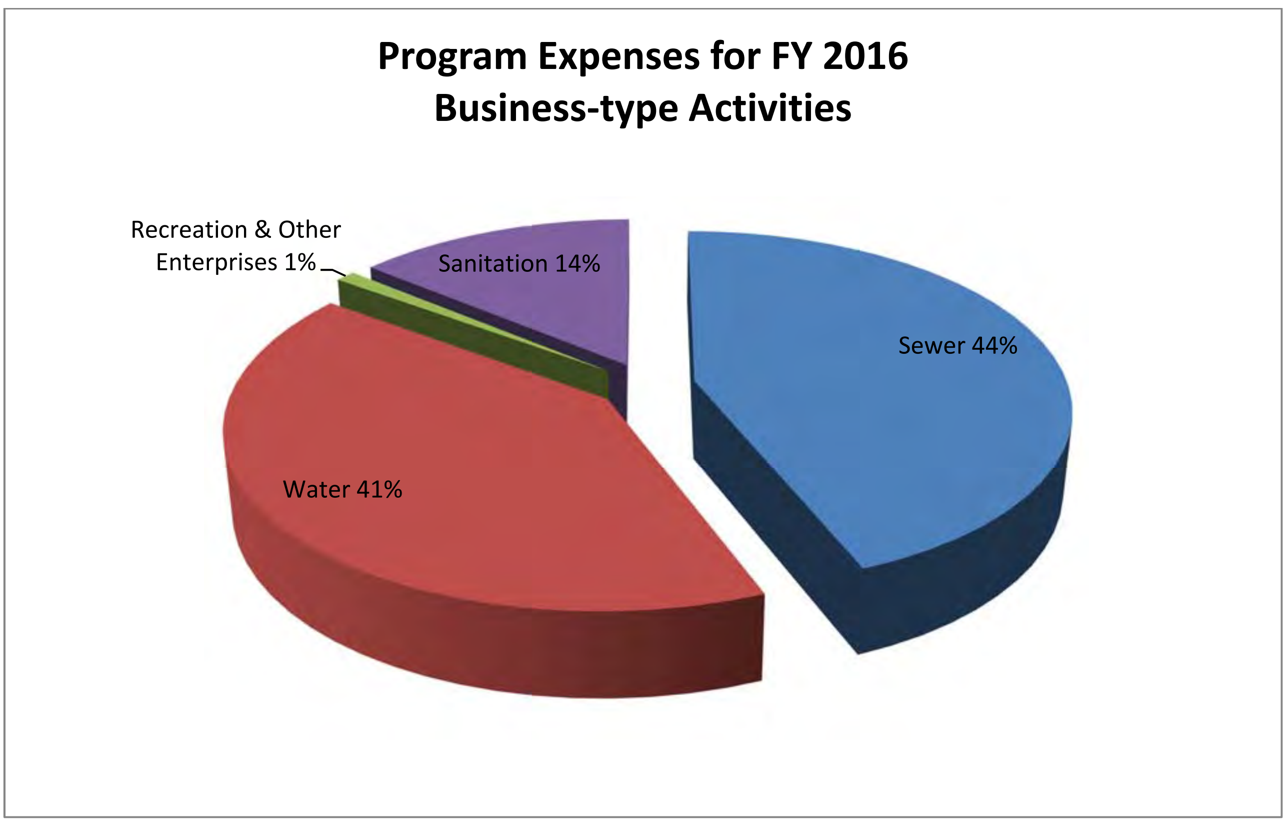
The three components of net position include net investment in capital assets; restricted; and unrestricted. The largest component of net position, totaling $221,700,000 at year end, is the investment in capital assets, which includes all of the sewer and water lines and roads of the City. The City uses 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 $14,300,000 represent resources that are subject to external restrictions and other provisions on how they can be used. The remaining balance of $42,800,000 is unrestricted and available to meet the ongoing obligations of the City to its citizens and creditors.

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Current and other assets | $ 46,801,764 | $ 41,356,816 | $ 45,955,320 | $ 47,798,090 | $ 92,757,084 | $ 89,154,906 |
| Capital assets | 139,207,450 | 142,744,007 | 139,702,776 | 133,628,064 | 278,910,226 | 276,372,071 |
| Total assets | 186,009,214 | 184,100,823 | 185,658,096 | 181,426,154 | 371,667,310 | 365,526,977 |
| Deferred Outflow of Resources | 6,494,863 | 3,521,698 | 683,369 | 375,421 | 7,178,232 | 3,897,119 |
| Current and other liabilities | (12,763,323) | (9,282,965) | (17,263,944) | (13,103,292) | (30,027,267) | (22,386,257) |
| Bonds | - | - | (66,173,038) | (70,287,516) | (66,173,038) | (70,287,516) |
| Total liabilities | (12,763,323) | (9,282,965) | (83,436,982) | (83,390,808) | (96,200,305) | (92,673,773) |
| Deferred Inflow of Resources | (3,532,166) | (4,524,853) | (393,552) | (497,621) | (3,925,718) | (5,022,474) |
| Net position: | | | | | | |
| Investment in capital assets | 139,207,450 | 140,796,310 | 82,464,944 | 67,210,548 | 221,672,394 | 208,006,858 |
| Restricted | 5,333,887 | 4,228,544 | 8,935,206 | 15,815,072 | 14,269,093 | 20,043,616 |
| Unrestricted | 31,667,251 | 28,789,849 | 11,110,781 | 14,887,526 | 42,778,032 | 43,677,375 |
| Total net position | $ 176,208,588 | $ 173,814,703 | $ 102,510,931 | $ 97,913,146 | $ 278,719,519 | $ 271,727,849 |


Sources of Revenue for FY 2016
Governmental Activities
Grants and Contributions 2%
Other Taxes 1%
Charges for Services 17%
Property Taxes 48%
Grants and Contributions 32%


Sources of Revenue for FY 2016
Business-type Activities
Grants and Contributions 0%
Investment and Other Earnings 3%
Charges for Services 97%


Program Expenses for FY 2016
Governmental Activities
Engineering and Planning 6%
Streets 10%
Culture and Recreation 10%
Public Safety 33%
Airport 5%
General Government 36%


Program Expenses for FY 2016
Business-type Activities
Recreation & Other Enterprises 1%
Sanitation 14%
Sewer 44%
Water 41%

### *Analysis of Condensed Statement of Activities*

The following table presents the City's condensed statement of activities for the fiscal year 2015-16 and fiscal year 2014-15, 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.

**Condensed Statement of Activities**
For the Fiscal Year Ended September 30

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| **Program revenues** | | | | | | |
| Charges for services | $ 6,354,779 | $ 6,801,330 | $ 23,017,706 | $ 23,046,518 | $ 29,372,485 | $ 29,847,848 |
| Grants and contributions | | | | | | |
| Operating | 8,074,642 | 7,781,738 | | | 8,074,642 | 7,781,738 |
| Capital | 4,311,907 | 985,169 | | | 4,311,907 | 985,169 |
| **Total program revenue** | 18,741,328 | 15,568,237 | 23,017,706 | 23,046,518 | 41,759,034 | 38,614,755 |
| **General revenues and payments** | | | | | | |
| Property taxes | 18,219,696 | 17,673,416 | | | 18,219,696 | 17,673,416 |
| Other taxes | 393,394 | 385,292 | | | 393,394 | 385,292 |
| Investment earnings | 604,822 | 577,025 | 611,827 | 1,100,433 | 1,216,649 | 1,677,458 |
| Other revenues | 322,311 | 423,292 | 166,115 | 123,606 | 488,426 | 546,898 |
| Total general revenues and payments | 19,540,223 | 19,059,025 | 777,942 | 1,224,039 | 20,318,165 | 20,283,064 |
| **Total general revenues and payments** | 38,281,551 | 34,627,262 | 23,795,648 | 24,270,557 | 62,077,199 | 58,897,819 |
| **Program expenses** | | | | | | |
| General government | 13,451,319 | 13,055,440 | - | - | 13,451,319 | 13,055,440 |
| Public safety | 12,338,617 | 11,293,239 | - | - | 12,338,617 | 11,293,239 |
| Streets, Engineering, P&Z | 5,959,858 | 5,832,507 | - | - | 5,959,858 | 5,832,507 |
| Culture and recreation | 3,897,712 | 3,845,134 | - | - | 3,897,712 | 3,845,134 |
| Airport | 1,747,681 | 1,734,504 | - | - | 1,747,681 | 1,734,504 |
| Water | - | - | 7,279,970 | 6,783,620 | 7,279,970 | 6,783,620 |
| Sewer | - | - | 7,724,769 | 7,234,304 | 7,724,769 | 7,234,304 |
| Sanitation | - | - | 2,413,932 | 2,336,654 | 2,413,932 | 2,336,654 |
| Recreation enterprises | - | - | 240,259 | 270,517 | 240,259 | 270,517 |
| Other | - | - | 31,411 | 23,099 | 31,411 | 23,099 |
| **Total program expenses** | 37,395,187 | 35,760,824 | 17,690,341 | 16,648,194 | 55,085,528 | 52,409,018 |
| Excess (deficiency) before gain (loss) and transfers | 886,364 | (1,133,562) | 6,105,307 | 7,622,363 | 6,991,671 | 6,488,801 |
| Transfers | 1,507,521 | 1,578,589 | (1,507,521) | (1,578,589) | - | - |
| Contribution of Fixed Assets | - | - | | | - | - |
| Change in net position | 2,393,885 | 445,027 | 4,597,786 | 6,043,774 | 6,991,671 | 6,488,801 |
| Beginning net position | 173,814,703 | 173,369,676 | 97,913,145 | 91,869,372 | 271,727,848 | 265,239,048 |
| | | | | | - | - |
| Ending net position | $ 176,208,588 | $ 173,814,703 | $ 102,510,931 | $ 97,913,146 | $ 278,719,519 | $ 271,727,849 |

## Governmental Revenues

The City is heavily reliant on property taxes and shared state revenues to support governmental operations. Total revenues for 2016, in the governmental funds, are comprised of property taxes (47%), shared state revenues are (20%), charges for services (11%), and contributions and federal grants (10%), with all other sources of revenue account for the remaining (12%) governmental revenues.

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

The following table presents the net costs for governmental activities. Net program costs decreased 7.6% compared to the prior year. In total, program revenues increased 20.4% this year. Most of that increase is attributable to an increase in capital grants and contributions which went from $980,000 to $4,300,000. This level of grant funding should be maintained as the airport undergoes the significant renovation which is being partnered with the federal government.

Program revenues for 2016 were more than in 2015 by $3,200,000 and program expenses for 2016 were more than last year totaling $37,400,000.

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

| Functions/Programs | Program Expenses 2016 | Less Program Revenues 2016 | Net Program Costs 2016 | Net Program Costs 2015 | Program Revenues as a Percentage of Program Expenses 2016 | Program Revenues as a Percentage of Program Expenses 2015 |
|---|---|---|---|---|---|---|
| General government | $ 13,451,319 | $ 8,459,321 | $ 4,991,998 | $ 5,629,426 | 62.9% | 56.9% |
| Fire | 3,365,672 | 462,827 | 2,902,845 | 2,249,135 | 13.8% | 16.4% |
| Police | 8,972,945 | 876,769 | 8,096,176 | 7,805,917 | 9.8% | 9.3% |
| Engineering & planning | 2,148,670 | 1,256,553 | 892,117 | 975,962 | 58.5% | 55.0% |
| Library | 1,699,739 | 56,460 | 1,643,279 | 1,680,862 | 3.3% | 3.6% |
| Culture & recreation | 2,042,063 | 245,241 | 1,796,822 | 1,694,371 | 12.0% | 11.8% |
| Highways & streets | 3,811,188 | 4,108,925 | (297,737) | (84,207) | 107.8% | 102.3% |
| Pool | 155,910 | 123,131 | 32,779 | 57,646 | 79.0% | 68.2% |
| Airport | 1,747,681 | 3,152,101 | (1,404,420) | 183,475 | 180.4% | 89.4% |
| **Totals** | $ 37,395,187 | $ 18,741,328 | $ 18,653,859 | $ 20,192,587 | 50.1% | 43.5% |

### *Program Expenses and Revenue for Business-type Activities*

The following table presents net income and costs for business-type activities. Program revenues generated from business-type activities were generally sufficient to cover most program operational expenses; debt funding, and capital investment. In a previous year the City entered into a contract which leased 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. Leasing out the golf course has allowed a significant financial improvement over historical averages. The lease allows the City to participate in profits of its lessee/partner at a certain level which the City has done in the past. Program expenses in the Golf Fund are primarily attributed to depreciation of the related assets.

In total the City experienced no change in the charges it made for water, wastewater, and sanitation services. There was an increase in water revenue and an offsetting decrease in revenues from wastewater processing. As indicated earlier, the City is undergoing a voter approved expansion of its wastewater treatment facilities. Thirty eight million ($38,000,000) in bonding was secured to construct the expansion. The City previously applied a rate increase of 27% to service the new debt obligation. Additionally, the City has observed a significant increase in flow charges to industrial users as new facilities have come online and local industries have expanded their production. The City must maintain significant funds in both 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

| Functions/Programs | Program Revenues 2016 | Less Program Expenses 2016 | Net Program Income (Costs) 2016 | Net Program Income (Costs) 2015 | Program Expenses as a Percentage of Program Revenues 2016 | Program Expenses as a Percentage of Program Revenues 2015 |
|---|---|---|---|---|---|---|
| Water | $ 10,373,430 | $ 7,279,970 | $ 3,093,460 | $ 3,133,707 | 70.2% | 68.4% |
| Sewer | 9,437,448 | 7,724,769 | 1,712,679 | 2,950,831 | 81.9% | 71.0% |
| Sanitation | 2,905,155 | 2,413,932 | 491,223 | 354,092 | 83.1% | 86.8% |
| Golf | 9,921 | 47,036 | (37,115) | (42,864) | 474.1% | 1174.6% |
| Dierkes Lk/Shoshone Fls | 260,382 | 193,223 | 67,159 | (5,986) | 74.2% | 102.7% |
| Common Area Maintenance | 31,370 | 31,411 | (41) | 8,544 | 100.1% | 73.0% |
| **Totals** | $ 23,017,706 | $ 17,690,341 | $ 5,327,365 | $ 6,398,324 | 76.9% | 72.2% |

## Fund Analysis

***Governmental Funds***
The City's governmental funds reported a combined ending fund balance of $42,500,000 at September 30, 2016, with most of that fund balance committed or assigned. That balance compares to a combined ending fund balance of $36,900,000 at September 30, 2015. Three funds had increases in their fund balances of more than $1,000,000, the Impact Fund, Capital Improvement Fund, and the Street Fund. Those same three funds had increases of more than $1,000,000 last year. The increase in the Impact Fund corresponds directly to the increased growth through new construction that the City is experiencing. With regard to the Capital Improvement Fund, the City recently adopted a policy of evaluating the budgetary needs of the General Fund and transferring any excess funds to the capital improvement fund, on an annual basis. During the year, $2,371,000 was moved out of the General Fund to the Capital Improvement Fund. The increase in the Street Fund is largely resulting from budgeted construction projects that were again not completed in the current year and carrying over to the future.

***Proprietary Funds***
The City's proprietary funds reported combined ending net positions of $102,500,000 at September 30, 2016, with $82,500,000 invested in capital assets (net of debt) and $7,300,000 reported as unrestricted. The City had $8,900,000 of bond proceeds remaining that will be used for the wastewater treatment plant construction in the future. That amount is restricted and can only be used for the project.

## Capital Asset Activity

At September 30, 2016 the City reported, on a government wide basis, net investment in capital assets of $221,600,000. Additions to 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 insignificant improvements in infrastructure. The other group of asset additions relates to infrastructure projects in the Street, Water, and Wastewater Funds or significant purchases of equipment. During the year some of the City's more significant capital expenditures included:

- Work on Eastland Dr. South - $1,058,000
- Preparation and construction of the new airport terminal modification - $1,692,000
- Purchase of a new City Hall site and design work on that facility and a new public safety complex - $1,017,000
- Enhancements to the Park System and Area Trails - $490,000
- A new water tank on Hankins Road (City's share only) - $1,670,000
- Well pump replacement and new booster station - $1,839,000
- Expansion and upgrade of the wastewater treatment plant - $6,800,000

These costs represent the activity of the City during the current year only. 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. Some of these projects received joint funding from the City and the URA. When these projects were completed the costs incurred by the URA were contributed to the City and combined.

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 $8,500,000 for the government funds and $3,500,000 for the business type activities. One way to quantify the average capital replacement needs is through depreciation. Using the City's current depreciation amounts the City would need to average $12,000,000 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 provided needed services 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 currently in the governmental activities is compensated absences. Compensated absences have been included as an obligation of the City in the amount of $1,600,000. 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 of until a future period. Should an employee retire or quit, they are paid any existing balance. 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. However that increase is mitigated as older employees retire that have disproportionately high balances and are paid out. Employees are constantly using and replenishing their compensated absence balances. Most of the balances will be used in the upcoming year and have been reflected as a currently liability, even though those balances will be replenished with new replacement hours.

There were no new borrowings in the business type activities this year. The only activity on traditional debt was the scheduled payments of interest and principal on bonds. The City reduced its bonds in the Water and Wastewater Funds by $3,870,000. It should be noted that the City is in full compliance with any promises it made to bond holders as a condition of their original lending.

One issue that is recently impacting the City's financial statement relates to the reporting of unfunded liabilities, primarily retirement benefits. Several national studies had attempted to quantify the amount of unfunded liabilities that exist and were not reported on the financial statements of state and local municipalities. That total was estimated to exceed a trillion dollars. The City made the decision years ago to participate in the State sponsored PERSI retirement plan and the State has been very judicious in the benefits it has awarded to retiring employees and its management of the plan. 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. The new reporting requirements were implemented last year by the City and have impacted reported Long-Term Debt. The City is now reflecting its proportionate share of any unfunded liability PERSI has. One reason the issue was so contentious is that as a practical matter, the liability will never be due all at once, but will be perpetually rolling forward. It only became an issue when some plan administrators became unrealistic in the assumptions they were using which resulted in shifting payment of current retirement benefits to future generations in an unsustainable way.

**Economic Factors**

Twin Falls continues to grow at a healthy pace. 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 |
|---|---|
| 2012 | 151 |
| 2013 | 182 |
| 2014 | 189 |
| 2015 | 230 |
| 2016 | 236 |

As measured by the number of permits issued, commercial construction is also expanding but not as fast as last year; changing from 59 permits issued during the last fiscal year to 28 permits this year. The total estimated value of building permits for residential construction increased slightly from $46.4 million last year to $47.7 million this year and commercial construction values permitted decreased from $87.9 million last year to $57.0 million this year.

Paralleling national trends where there has been some moderation of the high unemployment rates seen several years ago. Unemployment levels decreased within the City for the eighth year in a row. A year ago the City's unemployment level was reported at 3.5%. At the end of the current year, unemployment stood at 3.3%. That 3.3% was lower than the State and National rates. It occurred at a time when the Idaho State unemployment was 3.8% and the National unemployment was 5.0%.

The increased building growth impacts the city utilities as well. This can be illustrated with residential sanitation service accounts, which saw customer counts increase from 14,412 to 14,618 between September 30, 2015 and 2016.

Assessed net taxable market values within the City increased from $2,264,943,286 to $2,274,715,387. Every five years properties are required to be reassessed by the County Appraiser.

Most of the levy rates charged by the local municipal taxing districts increased this year. The following is a table showing a comparison of the levy rates for the 2016 and 2015 budget years.

| Taxing District | 2015 Levy Rates (funded 2015-16 budget) | 2014 Levy Rates (funded 2014-15 budget) | Percent Change |
|---|---|---|---|
| City of Twin Falls | 0.007868287 | 0.007664692 | 2.7% |
| Twin Falls County | 0.004552904 | 0.004499616 | 1.2% |
| Twin Falls County Ambulance District | 0.000208866 | 0.000202299 | 3.2% |
| Twin Falls County Abatement District | 0.000125414 | 0.000124412 | 0.8% |
| Twin Falls School District 411 | 0.004765449 | 0.004786364 | -0.4% |
| Twin Falls Highway District | 0.001223108 | 0.001194773 | 2.4% |
| College of Southern Idaho | 0.000963895 | 0.000955478 | 0.9% |
| Combined | 0.019707923 | 0.019427634 | 1.4% |

## Future Issues

Previously the City engaged 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. The following are specific issues the City faces as defined through those planning activities.

*Compensation*
One issue that the City has dealt with, and that will continue into the future, is City wide compensation. Four years ago the City determined that, in general, employees were being compensated at a level that was below the surrounding market, at the time about 12%. An attempt was made to compute the indirect costs to the City of the excessive turnover this caused. A strategy was planned and implemented which is bringing compensation up to a level that is competitive with the local market and maintaining it going forward. This strategy has been implemented over several years. Each year, during the budgeting process, a determination is made as to the level of progress that has been made and what level of increase can be made and sustained. In keeping with the concerns that the City has had about the compensation issue, the City Council recently took an unprecedented action outside the traditional budgeting process. It was recognized that even though the City has made great strides in implementing a market based compensation package across the board, the City's police and fire employee's compensation was still not competitive. The City Council amended the City's budget and increased eligible police and fire personnel by an average of 7% effective during the month of February, 2017.

*Wastewater Capacity*
For a number of years the City had 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 sever miles of sewer lines. The construction process for the expansion has taken several years, but next year the new processing facility is scheduled to go online.

*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 over 40 years. Overcrowding has been 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 115 active law enforcement employees. Locker use is especially congested. The original design did not adequately plan for the number of women which the City would eventually employ.

After several attempts to design a remodel of the building that would accommodate the increased growth in the department the issue became a driving force for the construction of a new public safety complex and a new City Hall. Current and future needs of the City were identified and detailed. A citizen's committee was formed and tasked with reviewing all options for the most cost effective and efficient way to meet those needs. A consensus was reached by the committee to make a major remodel of the current City Hall and dedicate that building 100% to law enforcement. At the same time the committee identified a vacant building on Main Street that was currently for sale, the "Banner" building, which could be economically converted into a City Administrative building. The new facility will not only accommodate displaced City employees – but employees located in buildings at various locations as well as future growth. The building passed a structural assessment and was purchased by the City.

Plans and design work are finished for the remodels and demolition of the old Banner is complete. Construction activity is ongoing and the City hopes to complete all phases of construction during the current calendar year (2017).

One matter that is being discussed, as a future issue, is the possibility of adding a new fire station to the City's existing three facilities. The City's growth requires that an updated evaluation take place. As the City has expanded over the years, it has not always been in ways that were projected forty or fifty years ago. Response times and public safety may dictate fresh thinking about facility locations. New fire stations require more than just a new physical structure. An entire new fire crew and set of response equipment and engines must also be funded and sustained.

*Downtown Development/Urban Renewal Agency*
The earliest revenue allocation area in the URA will terminate in 6 years. In the downtown portion of the URA area the agency has embarked on an undertaking for significant work, largely improving Main Street. As part of the project the URA purchased a building which neighbors the new City Hall. That building has been demolished and a downtown plaza planned along with a renovation of a five block area on both sides of Main. The City is also moving ahead with critical infrastructure needs in the same zone. The City will take responsibility for upgrading water and wastewater lines in the adjacent alleys. Much in the City's new City Hall project and utility upgrade and the URA's downtown development project overlap. The URA and the City have been working closely together to make them successful and efficient.

*Airport Remodel*
The configuration of the boarding area of the Airport has been troublesome for some time. Especially with the security measures that have been implemented since 9/11. The City has received grant approval to remodel the airport to resolve these issues. Construction has begun on the remodel and an 8,000 square foot addition. Currently passengers are isolated from any services after they have been screened for boarding. When the project is completed, passengers will have restroom facilities available; vending options; baggage will be handled in another area besides the waiting area; and seating will be increased. The project will cost in excess of $4,000,000. Funding for the project will come from a grant given by the Federal Aviation Administration and Passenger Facility Charges that have already been collected. Local taxpayers will not be impacted.

**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.

Two years ago the URA and the City entered into a development agreement 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 in partnership with the City and the Agency has built the world's largest bakery under one roof. The construction was essentially completed prior to the end of the fiscal year and the manufacturing facility is fully operational.

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 along with notes to those financial statements which add insight and clarification. The Agency's financial statements are available upon request.

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF TWIN FALLS, IDAHO**

Statement of Net Position

September 30, 2016

| | Primary Government | | | Component Unit- Urban Renewal |
|---|---|---|---|---|
| | Governmental Activities | Business Type Activities | Total | |
| **Assets** | | | | |
| Cash and Investments | $ 39,661,963 | $ 41,980,593 | $ 81,642,556 | $ 7,463,041 |
| Receivables: | | | | |
| Taxes | 241,403 | - | 241,403 | 120,032 |
| Fees and Services | - | 3,371,760 | 3,371,760 | - |
| Intergovernmental | 4,277,802 | - | 4,277,802 | 12,162 |
| Interest | 1,545 | - | 1,545 | - |
| Accounts | 191,174 | 15,678 | 206,852 | - |
| Internal Balances | 341,227 | (341,227) | - | - |
| Inventory | - | 725,894 | 725,894 | - |
| Prepaid Items | - | 202,622 | 202,622 | 18,000 |
| Capital Assets not being Depreciated | | | | |
| Land | 6,733,480 | 11,718,757 | 18,452,237 | 2,621,783 |
| Construction in Progress | 6,640,521 | 35,409,005 | 42,049,526 | 13,596,138 |
| Buildings and Structures | 19,500,670 | 19,548,231 | 39,048,901 | 5,206,902 |
| Infrastructure | 267,117,860 | 57,921,001 | 325,038,861 | - |
| Improvements | 18,555,097 | 39,462,600 | 58,017,697 | - |
| Machinery and Equipment | 18,183,054 | 15,254,743 | 33,437,797 | 475,000 |
| Accumulated Depreciation | (197,523,232) | (39,611,561) | (237,134,793) | (949,510) |
| Net Pension Asset-FRF | 2,086,650 | - | 2,086,650 | - |
| **Total Assets** | 186,009,214 | 185,658,096 | 371,667,310 | 28,563,548 |
| **Deferred Outflows of Resources** | | | | |
| Pension Obligations-Base Plan | 5,474,520 | 683,369 | 6,157,889 | - |
| Pension Obligations-FRF | 1,020,343 | - | 1,020,343 | - |
| **Total Deferred Outflows of Resources** | 6,494,863 | 683,369 | 7,178,232 | - |
| **Total Assets and Deferred Outflows of Resources** | $ 192,504,077 | $ 186,341,465 | $ 378,845,542 | $ 28,563,548 |

See accompanying notes to the financial statements.

**CITY OF TWIN FALLS, IDAHO**
Statement of Net Position
September 30, 2016

| | Primary Government | | | Component Unit- Urban Renewal |
|---|---|---|---|---|
| | Governmental Activities | Business Type Activities | Total | |
| **Liabilities** | | | | |
| Pooled Cash | $ 11,934 | $ 14,724,261 | $ 14,736,195 | $ - |
| Accounts Payable | 577,026 | 952,631 | 1,529,657 | 575,116 |
| Accrued Expenses | 121,530 | - | 121,530 | - |
| Accrued Interest | - | 68,964 | 68,964 | 1,083,567 |
| Deferred Revenue | 374,950 | - | 374,950 | - |
| Customer Deposits | 275,556 | 145,823 | 421,379 | - |
| Development & Project Reimbursement Agreements | - | - | - | 16,461,022 |
| Compensated Absences-Current Portion | 967,752 | 88,049 | 1,055,801 | |
| Revenue Bond Payable-Current | - | 3,950,000 | 3,950,000 | 2,279,000 |
| Revenue Bond Payable | - | 62,223,038 | 62,223,038 | 43,374,139 |
| Compensated Absences | 650,829 | 59,230 | 710,059 | - |
| Net Pension Liability-Base Plan | 9,783,746 | 1,224,985 | 11,008,731 | - |
| **Total Liabilities** | 12,763,323 | 83,436,981 | 96,200,304 | 63,772,844 |
| **Deferred Inflows of Resources** | | | | |
| Employer Pension Assumption-Base Plan | 3,086,343 | 393,553 | 3,479,896 | - |
| Employer Pension Assumption-FRF | 445,823 | - | 445,823 | - |
| **Total Deferred Inflows of Resources** | 3,532,166 | 393,553 | 3,925,719 | - |
| **Net Position** | | | | |
| Net Investment in Capital Assets | 139,207,450 | 82,464,944 | 221,672,394 | 11,532,950 |
| Restricted for: | | | | |
| Capital Projects | 5,052,955 | 8,935,206 | 13,988,161 | - |
| Debt Service | - | - | - | 3,181,097 |
| Law Enforcement Activities | 280,932 | - | 280,932 | - |
| Unrestricted | 31,667,251 | 11,110,781 | 42,778,032 | (49,923,343) |
| **Total Net Position** | 176,208,588 | 102,510,931 | 278,719,519 | (35,209,296) |
| **Total Liabilities, Deferred Inflows and Net Position** | $ 192,504,077 | $ 186,341,465 | $ 378,845,542 | $ 28,563,548 |

See accompanying notes to the financial statements.

**CITY OF TWIN FALLS, IDAHO**
Statement of Activities
For the Year Ended September 30, 2016

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | | Component Unit - Urban Renewal |
| **Functions/Programs** | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total | |
| **Primary Government:** | | | | | | | | |
| **Governmental Activities:** | | | | | | | | |
| General Government | $ 13,451,319 | $ 1,632,115 | $ 4,500,759 | $ 2,326,447 | $ (4,991,998) | $ - | $ (4,991,998) | |
| Fire | 3,365,672 | 462,827 | - | - | (2,902,845) | - | (2,902,845) | |
| Police | 8,972,945 | 876,769 | - | - | (8,096,176) | - | (8,096,176) | |
| Engineering/Planning | 2,148,670 | 1,256,553 | - | - | (892,117) | - | (892,117) | |
| Library | 1,699,739 | 56,460 | - | - | (1,643,279) | - | (1,643,279) | |
| Culture and Recreation | 2,042,063 | 245,241 | - | - | (1,796,822) | - | (1,796,822) | |
| Highway and Street | 3,811,188 | 973,881 | 3,078,040 | 57,004 | 297,737 | - | 297,737 | |
| Pool | 155,910 | - | 123,131 | - | (32,779) | | (32,779) | |
| Airport | 1,747,681 | 850,933 | 372,712 | 1,928,456 | 1,404,420 | - | 1,404,420 | |
| Total Governmental Activities | 37,395,187 | 6,354,779 | 8,074,642 | 4,311,907 | (18,653,859) | - | (18,653,859) | |
| **Business-Type Activities:** | | | | | | | | |
| Water | 7,279,970 | 10,373,430 | - | - | - | 3,093,460 | 3,093,460 | |
| Wastewater | 7,724,769 | 9,437,448 | - | - | - | 1,712,679 | 1,712,679 | |
| Sanitation | 2,413,932 | 2,905,155 | - | - | - | 491,223 | 491,223 | |
| Golf | 47,036 | 9,921 | - | - | - | (37,115) | (37,115) | |
| Dierkes Lake/Shoshone Falls | 193,223 | 260,382 | - | - | - | 67,159 | 67,159 | |
| Common Area Maintenance | 31,411 | 31,370 | - | - | - | (41) | (41) | |
| Total Business-Type Activities | 17,690,341 | 23,017,706 | - | - | - | 5,327,365 | 5,327,365 | |
| Total Primary Government | $ 55,085,528 | $ 29,372,485 | $ 8,074,642 | $ 4,311,907 | $ (18,653,859) | $ 5,327,365 | $ (13,326,494) | |
| **Component Unit:** | | | | | | | | |
| Urban Renewal Agency | | | | | | | | $ (30,033,980) |

| | Governmental Activities | Business-Type Activities | Total | Component Unit - Urban Renewal |
|---|---|---|---|---|
| **General Revenues:** | | | | |
| Taxes: | | | | |
| Property taxes, Levied for General Purposes | $ 18,219,696 | $ - | $ 18,219,696 | $ - |
| Property taxes, Levied for Debt Service | - | - | - | 8,719,955 |
| Franchise and Public Service Taxes | 393,394 | - | 393,394 | - |
| Interest and Investment Earnings | 604,822 | 611,827 | 1,216,649 | 20,808 |
| Miscellaneous Revenues | 322,311 | 166,115 | 488,426 | - |
| Transfers | 1,507,521 | (1,507,521) | - | - |
| | 21,047,744 | (729,579) | 20,318,165 | 8,740,763 |
| Changes in Net Position | 2,393,885 | 4,597,786 | 6,991,671 | (21,293,217) |
| **Net Position - October 1, 2015** | 173,814,703 | 97,913,145 | 271,727,848 | (13,916,079) |
| **Net Position - September 30, 2016** | $ 176,208,588 | $ 102,510,931 | $ 278,719,519 | $ (35,209,296) |

See accompanying notes to the financial statements.

