

CITY OF TWIN FALLS

COMPREHENSIVE FINANCIAL REPORT

IDAHO

FISCAL YEAR ENDED: **2**
SEPTEMBER **0**
30 **2**
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CITY OF TWIN FALLS, IDAHO
Financial Statements
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INTRODUCTORY SECTION



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February 07, 2023

Mayor Ruth Pierce, City Council,
and Citizens of the City of Twin Falls, Idaho

The Finance Department is pleased to submit the Comprehensive Annual Financial Report of the City of Twin Falls, Idaho (the City) for the fiscal year ended September 30, 2022. The report has been subject to an independent audit.

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.

CITY PROFILE

The City of Twin Falls is in south-central Idaho along the scenic Snake River canyon. With a population of approximately 53,000 residents, Twin Falls is the eighth largest city in Idaho and encompasses 18.16 square miles. It is in Twin Falls County, which covers approximately 1,928 square miles of mostly irrigated agriculture land and has a total population of 88,576. Twin Falls is located 135 miles east of Boise and 218 miles north of Salt Lake City. Twin Falls is the urban center of the Magic Valley, which consists of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls counties. The city serves as the retail, educational, medical and employment center for this eight-county area that has a total population of over 260,000. As a result, the daytime population on Twin Falls swells by an estimated 50,000 daily.

Twin Falls began as an agricultural center thanks to the foresight of entrepreneur I.B. Perrine in the early 1900s. Perrine convinced private financiers to build a dam along the Snake River with a corresponding canal system to deliver water to the fertile Snake River Plain. Because of these investments at the beginning of the 20th century, Twin Falls and the Magic Valley have grown into one of the world's most productive farming regions and a hub for food and dairy manufacturing.

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. Twin Falls is one of only three Idaho cities which has this 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 function 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
- Airport
- Utilities: water, sewer, and 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.

The Urban Renewal Agency of Twin Falls, Idaho (URA) is another organization which the City has a special relationship. 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

Inflation and labor shortages plague our economy. The Municipal Cost Index (MCI) represents the effects of inflation on the cost of providing municipal services and continued to measure record high levels throughout all of 2022. To offset inflation, the Federal Reserve continues to increase its benchmark funds rate with the highest interest rate hikes in almost three decades.

Nationwide unemployment rates increased significantly at the beginning of the pandemic in 2020 but continued a gradual decrease throughout 2021 and 2022, ending at 3.5% in September 2022. The US economy added jobs throughout 2022, with the US labor market recovering more than 96% of all the jobs lost during the early stages of the COVID outbreak. Commensurate with the rest of the nation, unemployment levels are at historic lows in Idaho. Statewide unemployment was 2.8% in September 2022. The low unemployment rate is indicative of the struggles the state of Idaho is having employing workers and economically recovering from the pandemic and its rippling effects.

But with all the inflation unemployment uncertainty, Idaho continues to make headlines for its prosperity. The "Relative State" report from investment bank Piper Sandler shows a financial strength index for each state and is published quarterly. The index considers factors such as employment information, housing price index, state revenue collections, and pension funding ratios. The 3rd quarter report for 2022 shows Idaho leading the rankings for the 9th consecutive quarter based on the strength of its long-term performance.

B. Outlook and Long-Term Planning

Twin Falls continues to foster a strong industrial and commercial base, healthy reserve funds, local government innovation, and excellent community amenities. Serving as the retail, educational, entertainment, medical and employment hub of a geographic area that contains nearly 265,000 individuals, our future, highlighted by major capital improvement projects, several promising businesses, retail providers, and housing developments, is bright. Twin Falls is a desirable place to live and is reflected in the demand for housing and the related increase in housing values as the community struggles to keep up. We remain optimistic about the long-term health of our local economy.

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 health 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 should benefit directly and indirectly from this revenue advancement. However, pending legislation may adjust the City's ability to capture an adequate share of revenue sources, as it has in the past, to meet the increased demand for services that accompanies growth. Continued State legislative proposals would reduce local governments accessibility to historical revenue sources.

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, especially in light of the State's continued threat of revenue reduction, 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 and health insurance plans. 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 ([Budget Link](#))

The City is currently in the process of building two new fire stations and a fire training facility. In the fall of 2017, a planning effort was undertaken to determine the current state of fire facilities in the City and the future needs of the community. A steering committee and program committee worked together to document the existing conditions of each facility. Stations 2 and 3 were built in 1961 and 1979, respectively. They have outdated technology and living standards and are experiencing decay such as mold and leaky roofs. There are no facilities for female firefighters at either station, the apparatus bays are too small, and the stations have apparatus sitting outside—a situation that hinders response capability. The facilities do not meet current building, ADA, essential facility, and life safety code requirements. Further, the existing stations have inefficient floor plan layouts and do not support quick 'turn-out' times. Response times will be improved with more efficient floor plans and station locations, which will increase public health and safety. In addition, the stations lack a designated area for dirty equipment—a modern necessity that allows for gear to be properly cleaned and limits exposure to carcinogens and other potential health hazards. In total, existing Station 2 and existing Station 3 are inadequate to serve the needs of the TFFD and lack the form to fit the function for today's firefighting needs. The deficiencies of the current stations together with recent population and industry growth requires new facilities to maintain public health and safety.

The City sought a general obligation bond to finance the construction of three new fire stations, renovation of Station 1 for police operations, and an initial investment in a fire training center in May 2019. The total request from voters was \$36 million and narrowly failed to reach the super majority (66.6%) threshold required to pass—garnering the approval of 64% of voters. As a result, the City pursued other financing options to address the needs of the TFFD and initiated a plan to include the use of general fund reserves and impact fees as well as the issuance of Certificates of Participation to finance the construction of two new fire stations. The construction also includes a regional fire training center, which is being paid for by the Twin Falls Rural Fire Protection District.

The City of Twin Falls has established and is beginning the difficult path of Priority Based Budgeting. The City is a lean and innovative organization that is efficient in the delivery of services, and our employees take pride in their work as public servants. Changes in service demands, overburdened employees and limited resources are factors that can lead to frustration within the organization. Priority Based Budgeting is intended to provide our organization with a framework that will help us tell our story, align needs with resources, and highlight areas where changes can be made with maximum impact. It will allow each department to examine programs and services through the lens of pre-established metrics such as outside revenue sources, mandates from other governmental entities, and the degree to which programs impact the citizens in our community. The goal is not to eliminate programs simply as a cost saving measure, but to evaluate service demands and need against available resources and ability to provide services. Through this process, departments will begin looking at their budgets as programs instead of line items, and in doing so, will begin to build a robust performance measurement program with the data generated.

The City is also navigating a State and Local Fiscal Recovery Funds (SLFRF) initiative to expend resources provided by the Federal Government. In response to the Covid-19 public health emergency, the Federal Government provided governments across the country with resources to fight the pandemic and support families and businesses struggling with its public health and economic impacts, maintain vital public services, and build a strong recovery by making investments that support long-term growth and opportunity. The City of Twin Falls was allocated \$8,465,111 that was paid in two tranches – the first in June of 2021 and the second in June of 2022. In April of 2021, the Treasury released the Final Rule for the program that allowed for a standard allowance for revenue loss up to \$10 million for the entire period of performance from March 3, 2021, and ending December 31, 2024. All funds have to be committed by December 31, 2024, and completely expended by December 31, 2026. The City of Twin Falls intends on using the Standard Allowance for reporting purposes and is in the process of using an SLFRF committee’s recommendation to allocate the funds to projects that will significantly affect our community.

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 City separates its activities and responsibilities into separate accounting entities called “Funds.” Each fund is a self-balancing set of accounts, recording cash and other financial resources, related liabilities, residual equities or fund balances, and annual changes in each. The City Manager recommends a budget for all governmental funds, and the City Council serves as the “Budget Committee” in appropriating the recommended expenditures for each fund. Public notice is given for all budget meetings. Citizens participate in the budget process through forums and public hearings. The City Council is required, by Idaho State law, 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 help of City staff, monitors the budget during the fiscal year to address any changing financial needs and conditions. No Fund can overspend its budget without the approval of the City Council.

The Government Finance Officers Association of the United States and Canada (GFOA) is a non-profit professional association serving approximately 19,000 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, 2021 and for the seven 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.

C. Financial Reporting and Policies

The GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Twin Falls for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

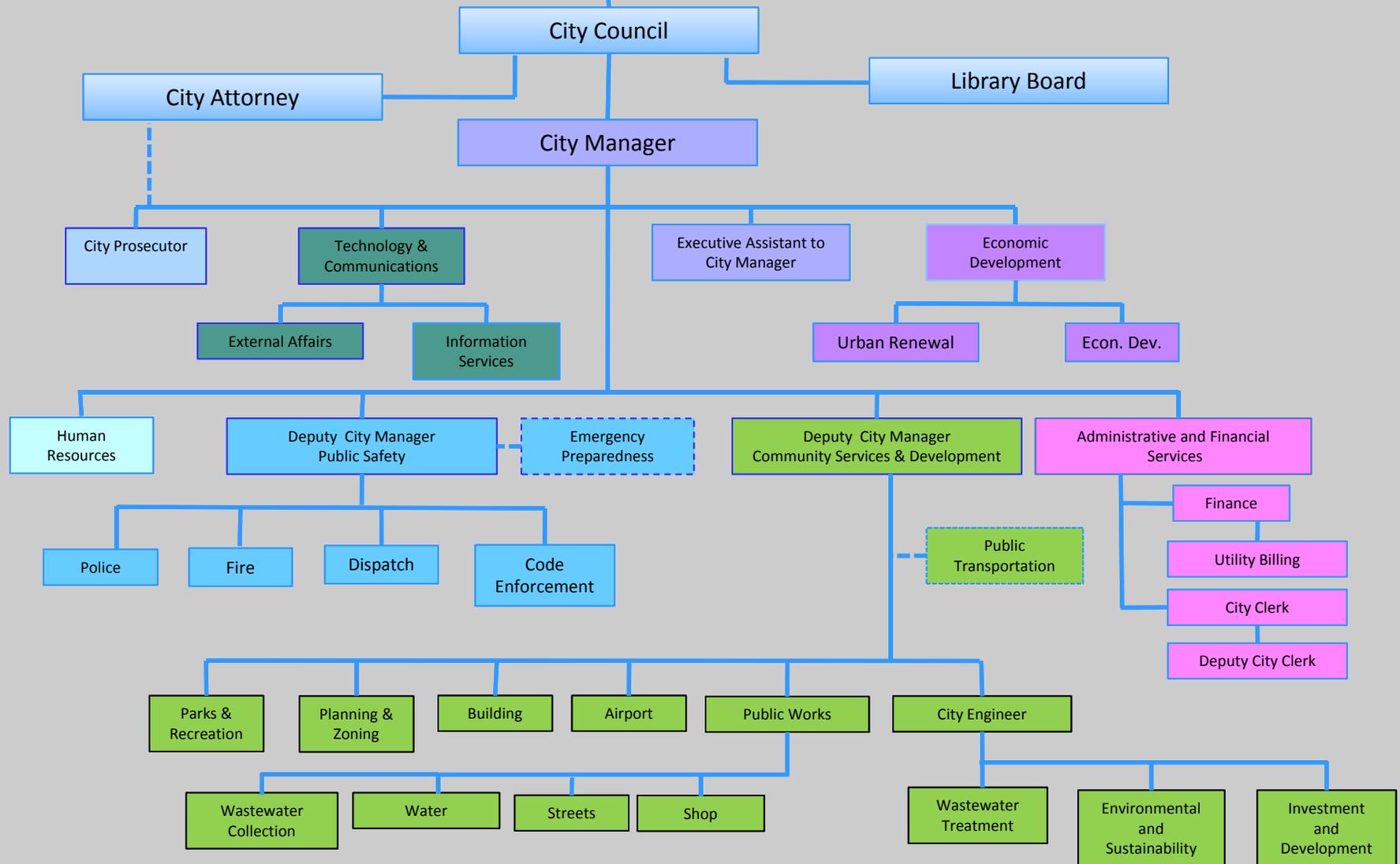
The City follows entity-wide financial policies in the budget development process, including long-term financial policies in areas such as budget and planning, investments, and fund balances.

Respectfully submitted,



Breanna Howard
Finance Director

Citizens of Twin Falls



City of Twin Falls, Idaho
Names of the Principal City Officials As of
February 2023

<u>Name</u>	<u>Position – Title</u>	<u>Email</u>
Ruth Pierce	Mayor	rpierce@tfid.org
Chris Reid	Vice-Mayor	creid@tfid.org
Alex Caval	City Councilwoman	acaval@tfid.org
Nikki Boyd	City Councilwoman	nboyd@tfid.org
Craig Hawkins	City Councilman	chawkins@tfid.org
Jason Brown	City Councilman	jbrown@tfid.org
Spencer Cutler	City Councilman	scutler@tfid.org
Travis Rothweiler	City Manager	trothweiler@tfid.org
Mitch Humble	Deputy City Manager,	mhumble@tfid.org
Gretchen Scott	Deputy City Manager	gscott@tfid.org



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Twin Falls
Idaho**

For the Fiscal Year Beginning

October 01, 2022

Christopher P. Morill

Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Twin Falls
Idaho**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Mahlke Hunsaker & Company PLLC

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

INDEPENDENT AUDITORS' REPORT

City Council
City of Twin Falls, Idaho

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City of Twin Falls, Idaho's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Twin Falls, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Twin Falls, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Twin Falls, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Twin Falls, Idaho's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 07, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Twin Falls, Idaho's 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 07, 2023



City of Twin Falls, Idaho

Management's Discussion and Analysis

As management of the City of Twin Falls, we offer readers of the City of Twin Falls' financial statements this narrative overview and analysis of the financial activities of the City of Twin Falls for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here with additional information that we have furnished in our letter of transmittal and the City's financial statements. Numbers have been rounded.

Financial Highlight

On a government wide basis, the City's net unrestricted position experienced a decrease of \$2,700,000. That net total comprises a decrease of \$4,700,000 coming from governmental activities and an increase of \$2,000,000 from business-type activities (mainly water, wastewater, and sanitation). 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.

Overview of the Financial Statements

The discussion and analysis provided here should serve as an introduction to the City of Twin Falls' basic financial statements. Those statements comprise three components: 1) government-wide statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* provide readers with a broad overview of the City of Twin Falls' finances, in a manner like a private-sector business. The *statement of net position* presents financial information on all the City of Twin Falls' assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Twin Falls is improving or deteriorating.

The *statement of activities* presents information showing how the City of Twin Falls' net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City of Twin Falls that are principally supported by taxes and intergovernmental revenues (governmental activities) or other functions that should recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Twin Falls include general government, public safety, highways and streets, sanitation, airport, culture and recreation. Business-type activities of the City of Twin Falls include water, wastewater, and sanitation.

The government-wide financial statements also separately detail the financial position and activities of a legally independent urban renewal agency.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Twin Falls, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. All the funds of the City of Twin Falls can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Twin Falls maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, street fund, airport fund, capital improvement fund, and airport construction fund. These funds are major funds. Data from eight other smaller funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 21-23 of this report

Two types of *Proprietary Funds* are maintained by the City of Twin Falls. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements and are labeled in the fund statements. The City of Twin Falls uses enterprise funds to account for the utility services it provides, water, wastewater, and sanitation. Internal service funds are another type of proprietary funds used by the City. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Twin Falls' various functions. The City of Twin Falls uses internal service funds to account for the management of its risks and insurance and for the maintenance of its fleet of vehicles and heavy equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included in governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, wastewater, and sanitation functions, which are major funds of the City of Twin Falls. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund's financial statements. Individual fund data for the internal service funds are provided as combining statements in the combining and individual fund statements and schedules section of this report. The City maintains two other enterprise funds that are contained in the supplemental information of the financial statements.

The proprietary fund financial statements for the three major funds can be found on pages 25-27 of this report.

There is a third type of fund often used with fund accounting: *Fiduciary Funds*. Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the governmental entities' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City of Twin Falls currently has no fiduciary funds.

Notes to the Financial Statements. The *Notes to the Financial Statements* provide additional information that is necessary to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-62 of this report.

Besides the basic financial statements and accompanying notes, this report also presents *other supplementary information*, some of which is required, concerning the City of Twin Falls and *statistical information* and information on the activity of the City's federal grant activity.

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.

Liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in over one year. The long-term liabilities of the City, comprising 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 City is fortunate enough to have operated without incurring general obligation bonds. This year, however, the City entered two leases. One for a fire truck and one for constructing a fire station. Those leases are being presented as financing debt with balances of \$730,000 and \$8,700,000 respectively. The only other 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 \$2,400,000. That obligation represents unused vacation pay employees have earned and not used as well as overtime hours employee has elected to defer payment of until a future period. If an employee retires or quits, they are paid for any existing balance. As the City has grown, the number of employees has also increased. That and compensation increases have caused a natural increase in the balance of compensated absences being reported as a liability. However, that increase is mitigated a little as older employees retire, and their disproportionately higher balances 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 current liability, even though those balances will be replenished with new replacement hours.

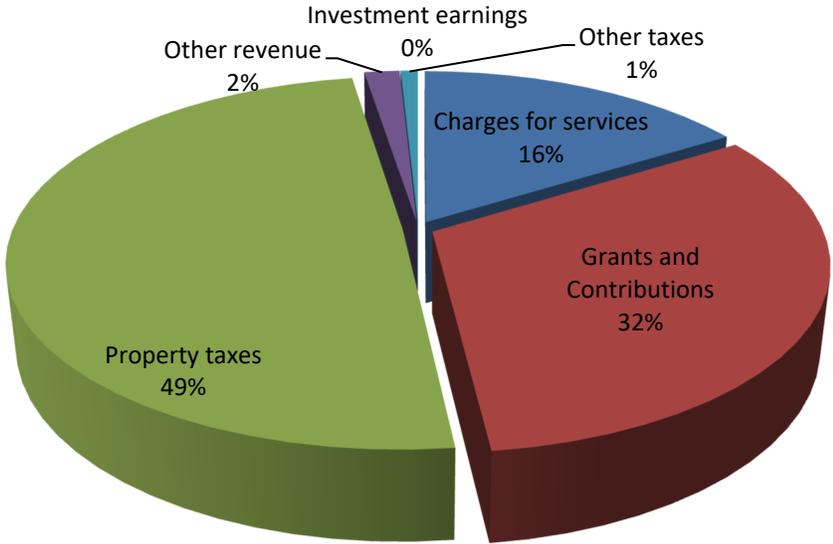
The City's other existing debt comprises revenue bonds. The revenue bonds are more fully discussed with the analysis of the Proprietary Funds.

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 those capital assets have a definitive useful life and are subject to depreciation, or a decrease in value. One way to quantify the average capital replacement needs of the City is through this depreciation. During the current year, depreciation was estimated to be \$9,900,000 for the government funds and \$5,400,000 for the business-type activities. Using the City's current depreciation amounts, the City would need to average \$15,300,000 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 provide needed services and still assure that those needs are met affordably. More detailed information on capital assets can be found in the notes to the financial statements under the caption "Capital Assets".

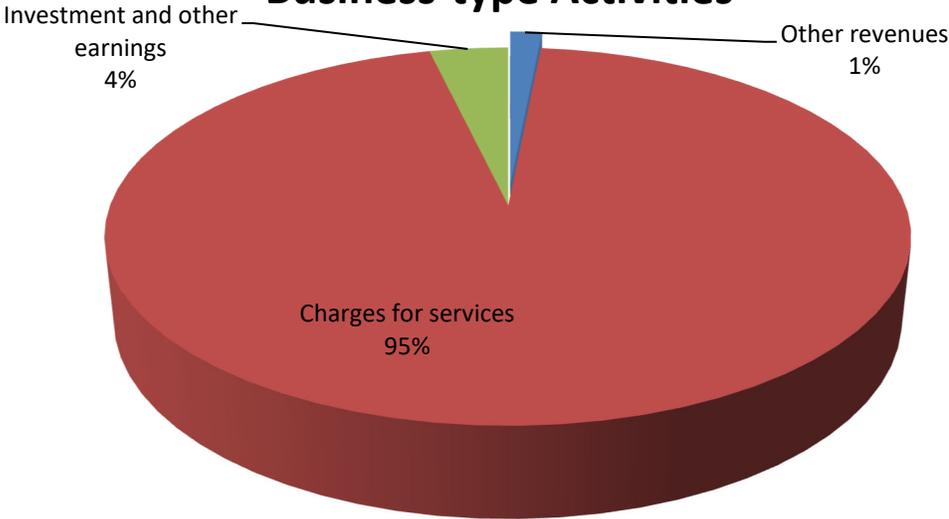
The table below presents the City's Condensed Statement of Net Position as of September 30, 2021, and 2022, which is derived from the government-wide Statement of Net Position. The assets of the City exceeded its liabilities (net position) at the close of the year by \$197,400,000 for governmental activities and by \$144,400,000 for business-type activities, for a combined total of \$341,800,000 for the primary government. Governmental Activities net position decreased by \$3,800,000 from 2021 to 2022, while the net position for business-type activities increased by \$2,700,000 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 \$259,800,000 at the 2022 year-end, is the investment in capital assets, which includes all 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; these net assets are not available for future spending. Restricted assets totaling \$1,000,000 represent resources that are subject to external restrictions and other provisions on how they can be used. These restricted assets are in the general fund and represent amounts taken in by the City and are custodial in nature and dedicated for specific purposes. The remaining balance of \$80,900,000 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 79,838,700	\$ 71,567,591	\$ 40,470,050	\$ 38,469,077	\$ 120,308,750	\$ 110,036,668
Capital assets	154,024,496	152,208,211	140,475,459	143,364,829	294,499,955	295,573,040
Total assets	233,863,196	223,775,802	180,945,509	181,833,906	414,808,705	405,609,708
Deferred Outflow of Resources	12,004,860	5,941,223	1,176,164	633,981	13,181,024	6,575,204
Current and other liabilities	(38,842,617)	(12,813,355)	(3,754,941)	(1,807,326)	(42,597,558)	(14,620,681)
Bonds and Lease	(9,634,545)	-	(33,930,860)	(37,563,989)	(43,565,405)	(37,563,989)
Total liabilities	(48,477,162)	(12,813,355)	(37,685,801)	(39,371,315)	(86,162,963)	(52,184,670)
Deferred Inflow of Resources	(3,106)	(15,753,380)	(28,301)	(1,419,733)	(31,407)	(17,173,113)
Net position:						
Investment in capital assets	153,295,664	152,208,211	106,544,599	105,800,840	259,840,263	258,009,051
Restricted	1,035,049	1,217,245			1,035,049	1,217,245
Unrestricted	43,057,076	47,724,835	37,862,972	35,875,999	80,920,048	83,600,834
Total net position	\$ 197,387,789	\$ 201,150,291	\$ 144,407,571	\$ 141,676,839	\$ 341,795,360	\$ 342,827,130

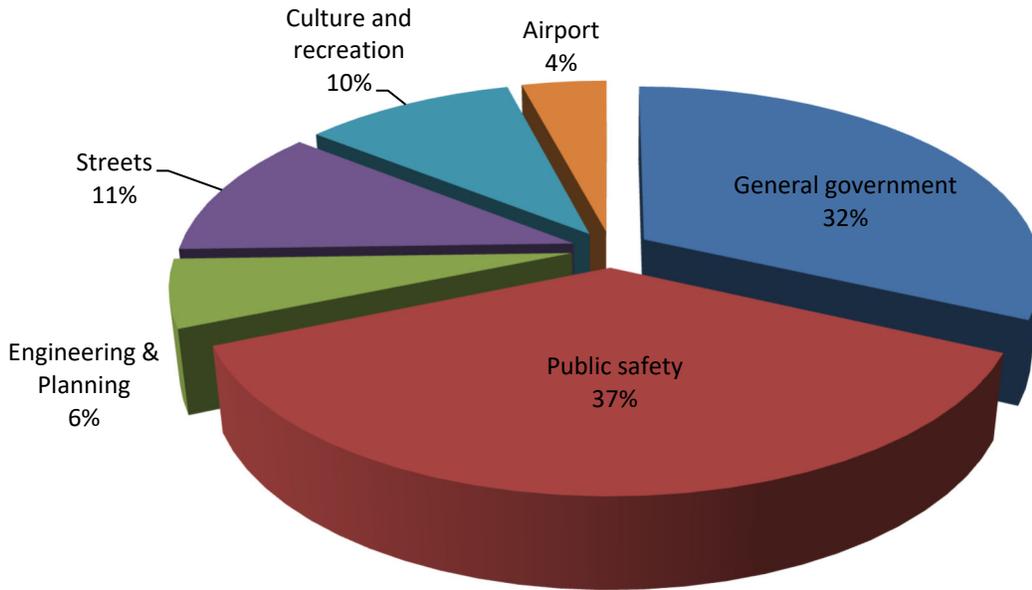
Sources of General Revenue for FY 2022 Governmental Activities