# FUND FINANCIAL STATEMENTS

**CITY OF TWIN FALLS, IDAHO**

Fund Balance Sheets

Governmental Funds

September 30, 2016

| | General | Street | Airport | Capital Improvement | Airport Construction | Other Governmental | Total Governmental |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and Investments | $ 8,363,667 | $ 5,370,589 | $ 1,891,352 | $ 17,082,302 | $ 27,879 | $ 6,211,954 | $ 38,947,743 |
| Receivables (net of allowance) | | | | | | | |
| Taxes | 216,250 | 20,060 | - | 1,053 | - | 1,214 | 238,577 |
| Fees and Services | - | - | - | - | - | - | - |
| Intergovernmental | 925,338 | 2,119,266 | 432 | 528,783 | 664,930 | 35,859 | 4,274,608 |
| Interest | 1,545 | - | - | - | - | - | 1,545 |
| Accounts | 117,829 | - | 60,185 | - | 11,180 | 1,106 | 190,300 |
| Due from Other Funds | 683,166 | - | - | - | - | - | 683,166 |
| **Total Assets** | $ 10,307,795 | $ 7,509,915 | $ 1,951,969 | $ 17,612,138 | $ 703,989 | $ 6,250,133 | $ 44,335,939 |
| **Liabilities** | | | | | | | |
| Pooled Cash | $ - | $ - | $ - | $ - | $ - | $ 11,934 | $ 11,934 |
| Accounts Payable | 137,210 | 240,910 | 6,311 | 150,742 | - | 32,463 | 567,636 |
| Accrued Expenses | 107,621 | - | - | - | - | 13,650 | 121,271 |
| Customer Deposits Payable | 275,556 | - | - | - | - | - | 275,556 |
| Due to Other Funds | - | - | - | - | - | 341,939 | 341,939 |
| **Total Liabilities** | 520,387 | 240,910 | 6,311 | 150,742 | - | 399,986 | 1,318,336 |
| **Deferred Inflows of Resources** | | | | | | | |
| Unavailable Revenue - Property Taxes | 157,214 | 14,584 | 374,950 | 765 | - | 882 | 548,395 |
| **Total Deferred Inflows of Resources** | 157,214 | 14,584 | 374,950 | 765 | - | 882 | 548,395 |
| **Fund Balances** | | | | | | | |
| Nonspendable Fund Balance | - | - | - | - | - | - | - |
| Restricted, Expendable for | | | | | | | |
| Law Enforcement | 72,238 | - | - | - | - | 72,104 | 144,342 |
| Restricted for the Benefit for TFPD | 5,913 | - | - | - | - | | 5,913 |
| Committed Fund Balance | | | | | | | |
| Budgeted Surplus Res. | 79,530 | - | - | 630,000 | 290,425 | 590,677 | 1,590,632 |
| Park Development | - | - | - | - | - | 234,200 | 234,200 |
| Trail Fund | - | - | - | - | - | 541 | 541 |
| Impact Fees | - | - | - | - | - | 3,963,994 | 3,963,994 |
| Public Art Fund | | | | 29,796 | | | 29,796 |
| Airport Construction | - | - | - | - | 413,564 | - | 413,564 |
| Assigned Fund Balance | | | | | | | |
| General Government | 9,472,513 | - | - | - | - | - | 9,472,513 |
| Streets | - | 7,254,421 | - | - | - | - | 7,254,421 |
| Airport | - | - | 1,570,708 | - | - | - | 1,570,708 |
| Street Light | - | - | - | - | - | 155,533 | 155,533 |
| Capital Improvements | | | | 9,300,835 | | | 9,300,835 |
| Community Services | - | - | - | - | - | 1,069,549 | 1,069,549 |
| New City Hall | - | - | - | 7,500,000 | - | - | 7,500,000 |
| Unassigned Fund Balance | - | - | - | - | - | (237,333) | (237,333) |
| **Total Fund Balance** | 9,630,194 | 7,254,421 | 1,570,708 | 17,460,631 | 703,989 | 5,849,265 | 42,469,208 |
| **Total Liabilities, Deferred Inflows of Resources and Fund Balance** | $ 10,307,795 | $ 7,509,915 | $ 1,951,969 | $ 17,612,138 | $ 703,989 | $ 6,250,133 | $ 44,335,939 |

See accompanying notes to the financial statements.

**CITY OF TWIN FALLS, IDAHO**

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2016

Amounts reported for governmental activities in the Statement of Net Position are different because:

| | | |
|---|---|---|
| Total Governmental Fund Balances | $ | 42,469,208 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 138,908,842 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds. | | 175,499 |
| 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. | | 987,437 |
| Net pension liability and related pension obligation deferred outflow and employer pension assumption deferred inflow of resources are not due and payable in the current period and therefore are not reported in the funds. | | (4,734,399) |
| 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. | | |
| Compensated Absences | | (1,618,581) |
| Compensated Absences included in the Internal Service Funds | | 20,582 |
| Net Position | $ | 176,208,588 |

See accompanying notes to the financial statements.

**CITY OF TWIN FALLS, IDAHO**

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended September 30, 2016

| | General | Street | Airport | Capital Improvement | Airport Construction | Other Governmental | Total Governmental |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Property Taxes, Including Interest | $ 14,844,476 | $ 1,326,778 | $ 373,145 | $ 30,262 | $ - | $ 1,652,368 | $ 18,227,029 |
| Other Taxes | 486,777 | - | - | - | - | 393,394 | 880,171 |
| Special Assessments, Including Interest | - | - | - | - | - | 161,679 | 161,679 |
| Fines and Forfeitures | 9,466 | - | - | - | - | 31,679 | 41,145 |
| Licenses and Permits | 1,264,310 | - | - | - | - | - | 1,264,310 |
| Fees and Services | 1,227,107 | - | 688,684 | - | 112,676 | 882,731 | 2,911,198 |
| Intergovernmental | 2,523,838 | 3,078,040 | 372,712 | 1,752,715 | - | 123,132 | 7,850,437 |
| Federal Grants | 143,936 | 57,004 | - | 1,656,002 | 1,928,456 | - | 3,785,398 |
| Miscellaneous | 753,769 | 2,644,356 | 168,813 | 296,077 | 374 | 107,664 | 3,971,053 |
| **Total Revenue** | 21,253,679 | 7,106,178 | 1,603,354 | 3,735,056 | 2,041,506 | 3,352,647 | 39,092,420 |
| **Expenditures** | | | | | | | |
| Current | | | | | | | |
| General Government | 4,167,138 | - | - | 167,817 | - | 119,006 | 4,453,961 |
| Public Safety | 13,122,632 | - | - | 1,645,984 | - | 66,073 | 14,834,689 |
| Engineering | 1,426,545 | - | - | - | - | - | 1,426,545 |
| Community Development | 708,364 | - | - | - | - | 8,000 | 716,364 |
| Culture and Recreation | 1,772,051 | - | - | 599,226 | - | 1,588,642 | 3,959,919 |
| Highway and Streets | - | 2,385,145 | - | 58,704 | - | 365,699 | 2,809,548 |
| Airport | - | - | 895,381 | - | 1,736,949 | - | 2,632,330 |
| Capital Outlay | - | 2,325,044 | - | 1,532,892 | - | 120,787 | 3,978,723 |
| **Total Expenditures** | 21,196,730 | 4,710,189 | 895,381 | 4,004,623 | 1,736,949 | 2,268,207 | 34,812,079 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 56,949 | 2,395,989 | 707,973 | (269,567) | 304,557 | 1,084,440 | 4,280,341 |
| **Other Financing Sources and (Uses)** | | | | | | | |
| Transfers In | 1,887,606 | 89,464 | - | 2,470,820 | - | 290,000 | 4,737,890 |
| Transfers Out | (2,470,820) | (275,160) | (346,041) | (355,000) | - | (21,784) | (3,468,805) |
| Total Other Financing Sources and (Uses) | (583,214) | (185,696) | (346,041) | 2,115,820 | - | 268,216 | 1,269,085 |
| **Net Change in Fund Balance** | (526,265) | 2,210,293 | 361,932 | 1,846,253 | 304,557 | 1,352,656 | 5,549,426 |
| **Fund Balance October 1, 2015** | 10,156,459 | 5,044,128 | 1,208,776 | 15,614,378 | 399,432 | 4,496,609 | 36,919,782 |
| **Fund Balance September 30, 2016** | $ 9,630,194 | $ 7,254,421 | $ 1,570,708 | $ 17,460,631 | $ 703,989 | $ 5,849,265 | $ 42,469,208 |

See accompanying notes to the financial statements.

**CITY OF TWIN FALLS, IDAHO**
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, 2016

**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, 2016**

| | | |
|---|---|---|
| Net Change in Fund Balances - Total Government Funds | $ | 5,549,426 |
| 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 | | (1,572,932) |
| 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. | | 20,347 |
| 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. | | 20,209 |
| Changes in net pension liability and related pension obligations deferred outflow and employer pension assumption deferred inflow of resources do not provide required current financial resources and therefore are not reflected in the funds. | | 636,297 |
| Revenues that will not be collected for several months after the City's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows of resources decreased by this amount in the current year. | | (2,259,462) |
| Change in Net Position of Governmental Activities | $ | 2,393,885 |

See accompanying notes to the financial statements.

**CITY OF TWIN FALLS, IDAHO**
Statement of Net Position
Proprietary Funds
September 30, 2016

| | Business-Type Activities | | | | | |
|---|---|---|---|---|---|---|
| | **Waterworks** | **Wastewater** | **Sanitation** | **Other Business-Type** | **Total** | **Governmental Activities - Internal Service Funds** |
| **Assets** | | | | | | |
| Current Assets | | | | | | |
| Cash and Investments | $ 8,967,631 | $ 32,343,395 | $ 368,312 | $ 301,255 | $ 41,980,593 | $ 714,220 |
| Receivables (net of allowance for uncollect.) | | | | | | |
| Taxes | - | - | - | - | - | 2,826 |
| Fees and Services | 1,309,791 | 1,687,200 | 367,656 | 7,113 | 3,371,760 | - |
| Intergovernmental | - | - | - | - | - | 3,194 |
| Accounts | 9,545 | 5,486 | - | 647 | 15,678 | 874 |
| Inventories | 725,894 | - | - | - | 725,894 | - |
| **Total Current Assets** | 11,012,861 | 34,036,081 | 735,968 | 309,015 | 46,093,925 | 721,114 |
| Noncurrent Assets | | | | | | |
| Prepaid Asset | - | 202,622 | - | | 202,622 | |
| Due from Other Funds | - | 20,794 | - | - | 20,794 | - |
| Capital Assets (Net of Accum. Depreciation) | 53,680,835 | 84,498,118 | - | 1,523,823 | 139,702,776 | 298,607 |
| **Total Noncurrent Assets** | 53,680,835 | 84,721,534 | - | 1,523,823 | 139,926,192 | 298,607 |
| **Total Assets** | 64,693,696 | 118,757,615 | 735,968 | 1,832,838 | 186,020,117 | 1,019,721 |
| **Deferred Outflows of Resources** | | | | | | |
| Pension Obligations | 511,755 | 150,729 | - | 20,885 | 683,369 | - |
| **Total Deferred Outflows of Resources** | 511,755 | 150,729 | - | 20,885 | 683,369 | - |
| **Total Assets and Deferred Outflows of Resources** | $ 65,205,451 | $ 118,908,344 | $ 735,968 | $ 1,853,723 | $ 186,703,486 | $ 1,019,721 |
| **Liabilities and Net Position** | | | | | | |
| Current Liabilities: | | | | | | |
| Pooled Cash | $ - | $ 14,435,202 | $ - | $ 289,059 | $ 14,724,261 | $ - |
| Accounts Payable | 560,161 | 167,119 | 204,829 | 20,522 | 952,631 | 9,390 |
| Accrued Expenses | 26,717 | 42,247 | - | - | 68,964 | 259 |
| Due to Other Funds | - | - | - | 362,021 | 362,021 | - |
| Unavailable Revenue | - | - | - | - | - | 2,054 |
| Customer Deposits Payable | 145,123 | 700 | - | - | 145,823 | - |
| Revenue Bonds Payable - Current | 2,105,000 | 1,845,000 | - | - | 3,950,000 | - |
| Compensated Absences | 51,847 | 31,506 | - | 4,696 | 88,049 | 10,031 |
| **Total Current Liabilities** | 2,888,848 | 16,521,774 | 204,829 | 676,298 | 20,291,749 | 21,734 |
| NonCurrent Liabilities: | | | | | | |
| Revenue Bonds Payable (Net of Discounts) | 18,616,940 | 43,606,098 | - | - | 62,223,038 | - |
| Compensated Absences | 52,051 | - | - | 7,179 | 59,230 | 10,550 |
| Net Pension Liability | 912,384 | 275,493 | - | 37,108 | 1,224,985 | |
| **Total Non-current Liabilities** | 19,581,375 | 43,881,591 | - | 44,287 | 63,507,253 | 10,550 |
| **Total Liabilities** | 22,470,223 | 60,403,365 | 204,829 | 720,585 | 83,799,002 | 32,284 |
| **Deferred Inflows of Resources** | | | | | | |
| Employer Pension Assumption | 283,607 | 98,652 | - | 11,293 | 393,552 | |
| **Total Deferred Inflows of Resources** | 283,607 | 98,652 | - | 11,293 | 393,552 | - |
| **Net Position** | | | | | | |
| Net Investment In Capital Assets | 32,958,895 | 47,982,226 | - | 1,523,823 | 82,464,944 | 298,607 |
| Restricted for Capital Expansion | - | 8,935,206 | | - | 8,935,206 | |
| Restricted for Debt Retirement | 3,838,401 | - | | | 3,838,401 | |
| Unrestricted | 5,654,325 | 1,488,895 | 531,139 | (401,978) | 7,272,381 | 688,830 |
| **Total Net Position** | 42,451,621 | 58,406,327 | 531,139 | 1,121,845 | 102,510,932 | 987,437 |
| **Total Liabilities, Deferred Inflows of Resources and Net Position** | $ 65,205,451 | $ 118,908,344 | $ 735,968 | $ 1,853,723 | $ 186,703,486 | $ 1,019,721 |

See accompanying notes to the financial statements.

**CITY OF TWIN FALLS, IDAHO**
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2016

| | Business-Type Activities | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Waterworks | Wastewater | Sanitation | Other Business-Type | Total | |
| **Operating Revenues:** | | | | | | |
| Charges for Services | $ 10,236,640 | $ 9,217,516 | $2,905,157 | $ 301,675 | $ 22,660,988 | $ 353,314 |
| Property Taxes, Including Interest | - | - | - | - | - | 202,721 |
| Taps, Connection and Other Fees | 125,386 | - | - | - | 125,386 | - |
| Miscellaneous | 105,804 | - | 6 | 4,328 | 110,138 | 3,458 |
| **Total Operating Revenues** | 10,467,830 | 9,217,516 | 2,905,163 | 306,003 | 22,896,512 | 559,493 |
| **Operating Expenses:** | | | | | | |
| Contracted Services | 273,498 | 3,224,729 | 1,763,033 | 80,800 | 5,342,060 | 5,123 |
| Personnel Expenses | 1,891,723 | 576,363 | - | 59,023 | 2,527,109 | 332,320 |
| Depreciation and Amortization | 1,402,096 | 1,779,064 | - | 97,116 | 3,278,276 | 15,927 |
| Utilities | 971,290 | 660 | - | 6,854 | 978,804 | 9,599 |
| Landfill Expenses | - | - | 643,051 | - | 643,051 | - |
| Supplies | 593,325 | 54,897 | - | 3,552 | 651,774 | 25,036 |
| Insurance | - | - | - | - | - | 419,947 |
| Repairs and Maintenance | 163,472 | 17,620 | - | 10,003 | 191,095 | 15,479 |
| Vehicle Expenses | 122,010 | 39,126 | - | 897 | 162,033 | 1,674 |
| Small Equipment | 717,143 | 339,417 | - | 9,868 | 1,066,428 | 11,795 |
| Studies and Projects | 18,949 | - | - | - | 18,949 | - |
| Rental Expense | 130,143 | - | - | - | 130,143 | - |
| Miscellaneous Expense | 95,592 | 26,074 | 7,848 | 3,557 | 133,071 | 1,483 |
| Testing and Monitoring | 80,039 | - | - | - | 80,039 | - |
| Telephone | 3,300 | 2,850 | - | - | 6,150 | - |
| Travel and Meetings | 4,880 | 295 | - | - | 5,175 | 259 |
| **Total Operating Expenses** | 6,467,460 | 6,061,095 | 2,413,932 | 271,670 | 15,214,157 | 838,642 |
| **Operating Income (Loss)** | 4,000,370 | 3,156,421 | 491,231 | 34,333 | 7,682,355 | (279,149) |
| **Non-Operating Revenues (Expenses):** | | | | | | |
| Development Fees | - | 218,550 | - | - | 218,550 | - |
| Interest Income | 187,662 | 412,801 | 6,958 | 4,406 | 611,827 | - |
| Rent and Royalties | 68,761 | - | - | - | 68,761 | - |
| Interest Expense | (751,589) | (1,663,674) | - | - | (2,415,263) | - |
| **Total Non-Operating Revenues (Exp.)** | (495,166) | (1,032,323) | 6,958 | 4,406 | (1,516,125) | - |
| **Income (Loss) Before Interfund Transfers and Contributions** | 3,505,204 | 2,124,098 | 498,189 | 38,739 | 6,166,230 | (279,149) |
| **Interfund Transfers** | | | | | | |
| Transfers In | 542,810 | - | - | 65,000 | 607,810 | 353,820 |
| Transfers Out | (979,964) | (746,159) | (437,872) | (12,258) | (2,176,253) | (54,462) |
| **Net Transfers** | (437,154) | (746,159) | (437,872) | 52,742 | (1,568,443) | 299,358 |
| **Net Income** | 3,068,050 | 1,377,939 | 60,317 | 91,481 | 4,597,787 | 20,209 |
| **Total Net Position, October 1, 2015** | 39,383,571 | 57,028,388 | 470,822 | 1,030,364 | 97,913,145 | 967,228 |
| **Total Net Position, September 30, 2016** | $ 42,451,621 | $ 58,406,327 | $ 531,139 | $ 1,121,845 | $ 102,510,932 | $ 987,437 |

See accompanying notes to the financial statements.

**CITY OF TWIN FALLS, IDAHO**
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2016

| | Business-Type Activities | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Waterworks | Wastewater | Sanitation | Other Business-Type | Total | |
| **Cash Flows from Operating Activities** | | | | | | |
| Receipts from Customers | $ 10,231,161 | $ 10,102,766 | $2,836,737 | $ 298,608 | $ 23,469,272 | $ 352,544 |
| Property Taxes, Including Interest | - | - | - | - | - | 201,148 |
| Payments to Suppliers | (3,139,358) | (321,959) | (2,410,547) | (171,715) | (6,043,579) | (481,300) |
| Payments to Employees | (1,862,899) | (577,812) | - | (57,382) | (2,498,093) | (335,502) |
| Other Receipts (Payments) | 105,804 | (1,384) | 6 | 4,328 | 108,754 | 3,458 |
| **Net Cash Provided (Used) by Operating Activities** | 5,334,708 | 9,201,611 | 426,196 | 73,839 | 15,036,354 | (259,652) |
| **Cash Flows from Non-Capital Financing Activities** | | | | | | |
| Interfund Transfers to Other Funds | (979,964) | (746,159) | (437,872) | (12,258) | (2,176,253) | (54,462) |
| Receipts from (Advances) to Other Funds | 542,810 | - | - | 65,000 | 607,810 | 353,820 |
| **Net Cash Provided (Used) by Non-Capital Financing Activities** | (437,154) | (746,159) | (437,872) | 52,742 | (1,568,443) | 299,358 |
| **Cash Flows from Capital and Related Financing Activities** | | | | | | |
| Purchase of Capital Assets | (227,952) | (98,185) | - | (30,908) | (357,045) | - |
| Construction in Progress | (2,107,743) | (7,132,681) | - | - | (9,240,424) | - |
| Disposals, Transfers of Capital Assets | - | - | - | - | - | - |
| Principal Paid on Capital Debt | (2,055,000) | (1,815,000) | - | - | (3,870,000) | - |
| Interest Paid on Capital Debt | (754,242) | (1,665,856) | - | - | (2,420,098) | - |
| Development Fees | - | 218,550 | - | - | 218,550 | - |
| Rents and Royalties | 68,761 | - | - | - | 68,761 | - |
| **Net Cash Provided (Used) by Capital and Related Financing Activities** | (5,076,176) | (10,493,172) | - | (30,908) | (15,600,256) | - |
| **Cash Flows from Investing Activities** | | | | | | |
| (Purchase) or Sale of Securities | 388,433 | 1,623,330 | 5,312 | 8,357 | 2,025,432 | 6,678 |
| Interest Income | 187,662 | 412,801 | 6,958 | 4,406 | 611,827 | - |
| **Net Cash Provided (Used) by Investing Activities** | 576,095 | 2,036,131 | 12,270 | 12,763 | 2,637,259 | 6,678 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 397,473 | (1,589) | 594 | 108,436 | 504,914 | 46,384 |
| **Balances - Beginning of the Year** | 831,120 | 2,339 | 261,877 | 26,318 | 1,121,654 | 534,780 |
| **Balances - End of the Year** | $ 1,228,593 | $ 750 | $ 262,471 | $ 134,754 | $ 1,626,568 | $ 581,164 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | | | | | |
| Operating Income | $ 4,000,370 | $ 3,156,421 | $ 491,231 | $ 34,333 | $ 7,682,355 | $ (279,149) |
| Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities: | | | | | | |
| Depreciation and Amortization | 1,451,670 | 1,973,970 | - | 97,116 | 3,522,756 | 15,927 |
| Amortization | (49,574) | (194,908) | - | - | (244,482) | - |
| Change in Assets and Liabilities: | | | | | | |
| Receivables, Net | (95,613) | 885,507 | (68,419) | (3,068) | 718,407 | (1,303) |
| Prepaid Expenses | - | 11,919 | - | - | 11,919 | - |
| Inventories | (116,951) | - | - | - | (116,951) | - |
| Unavailable Revenue | - | - | - | - | - | (1,039) |
| DOF or Resources-Pension Obligations | (237,294) | (60,801) | - | (9,853) | (307,948) | - |
| Accounts Payable | 442,354 | (1,170,190) | 3,384 | 11,572 | (712,880) | 8,835 |
| Accrued Expenses | | | | | | 259 |
| Due to Other Funds-Pooled Cash | (291,120) | 4,541,980 | | (67,755) | 4,183,105 | |
| Customer Deposits | (35,252) | (1,639) | - | - | (36,891) | - |
| Compensated Absences | 17,998 | (4,223) | - | 1,192 | 14,967 | (3,182) |
| Net Pension Liability | 328,313 | 84,122 | - | 13,631 | 426,066 | - |
| DIF or Resources-Employer Pension Assumption | (80,193) | (20,547) | - | (3,329) | (104,069) | - |
| **Net Cash Provided (Used) by Operating Activities** | $ 5,334,708 | $ 9,201,611 | $ 426,196 | $ 73,839 | $ 15,036,354 | $ (259,652) |
| **Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds** | | | | | | |
| Cash and Investments-Statement of Net Position | $ 8,967,631 | $ 32,343,395 | $ 368,312 | $ 301,255 | $ 41,980,593 | $ 714,220 |
| Less: Investments | (7,739,038) | (32,342,645) | (105,841) | (166,501) | (40,354,025) | (133,056) |
| Cash and Cash Equivalents | $ 1,228,593 | $ 750 | $ 262,471 | $ 134,754 | $ 1,626,568 | $ 581,164 |

See accompanying notes to the financial statements.

**CITY OF TWIN FALLS, IDAHO**

Statement of Fiduciary Net Position - Fiduciary Fund

September 30, 2016

| | Agency Fund |
|---|---|
| **Assets** | |
| Cash and Cash Equivalents | $ - |
| Receivables (net of allowance for uncollect.) | |
| Intergovernmental | - |
| **Total Assets** | $ - |
| **Liabilities** | |
| Pooled Cash | - |
| Accounts Payable | - |
| **Total Liabilities** | $ - |

See accompanying notes to the financial statements.

# NOTES TO FINANCIAL STATEMENTS

### *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's more significant 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 organizations but are intertwined enough that they are reported as part of the primary government. The City's library is prohibited from levying property taxes by State statute and works with the City during the budgeting process to determine the appropriate level of property tax funding. The City receives and remits property tax receipts for the benefit of the Library during the year, but final responsibility relative to budget, taxing, and debt remains with the City. Additionally, even though operationally the Library is governed by its own board of directors, that board is appointed by the City Council. These circumstances are the basis for blending the component unit, and its financial activity is reported as a special revenue fund within the City's financial statements.

**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.

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.

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

## 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 it's 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.

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.

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

**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:

The government reports the following major governmental funds:

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

The ***Street Fund*** is a special revenue fund. It accounts for and reports State tax revenues that are dedicated to maintenance and operation of roads as well as revenues collected from users of roads and streets through a fuel tax. Other revenues which are used to meet the maintenance need and supplement the State revenues include general property taxes; franchise fees collected by the City's electrical utility provider; and revenues collected from citizens for street sweeping.

The ***Airport Fund*** is another reported special revenue fund and accounts for and reports the operational activity of the municipal airport. Accounting for the activities of the airport is the responsibility of the City. However the airport is jointly funded with the City's use of property tax revenue and an equal contribution from the County. The Fund also receives revenues from landing fees, concession and franchise fees, and hanger and land rentals.

The C***apital Improvement Fund and Airport Construction Fund*** are used to account for the acquisition of capital assets or construction of major capital projects The Capital Improvement Fund reflects projects other than airport projects that are not being financed by proprietary or non-expendable trust funds. The Airport Construction Fund is specific to capital projects on site at the airport.

**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 government reports the following major proprietary 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.

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.

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

**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.

**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.

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

**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.

## 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.

For purposes of the statement of cash flows, The City considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

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.

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

**Deposits and Investments-Continued**
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.

The LGIP is managed by the State of Idaho's Treasure's office. The funds of the pool are invested in certificates of deposits, repurchase agreements, and U.S. government securities. The certificates of deposits are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank. Interest income earned on pooled investments is allocated to the various funds of the City in proportion to each fund's respective investment balances.

**Pooled Cash Deficits**
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.

**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.

**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.

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

**Capital Assets, Depreciation, and Amortization-continued**
Estimated useful lives, in years, for depreciable assets are as follows:

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

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

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

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

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

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

**Deferred Outflows/Inflows of Resources**
In addition to assets, the statement of financial position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category: the pension obligation reported on the statement of net position. The pension obligation results from changes in assumptions or other inputs in the actuarial calculation of the City's net pension liability.

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 represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for reporting in this category: the employer pension assumption and unavailable revenue. The employer pension assumption results from differences between expected and actual experience and the net difference between projected and actual earnings on pension plan investments derived from the actuarial calculation of the City's net pension liability. 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.

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

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

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

**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.

**Debt Premiums, Discounts and Issuance Costs-Continued**
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:

<u>Nonspendable Fund Balance</u> **-** 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.

<u>Restricted Fund Balance</u> – 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.

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

**Governmental Fund Balances-continued**
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.

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 – Residual balances in the General Fund that have not been restricted, committed or assigned.

Other governmental funds may report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of the fun.

The City passes ordinances and resolutions which may control the use of the City's funds. An ordinance constitutes the more binding constraint and is the restriction that is used for classifying when a fund balance is restricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**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.

**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).

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

**Interfund Activity-continued**
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.

**Pensions**
For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension asset and pension expense (revenue), information about the fiduciary net position of the Firefighters' Retirement Fund Plan (FRF) and additions to/deductions from FRF's fiduciary net position have been determined on the same basis as they are reported by the FRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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.

**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.

**Implementation of GASB Statement No. 72**
As of September 30, 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Application*. The implementation of this standard requires governments to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The objective of the statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. The detail regarding implementation of this statement is included in Note 3.

## *2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*

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

## *2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY-continued*

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.

Although not required by statute, the City also maintains a long-term planning committee which is charged with making budget recommendations, generally for capital items, five years into the future.

**Excess of Expenditures over Appropriations**
For the fund year ended September 30, 2016, expenditures exceeded appropriations in the Common Area Maintenance Fund by $2,768 and the Fireworks Fund by $601.

## *3. DEPOSITS AND INVESTMENTS*

**Cash and Cash Equivalents –**
A reconciliation of cash and cash equivalents at September 30, 2016 is as follows:

| | |
|---|---|
| Reconciled Bank Accounts | $ 95,889 |
| State Investment Pool | 4,272,054 |
| Savings & Certificates of Deposit | 735,000 |
| Money Market Mutual Funds | 229,466 |
| Library Operating Fund | 85,117 |
| Petty Cash | 2,016 |
| Total Cash | $ 5,419,542 |

| | |
|---|---|
| Cash and Investments | |
| Reconciliation to the Statement of Net Position | |
| Cash as State Above | 5,419,542 |
| Investments | 61,486,819 |
| Pooled Cash Deficit | 14,736,195 |
| Cash and Investments | $ 81,642,556 |

At September 30, 2016, the Urban Renewal Agency's reconciliation of cash and cash equivalents is as follows:

| | |
|---|---|
| Cash in Bank | $ 755,231 |
| State Investment Pool | 3,526,614 |
| Money Market Fund | 3,181,196 |
| Total | $ 7,463,041 |

### 3. *DEPOSITS AND INVESTMENTS-Continued*

The City's and the Agency's reconciled bank balances are covered by $585,117 and $250,000 respectively, of federal depository insurance with the remainder covered by collateral held by their agent.

**Investments –** The City held the following investments at September 30, 2016.

Investments carried at fair value

| | | |
|---|---|---|
| Federal National Mortgage Association (FNMA) | $ | 10,651,295 |
| Federal Home Loan Mortgage Corporation ( FHLM) | | 13,179,940 |
| Federal Home Loan Bank (FHLB) | | 2,193,560 |
| Governmental National Mortgage Association (GNMA) | | 6,166,356 |
| Federal Farm Credit Bank (FFCB) | | 2,795,025 |
| Resolution Funding Corporation (RFC) | | 720,420 |
| Overseas Private Investment Corp | | 103,103 |
| Corporate Obligations | | 25,677,120 |
| Total | $ | 61,486,819 |

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:

| | | Investment Maturities (in Years) | | | |
|---|---|---|---|---|---|
| Investment | Fair Value | Less Than 1 Year | 1-5 Years | 6-10 Years | Over 10 Years |
| FNMA | $ 10,651,295 | $ 248,871 | $ 3,815,871 | $ 514,322 | $ 6,072,231 |
| FHLM | 13,179,940 | - | 806,072 | 2,654,658 | 9,719,210 |
| FHLB | 2,193,560 | - | 1,196,460 | 500,075 | 497,025 |
| GNMA | 6,166,356 | - | - | 202,313 | 5,964,043 |
| FFCB | 2,795,025 | - | 200,000 | 2,595,025 | - |
| RFC | 720,420 | - | 720,420 | - | - |
| Other | 103,103 | - | - | 103,103 | - |
| Corporate Obligations | 25,677,120 | 2,779,085 | 17,434,370 | 5,004,015 | 459,650 |
| Total | $ 61,486,819 | $ 3,027,956 | $ 24,173,193 | $ 11,573,511 | $ 22,712,159 |

**3. *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.

| Issuer | Investment Type | Reported Amount | Percentage |
|---|---|---|---|
| Federal National Mortgage Assn (FNMA) | U.S. Agency Bond | $ 10,651,295 | 17.32% |
| Federal Home Loan Mortgage Corp (FHLM) | U.S. Agency Bond | 13,179,940 | 21.44% |
| Governmental National Mortgage Assn (GNMA) | U.S. Agency Bond | 6,166,356 | 10.03% |
| Corporate Bonds | Corporate Obligations | 25,677,120 | 41.76% |

**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:

| Investments subject to credit risk: | Fair Value | Rating |
|---|---|---|
| FNMA | $ 8,666,578 | AAA |
| FHLM | 2,646,724 | AAA |
| FHLB | 9,244,486 | AAA |
| GNMA | 2,305,610 | N/A |
| FFCB | 3,679,762 | AAA |
| Resolution FDG Corp | 794,446 | AAA |
| Other | 4,618,197 | N/A |
| Corporate Bonds | 3,049,525 | A1 |
| Corporate Bonds | 7,648,255 | A2 |
| Corporate Bonds | 4,547,757 | A3 |
| Corporate Bonds | 718,489 | AA1 |
| Corporate Bonds | 6,453,611 | AA3 |
| Corporate Bonds | 709,913 | BAA1 |
| Corporate Bonds | 992,250 | BAA2 |
| Corporate Bonds | 1,557,320 | N/R |

**3. *DEPOSITS AND INVESTMENTS-Continued***

**Custodial Credit Risk**

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

**Fair Value**

Investments are measured on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted price for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and
Level 3: Unobservable inputs.

The City's investment fair value measurements are as follows at September 30, 2016:

| Investments | Fair Value | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs |
|---|---|---|---|---|
| Debt Securities | | | | |
| Corporate Bonds | $ 25,677,120 | $ - | $ 25,677,120 | $ - |
| Mortgage-backed Securities | 20,375,660 | - | 20,375,660 | - |
| US Govt & Agency Obligations | 15,434,039 | - | 15,434,039 | - |
| **Total Investments** | $ 61,486,819 | $ - | $ 61,486,819 | $ - |

Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

### *4. 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 20th of December; however, they may be paid in two installments with the second installment due June 20. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date.

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

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

Property taxes uncollected by November 30, 2016, are considered to be deferred revenue.

Taxes receivable and deferred revenue as of September 30, 2016, consist of the following for the City:

| Fund | Taxes Receivable | Unavailable Revenue |
|---|---|---|
| General | $ 216,250 | $ 157,214 |
| Street | 20,060 | 14,584 |
| Street Lighting | 1,214 | 882 |
| Airport | - | 374,950 |
| Capital Improvement | 1,053 | 765 |
| Insurance | 2,826 | 2,054 |
| Total | $ 241,403 | $ 550,449 |

Unavailable revenue, per the fund balance sheets consists of the following:

| | |
|---|---|
| Property Taxes | $ 175,499 |
| Prepaid Rent | 374,950 |
| Total | $ 550,449 |

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

Urban Renewal Agency taxes receivable and unavailable revenue at September 30, 2016 consist of 2015 property tax revenue to be collected after November 30, 2016.

Amounts due from other governments at September 30, 2016, are presented as follows for the City:

| Fund | Federal | State | County | Local | Total |
|---|---|---|---|---|---|
| General | $ 25,750 | $ 325,432 | $ 498,825 | $ 75,331 | $ 925,338 |
| Street | - | 2,106,018 | 12,893 | 355 | 2,119,266 |
| Street Light | - | - | 427 | - | 427 |
| Library | - | - | 1,864 | - | 1,864 |
| Airport | - | - | 432 | - | 432 |
| Capital Improvement | - | 480,390 | 48,393 | - | 528,783 |
| Liability Insurance | - | 424 | 1,867 | 903 | 3,194 |
| Pool | - | 32,874 | - | - | 32,874 |
| Drug Seizure | - | - | 694 | - | 694 |
| Airport Construction | 664,930 | - | - | - | 664,930 |
| CSI | - | - | - | - | - |
| Waste Water | - | - | - | - | - |
| | $ 690,680 | $ 2,945,138 | $ 565,395 | $ 76,589 | $ 4,277,802 |

Urban Renewal Agency receivable from other governments consists of property taxes collected by the County prior to December 1, 2016.

### *5. CAPITAL ASSETS*

Changes in capital assets for the City for the year ended September 30, 2016, are as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Government-wide Assets:** | | | | | |
| Capital Assets, not Being Depreciated | | | | | |
| Land | $ 6,733,480 | $ - | $ - | $ - | $ 6,733,480 |
| Construction in Progress | 2,710,720 | 4,504,465 | - | (574,664) | 6,640,521 |
| Total Capital Assets, not Being Depreciated | 9,444,200 | 4,504,465 | - | (574,664) | 13,374,001 |
| Capital Assets Being Depreciated | | | | | |
| Buildings and Structures | 19,244,609 | 24,995 | - | 231,066 | 19,500,670 |
| Infrastructure | 266,310,274 | 622,391 | - | 185,195 | 267,117,860 |
| Improvements | 17,734,392 | 662,302 | - | 158,403 | 18,555,097 |
| Machinery and Equipment | 17,530,487 | 1,052,244 | (255,642) | (144,035) | 18,183,054 |
| Total Capital Assets Being Depreciated | 320,819,762 | 2,361,932 | (255,642) | 430,629 | 323,356,681 |
| **Less Accum. Deprec. For Govt. Wide** | | | | | |
| Buildings and Structures | 6,707,594 | 442,781 | - | | 7,150,375 |
| Infrastructure | 163,694,220 | 6,165,083 | - | | 169,859,303 |
| Improvements | 9,612,873 | 838,655 | - | - | 10,451,528 |
| Machinery and Equipment | 9,452,965 | 1,008,738 | (255,642) | (144,035) | 10,062,026 |
| Total Accum. Deprec. | 189,467,652 | 8,455,257 | (255,642) | (144,035) | 197,523,232 |
| Governmental Activities Captial Assets, net | $ 140,796,310 | $ (1,588,860) | $ - | $ - | $ 139,207,450 |
| **Business Type Activity Assets:** | | | | | |
| Capital Assets, not Being Depreciated | | | | | |
| Land | $ 11,699,295 | $ 19,462 | $ - | $ - | $ 11,718,757 |
| Construction in Progress | 34,094,703 | 9,240,424 | | (7,926,122) | 35,409,005 |
| Total Capital Assets, not Being Depreciated | 45,793,998 | 9,259,886 | - | (7,926,122) | 47,127,762 |
| Capital Assets Being Depreciated | | | | | |
| Buildings and Structures | 19,548,231 | - | - | | 19,548,231 |
| Infrastructure | 55,422,622 | 2,498,379 | - | | 57,921,001 |
| Improvements | 39,462,600 | - | - | | 39,462,600 |
| Machinery and Equipment | 9,472,861 | 5,765,325 | (127,478) | 144,035 | 15,254,743 |
| Total Capital Assets Being Depreciated | 123,906,314 | 8,263,704 | (127,478) | 144,035 | 132,186,575 |
| **Less Accum. Deprec. For Business Type Activities** | | | | | |
| Buildings and Structures | 13,106,244 | 438,874 | - | - | 13,545,118 |
| Infrastructure | 3,007,416 | 1,538,274 | - | - | 4,545,690 |
| Improvements | 14,928,902 | 833,953 | - | - | 15,762,855 |
| Machinery and Equipment | 5,029,686 | 711,655 | (127,478) | 144,035 | 5,757,898 |
| Total Accum. Deprec. | 36,072,248 | 3,522,756 | (127,478) | 144,035 | 39,611,561 |
| Business-type Activities Capital Assets, net | $ 133,628,064 | $ 14,000,834 | $ - | $ (7,926,122) | $ 139,702,776 |

### *5. CAPITAL ASSETS - Continued*

Changes in capital assets for the Urban Renewal Agency for the year ended September 30, 2016, are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Government-wide Assets** | | | | |
| Capital Assets not Being Depreciated | | | | |
| Land | $ 2,621,783 | $ - | $ - | $ 2,621,783 |
| Construction in Progress | 16,687,100 | 1,728,506 | (4,819,468) | 13,596,138 |
| **Total** | $ 19,308,883 | $ 1,728,506 | $ (4,819,468) | $ 16,217,921 |
| **Business Type Activities:** | | | | |
| Capital Assets not Being Depreciated | | | | |
| Land | 1,350,000 | - | - | 1,350,000 |
| **Total** | 1,350,000 | - | - | 1,350,000 |
| Capital Assets Being Depreciated | | | | |
| Buildings & Improvments | 3,856,902 | - | - | 3,856,902 |
| Equipment | 475,000 | - | - | 475,000 |
| **Total** | 4,331,902 | - | - | 4,331,902 |
| **Less Accumulated Depreciation for Business-Type Activities** | | | | |
| Building & Improvements | 431,901 | 84,276 | - | 516,177 |
| Equipment | 420,833 | 12,500 | - | 433,333 |
| **Total** | 852,734 | $ 96,776 | - | 949,510 |
| **Business-Type Activities, net** | $ 4,829,168 | $ (96,776) | $ - | $ 4,732,392 |

### *5. CAPITAL ASSETS – Continued*

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 | $ | 6,278,551 |
| Fire | | 187,274 |
| Police | | 321,492 |
| Library | | 11,097 |
| Culture and Recreation | | 256,150 |
| Highway and Street | | 480,038 |
| Pool | | 33,611 |
| Airport | | 871,117 |
| | | 8,439,330 |
| Depreciation on Capital Assets held by the City's Internal Service Fund. | | 15,927 |
| Total Depreciation Expense - Governmental Activities | $ | 8,455,257 |

### *6. 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.

### *6. LONG-TERM LIABILITIES – Continued*

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 | Principal Payments | Amortization | Ending Balance | Due Within One year |
|---|---|---|---|---|---|---|
| **Business-type Activities:** | | | | | | |
| Idaho Bond Bank Authority Water Bonds | $ 20,308,647 | $ - | $ (1,760,000) | $ (8,449) | $ 18,540,198 | $ 1,805,000 |
| Idaho Bond Bank Authority, Parity Lien Revenue Refunding Bond, Series | 2,517,865 | - | (295,000) | (41,123) | 2,181,742 | 300,000 |
| Idaho Bond Bank Authority, Parity Lien Sewer Revenue Refunding Bond, Series | 3,331,444 | - | (390,000) | (54,492) | 2,886,952 | 395,000 |
| Idaho Bond Bank Authority, Parity Lien Sewer Revenue Bond, Series 2012B | 6,765,795 | - | (450,000) | (35,483) | 6,280,312 | 455,000 |
| Idaho Bond Bank Authority Revenue Bonds | 37,363,765 | - | (975,000) | (104,931) | 36,283,834 | 995,000 |
| Total | $ 70,287,516 | $ - | $ (3,870,000) | $ (244,478) | $ 66,173,038 | $ 3,950,000 |

Changes in accrued compensated absences are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Governmental | $ 1,642,110 | $ 1,123,508 | $ (1,147,037) | $ 1,618,581 |
| Business-type | 132,312 | 114,750 | (99,783) | 147,279 |
| Total | $ 1,774,422 | $ 1,238,258 | $ (1,246,820) | $ 1,765,860 |

***6. LONG-TERM LIABILITIES-Continued***

**Business-Type Activities - Revenue Obligations**
Following are obligations that the City has pledged income derived from the acquired or constructed assets to pay debt service.

| | | |
|---|---|---|
| *Idaho Bond Bank Authority Loan Payable,* Payable in semi-annual installments over 15 years with interest rates that varies from 2 to 5.1%. | $ 6,060,000 | |
| Less: Unamortized discount | 42,268 | |
| Total | | $ 6,102,268 |
| *Idaho Bond Bank Authority Loan Payable,* Payable in semi-annual installments over 15 years with interest rates that varies from 3 to 5.06%. | 12,410,000 | |
| Less: Unamortized discount | 27,930 | |
| Total | | 12,437,930 |
| *Idaho Bond Bank Authority, Parity Lien Water Revenue Refunding Bond, Series 2012C,* Payable in semi-annual installments over 15 years with interest rates that varies from 2 to 5. %. | 1,935,000 | |
| Plus: Premium | 246,742 | |
| Total | | 2,181,742 |
| *Idaho Bond Bank Authority, Parity Lien Water Revenue Refunding Bond, Series 2012C,* Payable in semi-annual installments over 15 years with interest rates that varies from 2 to 5. %. | 2,560,000 | |
| Plus: Premium | 326,952 | |
| Total | | 2,886,952 |
| *Idaho Bond Bank Authority, Parity Lien Sewer Revenue Bond Series 2012B,* Payable in semi-annual installments over 15 years with interest rates that varies from 2 to 5%. | 5,890,000 | |
| Plus: Premium | 390,312 | |
| Total | | 6,280,312 |
| *Idaho Bond Bank Authority, Revenue Bond Series 2014,* Payable in semi-annual installments over 15 years with interest rates that varies from 2 to 4%. | 34,500,000 | |
| Plus: Premium | 1,783,834 | |
| Total | | 36,283,834 |
| Total | | $ 66,173,038 |

### *6. LONG-TERM LIABILITIES-Continued*

Debt service requirements to maturity are as follows:

| September | Total | Interest | Principal |
|---|---|---|---|
| 2017 | 6,733,609 | 2,539,130 | 4,194,479 |
| 2018 | 6,715,646 | 2,411,167 | 4,304,479 |
| 2019 | 6,694,593 | 2,305,113 | 4,389,480 |
| 2020 | 6,680,762 | 2,116,282 | 4,564,480 |
| 2021 | 6,660,295 | 1,905,815 | 4,754,480 |
| 2025-2026 | 28,617,348 | 6,386,714 | 22,230,634 |
| 2027-2031 | 17,970,442 | 3,015,300 | 14,955,142 |
| 2032-2034 | 7,176,664 | 396,800 | 6,779,864 |
| **Total** | $ 87,249,359 | $ 21,076,321 | $ 66,173,038 |

**Urban Renewal Agency**

All long-term debt the Agency has issued are revenue allocation bonds that are payable, both principal and interest, solely from the revenues the Agency derives from the increased property taxes generated from the revenue allocation area described in the bond ordinance.

Revenue bonds and outstanding debt at September 30, 2016 consists of the following:

| | |
|---|---|
| *Revenue Allocation Bond, Series 2016A*, dated July 1, 2016 and maturing September 1, 2036. The proceeds of the bonds provided funds to repay interim financing for the Clif Bar Project, establish a reserve fund, and to pay costs of issuance of the Bonds and other expenses. The bonds are term bonds that require semiannual payments on March 1, and September 1 each year. The bonds bear interest at 5.5%. | $ 13,670,000 |
| *Revenue Allocation Refunding Bonds, Series 2015A (Tax Exempt)*, dated February 5, 2015 and maturing August 1, 2022. The proceeds of the bonds provided funds to refund prior obligations issued, establish a reserve fund, and to pay costs of issuance of the Bonds and other expenses. 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 2.1% | 2,275,000 |

***6. LONG-TERM LIABILITIES-Continued***

| | |
|---|---|
| *Revenue Allocation Bonds, Series 2013A*, dated February 21, 2013 and maturing April 1, 2032. The proceeds of the bonds provided funding to certain urban renewal projects. 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 4.502%. Repayment of the bonds is guaranteed by Chobani Global Holding, Inc. | 29,308,000 |
| *Revenue Allocation Bonds, Series 2015C*, dated July 23, 2015 and maturing August 1, 2022. The proceeds of the bonds were used and will be used to fund renewal projects along or near the Main Ave. of Twin Falls, downtown. The bonds are term bonds that require semi-annual interest payments on February 1 and August 1. Annual principal payments are due on August 1 each year beginning on August 1, 2018. The bonds interest rates vary; currently the rate is 1.534%. | $ 400,139 |
| Total | $ 45,653,139 |

Expected annual maturities of these obligations are as follows:

| Year | Total | Interest | Principal |
|---|---|---|---|
| September 30, 2017 | $ 4,523,379 | $ 2,244,379 | $ 2,279,000 |
| September 30, 2018 | 4,329,090 | 2,035,951 | 2,293,139 |
| September 30, 2019 | 4,260,730 | 1,946,730 | 2,314,000 |
| September 30, 2020 | 4,229,995 | 1,839,995 | 2,390,000 |
| September 30, 2021 | 4,189,167 | 1,730,167 | 2,459,000 |
| 2022-2026 | 19,658,931 | 6,902,931 | 12,756,000 |
| 2027-2031 | 18,306,473 | 3,750,473 | 14,556,000 |
| 2032-2036 | 7,371,798 | 765,798 | 6,606,000 |
| Total | $ 66,869,563 | $ 21,216,424 | $ 45,653,139 |

The Agency is also indebted to Chobani Idaho, LLC. The Agency entered into a Projects Improvements Reimbursement Agreement on May 9, 2016, to reimburse cost incurred by Chobani to construct certain Project Improvements authorized by the Development Agreement, including site remediation, a water storage tank and a wastewater equalization tank. At September 30, 2016, the Agency was indebted in the amount of $7,043,659. The Agency is also indebted to Clif Bar & Company. The Agency entered into a Development Agreement on October 17, 2013, to reimburse cost incurred by Clif Bar & Company to construct certain Project Improvements authorized by the Development Agreement. At September 30, 2016, the Agency was indebted in the amount of $9,417,363.

### *6. LONG-TERM LIABILITIES-Continued*

**Changes in Long-Term Debt**
During the year ended September 30, 2016, the following changes occurred in liabilities reported as the general long-term debt.

| Obligation | Balances, September 30, 2015 | Additions | Repayments | Balances, September 30, 2016 |
|---|---|---|---|---|
| Revenue Allocation Bonds, Series 2013A | 30,488,000 | - | 1,180,000 | 29,308,000 |
| Revenue Allocation Bonds, Series 2015A-Tax Exempt | 3,280,000 | - | 1,005,000 | 2,275,000 |
| Revenue Allocation Bonds, Series 2015C-Taxable | 400,139 | - | - | 400,139 |
| Revenue Allocation Bonds, Series 2016 | - | 13,670,000 | - | 13,670,000 |
| Total | $ 34,168,139 | $ 13,670,000 | $ 2,185,000 | $ 45,653,139 |

The bonds, or other debt of the Agency are not indebtedness, within the meaning of any constitutional or statutory debt limitation, and are not and will not be a debt of the Agency of Twin Falls, and the Agency shall not be liable thereon.

### *7. 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, 2016:

| | **Interfund Receivable** | **Interfund Payable** |
|---|---|---|
| General Fund | $ 683,166 | $ - |
| Golf | - | 362,021 |
| Historic | - | 3,987 |
| Pool | - | 337,286 |
| Fireworks | - | 666 |
| Waterworks | 20,794 | - |
| Total | $ 703,960 | $ 703,960 |

### *7. INTERFUND TRANSACTIONS-Continued*

Interfund transfers for the year are as follows:

| | Transfers to | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | General | Street | Capital Imp. | Impact Fee | Water Works | Golf | Pool | Insurance | Shop Revolving | Fire Works | Total |
| **Transfers From** | | | | | | | | | | | |
| General | $ - | $ - | $ 2,470,820 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,470,820 |
| Street | 247,452 | - | - | - | - | - | - | 27,708 | - | - | 275,160 |
| Street Light | 21,784 | - | - | - | - | - | - | - | - | - | 21,784 |
| Airport | 318,333 | - | - | - | - | - | - | 27,708 | - | - | 346,041 |
| Capital Imp. | | - | - | 280,000 | - | 65,000 | 3,500 | - | - | 6,500 | 355,000 |
| Waterworks | 768,304 | 89,464 | - | - | - | - | - | 61,274 | 60,922 | - | 979,964 |
| Wastewater | 305,488 | - | - | - | 271,405 | - | - | 169,266 | - | - | 746,159 |
| Common Area | 2,727 | - | - | - | - | - | - | - | - | - | 2,727 |
| Sanitation | 159,525 | - | - | - | 271,405 | - | - | 6,942 | - | - | 437,872 |
| Dierkes Lake | 9,531 | - | - | - | - | - | - | - | - | - | 9,531 |
| Insurance | 54,462 | - | - | - | - | - | - | - | - | - | 54,462 |
| Total | $ 1,887,606 | $ 89,464 | $ 2,470,820 | $ 280,000 | $ 542,810 | $ 65,000 | $ 3,500 | $ 292,898 | $ 60,922 | $ 6,500 | $ 5,699,520 |

### *8. 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 Insurance fund is budgeted through property tax assessments and transfers from the enterprise funds. 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.

## *9. PENSION PLANS*

### Plan Descriptions

The City contributes to the Base Plan and the Firefighter's Retirement Fund (FRF) plans which are cost-sharing multiple-employer defined benefit pension plans administered by Public Employee Retirement System of Idaho (PERSI or System) The Base Plan covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The FRF plan covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The costs to administer the plans are financed through the contributions and investment earnings of the plans. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan and FRF plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members for the Base Plan and System members for the FRF Plan with at least ten years of service and three members who are Idaho citizens not members of the Base Plan or System for the FRF plan except by reason of having served on the Board.

### Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

The FRF provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have 5 years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

***9. PENSION PLANS-Continued***

**Member and Employer Contributions**

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

For the Base Plan, the contribution rates for employees are set by stature at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2016 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% general employees and 11.66% for police and firefighters. The City's contributions were $1,885,118 for the year ended September 30, 2016.

For the FRF Plan, as of June 30, 2016, the total employer rate was 25.31% which includes the employer excess rate of 13.65% plus the PERSI class 2 firefighters rate of 11.66%. The FRF member rate for the year for class B is 11.45% which is 3.09% above the class 2 rate of 8.36%. The City's contributions were $141,934 for the year ended September 30, 2016.

**Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the Base Plan at September 30, 2016, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2016, the City's proportion was .005422236 percent.

For the year ended September 30, 2016, the City recognized pension expense (revenue) of $1,929,704. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

For the FRF at September 30, 2016, the City reported a liability for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2016, the City's proportion was .040605333 percent.

### *9. PENSION PLANS-Continued*

For the year ended September 30, 2016, the City recognized pension expense (revenue) of ($599,105). At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources |
|---|---|---|
| **BASE PLAN** | | |
| Differences between expected and actual experience | $ - | $ 1,095,242 |
| Change in assumptions or other inputs | 244,338 | |
| Net difference between projected and actual earnings on pension plan investments | 5,349,886 | 2,499,717 |
| Changes in the City's proportion and difference between the City's contributions and the City's proportionate contributions | 62,230 | (115,063) |
| The City's contributions subsequent to the measurement date | 501,435 | |
| Total | $ 6,157,889 | $ 3,479,896 |
| **FRF** | | |
| Differences between expected and actual experience | $ - | $ - |
| Change in assumptions or other inputs | - | - |
| Net difference between projected and actual earnings on pension plan investments | 1,008,410 | 477,089 |
| Changes in the City's proportion and difference between the City's contributions and the City's proportionate contributions | (21,775) | (31,266) |
| The City's contributions subsequent to the measurement date | 33,708 | - |
| Total | $ 1,020,343 | $ 445,823 |

### *9. PENSION PLANS-Continued*

For the Base Plan, $501,435 was reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year ending September 30, 2016.

For the FRF Plan, $33,708 was reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension asset in the year ending September 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2015 the beginning of the measurement period ended June 30, 2016 is 4.9 and 5.5 years for the measurement period June 30, 2015 for the Base Plan and 1 year for the FRF.

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

Year Ended September 30, 2016

| | Base Plan | FRF |
|---|---|---|
| 2017 | $ 11,171 | $ 44,707 |
| 2018 | 11,171 | 44,707 |
| 2019 | 1,275,223 | 283,251 |
| 2020 | 701,701 | 158,655 |

### Actuarial Assumptions

For the Base Plan, valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

***9. PENSION PLANS-Continued***

For the Base Plan, the total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 3.25% |
| Salary increases | 4.25% - 10.00% |
| Salary inflation | 3.75% |
| Investment rate of return | 7.10%, net of investment expenses |
| Cost-of living adjustments | 1% |

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

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

For the FRF Plan, valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. Unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore there is not an unfunded liability to amortize at this time. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

For the FRF, the total pension asset in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 3.25% |
| Salary increases | 3.75% |
| Salary inflation | 3.75% |
| Investment rate of return | 7.10%, net of investment expenses |
| Cost-of living adjustments | 3.75% |

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

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

***9. PENSION PLANS-Continued***

For the Base Plan, an experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability for the Base Plan as of June 30, 2016 is based on the results of an actuarial valuation date of July 1, 2016.

For the FRF Plan, an experience study was performed for the period July 1, 2011 through June 30, 2015 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Asset for the FRF Plan as of June 30, 2016 is based on the results of an actuarial valuation date of July 1, 2016.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2016.

**Capital Market Assumptions**

| Asset Class | Expected Return | Expected Risk | Strategic Normal | Strategic Ranges |
|---|---|---|---|---|
| Equities | | | 70% | 66%-77% |
| Broad Domestic Equity | 9.15% | 19.00% | 55% | 50%-65% |
| International | 9.25% | 20.20% | 15% | 10%-20% |
| Fixed Income | 3.05% | 3.75% | 30% | 23%-33% |
| Cash | 2.25% | 0.90% | 0% | 0%-5% |

| | Expected Return | Expected Inflation | Expected Real Return | Expected Risk |
|---|---|---|---|---|
| **Total Fund** | | | | |
| Actuary | 7.00% | 3.25% | 3.75% | N/A |
| Portfolio | 6.58% | 2.25% | 4.33% | 12.67% |

*Expected arithmetic return net of fees and expenses

## *9. PENSION PLANS-Continued*

**Actuarial Assumptions**

| | |
|---|---|
| Assumed Inflation-Mean | 3.25% |
| Assumed Inflation-Standard Deviation | 2.00% |
| Portfolio Arithmetic Mean Return | 8.42% |
| Portfolio Long-Term Expected Geometric Rate of Return | 7.50% |
| Assumed Investment Expenses | 0.40% |
| Long-Term Expected Geometric Rate of Return, Net of Investment Expenses | **7.10%** |

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

**Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

***9. PENSION PLANS-Continued***

| | 1% Decrease (6.10%) | Current Discount Rate (7.10%) | 1% Increase (8.10%) |
|---|---|---|---|
| **BASE PLAN** | | | |
| Employer's proportionate share of the net pension liability | $ 21,561,825 | $ 10,991,705 | $ 2,201,484 |
| **FRF** | | | |
| Employer's proportionate share of the net pension asset | $ 896,517 | $ 2,182,472 | $ 3,269,651 |

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

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

**Payables to the pension plan**

At September 30, 2016, the City reported payables to the defined benefit pension plan for the Base Plan of $43,454 for legally required employer contributions and $16,099 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

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

Fund deficits as of September 30, 2016, which are significant, are as follows:

Golf Fund- The deficit of $324,860 is due to accumulated costs exceeding revenues over a number of years. The City has entered into a new lease agreement in 2012 where the lessor will be responsible for golf course costs in the future.

Pool Fund – The deficit of $220,746 will be taken care of through the budget process over a period of years.

### *11. URBAN RENEWAL SUMMARIZED INFORMATION*

| | | Year Ended September 30, 2016 |
|---|---|---|
| **Assets** | $ | 28,563,548 |
| **Total Assets** | $ | 28,563,548 |
| **Liabilities & Net Position** | | |
| Liabilities | $ | 63,772,844 |
| Net Assets: | | |
| Net Investment in Capital Assets | | 11,532,950 |
| Restricted | | 3,181,097 |
| Unrestricted | | (49,923,343) |
| **Total Liabilities & Net Position** | $ | 28,563,548 |
| **Revenues** | $ | 9,183,021 |
| **Expenditures** | | (30,476,238) |
| **Excess (Deficiency) Revenues over Expenditures** | | (21,293,217) |
| **Net Position - Beginning of Year** | | (13,916,079) |
| **Net Position - End of Year** | $ | (35,209,296) |

### *12. COMMITMENTS AND SUBSEQUENT EVENTS*

The City has entered into commitments continuing beyond the fiscal year end. They will be paid from reserves, budgeted revenues and residual bond proceeds. As of September 30, 2016 the balances remaining on construction contracts equaled $7,880,000 and the balance remaining for the purchase of other assets and studies was $450,000.

During that period the Agency made commitments for the services of a construction manager, general contractor, and owner's representative relating to its Main Ave. project. Construction activity on the project will begin in the spring of 2017. The project is currently estimated to cost between six million and six and a half million dollars.

The City and Agency have evaluated subsequent events through February 24, 2017, the date which the financial statements were available to be issued and determined the disclosures are adequate.

### *13. BOND COVENANT COMPLIANCE*

The City is subject to various covenants as a result of the various bonds issued by the City. During the year ended September 30, 2016, the City is in compliance with these covenants.

# REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF TWIN FALLS, IDAHO**

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Revenues:** | | | | | |
| Property Taxes, Including Penalty and Interest | $ 14,811,237 | $ 14,811,237 | $ 14,844,476 | $ 33,239 | $ 14,247,634 |
| Non-property Taxes | 530,000 | 530,000 | 486,777 | (43,223) | 526,565 |
| Fines and Forfeitures | 4,000 | 4,000 | 9,466 | 5,466 | 9,239 |
| Licenses and Permits | 1,226,000 | 1,226,000 | 1,264,310 | 38,310 | 1,192,848 |
| Fees and Services | 1,074,916 | 1,074,916 | 1,227,107 | 152,191 | 1,139,738 |
| Intergovernmental | 2,519,973 | 2,519,973 | 2,523,838 | 3,865 | 2,330,364 |
| Federal Grants | 40,760 | 40,760 | 143,936 | 103,176 | 332,602 |
| Miscellaneous | 744,531 | 744,531 | 753,769 | 9,238 | 966,775 |
| **Total Revenues** | 20,951,417 | 20,951,417 | 21,253,679 | 302,262 | 20,745,765 |
| **Expenditures:** | | | | | |
| Current | | | | | |
| Data Processing | $ 1,626,723 | $ 1,626,723 | $ 1,583,049 | $ 43,674 | $ 1,367,970 |
| Council | 156,895 | 156,895 | 155,708 | 1,187 | 134,596 |
| Manager | 884,017 | 884,017 | 929,649 | (45,632) | 511,488 |
| Finance | 757,489 | 757,489 | 723,373 | 34,116 | 698,114 |
| Attorney | 389,520 | 389,520 | 388,418 | 1,102 | 370,060 |
| Personnel | 446,232 | 446,232 | 386,941 | 59,291 | 416,365 |
| Total General Government | 4,260,876 | 4,260,876 | 4,167,138 | 93,738 | 3,498,593 |
| Police | 8,962,575 | 8,962,575 | 8,200,350 | 762,225 | 8,117,793 |
| Fire | 4,187,854 | 4,187,854 | 3,929,063 | 258,791 | 3,945,013 |
| Inspection | 650,123 | 650,123 | 601,680 | 48,443 | 519,336 |
| Animal Control | 431,527 | 431,527 | 391,539 | 39,988 | 335,974 |
| Total Public Safety | 14,232,079 | 14,232,079 | 13,122,632 | 1,109,447 | 12,918,116 |
| Engineering | 1,613,383 | 1,613,383 | 1,426,545 | 186,838 | 1,320,956 |
| Planning and Zoning | 624,111 | 624,111 | 586,764 | 37,347 | 688,000 |
| Total Engineering and Planning | 2,237,494 | 2,237,494 | 2,013,309 | 224,185 | 2,008,956 |
| Economic Development | 225,355 | 225,355 | 121,600 | 103,755 | 185,552 |
| Parks | 1,234,130 | 1,234,130 | 1,184,938 | 49,192 | 1,114,760 |
| Recreation | 593,172 | 593,172 | 587,113 | 6,059 | 560,647 |
| Total Culture and Recreation | 1,827,302 | 1,827,302 | 1,772,051 | 55,251 | 1,675,407 |
| **Total Expenditures** | 22,783,106 | 22,783,106 | 21,196,730 | 1,586,376 | 20,286,624 |
| **Excess (Deficiency) of Revenue Over Expenditures** | (1,831,689) | (1,831,689) | 56,949 | 1,888,638 | 459,141 |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | 1,887,606 | 1,887,606 | 1,887,606 | - | 1,863,934 |
| Transfers Out | (70,820) | (2,537,477) | (2,470,820) | 66,657 | (2,200,000) |
| Total Other Financing Sources (Uses) | 1,816,786 | (649,871) | (583,214) | 66,657 | (336,066) |
| **Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses** | $ (14,903) | $ (2,481,560) | $ (526,265) | $ 1,955,295 | $ 123,075 |
| **Fund Balance, October 1st** | | | 10,156,459 | | 10,033,384 |
| **Fund Balance, September 30th** | | | $ 9,630,194 | | $ 10,156,459 |

See accompanying notes to required supplementary information.