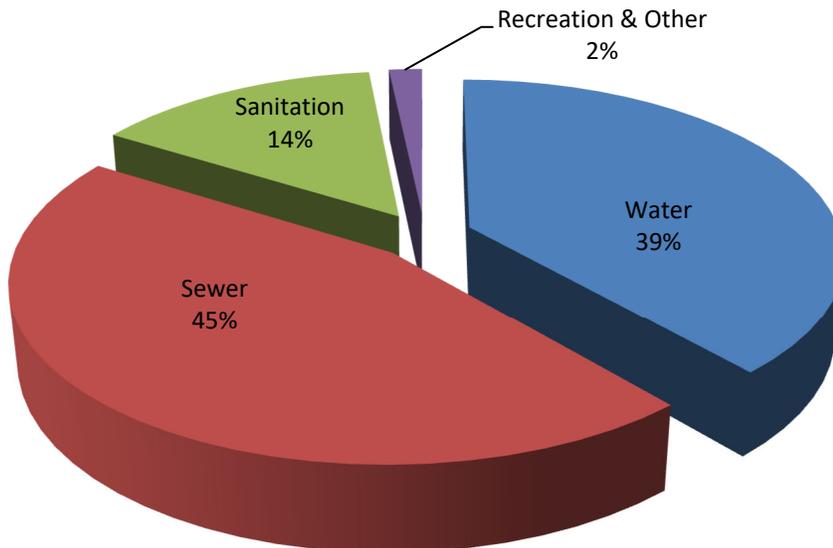
Sources of Revenue for FY 2022 Business-type Activities



Program Expenses for FY 2022 Governmental Activities



Program Expenses for FY 2022 Business-type Activities



Analysis of Condensed Statement of Activities

The following table presents the City's condensed statement of activities for the fiscal year 2020-21 and fiscal year 2021-22. It is derived from the government-wide Statement of Activities. Over time, increases 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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Program revenues						
Charges for services	\$ 8,401,811	\$ 9,371,119	\$ 28,324,137	\$ 28,748,863	\$ 36,725,948	\$ 38,119,982
Grants and contributions						
Operating	12,190,859	17,286,215	43,017		12,233,876	17,286,215
Capital	4,341,949	8,837,954			4,341,949	8,837,954
Total program revenue	24,934,619	35,495,288	28,367,154	28,748,863	53,301,773	64,244,151
General revenues and payments						
Property taxes	25,555,842	18,671,370			25,555,842	18,671,370
Other taxes	432,623	398,503			432,623	398,503
Investment earnings (Loss)	(4,444,340)	(56,423)	(2,478,291)	(64,202)	(6,922,631)	(120,625)
Other revenues	893,674	922,967	171,408	215,651	1,065,082	1,138,618
Total general revenues and payments	22,437,799	19,936,417	(2,306,883)	151,449	20,130,916	20,087,866
Total general revenues and payments	47,372,418	55,431,705	26,060,271	28,900,312	73,432,689	84,332,017
Program expenses						
General government	16,129,395	14,737,970	-	-	16,129,395	14,737,970
Public safety	20,618,658	14,689,136	-	-	20,618,658	14,689,136
Streets, Engineering, P&Z	7,904,354	6,859,803	-	-	7,904,354	6,859,803
Culture and recreation	5,902,619	5,113,151	-	-	5,902,619	5,113,151
Airport	2,639,863	3,138,840	-	-	2,639,863	3,138,840
Water	-	-	8,018,753	7,801,764	8,018,753	7,801,764
Sewer	-	-	9,727,160	9,042,533	9,727,160	9,042,533
Sanitation	-	-	3,247,214	3,033,789	3,247,214	3,033,789
Recreation enterprises	-	-	220,062	214,538	220,062	214,538
Other	-	-	56,381	42,900	56,381	42,900
Total program expenses	53,194,889	44,538,900	21,269,570	20,135,524	74,464,459	64,674,424
Excess (deficiency) before gain (loss) and transfers	(5,822,471)	10,892,805	4,790,701	8,764,788	(1,031,770)	19,657,593
Transfers	2,059,969	1,822,858	(2,059,969)	(1,822,858)	-	-
Asset Sales & Contributions					-	-
Change in net position	(3,762,502)	12,715,663	2,730,732	6,941,930	(1,031,770)	19,657,593
Beginning net position	201,150,291	188,434,628	141,676,839	134,734,909	342,827,130	323,169,537
Ending net position	\$ 197,387,789	\$ 201,150,291	\$ 144,407,571	\$ 141,676,839	\$ 341,795,360	\$ 342,827,130

Governmental Revenues

The City is heavily reliant on property taxes to support governmental operations, currently 49%. Other sources of general revenues are mainly grants and contributions (32%) and charges for services (16%). This year the City experienced a loss on its investment activity. That loss is further discussed on page 9 under the General Fund.

Program Expenses and Revenue for Governmental Activities

The following table presents the net costs for governmental activities. Program revenues as a percentage of program expenses decreased substantially between the years for several funds. One large component of those decreases were grants received by the City. The City received an unprecedented amount of Federal and State funding in the previous year. Operating and capital grant revenues are down 37%, over \$9,500,000. Prior year grants had a connection to COVID and congressional relief funding. Another major factor in the decrease was the loss on investment activity discussed elsewhere.

Program expenses increased by \$8,700,000 between the two years, which equated to a 19% increase. The largest component of that change related to activity in PERSI, the City’s retirement plan. Last year, the plan received a credit of over \$5,400,000 and this year there was a charge of \$2,000,000 for a net swing of \$7,400,000. Those adjustments reduced labor costs of employees last year and increased them this year. The adjustments were allocated based on payroll costs incurred in each fund. The effect of these adjustments is only reflected in the Government Wide statements. They are not factored into the fund statements that follow. The activity in the State pension plan is more fully described in Note 9 of the financial statement notes.

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

Functions/Programs	Program Expenses	Less	Net Program		Program Revenues as a Percentage of Program Expenses	
		Program Revenues	Costs		2022	2021
	2022	2022	2022	2021	2022	2021
General government	\$ 16,129,395	\$ 9,978,524	\$ 6,150,871	\$ (464,258)	61.9%	103.2%
Fire	6,656,031	599,929	6,056,102	2,318,591	9.0%	19.6%
Police	13,962,627	1,017,893	12,944,734	10,822,443	7.3%	8.3%
Engineering & planning	2,463,218	1,737,319	725,899	144,739	70.5%	94.1%
Library	2,179,449	67,195	2,112,254	1,890,411	3.1%	3.9%
Culture & recreation	3,723,170	1,184,270	2,538,900	2,340,036	31.8%	25.6%
Highways & streets	5,441,136	6,237,641	(796,505)	(1,199,177)	114.6%	127.2%
Airport	2,639,863	4,111,848	(1,471,985)	(6,809,173)	155.8%	316.9%
Totals	\$ 53,194,889	\$ 24,934,619	\$ 28,260,270	\$ 28,966,356	46.9%	79.7%

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 covered program operational expenses, debt funding, and capital investment. In a previous year, the City entered a contract which leased the golf course. The contract reduced the City’s exposure to the losses that had been occurring and still allowed the City enough input to assure that this asset of the City keeps its value and continues to provide recreation services to the community. Even though the lease allows the City to participate in profits of its lessee/partner, it has been determined that the City will probably depend on property taxes to maintain its needed capital investment for the fund. That determination caused a reclassification of the Golf Fund. This year and from now on the Golf Fund will be merged back into the General Fund with other recreational activities.

Overall charges for City water, wastewater, and sanitation services remained relatively unchanged, as did the expenses of each activity. The one exception is the adjustment in wages caused by the PERSI. The statements would probably be better served if those adjustments were presented as a separate line, thus allowing better comparability. However, generally accepted accounting principles direct the policy for presentation. The user rates of business type activities are structured so that the activities are self-supporting without generating substantial profits. However, the City must maintain significant funds in both the water and sewer area to repay bond liabilities and fund long-term capital improvements. An overview of the Enterprise funds follows:

Net Income (Costs) of Business-type Activities

For the Fiscal Year Ended September 30

<u>Functions/Programs</u>	<u>Program</u>	<u>Less</u>	<u>Net Program</u>		<u>Program Expenses</u>	
	<u>Revenues</u>	<u>Program</u>	<u>Income (Costs)</u>		<u>as a Percentage of</u>	
	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Water	\$ 11,987,296	\$ 8,018,753	\$ 3,968,543	\$ 4,455,703	66.9%	63.6%
Sewer	11,952,837	9,727,160	2,225,677	3,156,353	81.4%	74.1%
Sanitation	3,965,632	3,247,214	718,418	664,738	81.9%	82.0%
Dierkes Lk/Shoshone Fls	403,108	220,062	183,046	323,197	54.6%	39.9%
Common Area Maintenance	58,281	56,381	1,900	13,348	96.7%	76.3%
Totals	\$ 28,367,154	\$ 21,269,570	\$ 7,097,584	\$ 5,218,720	75.0%	70.0%

Fund Analysis

Governmental Funds

The focus of the City of Twin Falls’ governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Twin Falls’ financing requirements. Fund balances that are not restricted or committed may serve as a useful measure of a government’s net resources available for discretionary use, as they represent the portion of fund balance, which has not yet been limited. On September 30, 2022, the City of Twin Falls’ governmental funds reported combined fund balances of \$48,800,000, of which \$39,000,000 was not restricted or committed. That is an increase of \$3,700,000 in comparison with the prior year.

General Fund

The general fund is the chief operating fund of the City. The City’s general fund reported an ending fund balance of \$11,000,000 on September 30, 2022, with most of that fund balance being available. That balance compares to an ending fund balance of \$11,900,000 on September 30, 2021. The General fund experienced relatively small variances from its budget. One exception was the activity with its investments, which had a revenue of \$128,000 budgeted and shows an actual loss of \$1,700,000. This negative variance is throughout City funds with any fund that had excess amounts invested. At the beginning of the year, the Federal Funds Rate was .08% and at the end of the year it was 3.25%. That level of rate change meant that the City’s investments held in its portfolio experienced a loss in value because their stated rates were lower when purchased than market rates at year end. Professional standards require that the City present its investments at the market value at year’s end. The City experienced a decrease of over \$8,000,000 in the value of its investment over the course of the year as the Federal Reserve raised interest rates. The City almost always holds its investments to maturity, so even though there is a substantial loss presented this year, the City will not experience that loss. As investments mature, their full principal or face value will be realized at redemption.

The City of Twin Falls has a policy of maintaining a reserve balance in the General Fund of 25% of the annual budgeted base revenues to provide reasonable assurance that the City will pay all general obligations and meet unforeseen emergencies. At the end of each fiscal year, after completion of the annual audit, the amount above the 25%, reduced by any deficit fund balances in other City Funds, will be transferred to the City’s Capital Improvement Fund, where it will be available for onetime projects recommended by the City Manager and approved by City Council. That transfer in the current year under the policy contributed to the reduction in the General Fund balance in the amount of \$3,000,000.

Street Fund

The City receives a substantial amount of revenue from the State of Idaho which is dedicated to highway and street maintenance and operations. Those revenues come from taxes collected from fuel sales. The Street fund is charged with guaranteeing that the funds are only used for the benefit of the City’s streets. Along with these dedicated taxes, the City budgets to supplement the fuel taxes with other State share revenues, property taxes, and grants to meet the needs of the City’s roads.

The Street Fund’s fund balance increased about \$1,300,000 to \$7,300,000. Street re-surfacings can be large overlay projects that require millions of dollars and go on for several years. The City tries to plan the timing of these projects so that the funds are available within the fund balance when needed. The fund balance at the end of any year also includes long-term construction projects that are at various stages of completion.

Over the years, the City has developed a street maintenance program by dividing the City up into eight geographical areas and rotating a maintenance program to each area over an eight-year time frame. That has allowed the City to budget more consistently for maintenance expenditures.

Airport and Airport Construction Funds

The Airport and Airport Construction Funds have been identified as major funds of the City. Both saw consistent fund balances between the prior fiscal year and this fiscal year. The City has a joint operation agreement with Twin Falls County for the Airport operations. Both contribute 50% of the funding that is needed beyond other sources of operational revenue.

The Airport has been designated as part of the National Plan of Integrated Airport Systems (NPIAS). That means that the Airport has been identified as being significant to national transportation within the United States, and thus eligible to receive federal grants under the Airport Improvement Program (AIP). Isolating federal AIP funding grants within the Airport Construction Fund allows the City to follow grant restrictions and maintain the compliance required with the grants.

Some of the recent grants have been significant, including a major renovation over several years to the airport facility to bring it into compliance with the Transportation Security Administration (TSA) security guidelines and a major restructuring of the runways. AIP grants and the CARES Act (discussed below) have brought major grant revenues. In the prior year, grant revenue for the Airport Fund and the Airport Construction fund totaled \$9,100,000. This year's grant revenue for the two funds was \$8,500,000.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act has special provisions to assist airports in response to the Covid-19 pandemic. The Airport had grant expenditures, that it was reimbursed for last year of \$6,700,000. There was an additional \$1,100,000 this year. Those amounts were designated to assist with operational costs of the Airport. Past federal grants have only been for capital projects.

Capital Improvement Fund

The final major fund of the City's is the Capital Improvement Fund. Its purpose is to account for all capital improvements in the General Fund. The Capital Improvement funds' largest purchase this year was the acquisition of a fire truck for \$729,000. The Fund is also in the middle of construction of two fire stations and a fire training facility. At year's end, it had spent \$5,000,000 toward those undertakings.

As discussed elsewhere, the City has a policy that requires the General Fund balance to be evaluated each year. Any excess over 25% of the annual budgeted revenues are to be transferred to the Capital Improvement Fund, where it will be available for onetime projects. This year, \$3,000,000 was transferred under the policy.

Proprietary Funds

The City's proprietary funds reported combined ending net positions of \$144,400,000 on September 30, 2022, with most of that invested in capital assets, net of debt (\$106,500,000). \$37,900,000 is reported as unrestricted for all Proprietary Funds at year's end.

There were no new borrowings in the proprietary funds this year, but there was still substantial activity in long-term debt. The Funds met their scheduled debt payments and reduced continuing bonds in the Water and Wastewater Funds by \$3,633,000. In the prior year, the Water Fund paid off a bond with a balance of \$7,680,000. That bond had been used to enhance the ability to reduce arsenic in the City's water and comply with new federal regulations. The city had assessed each citizen \$10.75 to be used toward retirement of the obligation. That assessment created a reserve and enabled the City to pay off the debt early.

In the major proprietary funds that are capital intensive and have existing amounts of debt (Water Fund and Wastewater Fund), increases to the fund balance through net income are essential to maintain adequate equipment and facilities, as well as the ability to repay debt. The existing revenue bond covenants require that a ratio of 1.25 of operating revenue to operating expenses be maintained. The City is meeting the requirements, as well as full complying with all other promises it made to bondholders as a condition of lending.

It is noteworthy that all the proprietary funds could keep user rates the same, with no increase.

Waterworks Fund

The Water Fund's fund balance (other than the investment in Capital Assets) increased by \$2,400,000. Capital assets only increased a net \$100,000, with depreciation being offset by asset replacements. The water fund has a healthy unrestricted net position, \$14,400,000, but the City has an aging water system that will require use of reserves as projects are determined necessary and feasible. The City has been working with outside partners to determine the priority of projects needed and a plan for updating our water system in areas that are deficient.

Wastewater Fund

Operationally, the Wastewater Fund was much more active this year than in past years, and revenues grew from \$10,300,000 to \$11,800,000. Most of that growth is related to the processing of industrial waste. Treated wastewater has gone from 2,822 to 2,969 to 3,098 (million gallons) for the fiscal year ended September 30, 2022. However, over the same period, solids treated (in thousands of pounds) have gone from 6,830 to 8,098 to 9,518. Some industrial customers have exceeded their discharge permits and are incurring penalties. City staff is working with these companies to achieve permanent solutions to their excess discharges.

The unrestricted portion of the Wastewater fund balance decreased \$600,000.

Sanitation Fund

The last major proprietary fund is the Sanitation Fund. The City contracts for sanitation services with a private third party. The City provides the administrative duties of subscribing and ending services, as well as billing, collections, and related landfill fees with the plan to cover costs with fees. This year the fund netted \$150,000. Any income will become part of the funds' reserves in the future and be factored into the amount of any rate increases needed to keep the fund viable.

Included in the Sanitation Fund activities is the City's recycling program. In recent years, China began rejecting recycled materials that contained over 0.5% of contaminated materials. This decision had a profound impact on the City of Twin Falls and the curbside recycling program. It became apparent that there was a need to re-evaluate the current single-stream curbside recycling program as it existed. Recycling tonnage in Twin Falls had decreased the past few years. There was a need to consider the total effects on the environment. All recyclable materials collected in Twin Falls are shipped to Boise for sorting, then shipped elsewhere, sometimes over 2,000 miles. Based on input from the community to support continued recycling and careful consideration of the balance between being good stewards and the economic costs of doing so – the City Council determined to continue the program but limit the definition of acceptable recycling items to aluminum, cardboard and tin (ACT). Limiting recycling to those substances would focus efforts on commodities generating the most revenue, while continuing to capture a significant amount of the previous recycling flow.

Economic Factors

Inflation and labor shortages plague our economy. The Municipal Cost Index (MCI) represents the effects of inflation on the cost of providing municipal services and has been measured just short of an all-time high of 12.45% in May 2022 (second to April of 12.51%). To put this into perspective, from 2012 through 2020, before the pandemic hit, the MCI measured a high of 4.47% in March 2018 – except for March 2018, every year measured less than 4.47%. To offset inflation, the Federal Reserve continues to increase its benchmark funds rate and with the highest interest rate hike in almost three decades.

Nationwide unemployment rates increased significantly at the beginning of the pandemic in 2020 but have continued a gradual decrease throughout 2021 and 2022, ending at 3.5% in September 2022. The end of 2019 saw unemployment levels hovering around 3.5% before the pandemic, but before this, the United States hadn't experienced unemployment this low since 1969. The US economy has added jobs each month since the beginning of 2021, with the US labor market having recovered over 96% of all jobs lost during the early stages of the COVID outbreak. Commensurate with the rest of the nation, unemployment levels are at historic lows in Idaho. Statewide unemployment was 2.8% in September 2022. The low unemployment rate indicates the struggles the state of Idaho is having employing workers and economically recovering from the pandemic and its rippling effects.

But with all the inflation unemployment uncertainty, Idaho continues to make headlines for its prosperity. The "Relative State" report from investment bank Piper Sandler shows a financial strength index for each state and is published quarterly. The index considers factors such as employment information, housing price index, state revenue collections, and pension funding ratios. The 3rd quarter report for 2022 shows Idaho leading the rankings for the 9th consecutive quarter based on the strength of its long-term performance.

Twin Falls continues to foster a strong industrial and commercial base, healthy reserve funds, local government innovation, and excellent community amenities. Serving as the retail, educational, entertainment, medical and employment hub of a geographic area that contains nearly 265,000 individuals, our future, highlighted by major capital improvement projects, several promising businesses, retail providers, and housing developments, is bright. Twin Falls is a desirable place to live and is reflected in the demand for housing and the related increase in housing values as the community struggles to keep up. Inflationary pressures have affected construction activity for Twin Falls and demand has decreased significantly in terms of single-family building permits issued. There were 154 single family permits issued through September 2022; this is down 68% for the same timeframe in 2021. Supply chain and labor shortages are affecting the City of Twin Falls drastically, and building is one of many sectors being stalled. Single family building permits issued by the City for the past five years are:

Fiscal Year Ending	Permits Issued
2018	243
2019	326
2020	573
2021	486
2022	154

There were 59 new commercial building permits issued in FY 2022, down 36% from the same timeframe last year.

The increased building growth affects city utilities as well. Residential sanitation service accounts saw customer counts increase from 18,382 to 18,870 between September 30, 2021 and 2022.

Assessed net taxable market values within the City increased \$584,000,000 from \$3,452,000,000 to \$4,036,000,000. Properties are required to be reassessed by the County Appraiser every five years. The following is a table showing a comparison of the levy rates for the 2022 and 2023 budget years.

<u>Taxing District</u>	2021 Levy	2022	Percent Change
	Rates (funded 2021-2022 budget)	Rates (funded 2022-23 budget)	
City of Twin Falls	0.006245573	0.004783910	-30.6%
Twin Falls County	0.003604221	0.002782758	-29.5%
Twin Falls County Ambulance District	0.000148295	0.000112486	-31.8%
Twin Falls County Abatement District	0.000085067	0.000064329	-32.2%
Twin Falls School District 411	0.003106028	0.002262071	-37.3%
Twin Falls Highway District	0.000942152	0.000716758	-31.4%
College of Southern Idaho	0.000924499	0.000728329	-26.9%
Combined	0.015055835	0.011450641	-31.5%

Covid-19 and SLFRF Funding

The City of Twin Falls closely monitors and examines international, national, state, and local economic indicators when developing and tracking its annual appropriation measures. Over the course of the last several years, economic conditions on all levels have reflected growth and prosperity, but the effects of the Covid-19 pandemic created a swift and destabilizing level of economic uncertainty not seen since the Great Depression that has formed a domino effect still present in the current environment. When analyzing the statistics of the City of Twin Falls, the state of Idaho, and the nation, there is a prosperity that is hindered by inflation, labor and supply chain issues. These economic factors are creating an uncertainty that will influence budgetary decisions for the foreseeable future.

In response to the Covid-19 public health emergency, the Federal Government provided governments across the country with resources to fight the pandemic through the American Rescue Plan Act of 2021 (“ARPA”), signed into law on March 11, 2021. Among other provisions, one of the key components of ARPA is the State and Local Fiscal Recovery Fund (“SLFRF”), which committed \$350 billion to state and local governments to support their response to and recovery from the COVID-19 pandemic. The Fund was created to support families and businesses struggling with its public health and economic effects, maintain vital public services, and build a strong recovery by making investments that support long-term growth and opportunity.

The City of Twin Falls was allocated \$8,465,111 that was paid in two tranches – the first in June 2021 and the second in June 2022. Allocations were determined by the population within the unit of government’s jurisdiction. In April 2022, the Treasury released the Final Rule for the program that allowed for a standard allowance for revenue loss up to \$10 million for the entire period of performance from March 3, 2021, and ending December 31, 2024. All funds have to be committed by December 31, 2024 and completely spent by December 31, 2026.

The City of Twin Falls intends to use the Standard Allowance for reporting but is using a committee to allocate the funds to projects that will significantly affect the community.

Future Issues

The City engages in a process of strategic planning whereby it analyzes the needs of the community and the role the City has in meeting those needs. A plan has been established and goals are identified, along with specific timelines. Those goals have been, and will continue to be, integrated within the budget process, and regularly reviewed to determine the best way to move forward. The following are specific issues the City faces, some defined in that process:

State changes to Property Tax Statutes

The substantial appreciation in Idaho home values, mentioned earlier, has shifted the property tax burden in recent years from farms and businesses to residential property. State legislators continue to advance bills to reduce that burden and limiting property tax revenue available to local taxing districts, including Twin Falls. School Districts, Counties, and Cities and other local governmental agencies have lobbied legislators about the effect these proposed reductions would have on the ability to meet the current level of services being provided, especially given the acceleration of growth that is taking place. Idaho’s constitution, like most states, grants very limited authority to local governments to determine governing statutes. A city or county must obtain permission from the state legislature if it wishes to pass a law or ordinance which is not specifically permitted. Whatever adjustments the State legislature dictates, as far as the ability to collect property tax revenue, will be implemented. If the changes are severe enough, the City will be in a position of cutting services or limiting growth. At this time, none of the proposals have been signed into law by the Governor. The City will need to be flexible in moving forward to respond to any changes required by the State.