**CITY OF TWIN FALLS, IDAHO**

Special Revenue - Street Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Revenues:** | | | | | |
| Property Taxes | $ 1,173,375 | $ 1,173,375 | $ 1,326,778 | $ 153,403 | $ 1,474,045 |
| Fees and Services | - | - | - | - | 255,428 |
| Intergovernmental | 2,865,000 | 2,865,000 | 3,078,040 | 213,040 | 2,462,786 |
| Grants | - | - | 57,004 | 57,004 | 71,720 |
| Miscellaneous | 1,041,310 | 1,041,310 | 2,644,356 | 1,603,046 | 1,075,432 |
| **Total Revenues** | 5,079,685 | 5,079,685 | 7,106,178 | 2,026,493 | 5,339,411 |
| **Expenditures:** | | | | | |
| Current | | | | | |
| Highways and Streets | 2,413,989 | 2,413,989 | 2,385,145 | 28,844 | 1,837,447 |
| Capital Outlay | 2,480,000 | 2,480,000 | 2,325,044 | 154,956 | 2,063,441 |
| **Total Expenditures** | 4,893,989 | 4,893,989 | 4,710,189 | 183,800 | 3,900,888 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 185,696 | 185,696 | 2,395,989 | 2,210,293 | 1,438,523 |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | 89,464 | 89,464 | 89,464 | - | 88,342 |
| Transfers Out | (275,160) | (569,561) | (275,160) | (294,401) | (270,377) |
| **Total Other Sources (Uses)** | (185,696) | (480,097) | (185,696) | (294,401) | (182,035) |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | $ - | $ (294,401) | 2,210,293 | $ 2,504,694 | $ 1,256,488 |
| **Fund Balances, October 1st** | | | 5,044,128 | | 3,787,640 |
| **Fund Balances, September 30th** | | | $ 7,254,421 | | $ 5,044,128 |

See accompanying notes to required supplementary information.

**CITY OF TWIN FALLS, IDAHO**

Special Revenue - Airport Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Revenues:** | | | | | |
| Property Taxes | $ 372,712 | $ 372,712 | $ 373,145 | $ 433 | $ 366,089 |
| Fees and Services | 559,878 | 559,878 | 688,684 | 128,806 | 623,440 |
| Intergovernmental | 372,712 | 372,712 | 372,712 | - | 366,952 |
| Federal Grants | - | - | - | - | - |
| Farm Income | 46,274 | 46,274 | 48,977 | 2,703 | 51,153 |
| Miscellaneous | 16,614 | 16,614 | 119,836 | 103,222 | 102,884 |
| **Total Revenues** | 1,368,190 | 1,368,190 | 1,603,354 | 235,164 | 1,510,518 |
| **Expenditures:** | | | | | |
| Current | | | | | |
| Airport | 1,027,304 | 1,027,304 | 895,381 | 131,923 | 873,497 |
| **Total Expenditures** | 1,027,304 | 1,027,304 | 895,381 | 131,923 | 873,497 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 340,886 | 340,886 | 707,973 | 367,087 | 637,021 |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | 5,155 | 5,155 | - | 5,155 | - |
| Transfers Out | (346,041) | (346,041) | (346,041) | - | (340,370) |
| **Total Other Sources (Uses)** | (340,886) | (340,886) | (346,041) | 5,155 | (340,370) |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | $ - | $ - | 361,932 | $ 372,242 | 296,651 |
| **Fund Balances, October 1st** | | | 1,208,776 | | 912,125 |
| **Fund Balances, September 30th** | | | $ 1,570,708 | | $ 1,208,776 |

See accompanying notes to required supplementary information.

**CITY OF TWIN FALLS, IDAHO**

Schedule of Employer's Share of Net Pension Liability

PERSI - Base Plan

And

Firefighters' Retirement Fund

Last 10 Fiscal Years*

**BASE PLAN**

| | 2016 | 2015 |
|---|---|---|
| City's portion of the net pension liability | .005422236 | .005566001 |
| City's proportionate share of the net pension liability | $ 10,991,705 | $ 7,329,518 |
| City's covered-employee payroll | $ 15,936,781 | $ 15,453,598 |
| City's proportional share of the net pension liability as a percentage of its covered-employee payroll | 68.97% | 47.43% |
| Plan fiduciary net position as a percentage of the total pension liability | 87.26% | 94.95% |

**FRF**

| | 2016 | 2015 |
|---|---|---|
| City's portion of the net pension liability | .040605333 | .038831200 |
| City's proportionate share of the net pension liability | $ (2,182,472) | $ (2,097,300) |
| City's covered-employee payroll | $ 2,305,458 | $ 2,231,974 |
| City's proportional share of the net pension liability as a percentage of its covered-employee payroll | -94.67% | -93.97% |
| Plan fiduciary net position as a percentage of the total pension liability | 118.42% | 112.01% |

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10 year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of June 30, 2016.

**CITY OF TWIN FALLS, IDAHO**

Schedule of Employer's Contributions

PERSI - Base Plan

And

Firefighters' Retirement Fund

Last 10 Fiscal Years*

**BASE PLAN**

| | 2016 | 2015 |
|---|---|---|
| Statutorily required contribution | $ 1,953,667 | $ 1,779,796 |
| Contribution in relation to the statutorily required contribution | 1,953,667 | 1,779,796 |
| Contribution deficiency (excess) | $ - | $ - |
| City's covered -employee payroll | $ 15,936,781 | $ 15,453,598 |
| Contributions as a percentage of covered-employee payroll | 12.26% | 11.52% |

**FRF**

| | 2016 | 2015 |
|---|---|---|
| Statutorily required contribution | $ 141,934 | $ 138,382 |
| Contribution in relation to the statutorily required contribution | 141,934 | 138,382 |
| Contribution deficiency (excess) | $ - | $ - |
| City's covered -employee payroll | $ 2,305,458 | $ 2,231,974 |
| Contributions as a percentage of covered-employee payroll | 6.16% | 6.20% |

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10 year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of September 30, 2016.

See accompanying notes to required supplementary information.

## NOTE 1- BUDGETARY INFORMATION

*Budgetary-GAAP Reporting Reconciliation*

The accompanying Budgetary Comparison Schedules compare the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on the budgetary basis do not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP).

*Budgetary Policies*

The City of Twin Falls, Idaho, prepares an annual budget of revenue and expenditures prior to the beginning of the fiscal year. The budget is prepared on the modified accrual basis of accounting. Budget figures are based on prior levels of revenue and expenditures taking into account specific items which may be planned in advance by the City such as capital outlay expenditures. Any excess of budgeted expenditures over budgeted revenues are temporary situations and are budgeted so as to utilize cash balances in the individual fund.

# SUPPLEMENTARY INFORMATION

**CITY OF TWIN FALLS, IDAHO**
Combining Statement - Other Governmental Funds
Fund Balance Sheets
September 30, 2016

| | Special Revenue Funds | | | | Capital Projects Fund | | | | | Other Permanent Funds | | | Total Other Governmen Funds |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Street Light** | **Library** | **Pool** | **Total** | **Historic Preservatior** | **Park Develop.** | **Trail Fund** | **Impact Fee** | **Total** | **Drug Seizure** | **Fireworks** | **Total** | |
| **Assets** | | | | | | | | | | | | | |
| Cash and Investments | $ 176,016 | $ 1,151,450 | $ 83,666 | $ 1,411,132 | $ - | $ 234,200 | $ 541 | $ 4,363,994 | $ 4,598,735 | $ 202,087 | $ - | $ 202,087 | $ 6,211,954 |
| Receivables (net of allowance) | | | | - | | | | | | | | | |
| Taxes | 1,214 | - | - | 1,214 | - | - | - | - | - | - | - | - | 1,214 |
| Intergovernmental | 427 | 1,864 | 32,874 | 35,165 | - | - | - | - | - | 694 | - | 694 | 35,859 |
| Accounts | 1,106 | - | - | 1,106 | - | - | - | - | - | - | - | - | 1,106 |
| **Total Assets** | $ 178,763 | $ 1,153,314 | $ 116,540 | $ 1,448,617 | $ - | $ 234,200 | $ 541 | $ 4,363,994 | $ 4,598,735 | $ 202,781 | $ - | $ 202,781 | $ 6,250,133 |
| **Liabilities** | | | | | | | | | | | | | |
| Pooled Cash | $ - | $ - | $ - | $ - | $ 620 | $ - | $ - | $ - | $ 620 | $ - | $ 11,314 | $ 11,314 | $ 11,934 |
| Accounts Payable | 22,348 | 10,115 | - | 32,463 | - | - | - | - | - | - | - | - | 32,463 |
| Accrued Expenses | - | 13,650 | - | 13,650 | - | - | - | - | - | - | - | - | 13,650 |
| Due to Other Funds | - | - | 337,286 | 337,286 | 3,987 | - | - | - | 3,987 | - | 666 | 666 | 341,939 |
| **Total Liabilities** | 22,348 | 23,765 | 337,286 | 383,399 | 4,607 | - | - | - | 4,607 | - | 11,980 | 11,980 | 399,986 |
| **Deferred Inflows of Resource** | | | | | | | | | | | | | |
| Unavailable Revenue - Property Taxes | 882 | - | - | 882 | - | - | - | - | - | - | - | - | 882 |
| **Fund Balance** | | | | | | | | | | | | | |
| Nonspendable Fund Balance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restricted Fund Balance | | | | | | | | | | | | | |
| Law Enforcement | - | - | - | - | - | - | - | - | - | 72,104 | - | 72,104 | 72,104 |
| Committed Fund Balance | | | | | | | | | | | | | |
| Budgeted Surpluses | - | 60,000 | - | 60,000 | - | - | - | 400,000 | 400,000 | 130,677 | - | 130,677 | 590,677 |
| Park Development | - | - | - | - | - | 234,200 | - | - | 234,200 | - | - | - | 234,200 |
| Trail Fund | - | - | - | - | - | - | 541 | - | 541 | - | - | - | 541 |
| Impact Fees | - | - | - | - | - | - | - | 3,963,994 | 3,963,994 | - | - | - | 3,963,994 |
| Assigned Fund Balance | | | | | | | | | | | | | |
| Street Light | 155,533 | - | - | 155,533 | - | - | - | - | - | - | - | - | 155,533 |
| Community Services | - | 1,069,549 | - | 1,069,549 | - | - | - | - | - | - | - | - | 1,069,549 |
| Unassigned Fund Balance | - | - | (220,746) | (220,746) | (4,607) | - | - | - | (4,607) | - | (11,980) | (11,980) | (237,333) |
| **Total Fund Balance** | 155,533 | 1,129,549 | (220,746) | 1,064,336 | (4,607) | 234,200 | 541 | 4,363,994 | 4,594,128 | 202,781 | (11,980) | 190,801 | 5,849,265 |
| **Total Liabilities, Deferred Inflows of Resources and Fund Balance** | $ 178,763 | $ 1,153,314 | $ 116,540 | $ 1,448,617 | $ - | $ 234,200 | $ 541 | $ 4,363,994 | $ 4,598,735 | $ 202,781 | $ - | $ 202,781 | $ 6,250,133 |

**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, 2016

| | **Special Revenue Funds** | | | | **Capital Projects Fund** | | | | | **Other Permanent Funds** | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Street Light** | **Library** | **Pool** | **Total** | **Historic Preservatior** | **Park Develop.** | **Trail Fund** | **Impact Fee** | **Total** | **Drug Seizure** | **Fireworks** | **Total** | **Total Other Governmen Funds** |
| **Revenues** | | | | | | | | | | | | | |
| Property Taxes, Including Interest | $ 77,868 | $ 1,574,500 | $ - | $ 1,652,368 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,652,368 |
| Other Taxes | 393,394 | - | - | 393,394 | - | - | - | - | - | - | - | - | 393,394 |
| Special Assessments, Including Interest | - | - | - | - | - | - | - | - | - | 161,679 | - | 161,679 | 161,679 |
| Fines and Forfeitures | - | 31,679 | - | 31,679 | - | - | - | - | - | - | - | - | 31,679 |
| Fees and Services | - | 40,129 | - | 40,129 | - | - | - | 841,703 | 841,703 | - | 899 | 899 | 882,731 |
| Intergovernmental | - | - | 123,132 | 123,132 | - | - | - | - | - | - | - | - | 123,132 |
| Federal Grants | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | - | 20,308 | - | 20,308 | - | 19,965 | - | 67,391 | 87,356 | - | - | - | 107,664 |
| Total Revenue | 471,262 | 1,666,616 | 123,132 | 2,261,010 | - | 19,965 | - | 909,094 | 929,059 | 161,679 | 899 | 162,578 | 3,352,647 |
| **Expenditures** | | | | | | | | | | | | | |
| Current | | | | | | | | | | | | | |
| General Government | - | - | 119,006 | 119,006 | - | - | - | - | - | - | - | - | 119,006 |
| Public Safety | - | - | - | - | - | - | - | - | - | 66,073 | - | 66,073 | 66,073 |
| Community Development | - | - | - | - | - | - | - | - | - | - | 8,000 | 8,000 | 8,000 |
| Culture and Recreation | - | 1,588,642 | - | 1,588,642 | - | - | - | - | - | - | - | - | 1,588,642 |
| Highway and Streets | 365,699 | - | - | 365,699 | - | - | - | - | - | - | - | - | 365,699 |
| Capital Outlay | - | - | 3,295 | 3,295 | - | - | - | 117,492 | 117,492 | - | - | - | 120,787 |
| Total Expenditures | 365,699 | 1,588,642 | 122,301 | 2,076,642 | - | - | - | 117,492 | 117,492 | 66,073 | 8,000 | 74,073 | 2,268,207 |
| Excess of Revenues Over (Under) Expenditures | 105,563 | 77,974 | 831 | 184,368 | - | 19,965 | - | 791,602 | 811,567 | 95,606 | (7,101) | 88,505 | 1,084,440 |
| **Other Financing Sources (Uses** | | | | | | | | | | | | | |
| Transfers In | - | - | 3,500 | 3,500 | - | - | - | 280,000 | 280,000 | - | 6,500 | 6,500 | 290,000 |
| Transfers Out | 21,784 | - | - | 21,784 | - | - | - | - | - | - | - | - | 21,784 |
| Net Transfers | (21,784) | - | 3,500 | (18,284) | - | - | - | 280,000 | 280,000 | - | 6,500 | 6,500 | 268,216 |
| **Net Change in Fund Balanc** | 83,779 | 77,974 | 4,331 | 166,084 | - | 19,965 | - | 1,071,602 | 1,091,567 | 95,606 | (601) | 95,005 | 1,352,656 |
| **Fund Balance October 1, 2015** | 71,754 | 1,051,575 | (225,077) | 898,252 | (4,607) | 214,235 | 541 | 3,292,392 | 3,502,561 | 107,175 | (11,379) | 95,796 | 4,496,609 |
| **Fund Balance September 30, 2016** | $ 155,533 | $ 1,129,549 | $ (220,746) | $ 1,064,336 | $ (4,607) | $ 234,200 | $ 541 | $ 4,363,994 | $ 4,594,128 | $ 202,781 | $ (11,980) | $ 190,801 | $ 5,849,265 |

**CITY OF TWIN FALLS, IDAHO**

Combining Statement - Proprietary Funds

Fund Balance Sheets

September 30, 2016

| | Business-Type Activities | | | |
|---|---|---|---|---|
| | Golf | Dierkes Lake Shoshone Falls | Common Area Maintenance | Total |
| **Assets** | | | | |
| Current Assets | | | | |
| Cash and Investments | $ - | $ 276,299 | $ 24,956 | $ 301,255 |
| Receivables (net of allowance for uncollected.) | | | | |
| Fees and Services | - | - | 7,113 | 7,113 |
| Accounts | - | 647 | - | 647 |
| **Total Current Assets** | - | 276,946 | 32,069 | 309,015 |
| Noncurrent Assets | | | | |
| Capital Assets (Net of Accum. Depreciation) | 365,611 | 1,158,212 | - | 1,523,823 |
| **Total Noncurrent Assets** | 365,611 | 1,158,212 | - | 1,523,823 |
| **Total Assets** | 365,611 | 1,435,158 | 32,069 | 1,832,838 |
| **Deferred Outflows of Resources** | | | | |
| Pension Obligations | 20,885 | - | - | 20,885 |
| **Total Deferred Outflows of Resources** | 20,885 | - | - | 20,885 |
| **Total Assets and Deferred Outflows of Resources** | $ 386,496 | $ 1,435,158 | $ 32,069 | $ 1,853,723 |
| **Liabilities** | | | | |
| Current Liabilities: | | | | |
| Pooled Cash | $ 289,059 | $ - | $ - | $ 289,059 |
| Accounts Payable | - | 16,021 | 4,501 | 20,522 |
| Due to Other Funds | 362,021 | - | - | 362,021 |
| Compensated Absences | 4,696 | - | - | 4,696 |
| **Total Current Liabilities** | 655,776 | 16,021 | 4,501 | 676,298 |
| NonCurrent Liabilities: | | | | |
| Compensated Absences | 7,179 | - | - | 7,179 |
| Net Pension Liability | 37,108 | - | - | 37,108 |
| **Total Non-Current Liabilities** | 44,287 | - | - | 44,287 |
| **Total Liabilities** | 700,063 | 16,021 | 4,501 | 720,585 |
| **Deferred Inflows of Resources** | | | | |
| Employer Pension Assumption | 11,293 | - | - | 11,293 |
| **Total Deferred Inflows of Resources** | 11,293 | - | - | 11,293 |
| **Net Position** | | | | |
| Invested In Capital Assets, net of related debt | 365,611 | 1,158,212 | - | 1,523,823 |
| Restricted | - | - | - | - |
| Unrestricted | (690,471) | 260,925 | 27,568 | (401,978) |
| **Total Equity** | (324,860) | 1,419,137 | 27,568 | 1,121,845 |
| **Total Liabilities, Deferred Inflows of Resources and Net Position** | $ 386,496 | $ 1,435,158 | $ 32,069 | $ 1,853,723 |

# 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, 2016

| | Business-Type Activities | | | |
|---|---|---|---|---|
| | Golf | Dierkes Lake Shoshone Falls | Common Area Maintenance | Totals |
| **Operating Revenues:** | | | | |
| Charges for Services | $ 9,921 | $ 260,383 | $ 31,371 | $ 301,675 |
| Miscellaneous | - | 4,328 | - | 4,328 |
| **Total Operating Revenues** | 9,921 | 264,711 | 31,371 | 306,003 |
| **Operating Expenses:** | | | | |
| Contracted Services | - | 56,299 | 24,501 | 80,800 |
| Personal Expenses | (4,168) | 63,191 | - | 59,023 |
| Depreciation and Amortization | 40,480 | 56,636 | - | 97,116 |
| Utilities | 373 | 5,603 | 878 | 6,854 |
| Supplies | - | 3,552 | - | 3,552 |
| Repairs and Maintenance | - | 4,007 | 5,996 | 10,003 |
| Vehicle Expenses | - | 897 | - | 897 |
| Small Equipment | 10,350 | (482) | - | 9,868 |
| Miscellaneous Expense | - | 3,520 | 37 | 3,557 |
| **Total Operating Expenses** | 47,035 | 193,223 | 31,412 | 271,670 |
| Operating Income (Loss) | (37,114) | 71,488 | (41) | 34,333 |
| **Non-Operating Revenues (Expenses):** | | | | |
| Interest Income | - | 4,406 | - | 4,406 |
| Total Non-Operating Revenues (Exp.) | - | 4,406 | - | 4,406 |
| Income (Loss) Before Operating Transfers | (37,114) | 75,894 | (41) | 38,739 |
| **Interfund Transfers:** | | | | |
| Transfers In | 65,000 | - | - | 65,000 |
| Transfers Out | - | (9,531) | (2,727) | (12,258) |
| Net Transfers | 65,000 | (9,531) | (2,727) | 52,742 |
| Net Income (Loss) | 27,886 | 66,363 | (2,768) | 91,481 |
| **Total Net Position, October 1, 2015** | (352,746) | 1,352,774 | 30,336 | 1,030,364 |
| **Total Net Position, September 30, 2016** | $ (324,860) | $ 1,419,137 | $ 27,568 | $ 1,121,845 |

**City of Twin Falls, Idaho**
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2016

| | Business-Type Activities | | | |
|---|---|---|---|---|
| | Golf | Dierkes Lake Shoshone Falls | Common Area Maintenance | Total |
| **Cash Flows from Operating Activities** | | | | |
| Receipts from Customers | $ 9,921 | $ 260,412 | $ 28,275 | $ 298,608 |
| Payments to Suppliers | (49,822) | (94,982) | (26,910) | (171,714) |
| Payments to Employees | 5,809 | (63,191) | - | (57,382) |
| Other Receipts (Payments) | - | 4,328 | - | 4,328 |
| **Net Cash Provided (Used) by Operating Activities** | (34,092) | 106,567 | 1,365 | 73,840 |
| **Cash Flows from Non-Capital Financing Activities** | | | | |
| Interfund Transfers to Other Funds | - | (9,531) | (2,727) | (12,258) |
| Receipts from to Other Funds | 65,000 | - | - | 65,000 |
| **Net Cash Provided (Used) by Non-Capital Financing Activities** | 65,000 | (9,531) | (2,727) | 52,742 |
| **Cash Flows from Capital and Related Financing Activities** | | | | |
| Purchase of Capital Assets | (30,908) | - | - | (30,908) |
| Construction in Progress | | - | | - |
| Disposals, Transfers of Capital Assets | - | - | - | - |
| **Net Cash Provided (Used) by Capital and Related Financing Activities** | (30,908) | - | - | (30,908) |
| **Cash Flows from Investing Activities** | | | | |
| (Purchase) or Sale of Securities | - | 8,356 | - | 8,356 |
| Interest, Dividends and Changes in Market Value | - | 4,406 | - | 4,406 |
| **Net Cash Provided (Used) by Investing Activities** | - | 12,762 | - | 12,762 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | - | 109,798 | (1,362) | 108,436 |
| **Balances - Beginning of the Year** | - | - | 26,318 | 26,318 |
| **Balances - End of the Year** | $ - | $ 109,798 | $ 24,956 | $ 134,754 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | | | |
| Operating Income (Loss) | $ (37,114) | $ 71,488 | $ (41) | $ 34,333 |
| Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation and Amortization | 40,480 | 56,636 | - | 97,116 |
| Change in Assets and Liabilities: | | | | |
| Receivables, Net | - | 28 | (3,095) | (3,067) |
| DOF or Resources-Pension Obligations | (9,853) | - | - | (9,853) |
| Accounts Payable | (187) | 7,258 | 4,501 | 11,572 |
| Due to Other Funds-Pooled Cash | (38,912) | (28,843) | - | (67,755) |
| Compensated Absences | 1,192 | - | - | 1,192 |
| Net Pension Liability | 13,631 | - | - | 13,631 |
| DIF or Resources-Employer Pension Assumption | (3,329) | - | - | (3,329) |
| **Net Cash Provided (Used) by Operating Activities** | $ (34,092) | $ 106,567 | $ 1,365 | $ 73,840 |
| **Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds** | | | | |
| Cash and Investments-Statement of Net Position | $ - | $ 276,299 | $ 24,956 | $ 301,255 |
| Less: Investments | - | (166,501) | - | (166,501) |
| Cash and Cash Equivalents | $ - | $ 109,798 | $ 24,956 | $ 134,754 |

**CITY OF TWIN FALLS, IDAHO**

Combining Statement - Internal Service Funds

Statement of Net Position

September 30, 2016

| | Governmental Activities - Internal Service Funds | | |
|---|---|---|---|
| | **Insurance** | **Shop Revolving** | **Total** |
| **Assets** | | | |
| Current Assets: | | | |
| Cash and Investments | $ 280,477 | $ 433,743 | $ 714,220 |
| Receivables (net of allowance for uncollect.) | | | - |
| Taxes | 2,826 | - | 2,826 |
| Intergovernmental | 3,194 | - | 3,194 |
| Accounts | - | 874 | 874 |
| **Total Current Assets** | 286,497 | 434,617 | 721,114 |
| Noncurrent Assets: | | | |
| Capital Assets (Net of Accum. Depreciation) | - | 298,607 | 298,607 |
| **Total Noncurrent Assets** | - | 298,607 | 298,607 |
| **Total Assets** | $ 286,497 | $ 733,224 | $ 1,019,721 |
| **Liabilities and Net Position** | | | |
| Current Liabilities: | | | |
| Pooled Cash | $ - | $ - | $ - |
| Accounts Payable | 5,576 | 3,814 | 9,390 |
| Accrued Expenses | - | 259 | 259 |
| Deferred Revenue | 2,054 | - | 2,054 |
| Compensated Absences | - | 10,031 | 10,031 |
| **Total Current Liabilities** | 7,630 | 14,104 | 21,734 |
| NonCurrent Liabilities: | | | |
| Compensated Absences | - | 10,550 | 10,550 |
| **Total Non-Current Liabilities** | - | 10,550 | 10,550 |
| **Total Liabilities** | 7,630 | 24,654 | 32,284 |
| **Net Position** | | | |
| Net Investment in Capital Assets | - | 298,607 | 298,607 |
| Restricted | - | - | - |
| Unrestricted | 278,867 | 409,963 | 688,830 |
| **Total Net Position** | 278,867 | 708,570 | 987,437 |
| **Total Liabilities and Net Position** | $ 286,497 | $ 733,224 | $ 1,019,721 |

**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, 2016

| | Governmental Activities - Internal Service Funds | | |
|---|---|---|---|
| | Insurance | Shop Revolving | Total |
| **Operating Revenues:** | | | |
| Charges for Services | $ - | $ 353,314 | $ 353,314 |
| Property Taxes, Including Interest | 202,721 | - | 202,721 |
| Miscellaneous | 3,524 | (66) | 3,458 |
| **Total Operating Revenues** | 206,245 | 353,248 | 559,493 |
| **Operating Expenses:** | | | |
| Contracted Services | - | 5,123 | 5,123 |
| Personal Expenses | - | 332,320 | 332,320 |
| Depreciation and Amortization | - | 15,927 | 15,927 |
| Utilities | - | 9,599 | 9,599 |
| Supplies | - | 25,036 | 25,036 |
| Insurance | 419,947 | - | 419,947 |
| Repairs and Maintenance | - | 15,479 | 15,479 |
| Vehicle Expenses | - | 1,674 | 1,674 |
| Small Equipment | - | 11,795 | 11,795 |
| Miscellaneous Expense | 1,372 | 111 | 1,483 |
| Travel and Meetings | - | 259 | 259 |
| **Total Operating Expenses** | 421,319 | 417,323 | 838,642 |
| Operating Income (Loss) | (215,074) | (64,075) | (279,149) |
| **Non-Operating Revenues (Expenses):** | | | |
| Interest Income | - | - | - |
| Total Non-Operating Revenues (Exp.) | - | - | - |
| Income (Loss) Before Operating Transfers | (215,074) | (64,075) | (279,149) |
| **Operating Transfers:** | | | |
| Operating Transfers In | 292,898 | 60,922 | 353,820 |
| Operating Transfers Out | (54,462) | - | (54,462) |
| Net Transfers | 238,436 | 60,922 | 299,358 |
| Net Income (Loss) | 23,362 | (3,153) | 20,209 |
| **Total Net Position, October 1, 2015** | 255,505 | 711,723 | 967,228 |
| **Total Net Position, September 30, 2016** | $ 278,867 | $ 708,570 | $ 987,437 |

**CITY OF TWIN FALLS, IDAHO**
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2016

| | Governmental Activities | | |
|---|---|---|---|
| | **Insurance** | **Shop Revolving** | **Total** |
| **Cash Flows from Operating Activities** | | | |
| Receipts from Customers | $ - | $ 352,544 | $ 352,544 |
| Property Taxes, Including Interest | 201,148 | - | 201,148 |
| Payments to Suppliers | (416,211) | (65,089) | (481,300) |
| Payments to Employees | - | (335,502) | (335,502) |
| Other Receipts (Payments) | 3,524 | (66) | 3,458 |
| **Net Cash Provided (Used) by Operating Activities** | (211,539) | (48,113) | (259,652) |
| **Cash Flows from Non-Capital Financing Activities** | | | |
| Interfund Transfers to Other Funds | (54,462) | - | (54,462) |
| Receipts from Advances to Other Funds | 292,898 | 60,922 | 353,820 |
| **Net Cash Provided (Used) by Non-Capital Financing Activities** | 238,436 | 60,922 | 299,358 |
| **Cash Flows from Capital and Related Financing Activities** | | | |
| Interest Paid on Capital Debt | - | | - |
| **Net Cash Provided (Used) by Capital and Related Financing Activities** | - | - | - |
| **Cash Flows from Investing Activities** | | | |
| (Purchase) or Sale of Securities | 6,678 | - | 6,678 |
| **Net Cash Provided (Used) by Investing Activities** | 6,678 | - | 6,678 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 33,575 | 12,809 | 46,384 |
| **Balances - Beginning of the Year** | 113,846 | 420,934 | 534,780 |
| **Balances - End of the Year** | $ 147,421 | $ 433,743 | $ 581,164 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | | |
| Operating Income (Loss) | $ (215,074) | $ (64,075) | $ (279,149) |
| Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation and Amortization | - | 15,927 | 15,927 |
| Change in Assets and Liabilities: | | | |
| Receivables, Net | (534) | (769) | (1,303) |
| Accounts Payable | 5,108 | 3,726 | 8,834 |
| Accrued Expenses | | 260 | 260 |
| Unavailable Revenue | (1,039) | - | (1,039) |
| Compensated Absences | - | (3,182) | (3,182) |
| **Net Cash Provided (Used) by Operating Activities** | $ (211,539) | $ (48,113) | $ (259,652) |
| **Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds** | | | |
| Cash and Investments-Statement of Net Position | $ 280,477 | $ 433,743 | $ 714,220 |
| Less: Investments | (133,056) | - | (133,056) |
| Cash and Cash Equivalents | $ 147,421 | $ 433,743 | $ 581,164 |