Health Insurance and Compensation

Providing quality benefits to employees remains an important ingredient to the City’s overall attraction and retention strategy. Health insurance continues to be a difficult subject to navigate, recognizing the importance of continuing to offer competitive benefits packages and understanding that it is a critical component in the City’s efforts to be an employer of choice. However, the cost of the current health plan continues to outpace the Consumer Price Index, the Municipal Cost Index, and available resources. The City’s overall experience rate (the group’s medical history and claims experience) has caused the organization to realize significant increases in overall health insurance costs. The cost of monthly insurance premiums to cover an employee and their family has almost doubled in the last ten years. Significant changes were made to both the traditional and high deductible plans in FY 2020 in response to a proposed increase of 14%. Minor adjustments were made in FY 2021 in response to a 10% increase. With another 9.4% in FY 2022, the decision was made to eliminate the traditional health insurance plan and move all employees and dependents to the high-deductible plan to allow for modest increases to co-pays, deductibles, and out-of-pocket maximums. It is important to maintain a competitive benefit plan compared to other public employers. The City’s health care benefits remain competitive, but the impact of rising health care coverage on employees is a concern.

As an organization, the City has made significant strides toward improving its competitive place in the labor market over the last several years. The salary tables have increased by substantially since 2011, and the retention pay program that began in December 2018 continues to in effect. Additionally, the City Council elected to pay a onetime compensation pay-out in November of both 2020 and 2021.

Fire Stations and Fire Training Center Construction

In the fall of 2017, a planning effort was undertaken to determine the current state of fire facilities in the City and the future needs of the community. A steering committee and program committee worked together to document the existing conditions of each facility. Stations 2 and 3 were built in 1961 and 1979, respectively. They have outdated technology and living standards and are experiencing decay, such as mold and leaky roofs. There are no facilities for female firefighters at either station, the apparatus bays are too small, and the stations have apparatus sitting outside—a situation that hinders response capability. The facilities do not meet current building, ADA, essential facility, and life safety code requirements. Further, the existing stations have inefficient floor plan layouts and do not support quick ‘turn-out’ times. Response times will be improved with more efficient floor plans and station locations, which will increase public health and safety. In addition, the stations lack a designated area for dirty equipment—a modern necessity that allows for gear to be properly cleaned and limits exposure to carcinogens and other potential health hazards.

Existing Station 2 and existing Station 3 are inadequate for serving the needs of the TFFD and lack the form to fit the function for today's firefighting needs. The deficiencies of the current stations, together with recent population and industry growth, require new facilities to maintain public health and safety.

The City sought a general obligation bond to finance the construction of three new fire stations, renovation of Station 1 for police operations, and an initial investment in a fire training center in May 2019. The total request was \$36 million and narrowly failed to reach the super majority (66.6%) threshold required to pass—garnering the approval of 64% of voters. As a result, the City pursued other financing options to address the needs of the TFFD, including the use of general fund reserves and impact fees and issuing Certificates of Participation to finance the construction of two new fire stations. The construction also includes a regional fire training center, which is being paid for by the Twin Falls Rural Fire Protection District. The construction of these projects has proven challenging given the unpredictable economy, supply chain issues and labor shortages. However, the need to replace these stations continues to be greater than the challenges in completing the projects.

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.

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.

Exploring the Creation of a New Revenue Allocation Area

The Agency Board members looked at the opportunities to make meaningful improvements to the core of Twin Falls after the earliest revenue allocation area closes at the end of 2022. They have identified the ideal geographical boundary for a new Area to promote economic development and elimination of community blight. The Board's vision for the new area included additional downtown housing, hotels, possibly a convention center, continued small development on Main Avenue, commercial and light industrial development in the Historical Warehouse District. Over the course of 2022, Agency staff and expert consultants took the Board's vision and developed a framework for the proposed area, now called Old Towne-2. Final reports and potential creation of the Revenue Allocation Area are on track for 2023.

Creation of the Orchard Drive East Revenue Allocation Area

Following work started in 2021, the Agency concluded work to create a new revenue allocation area southeast of town. An agreement was reached with Summit Creek Development and approximately 78.5 acres will be transformed into a new industrial park comprising several individual buildings, ranging in size from 5,000 square feet to 200,000 square feet. They will serve a variety of different businesses and users. The project will be built out in phases with both build-to-suit products and ready-to-lease products.

Mixed Use Complex and Parking Structure

In September 2022, the Agency Board approved the Disposition and Development Agreement for the 2nd & Hansen Parking Structure and Residential Building, a mixed-use complex being proposed for development by Galena Opportunity Fund. The project will include a mixed-use commercial, retail and/or office space on the main level and residential on the other floors. A parking structure with 325 parking stalls will be constructed, of which 100 spaces will be dedicated to public use in perpetuity. The Agency has agreed to reimburse up to \$2 million to assist with costs of the public parking stalls. Development plans for the project continue to be refined in December 2022, with commencement of the development expected in 2023.

Children's Museum of the Magic Valley

In December 2020, Children's Museum of the Magic Valley (CMMV) submitted a response to the Agency's request for proposals to redevelop an underutilized parking lot, at the corner of 3rd Avenue South and Idaho Street South. They proposed transforming the parking lot into a 15,000 square foot center for hands-on exploration and creativity. The Agency and the Children's Museum entered an exclusive right to negotiate on April 2, 2021. In 2022, CMMV presented their overall funding plan to the Board as part of their continued milestones toward development. While they have not been able to raise the funds as fast as they had hoped, the project is very viable and each month they've reported forward momentum in their fundraising campaign.

160 Main Project – The Main Avenue Lofts

Galena Development Group completed its 160 Main Project, opening the mixed-use building in November 2022. The Agency had partnered on the project by providing land under a competitive process and conveying for not less than the fair value for uses and by providing reimbursement for costs related to completing the demolition of the old, deteriorated retail building that had been vacated by a charitable, second-hand store company.

4-1 Revenue Allocation Area Activities Prior to Termination

Throughout 2022, several projects within the 4-1 Revenue Allocation Area were completed as the area followed the required steps toward the termination on 12/31/22, recognizing the Agency would receive its final year of revenue in 2023.

To support public parking and public space, the Area has transferred multiple properties to the City of Twin Falls. The Agency also transferred Rock Creek Canyon properties, which the City has interest in for water quality improvement projects, in exchange for cancelation of the balance of a 2017 Promissory Note of \$3,000,000.

As it prepares for the new revenue allocation area, the Agency purchased additional real property.

FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2022

	<u>Primary Government</u>			<u>Component Unit- Urban Renewal</u>
	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	
<u>Assets</u>				
Cash and Investments	\$ 66,419,931	\$ 35,526,621	\$ 101,946,552	\$ 5,303,142
Receivables:				
Taxes	480,837	-	480,837	37,482
Fees and Services, net of allowances for uncollectibles	-	3,886,438	3,886,438	-
Intergovernmental	2,696,915	-	2,696,915	1,219
Interest	-	-	-	9,656
Accounts	1,378,950	6,728	1,385,678	-
Internal Balances	-	-	-	-
Prepaid Expenses	-	131,108	131,108	25,000
Inventory	-	919,155	919,155	-
Capital Assets not being Depreciated				
Land	11,309,612	12,825,918	24,135,530	2,913,562
Construction in Progress	17,869,212	2,577,838	20,447,050	-
Capital Assets				
Buildings and Structures	37,142,256	19,037,928	56,180,184	-
Infrastructure	291,764,548	118,394,384	410,158,932	-
Improvements	21,192,025	39,123,806	60,315,831	-
Machinery and Equipment	27,075,117	17,191,170	44,266,287	-
Accumulated Depreciation	(252,328,274)	(68,675,585)	(321,003,859)	-
Pension Asset-FFR Plan	8,668,968	-	8,668,968	-
Total Assets	233,670,097	180,945,509	414,615,606	8,290,061
<u>Deferred Outflows of Resources</u>				
Pension Obligations	12,004,860	1,176,164	13,181,024	-
Total Deferred Outflows of Resources	12,004,860	1,176,164	13,181,024	-
Total Assets and Deferred Outflows of Resources	\$ 245,674,957	\$ 182,121,673	\$ 427,796,630	\$ 8,290,061

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2022

	<u>Primary Government</u>			<u>Component Unit- Urban Renewal</u>
	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	
<u>Liabilities</u>				
Pooled Cash	\$ 1,059,708	\$ -	\$ 1,059,708	\$ 34,724
Accounts Payable	3,199,986	1,216,565	4,416,550	37,039
Accrued Expenses	275,910	-	275,910	-
Accrued Interest	81,329	31,040	112,369	4,666,325
Due to Other Governments	-	-	-	-
Unearned Revenue	8,715,111	-	8,715,111	-
Customer Deposits	2,257,686	145,494	2,403,180	23,916
Noncurrent Liabilities:				
Compensated Absences-Current Portion	1,397,789	153,326	1,551,115	-
Notes Payable Current Portion	140,303	-	140,303	-
Certificates of Participation- Current Portion	225,000	-	225,000	-
Revenue Bond Payable-Current Portion	-	3,115,000	3,115,000	2,400,000
Compensated Absences	959,691	43,700	1,003,391	-
Notes Payable	588,529	-	588,529	-
Certificates of Participation	8,680,713	-	8,680,713	-
Revenue Bond Payable	-	30,815,860	30,815,860	28,797,000
Development & Project Reimbursement Agreements	-	-	-	24,796,821
Pension Liability	20,702,308	2,164,816	22,867,124	-
Total Liabilities	48,284,063	37,685,801	85,969,863	60,755,825
<u>Deferred Inflows of Resources</u>				
Pension Obligations	3,106	28,301	31,407	-
Total Deferred Inflows of Resources	3,106	28,301	31,407	-
<u>Net Position</u>				
Net Investment in Capital Assets	153,295,664	106,544,599	259,840,263	(53,080,259)
Restricted for:				
Debt Service & Redevelopment	-	-	-	3,768,675
Law Enforcement Activities	113,591	-	113,591	-
Benefit of the TFPD	11,826	-	11,826	-
Park Development	921,458	-	921,458	-
Unrestricted	43,045,250	37,862,972	80,908,222	(3,154,180)
Total Net Position	197,387,789	144,407,571	341,795,360	(52,465,764)
Total Liabilities, Deferred Inflows and Net Position	\$ 245,674,957	\$ 182,121,673	\$ 427,796,630	\$ 8,290,061

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit - Urban Renewal
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business- Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 16,129,395	\$ 2,330,365	\$ 6,187,299	\$ 1,460,860	\$ (6,150,871)	\$ -	\$ (6,150,871)	
Fire	6,656,031	599,929	-	-	(6,056,102)	-	(6,056,102)	
Police	13,962,627	1,017,893	-	-	(12,944,734)	-	(12,944,734)	
Engineering/Planning	2,463,218	1,737,319	-	-	(725,899)	-	(725,899)	
Library	2,179,449	67,195	-	-	(2,112,254)	-	(2,112,254)	
Culture and Recreation	3,723,170	620,993	563,277	-	(2,538,900)	-	(2,538,900)	
Highway and Street	5,441,136	1,205,478	5,032,163	-	796,505	-	796,505	
Airport	2,639,863	822,639	408,120	2,881,089	1,471,985	-	1,471,985	
Total Governmental Activities	53,194,889	8,401,811	12,190,859	4,341,949	(28,260,270)	-	(28,260,270)	
Business-Type Activities:								
Water	8,018,753	11,987,296	-	-	-	3,968,543	3,968,543	
Wastewater	9,727,160	11,909,820	43,017	-	-	2,225,677	2,225,677	
Sanitation	3,247,214	3,965,632	-	-	-	718,418	718,418	
Dierkes Lake/Shoshone Falls	220,062	403,108	-	-	-	183,046	183,046	
Common Area Maintenance	56,381	58,281	-	-	-	1,900	1,900	
Total Business-Type Activities	21,269,570	28,324,137	43,017	-	-	7,097,584	7,097,584	
Total Primary Government	\$ 74,464,459	\$ 36,725,948	\$ 12,233,876	\$ 4,341,949	\$ (28,260,270)	\$ 7,097,584	\$ (21,162,686)	
Component Unit:								
Urban Renewal Agency								\$ (3,150,914)

General Revenues:

Taxes:

Property taxes, Levied for General Purposes	25,555,842	\$ -	\$ 25,555,842	\$ -
Property taxes, Levied for Debt Service	-	-	-	7,610,114
Franchise and Public Service Taxes	432,623	-	432,623	-
Interest, Dividends & Changes in Fair Value	(4,444,340)	(2,478,291)	(6,922,631)	38,715
Gain on Sale of Assets or Transfer of Assets	-	(34,813)	(34,813)	2,212,725
Miscellaneous Revenues	893,674	206,221	1,099,895	278,678
Transfers	2,059,969	(2,059,969)	-	-
	24,497,768	(4,366,852)	20,130,916	10,140,232
Change in Net Position	(3,762,502)	2,730,732	(1,031,770)	6,989,318
Net Position - October 1, 2021	201,150,291	141,676,839	342,827,130	(59,455,082)
Net Position - September 30, 2022	\$ 197,387,789	\$ 144,407,571	\$ 341,795,360	\$ (52,465,764)

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO

Fund Balance Sheets
Governmental Funds
September 30, 2022

	<u>General</u>	<u>Street</u>	<u>Airport</u>	<u>Capital Improvement</u>	<u>Airport Construction</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
<u>Assets</u>							
Cash and Investments	\$ 20,662,384	\$ 6,967,965	\$ 4,383,429	\$ 22,242,423	\$ 604,293	\$ 10,977,745	\$ 65,838,239
Receivables (net of allowance)							
Taxes	445,340	12,141	-	17,863	-	1,214	476,558
Intergovernmental	1,373,742	622,288	3,261	436,128	105,139	156,010	2,696,568
Accounts	179,582	381,532	128,769	673,245	10,818	4,913	1,378,859
Total Assets	\$ 22,661,048	\$ 7,983,926	\$ 4,515,459	\$ 23,369,659	\$ 720,250	\$ 11,139,882	\$ 70,390,224
<u>Liabilities</u>							
Pooled Cash	\$ -	\$ -	\$ -	\$ -	\$ 935,687	\$ 124,021	\$ 1,059,708
Accounts Payable	376,649	387,950	19,291	1,909,303	22,963	417,476	3,133,632
Accrued Expenditures	250,791	-	6,135	-	-	18,725	275,651
Customer Deposits Payable	2,257,686	-	-	-	-	-	2,257,686
Total Liabilities	2,885,126	387,950	25,426	1,909,303	958,650	560,222	6,726,677
<u>Deferred Inflows of Resources</u>							
Unavailable Revenues-Property Taxes	349,682	9,598	-	14,063	-	954	374,297
Unavailable Revenues-Other	8,465,111	250,000	-	5,734,987	-	-	14,450,098
Total Deferred Inflows of Resources	8,814,793	259,598	-	5,749,050	-	954	14,824,395
<u>Fund Balances</u>							
Nonspendable Fund Balance	-	-	-	-	-	-	-
Restricted, Expendable for							
Law Enforcement Activities	113,591	-	-	-	-	-	113,591
Restricted for the Benefit for TFPD	11,826	-	-	-	-	-	11,826
Park Development	-	-	-	-	-	921,458	921,458
Committed Fund Balance							
Budgeted Surplus Res.	-	-	365,883	150,000	-	843,875	1,359,758
Impact Fees	-	-	-	-	-	7,137,090	7,137,090
Drug Seizure	-	-	-	-	-	185,999	185,999
Public Art Fund	-	-	-	65,335	-	-	65,335
Assigned Fund Balance							
General Government	10,835,712	-	-	-	-	-	10,835,712
Streets	-	7,336,378	-	-	-	-	7,336,378
Airport	-	-	4,124,150	-	-	-	4,124,150
Street Light	-	-	-	-	-	334,056	334,056
Capital Improvements	-	-	-	15,495,971	-	-	15,495,971
Community Services-Library	-	-	-	-	-	1,133,469	1,133,469
Unassigned Fund Balance	-	-	-	-	(238,400)	22,759	(215,641)
Total Fund Balance	10,961,129	7,336,378	4,490,033	15,711,306	(238,400)	10,578,706	48,839,152
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 22,661,048	\$ 7,983,926	\$ 4,515,459	\$ 23,369,659	\$ 720,250	\$ 11,139,882	\$ 70,390,224

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, 2022

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

Total Governmental Fund Balances	\$	48,839,152
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		153,794,637
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.		6,112,646
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.		732,027
Net pension assets, liabilities and associated deferred items are not available to pay for current period expenditures and therefore are deferred in the funds:		
Deferred outflows of resources		12,004,860
Deferred inflows of resources		(3,106)
Pension liability-base plan		(20,702,308)
Pension asset-FFR plan		8,668,968
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.		
Accrued Interest		(81,329)
Certificates of Participation and Equipment Notes		(9,634,545)
Compensated absences		(2,357,480)
Compensated absences included in the internal service funds		14,267
		14,267
Net Position of Governmental Activities	\$	197,387,789

CITY OF TWIN FALLS, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2022

	<u>General</u>	<u>Street</u>	<u>Airport</u>	<u>Capital Improvement</u>	<u>Airport Construction</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
Revenues							
Property Taxes, Including Interest	\$ 21,928,967	\$ 422,305	\$ 407,280	\$ 783,031	\$ -	\$ 1,958,844	\$ 25,500,427
Other Taxes	451,916	-	-	-	-	432,623	884,539
Special Assessments, Including Interest	-	-	-	-	-	148,034	148,034
Fines and Forfeitures	19,315	-	-	-	-	34,866	54,181
Licenses and Permits	1,580,313	-	-	-	-	-	1,580,313
Fees and Services	1,545,660	-	706,691	-	64,636	2,015,638	4,332,625
Intergovernmental	4,473,163	5,032,163	408,120	1,588,349	-	563,277	12,065,072
Federal Grants	118,556	-	1,131,937	1,384,829	1,749,152	76,031	4,460,505
Interest, Dividends & Changes in Fair Value	(1,669,697)	(672,391)	(267,753)	(1,051,431)	1,099	(769,252)	(4,429,425)
Farm Income	-	-	49,613	-	-	-	49,613
Miscellaneous	1,191,370	1,208,643	90,142	7,460	-	81,280	2,578,895
Total Revenue	<u>29,639,563</u>	<u>5,990,720</u>	<u>2,526,030</u>	<u>2,712,238</u>	<u>1,814,887</u>	<u>4,541,341</u>	<u>47,224,779</u>
Expenditures							
Current							
General Government	5,884,573	-	-	304,844	-	-	6,189,417
Public Safety	19,457,228	-	-	5,080,813	-	80,667	24,618,708
Engineering	1,450,042	-	-	-	-	-	1,450,042
Community Development	847,639	-	-	-	-	20,100	867,739
Culture and Recreation	2,444,058	-	-	533,614	-	2,643,361	5,621,033
Highway and Streets	-	3,239,392	-	-	-	406,648	3,646,040
Airport	-	-	1,705,520	-	1,665,492	78	3,371,090
Debt Issuance Costs	-	-	-	184,321	-	-	184,321
Capital Outlay	-	1,639,585	-	354,168	-	665,660	2,659,413
Total Expenditures	<u>30,083,540</u>	<u>4,878,977</u>	<u>1,705,520</u>	<u>6,457,760</u>	<u>1,665,492</u>	<u>3,816,514</u>	<u>48,607,803</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(443,977)	1,111,743	820,510	(3,745,522)	149,395	724,827	(1,383,024)
Other Financing Sources and (Uses)							
Transfers In	2,496,773	520,911	5,812	3,000,000	-	12,500	6,035,996
Transfers Out	(3,018,313)	(341,277)	(405,274)	(501,223)	-	(91,391)	(4,357,478)
Issuance of Debt	-	-	-	3,174,736	-	-	3,174,736
Total Other Financing Sources and (Uses)	<u>(521,540)</u>	<u>179,634</u>	<u>(399,462)</u>	<u>5,673,513</u>	<u>-</u>	<u>(78,891)</u>	<u>4,853,254</u>
Net Change in Fund Balance	(965,517)	1,291,377	421,048	1,927,991	149,395	645,936	3,470,230
Fund Balance October 1, 2021	<u>11,926,646</u>	<u>6,045,001</u>	<u>4,068,985</u>	<u>13,783,315</u>	<u>(387,795)</u>	<u>9,932,770</u>	<u>45,368,922</u>
Fund Balance September 30, 2022	<u>\$ 10,961,129</u>	<u>\$ 7,336,378</u>	<u>\$ 4,490,033</u>	<u>\$ 15,711,306</u>	<u>\$ (238,400)</u>	<u>\$ 10,578,706</u>	<u>\$ 48,839,152</u>

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, 2022

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, 2022

Net Change in Fund Balances - Total Government Funds	\$	3,470,230
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>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</p>		
Expenditures for capital assets	11,714,918	
Less current year depreciation	<u>(9,837,888)</u>	1,877,030
<p>In, the statement of activities, the gain (loss) on the sale of the equipment is reported, whereas in the governmental funds, the proceeds from sales increase financial resources. thus, the change in net position differs from the change in fund balance by the net book value of the equipment sold.</p>		
		(54,343)
<p>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.</p>		
Compensated Absences		11,207
<p>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.</p>		
		(133,857)
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Certificates of Participation and Notes Payable issued		(6,899,555)
<p>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.</p>		
		(1,998,172)
<p>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.</p>		
		<u>(35,042)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(3,762,502)</u></u>

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO

Statement of Net Position

Proprietary Funds

September 30, 2022

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business-Type	Total	
Assets						
Current Assets						
Cash and Investments	\$ 13,669,094	\$ 19,251,072	\$ 838,540	\$ 1,767,915	\$ 35,526,621	\$ 581,690
Receivables, net of allowance for uncollectibles						
Taxes	-	-	-	-	-	4,279
Fees and Services	1,445,650	1,987,201	443,025	10,562	3,886,438	-
Intergovernmental	-	-	-	-	-	347
Accounts	3,837	-	-	2,891	6,728	91
Inventories	919,155	-	-	-	919,155	-
Total Current Assets	16,037,736	21,238,273	1,281,565	1,781,368	40,338,942	586,407
Noncurrent Assets						
Prepaid Asset	-	131,108	-	-	131,108	-
Capital Assets (Net of Accum. Depreciation)	53,753,727	85,585,200	-	1,136,532	140,475,459	229,859
Total Noncurrent Assets	53,753,727	85,716,308	-	1,136,532	140,606,567	229,859
Total Assets	69,791,463	106,954,581	1,281,565	2,917,900	180,945,509	816,266
Deferred Outflows of Resources						
Pension Obligations	901,607	274,557	-	-	1,176,164	-
Total Deferred Outflows of Resources	901,607	274,557	-	-	1,176,164	-
Total Assets and Deferred Outflows of Resources	\$ 70,693,070	\$ 107,229,138	\$ 1,281,565	\$ 2,917,900	\$ 182,121,673	\$ 816,266
Liabilities and Net Position						
Current Liabilities:						
Accounts Payable	557,349	318,858	279,799	60,559	1,216,565	66,354
Accrued Interest	3,226	27,814	-	-	31,040	259
Unavailable Revenue	-	-	-	-	-	3,362
Customer Deposits Payable	144,894	150	450	-	145,494	-
Revenue Bonds Payable - Current	765,000	2,350,000	-	-	3,115,000	-
Compensated Absences	122,048	31,278	-	-	153,326	11,927
Total Current Liabilities	1,592,517	2,728,100	280,249	60,559	4,661,425	81,902
NonCurrent Liabilities:						
Revenue Bonds Payable (Net of Discounts)	959,200	29,856,660	-	-	30,815,860	-
Compensated Absences	32,794	10,906	-	-	43,700	2,337
Pension Liability	1,621,816	543,000	-	-	2,164,816	-
Total Non-current Liabilities	2,613,810	30,410,566	-	-	33,024,376	2,337
Total Liabilities	4,206,327	33,138,666	280,249	60,559	37,685,801	84,239
Deferred Inflows of Resources						
Pension Obligations	65,545	(37,244)	-	-	28,301	-
Total Deferred Inflows of Resources	65,545	(37,244)	-	-	28,301	-
Net Position						
Net Investment In Capital Assets	52,029,527	53,378,540	-	1,136,532	106,544,599	229,859
Restricted	-	-	-	-	-	-
Unrestricted	14,391,671	20,749,176	1,001,316	1,720,809	37,862,972	502,168
Total Net Position	66,421,198	74,127,716	1,001,316	2,857,341	144,407,571	732,027
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 70,693,070	\$ 107,229,138	\$ 1,281,565	\$ 2,917,900	\$ 182,121,673	\$ 816,266

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, 2022

	Business-Type Activities				Total	Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business- Type		
Operating Revenues:						
Charges for Services	\$ 11,809,705	\$ 11,695,412	\$ 3,965,632	\$ 461,389	\$ 27,932,138	\$ 450,753
Taps, Connection and Other Fees	177,590	-	-	-	177,590	-
Special Assessments, Including Interest	-	-	-	-	-	214,145
Miscellaneous	65,043	132,559	2,004	5,290	204,896	-
Total Operating Revenues	<u>12,052,338</u>	<u>11,827,971</u>	<u>3,967,636</u>	<u>466,679</u>	<u>28,314,624</u>	<u>664,898</u>
Operating Expenses:						
Contracted Services	236,814	3,585,790	2,357,990	134,488	6,315,082	8,936
Personnel Expenses	2,677,961	902,206	-	27,486	3,607,653	458,360
Depreciation and Amortization	1,909,192	3,446,599	-	58,178	5,413,969	16,403
Utilities	1,105,556	3,850	-	6,284	1,115,690	9,293
Landfill Expenses	-	-	812,665	-	812,665	-
Supplies	748,203	62,569	-	3,478	814,250	35,957
Insurance	-	-	-	-	-	519,797
Repairs and Maintenance	172,607	34,035	-	13,383	220,025	23,348
Vehicle Expenses	185,581	61,262	-	2,709	249,552	2,316
Small Equipment	394,527	331,763	-	21,580	747,870	75,144
Studies and Projects	30,078	-	55,891	-	85,969	-
Rental Expense	151,404	-	-	-	151,404	-
Miscellaneous Expense	176,985	51,865	20,668	8,857	258,375	14,877
Testing and Monitoring	94,674	-	-	-	94,674	-
Travel and Meetings	4,359	2,611	-	-	6,970	860
Total Operating Expenses	<u>7,887,941</u>	<u>8,482,550</u>	<u>3,247,214</u>	<u>276,443</u>	<u>19,894,148</u>	<u>1,165,291</u>
Operating Income (Loss)	4,164,397	3,345,421	720,422	190,236	8,420,476	(500,393)
Non-Operating Revenues (Expenses):						
Development Fees	-	214,408	-	-	214,408	-
Interest, Dividends & Changes in Market Value	(956,398)	(1,338,351)	(61,405)	(122,137)	(2,478,291)	(14,914)
Rent and Royalties	1,326	-	-	-	1,326	-
Federal Grants	-	43,017	-	-	43,017	-
Gain (Loss) on Sale or Transfer of Assets	(775)	550	-	(34,588)	(34,813)	-
Interest Expense	(130,812)	(1,244,610)	-	-	(1,375,422)	-
Total Non-Operating Revenues (Exp.)	<u>(1,086,659)</u>	<u>(2,324,986)</u>	<u>(61,405)</u>	<u>(156,725)</u>	<u>(3,629,775)</u>	<u>(14,914)</u>
Income (Loss) Before Interfund Transfers	3,077,738	1,020,435	659,017	33,511	4,790,701	(515,307)
Interfund Transfers						
Transfers In	675,699	-	-	83,373	759,072	444,920
Transfers Out	(1,292,864)	(981,873)	(530,183)	(14,120)	(2,819,040)	(63,470)
Net Transfers	<u>(617,165)</u>	<u>(981,873)</u>	<u>(530,183)</u>	<u>69,253</u>	<u>(2,059,968)</u>	<u>381,450</u>
Net Income (Loss)	2,460,573	38,562	128,834	102,764	2,730,733	(133,857)
Total Net Position, October 1, 2021	<u>63,960,625</u>	<u>74,089,154</u>	<u>872,482</u>	<u>2,754,577</u>	<u>141,676,838</u>	<u>865,884</u>
Total Net Position, September 30, 2022	<u>\$ 66,421,198</u>	<u>\$ 74,127,716</u>	<u>\$ 1,001,316</u>	<u>\$ 2,857,341</u>	<u>\$ 144,407,571</u>	<u>\$ 732,027</u>

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Business-Type Activities				Total	Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business- Type		
Cash Flows from Operating Activities						
Receipts from Customers	\$ 11,817,291	\$ 11,033,076	\$ 3,908,001	\$ 458,590	\$ 27,216,958	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	-	460,753
Property Taxes, Including Interest	-	-	-	-	-	245,913
Payments to Suppliers	(3,525,522)	(4,141,691)	(3,226,210)	(165,221)	(11,058,644)	(639,607)
Payments to Employees	(2,443,725)	(826,261)	-	(27,486)	(3,297,472)	(458,181)
Other Receipts	65,043	132,559	2,004	5,290	204,896	-
Net Cash Provided (Used) by Operating Activities	<u>5,913,087</u>	<u>6,197,683</u>	<u>683,795</u>	<u>271,173</u>	<u>13,065,738</u>	<u>(391,122)</u>
Cash Flows from Non-Capital Financing Activities						
Interfund Transfers to Other Funds	(1,292,864)	(981,873)	(530,183)	(14,120)	(2,819,040)	(63,470)
Receipts from (Advances) to Other Funds	675,699	-	-	83,373	759,072	444,920
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(617,165)</u>	<u>(981,873)</u>	<u>(530,183)</u>	<u>69,253</u>	<u>(2,059,968)</u>	<u>381,450</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of Capital Assets	(747,248)	(116,854)	-	73,858	(790,244)	-
Construction in Progress	(178,849)	(1,746,968)	-	(157,231)	(2,083,048)	-
(Gain) Loss on Disposals, Transfers of Capital Assets	975	-	-	-	975	(10,000)
Principal Paid on Capital Debt	(1,085,000)	(2,235,000)	-	-	(3,320,000)	-
Interest Paid on Capital Debt	(128,878)	(1,247,281)	-	-	(1,376,159)	-
Development Fees	-	214,408	-	-	214,408	-
Rents and Royalties	1,326	-	-	-	1,326	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,137,674)</u>	<u>(5,088,678)</u>	<u>-</u>	<u>(83,373)</u>	<u>(7,309,725)</u>	<u>(10,000)</u>
Cash Flows from Investing Activities						
(Purchase) or Sale of Securities	(1,209,272)	(2,107,550)	(69,804)	650,974	(2,735,652)	(23,883)
Interest, Dividends & Changes in Fair Value	(956,398)	(1,338,351)	(61,405)	(122,137)	(2,478,291)	(14,914)
Net Cash Provided (Used) by Investing Activities	<u>(2,165,670)</u>	<u>(3,445,901)</u>	<u>(131,209)</u>	<u>528,837</u>	<u>(5,213,943)</u>	<u>(38,797)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	992,578	(3,318,769)	22,403	785,890	(1,517,898)	(58,469)
Balances - Beginning of the Year	<u>130,666</u>	<u>704,616</u>	<u>91,942</u>	<u>188,124</u>	<u>1,115,348</u>	<u>392,379</u>
Balances - End of the Year	<u>\$ 1,123,244</u>	<u>\$ (2,614,153)</u>	<u>\$ 114,345</u>	<u>\$ 974,014</u>	<u>\$ (402,550)</u>	<u>\$ 333,910</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 4,164,397	\$ 3,345,421	\$ 720,422	\$ 190,236	\$ 8,420,476	\$ (500,393)
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	2,027,415	3,641,505	-	58,178	5,727,098	16,403
Amortization	(118,223)	(194,906)	-	-	(313,129)	-
Gain or Loss on Disposal of Assets	(775)	550	-	-	(225)	-
Change in Assets and Liabilities:						
Receivables, Net	(184,232)	(683,205)	(57,706)	(2,799)	(927,942)	42,253
Prepaid Expenses	-	11,919	-	-	11,919	-
Inventories	72,775	-	-	-	72,775	-
Due From Other Funds	-	20,794	-	-	20,794	-
Unavailable Revenue	-	-	-	-	-	(485)
DOF or Resources-Pension Obligations	(406,494)	(135,689)	-	-	(542,183)	-
Accounts Payable	(296,734)	(20,415)	21,004	25,558	(270,587)	50,921
Customer Deposits	14,228	75	75	-	14,378	-
Compensated Absences	31,480	8,265	-	-	39,745	179
Pension Asset or Liability	1,652,457	551,594	-	-	2,204,051	-
DIF or Resources-Pension Obligations	(1,043,207)	(348,225)	-	-	(1,391,432)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,913,087</u>	<u>\$ 6,197,683</u>	<u>\$ 683,795</u>	<u>\$ 271,173</u>	<u>\$ 13,065,738</u>	<u>\$ (391,122)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds						
Cash and Investments-Statement of Net Position	\$ 13,669,094	\$ 19,251,072	\$ 838,540	\$ 1,767,915	\$ 35,526,621	\$ 581,690
Less: Investments	(12,545,850)	(21,865,225)	(724,195)	(793,901)	(35,929,171)	(247,780)
Cash and Cash Equivalents	<u>\$ 1,123,244</u>	<u>\$ (2,614,153)</u>	<u>\$ 114,345</u>	<u>\$ 974,014</u>	<u>\$ (402,550)</u>	<u>\$ 333,910</u>

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

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 relationship with the Library is such that the City Council, the governing body of the City of Twin Falls, is also the definitive and final governing body of the Library and there exists a financial benefit and burden between the City and the Library. As such the activity of the Library is presented with the City's.

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.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Government-Wide Financial Statements

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

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

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

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

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

Fund Financial Statements

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

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

Fund Accounting

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

Governmental Funds

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

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 and franchise fees collected by the City's electrical utility provider.

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 **Capital 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. In the current year, the City does not have any Fiduciary Funds.

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. The City of Twin Falls uses internal service funds to account for the management of its retained risks and insurance and for its fleet of vehicles and heavy equipment.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 INFLOW/OUTFLOW OF RESOURCES, AND NET POSITION OR EQUITY

Cash, Cash Equivalents, 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 to invest in certain revenue bonds, general obligation bonds, local improvement district bonds, registered warrants of state and local governmental entities, time deposit accounts, tax anticipation and interest-bearing notes, bonds, treasury bills, debentures or other similar obligations of the United States Government and the Farm Credit System 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 value, as determined by quoted market prices, except for certificates of deposits, which are non-participating contracts, and are therefore carried at amortized cost. Idaho Code provided authorization for the investment of funds as well as to what constitutes an allowable investment. The City policy allows for investment of idle funds consistent with the Idaho State Code 67-1210 and 67-1210A.

The City is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP). The LGIP 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 State Treasurer does not provide any legally binding guarantees to support the value of the shares to participants. The LGIP is not rated by a nationally recognized statistical rating organization.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

Fees and Services receivable are amounts owed to the City for customer services and are due from area residents and businesses and relate to water, sewer and trash services provided by the City. The receivable is reported net of an allowance for uncollectible accounts. An allowance is reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts was \$8,336 as of September 30, 2022.

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 fund 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 valued at their acquisition value. In the event that donated capital assets are received under a service concession agreement those assets would be recorded at acquisition value. The City generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund 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

As of September 30, 2022, no capital assets were considered to be impaired, and no impairment loss was recognized for the year that ended September 30, 2022.

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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City's deferred outflow of resources are its pension obligations. The pension obligations are the difference between the expected and actual experience of the pension plan, the difference between projected and actual investment earnings, the changes in assumptions, the change in the City's proportionate share of the City's pension liability, and the contributions subsequent to the measurement date of the City's 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 assets 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 deferred pension obligation and unavailable revenue. The employer deferred pension obligation results from the 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 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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

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 these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

Debt Premiums, Discounts and Issuance Costs

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

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

Fund Equity

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

Governmental Fund Balances

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

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

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

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action by the City's highest level of decision-making authority, the City Council. Formal actions taken by the City Council that are recognized as committed funds are City Ordinances. Ordinances are enacted by a majority vote of Council Members. Idaho State statutes sometimes restrict or dictate the allowable content of City Ordinances as well as the process to establish, modify, or rescind a City Ordinance.

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 fund.

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.

It is the policy of the City that expenditures, for which more than one category of fund balance could be used, will be expended in the following categorical order: restricted, committed, assigned, and unassigned.

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).

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-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.

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.

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 personnel request and capital items, five years into the future.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

3. DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents

A reconciliation of cash and cash equivalents on September 30, 2022 is as follows:

Reconciled Bank Accounts	\$ 3,541,711
State Investment Pool	3,795,518
Savings & Certificates	248,655
Money Market Mutual Funds	8,800,191
Library Operating Fund	56,036
Petty Cash	2,440
Total Cash	<u>\$ 16,444,551</u>

Cash and Investment Reconciliation
to the Statement of Net Position

Cash as Stated Above	\$ 16,444,551
Investments	85,502,001
Pooled Cash Deficit	(1,059,708)
Cash and Investments	<u>\$ 100,886,844</u>

On September 30, 2022, the Urban Renewal Agency's reconciliation of cash and cash equivalents is as follows:

Cash in Bank	\$ 18,976
State Investment Pool	2,254,992
Money Market Fund	2,994,450
Total	<u>\$ 5,268,418</u>

The City's and the Agency's reconciled bank balances are covered by \$500,000 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 on September 30, 2022.

US Government and Agency Obligations	\$ 1,927,049
Mortgage/Asset Backed Securities	79,438,807
Corporate Obligations	4,136,145
Total	<u>\$ 85,502,001</u>

All investments are guaranteed by the U.S. Government except for the corporate obligations. All investments were held in trust for the City in the Agents name. The City or Agency has no investments in foreign currency and no exposure to foreign currency risk.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

3. DEPOSITS AND INVESTMENTS-Continued

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. The risk can be managed using a calculation called duration that uses various inputs such as yield and years until maturity to estimate interest rate risk. Generally, the higher the duration number, the higher the risk. The City manages exposure to interest rate risk by purchasing a combination of long and short-term investments. Information about the exposure of the City's debt type investments to this risk, using the segmented time distribution model is as follows:

Investment	Investment Maturities (in years)				
	Fair Value	Less than 1 year	1-5 Years	6-10 Years	Over 10 Years
US Government and Agency Obligations					
Small Business Admin GTD	\$ 1,475,694	\$ -	\$ -	\$ 177,230	\$ 1,298,464
Federal Home Loan Banks	451,355	-	451,355	-	-
	-	-	-	-	-
Mortgage/Asset Backed Securities					
Federal Home Loan Mortgage Corporation	1,238,382	-	181,429	553,905	503,048
FHLMC Multiclass Mtg Partn CTFS	33,115,623	-	6,268,237	9,596,953	17,250,433
FNMA GTD MTG Pass thru CTFS Pool	6,617,203	317,395	5,035,600	1,264,208	-
FNMA GTD REMIC PASS THRU	135,174	-	87,221	47,953	-
FNMA GTD REMIC PASS THRU	27,278,480	1,783	1,293,572	6,800,001	19,183,124
FNMA STRIPPED MTG BACKED SECURITIES	181,780	-	-	-	181,780
FHLMC MultiFamily Structured	-	-	-	-	-
FHLMC GNMA	-	-	-	-	-
FRESB MultiFamily Mortgage	281,341	-	281,341	-	-
GNMA GTD MTG PASS THRU CTFS POOL	19,688	29	17,787	1,872	-
GNMA GTD Multifamily remic pass thru	2,787,071	-	-	104,842	2,682,229
GNMA GTD REMIC PASS THRU SECS	6,312,355	-	562,997	414,913	5,334,445
GNMA II GTD MTG PASS THRU CTFS POOL	254,628	-	220,935	8,104	25,589
Small Business Admin GTD DEV PARTN	296,925	-	112,333	-	184,592
Small Business Admin GTD PARTN CTFS	920,157	-	7,719	383,526	528,912
Corporate Obligations	4,136,145	994,340	2,694,640	447,165	-
	<u>\$ 85,502,001</u>	<u>\$ 1,313,547</u>	<u>\$ 17,215,166</u>	<u>\$ 19,800,672</u>	<u>\$ 47,172,616</u>

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

3. DEPOSITS AND INVESTMENTS-Continued

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	S & P Rating
US Government and Agency Obligations		
Small Business Admin GTD	\$ 1,475,694	Unrated
Federal Home Loan Banks	451,355	AA+
Mortgage/Asset Backed Securities		
Federal Home Loan Mortgage Corporation	1,238,382	Unrated
FHLMC Multiclass Mtg Partn CTFS	33,115,623	Unrated
FNMA GTD MTG Pass thru CTFS Pool	6,617,203	Unrated
FNMA GTD REMIC PASS THRU	135,174	Unrated
FNMA GTD REMIC PASS THRU	27,278,480	Unrated
FNMA STRIPPED MTG BACKED SECURITIES	181,780	Unrated
FRESB MultiFamily Mortgage	281,341	Unrated
GNMA GTD MTG PASS THRU CTFS POOL	19,688	Unrated
GNMA GTD Multifamily remic pass thru	2,787,071	Unrated
GNMA GTD REMIC PASS THRU SECS	6,312,355	Unrated
GNMA II GTD MTG PASS THRU CTFS POOL	254,628	Unrated
Small Business Admin GTD DEV PARTN	296,925	Unrated
Small Business Admin GTD PARTN CTFS	920,157	Unrated
Corporate Obligations	494,140	A
Corporate Obligations	2,754,725	A-
Corporate Obligations	887,280	BBB+
	<u>\$ 85,502,001</u>	

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

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. The following groups of investments did exceed 5%.

	Reported	
	Amount	Percentage
Mortgage/Asset Backed Securities		
FHLMC Multiclass Mtg Partn CTFS	33,115,623	38.73%
FNMA GTD MTG Pass thru CTFS Pool	6,617,203	7.74%
FNMA GTD REMIC PASS THRU	27,278,480	31.90%
GNMA GTD REMIC PASS THRU SECS	6,312,355	7.38%

Fair Value

Investments are measured at fair value 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 on September 30, 2022:

Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
US Government and Agency Obligations	\$ 1,927,049	\$ -	\$ 1,927,049	\$ -
Mortgage/Asset Backed Securities	79,438,807	-	79,438,807	-
Corporate Bonds	4,136,145	-	4,136,145	-
Total	\$ 85,502,001	\$ -	\$ 85,502,001	\$ -

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

3. DEPOSITS AND INVESTMENTS-Continued

Level 2 inputs for the investments are based on a matrix pricing model. Investments valued using the net asset value (NAV) per share generally do not have readily obtainable fair values and are instead valued based on the City’s pro-rata share of the pool’s net position. The City values these investments based on the information provided by the State of Idaho Treasurer’s Office. The following table presents the unfunded commitments, redemption frequency and the redemption notice period for the City’s investments measured at NAV:

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Local Government Investment Pool	\$ 3,795,518	None	Daily	1-3 days

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, 2022, are considered to be deferred revenue.

Taxes receivable and deferred revenue on September 30, 2022, consist of the following for the City:

Fund	Taxes Receivable	Unavailable Revenue
General	\$ 445,340	\$ 349,682
Street	12,141	9,598
Street Lighting	1,214	954
Capital Improvement	17,863	14,063
Insurance	4,279	3,362
Total	<u>\$ 480,837</u>	<u>\$ 377,659</u>

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

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

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

Property Taxes	\$ 377,659
Unearned Grant Revenues	8,715,111
Unearned Revenues-Other	<u>5,734,987</u>
Total	<u>\$14,827,757</u>

Urban Renewal Agency taxes receivable and unavailable revenue on September 30, 2022 consist of 2021 property tax revenue to be collected after November 30, 2022.

Amounts due from other governments on September 30, 2022 are presented as follows for the City:

Fund	Federal	State	County	Local	Total
General	\$ 27,467	\$ 1,170,157	\$ 49,583	\$ 126,535	\$ 1,373,742
Street	-	619,136	3,152	-	622,288
Street Lighting	-	-	95	-	95
Library	-	-	1,752	-	1,752
Airport	2,887	-	374	-	3,261
Capital Improvement	-	434,713	1,415	-	436,128
Insurance	-	-	347	-	347
Fireworks	-	2,653	-	-	2,653
Pool	-	151,510	-	-	151,510
Airport Construction	<u>105,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,139</u>
Total Fund and Government-wide Financial Statements	<u>\$ 135,493</u>	<u>\$ 2,378,169</u>	<u>\$ 56,718</u>	<u>\$ 126,535</u>	<u>\$ 2,696,915</u>

Urban Renewal Agency receivable from other governments consists of property taxes collected by the County prior to December 1, 2022.

5. CAPITAL ASSETS

Changes in capital assets for the City for the year ended September 30, 2022, are as follows:

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Government-wide Assets:					
Capital Assets, not Being Depreciated					
Land	\$ 8,309,612	\$ 3,000,000	\$ -	\$ -	\$ 11,309,612
Construction in Progress	13,651,286	7,023,658	(38,141)	(2,767,591)	17,869,212
Total Capital Assets, not Being Depreciated	21,960,898	10,023,658	(38,141)	(2,767,591)	29,178,824
Capital Assets Being Depreciated					
Buildings and Structures	37,142,256	-	-	-	37,142,256
Infrastructure	289,233,230	-	-	2,531,318	291,764,548
Improvements	20,749,664	206,088	-	236,273	21,192,025
Machinery and Equipment	26,463,869	1,485,172	(877,711)	3,787	27,075,117
Total Capital Assets Being Depreciated	373,589,019	1,691,260	(877,711)	2,771,378	377,173,946
Less Accum. Deprec. For Govt. Wide					
Buildings and Structures	11,883,229	1,071,846	-	-	12,955,075
Infrastructure	201,381,179	5,976,504	-	-	207,357,683
Improvements	14,580,613	738,861	-	-	15,319,474
Machinery and Equipment	15,496,685	2,067,079	(871,509)	3,787	16,696,042
Total Accum. Deprec.	243,341,706	9,854,290	(871,509)	3,787	252,328,274
Governmental Activities Capital Assets, net	\$ 152,208,211	\$ 1,860,628	\$ (44,343)	\$ -	\$ 154,024,496
Business Type Activity Assets:					
Capital Assets, not Being Depreciated					
Land	\$ 12,825,918	\$ -	\$ -	\$ -	\$ 12,825,918
Construction in Progress	712,735	2,009,190	(34,588)	(109,499)	2,577,838
Total Capital Assets, not Being Depreciated	13,538,653	2,009,190	(34,588)	(109,499)	15,403,756
Capital Assets Being Depreciated					
Buildings and Structures	19,037,928	-	-	-	19,037,928
Infrastructure	118,104,143	-	-	290,241	118,394,384
Improvements	39,099,617	204,931	-	(180,742)	39,123,806
Machinery and Equipment	16,735,016	659,171	(203,017)	-	17,191,170
Total Capital Assets Being Depreciated	192,976,704	864,102	(203,017)	109,499	193,747,288
Less Accum. Deprec. For Business Type Activities					
Buildings and Structures	15,416,066	420,103	(202,042)	-	15,634,127
Infrastructure	19,202,619	3,622,035	-	-	22,824,654
Improvements	19,315,923	762,486	-	-	20,078,409
Machinery and Equipment	9,215,920	922,475	-	-	10,138,395
Total Accum. Deprec.	63,150,528	5,727,099	(202,042)	-	68,675,585
Business-type Activities Capital Assets, net	\$ 143,364,829	\$ (2,853,807)	\$ (35,563)	\$ -	\$ 140,475,459

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

5. CAPITAL ASSETS - Continued

Changes in capital assets for the Urban Renewal Agency for the year ended September 30, 2022, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government-wide Assets:				
Capital Assets, not Being Depreciated				
Land and Buildings	\$ 3,150,167	\$ 550,670	\$ (787,275)	\$ 2,913,562
Total Capital Assets, not Being Depreciated	\$ 3,150,167	\$ 550,670	\$ (787,275)	\$ 2,913,562

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

General Government	\$ 7,206,549
Fire	400,620
Police	392,863
Library	86,903
Culture and Recreation	269,333
Highway and Streets	526,523
Airport	899,882
Pool	55,214
	9,837,887
Depreciation on Capital Assets held by the City's Internal Service Fund	16,403
Total Depreciation Expense-Governmental Activities	\$ 9,854,290

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 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. Issuance costs are recognized in the period the bonds are issued.