**CITY OF TWIN FALLS, IDAHO**

Special Revenue - Capital Improvement Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Revenues:** | | | | | |
| Property Taxes | $ 22,937 | $ 22,937 | $ 30,262 | $ 7,325 | $ 10,711 |
| Intergovernmental | 1,590,202 | 1,590,202 | 1,752,715 | 162,513 | 1,703,864 |
| Federal Grants | - | 1,036,227 | 1,656,002 | 619,775 | 921,998 |
| Miscellaneous or Reserves | 174,670 | 174,670 | 296,077 | 121,407 | 282,027 |
| **Total Revenues** | 1,787,809 | 2,824,036 | 3,735,056 | 911,020 | 2,918,600 |
| **Expenditures:** | | | | | |
| Current | | | | | |
| General Government | 204,280 | 204,280 | 188,968 | 15,312 | 481,848 |
| Public Safety | 1,015,057 | 1,916,250 | 1,645,984 | 270,266 | 765,709 |
| Culture and Recreation | 441,000 | 441,000 | 599,226 | (158,226) | 652,388 |
| Highways and Streets | 70,000 | 70,000 | 58,704 | 11,296 | 6,922 |
| Capital Outlay | 228,292 | 1,428,029 | 1,511,741 | (83,712) | 1,389,079 |
| **Total Expenditures** | 1,958,629 | 4,059,559 | 4,004,623 | 54,936 | 3,295,946 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (170,820) | (1,235,523) | (269,567) | 965,956 | (377,346) |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | 70,820 | 2,370,820 | 2,470,820 | 100,000 | 2,200,000 |
| Transfers Out | (355,000) | (355,000) | (355,000) | - | (28,250) |
| **Total Other Sources (Uses)** | (284,180) | 2,015,820 | 2,115,820 | 100,000 | 2,171,750 |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | $ (455,000) | $ 780,297 | 1,846,253 | $ 1,065,956 | 1,794,404 |
| **Fund Balances, October 1st** | | | 15,614,378 | | 13,819,974 |
| **Fund Balances, September 30th** | | | $ 17,460,631 | | $ 15,614,378 |

**CITY OF TWIN FALLS, IDAHO**

Capital Projects - Airport Construction Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | 2015 |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| **Revenues:** | | | | | |
| Fees and Services | $ 100,000 | $ 100,000 | $ 112,676 | $ 12,676 | $ 111,349 |
| Intergovernmental | - | - | - | - | - |
| Federal Grants | 1,000,000 | 1,021,169 | 1,928,456 | 907,287 | 397,011 |
| Miscellaneous | 100 | 100 | 374 | 274 | 152 |
| **Total Revenues** | 1,100,100 | 1,121,269 | 2,041,506 | 920,237 | 508,512 |
| **Expenditures:** | | | | | |
| Current | | | | | |
| Airport | 1,126,667 | 1,416,955 | 1,736,949 | (319,994) | 356,663 |
| **Total Expenditures** | 1,126,667 | 1,416,955 | 1,736,949 | (319,994) | 356,663 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (26,567) | (295,686) | 304,557 | 600,243 | 151,849 |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | - | - | - |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | $ (26,567) | $ (295,686) | 304,557 | $ 600,243 | 151,849 |
| **Fund Balances, October 1st** | | | 399,432 | | 247,583 |
| **Fund Balances, September 30th** | | | $ 703,989 | | $ 399,432 |

**CITY OF TWIN FALLS, IDAHO**

Enterprise - Waterworks Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Charges for Services | $ 9,251,191 | $ 9,251,191 | $ 10,236,640 | $ 985,449 | $ 9,730,267 |
| Taps, Connection and Other Fees | 69,799 | 69,799 | 125,386 | 55,587 | 177,662 |
| Miscellaneous | 28,000 | 28,000 | 105,804 | 77,804 | 53,982 |
| **Total Operating Revenues** | 9,348,990 | 9,348,990 | 10,467,830 | 1,118,840 | 9,961,911 |
| **Operating Expenses:** | | | | | |
| Contracted Expenses | 356,330 | 356,330 | 273,498 | 82,832 | 291,342 |
| Personnel Expenses | 1,977,898 | 1,977,898 | 1,891,723 | 86,175 | 1,772,228 |
| Depreciation and Amortization | - | - | 1,402,096 | (1,402,096) | 1,349,061 |
| Utilities | 1,063,557 | 1,063,557 | 971,290 | 92,267 | 926,155 |
| Supplies | 742,540 | 742,540 | 593,325 | 149,215 | 569,984 |
| Repairs and Maintenance | 161,286 | 161,286 | 163,472 | (2,186) | 166,002 |
| Vehicle Expense | 164,352 | 164,352 | 122,010 | 42,342 | 128,126 |
| Capital & Equipment | 4,618,310 | 4,618,310 | 717,143 | 3,901,167 | 388,498 |
| Studies and Projects | 19,800 | 19,800 | 18,949 | 851 | 27,568 |
| Rental Expense | 128,500 | 128,500 | 130,143 | (1,643) | 118,317 |
| Miscellaneous Expenses | 69,929 | 69,929 | 95,592 | (25,663) | 85,388 |
| Testing and Monitoring | 88,626 | 88,626 | 80,039 | 8,587 | 82,164 |
| Telephone | - | - | 3,300 | (3,300) | 4,376 |
| Travel and Meetings | 5,918 | 5,918 | 4,880 | 1,038 | 1,695 |
| **Total Operating Expenses** | 9,397,046 | 9,397,046 | 6,467,460 | 2,929,586 | 5,910,904 |
| Operating Income (Loss) | (48,056) | (48,056) | 4,000,370 | 4,048,426 | 4,051,007 |
| **Non-operating Revenues (Expenses):** | | | | | |
| Interest Income | 116,266 | 116,266 | 187,662 | 71,396 | 222,962 |
| Rent and Royalties | 65,010 | 65,010 | 68,761 | 3,751 | 66,510 |
| Debt Principal Payments | (2,055,000) | (2,055,000) | - | 2,055,000 | - |
| Interest Expense | (755,162) | (755,162) | (751,589) | 3,573 | (812,559) |
| **Total Non-operating Revenues (Exp.)** | (2,628,886) | (2,628,886) | (495,166) | 2,133,720 | (523,087) |
| Income (Loss) before operating transfers | (2,676,942) | (2,676,942) | 3,505,204 | 6,182,146 | 3,527,920 |
| **Interfund Transfers and Donations:** | | | | | |
| Donation of Assets | - | - | - | - | - |
| Transfers In | 542,810 | 542,810 | 542,810 | - | 457,261 |
| Transfers Out | (979,964) | (979,964) | (979,964) | - | (964,696) |
| Net Transfers and Donations | (437,154) | (437,154) | (437,154) | - | (507,435) |
| Net Income (Loss) | $ (3,114,096) | $ (3,114,096) | 3,068,050 | $ 6,182,146 | 3,020,485 |
| **Net Position, October 1st,** | | | 39,383,571 | | 36,363,086 |
| **Net Position, September 30th** | | | $ 42,451,621 | | $ 39,383,571 |

**CITY OF TWIN FALLS, IDAHO**

Enterprise - Wastewater Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Charges for Services | $ 9,141,635 | $ 9,141,635 | $ 9,217,516 | $ 75,881 | $ 9,865,339 |
| Taps, Connection and Other Fees | - | - | - | - | - |
| Miscellaneous | 3,000 | 3,000 | - | (3,000) | 4,559 |
| **Total Operating Revenues** | 9,144,635 | 9,144,635 | 9,217,516 | 72,881 | 9,869,898 |
| **Operating Expenses:** | | | | | |
| Contracted Expenses | 3,384,750 | 3,384,750 | 3,224,729 | 160,021 | 3,101,458 |
| Personnel Expenses | 707,930 | 707,930 | 576,363 | 131,567 | 573,009 |
| Depreciation and Amortization | - | - | 1,779,064 | (1,779,064) | 1,486,188 |
| Utilities | 4,532 | 4,532 | 660 | 3,872 | 1,378 |
| Supplies | 56,800 | 56,800 | 54,897 | 1,903 | 47,559 |
| Repairs & Maintenance | 50,000 | 50,000 | 17,620 | 32,380 | 12,989 |
| Vehicle Expense | 57,284 | 57,284 | 39,126 | 18,158 | 41,409 |
| Capital & Equipment | 1,012,250 | 7,467,637 | 339,417 | 7,128,220 | 211,658 |
| Rental Expense | 1,000 | 1,000 | - | 1,000 | - |
| Miscellaneous Expenses | 3,780 | 3,780 | 26,074 | (22,294) | 44,762 |
| Telephone | 630 | 630 | 2,850 | (2,220) | 60 |
| Travel and Meetings | 2,500 | 2,500 | 295 | 2,205 | 738 |
| **Total Operating Expenses** | 5,281,456 | 11,736,843 | 6,061,095 | 5,675,748 | 5,521,208 |
| Operating Income (Loss) | 3,863,179 | (2,592,208) | 3,156,421 | 5,748,629 | 4,348,690 |
| **Non-operating Revenues (Expenses):** | | | | | |
| Development Fees | 2,000 | 2,000 | 218,550 | 216,550 | 319,795 |
| Interest Income | 361,836 | 361,836 | 412,801 | 50,965 | 860,320 |
| Debt Principal Payments | (1,815,000) | (1,815,000) | - | 1,815,000 | |
| Debt Issuance Costs | - | - | - | - | |
| Interest Expense | (1,665,856) | (1,665,856) | (1,663,674) | 2,182 | (1,713,096) |
| Federal Grant | - | - | - | - | - |
| **Total Non-operating Revenues (Exp.)** | (3,117,020) | (3,117,020) | (1,032,323) | 2,084,697 | (532,981) |
| Income (Loss) before operating transfers | 746,159 | (5,709,228) | 2,124,098 | 7,833,326 | 3,815,709 |
| **Interfund Transfers and Donations:** | | | | | |
| Donation of Assets | - | - | - | - | - |
| Transfers In | - | - | - | - | - |
| Transfers Out | (746,159) | (746,159) | (746,159) | - | (716,983) |
| Net Transfers and Donations | (746,159) | (746,159) | (746,159) | - | (716,983) |
| Net Income (Loss) | $ - | $ (6,455,387) | 1,377,939 | $ 7,833,326 | 3,098,726 |
| **Net Position, October 1st,** | | | 57,028,388 | | 53,929,662 |
| **Net Position, September 30th** | | | $ 58,406,327 | | $ 57,028,388 |

**CITY OF TWIN FALLS, IDAHO**

Enterprise - Sanitation Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Charges for Services | $ 2,843,191 | $ 2,843,191 | $ 2,905,157 | $ 61,966 | 2,690,745 |
| Miscellaneous | - | - | 6 | 6 | - |
| **Total Operating Revenues** | 2,843,191 | 2,843,191 | 2,905,163 | 61,972 | 2,690,745 |
| **Operating Expenses:** | | | | | |
| Contracted Expenses | 1,774,000 | 1,774,000 | 1,763,033 | 10,967 | 1,715,502 |
| Personnel Expenses | - | - | - | - | 1,706 |
| Depreciation and Amortization | - | - | - | - | - |
| Landfill Expenses | 630,000 | 630,000 | 643,051 | (13,051) | 613,133 |
| Small Equipment | - | - | - | - | - |
| Studies and Projects | - | - | - | - | - |
| Miscellaneous Expenses | 6,000 | 6,000 | 7,848 | (1,848) | 43,630 |
| **Total Operating Expenses** | 2,410,000 | 2,410,000 | 2,413,932 | (3,932) | 2,373,971 |
| Operating Income (Loss) | 433,191 | 433,191 | 491,231 | 58,040 | 316,774 |
| **Non-operating Revenues (Expenses):** | | | | | |
| Interest Income | 4,681 | 4,681 | 6,958 | 2,277 | 9,027 |
| Interest Expense | - | - | - | - | - |
| **Total Non-operating Revenues (Exp.)** | 4,681 | 4,681 | 6,958 | 2,277 | 9,027 |
| Income (Loss) before operating transfers | 437,872 | 437,872 | 498,189 | 60,317 | 325,801 |
| **Operating Transfers:** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | (437,872) | (437,872) | (437,872) | - | (364,908) |
| Net Transfers | (437,872) | (437,872) | (437,872) | - | (364,908) |
| Net Income (Loss) | $ - | $ - | 60,317 | $ 60,317 | (39,107) |
| **Net Position, October 1st** | | | 470,822 | | 509,929 |
| **Net Position, September 30th** | | | $ 531,139 | | $ 470,822 |

**CITY OF TWIN FALLS, IDAHO**

Special Revenue - Street Light Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Revenues:** | | | | | |
| Property Taxes | $ 69,516 | $ 69,516 | $ 77,868 | $ 8,352 | $ 76,405 |
| Non-Property Taxes | 374,690 | 374,690 | 393,394 | 18,704 | 385,292 |
| Miscellaneous & Intergovernmental | - | - | - | - | - |
| **Total Revenues** | 444,206 | 444,206 | 471,262 | 27,056 | 461,697 |
| **Expenditures:** | | | | | |
| Current | | | | | |
| Highways and Streets | 422,422 | 422,422 | 365,699 | 56,723 | 322,307 |
| **Total Expenditures** | 422,422 | 422,422 | 365,699 | 56,723 | 322,307 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 21,784 | 21,784 | 105,563 | 83,779 | 139,390 |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | (21,784) | (21,784) | (21,784) | - | (21,511) |
| **Total Other Sources (Uses)** | (21,784) | (21,784) | (21,784) | - | (21,511) |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | $ - | $ - | 83,779 | $ 83,779 | 117,879 |
| **Fund Balances, October 1st** | | | 71,754 | | (46,125) |
| **Fund Balances, September 30th** | | | $ 155,533 | | $ 71,754 |

**CITY OF TWIN FALLS, IDAHO**

Special Revenue - Library Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Revenues:** | | | | | |
| Property Taxes | $ 1,572,635 | $ 1,572,635 | $ 1,574,500 | $ 1,865 | $ 1,499,620 |
| Fines and Forfeits | 28,000 | 28,000 | 31,679 | 3,679 | 40,178 |
| Fees and Services | 32,500 | 32,500 | 40,207 | 7,707 | 36,521 |
| Miscellaneous | 14,053 | 14,053 | 20,230 | 6,177 | 24,786 |
| **Total Revenues** | 1,647,188 | 1,647,188 | 1,666,616 | 19,428 | 1,601,105 |
| **Expenditures:** | | | | | |
| Current | | | | | |
| Culture and Recreation | 1,647,188 | 1,647,188 | 1,588,642 | 58,546 | 1,605,498 |
| Capital Outlay | 18,000 | 18,000 | - | 18,000 | 37,127 |
| **Total Expenditures** | 1,665,188 | 1,665,188 | 1,588,642 | 76,546 | 1,642,625 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (18,000) | (18,000) | 77,974 | 95,974 | (41,520) |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | - | - | - |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | $ (18,000) | $ (18,000) | 77,974 | $ 95,974 | $ (41,520) |
| **Fund Balances, October 1st** | | | 1,051,575 | | 1,093,095 |
| **Fund Balances, September 30th** | | | $ 1,129,549 | | $ 1,051,575 |

**CITY OF TWIN FALLS, IDAHO**

Special Revenue - Pool Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Intergovernmental | $ 120,000 | $ 120,000 | $ 123,132 | $ 3,132 | $ 123,656 |
| Miscellaneous and Reserves | 3,500 | 3,500 | - | (3,500) | - |
| **Total Operating Revenues** | 123,500 | 123,500 | 123,132 | (368) | 123,656 |
| **Operating Expenses:** | | | | | |
| Contracted Expenses | 120,000 | 120,000 | 120,000 | - | 130,000 |
| Utilities | - | - | 194 | (194) | 962 |
| Supplies | - | - | 122 | (122) | (595) |
| Repairs and Maintenance | - | - | 1 | (1) | 990 |
| Miscellaneous Expenses | - | - | (1,311) | 1,311 | 2,107 |
| Equipment | 7,000 | 7,000 | 3,295 | 3,705 | 12,351 |
| **Total Operating Expenses** | 127,000 | 127,000 | 122,301 | 4,699 | 145,815 |
| Operating Income (Loss) | (3,500) | (3,500) | 831 | 4,331 | (22,159) |
| **Non-operating Revenues (Expenses):** | | | | | |
| Interest Income | - | - | - | - | - |
| Interest Expense | - | - | - | - | - |
| **Total Non-operating Revenues (Exp.)** | - | - | - | - | - |
| Income (Loss) before operating transfers | (3,500) | (3,500) | 831 | 4,331 | (22,159) |
| **Operating Transfers:** | | | | | |
| Transfers In | 3,500 | 3,500 | 3,500 | - | 21,000 |
| Transfers Out | - | - | - | - | - |
| Net Transfers | 3,500 | 3,500 | 3,500 | - | 21,000 |
| Net Income (Loss) | $ - | $ - | 4,331 | $ 4,331 | (1,159) |
| **Fund Balances, October 1st** | | | (225,077) | | (223,918) |
| **Fund Balances, September 30th** | | | $ (220,746) | | $ (225,077) |

**CITY OF TWIN FALLS, IDAHO**

Capital Projects - Historic Preservation Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Revenues:** | | | | | |
| Property Taxes | $ - | $ - | $ - | $ - | $ - |
| Federal Grants | 6,000 | 6,000 | - | (6,000) | 17,000 |
| Miscellaneous | - | - | - | - | 3,050 |
| **Total Revenues** | 6,000 | 6,000 | - | (6,000) | 20,050 |
| **Expenditures:** | | | | | |
| Current | | | | | |
| Community Development | 6,000 | 6,000 | - | 6,000 | 21,501 |
| **Total Expenditures** | 6,000 | 6,000 | - | 6,000 | 21,501 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | (1,451) |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | - | - | - |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | $ - | $ - | - | $ - | (1,451) |
| **Fund Balances, October 1st** | | | (4,607) | | (3,156) |
| **Fund Balances, September 30th** | | | $ (4,607) | | $ (4,607) |

**CITY OF TWIN FALLS, IDAHO**

Capital Projects - Park Development

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Revenues:** | | | | | |
| Miscellaneous | $ - | $ - | $ 19,965 | $ 19,965 | $ 4,840 |
| **Total Revenues** | - | - | 19,965 | 19,965 | 4,840 |
| **Expenditures:** | | | | | |
| Current | | | | | |
| Industrial Development | 49,854 | 49,854 | - | 49,854 | 5,082 |
| **Total Expenditures** | 49,854 | 49,854 | - | 49,854 | 5,082 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (49,854) | (49,854) | 19,965 | 69,819 | (242) |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | - | - | - |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | $ (49,854) | $ (49,854) | 19,965 | $ 69,819 | (242) |
| **Fund Balances, October 1st** | | | 214,235 | | 214,477 |
| **Fund Balances, September 30th** | | | $ 234,200 | | $ 214,235 |

**CITY OF TWIN FALLS, IDAHO**

Capital Projects - Trail Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Revenues:** | | | | | |
| Miscellaneous | $ - | $ - | $ - | $ - | $ - |
| **Total Revenues** | - | - | - | - | - |
| **Expenditures:** | | | | | |
| Current | | | | | |
| Trail Fund | - | - | - | - | - |
| **Total Expenditures** | - | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | - |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | - | - | - |
| Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses | $ - | $ - | - | $ - | - |
| **Fund Balances, October 1st** | | | 541 | | 541 |
| **Fund Balances, September 30th** | | | $ 541 | | $ 541 |

**CITY OF TWIN FALLS, IDAHO**

Other Funds - Impact Fees

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Fees and Services | $ 120,000 | $ 120,000 | $ 841,703 | $ 721,703 | $ 1,252,146 |
| Miscellaneous | - | - | 67,391 | 67,391 | 50,029 |
| **Total Operating Revenues** | 120,000 | 120,000 | 909,094 | 789,094 | 1,302,175 |
| **Operating Expenses:** | | | | | |
| Capital Outlay | 800,000 | 800,000 | 117,492 | 682,508 | 50,874 |
| **Total Operating Expenses** | 800,000 | 800,000 | 117,492 | 682,508 | 50,874 |
| Income (Loss) before operating transfers | (680,000) | (680,000) | 791,602 | 1,471,602 | 1,251,301 |
| **Operating Transfers:** | | | | | |
| Transfers In | 280,000 | 280,000 | 280,000 | - | - |
| Transfers Out | - | - | - | - | - |
| Net Transfers | 280,000 | 280,000 | 280,000 | - | - |
| Net Income (Loss) | $ (400,000) | $ (400,000) | 1,071,602 | $ 1,471,602 | 1,251,301 |
| **Fund Balances, October 1st** | | | 3,292,392 | | 2,041,091 |
| **Fund Balances, September 30th** | | | $ 4,363,994 | | $ 3,292,392 |

**CITY OF TWIN FALLS, IDAHO**

Other Funds - Drug Seizure Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Special Assessments, Including Interest | $ - | $ - | $ 161,679 | $ 161,679 | $ 86,100 |
| **Total Operating Revenues** | - | - | 161,679 | 161,679 | 86,100 |
| **Operating Expenses:** | | | | | |
| Public Safety | 63,897 | 80,897 | 66,073 | 14,824 | 53,348 |
| **Total Operating Expenses** | 63,897 | 80,897 | 66,073 | 14,824 | 53,348 |
| Income (Loss) before operating transfers | (63,897) | (80,897) | 95,606 | 176,503 | 32,752 |
| **Operating Transfers:** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| Net Transfers | - | - | - | - | - |
| Net Income (Loss) | $ (63,897) | $ (80,897) | 95,606 | $ 176,503 | 32,752 |
| **Fund Balances, October 1st, as Previously Stated** | | | 107,175 | | 74,423 |
| **Fund Balances, September 30th** | | | $ 202,781 | | $ 107,175 |

**CITY OF TWIN FALLS, IDAHO**

Other Funds - Fireworks Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Intergovernmental | $ 825 | $ 825 | $ - | $ (825) | $ - |
| Miscellaneous and Permits | 675 | 675 | 899 | 224 | 751 |
| **Total Operating Revenues** | 1,500 | 1,500 | 899 | (601) | 751 |
| **Operating Expenses:** | | | | | |
| Community Development | 8,000 | 8,000 | 8,000 | - | 8,000 |
| **Total Operating Expenses** | 8,000 | 8,000 | 8,000 | - | 8,000 |
| Income (Loss) before operating transfers | (6,500) | (6,500) | (7,101) | (601) | (7,249) |
| **Operating Transfers:** | | | | | |
| Transfers In | 6,500 | 6,500 | 6,500 | - | 7,250 |
| Transfers Out | - | - | - | - | - |
| Net Transfers | 6,500 | 6,500 | 6,500 | - | 7,250 |
| Net Income (Loss) | $ - | $ - | (601) | $ (601) | 1 |
| **Fund Balances, October 1st** | | | (11,379) | | (11,380) |
| **Fund Balances, September 30th** | | | $ (11,980) | | $ (11,379) |

**CITY OF TWIN FALLS, IDAHO**

Enterprise - Golf Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Charges for Services | $ - | $ - | $ 9,921 | $ 9,921 | $ 3,989 |
| Miscellaneous | - | - | - | - | - |
| **Total Operating Revenues** | - | - | 9,921 | 9,921 | 3,989 |
| **Operating Expenses:** | | | | | |
| Contracted Expenses | - | - | - | - | - |
| Personnel Expenses | - | - | (4,168) | 4,168 | 6,334 |
| Depreciation and Amortization | - | - | 40,480 | (40,480) | 38,342 |
| Utilities | - | - | 373 | (373) | 2,177 |
| Small Equipment | 65,000 | 65,000 | 10,350 | 54,650 | - |
| Miscellaneous Expenses | - | - | - | - | - |
| Travel and Meetings | - | - | - | - | - |
| **Total Operating Expenses** | 65,000 | 65,000 | 47,035 | 17,965 | 46,853 |
| Operating Income (Loss) | (65,000) | (65,000) | (37,114) | 27,886 | (42,864) |
| **Non-operating Revenues (Expenses):** | | | | | |
| Interest Income | - | - | - | - | - |
| Interest Expense | - | - | - | - | - |
| **Total Non-operating Revenues (Exp.)** | - | - | - | - | - |
| Income (Loss) before operating transfers | (65,000) | (65,000) | (37,114) | 27,886 | (42,864) |
| **Operating Transfers:** | | | | | |
| Transfers In | 65,000 | 65,000 | 65,000 | - | - |
| Transfers Out | - | - | - | - | - |
| Net Transfers | 65,000 | 65,000 | 65,000 | - | - |
| Net Income (Loss) | $ - | $ - | 27,886 | $ 27,886 | (42,864) |
| **Net Position, October 1st, As Previously Stated** | | | (352,746) | | (309,882) |
| **Net Position, September 30th** | | | $ (324,860) | | $ (352,746) |

**CITY OF TWIN FALLS, IDAHO**

Enterprise - Dierkes Lake/Shoshone Falls Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Charges for Services | $ 200,374 | $ 200,374 | $ 260,383 | $ 60,009 | $ 217,677 |
| Miscellaneous and Reserves | - | - | 4,328 | 4,328 | 7,954 |
| **Total Operating Revenues** | 200,374 | 200,374 | 264,711 | 64,337 | 225,631 |
| **Operating Expenses:** | | | | | |
| Contracted Expenses | 56,800 | 56,800 | 56,299 | 501 | 54,182 |
| Personnel Expenses | 87,749 | 87,749 | 63,191 | 24,558 | 81,399 |
| Depreciation and Amortization | - | - | 56,636 | (56,636) | 53,642 |
| Utilities | 4,829 | 4,829 | 5,603 | (774) | 11,077 |
| Supplies | 5,250 | 5,250 | 3,552 | 1,698 | 4,791 |
| Repairs and Maintenance | 8,000 | 8,000 | 4,007 | 3,993 | 3,222 |
| Vehicle Expense | 1,500 | 1,500 | 897 | 603 | 1,110 |
| Small Equipment | 25,000 | 25,000 | (482) | 25,482 | - |
| Miscellaneous Expenses | 5,500 | 5,500 | 3,520 | 1,980 | 14,241 |
| **Total Operating Expenses** | 194,628 | 194,628 | 193,223 | 1,405 | 223,664 |
| Operating Income (Loss) | 5,746 | 5,746 | 71,488 | 65,742 | 1,967 |
| **Non-operating Revenues (Expenses):** | | | | | |
| Interest Income | 3,785 | 3,785 | 4,406 | 621 | 8,127 |
| Interest Expense | - | - | - | - | - |
| **Total Non-operating Revenues (Exp.)** | 3,785 | 3,785 | 4,406 | 621 | 8,127 |
| Income (Loss) before operating transfers | 9,531 | 9,531 | 75,894 | 66,363 | 10,094 |
| **Operating Transfers:** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | (9,531) | (9,531) | (9,531) | - | (9,411) |
| Net Transfers | (9,531) | (9,531) | (9,531) | - | (9,411) |
| Net Income (Loss) | $ - | $ - | 66,363 | $ 66,363 | 683 |
| **Net Position, October 1st** | | | 1,352,774 | | 1,352,091 |
| **Net Position, September 30th** | | | $ 1,419,137 | | $ 1,352,774 |

# CITY OF TWIN FALLS, IDAHO

Enterprise - Common Area Maintenance

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Charges for Services | $ 33,142 | $ 33,142 | $ 31,371 | $ (1,771) | $ 31,642 |
| **Total Operating Revenues** | 33,142 | 33,142 | 31,371 | (1,771) | 31,642 |
| **Operating Expenses:** | | | | | |
| Contracted Expenses | 26,200 | 26,200 | 24,501 | 1,699 | 21,420 |
| Utilities | 1,215 | 1,215 | 878 | 337 | 732 |
| Repairs and Maintenance | 3,000 | 3,000 | 5,996 | (2,996) | 927 |
| Miscellaneous Expenses | - | - | 37 | (37) | 20 |
| **Total Operating Expenses** | 30,415 | 30,415 | 31,412 | (997) | 23,099 |
| Operating Income (Loss) | 2,727 | 2,727 | (41) | (2,768) | 8,543 |
| **Non-operating Revenues (Expenses):** | | | | | |
| Interest Income | - | - | - | - | - |
| Interest Expense | - | - | - | - | - |
| **Total Non-operating Revenues (Exp.)** | - | - | - | - | - |
| Income (Loss) before operating transfers | 2,727 | 2,727 | (41) | (2,768) | 8,543 |
| **Operating Transfers:** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | (2,727) | (2,727) | (2,727) | - | (2,693) |
| Net Transfers | (2,727) | (2,727) | (2,727) | - | (2,693) |
| Net Income (Loss) | $ - | $ - | (2,768) | $ (2,768) | 5,850 |
| **Net Position, October 1st** | | | 30,336 | | 24,486 |
| **Net Position, September 30th** | | | $ 27,568 | | $ 30,336 |

**CITY OF TWIN FALLS, IDAHO**

Internal Service - Insurance Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Special Assessments, Including Interest | $ 180,666 | $ 180,666 | $ 202,721 | $ 22,055 | $ 194,789 |
| Miscellaneous | 2,673 | 2,673 | 3,524 | 851 | 4,097 |
| **Total Operating Revenues** | 183,339 | 183,339 | 206,245 | 22,906 | 198,886 |
| **Operating Expenses:** | | | | | |
| Insurance Expense | 420,380 | 420,380 | 419,947 | 433 | 394,095 |
| Miscellaneous Expenses | 1,045 | 1,045 | 1,372 | (327) | 483 |
| Travel and Meetings | 350 | 350 | - | 350 | 45 |
| **Total Operating Expenses** | 421,775 | 421,775 | 421,319 | 456 | 394,623 |
| Operating Income (Loss) | (238,436) | (238,436) | (215,074) | 23,362 | (195,737) |
| **Non-operating Revenues (Expenses):** | | | | | |
| Interest Income | - | - | - | - | - |
| Interest Expense | - | - | - | - | - |
| **Total Non-operating Revenues (Exp.)** | - | - | - | - | - |
| Income (Loss) before operating transfers | (238,436) | (238,436) | (215,074) | 23,362 | (195,737) |
| **Operating Transfers:** | | | | | |
| Transfers In | 292,898 | 292,898 | 292,898 | - | 275,033 |
| Transfers Out | (54,462) | (54,462) | (54,462) | - | (53,779) |
| Net Transfers | 238,436 | 238,436 | 238,436 | - | 221,254 |
| Net Income (Loss) | $ - | $ - | 23,362 | $ 23,362 | 25,517 |
| **Net Position, October 1st** | | | 255,505 | | 229,988 |
| **Net Position, September 30th** | | | $ 278,867 | | $ 255,505 |

**CITY OF TWIN FALLS, IDAHO**

Internal Service - Shop Revolving Fund

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

For the Fiscal Year Ended September 30, 2016

With Comparative Actual Amounts from the Previous Year

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Proposed Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | 2015 Actual |
| **Operating Revenues:** | | | | | |
| Charges for Services | $ 352,565 | $ 352,565 | $ 353,314 | $ 749 | $ 325,286 |
| Miscellaneous | - | - | (66) | (66) | 5 |
| **Total Operating Revenues** | 352,565 | 352,565 | 353,248 | 683 | 325,291 |
| **Operating Expenses:** | | | | | |
| Contracted Expenses | 2,500 | 2,500 | 5,123 | (2,623) | 2,986 |
| Personnel Expenses | 347,071 | 347,071 | 332,320 | 14,751 | 321,342 |
| Depreciation and Amortization | - | - | 15,927 | (15,927) | 13,894 |
| Utilities | 9,836 | 9,836 | 9,599 | 237 | 7,576 |
| Supplies | 29,500 | 29,500 | 25,036 | 4,464 | 26,741 |
| Repairs and Maintenance | 20,940 | 20,940 | 15,479 | 5,461 | 10,385 |
| Vehicle Expense | 1,040 | 1,040 | 1,674 | (634) | 1,109 |
| Small Equipment | 10,475 | 10,475 | 11,795 | (1,320) | 7,826 |
| Miscellaneous Expenses | 1,600 | 1,600 | 111 | 1,489 | 144 |
| Travel and Meetings | 1,000 | 1,000 | 259 | 741 | 192 |
| **Total Operating Expenses** | 423,962 | 423,962 | 417,323 | 6,639 | 392,195 |
| Operating Income (Loss) | (71,397) | (71,397) | (64,075) | 7,322 | (66,904) |
| **Non-operating Revenues (Expenses):** | | | | | |
| Interest Income | - | - | - | - | - |
| Interest Expense | - | - | - | - | - |
| **Total Non-operating Revenues (Exp.)** | - | - | - | - | - |
| Income (Loss) before operating transfers | (71,397) | (71,397) | (64,075) | 7,322 | (66,904) |
| **Operating Transfers:** | | | | | |
| Transfers In | 60,922 | 60,922 | 60,922 | - | 60,158 |
| Transfers Out | - | - | - | - | - |
| Net Transfers | 60,922 | 60,922 | 60,922 | - | 60,158 |
| Net Income (Loss) | $ (10,475) | $ (10,475) | (3,153) | $ 7,322 | (6,746) |
| **Net Position, October 1st** | | | 711,723 | | 718,469 |
| **Net Position, September 30th** | | | $ 708,570 | | $ 711,723 |

# STATISTICAL SECTION

# CITY OF TWIN FALLS, IDAHO

*Statistical Section*

September 30, 2016

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 to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (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,

**Schedule of Net Position - Schedule 1**

(accrual basis of accounting)

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets (a) | $ 139,207,450 | $ 140,796,310 | $ 148,994,442 | $ 149,862,775 | $ 153,880,017 | $ 155,596,113 | $ 157,523,535 | $ 157,805,240 | $ 162,233,909 | $ 162,753,014 |
| Restricted | 5,333,887 | 4,228,544 | 29,878,583 | 16,259,022 | 15,353,423 | 13,881,916 | 15,515,339 | 13,892,797 | 11,336,688 | 7,481,339 |
| Unrestricted | 31,667,251 | 28,789,849 | 1,699,141 | 11,197,181 | 6,321,892 | 12,155,857 | 7,319,535 | 9,387,943 | 8,618,538 | 8,354,798 |
| Total Governmental Activities Net Position | $ 176,208,588 | $ 173,814,703 | $ 180,572,166 | $ 177,318,978 | $ 175,555,332 | $ 181,633,886 | $ 180,358,409 | $ 181,085,980 | $ 182,189,135 | $ 178,589,151 |
| Business-Type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | $ 82,464,944 | $ 67,210,548 | $ 40,851,261 | $ 41,132,893 | $ 44,224,642 | $ 34,747,495 | $ 21,929,263 | $ 30,949,407 | $ 29,769,561 | $ 25,401,788 |
| Restricted | 8,935,206 | 15,815,072 | 29,334,545 | 199,519 | 1,781,582 | 688,746 | 667,001 | 667,001 | | |
| Unrestricted | 11,110,781 | 14,887,526 | 22,641,980 | 18,730,324 | 11,374,812 | 10,947,759 | 20,828,711 | 10,165,402 | 11,583,935 | 11,257,909 |
| Total Governmental Activities Net Position | $ 102,510,931 | $ 97,913,146 | $ 92,827,786 | $ 60,062,736 | $ 57,381,036 | $ 46,384,000 | $ 43,424,975 | $ 41,781,810 | $ 41,353,496 | $ 36,659,697 |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | $ 221,672,394 | $ 208,006,858 | $ 189,845,703 | $ 190,995,668 | $ 198,104,659 | $ 190,343,608 | $ 179,452,798 | $ 188,754,647 | $ 192,003,470 | $ 188,154,802 |
| Restricted | 14,269,093 | 20,043,616 | 59,213,128 | 16,458,541 | 17,135,005 | 14,570,662 | 16,182,340 | 14,559,798 | 11,336,688 | 7,481,339 |
| Unrestricted | 42,778,032 | 43,677,375 | 24,341,121 | 29,927,505 | 17,696,704 | 23,103,616 | 28,148,246 | 19,553,345 | 20,202,473 | 19,612,707 |
| Total Primary Government Net Position | $ 278,719,519 | $ 271,727,849 | $ 273,399,952 | $ 237,381,714 | $ 232,936,368 | $ 228,017,886 | $ 223,783,384 | $ 222,867,790 | $ 223,542,631 | $ 215,248,848 |

(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.