In the fund financial statements, government fund types recognize long-term obligations as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources are reported as a liability of a governmental fund. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

6. LONG-TERM LIABILITIES-Continued

The City Council determined that the best interests of the community were served with the replacement of two fire stations. One of the fire stations is being financed with general fund reserves. The other is being financed through a lease agreement with Zions Bancorporation, National Association (Zions). Under the terms of the agreement, the City is leasing the fire facility to Zions and Zions is leasing the facility back, with no actual payment due. Zions is providing the financing for construction of the fire station through certificates of participation in the amount of \$8,405,000. Lease payments, under the agreement, are appropriated annually. The lease would end if a payment were not funded. However, it is the intent of the City to fill all terms of the agreement. The lease agreement is being represented as a financing arrangement for the fire station costs. During construction, costs are being inventoried as Construction in Process.

In addition to the lease agreement for the construction and use of the fire station above. The City also agreed with Zions for the lease of a fire pumper truck for \$728,832. The lease term is for five years. Each year's funding needs to be appropriated, or the lease ends. The City again intends to meet all requirements of the lease agreement and is presenting the lease as a financing arrangement, with interest accruing at 1.91%.

The City's revenue bonds are with the Idaho Bond Bank Authority. The Authority is a state level entity which lends money to local governments within the state, with the goal of providing funds for their infrastructure needs and access to the capital markets at competitive interest rates. That lending is then pooled and placed with public investors. The Authority is currently rated "Aa1" by Moody's. The rating is based on a pledge of the State of Idaho's sales tax revenues to the repayment of any bonds the Authority has, and reflects the solid, statewide economic base for tax collections.

The City has pledged its water and wastewater revenues to repayment of the bonds with the Authority. If pledged revenues (net of expenditures) during the year are less than 125 percent of required debt service coverage due the following year, then the City is required to increase utility rates or reduce expenses to meet the required level.

Additionally, the bonds between the City and the Authority contain a provision that in the event of a payment default, the State can intercept intergovernmental sales tax revenues, property tax revenues, liquor tax money, or any other source of operating money disbursed by the State to the City.

The City is in compliance with all bond covenants, including continuing reporting disclosures.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

6. LONG-TERM LIABILITIES-Continued

	Beginning Balance	Additions	Principal Payments	Amort.	Ending Balance
Governmental Activities:					
Annual Appropriation Certificates of Participation, Series 2022	\$ -	\$ 8,905,713	\$ -	\$ -	\$ 8,905,713
Zions Bancorporation	-	728,832	-	-	728,832
Total	\$ -	\$ 9,634,545	\$ -	\$ -	\$ 9,634,545
Business-type Activities:					
Idaho Bond Bank Authority, Water Bonds	\$ 2,531,298		\$ (730,000)	\$ (77,100)	\$ 1,724,198
Idaho Bond Bank Authority, Parity Lien Revenue Refunding Bonds, Series XXXXX	396,126		(355,000)	(41,126)	-
Idaho Bond Bank Authority, Parity Lien Sewer Revenue Bond, Series 2012B	529,492		(475,000)	(54,492)	-
Idaho Bond Bank Authority, Parity Lien Revenue	3,717,897		(540,000)	(35,483)	3,142,414
Idaho Bond Bank Authority, Revenue Bonds	30,389,176		(1,220,000)	(104,928)	29,064,248
Total	\$ 37,563,989	\$ -	\$ (3,320,000)	\$ (313,129)	\$ 33,930,860

Following are obligations the City

Governmental Activities

Annual Appropriation Certificates of Participation, Series 2022

Payable in semi-annual installments over 20 years with interest rates that varies from 4 to 5%

\$ 8,405,000

Plus: Unamortized Premium

500,713

Total

\$ 8,905,713

Zions Bancorporation

Payable in annual installments over 5 years with interest rates of 1.91%

728,832

Total

\$ 9,634,545

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

6. LONG-TERM LIABILITIES-Continued

Business-Type Activities - Revenue Obligations

Following are obligations 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%

\$ 1,570,000

Plus: Unamortized Premium

154,198

Total

\$ 1,724,198

Idaho Bond Bank Authority, Parity Lien

Sewer Revenue Refunding Bond, Series 2012B

Payable in semi-annual installments over 15

years with interest rates that varies from 2 to 5%

2,965,000

Plus: Unamortized Premium

177,414

Total

3,142,414

Idaho Bond Bank Authority, Revenue Bonds,

Series 2014

Payable in semi-annual installments over 15

years with interest rates that varies from 2 to 5%

27,910,000

Plus: Unamortized Premium

1,154,248

Total

29,064,248

Total

\$ 33,930,860

The Debt service requirements to maturity are as follows:

September 30,	Governmental Activities:			Business-type Activities:		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 365,304	\$ 436,796	\$ 802,100	\$ 3,115,000	\$ 1,214,032	\$ 4,329,032
2024	412,983	391,341	804,324	3,255,000	1,074,526	4,329,526
2025	430,714	375,110	805,824	2,520,000	965,125	3,485,125
2026	443,497	358,077	801,574	2,590,000	893,987	3,483,987
2027	461,334	340,490	801,824	2,670,000	814,350	3,484,350
2028-2032	1,815,000	1,437,750	3,252,750	14,945,000	2,463,750	17,408,750
2033-2037	2,315,000	936,500	3,251,500	3,350,000	134,000	3,484,000
2038-2042	2,890,000	355,800	3,245,800	-	-	-
Total	\$ 9,133,832	\$ 4,631,864	\$ 13,765,696	\$ 32,445,000	\$ 7,559,770	\$ 40,004,770

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

6. LONG-TERM LIABILITIES-Continued

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 on September 30, 2022 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%. \$ 10,315,000

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. The bonds bear interest at 4.502%. Repayment of the bonds is guaranteed by Chobani Global Holding, Inc. 20,882,000

Total \$ 31,197,000

Expected annual maturities of these obligations are as follows:

September 30,	Principal	Interest	Total
2023	\$ 2,400,000	\$ 1,876,433	\$ 4,276,433
2024	2,468,000	1,730,995	4,198,995
2025	2,540,000	1,581,276	4,121,276
2026	2,627,000	1,426,610	4,053,610
2027	2,718,000	1,266,407	3,984,407
2028-2032	15,094,000	3,720,165	18,814,165
2033-2036	<u>3,350,000</u>	<u>437,525</u>	<u>3,787,525</u>
Total	<u>\$ 31,197,000</u>	<u>\$ 12,039,411</u>	<u>\$ 43,236,411</u>

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. On September 30, 2022, the Agency was indebted in the amount of \$14,562,772.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

6. LONG-TERM LIABILITIES-Continued

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. On September 30, 2022, the Agency was indebted in the amount of \$10,234,049. That amount accrues interest at a variable rate, 7.5% on September 30, 2022. Accrued interest at year end totaled \$3,982,338. For several years the Agency has not been able to make any payments on the indebtedness. The agreement states that any existing debt with Clif Bar by the Agency at the end of the revenue allocation area’s life ends without recourse.

Changes in Long-Term Debt

During the year ended September 30, 2022, the following changes occurred in liabilities reported as the general long-term debt.

	Beginning Balance	Additions	Principal Payments	Ending Balance
Revenue Allocation Bonds, Series 2013A	\$ 22,463,000	\$ -	\$ (1,581,000)	\$ 20,882,000
Revenue Allocation Bonds, Series 2015A-Tax Exempt	405,000	-	(405,000)	-
Revenue Allocation Bonds, Series 2015C-Taxable	1,805,000	-	(1,805,000)	-
Revenue Allocation Bonds, Series 2016	11,050,000	-	(735,000)	10,315,000
Total Revenue Bonds	35,723,000	-	(4,526,000)	31,197,000
Chobani Idaho, LLC-Projects Improvements	15,176,070	-	(613,298)	14,562,772
Clif Bar Development	10,234,049	-	-	10,234,049
City of Twin Falls Agreement	3,000,000	-	(3,000,000)	-
Total Agreements	28,410,119	-	(3,613,298)	24,796,821
Total	\$ 64,133,119	\$ -	\$ (8,139,298)	\$ 55,993,821

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 City of Twin Falls, and the Agency shall not be liable thereon.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

6. LONG-TERM LIABILITIES-Continued

Changes in accrued compensated absences are as follows:

	Beginning			Ending	Amount due
	Balance	Increases	Decreases	Balance	Within 1 year
Governmental	\$ 2,449,838	\$ 1,440,157	\$ (1,532,515)	\$ 2,357,480	\$ 1,397,789
Business-type	157,281	197,749	(158,004)	197,026	153,326
Total	\$ 2,607,119	\$ 1,637,906	\$ (1,690,519)	\$ 2,554,506	\$ 1,551,115

For the governmental activities, approximately 95 percent of compensated absences are generally liquidated by the general fund and the remainder by special revenue funds.

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 Fund Types record operating subsidies as other revenue whereas the fund paying the subsidy records it as either an expenditure or transfer.

Transfers to the General Fund and the Insurance Fund are normally made to provide for administrative services and liability protections. Transfers from the General Fund to the Pool and Fire Works funds are made to cover funding deficits. Operating costs that are common to the public works function are recorded in the Water Fund with the Wastewater Fund and Sanitation Fund generating transfers for their allocated share.

The City has concluded that it should maintain 25% of the annual budgeted base revenues of the ensuing fiscal year in the General Fund, to provide reasonable assurance to purchasers of City debt instruments that the City will pay all general obligations and meet unforeseen emergencies. A policy has been adopted where funds in excess of that 25% are transferred annually to the Capital Improvement Fund, where it will be available for one-time projects recommended by the City Manager and approved by City Council.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

7. INTERFUND TRANSACTIONS-Continued

Interfund transfers for the year are as follows:

	Transfers to									Total
	General	Street	Airport	Capital Imp.	Fire Works	Water Works	Dierkes	Insurance	Shop Revolving	
Transfers From										
General	\$ -	\$ -	\$ 5,813	\$ 3,000,000	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ 3,018,313
Street	307,088	-	-	-	-	-	-	34,189	-	341,277
Street Light	25,095	-	-	-	-	-	-	-	-	25,095
Airport	371,085	-	-	-	-	-	-	34,189	-	405,274
Capital Imp.	-	417,850	-	-	-	-	83,373	-	-	501,223
Waterworks	1,030,681	103,061	-	-	-	-	-	75,606	83,516	1,292,864
Wastewater	435,170	-	-	-	-	337,849	-	208,854	-	981,873
Common Area	3,141	-	-	-	-	-	-	-	-	3,141
Sanitation	183,768	-	-	-	-	337,849	-	8,566	-	530,183
Dierkes Lake	10,979	-	-	-	-	-	-	-	-	10,979
CBDG	66,296	-	-	-	-	-	-	-	-	66,296
Shop	731	-	-	-	-	-	-	-	-	731
Insurance	62,739	-	-	-	-	-	-	-	-	62,739
Total	\$ 2,496,773	\$ 520,911	\$ 5,813	\$ 3,000,000	\$ 12,500	\$ 675,698	\$ 83,373	\$ 361,404	\$ 83,516	\$ 7,239,988

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 the review.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

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 the 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 the 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.

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

9. PENSION PLANS-Continued

For the Base Plan, the contribution rates for employees are set by stature at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2022, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City's contributions were \$2,773,662 for the year ended September 30, 2022.

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

For the Base Plan on September 30, 2022, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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. On June 30, 2022, the City's proportion was .005831701 percent.

For the FRF on September 30, 2022, the City reported a liability for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, 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. On June 30, 2022, the City's proportion was .042227719 percent.

For the year ended September 30, 2022, the City recognized pension expense (revenue) of \$2,585,270 for the Base Plan and (\$587,907) for the FRF Plan for an aggregate total of \$1,997,363. On September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
BASE PLAN		
Differences between expected and actual experience	\$ 2,525,824	\$ 102,521
Changes in assumptions or other inputs	3,744,743	-
Net difference between projected and actual earnings on pension plan investments	5,285,047	-
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	39,366	(71,114)
The City's contributions subsequent to the measurement date	<u>705,500</u>	<u>-</u>
Total	<u>\$ 12,300,480</u>	<u>\$ 31,407</u>
FRF		
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	880,544	-
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	-	-
The City's contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 880,544</u>	<u>\$ -</u>

For the Base Plan, \$705,500 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, 2023.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined on July 1, 2021 the beginning of the measurement period ended June 30, 2022 is 4.6 and 4.6 years for the measurement period June 30, 2021 for the Base Plan and 1 year for the FRF Plan.

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:

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

9. PENSION PLANS-Continued

Year Ended September 30,

	<u>Base Plan</u>	<u>FRF</u>
2023	\$ 2,765,273	\$ 92,994
2024	3,001,967	131,255
2025	1,388,407	(19,900)
2026	<u>4,407,926</u>	<u>676,195</u>
	\$ 11,563,573	\$ 880,544

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.

For the Base Plan, the total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of living adjustments	1.00%

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Male Pub – 2010 General Tables, increased 11%
 General Employees and All Beneficiaries – Female Pub – 2010 General Tables, increased 21%
 Teachers – Male Pub – 2010 Teacher Tables, increased 12%
 Teachers – Female Pub – 2010 Teacher Tables, increased 21%
 Fire & Police – Male Pub – 2010 Safety Tables, increased 21%
 Fire & Police – Female Pub – 2010 Safety Tables, increase 26%
 Disabled Members – Male Pub – 2010 Disabled Tables, increased 38%
 Disabled Members – Female Pub – 2010 Disabled Tables, increase 36%

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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

9. PENSION PLANS-Continued

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	2.30%
Salary increases	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of living adjustments	3.05%

Contributing Members, Service Retirement Members, and Beneficiaries

Fire & Police – Male Pub – 2010 Safety Tables, increased 21%

Fire & Police – Female Pub – 2010 Safety Tables, increase 26%

Disabled Members – Male Pub – 2010 Disabled Tables, increased 38%

Disabled Members – Female Pub – 2010 Disabled Tables, increase 36%

For the Base Plan, an experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability for the Base Plan as of June 30, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

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, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

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 for the base plan are as of 2022.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

9. PENSION PLANS-Continued

BASE Plan

Capital Market Assumptions 2021

Asset Class	<u>DB Plans</u>	<u>Sick Leave</u>
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
 Total	 100.00%	 100.00%

	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
FRF Plan		
Asset Class		
Cash	0.00%	30.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.05% for the Base Plan. And 6.35% for the FRF Plan. 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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

9. PENSION PLANS-Continued

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 6.35 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Rate (6.35%)	1% Increase (7.35%)
BASE PLAN			
Employer's proportionate share of the net pension liability (asset)	\$ 40,436,666	\$ 22,867,124	\$ 8,486,913
FRF			
Employer's proportionate share of the net pension asset	\$ (7,763,149)	\$ (8,668,968)	\$ (9,455,576)

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.

Payable to the pension plan

On September 30, 2022, there were no payables to the defined benefit pension plans for legally required employer contributions or for legally required employee contributions that had been withheld from employee wages but not yet remitted to PERSI.

10. TAX ABATEMENTS

Twin Falls County is authorized by State statute to transact all property tax activity with property owners in the City. The County levy's and collects property taxes, then allocates and remits those collections among the overlapping taxing districts.

The County is authorized to cancel any property taxes due to hardship; or for property that has been damaged by a casualty. Application for relief is made directly to the County Commissioners for their consideration.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

10. TAX ABATEMENTS-continued

The County is also authorized under the same statute to offer a property tax reduction program, commonly known as the Circuit Breaker Program, of up to \$1,320. To qualify, the property under consideration must be a home the taxpayer owns and lives in and their total household income, after deducting medical expenses, is \$30,050 or less. They must also meet one of the following as of January 1st of the taxing year:

- Age 65 or older;
- Widow(er);
- Blind;
- Motherless or fatherless child under 18 years of age;
- Former prisoner of war/hostage;
- Recognized disabled by the Social Security Administration, Railroad Retirement Board, or Federal Civil Service;
- Veteran with 10% or more service-connected disability or receiving a pension from Veterans Affairs (VA) for a non-service-connected disability.

Another tax abatement program available to the County relates to investments in new capital within the County. Businesses that invest at least \$3 million in new manufacturing facilities may receive a partial or full property tax exemption for up to 5 years from local county commissioners. Any reduction is at the discretion of the Commissioners.

11. BOND COVENANT COMPLIANCE

The City is subject to various covenants as a result of the various bonds issued by the City. For example, the bonds may require an annual audit, timely payments, an adequate cash reserve in case of late payments, sufficient revenue collections, or notifications of "Listed Events". During the year ended September 30, 2022, the City was in compliance with these covenants.

12. FUND BALANCE AND NET ASSET DEFICITS

Fund deficits as of September 30, 2022, which are significant, are as follows:

Airport Construction- The deficit of \$238,400 is due to accumulated costs exceeding revenues over a number of years. The deficit will be taken care of through the budget process over a period of years.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2022

13. URBAN RENEWAL SUMMARIZED INFORMATION

	Year Ended September 30, 2022
Assets	\$ 8,290,061
Total Assets	<u>\$ 8,290,061</u>
Liabilities & Net Position	
Liabilities	\$ 60,755,825
Net Assets:	
Net Investment in Capital Assets	(53,080,259)
Restricted	3,768,675
Unrestricted	(3,154,180)
Total Liabilities & Net Position	<u>\$ 8,290,061</u>
Revenues	\$ 10,140,232
Expenditures	<u>(3,150,914)</u>
Excess (Deficiency) Revenues over Expenditures	\$ 6,989,318
Net Position - Beginning of Year	<u>(59,455,082)</u>
Net Position - End of Year	<u>\$ (52,465,764)</u>

14. COMMITMENTS AND SUBSEQUENT EVENTS

The City and Agency have evaluated subsequent events through February 07, 2023, the date which the financial statements were available to be issued and determined the following disclosures were needed.

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, 2022

With Comparative Actual Amounts from the Previous Year

	2022			Variance Favorable (Unfavorable)	2021 Actual
	Proposed Budget	Final Budget	Actual		
Revenues:					
Property Taxes, Including Penalty and Interest	\$21,788,826	\$21,788,826	\$21,928,967	\$ 140,141	\$14,283,281
Non-property Taxes	437,000	437,000	451,916	14,916	446,312
Fines and Forfeitures	8,000	8,000	19,315	11,315	16,610
Licenses and Permits	1,386,000	1,386,000	1,580,313	194,313	2,277,696
Fees and Services	1,323,814	1,323,814	1,545,660	221,846	1,375,335
Intergovernmental	3,581,674	3,587,674	4,473,163	885,489	4,496,397
Federal Grants	30,000	30,000	118,556	88,556	7,010,952
Interest, Dividends & Changes in Market Value	128,702	128,702	(1,669,697)	(1,798,399)	(41,780)
Miscellaneous	896,733	896,733	1,191,370	294,637	1,111,925
Total Revenues	29,580,749	29,586,749	29,639,563	52,814	30,976,728
Expenditures:					
Current					
Data Processing	2,773,538	2,773,538	2,500,718	272,820	2,107,553
Council	145,027	145,027	142,136	2,891	133,937
Manager	1,213,466	1,213,466	1,161,509	51,957	1,046,494
Finance	879,186	879,186	844,419	34,767	881,470
Attorney	542,330	542,330	515,086	27,244	508,644
Personnel	660,953	660,953	545,693	115,260	530,156
Janitorial	127,295	127,295	175,012	(47,717)	165,631
Covid 19	-	-	-	-	598,421
Total General Government	6,341,795	6,341,795	5,884,573	457,222	5,972,306
Police	12,603,506	12,603,506	12,087,263	516,243	11,773,200
Fire	5,937,281	5,937,281	5,956,839	(19,558)	5,512,771
Inspection	981,958	981,958	920,942	61,016	866,079
Animal Control	481,730	481,730	492,184	(10,454)	463,153
Total Public Safety	20,004,475	20,004,475	19,457,228	547,247	18,615,203
Engineering	1,887,463	1,887,463	1,450,042	437,421	1,651,535
Planning and Zoning	926,644	926,644	735,799	190,845	783,602
Economic Development	317,452	317,452	111,840	205,612	216,421
Total Community Development	1,244,096	1,244,096	847,639	396,457	1,000,023
Parks	1,723,032	1,723,032	1,690,881	32,151	1,613,467
Recreation	798,053	798,053	753,177	44,876	712,269
Total Culture and Recreation	2,521,085	2,521,085	2,444,058	77,027	2,325,736
Total Expenditures	31,998,914	31,998,914	30,083,540	1,915,374	29,564,803
Excess (Deficiency) of Revenue Over Expenditures	(2,418,165)	(2,412,165)	(443,977)	1,968,188	1,411,925
Other Financing Sources (Uses)					
Transfers In	2,430,477	2,430,477	2,496,773	66,296	2,228,479
Transfers Out	(12,312)	(18,312)	(3,018,313)	(3,000,001)	(1,946,102)
Total Other Financing Sources (Uses)	2,418,165	2,412,165	(521,540)	(2,933,705)	282,377
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -	(965,517)	\$ (965,517)	\$ 1,694,302
Fund Balance, October 1st, restated			11,926,646		10,232,345
Fund Balance, September 30th			\$ 10,961,129		\$ 11,926,646

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, 2022
With Comparative Actual Amounts from the Previous Year

	2022				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2021 Actual
Revenues:					
Property Taxes	\$ 401,500	\$ 401,500	\$ 422,305	\$ 20,805	\$ 954,178
Intergovernmental	3,500,000	3,500,000	5,032,163	1,532,163	4,304,310
Grants	60,000	60,000	-	(60,000)	180,427
Interest, Dividends & Changes in Market Value	81,000	81,000	(672,391)	(753,391)	(14,119)
Miscellaneous	985,500	985,500	1,208,643	223,143	1,119,683
Total Revenues	<u>5,028,000</u>	<u>5,028,000</u>	<u>5,990,720</u>	<u>962,720</u>	<u>6,544,479</u>
Expenditures:					
Current					
Highways and Streets	3,571,084	3,571,084	3,239,392	331,692	3,244,826
Capital Outlay	2,281,500	2,281,500	1,639,585	641,915	3,373,244
Total Expenditures	<u>5,852,584</u>	<u>5,852,584</u>	<u>4,878,977</u>	<u>973,607</u>	<u>6,618,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(824,584)	(824,584)	1,111,743	1,936,327	(73,591)
Other Financing Sources (Uses)					
Transfers In	885,861	885,861	520,911	364,950	629,513
Transfers Out	(341,277)	(341,277)	(341,277)	-	(325,459)
Total Other Sources (Uses)	<u>544,584</u>	<u>544,584</u>	<u>179,634</u>	<u>364,950</u>	<u>304,054</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (280,000)</u>	<u>\$ (280,000)</u>	1,291,377	<u>\$ 1,571,377</u>	230,463
Fund Balances, October 1st			<u>6,045,001</u>		<u>5,814,538</u>
Fund Balances, September 30th			<u>\$ 7,336,378</u>		<u>\$ 6,045,001</u>

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, 2022
With Comparative Actual Amounts from the Previous Year

	2022			Variance Favorable (Unfavorable)	2021 Actual
	Proposed Budget	Final Budget	Actual		
Revenues:					
Property Taxes	\$ 408,120	\$ 408,120	\$ 407,280	\$ (840)	\$ 398,422
Fees and Services	769,340	769,340	706,691	(62,649)	814,680
Intergovernmental	408,121	408,121	408,120	-	398,112
Grants	-	-	1,131,937	1,131,937	1,607,163
Interest, Dividends & Changes in Market Value	23,109	23,109	(267,753)	(290,862)	529
Farm Income	51,600	51,600	49,613	(1,987)	51,561
Miscellaneous	-	-	90,142	90,142	62,577
Total Revenues	<u>1,660,290</u>	<u>1,660,290</u>	<u>2,526,030</u>	<u>865,741</u>	<u>3,333,044</u>
Expenditures:					
Current					
Airport	1,399,328	1,874,441	1,705,520	168,921	1,506,591
Total Expenditures	<u>1,399,328</u>	<u>1,874,441</u>	<u>1,705,520</u>	<u>168,921</u>	<u>1,506,591</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	260,962	(214,151)	820,510	1,034,661	1,826,453
Other Financing Sources (Uses)					
Transfers In	5,812	5,812	5,812	-	100,488
Transfers Out	(405,274)	(405,274)	(405,274)	-	(424,385)
Total Other Sources (Uses)	<u>(399,462)</u>	<u>(399,462)</u>	<u>(399,462)</u>	<u>-</u>	<u>(323,897)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (138,500)</u>	<u>\$ (613,613)</u>	421,048	<u>\$ 1,034,661</u>	1,502,556
Fund Balances, October 1st			<u>4,068,985</u>		<u>2,566,429</u>
Fund Balances, September 30th			<u>\$ 4,490,033</u>		<u>\$ 4,068,985</u>

See accompanying notes to required supplementary information.

CITY OF TWIN FALLS, IDAHO
Schedule of Employer's Share of Net Pension Asset/Liability

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
City's portion of the net pension (asset) liability	.005831701	.005857242	.006008378	.006125586	.005940511	.005813347	.005422236	.005566001
City's proportionate share of the net pension (asset) liability	\$22,867,124	\$ (406,916)	\$13,468,446	\$ 6,116,243	\$ 7,955,648	\$ 8,356,557	\$11,008,731	\$ 7,114,158
City's covered payroll	\$22,761,735	\$21,589,895	\$21,171,721	\$20,550,187	\$18,865,104	\$17,837,788	\$15,786,995	\$15,164,698
City's proportional share of the net pension liability as a percentage of its covered-employee payroll	100.46%	-1.88%	63.62%	29.76%	42.17%	46.85%	69.73%	46.91%
Plan fiduciary net position as a percentage of the total pension liability	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	94.95%

Schedule of Employer's Share of Net Pension Asset
FRF
Last 10 - Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
City's portion of the net pension asset	.042227719	.042227719	.042227719	.042011350	.038550585	.036537638	.040605333	.038831200
City's proportionate share of the net pension asset	\$ 8,668,968	\$11,411,063	\$ 6,256,568	\$ 5,647,629	\$ 4,190,076	\$ 3,353,402	\$ 2,086,650	\$ 1,947,697
City's covered payroll	\$ 3,772,373	\$ 3,505,708	\$ 3,252,302	\$ 3,299,502	\$ 2,899,425	\$ 2,646,204	\$ 2,524,390	\$ 2,306,028
City's proportional share of the net pension asset as a percentage of its covered-employee payroll	229.80%	325.50%	192.37%	171.17%	144.51%	126.72%	82.66%	84.46%
Plan fiduciary net position as a percentage of the total pension asset	184.72%	211.83%	155.55%	152.74%	140.15%	129.65%	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 (measurement date).

CITY OF TWIN FALLS, IDAHO
Schedule of Employer's Contributions
PERSI - Base Plan and FRF

Schedule of Employer Contributions
Base Plan
Last 10 - Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 2,773,662	\$ 2,695,296	\$ 2,532,527	\$ 2,420,702	\$ 2,197,901	\$ 2,040,589	\$ 1,813,839	\$ 1,729,630
Contribution in relation to the statutorily required contribution	<u>2,773,662</u>	<u>2,695,296</u>	<u>2,532,527</u>	<u>2,420,702</u>	<u>2,197,901</u>	<u>2,040,589</u>	<u>1,813,839</u>	<u>1,729,630</u>
Contribution deficiency (excess)	<u>\$ -</u>							
City's covered payroll	\$ 22,948,042	\$ 22,302,258	\$ 21,291,447	\$ 20,875,898	\$ 19,123,237	\$ 17,772,209	\$ 15,594,399	\$ 15,449,357
Contributions as a percentage of covered-employee payroll	12.09%	12.09%	11.89%	11.60%	11.49%	11.48%	11.63%	11.20%

Schedule of Employer Contributions
FRF
Last 10 - Fiscal Years*

	2021	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ -	\$ -	\$ 158,979	\$ 170,631	\$ 150,607	\$ 137,351	\$ 137,818	\$ 138,382
Contribution in relation to the statutorily required contribution	<u>-</u>	<u>-</u>	<u>158,979</u>	<u>170,631</u>	<u>150,607</u>	<u>137,351</u>	<u>137,818</u>	<u>138,382</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,814,149	\$ 3,505,708	\$ 3,324,570	\$ 3,352,786	\$ 3,000,975	\$ 2,710,218	\$ 2,508,735	\$ 2,296,724
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	4.78%	5.09%	5.02%	5.07%	5.49%	6.03%

*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.

See accompanying notes to required supplementary information.

CITY OF TWIN FALLS, IDAHO
Notes to Required Supplementary Information
September 30, 2022

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, 2022

	Special Revenue Funds					Capital Projects Fund					Total Other Government Funds	
	Street Light	Library	Pool	Drug Seizure	Fireworks	Total	Historic Preservation	Park Develop.	Impact Fee	CDBG		Total
Assets												
Cash and Investments	\$ 388,330	\$ 1,289,328	\$ -	\$ 262,909	\$ -	\$ 1,940,567	\$ -	\$ 921,458	\$ 8,115,438	\$ 282	\$ 9,037,178	\$ 10,977,745
Receivables (net of allowance)												
Taxes	1,214	-	-	-	-	1,214	-	-	-	-	-	1,214
Intergovernmental	95	1,752	151,510	-	2,653	156,010	-	-	-	-	-	156,010
Accounts	-	-	4,913	-	-	4,913	-	-	-	-	-	4,913
Total Assets	<u>\$ 389,639</u>	<u>\$ 1,291,080</u>	<u>\$ 156,423</u>	<u>\$ 262,909</u>	<u>\$ 2,653</u>	<u>\$ 2,102,704</u>	<u>\$ -</u>	<u>\$ 921,458</u>	<u>\$ 8,115,438</u>	<u>\$ 282</u>	<u>\$ 9,037,178</u>	<u>\$ 11,139,882</u>
Liabilities												
Pooled Cash	\$ -	\$ -	\$ 110,053	\$ -	\$ 10,223	\$ 120,276	\$ 3,745	\$ -	\$ -	\$ -	\$ 3,745	\$ 124,021
Accounts Payable	54,629	8,886	12,296	10,910	-	86,721	-	-	330,755	-	330,755	417,476
Accrued Expenditures	-	18,725	-	-	-	18,725	-	-	-	-	-	18,725
Total Liabilities	<u>54,629</u>	<u>27,611</u>	<u>122,349</u>	<u>10,910</u>	<u>10,223</u>	<u>225,722</u>	<u>3,745</u>	<u>-</u>	<u>330,755</u>	<u>-</u>	<u>334,500</u>	<u>560,222</u>
Deferred Inflows of Resources												
Unavailable Revenue - Property Taxes	954	-	-	-	-	954	-	-	-	-	-	954
Total Deferred Inflows of Resources	<u>954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>954</u>
Fund Balance												
Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	-	-	-	-	-	-
Park Development	-	-	-	-	-	-	-	921,458	-	-	921,458	921,458
Committed Fund Balance												
Budgeted Surpluses	-	130,000	-	66,000	-	196,000	-	-	647,875	-	647,875	843,875
Impact Fees	-	-	-	-	-	-	-	-	7,136,808	282	7,137,090	7,137,090
Drug Seizure	-	-	-	185,999	-	185,999	-	-	-	-	-	185,999
Assigned Fund Balance												
Street Light	334,056	-	-	-	-	334,056	-	-	-	-	-	334,056
Community Services-Library	-	1,133,469	-	-	-	1,133,469	-	-	-	-	-	1,133,469
Unassigned Fund Balance	-	-	34,074	-	(7,570)	26,504	(3,745)	-	-	-	(3,745)	22,759
Total Fund Balance	<u>334,056</u>	<u>1,263,469</u>	<u>34,074</u>	<u>251,999</u>	<u>(7,570)</u>	<u>1,876,028</u>	<u>(3,745)</u>	<u>921,458</u>	<u>7,784,683</u>	<u>282</u>	<u>8,702,678</u>	<u>10,578,706</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 389,639</u>	<u>\$ 1,291,080</u>	<u>\$ 156,423</u>	<u>\$ 262,909</u>	<u>\$ 2,653</u>	<u>\$ 2,102,704</u>	<u>\$ -</u>	<u>\$ 921,458</u>	<u>\$ 8,115,438</u>	<u>\$ 282</u>	<u>\$ 9,037,178</u>	<u>\$ 11,139,882</u>

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, 2022

	Special Revenue Funds						Capital Projects Fund					Total Other Government Funds
	Street Light	Library	Pool	Drug Seizure	Fireworks	Total	Historic Preservation	Park Develop.	Impact Fee	CDBG	Total	
Revenues												
Property Taxes, Including Interest	\$ 56,866	\$ 1,901,978	\$ -	\$ -	\$ -	\$ 1,958,844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,958,844
Other Taxes	432,623	-	-	-	-	432,623	-	-	-	-	-	432,623
Special Assessments, Including Interest	-	-	-	148,034	-	148,034	-	-	-	-	-	148,034
Fines and Forfeitures	-	34,866	-	-	-	34,866	-	-	-	-	-	34,866
Fees and Services	-	24,169	367,887	-	1,767	393,823	-	-	1,621,815	-	1,621,815	2,015,638
Intergovernmental	-	-	553,585	-	9,692	563,277	-	-	-	-	-	563,277
Federal Grants	-	-	-	-	-	-	-	-	-	76,031	76,031	76,031
Interest, Dividends & Changes in Fair Value	-	(107,481)	-	-	-	(107,481)	-	(67,027)	(594,744)	-	(661,771)	(769,252)
Miscellaneous	23,312	53,714	3,100	-	1,154	81,280	-	-	-	-	-	81,280
Total Revenue	512,801	1,907,246	924,572	148,034	12,613	3,505,266	-	(67,027)	1,027,071	76,031	1,036,075	4,541,341
Expenditures												
Current												
Public Safety	-	-	-	75,092	-	75,092	-	-	(3,800)	9,375	5,575	80,667
Community Development	-	-	-	-	22,000	22,000	-	-	(1,900)	-	(1,900)	20,100
Culture and Recreation	-	1,998,665	644,696	-	-	2,643,361	-	-	-	-	-	2,643,361
Highway and Streets	406,648	-	-	-	-	406,648	-	-	-	-	-	406,648
Airport	-	-	-	-	-	-	-	-	-	78	78	78
Capital Outlay	-	-	186,931	-	-	186,931	-	-	478,729	-	478,729	665,660
Total Expenditures	406,648	1,998,665	831,627	75,092	22,000	3,334,032	-	-	473,029	9,453	482,482	3,816,514
Excess of Revenues Over (Under) Expenditures	106,153	(91,419)	92,945	72,942	(9,387)	171,234	-	(67,027)	554,042	66,578	553,593	724,827
Other Financing Sources (Uses)												
Transfers In	-	-	-	-	12,500	12,500	-	-	-	-	-	12,500
Transfers Out	(25,095)	-	-	-	-	(25,095)	-	-	-	(66,296)	(66,296)	(91,391)
Net Transfers	(25,095)	-	-	-	12,500	(12,595)	-	-	-	(66,296)	(66,296)	(78,891)
Net Change in Fund Balance	81,058	(91,419)	92,945	72,942	3,113	158,639	-	(67,027)	554,042	282	487,297	645,936
Fund Balance October 1, 2021	252,998	1,354,888	(58,871)	179,057	(10,683)	1,717,389	(3,745)	988,485	7,230,641	-	8,215,381	9,932,770
Fund Balance September 30, 2022	\$ 334,056	\$ 1,263,469	\$ 34,074	\$ 251,999	\$ (7,570)	\$ 1,876,028	\$ (3,745)	\$ 921,458	\$ 7,784,683	\$ 282	\$ 8,702,678	\$ 10,578,706

CITY OF TWIN FALLS, IDAHO
Combining Statement - Proprietary Funds
Fund Balance Sheets
September 30, 2022

	Business-Type Activities		
	Dierkes Lake Shoshone Falls	Common Area Maintenance	Total
<u>Assets</u>			
Current Assets			
Cash and Investments	\$ 1,726,544	\$ 41,371	\$ 1,767,915
Receivables, net of allowance for uncollectibles			
Fees and Services	-	10,562	10,562
Accounts	2,891	-	2,891
Total Current Assets	1,729,435	51,933	1,781,368
Noncurrent Assets			
Capital Assets (Net of Accum. Depreciation)	1,136,532	-	1,136,532
Total Noncurrent Assets	1,136,532	-	1,136,532
Total Assets	2,865,967	51,933	2,917,900
<u>Deferred Outflows of Resources</u>			
Pension Obligations	-	-	-
Total Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 2,865,967	\$ 51,933	\$ 2,917,900
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 40,140	\$ 20,419	\$ 60,559
Total Current Liabilities	40,140	20,419	60,559
Total Liabilities	40,140	20,419	60,559
<u>Deferred Inflows of Resources</u>			
Pension Obligations	-	-	-
Total Deferred Inflows of Resources	-	-	-
<u>Net Position</u>			
Invested In Capital Assets, net of related debt	1,136,532	-	1,136,532
Restricted	-	-	-
Unrestricted	1,689,295	31,514	1,720,809
Total Equity	2,825,827	31,514	2,857,341
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,865,967	\$ 51,933	\$ 2,917,900

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, 2022

	Business-Type Activities		
	Dierkes Lake Shoshone Falls	Common Area Maintenance	Totals
Operating Revenues:			
Charges for Services	\$ 403,108	\$ 58,281	\$ 461,389
Miscellaneous	5,290	-	5,290
Total Operating Revenues	408,398	58,281	466,679
Operating Expenses:			
Contracted Services	84,118	50,370	134,488
Personnel Expenses	27,486	-	27,486
Depreciation and Amortization	58,178	-	58,178
Utilities	5,085	1,199	6,284
Supplies	3,478	-	3,478
Repairs and Maintenance	8,697	4,686	13,383
Vehicle Expenses	2,709	-	2,709
Small Equipment	21,580	-	21,580
Miscellaneous Expense	8,731	126	8,857
Total Operating Expenses	220,062	56,381	276,443
Operating Income (Loss)	188,336	1,900	190,236
Non-Operating Revenues (Expenses):			
Interest, Dividends & Changes in Fair Value	(122,137)	-	(122,137)
Loss on Transfer of Assets	(34,588)	-	(34,588)
Total Non-Operating Revenues (Exp.)	(156,725)	-	(156,725)
Income (Loss) Before Contributions and Transfers	31,611	1,900	33,511
Contributions and Interfund Transfers:			
Transfers In	83,373	-	83,373
Transfers Out	(10,979)	(3,141)	(14,120)
Net Transfers	72,394	(3,141)	69,253
Net Income (Loss)	104,005	(1,241)	102,764
Total Net Position, October 1, 2021	2,721,822	32,755	2,754,577
Total Net Position, September 30, 2022	\$ 2,825,827	\$ 31,514	\$ 2,857,341

City of Twin Falls, Idaho
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2022

	Business-Type Activities		
	Dierkes Lake Shoshone Falls	Common Area Maintenance	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$ 401,816	\$ 56,774	\$ 458,590
Payments to Suppliers	(121,686)	(43,535)	(165,221)
Payments to Employees	(27,486)	-	(27,486)
Other Receipts (Payments)	5,290	-	5,290
Net Cash Provided (Used) by Operating Activities	257,934	13,239	271,173
Cash Flows from Non-Capital Financing Activities			
Interfund Transfers to Other Funds	(10,979)	(3,141)	(14,120)
Transfers from Other Funds	83,373	-	83,373
Net Cash Provided (Used) by Non-Capital Financing Activities	72,394	(3,141)	69,253
Cash Flows from Capital and Related Financing Activities			
Construction in Progress	(157,231)	-	(157,231)
Net Cash Provided (Used) by Capital and Related Financing Activities	(83,373)	-	(83,373)
Cash Flows from Investing Activities			
Interest, Dividends & Changes in Fair Value	(122,137)	-	(122,137)
Net Cash Provided (Used) by Investing Activities	528,837	-	528,837
Net Increase (Decrease) in Cash and Cash Equivalents	775,792	10,098	785,890
Balances - Beginning of the Year	156,851	31,273	188,124
Balances - End of the Year	\$ 932,643	\$ 41,371	\$ 974,014
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ 188,336	\$ 1,900	\$ 190,236
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	58,178	-	58,178
Change in Assets and Liabilities:			
Receivables, Net	(1,292)	(1,507)	(2,799)
Accounts Payable	12,712	12,846	25,558
Net Cash Provided (Used) by Operating Activities	\$ 257,934	\$ 13,239	\$ 271,173
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds			
Cash and Investments-Statement of Net Position	\$ 1,726,544	\$ 41,371	\$ 1,767,915
Less: Investments	(793,901)	-	(793,901)
Cash and Cash Equivalents	\$ 932,643	\$ 41,371	\$ 974,014

CITY OF TWIN FALLS, IDAHO
Combining Statement - Internal Service Funds
Statement of Net Position
September 30, 2022

	Governmental Activities - Internal Service Funds		
	Shop		
	Insurance	Revolving	Total
<u>Assets</u>			
Current Assets:			
Cash and Investments	\$ 226,418	\$ 355,272	\$ 581,690
Receivables, net of allowance for uncollectibles			
Taxes	4,279	-	4,279
Intergovernmental	347	-	347
Accounts	-	91	91
Total Current Assets	231,044	355,363	586,407
Noncurrent Assets:			
Capital Assets (Net of Accum. Depreciation)	-	229,859	229,859
Total Noncurrent Assets	-	229,859	229,859
Total Assets	\$ 231,044	\$ 585,222	\$ 816,266
<u>Liabilities and Net Position</u>			
Current Liabilities:			
Accounts Payable	\$ 15,502	\$ 50,852	\$ 66,354
Accrued Expenses	-	259	259
Unavailable Revenue	3,362	-	3,362
Compensated Absences	-	11,927	11,927
Total Current Liabilities	18,864	63,038	81,902
NonCurrent Liabilities:			
Compensated Absences	-	2,337	2,337
Total Non-Current Liabilities	-	2,337	2,337
Total Liabilities	18,864	65,375	84,239
<u>Net Position</u>			
Net Investment in Capital Assets	-	229,859	229,859
Restricted	-	-	-
Unrestricted	212,180	289,988	502,168
Total Net Position	212,180	519,847	732,027
Total Liabilities and Net Position	\$ 231,044	\$ 585,222	\$ 816,266

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, 2022

	Governmental Activities - Internal Service Funds Shop		
	<u>Insurance</u>	<u>Revolving</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ -	\$ 450,753	\$ 450,753
Special Assessments, Including Interest	204,054	10,091	214,145
Total Operating Revenues	<u>204,054</u>	<u>460,844</u>	<u>664,898</u>
Operating Expenses:			
Contracted Services	-	8,936	8,936
Personnel Expenses	-	458,360	458,360
Depreciation and Amortization	-	16,403	16,403
Utilities	-	9,293	9,293
Supplies	-	35,957	35,957
Insurance	519,797	-	519,797
Repairs and Maintenance	-	23,348	23,348
Vehicle Expenses	-	2,316	2,316
Small Equipment	-	75,144	75,144
Miscellaneous Expense	11,685	3,192	14,877
Travel and Meetings	97	763	860
Total Operating Expenses	<u>531,579</u>	<u>633,712</u>	<u>1,165,291</u>
Operating Income (Loss)	(327,525)	(172,868)	(500,393)
Non-Operating Revenues (Expenses):			
Interest, Dividends & Changes in Fair Value	(14,914)	-	(14,914)
Total Non-Operating Revenues (Exp.)	<u>(14,914)</u>	<u>-</u>	<u>(14,914)</u>
Income (Loss) Before Operating Transfers	(342,439)	(172,868)	(515,307)
Operating Transfers:			
Operating Transfers In	361,404	83,516	444,920
Operating Transfers Out	(62,739)	(731)	(63,470)
Net Transfers	<u>298,665</u>	<u>82,785</u>	<u>381,450</u>
Net Income (Loss)	(43,774)	(90,083)	(133,857)
Total Net Position, October 1, 2021	<u>255,954</u>	<u>609,930</u>	<u>865,884</u>
Total Net Position, September 30, 2022	<u>\$ 212,180</u>	<u>\$ 519,847</u>	<u>\$ 732,027</u>

CITY OF TWIN FALLS, IDAHO
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2022

	Governmental Activities		
	Insurance	Shop Revolving	Total
Cash Flows from Operating Activities			
Cash Received from Interfund Services Provided	\$ -	\$ 460,753	\$ 460,753
Property Taxes, Including Interest	245,913	-	245,913
Payments to Suppliers	(527,143)	(112,464)	(639,607)
Payments to Employees	-	(458,181)	(458,181)
Net Cash Provided (Used) by Operating Activities	(281,230)	(109,892)	(391,122)
Cash Flows from Non-Capital Financing Activities			
Interfund Transfers to Other Funds	(62,739)	(731)	(63,470)
Transfers from Other Funds	361,404	83,516	444,920
Net Cash Provided (Used) by Non-Capital Financing Activities	298,665	82,785	381,450
Cash Flows from Capital and Related Financing Activities			
Disposals, Transfers of Capital Assets	-	(10,000)	(10,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(10,000)	(10,000)
Cash Flows from Investing Activities			
Interest, Dividends & Changes in Fair Value	(14,914)	-	(14,914)
Net Cash Provided (Used) by Investing Activities	(13,797)	-	(13,797)
Net Increase (Decrease) in Cash and Cash Equivalents	3,638	(37,107)	(33,469)
Balances - Beginning of the Year	-	392,379	392,379
Balances - End of the Year	\$ 3,638	\$ 355,272	\$ 358,910
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (327,525)	\$ (172,868)	\$ (500,393)
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	16,403	16,403
Change in Assets and Liabilities:			
Receivables, Net	42,344	(91)	42,253
Accounts Payable	4,436	46,485	50,921
Unavailable Revenue	(485)	-	(485)
Compensated Absences	-	179	179
Net Cash Provided (Used) by Operating Activities	\$ (281,230)	\$ (109,892)	\$ (391,122)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds			
Cash and Investments-Statement of Net Position	\$ 226,418	\$ 355,272	\$ 581,690
Less: Investments	(222,780)	-	(222,780)
Cash and Cash Equivalents	\$ 3,638	\$ 355,272	\$ 358,910

CITY OF TWIN FALLS, IDAHO
 Capital Projects - Capital Improvement Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2022
 With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes	\$ 770,000	\$ 770,000	\$ 783,031	\$ 13,031	\$ 1,087,004
Intergovernmental	1,253,603	1,253,603	1,588,349	334,746	867,002
Federal Grants	-	1,432,707	1,384,829	(47,878)	68,986
Interest, Dividends & Changes in Fair Value	194,400	194,400	(1,051,431)	(1,245,831)	5,539
Miscellaneous or Reserves	-	-	7,460	7,460	57,054
Total Revenues	<u>2,218,003</u>	<u>3,650,710</u>	<u>2,712,238</u>	<u>(938,472)</u>	<u>2,085,585</u>
Expenditures:					
Current					
General Government	142,508	230,872	304,844	(73,972)	550,607
Public Safety	108,200	5,722,494	5,080,813	641,681	2,012,225
Culture and Recreation	625,000	882,513	533,614	348,899	564,169
Highways and Streets	-	-	-	-	952,921
Debt Issuance Costs	-	-	184,321	(184,321)	-
Capital Outlay	845,490	845,490	354,168	491,322	634,977
Total Expenditures	<u>1,721,198</u>	<u>7,681,369</u>	<u>6,457,760</u>	<u>1,223,609</u>	<u>4,714,899</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	496,805	(4,030,659)	(3,745,522)	285,137	(2,629,314)
Other Financing Sources (Uses)					
Transfers In	-	-	3,000,000	3,000,000	2,238,781
Transfers Out	(782,800)	(866,173)	(501,223)	364,950	(798,904)
Issuance of Debt	-	3,368,817	3,174,736	(194,081)	-
Total Other Sources (Uses)	<u>(782,800)</u>	<u>2,502,644</u>	<u>5,673,513</u>	<u>3,170,869</u>	<u>1,439,877</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (285,995)</u>	<u>\$ (1,528,015)</u>	1,927,991	<u>\$ 3,456,006</u>	(1,189,437)
Fund Balances, October 1st			<u>13,783,315</u>		<u>14,972,752</u>
Fund Balances, September 30th			<u>\$ 15,711,306</u>		<u>\$ 13,783,315</u>