(b) In 2015 the City implemented a new accounting principal for recoginzing pension costs under GASB 68, Accounting and Financial Reporting for Pensions. Prior years Net Positions have not been restated to reflect the change.

# City of Twin Falls, Idaho

**Schedule of Changes in Net Position - Schedule 2**
(accrual basis of accounting)

| | September 30, 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government (a) | $ 13,451,319 | $ 13,055,440 | $ 11,943,398 | $ 11,474,562 | $ 10,564,109 | $ 10,102,271 | $ 11,440,065 | $ 11,731,668 | $ 11,017,593 | $ 11,351,031 |
| Fire | 3,365,672 | 2,690,217 | 4,069,035 | 3,949,996 | 3,694,364 | 3,658,319 | 3,606,947 | 3,576,095 | 3,522,826 | 3,260,636 |
| Police | 8,972,945 | 8,603,022 | 8,199,302 | 7,849,707 | 7,632,626 | 7,487,176 | 7,553,869 | 7,437,921 | 7,138,418 | 6,685,983 |
| Engineering/Planning | 2,148,670 | 2,169,122 | 1,951,363 | 1,492,029 | 1,384,368 | 1,380,902 | 1,357,850 | 1,408,542 | 1,504,867 | 1,311,514 |
| Library | 1,699,739 | 1,743,574 | 1,583,001 | 1,521,534 | 1,548,327 | 1,631,261 | 1,504,640 | 1,414,190 | 1,369,324 | 1,241,462 |
| Culture and Recreation | 2,042,063 | 1,920,259 | 1,751,333 | 1,705,144 | 1,612,078 | 1,533,417 | 1,519,264 | 1,513,662 | 1,484,998 | 1,390,922 |
| Streets | 3,811,188 | 3,663,385 | 3,998,213 | 3,311,279 | 2,689,289 | 2,581,089 | 2,517,207 | 2,392,492 | 2,090,943 | 2,250,064 |
| Pool (b) | 155,910 | 181,301 | 165,031 | 170,194 | 161,573 | 187,079 | 180,827 | 151,076 | 218,012 | 216,226 |
| Airport | 1,747,681 | 1,734,504 | 2,132,707 | 2,050,091 | 1,380,459 | 1,149,725 | 1,750,030 | 1,393,113 | 1,795,466 | 1,260,775 |
| Total | 37,395,187 | 35,760,824 | 35,793,383 | 33,524,536 | 30,667,193 | 29,711,239 | 31,430,699 | 31,018,759 | 30,142,447 | 28,968,613 |
| Business-Type Activities: | | | | | | | | | | |
| Water | 7,279,970 | 6,783,620 | 7,080,671 | 5,842,097 | 5,398,289 | 4,805,882 | 4,949,667 | 5,822,351 | 4,317,630 | 3,556,862 |
| Wastewater | 7,724,769 | 7,234,304 | 6,602,907 | 5,528,219 | 4,560,436 | 4,928,568 | 5,318,229 | 4,875,189 | 4,513,630 | 4,411,613 |
| Sanitation | 2,413,932 | 2,336,654 | 2,321,666 | 2,524,489 | 2,498,537 | 2,480,848 | 1,958,948 | 1,958,583 | 1,869,566 | 1,719,314 |
| Golf | 47,036 | 46,853 | 58,021 | 82,998 | 111,044 | 341,903 | 493,525 | 372,315 | 442,726 | 384,924 |
| Dierkes Lake/Shoshone Falls | 193,223 | 223,664 | 219,597 | 225,756 | 214,236 | 216,536 | 201,260 | 174,829 | 178,698 | 148,117 |
| Common Area Maintenance | 31,411 | 23,099 | 22,930 | 20,391 | 92,779 | 91,407 | 82,243 | 84,974 | 38,296 | 8,399 |
| Total | 17,690,341 | 16,648,194 | 16,305,792 | 14,223,950 | 12,875,321 | 12,865,144 | 13,003,872 | 13,288,241 | 11,360,546 | 10,229,229 |
| Total Primary Government | $ 55,085,528 | $ 52,409,018 | $ 52,099,175 | $ 47,748,486 | $ 43,542,514 | $ 42,576,383 | $ 44,434,571 | $ 44,307,000 | $ 41,502,993 | $ 39,197,842 |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services | $ 6,354,779 | $ 6,801,330 | $ 6,050,556 | $ 5,652,382 | $ 5,629,074 | $ 4,964,450 | $ 4,885,343 | $ 5,105,008 | $ 5,242,968 | $ 3,938,087 |
| Operating Grants and Contributions | 8,074,642 | 7,781,738 | 6,781,238 | 5,882,115 | 5,898,413 | 5,764,661 | 6,590,889 | 5,950,919 | 6,402,597 | 6,237,316 |
| Capital Grants and Contributions | 4,311,907 | 985,169 | 3,989,947 | 2,314,982 | 668,580 | 1,478,780 | 927,338 | 1,597,966 | 5,335,406 | 3,981,626 |
| Total | 18,741,328 | 15,568,237 | 16,821,741 | 13,849,479 | 12,196,067 | 12,207,891 | 12,403,570 | 12,653,893 | 16,980,971 | 14,157,029 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services | $ 23,017,706 | $ 23,046,518 | $ 22,335,115 | $ 19,902,491 | $ 18,906,147 | $ 16,832,890 | $ 15,585,180 | $ 14,299,503 | $ 14,418,667 | $ 13,032,113 |
| Operating Grants and Contributions | | - | 569,853 | - | | 175,131 | 185,559 | 161,833 | 112,047 | 105,790 |
| Capital Grants and Contributions | | - | - | 845,391 | 81,463 | 58,969 | 109,432 | 196,201 | 1,798,625 | |
| Total | 23,017,706 | 23,046,518 | 22,904,968 | 20,747,882 | 18,987,610 | 17,066,990 | 15,880,171 | 14,657,537 | 16,329,339 | 13,137,903 |
| Total Primary Government | $ 41,759,034 | $ 38,614,755 | $ 39,726,709 | $ 34,597,361 | $ 31,183,677 | $ 29,274,881 | $ 28,283,741 | $ 27,311,430 | $ 33,310,310 | $ 27,294,932 |

**Schedule of Changes in Net Position - Schedule 2 Continued**
(accrual basis of accounting)

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| <u>General Revenues and Other Changes in Net Position:</u> | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes - General Purposes | $ 18,219,696 | $ 17,673,416 | $ 17,412,749 | $ 16,651,268 | $ 16,075,739 | $ 15,764,702 | $ 15,607,739 | $ 15,112,226 | $ 14,117,690 | $ 12,294,725 |
| Franchise Taxes | 393,394 | 385,292 | 356,898 | 223,358 | 196,323 | 189,820 | 151,479 | 238,775 | 186,585 | 237,051 |
| Interest and Investment Earnings | 604,822 | 577,025 | 452,434 | (44,176) | 259,959 | 151,341 | 343,218 | 830,451 | 593,666 | 817,725 |
| Miscellaneous Revenues | 322,311 | 423,292 | 459,192 | 370,696 | 554,904 | 1,338,416 | 761,452 | 711,803 | 980,454 | 1,367,916 |
| Contributions of Assets | | | 2,264,987 | | | | | | | |
| Transfers | 1,507,521 | 1,578,589 | 1,278,570 | 4,237,557 | (5,274,297) | 1,237,773 | 1,254,843 | 1,077,184 | 665,053 | 470,311 |
| Total | 21,047,744 | 20,637,614 | 22,224,830 | 21,438,703 | 11,812,628 | 18,682,052 | 18,118,731 | 17,970,439 | 16,543,448 | 15,187,728 |
| | | | | | | | | | | |
| Business-Type Activities: | | | | | | | | | | |
| Interest and Investment Earnings | $ 611,827 | $ 1,100,433 | $ 393,336 | $ (56,627) | $ 111,004 | $ 106,459 | $ 186,049 | $ 421,640 | $ 399,018 | $ 584,623 |
| Miscellaneous Revenues | 166,115 | 123,606 | 118,255 | 451,952 | 79,394 | 75,572 | 16,487 | 11,136 | 209,053 | 93,478 |
| Contributions of Assets | | - | 26,932,853 | | | | | | | |
| Transfers | (1,507,521) | (1,578,589) | (1,278,570) | (4,237,557) | 5,274,297 | (1,237,773) | (1,254,843) | (1,077,184) | (665,053) | (470,311) |
| Total | (729,579) | (354,550) | 26,165,874 | (3,842,232) | 5,464,695 | (1,055,742) | (1,052,307) | (644,408) | (56,982) | 207,790 |
| Total Primary Government | $ 20,318,165 | $ 20,283,064 | $ 48,390,704 | $ 17,596,471 | $ 17,277,323 | $ 17,626,310 | $ 17,066,424 | $ 17,326,031 | $ 16,486,466 | $ 15,395,518 |
| | | | | | | | | | | |
| <u>Change in Net Position:</u> | | | | | | | | | | |
| Governmental Activities | $ 2,393,885 | $ 445,027 | $ 3,253,188 | $ 1,763,646 | $ (6,658,498) | $ 1,178,704 | $ (908,398) | $ (394,427) | $ 3,381,972 | $ 376,144 |
| Business-Type Activities | 4,597,786 | 6,043,774 | 32,765,050 | 2,681,700 | 11,576,984 | 3,146,104 | 1,823,992 | 724,888 | 4,911,811 | 3,116,464 |
| Total Primary Government | $ 6,991,671 | $ 6,488,801 | $ 36,018,238 | $ 4,445,346 | $ 4,918,486 | $ 4,324,808 | $ 915,594 | $ 330,461 | $ 8,293,783 | $ 3,492,608 |

(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.

(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.

**Program Labor Burden - Schedule 3**
(cash basis of accounting)

| December 31, | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| Labor Cost: | | | | | | | | | | |
| General Government | $ 2,600,066 | $ 2,628,021 | $ 2,300,448 | $ 1,958,510 | $ 1,784,519 | $ 1,771,966 | $ 1,963,735 | $ 1,951,944 | $ 1,813,409 | $ 1,531,729 |
| Fire | 2,589,862 | 2,573,121 | 2,417,721 | 2,362,685 | 2,268,505 | 2,245,222 | 2,243,158 | 2,188,994 | 2,164,464 | 2,010,128 |
| Police | 5,752,076 | 5,578,775 | 5,125,314 | 4,980,524 | 4,796,982 | 4,644,092 | 4,659,091 | 4,741,028 | 4,566,707 | 4,221,832 |
| Engineering/Planning | 1,363,856 | 1,318,899 | 1,139,277 | 1,159,679 | 1,025,624 | 1,062,278 | 1,088,968 | 1,059,823 | 996,277 | 881,495 |
| Streets | 702,086 | 679,117 | 638,292 | 567,264 | 522,918 | 507,040 | 545,142 | 543,766 | 574,691 | 511,385 |
| Library | 765,985 | 774,970 | 761,178 | 733,922 | 709,564 | 691,030 | 667,879 | 672,102 | 619,861 | 550,063 |
| Culture and Recreation | 830,184 | 803,071 | 761,210 | 731,027 | 731,409 | 673,557 | 675,535 | 685,619 | 711,300 | 697,485 |
| Airport | 387,441 | 375,470 | 359,612 | 349,287 | 308,228 | 295,303 | 299,910 | 316,667 | 307,408 | 253,714 |
| Water | 1,325,484 | 1,294,640 | 1,197,864 | 1,049,847 | 944,786 | 912,610 | 987,601 | 981,853 | 935,869 | 815,688 |
| Wastewater | 340,666 | 346,945 | 303,517 | 341,046 | 327,009 | 313,325 | 310,333 | 310,433 | 301,856 | 267,370 |
| Golf | 54,994 | 52,824 | 48,401 | 46,568 | 45,377 | 46,371 | 45,579 | 61,895 | 74,708 | 83,839 |
| Dierkes Lake/Shoshone Falls | 48,308 | 52,745 | 43,466 | 42,029 | 41,045 | 37,136 | 30,507 | 31,956 | 31,335 | 30,840 |
| | $ 16,761,008 | $ 16,478,598 | $ 15,096,300 | $ 14,322,388 | $ 13,505,965 | $ 13,199,930 | $ 13,517,438 | $ 13,546,081 | $ 13,097,885 | $ 11,855,568 |
| Program Labor Hours: | | | | | | | | | | |
| General Government | 88,381 | 90,186 | 83,068 | 74,745 | 70,860 | 70,438 | 75,699 | 75,766 | 72,941 | 66,683 |
| Fire | 143,128 | 143,904 | 141,092 | 141,493 | 140,996 | 142,546 | 141,597 | 133,288 | 132,627 | 130,542 |
| Police | 288,151 | 293,747 | 276,639 | 276,448 | 278,673 | 273,870 | 276,758 | 277,188 | 266,566 | 262,809 |
| Engineering/Planning | 47,022 | 47,639 | 44,658 | 44,367 | 40,469 | 42,200 | 43,048 | 42,637 | 42,309 | 39,308 |
| Streets | 29,655 | 29,065 | 29,062 | 28,105 | 28,030 | 26,974 | 28,829 | 28,748 | 31,485 | 29,616 |
| Library | 43,785 | 39,476 | 50,424 | 50,532 | 51,563 | 50,536 | 47,957 | 44,942 | 40,967 | 40,179 |
| Culture and Recreation | 43,975 | 42,809 | 43,529 | 43,150 | 45,285 | 41,076 | 41,552 | 43,105 | 46,090 | 45,880 |
| Airport | 20,652 | 18,995 | 18,459 | 18,630 | 18,220 | 18,234 | 18,721 | 18,508 | 18,218 | 15,683 |
| Water | 60,970 | 62,207 | 59,356 | 55,115 | 51,806 | 50,972 | 52,852 | 52,009 | 50,771 | 46,761 |
| Wastewater | 17,109 | 17,456 | 14,601 | 15,397 | 15,541 | 15,079 | 15,185 | 15,324 | 15,001 | 14,990 |
| Golf | 2,126 | 2,200 | 2,120 | 2,120 | 2,127 | 2,216 | 2,189 | 3,268 | 4,661 | 6,497 |
| Dierkes Lake/Shoshone Falls | 5,382 | 5,999 | 4,948 | 5,083 | 4,957 | 4,530 | 3,710 | 3,967 | 4,036 | 4,029 |
| | 790,336 | 793,683 | 767,956 | 755,186 | 748,527 | 738,671 | 748,096 | 738,750 | 725,672 | 702,976 |

# City of Twin Falls, Idaho

**Fund Balances, Governmental Funds** (a) - **Schedule 4**
(modified accrual basis of accounting)

| | September 30, 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Fund | | | | | | | | | | |
| Restricted | $ 78,151 | $ 77,852 | $ 257,598 | $ 249,939 | $ 5,913 | $ 5,913 | | | | |
| Reserved (for Dedicated Purpose)/Committed | 79,530 | 70,820 | 158,843 | 158,843 | 158,843 | 4,370,006 | $ 3,220,383 | $ 3,220,383 | | |
| Unreserved/Undesignated/Assigned | 9,472,513 | 10,007,787 | 9,616,943 | 15,439,425 | 12,160,105 | 12,794,580 | 12,148,374 | 10,860,301 | $ 12,839,581 | $ 11,688,598 |
| Total | $ 9,630,194 | $ 10,156,459 | $ 10,033,384 | $ 15,848,207 | $ 12,324,861 | $ 17,170,499 | $ 15,368,757 | $ 14,080,684 | $ 12,839,581 | $ 11,688,598 |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | $ 72,104 | $ 107,175 | $ 799,935 | $ 779,301 | $ 363,669 | $ 255,419 | | | | |
| Reserved (for Dedicated Purpose)/Committed | 6,153,197 | 4,148,443 | 3,410,083 | 3,197,704 | 5,582,578 | 4,833,493 | $ 4,405,130 | $ 4,427,090 | $ 297,918 | $ 388,210 |
| Unreserved/Undesignated/Assigned | 26,613,713 | 22,507,705 | 17,895,754 | 7,963,397 | 3,687,948 | 4,065,138 | 3,202,748 | 5,054,916 | 7,146,034 | 4,036,624 |
| Total (b) | $ 32,839,014 | $ 26,763,323 | $ 22,105,772 | $ 11,940,402 | $ 9,634,195 | $ 9,154,050 | $ 7,607,878 | $ 9,482,006 | $ 7,443,952 | $ 4,424,834 |

(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 then as comparable as possible.

(b) In 2015 the City implemented a new accounting principal for recoginzing court ordered restitution paid to the City. Prior years Fund Balances have not been restated to reflect the change.

# City of Twin Falls, Idaho

September 30,

**Changes in Fund Balances, Governmental Funds** (a) - **Schedule 5**
(modified accrual basis of accounting)

| | **2016** | **2015** | **2014** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | | | |
| Property Taxes | $ 18,227,029 | $ 17,674,504 | $ 17,403,998 | $ 16,517,423 | $ 16,006,243 | $ 15,906,743 | $ 15,323,295 | $ 14,931,139 | $ 13,917,927 | $ 12,106,893 |
| Other Taxes | 880,171 | 911,857 | 922,415 | 743,589 | 797,050 | 763,982 | 806,892 | 926,127 | 836,216 | 876,664 |
| Special Assessments | 161,679 | 86,100 | 69,427 | 72,757 | 91,567 | 93,964 | 103,360 | 212,456 | 208,140 | 182,725 |
| Fines and Forfeitures | 41,145 | 49,417 | 48,003 | 45,968 | 45,864 | 43,394 | 45,491 | 46,284 | 47,192 | 43,432 |
| Licenses and Permits | 1,264,310 | 1,192,848 | 1,083,837 | 891,886 | 765,285 | 579,772 | 730,679 | 984,983 | 1,242,704 | 1,550,591 |
| Fees and Services | 2,907,286 | 3,418,932 | 2,732,030 | 2,745,225 | 2,810,895 | 2,390,857 | 2,317,933 | 2,012,791 | 2,219,644 | 1,522,305 |
| Intergovernmental | 7,850,437 | 6,987,622 | 6,561,282 | 6,373,641 | 6,113,841 | 5,574,317 | 5,479,105 | 5,630,777 | 5,674,392 | 5,754,395 |
| Federal Grants | 3,785,398 | 1,740,331 | 4,207,153 | 1,808,926 | 452,008 | 1,587,539 | 1,866,429 | 1,805,321 | 1,733,499 | 767,170 |
| Miscellaneous | 3,974,965 | 2,561,569 | 2,374,547 | 1,674,665 | 2,051,865 | 1,579,718 | 1,952,117 | 2,627,496 | 2,415,171 | 2,439,399 |
| Total | 39,092,420 | 34,623,180 | 35,402,692 | 30,874,080 | 29,134,618 | 28,520,286 | 28,625,301 | 29,177,374 | 28,294,885 | 25,243,574 |
| Expenditures: | | | | | | | | | | |
| General Government | 4,453,961 | 4,113,905 | 3,750,276 | 3,447,775 | 3,153,796 | 2,722,890 | 2,942,735 | 3,029,045 | 2,624,155 | 2,473,601 |
| Public Safety | 14,834,689 | 13,737,173 | 13,501,256 | 12,447,261 | 11,969,176 | 11,591,611 | 11,782,439 | 11,619,262 | 11,230,011 | 10,658,459 |
| Engineering | 1,426,545 | 1,320,956 | 1,642,952 | 1,350,315 | 1,266,254 | 1,260,708 | 1,254,317 | 1,352,528 | 1,253,384 | 1,185,134 |
| Community Development | 716,364 | 908,135 | 695,930 | 197,191 | 231,322 | 648,673 | 270,781 | 408,623 | 391,640 | 825,834 |
| Cultural and Recreation | 3,959,919 | 3,933,293 | 3,684,778 | 3,388,194 | 3,458,260 | 3,038,972 | 3,068,414 | 2,976,958 | 3,261,059 | 2,592,784 |
| Highways and Streets | 2,809,548 | 2,166,676 | 2,047,874 | 1,639,953 | 1,521,619 | 1,492,435 | 1,463,938 | 2,041,079 | 1,565,752 | 1,542,533 |
| Airport | 2,632,330 | 1,230,160 | 4,420,793 | 3,163,629 | 1,270,911 | 1,769,158 | 1,720,310 | 2,507,966 | 2,104,506 | 1,286,095 |
| Capital Outlay | 3,978,723 | 3,552,872 | 2,604,250 | 3,470,227 | 4,949,351 | 3,679,733 | 7,854,083 | 2,801,215 | 2,488,126 | 2,606,015 |
| Total | 34,812,079 | 30,963,170 | 32,348,109 | 29,104,545 | 27,820,689 | 26,204,180 | 30,357,017 | 26,736,676 | 24,918,633 | 23,170,455 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Contributions | | | 204 | 2,512 | 741 | 60,938 | 30,243 | 78,500 | 263,646 | |
| Transfers In | 4,737,890 | 4,180,526 | 12,096,205 | 6,105,578 | 1,811,648 | 1,877,766 | 2,877,600 | 1,491,353 | 1,401,274 | 1,838,752 |
| Transfers Out | (3,468,805) | (2,860,508) | (10,800,449) | (2,048,072) | (8,071,758) | (906,897) | (1,762,179) | (555,765) | (871,073) | (1,496,870) |
| Total | 1,269,085 | 1,320,018 | 1,295,960 | 4,060,018 | (6,259,369) | 1,031,807 | 1,145,664 | 1,014,088 | 793,847 | 341,882 |
| Net Change in Fund Balances | $ 5,549,426 | $ 4,980,028 | $ 4,350,543 | $ 5,829,553 | $ (4,945,440) | $ 3,347,913 | $ (586,052) | $ 3,454,786 | $ 4,170,099 | $ 2,415,001 |
| Debt Service as a percentage of non-capital expenditures | 0% | 0% | 0% | 0% | 0% | 0.5% | 1.0% | 0.9% | 1.8% | 1.9% |

(a) The City had an insignificant amount of outstanding long-term debt in earlier years in the governmental funds, averaging less than $400,000. 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, Fiscal Asssessment Year | Assessment All Property Taxes | Cancellations | Adjustments (Circuit Breaker) | Net Assessed Property Taxes | Collected in Year of Assessment | Levy Year Collection % | Collected in Subsequent Yr. | Total Collections | Total Collection % |
|---|---|---|---|---|---|---|---|---|---|
| 2015 | $ 22,234,136 | $ 27,358 | $ 239,628 | $ 21,967,150 | $ 21,707,166 | 98.8% | | 21,707,166 | 98.8% |
| 2014 | 21,596,737 | 35,309 | 239,436 | 21,321,992 | 20,987,796 | 98.4% | 192,003 | 21,179,799 | 99.3% |
| 2013 | 20,744,396 | 13,388 | 234,361 | 20,496,647 | 20,143,388 | 98.3% | 286,190 | 20,429,578 | 99.7% |
| 2012 | 17,821,562 | 26,820 | 244,594 | 17,550,148 | 17,142,639 | 97.7% | 407,476 | 17,550,115 | 100.0% |
| 2011 | 17,079,578 | 56,541 | 237,543 | 16,785,494 | 16,368,285 | 97.5% | 417,209 | 16,785,494 | 100.0% |
| 2010 | 16,835,130 | 11,123 | 253,174 | 16,570,833 | 16,106,019 | 97.2% | 464,814 | 16,570,833 | 100.0% |
| 2009 | 16,521,630 | 3,850 | 237,989 | 16,279,791 | 15,795,086 | 97.0% | 484,705 | 16,279,791 | 100.0% |
| 2008 | 16,073,885 | 17,747 | 228,210 | 15,827,928 | 15,455,449 | 97.6% | 372,479 | 15,827,928 | 100.0% |
| 2007 | 14,844,221 | 46,902 | 231,214 | 14,566,105 | 14,291,302 | 98.1% | 274,803 | 14,566,105 | 100.0% |
| 2006 | N/A | | | | | | | | |

**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 |
|---|---|---|---|---|---|---|---|---|
| 2015 | 0.007868287 | 0.004552904 | 0.004765449 | 0.001223108 | 0.000963895 | 0.000208866 | 0.000125414 | 0.019707923 |
| 2014 | 0.007664692 | 0.004499616 | 0.004786364 | 0.001194773 | 0.000955478 | 0.000202299 | 0.000124412 | 0.019427634 |
| 2013 | 0.007856543 | 0.004622130 | 0.004396713 | 0.001207963 | 0.000968505 | 0.000211405 | 0.000125563 | 0.019388822 |
| 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 |

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.

The N/A for 2006 denotes 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 has become less significant. This is the last year historical information will not be available.

Property tax levy rates detailed above are expressed as per $1,000 of net taxable value

**Principal Property Tax Payers - Schedule 8**

| Taxpayer | 2016 Taxable Assessed Value | 2015 Taxable Assessed Value |
|---|---|---|
| Chobani, Inc (Agro-Farma) | $ 447,967,459 | $ 440,704,927 |
| Idaho Frozen Foods | 85,206,199 | 73,766,988 |
| Clif Bar Baking Company | 37,007,452 | |
| Magic Valley Mall II , LLC | 34,260,684 | 28,085,114 |
| Glanbia Foods, Inc | 34,069,915 | 32,280,570 |
| Longview Fiber | 19,852,116 | 17,250,406 |
| Wal-Mart Stores, Inc. | 18,202,778 | 15,022,186 |
| Henningsen Cold Storage Co | 17,690,071 | 17,776,846 |
| Bridgeview Estates Real Estate Investors, LLC | 14,949,346 | 11,383,766 |
| Twin Falls Canyon Park (Geronimo LLC) | 14,043,318 | |
| Solo Cup Company | | 14,792,489 |
| Twin Falls Rivercrest Apartments | | 14,479,199 |
| Base Jumpers, LLC | | 12,798,703 |

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

as of September 30,

| Fiscal Year | Government Activities: Term Loans | Business-type Activities: Certificates of Participation | Business-type Activities: Revenue Bonds (c) | Business-type Activities: Term Loans | Total Primary Government | Percentage of Personal Income (b) | Per Capita (b) | City Personal Income | City Population |
|---|---|---|---|---|---|---|---|---|---|
| 2016 | - | - | 66,173,038 | - | 66,173,038 | 2.2900 | $ 1,394 | 2,889,612,000 | 47,468 |
| 2015 | - | - | 70,287,516 | - | 70,287,516 | 2.5287 | $ 1,529 | 2,779,540,000 | 45,981 |
| 2014 | - | - | 74,291,998 | - | 74,291,998 | 2.8356 | 1,645 | 2,620,007,000 | 45,158 |
| 2013 | - | - | 38,340,793 | 49,445 | 38,390,238 | 1.5406 | 856 | 2,491,872,000 | 44,848 |
| 2012 | - | 339,011 | 24,998,870 | 8,906,309 | 34,244,190 | 1.4627 | 769 | 2,341,182,000 | 44,505 |
| 2011 | - | 660,817 | 26,591,882 | 9,644,733 | 36,897,432 | 1.6244 | 863 | 2,271,421,000 | 42,741 |
| 2010 | 119,494 | 967,623 | 28,091,804 | 10,354,193 | 39,533,114 | 1.6895 | 937 | 2,339,979,000 | 42,197 |
| 2009 | 349,191 | 1,259,429 | 10,126,638 | 11,035,831 | 22,771,089 | 1.0041 | 549 | 2,267,895,000 | 41,510 |
| 2008 | 571,436 | 1,536,235 | - | 11,690,740 | 13,798,411 | 0.6585 | 320 | 2,095,294,000 | 43,080 |
| 2007 | 980,364 | 1,798,041 | - | 12,198,916 | 14,977,321 | 0.7598 | 388 | 1,971,259,000 | 38,630 |

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. Obligations from unfunded pension costs have not been included.