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, 2022
 With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Fees and Services	\$ 120,000	\$ 120,000	\$ 64,636	\$ (55,364)	\$ 146,789
Federal Grants	1,500,000	1,750,000	1,749,152	(848)	6,929,709
Interest, Dividends & Changes in Market Value	200	200	1,099	899	781
Miscellaneous	-	-	-	-	102,000
Total Revenues	<u>1,620,200</u>	<u>1,870,200</u>	<u>1,814,887</u>	<u>(55,313)</u>	<u>7,179,279</u>
Expenditures:					
Current					
Airport	1,620,200	1,870,200	1,665,492	204,708	7,613,966
Total Expenditures	<u>1,620,200</u>	<u>1,870,200</u>	<u>1,665,492</u>	<u>204,708</u>	<u>7,613,966</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	149,395	149,395	(434,687)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	63,464
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,464</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	149,395	<u>\$ 149,395</u>	(371,223)
Fund Balances, October 1st			<u>(387,795)</u>		<u>(16,572)</u>
Fund Balances, September 30th			<u>\$ (238,400)</u>		<u>\$ (387,795)</u>

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, 2022

With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 12,014,386	\$ 12,014,386	\$ 11,809,705	\$ (204,681)	\$ 11,955,356
Taps, Connection and Other Fees	175,000	175,000	177,590	2,590	302,112
Miscellaneous	35,000	35,000	65,043	30,043	63,793
Total Operating Revenues	<u>12,224,386</u>	<u>12,224,386</u>	<u>12,052,338</u>	<u>(172,048)</u>	<u>12,321,261</u>
Operating Expenses:					
Contracted Expenses	405,850	405,850	236,814	169,036	213,891
Personnel Expenses	2,797,325	2,797,325	2,677,961	119,364	2,079,664
Depreciation and Amortization	-	-	1,909,192	(1,909,192)	1,810,412
Utilities	965,250	965,250	1,105,556	(140,306)	1,014,639
Supplies	795,500	795,500	748,203	47,297	718,705
Repairs and Maintenance	172,000	172,000	172,607	(607)	184,161
Vehicle Expense	161,479	161,479	185,581	(24,102)	161,978
Capital & Equipment	1,251,775	1,415,555	394,527	1,021,028	764,520
Studies and Projects	24,000	24,000	30,078	(6,078)	29,673
Rental Expense	167,500	167,500	151,404	16,096	148,242
Miscellaneous Expenses	211,100	211,100	176,985	34,115	164,212
Testing and Monitoring	89,750	89,750	94,674	(4,924)	79,348
Travel and Meetings	5,800	5,800	4,359	1,441	2,074
Total Operating Expenses	<u>7,047,329</u>	<u>7,211,109</u>	<u>7,887,941</u>	<u>(676,832)</u>	<u>7,371,519</u>
Operating Income (Loss)	5,177,057	5,013,277	4,164,397	(848,880)	4,949,742
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	184,500	184,500	(956,398)	(1,140,898)	(30,511)
Rent and Royalties	70,759	70,759	1,326	(69,433)	71,389
Debt Principal Payments	(1,085,000)	(1,085,000)	-	1,085,000	-
Loss on Sale of Assets	-	-	(775)	(775)	-
Interest Expense	(132,750)	(132,750)	(130,812)	1,938	(430,245)
Total Non-operating Revenues (Exp.)	<u>(962,491)</u>	<u>(962,491)</u>	<u>(1,086,659)</u>	<u>(124,168)</u>	<u>(389,367)</u>
Income (Loss) Before Operating Transfers	4,214,566	4,050,786	3,077,738	(973,048)	4,560,375
Interfund Transfers and Donations:					
Transfers In	675,699	675,699	675,699	-	656,507
Transfers Out	(1,292,864)	(1,292,864)	(1,292,864)	-	(1,188,788)
Net Transfers and Donations	<u>(617,165)</u>	<u>(617,165)</u>	<u>(617,165)</u>	<u>-</u>	<u>(532,281)</u>
Net Income (Loss)	<u>\$ 3,597,401</u>	<u>\$ 3,433,621</u>	2,460,573	<u>\$ (973,048)</u>	4,028,094
Net Position, October 1st,			<u>63,960,625</u>		<u>59,932,531</u>
Net Position, September 30th			<u>\$ 66,421,198</u>		<u>\$ 63,960,625</u>

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, 2022
With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 9,934,185	\$ 9,934,185	\$ 11,695,412	\$ 1,761,227	\$ 10,261,051
Miscellaneous	3,000	3,000	132,559	129,559	75,962
Total Operating Revenues	<u>9,937,185</u>	<u>9,937,185</u>	<u>11,827,971</u>	<u>1,890,786</u>	<u>10,337,013</u>
Operating Expenses:					
Contracted Expenses	3,275,613	3,275,613	3,585,790	(310,177)	3,213,114
Personnel Expenses	931,042	931,042	902,206	28,836	685,484
Depreciation and Amortization	-	-	3,446,599	(3,446,599)	3,383,757
Utilities	4,250	4,250	3,850	400	4,079
Supplies	73,100	73,100	62,569	10,531	51,143
Repairs and Maintenance	25,000	25,000	34,035	(9,035)	21,860
Vehicle Expense	53,350	53,350	61,262	(7,912)	52,174
Capital & Equipment	1,473,240	3,317,167	331,763	2,985,404	237,241
Rental Expense	1,000	1,000	-	1,000	-
Miscellaneous Expenses	43,000	43,000	51,865	(8,865)	43,745
Travel and Meetings	4,000	4,000	2,611	1,389	(1,301)
Total Operating Expenses	<u>5,883,595</u>	<u>7,727,522</u>	<u>8,482,550</u>	<u>(755,028)</u>	<u>7,691,296</u>
Operating Income (Loss)	4,053,590	2,209,663	3,345,421	1,135,758	2,645,717
Non-operating Revenues (Expenses):					
Development Fees	10,000	10,000	214,408	204,408	1,937,833
Interest, Dividends & Changes in Fair Value	209,700	209,700	(1,338,351)	(1,548,051)	(30,472)
Federal Grants	-	-	43,017	43,017	-
Debt Principal Payments	(2,235,000)	(2,235,000)	-	2,235,000	-
Loss on Sale of Assets	-	-	550	550	-
Interest Expense	(1,247,281)	(1,247,281)	(1,244,610)	2,671	(1,351,237)
Total Non-operating Revenues (Exp.)	<u>(3,262,581)</u>	<u>(3,262,581)</u>	<u>(2,324,986)</u>	<u>937,595</u>	<u>556,124</u>
Income (Loss) Before Operating Transfers	791,009	(1,052,918)	1,020,435	2,073,353	3,201,841
Interfund Transfers and Donations:					
Transfers In	-	-	-	-	-
Transfers Out	(981,873)	(981,873)	(981,873)	-	(913,402)
Net Transfers and Donations	<u>(981,873)</u>	<u>(981,873)</u>	<u>(981,873)</u>	<u>-</u>	<u>(913,402)</u>
Net Income (Loss)	<u>\$ (190,864)</u>	<u>\$ (2,034,791)</u>	38,562	<u>\$ 2,073,353</u>	2,288,439
Net Position, October 1st,			<u>74,089,154</u>		<u>71,800,715</u>
Net Position, September 30th			<u>\$ 74,127,716</u>		<u>\$ 74,089,154</u>

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, 2022

With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 3,773,962	\$ 3,849,962	\$ 3,965,632	\$ 115,670	\$ 3,698,527
Miscellaneous	-	-	2,004	2,004	811
Total Operating Revenues	<u>3,773,962</u>	<u>3,849,962</u>	<u>3,967,636</u>	<u>117,674</u>	<u>3,699,338</u>
Operating Expenses:					
Contracted Expenses	2,280,870	2,356,870	2,357,990	(1,120)	2,157,822
Landfill Expenses	845,000	845,000	812,665	32,335	807,539
Studies and Projects	70,000	70,000	55,891	14,109	51,791
Miscellaneous Expenses	25,000	25,000	20,668	4,332	16,637
Total Operating Expenses	<u>3,220,870</u>	<u>3,296,870</u>	<u>3,247,214</u>	<u>49,656</u>	<u>3,033,789</u>
Operating Income (Loss)	553,092	553,092	720,422	167,330	665,549
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	7,200	7,200	(61,405)	(68,605)	(1,344)
Total Non-operating Revenues (Exp.)	<u>7,200</u>	<u>7,200</u>	<u>(61,405)</u>	<u>(68,605)</u>	<u>(1,344)</u>
Income (Loss) Before Operating Transfers	560,292	560,292	659,017	98,725	664,205
Interfund Transfers and Donations:					
Transfers In	-	-	-	-	-
Transfers Out	(530,183)	(530,183)	(530,183)	-	(511,478)
Net Transfers and Donations	<u>(530,183)</u>	<u>(530,183)</u>	<u>(530,183)</u>	<u>-</u>	<u>(511,478)</u>
Net Income (Loss)	<u>\$ 30,109</u>	<u>\$ 30,109</u>	128,834	<u>\$ 98,725</u>	152,727
Net Position, October 1st,			<u>872,482</u>		<u>719,755</u>
Net Position, September 30th			<u>\$ 1,001,316</u>		<u>\$ 872,482</u>

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, 2022

With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes	\$ 56,195	\$ 56,195	\$ 56,866	\$ 671	\$ 67,909
Non-Property Taxes	364,500	399,500	432,623	33,123	398,503
Miscellaneous & Intergovernmental	-	-	23,312	23,312	36,256
Total Revenues	<u>420,695</u>	<u>455,695</u>	<u>512,801</u>	<u>57,106</u>	<u>502,668</u>
Expenditures:					
Current					
Highways and Streets	395,600	430,600	406,648	23,952	371,813
Total Expenditures	<u>395,600</u>	<u>430,600</u>	<u>406,648</u>	<u>23,952</u>	<u>371,813</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,095	25,095	106,153	81,058	130,855
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(25,095)	(25,095)	(25,095)	-	(23,887)
Total Other Sources (Uses)	<u>(25,095)</u>	<u>(25,095)</u>	<u>(25,095)</u>	<u>-</u>	<u>(23,887)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	81,058	<u>\$ 81,058</u>	106,968
Fund Balances, October 1st			<u>252,998</u>		<u>146,030</u>
Fund Balances, September 30th			<u>\$ 334,056</u>		<u>\$ 252,998</u>

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, 2022
With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Property Taxes	\$ 1,905,902	\$ 1,905,902	\$ 1,901,978	\$ (3,924)	\$ 1,815,225
Fines and Forfeits	25,000	25,000	34,866	9,866	30,293
Fees and Services	41,500	41,500	24,169	(17,331)	19,343
Interest, Dividends & Changes in Fair Value	16,200	16,200	(107,481)	(123,681)	1,129
Miscellaneous & Intergovernmental	-	-	53,714	53,714	95,520
Total Revenues	<u>1,988,602</u>	<u>1,988,602</u>	<u>1,907,246</u>	<u>(81,356)</u>	<u>1,961,510</u>
Expenditures:					
Current					
Culture and Recreation	2,156,602	2,156,602	1,998,665	157,937	1,904,240
Capital Outlay	-	-	-	-	60,177
Total Expenditures	<u>2,156,602</u>	<u>2,156,602</u>	<u>1,998,665</u>	<u>157,937</u>	<u>1,964,417</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(168,000)	(168,000)	(91,419)	76,581	(2,907)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (168,000)</u>	<u>\$ (168,000)</u>	(91,419)	<u>\$ 76,581</u>	(2,907)
Fund Balances, October 1st			<u>1,354,888</u>		<u>1,357,795</u>
Fund Balances, September 30th			<u>\$ 1,263,469</u>		<u>\$ 1,354,888</u>

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, 2022

With Comparative Actual Amounts from the Previous Year

	2022				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2021 Actual
Revenues:					
Charges for Services	\$ 295,000	\$ 349,500	\$ 367,887	\$ 18,387	\$ 335,323
Intergovernmental	436,898	492,760	553,585	60,825	198,977
Miscellaneous	-	-	3,100	3,100	9
Total Revenues	731,898	842,260	924,572	82,312	534,309
Expenditures:					
Contracted Expenses	4,000	7,500	10,310	(2,810)	4,311
Personnel Expenses	417,998	489,000	468,244	20,756	350,892
Utilities	65,000	75,000	75,349	(349)	68,603
Supplies	39,250	42,750	44,587	(1,837)	35,202
Repairs and Maintenance	18,000	18,000	18,831	(831)	10,597
Capital & Equipment	175,000	193,860	186,931	6,929	19,203
Miscellaneous Expenses	12,650	16,150	26,042	(9,892)	12,609
Travel and Meetings	-	-	1,333	(1,333)	-
Total Expenditures	731,898	842,260	831,627	10,633	501,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	92,945	71,679	32,892
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Net Transfers	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ -	\$ -	92,945	\$ 71,679	32,892
Fund Balances, October 1st			(58,871)		(91,763)
Fund Balances, September 30th			\$ 34,074		\$ (58,871)

CITY OF TWIN FALLS, IDAHO
Special Revenue - Drug Seizure Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2022
With Comparative Actual Amounts from the Previous Year

	2022			Variance Favorable (Unfavorable)	2021 Actual
	Proposed Budget	Final Budget	Actual		
Revenues:					
Special Assessments, Including Interest	\$ -	\$ -	\$ 148,034	\$ 148,034	\$ 54,243
Total Revenues	<u>-</u>	<u>-</u>	<u>148,034</u>	<u>148,034</u>	<u>54,243</u>
Expenditures:					
Public Safety	90,000	90,000	75,092	14,908	16,729
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>75,092</u>	<u>14,908</u>	<u>16,729</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,000)	(90,000)	72,942	162,942	37,514
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (90,000)</u>	<u>\$ (90,000)</u>	72,942	<u>\$ 162,942</u>	37,514
Fund Balances, October 1st			<u>179,057</u>		<u>141,542</u>
Fund Balances, September 30th			<u>\$ 251,999</u>		<u>\$ 179,057</u>

CITY OF TWIN FALLS, IDAHO

Special Revenue - Fireworks Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2022
With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Intergovernmental	\$ 7,825	\$ 7,825	\$ 9,692	\$ 1,867	\$ 8,772
Miscellaneous and Permits	1,675	1,675	2,921	1,246	3,496
Total Revenues	<u>9,500</u>	<u>9,500</u>	<u>12,613</u>	<u>3,113</u>	<u>12,268</u>
Expenditures:					
Community Development	16,000	22,000	22,000	-	20,000
Total Expenditures	<u>16,000</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>20,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,500)	(12,500)	(9,387)	3,113	(7,732)
Other Financing Sources (Uses)					
Transfers In	6,500	12,500	12,500	-	10,500
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>6,500</u>	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>10,500</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	3,113	<u>\$ 3,113</u>	2,768
Fund Balances, October 1st			<u>(10,683)</u>		<u>(13,451)</u>
Fund Balances, September 30th			<u>\$ (7,570)</u>		<u>\$ (10,683)</u>

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, 2022
 With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ 4,759
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,759</u>
Expenditures:					
Current					
Community Development	-	-	-	-	2,759
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,759</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	2,000
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	2,000
Fund Balances, October 1st			<u>(3,745)</u>		<u>(5,745)</u>
Fund Balances, September 30th			<u>\$ (3,745)</u>		<u>\$ (3,745)</u>

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, 2022

With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Interest, Dividends & Changes in Fair Value	\$ -	\$ -	\$ (67,027)	\$ (67,027)	\$ (525)
Miscellaneous & Intergovernmental	-	-	-	-	8,410
Total Revenues	-	-	(67,027)	(67,027)	7,885
Expenditures:					
Current					
Park Development	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(67,027)	(67,027)	7,885
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ -	\$ -	(67,027)	\$ (67,027)	7,885
Fund Balances, October 1st			988,485		980,600
Fund Balances, September 30th			\$ 921,458		\$ 988,485

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, 2022

With Comparative Actual Amounts from the Previous Year

	2022				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2021 Actual
Revenues:					
Fees and Services	\$ -	\$ -	\$ 1,621,815	\$ 1,621,815	\$ 2,052,437
Interest, Dividends & Changes in Fair Value	-	-	(594,744)	(594,744)	(8,088)
Total Revenues	-	-	1,027,071	1,027,071	2,044,349
Expenditures:					
Current					
Community Development	-	-	(5,700)	5,700	30,100
Capital Outlay	-	593,633	478,729	114,904	594,950
Total Expenditures	-	593,633	473,029	120,604	625,050
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(593,633)	554,042	1,147,675	1,419,299
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(322,331)
Total Other Sources (Uses)	-	-	-	-	(322,331)
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	\$ -	\$ (593,633)	554,042	\$ 1,147,675	1,096,968
Fund Balances, October 1st			7,230,641		6,133,673
Fund Balances, September 30th			\$ 7,784,683		\$ 7,230,641

CITY OF TWIN FALLS, IDAHO

Capital Projects - CDBG

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

For the Fiscal Year Ended September 30, 2022

With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:					
Federal Grants	\$ 1,100,840	\$ 1,100,840	\$ 76,031	\$ (1,024,809)	\$ 46,910
Total Revenues	<u>1,100,840</u>	<u>1,100,840</u>	<u>76,031</u>	<u>(1,024,809)</u>	<u>46,910</u>
Expenditures:					
Current					
Community Development	1,100,840	1,100,840	9,453	1,091,387	46,910
Total Expenditures	<u>1,100,840</u>	<u>1,100,840</u>	<u>9,453</u>	<u>1,091,387</u>	<u>46,910</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	66,578	66,578	-
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(66,296)	66,296	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>(66,296)</u>	<u>66,296</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	282	<u>\$ 132,874</u>	-
Fund Balances, October 1st			-		-
Fund Balances, September 30th			<u>\$ 282</u>		<u>\$ -</u>

CITY OF TWIN FALLS, IDAHO
 Enterprise - Dierkes Lake/Shoshone Falls Fund
 Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
 For the Fiscal Year Ended September 30, 2022
 With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 431,500	\$ 431,500	\$ 403,108	\$ (28,392)	\$ 537,735
Miscellaneous	-	-	5,290	5,290	3,696
Total Operating Revenues	<u>431,500</u>	<u>431,500</u>	<u>408,398</u>	<u>(23,102)</u>	<u>541,431</u>
Operating Expenses:					
Contracted Expenses	72,804	72,804	84,118	(11,314)	81,863
Personnel Expenses	93,736	93,736	27,486	66,250	32,842
Depreciation and Amortization	-	-	58,178	(58,178)	61,729
Utilities	5,000	5,000	5,085	(85)	4,889
Supplies	7,500	7,500	3,478	4,022	2,865
Repairs and Maintenance	10,500	10,500	8,697	1,803	9,259
Vehicle Expense	-	-	2,709	(2,709)	5,844
Capital & Equipment	314,000	397,373	21,580	375,793	1,100
Miscellaneous Expenses	29,000	29,000	8,731	20,269	14,147
Total Operating Expenses	<u>532,540</u>	<u>615,913</u>	<u>220,062</u>	<u>395,851</u>	<u>214,538</u>
Operating Income (Loss)	(101,040)	(184,413)	188,336	372,749	326,893
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	11,700	11,700	(122,137)	(133,837)	(1,875)
Loss on Sale of Assets	-	-	(34,588)	(34,588)	-
Total Non-operating Revenues (Exp.)	<u>11,700</u>	<u>11,700</u>	<u>(156,725)</u>	<u>(168,425)</u>	<u>(1,875)</u>
Income (Loss) Before Operating Transfers	(89,340)	(172,713)	31,611	204,324	325,018
Interfund Transfers:					
Transfers In	-	83,373	83,373	-	147,743
Transfers Out	(10,979)	(10,979)	(10,979)	-	(10,450)
Net Transfers	<u>(10,979)</u>	<u>72,394</u>	<u>72,394</u>	<u>-</u>	<u>137,293</u>
Net Income (Loss)	<u>\$ (100,319)</u>	<u>\$ (100,319)</u>	104,005	<u>\$ 204,324</u>	462,311
Net Position, October 1st,			<u>2,721,822</u>		<u>2,259,511</u>
Net Position, September 30th			<u>\$ 2,825,827</u>		<u>\$ 2,721,822</u>

CITY OF TWIN FALLS, IDAHO
 Enterprise - Common Area Maintenance
 Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
 For the Fiscal Year Ended September 30, 2022
 With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 56,000	\$ 56,000	\$ 58,281	\$ 2,281	\$ 56,248
Total Operating Revenues	<u>56,000</u>	<u>56,000</u>	<u>58,281</u>	<u>2,281</u>	<u>56,248</u>
Operating Expenses:					
Contracted Expenses	41,473	51,473	50,370	1,103	33,538
Utilities	1,300	1,300	1,199	101	1,266
Miscellaneous Expenses	-	-	126	(126)	109
Total Operating Expenses	<u>52,859</u>	<u>62,859</u>	<u>56,381</u>	<u>6,478</u>	<u>42,900</u>
Operating Income (Loss)	<u>3,141</u>	<u>(6,859)</u>	<u>1,900</u>	<u>8,759</u>	<u>13,348</u>
Income (Loss) Before Operating Transfers	3,141	(6,859)	1,900	8,759	13,348
Interfund Transfers:					
Transfers In	-	-	-	-	-
Transfers Out	(3,141)	(3,141)	(3,141)	-	(2,990)
Net Transfers	<u>(3,141)</u>	<u>(3,141)</u>	<u>(3,141)</u>	<u>-</u>	<u>(2,990)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>(1,241)</u>	<u>\$ 8,759</u>	<u>10,358</u>
Net Position, October 1st,			<u>32,755</u>		<u>22,397</u>
Net Position, September 30th			<u>\$ 31,514</u>		<u>\$ 32,755</u>

CITY OF TWIN FALLS, IDAHO

Internal Service - Insurance Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended September 30, 2022

With Comparative Actual Amounts from the Previous Year

	2022				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2021 Actual
Operating Revenues:					
Special Assessments, Including Interest	\$ 201,485	\$ 201,485	\$ 204,054	\$ 2,569	\$ 202,258
Total Operating Revenues	201,485	201,485	204,054	2,569	202,258
Operating Expenses:					
Insurance Expense	500,420	520,420	519,797	623	473,923
Miscellaneous Expenses	850	12,161	11,685	476	95
Travel and Meetings	500	500	97	403	-
Total Operating Expenses	501,770	533,081	531,579	1,502	474,018
Operating Income (Loss)	(300,285)	(331,596)	(327,525)	4,071	(271,760)
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	1,620	1,620	(14,914)	(16,534)	111
Total Non-operating Revenues (Exp.)	1,620	1,620	(14,914)	(16,534)	111
Income (Loss) Before Operating Transfers	(298,665)	(329,976)	(342,439)	(12,463)	(271,649)
Operating Transfers:					
Transfers In	361,404	361,404	361,404	-	350,533
Transfers Out	(62,739)	(62,739)	(62,739)	-	(59,717)
Net Transfers	298,665	298,665	298,665	-	290,816
Net Income (Loss)	\$ -	\$ (31,311)	(43,774)	\$ (12,463)	19,167
Net Position, October 1st			255,954		236,787
Net Position, September 30th			\$ 212,180		\$ 255,954

CITY OF TWIN FALLS, IDAHO
Internal Service - Shop Revolving Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended September 30, 2022
With Comparative Actual Amounts from the Previous Year