(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; 2014 $38,000,000

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

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Direct & Overlapping Debt | Combined Debt |
|---|---|---|---|---|
| Debt Repaid with Property Taxes (b): | | | | |
| Twin Falls School District - Series 2006 General Obligation Debt (Unrefunded) | $ 2,230,000 | 84.11% | $ 1,875,653 | |
| Twin Falls School District - Series 2014C General Obligation Debt (Refunding) | 28,255,000 | 84.11% | 23,765,281 | |
| Twin Falls School District - Series 2014B General Obligation Debt | 6,405,000 | 84.11% | 5,387,246 | |
| Twin Falls School District - Series 2014A General Obligation Debt | 62,460,000 | 84.11% | 52,535,106 | |
| Urban Renewal Agency of Twin Falls, Idaho: | | | | |
| Revenue Allocation Bonds, Series 2013A | 29,308,000 | 100.00% | 29,308,000 | |
| Revenue Allocation Refunding Bonds, Series 2015A | 2,275,000 | 100.00% | 2,275,000 | |
| Revenue Allocation Bonds, Series 2015C | 400,139 | 100.00% | 400,139 | |
| Revenue Allocation Bonds, Series 2016A | 13,670,000 | 100.00% | 13,670,000 | |
| Other Debt: | | | | |
| Twin Falls School District - Capital Leases | 3,479,010 | 84.11% | 2,926,195 | |
| Subtotal, overlapping debt | | | 132,142,619 | 132,142,619 |
| City Direct Debt (Excluding Business-Type Activities) | | | | - |
| Total Direct and Overlapping Debt | | | | $ 132,142,619 |

**Legal Debt Margin Information** (d) **- 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) The School District's debt information is as of their year end of June 30, 2016. The URA is as of September 30, 2016. 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) 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 five years.

**Pledged Revenue Coverage - Schedule 12**
(cash basis of accounting)

Water Revenue Bonds

| Fiscal Year | Utility Service Charges | Less: Operating Expense | Net Available Revenue | Debt Service Principal | Debt Service Interest (a) | Coverage |
|---|---|---|---|---|---|---|
| 2016 | 10,236,640 | 5,065,364 | 5,171,276 | 2,055,000 | 754,242 | 1.84 |
| 2015 | 9,743,873 | 4,561,843 | 5,182,030 | 1,930,000 | 812,559 | 1.89 |
| 2014 | 9,534,028 | 4,573,694 | 4,960,334 | 1,930,000 | 878,288 | 1.77 |
| 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 |

Wastewater Revenue Bonds

| Fiscal Year | Utility Service Charges | Less: Operating Expense | Net Available Revenue | Debt Service Principal | Debt Service Interest | Coverage |
|---|---|---|---|---|---|---|
| 2016 | 9,218,900 | 4,282,031 | 4,936,869 | 1,815,000 | 1,665,856 | 1.42 |
| 2015 | 9,865,339 | 4,035,020 | 5,830,319 | 1,765,000 | 1,713,096 | 1.68 |
| 2014 | 9,644,992 | 4,029,245 | 5,615,747 | 2,350,000 | 1,135,032 | 1.61 |
| 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 |

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**

| | **2016** | **2015** | **2014** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** |
|---|---|---|---|---|---|---|---|---|---|---|
| City Population | Unavailable | 47,468 | 45,981 | 45,158 | 44,848 | 44,505 | 42,741 | 42,197 | 41,510 | 40,380 |
| Total Personal Income for Twin Falls County (Thousand Dollars) | Unavailable | $ 2,889,612 | $ 2,779,540 | $ 2,620,007 | $ 2,491,872 | $ 2,341,182 | $ 2,271,421 | $ 2,339,979 | $ 2,267,895 | $ 2,095,294 |
| Personal Income per capita for Twin Falls County | Unavailable | $ 35,079 | $ 34,763 | $ 33,336 | $ 31,917 | $ 30,198 | $ 29,781 | $ 31,140 | $ 30,756 | $ 29,112 |

| | **2016** | **2015** | **2014** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** |
|---|---|---|---|---|---|---|---|---|---|---|
| City Unemployment Rate | 3.3 | 3.5 | 4.1 | 5.4 | 6.5 | 7.9 | 8.7 | 8.5 | 5.1 | 2.5 |
| City Labor Force | 23,461 | 23,078 | 22,134 | 22,354 | 22,168 | 21,725 | 21,298 | 22,347 | 21,450 | 21,124 |
| School Enrollment | 9,322 | 9,090 | 8,865 | 8,633 | 8,273 | 7,912 | 7,777 | 7,644 | 7,616 | 7,459 |

Source: Population information is provided by the Census Bureau. 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 is 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's Largest Employers - Schedule 14**

2016

| Business | Rank | Employment Range | Industry |
|---|---|---|---|
| St Luke's Magic Valley Reg. Medical Center | 1 | 2,000 - 2,500 | Health Care |
| Twin Falls School District #411 | 2 | 1,000 - 1,499 | Local Government Education |
| College of Southern Idaho | 3 | 500 - 999 | Local Government Education |
| Personnel Plus Inc. | 4 | 500 - 999 | Administrative & Support Services |
| Chobani Idaho Inc. | 5 | 500 - 999 | Manufacturing |
| C3 Customercontact Channels Inc. | 6 | 500 - 999 | Administrative & Support Services |
| Conagra Foods Lamb Weston | 7 | 500 - 999 | Manufacturing |
| Elwood Staffing Company | 8 | 250 - 499 | Administrative & Support Services |
| Amalgamated Sugar Company | 9 | 250 - 499 | Manufacturing |
| Twin Falls County | 10 | 250 - 499 | Local Government Administration |

2007

| Business | Rank | Employment Range | Industry |
|---|---|---|---|
| Magic Valley Reg. Medical Center | 1 | 1,600 - 1,699 | Health Care |
| Personnel Plus Inc. | 2 | 1,200 - 1,299 | Administrative & Support Services |
| College of Southern Idaho | 3 | 1,000 - 1,099 | Local Government Education |
| Twin Falls School District #411 | 4 | 900 - 999 | Local Government Education |
| Conagra Foods - Lamb Weston | 5 | 600 - 699 | Manufacturing - Packaged Foods |
| Dell USA LP | 6 | 500 - 599 | Administrative & Support Services |
| Amalgamated Sugar Co LLC | 8 | 300-399 | Manufacturing - Sugar |
| Twin Falls County | 9 | 300 - 399 | Local Government Administration |
| Fred Meyer | 10 | 200 - 299 | Retail Trade |
| City of Twin Falls | 11 | 200 - 299 | Local Government Administration |

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.

**Selected City Service Information - Schedule 15**

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| Building: | | | | | | | | | | |
| Permits Issued (Single Family) | 236 | 230 | 189 | 182 | 151 | 96 | 159 | 159 | 233 | 295 |
| Value (Single Family) | $ 47,719,056 | $ 46,392,231 | $ 30,578,140 | $ 27,654,144 | $ 21,875,132 | $ 14,705,604 | $ 20,874,598 | $ 21,561,377 | $ 33,953,879 | $ 38,868,684 |
| Permits Issued (New Commercial) | 28 | 59 | 36 | 33 | 21 | 18 | 28 | 60 | 61 | 60 |
| Value (New Commercial) | $ 56,969,584 | $ 87,856,213 | $ 35,167,774 | $ 25,313,089 | $ 17,870,702 | $ 7,079,892 | $ 8,801,750 | $ 24,854,339 | $ 147,317,218 | $ 58,327,086 |
| Fire: | | | | | | | | | | |
| Total Incidents | 2,636 | 2,986 | 3,060 | 3,262 | 3,048 | 3,361 | 3,615 | 3,527 | 3,755 | 3,082 |
| Estimate of Property Saved | $ 10,014,700 | $ 19,634,796 | $ 12,399,023 | $ 24,515,025 | $ 53,842,390 | $ 4,035,850 | $ 8,371,850 | $ 7,115,580 | $ 123,035,300 | $ 26,395,000 |
| Estimate of Property Lost | $ 996,750 | $ 1,592,214 | $ 1,323,120 | $ 962,475 | $ 445,280 | $ 437,755 | $ 271,335 | $ 610,025 | $ 759,750 | $ 702,945 |
| Police: | | | | | | | | | | |
| Calls for Service | 54,832 | 52,552 | 51,439 | 54,606 | 48,556 | 48,775 | 49,378 | 48,098 | 48,714 | 47,215 |
| Reported Crime Offenses | Unavailable | 3,383 | 3,534 | 3,431 | 3,515 | 3,850 | 3,609 | 3,704 | 3,933 | 3,841 |
| Airport: | | | | | | | | | | |
| Airplane Takeoff/Landings | 26,337 | 28,195 | 25,265 | 29,731 | 33,855 | 31,386 | 36,155 | 33,424 | 34,192 | 36,225 |
| Boarding/Deboarding | 70,055 | 65,586 | 56,894 | 53,683 | 50,933 | 75,048 | 68,234 | 54,365 | 57,645 | 66,459 |
| Library: | | | | | | | | | | |
| Number of Cardholders | 34,804 | 31,636 | 30,989 | 29,277 | 27,945 | 26,120 | 25,554 | 24,825 | 23,187 | 21,693 |
| Average Daily Traffic | 820 | 797 | 817 | 808 | 790 | 767 | 866 | 754 | 670 | 592 |
| Total Items Checked Out | 474,709 | 474,844 | 493,939 | 453,385 | 464,343 | 456,142 | 461,936 | 459,178 | 425,614 | 380,191 |
| Parks: | | | | | | | | | | |
| Total Maintained Acreage | Unavailable | 1,363 | 1,363 | 1,362 | 1,362 | 1,376 | 1,215 | 1,211 | 1,207 | 1,197 |
| Water: | | | | | | | | | | |
| Water Consumed (Billions) | 4,494 | 4,584 | 4,608 | 4,613 | 4,765 | 4,350 | 4,461 | 4,399 | 4,955 | 5,037 |
| Wastewater: | | | | | | | | | | |
| Gallons Treated (Millions) | 2,850.0 | 2,749.9 | 2,716.2 | 2,560.3 | 2,604.2 | 2,473.6 | 2,492.2 | 2,415.7 | 2,457.1 | 2,453.2 |
| Solids Treated (lbs. BOD): | | | | | | | | | | |
| Treatment Plant | 8,608,736 | 9,493,887 | 9,255,666 | 9,368,059 | 6,436,424 | 4,073,630 | 4,019,704 | 5,910,417 | 6,117,963 | 5,831,358 |
| UASB | 4,038,716 | 4,625,938 | 5,285,527 | 2,670,601 | 4,378,381 | 3,562,440 | 4,535,297 | 5,425,735 | 8,482,586 | 8,540,503 |
| Total Solids Treated | 12,647,452 | 14,119,825 | 14,541,193 | 12,038,660 | 10,814,805 | 7,636,070 | 8,555,001 | 11,336,152 | 14,600,549 | 14,371,861 |
| Sanitation: | | | | | | | | | | |
| Customer Count | 14,618 | 14,412 | 14,039 | 13,874 | 13,814 | 13,482 | 13,305 | 13,239 | 12,794 | 12,317 |
| Trash Tonnage (Tons) | 18,086 | 17,269 | 17,490 | 17,037 | 16,777 | 16,975 | 17,683 | 18,770 | 19,015 | 19,254 |
| Tonnage per Customer | 1.24 | 1.20 | 1.25 | 1.23 | 1.21 | 1.26 | 1.33 | 1.42 | 1.49 | 1.56 |

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.

# SINGLE AUDIT INFORMATION

## CITY OF TWIN FALLS, IDAHO
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2016

| Federal Grantor/ Pass Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Expenditures |
|---|---|---|---|
| **Department of Homeland Security** | | | |
| Assistance to Firefighters Grant | 97.044 | | $ 901,193 |
| **Department of Transportation** | | | |
| State and Community Highway Safety | 20.600 | | 1,445 |
| National Priority Safety Programs | 20.616 | | 1,160 |
| Payments for Small Community Air Service Development | 20.930 | | 53,067 |
| Formula Grants for Other Than Urbanized Areas | 20.509 | | 12,510 |
| **Department of Justice** | | | |
| Bulletproof Vest Partnership Program | 16.607 | | 7,860 |
| COPS Grant | 16.710 | | 113,500 |
| **Federal Highway Administration** | | | |
| Highway Planning and Construction | 20.205 | | 915 |
| **Department of Commerce** | | | |
| Community Development Block Grant | 14.228 | | 677,111 |
| **Federal Aviation Administration** | | | |
| Airport Improvement Program-Terminal Modification | 20.106 | | 49,480 |
| Airport Improvement Program-Terminal Construction | 20.106 | | 1,825,909 |
| **Total Expenditures of Federal Awards** | | | $ 3,644,150 |

The City of Twin Falls received equipment in the amount of $8,936 from Department of Homeland Security.

## Note A-Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Twin Falls, Idaho and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as expenditure when it is paid to the subrecipient.

## Note B-Significant Accounting Policies

Governmental fund types account for the City's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis-when they become a demand on current available financial resources. The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements.

**CITY OF TWIN FALLS, IDAHO**
Schedule of Findings and Questioned Costs
For the Year ended September 30, 2016

**Financial Statements**

| | | |
|---|---|---|
| Type of auditor's report issued: | Unmodified | |
| Internal Control over financial reporting: | | |
| Material Weakness(es) identified? | Yes ☐ | No ☒ |
| Significant deficiency(ies) identified that are not considered to be 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 | Unmodified | |
| Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516 | Yes ☐ | No ☒ |

Identification of major programs

| Name of Federal Program or Cluster | CFDA Number |
|---|---|
| Assistance to Firefighters Grant | 97.044 |

| | | |
|---|---|---|
| Dollar threshold used to distinguish between type A and Type B programs | $750,000 | |
| Auditee Qualified as low-risk auditee? | Yes ☒ | No ☐ |

Mahlke Hunsaker & Company PLLC
Certified Public Accountants

**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 the City of Twin Falls, Idaho, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Twin Falls, Idaho's basic financial statements, and have issued our report thereon dated February 24, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the City of Twin Falls, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 24, 2017

Mahlke Hunsaker & Company PLLC
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the City Council
City of Twin Falls, Idaho

## Report on Compliance for Each Major Federal Program

We have audited the City of Twin Falls, Idaho's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Twin Falls, Idaho's major federal programs for the year ended September 30, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City 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 the 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, 2016.

**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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & Co., PLLC
February 24, 2017

# Twin Falls Urban Renewal Agency
# Main Avenue Redevelopment Project

Project Advisory Committee Meeting on 16FEB2017 to Address Questions Prior to Landscape Removal

Guho Corp's Presentation of Landscape Removal Plan at PAC Meeting on 16FEB (Anthony Guho – Project Manager, and Rob Cloninger – Superintendent)

Tree Removal took place on Feb. 17, 18, 19, 2017 along the 5 Blocks of Main Ave. and Hansen St. South

Rob Cloninger – Guho Superintendent (left), and Randy Steadham - 4 Seasons Tree Service (right), 17FEB2017

**Prepared for:**

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

## Monthly Report for URA Board Meeting March 13, 2017

**Prepared by – Owner's Representative:**

ch2m

# Monthly Project Progress Update

## Prepared for URA Board Meeting on March 13, 2017

## Main Avenue Redevelopment Project

### Summary of Progress this Period, February 1 to March 8, 2017

#### Construction Services by CM/GC – Guho Corp.

1. Landscape Removal took place on Feb. 17-20, 2017. All trees along the 5 blocks of Main Ave. from Fairfield to Jerome, and Hansen South, were removed.
    a) Fifty percent of the wood chips were delivered to the Twin Falls Parks and Rec. yard for use by the City as landscape mulch.
    b) Logs from approximately 20 trees were given to several Main Ave. businesses owners and patrons including Paul Graf of Twin Beans Coffee who is planning a project with an artist for the coffee shop.
    c) A local woodworker, Mr. Mark McClellan who is a disabled veteran, received 8 trees to make solid wood archery bows. Below is an email from him, sent to Guho.

    *My sincerest gratitude to you and yours for taking the extra time to identify, set aside, and personally deliver and offload the wood of my choice.*

    *Your efforts have secured for me many, and I do mean many, hours of artistic endeavors---something I couldn't have afforded to provide for myself, both physically and financially.*

    *Again---Thank You!*

    *~Mark*

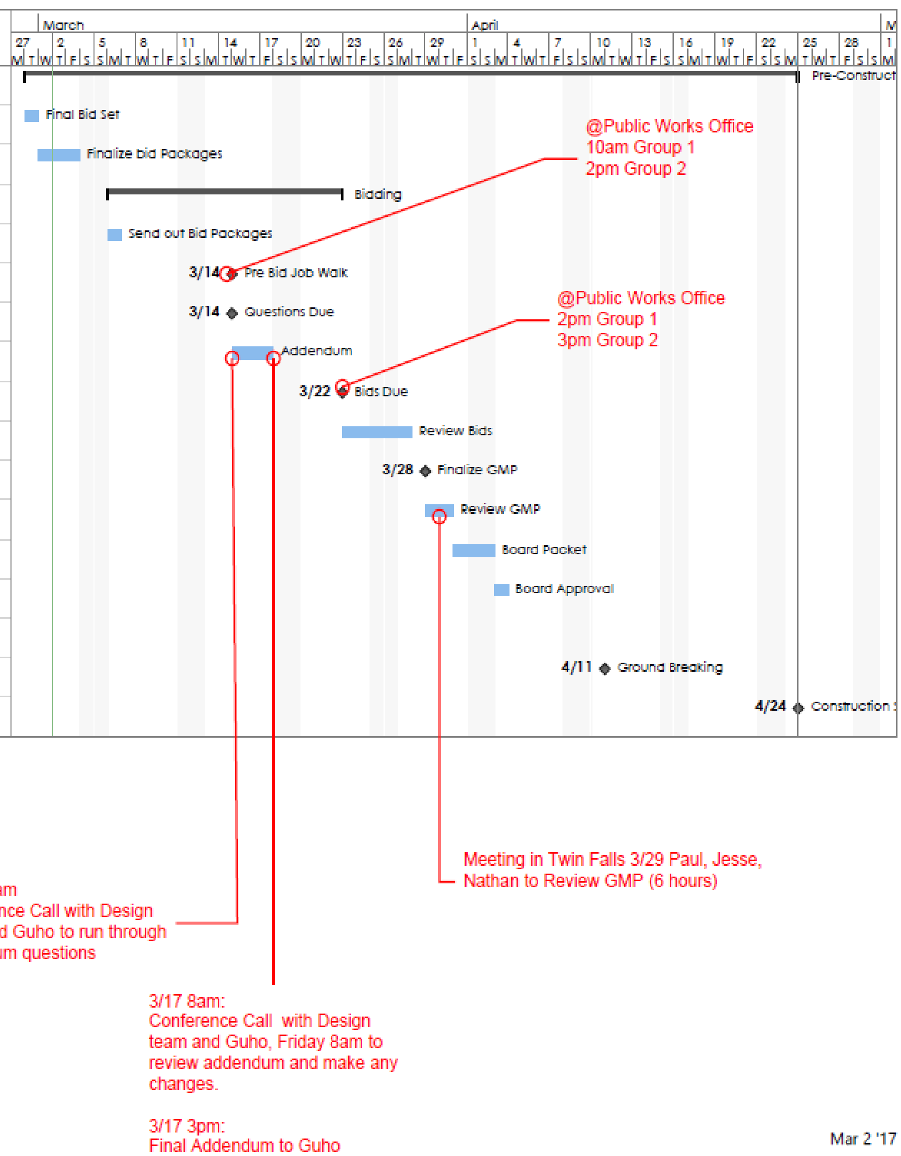

2. Guho is invoicing 71% of the contract total for tree removal. Guho did not need to use all of the contract values for temporary fencing, or traffic control. None of the allowable contingency had to be used. Guho and 4 Seasons Tree Service of Jerome conducted the work in 3 days instead of

the planned 4 days over President's Day weekend. <u>The cost savings of approximately $9,200 out of a contract value of $56,538 (a savings of 16%) goes back to the URA!</u>

3. Construction Management/General Contracting (CM/GC) services for the Main Avenue Redevelopment Project.
    a) The CM/GC Agreement (format) was approved by the URA Board at the Nov. 14, 2016 Board meeting. Since then, the Landscape removal amendment, including investigative work at the Crowley basement, was incorporated into the contract as approved by the URA Board on 03FEB2017.
    b) Guho has prepared the bid packages and the overall Main Ave. streetscape work is out for bid this month with bids due on March 22, 2017. Refer to the bid schedule below, prepared by Guho. There will be two pre-bid conferences on Tuesday, March 14.

**TWIN FALLS**
**MAIN AVENUE IMPROVEMENTS**
**Bidding and GMP Scheudle**

| ID | Task Name | Duration | Start | Finish |
|---|---|---|---|---|
| 1 | **Pre-Construction** | **40 days** | **Feb 28 '17** | **Apr 24 '17** |
| 2 | Final Bid Set | 1 day | Feb 28 '17 | Feb 28 '17 |
| 3 | Finalize bid Packages | 3 days | Mar 1 '17 | Mar 3 '17 |
| 4 | **Bidding** | **13 days** | **Mar 6 '17** | **Mar 22 '17** |
| 5 | Send out Bid Packages | 1 day | Mar 6 '17 | Mar 6 '17 |
| 6 | Pre Bid Job Walk | 0 days | Mar 14 '17 | Mar 14 '17 |
| 7 | Questions Due | 0 days | Mar 14 '17 | Mar 14 '17 |
| 8 | Addendum | 3 days | Mar 15 '17 | Mar 17 '17 |
| 9 | Bids Due | 0 days | Mar 22 '17 | Mar 22 '17 |
| 10 | Review Bids | 3 days | Mar 23 '17 | Mar 27 '17 |
| 11 | Finalize GMP | 0 days | Mar 28 '17 | Mar 28 '17 |
| 12 | Review GMP | 2 days | Mar 29 '17 | Mar 30 '17 |
| 13 | Board Packet | 3 edays | Mar 30 '17 | Apr 2 '17 |
| 14 | Board Approval | 1 day | Apr 3 '17 | Apr 3 '17 |
| 15 | | | | |
| 16 | Ground Breaking | 0 days | Apr 11 '17 | Apr 11 '17 |
| 17 | Construction Starts | 0 days | Apr 24 '17 | Apr 24 '17 |

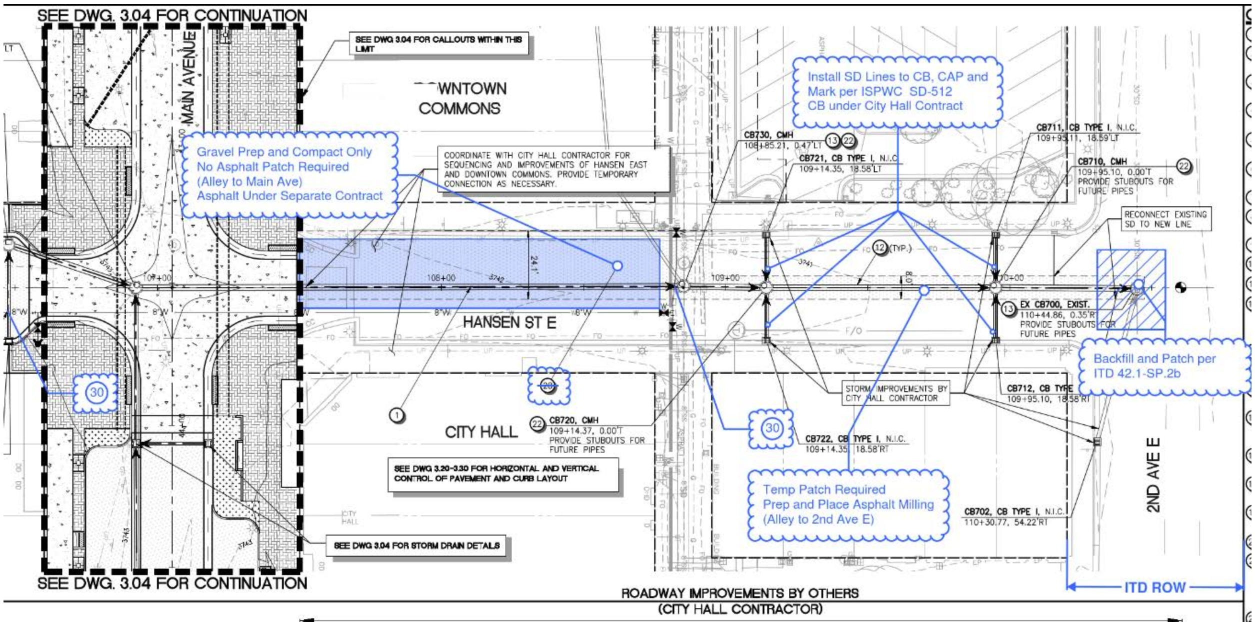



Mar 2 '17

c) Guho prepared an independent cost estimate based on the final design submittal from Otak. The Guho estimate totals $6,446,368. Otak's estimate totals $6.493,936. Both are within the GMP budget of $6,500,000. CH2M has made a comparison of the two estimates and is holding a meeting to resolve several line item differences within the estimates; however, the bottom lines of both estimates are both with the URA's budget. CH2M is confident that in the current bidding climate, the overall GMP through the forthcoming bidding in February will be within the URA's budget.

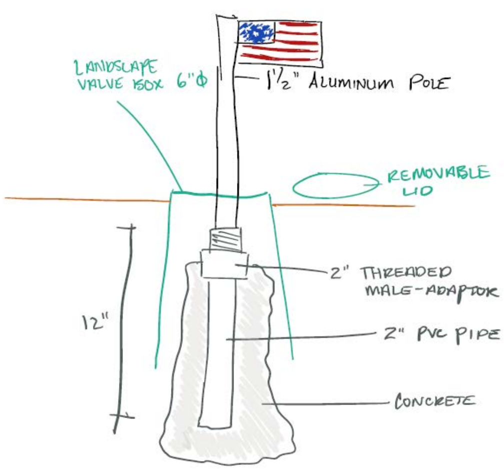
d) After the GMP is prepared in March 2017, then the construction contract cost and scope will be included in the CM/GC Agreement by amendment, and recommended to the URA Board at a special URA meeting requested for Monday, April 3, 2017. This is a shift of about 3 weeks from our original forecast, but the team felt that we needed to "Slow Down to Speed Up." This means we put a lot of effort into ensuring a full cross-check of the final design. Dozens of suggestions from the Guho, City and CH2M team were incorporated into the design. Otak and JUB were very cooperative and helpful through that process, but it took some extra time. All the changes incorporated into the design are change orders (extra costs) averted. Following are several examples.

   (i) Storm drain and Water Line Separation Issues
      1. Changing the Class of Pipe to meet DEQ requirements at crossings
      2. Add the water on Storm Drainage Plans to eliminate confusion
   (ii) Grading Issues .5% min 2% Max (ongoing)
   (iii) ADA Issues corrected (hopefully)
   (iv) Light Pole Base Details
      1. Looking at the soils report it is likely the original drilled shaft design may not be constructible in the weak soils. Needed a design to account for weak soils and unknown conditions that will likely be encountered.
      2. Eliminated 7-ft deep footings, everything is 5-ft now
   (v) Bollards
   (vi) ITD Requirements
      1. Oversized Patch in ROW
      2. Concrete Flowable Backfill in Trenches
   (vii) Electrical Specifications- missing, then it was boiler plate, and did not match the specifications format, but this has now been corrected
   (viii) Incorrect Part Numbers on Light Poles- specified as all 12-ft, not 16-ft and 12-ft.
   (ix) Furnishing zone width to match modular layout of brick
   (x) Joint Trenching Electrical and Irrigation (Saves 4,800 lf of trenching)
   (xi) Basement Infill designed to load the existing building vs free standing (Ongoing)
   (xii) Coordination with Starr on City Hall to minimize overlap
   (xiii) Adhering to requirement from CH2M for obtaining (3) acceptable manufacturers on material for competitive bidding




Storm Drainage Coordination with City Hall Contract on Hansen St. North

## From Guho Email to project team on 07MAR2017:




Detail proposed by Guho

Image provided by Guho from Veteran's Cemetery

*What we have done in the past was create a sleeve using PVC pipe and a male adaptor that the I.D matched to OD of the flag pole, dig a small post hole and installed the sleeve in concrete. Then place a small irrigation box (one that would match the others) to cover the sleeve. The irrigation style box protects and hides the sleeve when it's not in use. This was used in a lawn area in the past but might work for the furnishing zones. Placing something like this would give you around 16 locations on each side of the block if place between each tree/light pole.*

*Another idea would be to add a two-flag holder to the light poles, one on each side to double the number of flags. There are 4 light poles in the furnishing zone on each side of the block so that would give you 8 flags per side. Not sure if this would look good considering there is a banner and a hanging flower basket already on the light pole.*

**Response from Travis Rothweiler, 07MAR2017:**

***That is a creative design! I like it!***
***TR***

Paul Johnson's Comment: We are coordinating these and other ideas, related to flag holders along Main Ave., with the design team. We will have a solution shortly that should work for the Lion's Club and Merchants of Twin Falls.

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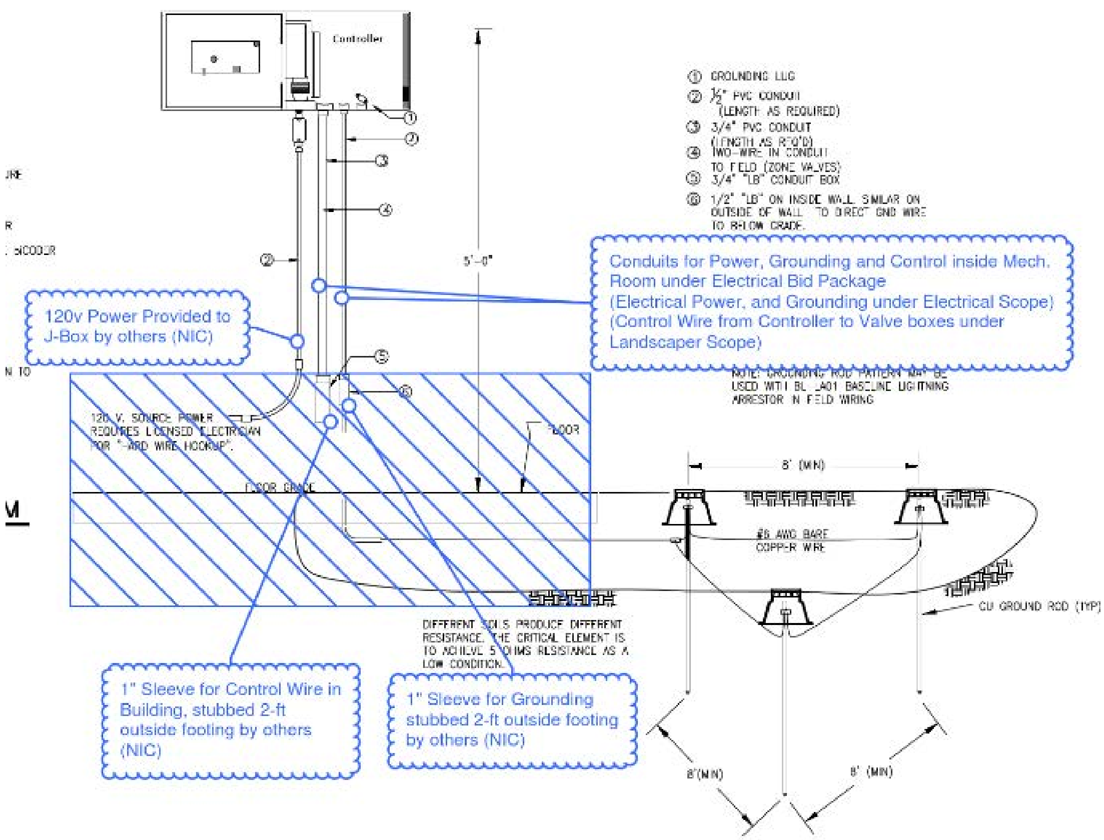


GROUNDING DETAILS FOR WALL MOUNT IRRIGATION CONTROLLER
NOT TO SCALE

4. Following bidding, Guho will coordinate with the subcontractors to create further efficiencies in delivery of the work. Following approval of the GMP on April 3, 2017, demolition on Block 1 (Gooding to Shoshone) will begin by the third week of April 2017. We have every anticipation of completing the project on time, with Substantial Completion by Oct. 31, 2017.

## Project Schedule

5. URA, City, CH2M and Guho met on Dec. 8, 2016 to review the project schedule in detail. Guho's plan for the sequencing of reconstruction of Main Ave. and Hansen Ave. South on a block by block basis was reviewed. The group discussed the optimal sequencing of the blocks given the

history of spring, summer and fall events, desires of merchants, and technical factors. Guho discussed their overall project communications plan. Tasks and responsibilities were then coordinated with the City's Communications Director - Josh Palmer.

6. The project schedule information (block by block plan) was then presented to the Project Advisory Committee (PAC) on December 21, 2016, and again on Feb. 16, 2017. The PAC representatives were very pleased to hear about the block by block phasing plan recommended by Guho. The overall sequencing approach was discussed at the meeting and approved by the PAC.

## Design Progress

7. The project team reviewed the design details and offered constructability comments for components including:
    e) Paver options
    f) Electrical outlets at tree grates
    g) Gravel fill under roadways and sidewalks
    h) Basement closure details for the Crowley basement
    i) Light pole foundations
    j) Trenching details
8. Otak submitted the Final Design on February 28, 2017.
9. Otak prepared a draft project information flyer that was included in the report to the URA Board on January 9th. The flyer included construction sequencing timeframes on a block by block basis, project team contacts, and other information. The flyer was also presented to the City Council on January 9th along with a project update. The updated flyer was attached last month. It has been distributed to the merchants along Main Ave. and will be made available on the City's project information website through Josh Palmer.
10. Otak prepared a proposal for Services During Construction (SDC's) which was reviewed by CH2M, and was recommended to the URA Board and approved at the URA Board meeting on February 3, 2017.

## Basement Issues

11. URA's legal representative has drafted licensing agreements between the URA and the three affected property owners establishing the liability of continued basement extensions under Main Ave. Cost sharing of waterproofing is being negotiated with Wells Fargo. It was decided by the URA that the full cost of infill at Mr. Crowley's property will be covered by the URA unless environmental contamination is found in the forthcoming survey. The legal questions will need to involve further legal input, and discussions between the City, URA and property owners. This work can be done in parallel with the technical design completion and it should not affect construction work if the agreements can be in place by early 2017.

## Testing and Inspection

12. Paul Johnson and Jesse Schuerman discussed the third-party materials testing and inspection contract required per code to test in-place materials. Paul has had a place-holder in the project budget for this, so it is not a new or unanticipated item. CH2M and URA's Staff Engineer have determined that the testing and inspection contract can be held and managed within Guho's CM/GC contract. Guho is aware and will incorporate this necessary work.

## Possible Sidewalk Repair Project

13. CH2M has discussed the possible sidewalk repair project with Guho, per direction from URA. We plan to include an allowance within the GMP for sidewalk repairs to the extent they can be

afforded within the URA's overall budget for the Main Ave. project.  Then sidewalk repairs outside the immediate Main Ave. scope of work can be triggered on a priority basis during the course of construction.

## Budget

14. CH2M updated the URA's Cost Control Report for Area 4-1 projects, including the anticipated cash flow from 2016 through 2023.  The report is being updated monthly and reviewed with the City's Finance Manager and URA Executive Director.

Date: Monday, March 13, 2017

To: Honorable Mayor and City Council

From: Jesse Schuerman, PE, Staff Engineer

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## Request:

Consideration of award for the 2017 Downtown Utility Upgrades Project to Extreme Excavation, Inc. in the amount of $1,010,218.50 along with a 25% contingency amount.

## Time Estimate:

Approximately 10 minutes.

## Background:

This project consists of reconstruction of water main and storm main lines in the alleyway between Main Avenue and 2nd Avenue East, and from Shoshone Street to Idaho Street. This improvement is part of a potential larger project to begin approximately in 2019, but it is important to complete this portion at this time to have these improvements in place for the new City Hall and Commons Plaza improvements.

On February 16, 2017 bids were opened for the 2017 Downtown Utility Upgrades Project. One bid was received from Extreme Excavation for the total amount of $1,010,218.50.

JUB engineers, the Design Engineer, has confirmed that Extreme Excavation has provided all necessary Bid Documents and other requirements necessary to perform the work, within the attached letter. The Engineers Estimate was 13% below the bid from Extreme Excavation.

The Twin Falls bidding environment is very competitive at this time and other projects in the area are attempting to schedule around this work. It's possible we could get no bids or the cost could increase if we rebid the work.

An additive bid item was included separate from the base project for lighting improvements. The cost of lighting improvements in the alleyways for $88,505.00. Considering the bid is modestly over the engineers estimate and there is a backlog of work in wastewater collection, it is prudent to omit this alternate.

To be responsible, considering the older infrastructure, we would like to include costs of unforeseen events during the project. A 25% contingency would help deal with these unforeseen events without delaying our project. Ultimately the Downtown Merchants would appreciate fast, responsible, decisions to lessen impact to the business and help this project avoid construction activities on front and back of their buildings. The City Engineer would approve or deny contingency requests or change orders.

## Budget Impact:

The base bid and contingency is 1,262,773.13 and will be funded by Wastewater reserves.

## Regulatory Impact: N/A

## Conclusion:

Staff recommends that the City Council authorize the Mayor to sign the Notice of Award for the 2017 Downtown Utility Upgrades Project.

### Attachments:

1. Letter and Bid tab from JUB Engineers Inc.

J-U-B
J-U-B COMPANIES | THE LANGDON GROUP | GATEWAY MAPPING INC.

J-U-B ENGINEERS, INC.

February 17, 2017

Jesse Schuerman, P.E.
Staff Engineer
City of Twin Falls Engineering
324 Hansen Street East
Twin Falls, ID 83301

**RE: Twin Falls 2017 Downtown Public Utility Upgrades - Bid Review**

Dear Jesse,

Quotes for the above referenced project were solicited from January 19th through the morning of February 16th; bids were "opened" on Thursday February 16 at 10:05 AM and read aloud. Seven contractors capable of being prime-contractors purchased the bid documents, but only one contractor responded with a bid. Attached is a Bid Tabulation summarizing the unit prices. The total bid amount for the City work is as follows:

| Contractor | Base Bid Amount | Additive Bid Amount | Public Works License |
|---|---|---|---|
| **Extreme Excavation, Inc.** | $1,010,218.50 | $88,505.00 | C-16975AA-1-2-4 |
| **Engineer's Estimate** | $882,131.00 | $101,585.00 | N/A |

J-U-B has reviewed the bid for compliance with the administrative requirements in the Bid Documents, and did not note any exceptions.

Therefore it is our recommendation that the City award the bid to Extreme Excavation, Inc.

If you have any questions or need additional information, please contact me at 733-2414.

Sincerely,

J-U-B ENGINEERS, Inc.

Ivan McCracken, P.E.

Enclosures:

- Bid Tabulation

cc: Gary Haderlie (J-U-B)

\\twinfiles\public\Projects\JUB\60-15-054-Twin_Falls-2015_Main_Avenue_Utilities\Text\Bid_Docs\Specs Wet Utils\Bid and Award\TransLtr Jesse Bid Results TF

**Twin Falls - 2017 DownTown Public Utility Upgrades (QuertCDN #4800022)**
**Owner: City of Twin Falls**
Solicitor: J-U-B Engineers Inc - Twin Falls
02/16/2017 10:00 AM MST

Last Updated: 2/17/2017
Date Printed: 2/17/2017

| | | | | | Engineer Estimate | | Extreme Excavation, Inc. | |
|---|---|---|---|---|---|---|---|---|
| Line Item | Item Code | Item Description | Unit of Msrmt. | Quantity | Unit Price | Extension | Unit Price | Extension |
| 1 | 201.4.1.F.1 | Removal of Appurtenance (bollard, etc.): Keynote # R08 | EA | 1 | $250 | $250 | $150.00 | $150.00 |
| 2 | 201.4.1.F.1 | Removal of Water Valve: Keynote # R10 | EA | 9 | $200 | $1,800 | $250.00 | $2,250.00 |
| 3 | 201.4.1.F.1 | Removal of Storm Drain Structure: Keynote # R13 | EA | 7 | $250 | $1,750 | $500.00 | $3,500.00 |
| 4 | 201.4.1.F.1 | Removal of Fire Hydrant Assembly: Keynote # R16 | EA | 2 | $500 | $1,000 | $500.00 | $1,000.00 |
| 5 | 201.4.1.F.1 | Removal of Water Meter: Keynote #R24 | EA | 2 | $200 | $400 | $300.00 | $600.00 |
| 6 | 201.4.1.F.1 | Removal of Abandoned Electrical Vault: Keynote # R25 | EA | 16 | $500 | $8,000 | $350.00 | $5,600.00 |
| 7 | 201.4.4.D.1 | Removal of Asphalt: Keynote # R02 | SY | 1515 | $8 | $12,120 | $16.70 | $25,300.50 |
| 8 | 201.4.4.D.1 | Removal of Concrete/Concrete Pavers: Keynote# R04 | SY | 182 | $10 | $1,820 | $3.50 | $637.00 |
| 9 | 201.4.4.D.1 | Removal of Storm Drain Main: Keynote # R12 | LF | 756 | $5 | $3,780 | $25.00 | $18,900.00 |
| 10 | 201.4.4.E.1 | Removal of Curb and Gutter: Keynote # R03 | LF | 477 | $4 | $1,908 | $4.25 | $2,027.25 |
| 11 | 202.4.1.C.1 | Excavation: Keynote # E01 | SY | 2322 | $6 | $13,932 | $7.50 | $17,415.00 |
| 12 | 202.4.9.A.1 | Sawcut Asphalt/Concrete: Keynote # R19 | LF | 743 | $2 | $1,486 | $2.25 | $1,671.75 |
| 13 | 205.4.1.B.1 | Trench Dewatering | LS | 1 | $16,000 | $16,000 | $5,000.00 | $5,000.00 |
| 14 | 401.4.1.A.1 | Water Main - Size 12" Type A-1 Trench, Soil: Keynote # W01 | LF | 1064 | $50 | $53,200 | $145.00 | $154,280.00 |
| 15 | 401.4.1.A.1 | Water Main - Size 8" Type A-1 Trench, Soil: Keynote # W01 | LF | 57 | $45 | $2,565 | $120.00 | $6,840.00 |
| 16 | 401.4.1.A.1 | Water Main - Size 6" Type A-1 Trench, Soil: Keynote # W01 | LF | 21 | $40 | $840 | $115.00 | $2,415.00 |
| 17 | 401.4.1.A.1 | Water Main - Size 4" Type A-1 Trench, Soil: Keynote # W01 | LF | 6 | $30 | $180 | $110.00 | $660.00 |
| 18 | 401.4.1.A.1 | Water Main - Size 2" Type 200 PSI Poly-Pipe Trench, Soil: Keynote # W25 | LF | 550 | $15 | $8,250 | $52.00 | $28,600.00 |
| 19 | 401.4.1.B.1 | Water Main Fitting - Size 12"x10" Reducer - Concentric: Keynote # W02 | EA | 1 | $1,100 | $1,100 | $285.00 | $285.00 |
| 20 | 401.4.1.B.1 | Water Main Fitting - Size 12" - Tee: Keynote # W03 | EA | 12 | $1,100 | $13,200 | $843.00 | $10,116.00 |
| 21 | 401.4.1.B.1 | Water Main Fitting - Size 2" - Tee: Keynote # W03 | EA | 1 | $50 | $50 | $430.00 | $430.00 |
| 22 | 401.4.1.B.1 | Water Main Fitting - Size 12" - Bend: Keynote # W04 | EA | 4 | $1,100 | $4,400 | $760.00 | $3,040.00 |
| 23 | 401.4.1.B.1 | Water Main Fitting - Size 8" - Bend: Keynote #W04 | EA | 2 | $700 | $1,400 | $432.00 | $864.00 |
| 24 | 401.4.1.B.1 | Water Main Fitting - Size 6" - Bend: Keynote #W04 | EA | 1 | $550 | $550 | $339.00 | $339.00 |
| 25 | 401.4.1.B.1 | Water Main Fitting - Size 4" - Bend: Keynote # W04 | EA | 2 | $400 | $800 | $283.00 | $566.00 |
| 26 | 401.4.1.B.1 | Water Main Fitting - Size 10", Flanged Coupling Adaptor: Keynote #W21 | EA | 1 | $800 | $800 | $400.00 | $400.00 |
| 27 | 401.4.1.B.1 | Water Main Fitting - Size 8", Cap: Keynote # W24 | EA | 1 | $700 | $700 | $280.00 | $280.00 |
| 28 | 401.4.1.B.1 | 2" Water Main Terminus, Ball-valve & Blow-out: Fitting: Keynote # W27 | EA | 4 | $500 | $2,000 | $885.00 | $3,540.00 |
| 29 | 401.4.1.C.1 | Connect to Existing Water Main or Valve (Valve): Keynote # W05 | EA | 4 | $2,000 | $8,000 | $260.00 | $1,040.00 |
| 30 | 401.4.1.C.1 | Connect to Existing Water Main or Valve (Main): Keynote # W23 | EA | 4 | $3,000 | $12,000 | $560.00 | $2,240.00 |
| 31 | 401.4.1.C.1 | Connect to Existing Water Main or Valve (Main) - Size 10": Keynote # W26 | EA | 2 | $12,000 | $24,000 | $7,070.00 | $14,140.00 |
| 32 | 401.4.1.C.1 | Irrigation - Reconnect Crossing: Keynote # W17 | EA | 2 | $500 | $1,000 | $380.00 | $760.00 |
| 33 | 401.4.1.D.1 | Removal of Existing Water Main: Keynote # R09 | LF | 1085 | $5 | $5,425 | $35.00 | $37,975.00 |
| 34 | 401.4.1.C.1 | Water Main - Temporary with Services to Adjacent Properties: Keynote #R09 | LS | 1 | $20,000 | $20,000 | $30,000.00 | $30,000.00 |
| 35 | 402.4.1.A.1 | Valve - Size 12" - Type Gate: Keynote # W07 | EA | 2 | $2,500 | $5,000 | $1,850.00 | $3,700.00 |
| 36 | 402.4.1.A.1 | Valve - Size 8" - Type Gate: Keynote # W07 | EA | 2 | $1,800 | $3,600 | $1,055.00 | $2,110.00 |
| 37 | 402.4.1.A.1 | Valve - Size 6" - Type Gate: Keynote # W07 | EA | 2 | $1,500 | $3,000 | $772.00 | $1,544.00 |
| 38 | 402.4.1.A.1 | Valve - Size 4" - Type Gate: Keynote # W07 | EA | 2 | $1,000 | $2,000 | $631.00 | $1,262.00 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 39 | 402.4.1.B.1 | Backflow Assembly - Size 2": Keynote # W19 | EA | 2 | $2,500 | $5,000 | $1,200.00 | $2,400.00 |
| 40 | 403.4.1.A.1 | Fire Hydrant Assembly: Keynote # W16 | EA | 4 | $5,000 | $20,000 | $3,711.00 | $14,844.00 |
| 41 | 403.4.1.B.1 | Fire Sprinkler Line Cut-over (Assumed, actual quantity not known): Keynote # W16 | EA | 4 | $5,000 | $20,000 | $2,500.00 | $10,000.00 |
| 42 | 404.4.1.B.1 | Water Service Line - Size 1" and 2": Keynote # W12 | EA | 25 | $750 | $18,750 | $1,650.00 | $41,250.00 |
| 43 | 404.4.1.C.1 | Water Service Connection to Main - Size 1" and 2": Keynote # W11 | EA | 27 | $150 | $4,050 | $380.00 | $10,260.00 |
| 44 | 405.4.1.A.1 | Potable/Non-Potable Crossing: Keynote # W14 | EA | 3 | $2,000 | $6,000 | $2,970.00 | $8,910.00 |
| 45 | 507.4.1.A.1 | Sewer Service Replacement: Keynote # S13 | EA | 23 | $3,000 | $69,000 | $3,425.00 | $78,775.00 |
| 46 | 601.4.1.A.5 | 16" Storm Drain Pipe, Class C-905 PVC: Keynote # SD01 | LF | 153 | $50 | $7,650 | $140.00 | $21,420.00 |
| 47 | 601.4.1.A.5 | 12" Storm Drain Pipe, Class C-900 PVC: Keynote # SD01 | LF | 604 | $45 | $27,180 | $125.00 | $75,500.00 |
| 48 | 601.4.2.A.1 | Storm Drain Service Replacement: Keynote # SD07 | EA | 23 | $2,500 | $57,500 | $1,875.00 | $43,125.00 |
| 49 | 601.4.2.B.1 | Storm Drain Service Connection to Main: Keynote # SD03 | EA | 23 | $500 | $11,500 | $275.00 | $6,325.00 |
| 50 | 601.4.2.C.1 | Storm Drain Service Connection to Manhole/Catch Basin: Keynote # SD10 | EA | 5 | $500 | $2,500 | $655.00 | $3,275.00 |
| 51 | 602.4.1.F.1 | Catch Basin - Type Inlet Type III Modified per Plans: Keynote #SD04 | EA | 8 | $3,000 | $24,000 | $2,150.00 | $17,200.00 |
| 52 | 602.4.1.S.1 | Storm Drain Connection to Existing Manhole/Catch Basin: Keynote # SD06 | EA | 3 | $2,000 | $6,000 | $1,250.00 | $3,750.00 |
| 53 | 706.4.1.A.3 | Concrete Curb and Gutter: Vertical Curb (no gutter): Keynote # C06 | LF | 432 | $25 | $10,800 | $23.00 | $9,936.00 |
| 54 | 706.4.1.A.5 | Concrete Curb and Gutter: Keynote # C03 | LF | 192 | $30 | $5,760 | $27.00 | $5,184.00 |
| 55 | 706.4.1.A.13 | Concrete Curb and Gutter: Pinned Traffic Separator Median: Keynote #C02 | LF | 24 | $60 | $1,440 | $36.00 | $864.00 |
| 56 | 706.4.1.B.1 | Concrete Valley Gutter: Keynote # C07 | LF | 670 | $50 | $33,500 | $42.00 | $28,140.00 |
| 57 | 706.4.1.F.1 | Concrete Driveway Approach: Keynote # C01 | SY | 214 | $85 | $18,190 | $105.00 | $22,470.00 |
| 58 | 802.4.1.A.1 | Crushed Aggregate for Base, Types 1 & 2: Alleyway: Keynote # A01 | SY | 2084 | $20 | $41,680 | $17.50 | $36,470.00 |
| 59 | 802.4.1.A.1 | Crushed Aggregate for Base, Types 1 & 2: Street: Keynote # A02 | SY | 386 | $30 | $11,580 | $23.00 | $8,878.00 |
| 60 | 810.4.1.A.3 | Plant Mix Pavement: Alleyway: Keynote # A03 | SY | 2084 | $30 | $62,520 | $26.00 | $54,184.00 |
| 61 | 810.4.1.A.3 | Plant Mix Pavement: Shoshone St.: Keynote # A04 | SY | 151 | $40 | $6,040 | $69.00 | $10,419.00 |
| 62 | 810.4.1.A.3 | Plant Mix Pavement: Idaho St.: Keynote # A04 | SY | 121 | $35 | $4,235 | $72.00 | $8,712.00 |
| 63 | 1103.4.1.A.1 | Construction Traffic Control | LS | 1 | $10,000 | $10,000 | $19,500.00 | $19,500.00 |
| 64 | 2020.4.1.A.1 | Mobilization and Demobilization (5% Max.) | LS | 1 | $37,240 | $37,240 | $25,000.00 | $25,000.00 |
| 65 | 2030.4.1.C.1 | Valve Box, Type Water, Adjust to Grade: Keynote # W20 | EA | 3 | $500 | $1,500 | $650.00 | $1,950.00 |
| 66 | SP-2125 | Engineer Directed Force Account ($20,000.00) | FA | 1 | $20,000 | $20,000 | $20,000.00 | $20,000.00 |
| 67 | SP-2139 | Project Site Maintenance & Property Owner Coordination | LS | 1 | $20,000 | $20,000 | $30,000.00 | $30,000.00 |
| | | *10% Contingency* | *LS* | | | *$80,210.00* | | |
| | | | | ***TOTALS:*** | | **$882,131.00** | | **$1,010,218.50** |

| | | | | | Engineer Estimate | | Extreme Excavation, Inc. | |
|---|---|---|---|---|---|---|---|---|
| **Line Item** | **Item Code** | **Item Description** | **Unit of Msrmt.** | **Quantity** | **Unit Price** | **Extension** | **Unit Price** | **Extension** |
| 68 | 1102.4.1.A.1 | Street Light in Alleyway with Foundation Per Detail A1, Sheet C-508: Keynote # L01 | EA | 2 | $10,000 | $20,000 | $8,845.00 | $17,690.00 |
| 69 | 1102.4.1.A.1 | Street Light in Landscape Area with standard ISPWC Foundation: Keynote # L02 | EA | 7 | $8,715 | $61,005 | $8,845.00 | $61,915.00 |
| 70 | 1102.4.1.D.1 | Provide and install wire conductors (measured by foot of conduit) | EA | 1080 | $6 | $6,480 | $3.25 | $3,510.00 |
| 71 | 1102.4.1.G.1 | Service Pedestal: Keynote # L03 | EA | 1 | $6,000 | $6,000 | $5,390.00 | $5,390.00 |
| | | *10% Contingency* | *LS* | *1* | *8100* | *$8,100* | | |
| | | | | ***TOTALS:*** | | **$101,585** | | **$88,505.00** |

| | |
|---|---|
| Date: | Monday, March 13, 2017 |
| To: | Honorable Mayor and City Council |
| From: | Robert Bohling, Water Superintendent |

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Request:
Staff would like to provide an informational presentation to the Council on the Backflow Program and an update on what to expect for this upcoming irrigation season.

Time Estimate:
The staff presentation will take approximately 15 minutes plus time for Council questions

Background:
For the past 3 years, the city has been ramping up the Backflow Prevention Program in accordance with DEQ ruling and state statute. In collaboration with other entities including DEQ, the city has primarily focused the program on education and training. During this time, the City has hosted 3 regional backflow training classes to facilitate the licensure of local contractors. There are now approximately 3 times as many licensed contractors in the Magic Valley. The next phase of the program is to escalate the enforcement up to and including shutting off water to homes that are not in compliance and putting the city's drinking water at risk. It is the City's goal to reach full compliance without having to shut off any services; however, it is anticipated that termination of water services will be likely.

Approval Process:
Because this is a controversial topic that may involve the discontinuing a water service to our customers, staff wants to provide as much information as possible to Council in anticipation of this upcoming irrigation season.

Budget Impact:
NA

Conclusion:
The purpose of the presentation is to provide as much information as possible to council and to respond to any questions or concerns that the Council may have.

Attachments:
None

**March 13, 2017 City Council Meeting**

**To:** Honorable Mayor and City Council

**From: Sharon Bryan**

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## Request:

Consideration of a request to destroy any semipermanent or temporary records as listed on the attached resolution and to notify the Idaho State Historical Society before destruction of any records.

## Background:

Idaho State Code 50-907 requires that before the City can destroy any semipermanent or temporary records we need to get City Council approval as well as notify the Idaho State Historical Society before destruction of any records. This needs to be done by resolution. (See attached)

State Code 50-907 Semipermanent records shall be kept for not less than five (5) years after the date of issuance or completion of the matter contained within the record.

(3) "Temporary records" shall consist of:

(a) Building applications, plans, and specifications for noncommercial and nongovernment projects after the structure or project receives final inspection and approval;

(b) Cash receipts subject to audit;

(c) Election ballots and duplicate poll books; and

(d) Other documents or records as may be deemed of temporary nature by the city council.

Temporary records shall be retained for not less than two (2) years, but in no event shall financial records be destroyed until completion of the city's financial audit as provided in section 67-450B, Idaho Code.

(4) Semipermanent and temporary records may only be destroyed by resolution of the city council, and upon the advice of the city attorney. Such disposition shall be under the direction and supervision of the city clerk.

The resolution ordering destruction shall list in detail records to be destroyed. Prior to destruction of semipermanent records, the city clerk shall provide written notice, including a detailed list of the semipermanent records proposed for destruction, to the Idaho state historical society thirty (30)days prior to the destruction of any records.

## Budget Impact:

The 2016/2017 City Budget includes a budget for shredding services.

## Regulatory Impact:

The Council's approval of this request will enable the departments listed to properly destroy these records.

## Conclusion:

Staff recommends that the Council approve this resolution.

## Attachments:

Resolution

**RESOLUTION NO. ________**

**Authorizing Destruction of Records.**

Whereas, Idaho Code 50-907 (4) requires the City Council to authorize destruction of public records no longer required by law or for city business, and

Whereas, the Deputy City Clerk of the City of Twin Falls, Idaho have requested that certain records be authorized for destruction in order to dispose of them,

NOW, THEREFORE, BE IT RESOLVED by the city council of the City of Twin Falls, Idaho as follows:

**FINANCE DEPARTMENT**

- Timecards up to 2010
- Payroll reconciliations up to 2010
- Payroll – check registers up to 2010, check proof list up to 2010, AP distribution up to 2010, GL distribution up to 2010
- Personnel Files up to 2010

**POLICE DEPARTMENT**

- 2006 Case Reports (excluding NCIC files; homicide reports, sexual abuse reports; officer-involved shooting reports; fatal traffic accidents; and all death reports.
- No trespass orders that are expired or past one year (2015)
- 2011 Accident Reports
- 2011 Citations
- 2011 Pawns
- 2011 Travel & Training Requests
- 2011 Overtime Slips/Leave Requests
- 2011 Towed Vehicle Slips
- 2011 False Alarm Reports
- 2015 FI Cards
- 2011 House Check Forms
- 2011 Parking tickets
- 2011 Cash receipt books
- 2015 Criminal History Logs (NCIC)
- 2011 and any prior private security license applications that are not active or they are no longer with the company

**FIRE DEPT.**

- Duplicate Examine/Copy Public Records all of 2015
- Duplicate Claims from October 1, 2010 – September 30, 2011
- Burn Permits from 2014
- Monthly Training Reports from 2006
- Calendar Of Events Logs 2015 – (All have been scanned and saved)
- Carbon Monoxide Detector Activation and Checklist for Carbon Monoxide 2015 – (All have been scanned and saved)
- Inventory of Station Supplies 2015
- Monthly Truck Logs from 2015 – (All have been scanned and saved)
- Mako Air Compressor Logs 2015 – (All have been scanned and saved)
- Daily Generator Logs 2015 – (All have been scanned and saved)

- Old Files of Employees whom are no longer Employed with the City - (Miscellaneous Training Paperwork, Certificates, Documents, Etc.)
- Public Fire Education Program Schedules 2015 – (In FIRE RMS Program)
- All Fire Safety Inspection Forms (Mobile Fuelers, Aircraft Fueling System, Bulk Plant Loading & Unloading Facilities) 2011
- AED Maintenance Checklist 2015 – (All have been scanned and saved)
- Old Fit Test Forms and POSI CHECKS from 2001

The administrative staff of the City is authorized to take all necessary steps to carry out the authorization provided by this Resolution.

PASSED BY THE CITY COUNCIL , 2017
SIGNED BY THE MAYOR , 2017

____________________________
Vice Mayor Suzanne Hawkins

Attest:

____________________________
Sharon Bryan, Deputy City Clerk

| | |
|---|---|
| Date: | Tuesday, March 13, 2017 |
| To: | City Council |
| From: | Travis Rothweiler, City Manager |

**Request:**

Request to use $652,000 of cash reserves from the capital fund and impact fees reserves to purchase furniture, fixtures and equipment (FF&E) and electronic systems for the City Hall and Public Safety Campus projects, and a security fence for the Public Safety Campus.

Time Estimate:

The City Manager's presentation will take approximately 20 minutes. Following the presentation, additional time will be necessary for questions and discussion.

Background:

The purpose of this agenda statement is to request the use of cash reserves to advance the FF&E and security fence projects. The total cost of the FF&E and security fence is $1,251,703, and includes:

- $450,000 for the FF&E for all buildings – This includes all desk systems, chairs, conference room tables, and other furnishings the City is unable to move from their current location to the new buildings
- $400,000 for electronic systems for all buildings – This includes servers, monitors, switches, phone systems, wireless access systems, electronic door control systems and City Council Chamber's broadcasting/recording/projection system
- $200,000 for a security fence at the Public Safety Complex
- $115,369 for high-density roller storage units for records and evidence
- $86,334 for Xybix Dispatch Workstations

Originally, we had planned to break the FF&E, electronic systems, and security fence purchases into two fiscal years. We budgeted $600,000 in FY 2017 to cover the costs of the items we anticipated needing this fiscal year. This represented approximately one-half of the total anticipated cost. We had planned to budget the second half needed to complete the FF&E portion of the project in FY 2018.

This request is for $652,000 to complete the project this fiscal year. Currently, the City has the following in cash reserves:

- $16.877 million in the Capital Fund, of with $8.717 million is unrestricted and available for projects
- $721,537 in the Fire and Police Impact Fees and available for projects

There are several reasons why we are making this request at this time. First, the City Hall project is currently one month ahead of schedule. We are planning to occupy the City Hall the week of October 2, 2017. As a result, we need to acquire the items prior so the building is operational and fully functional. This includes the FF&E and the electronic systems.

Over the last decade, we have been challenged by the prosecutorial requirements of collecting, storing and managing evidence and records associated with our law enforcement operations. Although the ability to digitize information has helped address the physical space required to maintain these standards, certain items require long-term storage. As you are all aware, space within the Police Administration and Operations buildings is limited. We have done an excellent job of maximizing our footprint and workflow through the design and remodel of our facilities. One option we always considered to help address our space needs was implementing high-density storage. High-density storage creates moveable aisles that can compact our storage space while allowing for complete access to our evidence and records. It allows for the most efficient storage system thereby maximizing how we use and access space within our organization. We originally designed high-density storage into our programming model; however, removed it from the GMP due to our concern to move forward with an affordable remodel project. Our thought was to include the storage option in the 2017-18 budget. Since that time, it has been brought to our attention that the optimal time to install these types of systems is during the construction phase. As an example, our Property and Evidence Team is tasked with moving over 15,000 items of evidence. Each item must be carefully recorded and move successfully without any room for error. As you can imagine, this is an intense process. If we delay the deployment of high-density storage until the 2017-18 budget, our teams would have to complete this entire process twice. Given that, we believe it is the best interest of the City of place these units now in order to allow for an efficient process.

The Xybix Dispatch Workstations are industry leading height-adjustable consoles. We programed these consoles into the project with the idea of using impact fees to offset the cost of the communication center expansion.

The security fence was originally included in the project. However when the project was bid originally, we did not receive competitive bids. As a result, we removed the security fence from the project and planned to include it in the FY 2018 capital budget. Because of timing, we have elected to include it in this request for the Council's consideration.

## Approval Process:

Approval of this request requires a simple majority (50%+1) of the members in attendance at this meeting.

## Budget Impact:

The budget impact associated with this request is $652,000, as specified above. If approved, the City will use cash reserves to make the purchase now. Also if approved, this will be included in the FY 2017 Budget Amendment. The FY 2017 Budget Amendment will be brought to the Council towards the end of the fiscal year.

This request is offset with the $1.1 million of cash reserves that will be transferred from the City's General Fund to the Capital Improvement Fund, per the City's finance policy.

## Regulatory Impact:

No Regulatory Impacts associated with this request.

## Conclusion

City Staff recommends approval.

## Attachment:

None