	2022				2021 Actual
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues:					
Charges for Services	\$ 448,490	\$ 448,490	\$ 450,753	\$ 2,263	\$ 429,889
Miscellaneous	-	-	10,091	10,091	358
Total Operating Revenues	<u>448,490</u>	<u>448,490</u>	<u>460,844</u>	<u>12,354</u>	<u>430,247</u>
Operating Expenses:					
Contracted Expenses	6,300	6,300	8,936	(2,636)	7,624
Personnel Expenses	460,025	460,025	458,360	1,665	450,271
Depreciation and Amortization	-	-	16,403	(16,403)	17,841
Utilities	8,750	8,750	9,293	(543)	8,584
Supplies	29,000	29,000	35,957	(6,957)	28,741
Repairs and Maintenance	22,000	22,000	23,348	(1,348)	16,120
Vehicle Expense	2,000	2,000	2,316	(316)	1,899
Capital & Equipment	360,000	360,000	75,144	284,856	13,409
Miscellaneous Expenses	1,700	1,700	3,192	(1,492)	-
Travel and Meetings	1,500	1,500	763	737	340
Total Operating Expenses	<u>891,275</u>	<u>891,275</u>	<u>633,712</u>	<u>257,563</u>	<u>544,829</u>
Operating Income (Loss)	<u>(442,785)</u>	<u>(442,785)</u>	<u>(172,868)</u>	<u>269,917</u>	<u>(114,582)</u>
Income (Loss) before Operating Transfers	(442,785)	(442,785)	(172,868)	269,917	(114,582)
Interfund Transfers:					
Transfers In	83,516	83,516	83,516	-	102,581
Transfers Out	(731)	(731)	(731)	-	(695)
Net Transfers	<u>82,785</u>	<u>82,785</u>	<u>82,785</u>	<u>-</u>	<u>101,886</u>
Net Income (Loss)	<u>\$ (360,000)</u>	<u>\$ (360,000)</u>	<u>(90,083)</u>	<u>\$ 269,917</u>	<u>(12,696)</u>
Net Position, October 1st,			<u>609,930</u>		<u>622,626</u>
Net Position, September 30th			<u>\$ 519,847</u>		<u>\$ 609,930</u>

STATISTICAL SECTION

CITY OF TWIN FALLS, IDAHO
Statistical Section
September 30, 2022

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. (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 15-16)

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,

2022 2021 2020 2019 2018 2017 2016 2015 2014 2013

Schedule of Net Position - Schedule 1

(accrual basis of accounting)

Governmental Activities

Net Investment in Capital Assets	\$ 153,295,664	\$ 152,208,211	\$ 148,052,251	\$ 148,693,057	\$ 154,044,906	\$ 144,133,814	\$ 139,207,450	\$ 140,796,310	\$ 148,994,442	\$ 149,862,775
Restricted	1,046,875	1,217,245	1,683,155	941,273	472,926	5,689,098	5,333,887	4,228,544	29,878,583	16,259,022
Unrestricted	43,045,250	47,724,835	38,802,159	40,293,887	37,601,624	30,207,292	31,667,251	28,789,849	1,699,141	11,197,181
Total Governmental Activities Net Position	\$ 197,387,789	\$ 201,150,291	\$ 188,537,565	\$ 189,928,217	\$ 192,119,456	\$ 180,030,204	\$ 176,208,588	\$ 173,814,703	\$ 180,572,166	\$ 177,318,978

Business-Type Activities

Net Investment in Capital Assets	\$ 106,544,599	\$ 105,800,840	\$ 99,430,017	\$ 99,872,951	\$ 99,291,611	\$ 84,024,365	\$ 82,464,944	\$ 67,210,548	\$ 40,851,261	\$ 41,132,893
Restricted				6,378,604	6,392,986	4,250,768	8,935,206	15,815,072	29,334,545	199,519
Unrestricted	37,862,972	35,875,999	35,201,955	23,427,888	18,713,692	19,722,784	11,110,781	14,887,526	22,641,980	18,730,324
Total Governmental Activities Net Position	\$ 144,407,571	\$ 141,676,839	\$ 134,631,972	\$ 129,679,443	\$ 124,398,289	\$ 107,997,917	\$ 102,510,931	\$ 97,913,146	\$ 92,827,786	\$ 60,062,736

Primary Government

Net Investment in Capital Assets	\$ 259,840,263	\$ 258,009,051	\$ 247,482,268	\$ 248,566,008	\$ 253,336,517	\$ 228,158,179	\$ 221,672,394	\$ 208,006,858	\$ 189,845,703	\$ 190,995,668
Restricted	1,046,875	1,217,245	1,683,155	7,319,877	6,865,912	9,939,866	14,269,093	20,043,616	59,213,128	16,458,541
Unrestricted	80,908,222	83,600,834	74,004,114	63,721,775	56,315,316	49,930,076	42,778,032	43,677,375	24,341,121	29,927,505
Total Primary Government Net Position	\$ 341,795,360	\$ 342,827,130	\$ 323,169,537	\$ 319,607,660	\$ 316,517,745	\$ 288,028,121	\$ 278,719,519	\$ 271,727,849	\$ 273,399,952	\$ 237,381,714

Note - In 2015 the City implemented a new accounting principal for recognizing 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

September 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Schedule of Changes in Net Position - Schedule 2										
(accrual basis of accounting)										
<u>Expenses:</u>										
Governmental Activities:										
General Government	\$ 16,129,395	\$ 14,737,970	\$ 15,661,483	\$ 16,117,728	\$ 14,086,895	\$ 12,728,775	\$ 13,451,319	\$ 13,055,440	\$ 11,943,398	\$ 11,474,562
Fire	6,656,031	2,882,058	5,207,029	4,407,629	4,170,533	3,724,075	3,365,672	2,690,217	4,069,035	3,949,996
Police	13,962,627	11,807,078	12,872,981	11,620,966	10,830,232	9,894,491	8,972,945	8,603,022	8,199,302	7,849,707
Engineering/Planning	2,463,218	2,457,786	2,861,883	2,738,386	2,447,395	2,289,208	2,148,670	2,169,122	1,951,363	1,492,029
Library	2,179,449	1,967,760	1,932,768	1,895,668	1,899,062	1,764,149	1,699,739	1,743,574	1,583,001	1,521,534
Culture and Recreation (a & b)	3,723,170	3,145,391	3,081,632	2,401,718	2,278,971	2,199,115	2,042,063	1,920,259	1,751,333	1,705,144
Streets	5,441,136	4,402,017	5,493,103	6,438,417	8,140,135	5,802,644	3,811,188	3,663,385	3,998,213	3,311,279
Airport	2,639,863	3,138,840	2,013,652	2,202,086	1,856,344	1,817,366	1,747,681	1,734,504	2,132,707	2,050,091
Total	<u>53,194,889</u>	<u>44,538,900</u>	<u>49,124,531</u>	<u>47,822,598</u>	<u>45,709,567</u>	<u>40,219,823</u>	<u>37,239,277</u>	<u>35,579,523</u>	<u>35,628,352</u>	<u>33,354,342</u>
Business-Type Activities:										
Water	8,018,753	7,801,764	7,926,989	7,982,299	7,589,565	7,221,602	7,279,970	6,783,620	7,080,671	5,842,097
Wastewater	9,727,160	9,042,533	9,294,699	9,321,354	8,739,629	8,064,545	7,724,769	7,234,304	6,602,907	5,528,219
Sanitation	3,247,214	3,033,789	2,978,268	2,900,054	2,683,396	2,514,297	2,413,932	2,336,654	2,321,666	2,524,489
Golf (b)			63,308	51,549	57,992	43,062	47,036	46,853	58,021	82,998
Pool (a)				700,672	534,172	361,136	155,910	181,301	165,031	170,194
Dierkes Lake/Shoshone Falls	220,062	214,538	231,839	224,319	211,501	311,985	193,223	223,664	219,597	225,756
Common Area Maintenance	56,381	42,900	49,723	46,909	41,641	49,998	31,411	23,099	22,930	20,391
Total	<u>21,269,570</u>	<u>20,135,524</u>	<u>20,544,826</u>	<u>21,227,156</u>	<u>19,857,896</u>	<u>18,566,625</u>	<u>17,846,251</u>	<u>16,829,495</u>	<u>16,470,823</u>	<u>14,394,144</u>
Total Primary Government	<u>\$ 74,464,459</u>	<u>\$ 64,674,424</u>	<u>\$ 69,669,357</u>	<u>\$ 69,049,754</u>	<u>\$ 65,567,463</u>	<u>\$ 58,786,448</u>	<u>\$ 55,085,528</u>	<u>\$ 52,409,018</u>	<u>\$ 52,099,175</u>	<u>\$ 47,748,486</u>
<u>Program Revenues:</u>										
Governmental Activities:										
Charges for Services	\$ 8,401,811	\$ 9,371,119	\$ 8,027,791	\$ 7,342,801	\$ 8,056,954	\$ 6,329,286	\$ 6,354,779	\$ 6,801,330	\$ 6,050,556	\$ 5,652,382
Operating Grants and Contributions	12,190,859	17,286,215	9,975,484	9,232,149	8,720,614	8,347,517	8,074,642	7,781,738	6,781,238	5,882,115
Capital Grants and Contributions	4,341,949	8,837,954	2,154,900	3,225,200	6,487,476	1,867,265	4,311,907	985,169	3,989,947	2,314,982
Total	<u>24,934,619</u>	<u>35,495,288</u>	<u>20,158,175</u>	<u>19,800,150</u>	<u>23,265,044</u>	<u>16,544,068</u>	<u>18,741,328</u>	<u>15,568,237</u>	<u>16,821,741</u>	<u>13,849,479</u>
Business-Type Activities:										
Charges for Services	\$ 28,324,137	\$ 28,748,863	\$ 25,763,546	\$ 25,637,594	\$ 26,031,064	\$ 24,399,151	\$ 23,017,706	\$ 23,046,518	\$ 22,335,115	\$ 19,902,491
Operating Grants and Contributions	43,017			175,959	142,266	126,233		-	569,853	-
Capital Grants and Contributions								-	-	845,391
Total	<u>28,367,154</u>	<u>28,748,863</u>	<u>25,763,546</u>	<u>25,813,553</u>	<u>26,173,330</u>	<u>24,525,384</u>	<u>23,017,706</u>	<u>23,046,518</u>	<u>22,904,968</u>	<u>20,747,882</u>
Total Primary Government	<u>\$ 53,301,773</u>	<u>\$ 64,244,151</u>	<u>\$ 45,921,721</u>	<u>\$ 45,613,703</u>	<u>\$ 49,438,374</u>	<u>\$ 41,069,452</u>	<u>\$ 41,759,034</u>	<u>\$ 38,614,755</u>	<u>\$ 39,726,709</u>	<u>\$ 34,597,361</u>

Schedule of Changes in Net Position - Schedule 2 Continued

(accrual basis of accounting)

General Revenues and Other Changes in Net Position:

Governmental Activities:

Property Taxes - General Purposes	\$ 25,555,842	\$ 18,671,370	\$ 23,386,148	\$ 22,160,886	\$ 20,596,854	\$ 19,334,072	\$ 18,219,696	\$ 17,673,416	\$ 17,412,749	\$ 16,651,268
Franchise Taxes	432,623	398,503	356,555	369,688	400,950	394,089	393,394	385,292	356,898	223,358
Interest and Investment Earnings	(4,444,340)	(56,423)	1,326,248	1,664,320	152,747	365,364	604,822	577,025	452,434	(44,176)
Miscellaneous Rev. (Including Asset Sales)	893,674	922,967	821,233	1,001,583	1,903,083	6,195,101	322,311	423,292	459,192	370,696
Contributions of Assets					9,816,959				2,264,987	
Transfers	2,059,969	1,822,858	992,122	634,732	1,663,182	987,999	1,507,521	1,578,589	1,278,570	4,237,557
Total	24,497,768	21,759,275	26,882,306	25,831,209	34,533,775	27,276,625	21,047,744	20,637,614	22,224,830	21,438,703

Business-Type Activities:

Interest and Investment Earnings	\$ (2,478,291)	\$ (64,202)	\$ 1,005,583	\$ 1,041,825	\$ 205,674	\$ 307,138	\$ 611,827	\$ 1,100,433	\$ 393,336	\$ (56,627)
Miscellaneous Rev. (Including Asset Sales)	171,408	215,651	413,746	287,664	199,952	429,834	166,115	123,606	118,255	451,952
Contributions of Assets					11,342,494			-	26,932,853	
Transfers	(2,059,969)	(1,822,858)	(992,122)	(634,732)	(1,663,182)	(987,999)	(1,507,521)	(1,578,589)	(1,278,570)	(4,237,557)
Total	(4,366,852)	(1,671,409)	427,207	694,757	10,084,938	(251,027)	(729,579)	(354,550)	26,165,874	(3,842,232)
Total Primary Government	\$ 20,130,916	\$ 20,087,866	\$ 27,309,513	\$ 26,525,966	\$ 44,618,713	\$ 27,025,598	\$ 20,318,165	\$ 20,283,064	\$ 48,390,704	\$ 17,596,471

Change in Net Position:

Governmental Activities	\$ (3,762,502)	\$ 12,715,663	\$ (2,084,050)	\$ (2,191,239)	\$ 12,089,252	\$ 3,600,870	\$ 2,549,795	\$ 626,328	\$ 3,418,219	\$ 1,933,840
Business-Type Activities	2,730,732	6,941,930	5,645,927	5,281,154	16,400,372	5,707,732	4,441,876	5,862,473	32,600,019	2,511,506
Total Primary Government	\$ (1,031,770)	\$ 19,657,593	\$ 3,561,877	\$ 3,089,915	\$ 28,489,624	\$ 9,308,602	\$ 6,991,671	\$ 6,488,801	\$ 36,018,238	\$ 4,445,346

(a) For a period of time during 2012 to 2017 the City pool was operated by the YMCA. During that time the pool was supported with governmental revenues and reported as a governmental activity. Then the City took back operations of the pool and reported the activity as a business-type activity, restating earlier years. This year it was reclassified back as a governmental activity. For this presentation years prior to 2020 are still being reported as a business-type activity.

(b) The classification of the Golf Fund was reevaluated in the current year and it was determined to be governmental fund. This year the activity was reported as such. Prior year have not been restated.

City of Twin Falls, Idaho

December 31,

2022 2021 2020 2019 2018 2017 2016 2015 2014 2013

Program Labor Burden - Schedule 3

(cash basis of accounting)

Labor Cost:

General Government	\$ 4,116,928	\$ 3,823,527	\$ 3,580,518	\$ 3,514,294	\$ 3,265,129	\$ 2,846,567	\$ 2,600,066	\$ 2,628,021	\$ 2,300,448	\$ 1,958,510
Fire	3,828,422	3,662,943	3,478,216	3,446,415	3,140,516	2,872,326	2,589,862	2,573,121	2,417,721	2,362,685
Police	7,412,373	7,263,972	6,955,216	6,904,756	6,633,364	6,058,440	5,752,076	5,578,775	5,125,314	4,980,524
Dispatch *	874,245	818,167	795,979	573,079	535,200	608,941				
Engineering/Planning	1,237,993	1,479,692	1,530,546	1,513,612	1,433,523	1,516,200	1,363,856	1,318,899	1,139,277	1,159,679
Streets	895,266	886,006	842,707	843,576	853,955	766,244	702,086	679,117	638,292	567,264
Library	1,060,754	994,374	965,026	953,313	867,556	834,132	762,985	774,970	761,178	733,922
Culture and Recreation *	1,722,909	1,681,958	1,472,540	1,568,655	1,487,072	1,020,463	933,486	908,640	853,077	819,625
Airport	568,397	575,812	526,722	478,006	464,952	412,893	387,441	375,470	359,612	349,287
Water	1,850,260	1,624,009	1,586,221	1,543,034	1,593,718	1,426,265	1,325,484	1,294,640	1,197,864	1,049,847
Wastewater	566,498	442,399	423,705	441,489	365,370	393,295	340,666	346,945	303,517	341,046
Sanitation	-	-	-	-	-	-	-	-	-	-
	<u>\$ 24,134,045</u>	<u>\$ 23,252,859</u>	<u>\$ 22,157,396</u>	<u>\$ 21,780,229</u>	<u>\$ 20,640,355</u>	<u>\$ 18,755,766</u>	<u>\$ 16,758,008</u>	<u>\$ 16,478,598</u>	<u>\$ 15,096,300</u>	<u>\$ 14,322,388</u>

Program Labor Hours:

General Government	117,526	107,841	115,280	115,424	93,515	93,728	88,381	90,186	83,068	74,745
Fire	146,799	146,756	148,041	151,204	139,267	140,474	143,128	143,904	141,092	141,493
Police	222,416	232,225	225,152	260,740	279,184	269,115	288,151	293,747	276,639	276,448
Dispatch *	24,804	27,195	30,863	27,598	31,414	35,351				
Engineering/Planning	33,269	39,463	41,578	43,185	40,671	48,151	47,022	47,639	44,658	44,367
Streets	32,005	32,480	31,937	31,614	30,698	30,383	29,655	29,065	29,062	28,105
Library	52,756	52,214	45,974	64,134	61,570	52,660	43,785	39,476	50,424	50,532
Culture and Recreation *	88,788	88,967	80,607	98,098	93,143	56,097	51,483	51,008	50,597	50,352
Airport	19,407	20,941	20,037	21,292	23,071	21,356	20,652	18,995	18,459	18,630
Water	63,879	61,662	63,341	62,277	65,015	63,047	60,970	62,207	59,356	55,115
Wastewater	20,688	17,229	17,450	18,757	14,384	17,078	17,109	17,456	14,601	15,397
Sanitation	-	-	-	-	-	-	-	-	-	-
	<u>822,337</u>	<u>826,973</u>	<u>820,260</u>	<u>894,323</u>	<u>871,932</u>	<u>827,440</u>	<u>790,336</u>	<u>793,683</u>	<u>767,956</u>	<u>755,186</u>

* During 2017 the City took back responsibility for operating the City Pool. Also in 2017 the Dispatch function which had previously been reported in the Police Department began independent operations

City of Twin Falls, Idaho

September 30,

2022 2021 2020 2019 2018 2017 2016 2015 2014 2013

Fund Balances, Governmental Funds (a) - Schedule 4

(modified accrual basis of accounting)

General Fund

Restricted	\$ 125,417	\$ 753,573	\$ 423,362	\$ 941,273	\$ 472,443	\$ 78,417	\$ 78,151	\$ 77,852	\$ 257,598	\$ 249,939
Reserved (for Dedicated Purpose)/Committed				-	14,545	578,141	2,537,477	70,820	158,843	158,843
Unreserved/Undesignated/Assigned	10,835,712	11,173,073	10,382,728	10,811,603	9,177,112	8,135,374	7,014,566	10,007,787	9,616,943	15,439,425
Total	\$ 10,961,129	\$ 11,926,646	\$ 10,806,090	\$ 11,752,876	\$ 9,664,100	\$ 8,791,932	\$ 9,630,194	\$ 10,156,459	\$ 10,033,384	\$ 15,848,207

All Other Governmental Funds

Restricted	\$ 921,458	\$ 980,485	\$ 980,600	\$ 912,153	\$ 364,769	\$ 236,441	\$ 356,084	\$ 321,410	\$ 799,935	\$ 779,301
Reserved (for Dedicated Purpose)/Committed	8,748,182	8,349,127	9,901,226	6,395,683	4,714,621	5,694,194	7,011,321	3,934,208	3,410,083	3,197,704
Unreserved/Undesignated/Assigned	28,208,383	24,112,664	21,104,004	20,906,743	21,867,547	19,635,325	25,471,609	22,507,705	17,895,754	7,963,397
Total (b)	\$ 37,878,023	\$ 33,442,276	\$ 31,985,830	\$ 28,214,579	\$ 26,946,937	\$ 25,565,960	\$ 32,839,014	\$ 26,763,323	\$ 22,105,772	\$ 11,940,402

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

(b) In 2015 the City implemented a new accounting principal for recognizing 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,

2022 2021 2020 2019 2018 2017 2016 2015 2014 2013

Changes in Fund Balances, Governmental Funds (a) - Schedule 5

(modified accrual basis of accounting)

Revenues:

Property Taxes	\$ 25,500,427	\$ 18,606,019	\$ 23,213,478	\$ 22,047,524	\$ 20,296,182	\$ 19,244,951	\$ 18,227,029	\$ 17,674,504	\$ 17,403,998	\$ 16,517,423
Other Taxes	884,539	844,815	1,791,976	833,479	916,669	890,516	880,171	911,857	922,415	743,589
Special Assessments	148,034	54,243	54,172	41,697	52,890	48,712	161,679	86,100	69,427	72,757
Fines and Forfeitures	54,181	46,903	32,327	43,518	41,416	35,378	41,145	49,417	48,003	45,968
Licenses and Permits	1,580,313	2,277,696	1,882,560	1,563,063	1,478,997	1,206,907	1,264,310	1,192,848	1,083,837	891,886
Fees and Services	4,332,625	4,745,584	3,981,232	3,566,493	4,044,752	2,864,280	2,907,286	3,418,932	2,732,030	2,745,225
Intergovernmental	12,065,072	10,273,570	9,324,739	8,882,379	8,514,511	8,027,528	7,850,437	6,987,622	6,561,282	6,373,641
Federal Grants	4,460,505	15,848,906	2,794,573	3,573,250	6,676,611	2,174,987	3,785,398	1,740,331	4,207,153	1,808,926
Miscellaneous & Investment Income	(1,800,917)	2,590,280	3,700,849	5,354,114	5,028,789	2,500,653	3,974,965	2,561,569	2,374,547	1,674,665
Total	47,224,779	55,288,016	46,775,906	45,905,517	47,050,817	36,993,912	39,092,420	34,623,180	35,402,692	30,874,080

Expenditures:

General Government	6,189,417	6,522,913	6,578,986	5,717,526	5,124,801	4,845,447	4,453,961	4,113,905	3,750,276	3,447,775
Public Safety	24,618,708	20,660,157	18,286,968	17,552,034	16,190,076	15,540,831	14,834,689	13,737,173	13,501,256	12,447,261
Engineering	1,450,042	1,651,535	1,683,416	1,692,915	1,553,187	1,499,651	1,426,545	1,320,956	1,642,952	1,350,315
Community Development	867,739	1,083,792	997,728	1,049,807	940,192	867,205	716,364	908,135	695,930	197,191
Cultural and Recreation	5,621,033	5,276,359	4,691,137	4,512,993	3,901,366	3,705,360	3,959,919	3,933,293	3,684,778	3,388,194
Highways and Streets	3,646,040	4,569,560	4,169,589	4,874,857	7,058,335	4,852,226	2,809,548	2,166,676	2,047,874	1,639,953
Airport	3,371,090	9,120,557	3,097,547	2,179,219	4,943,941	3,493,986	2,632,330	1,230,160	4,420,793	3,163,629
Debt Issuance Costs	184,321									
Capital Outlay	2,659,413	4,682,551	5,053,453	5,255,964	6,412,563	11,517,565	3,978,723	3,552,872	2,604,250	3,470,227
Total	48,607,803	53,567,424	44,558,824	42,835,315	46,124,461	46,322,271	34,812,079	30,963,170	32,348,109	29,104,545

Other Financing Sources (Uses):

Contributions									204	2,512
Transfers In	6,035,996	5,271,225	6,059,458	3,052,337	4,183,880	4,224,338	4,737,890	4,180,526	12,096,205	6,105,578
Transfers Out	(4,357,478)	(3,841,069)	(5,420,548)	(2,766,120)	(2,857,091)	(3,228,041)	(3,468,805)	(2,860,508)	(10,800,449)	(2,048,072)
Issuance of Debt	3,174,736									
Total	4,853,254	1,430,156	638,910	286,217	1,326,789	996,297	1,269,085	1,320,018	1,295,756	4,057,506

Net Change in Fund Balances	\$ 3,470,230	\$ 3,150,748	\$ 2,855,992	\$ 3,356,419	\$ 2,253,145	\$ (8,332,062)	\$ 5,549,426	\$ 4,980,028	\$ 4,350,339	\$ 5,827,041
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Debt Service as a percentage of non-capital expenditures

	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
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City of Twin Falls, Idaho

Assessed Value of Taxable Property - Schedule 6

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>City Levy Rate</u>	<u>Calculated Property Taxes for Budget</u>	<u>Actual Assessment All Property Taxes</u>	<u>Cancellations</u>	<u>Adjustments (Circuit Breaker)</u>	<u>Net Assessed Property Taxes</u>	<u>Collected in Year of Assessment</u>	<u>Collected in Subsequent Yr.</u>	<u>Outstanding Balance 9/30/2022</u>
2021	\$ 4,035,957,147	0.006245573	25,206,865	\$ 25,345,088	\$ 108,864	\$ 323,568	24,912,656	\$ 24,590,929	\$ -	\$ 321,727
2020	3,452,293,576	0.005300426	18,298,627	18,367,681	10,776	227,298	18,129,607	17,857,778	171,944	99,885
2019	3,226,338,398	0.007134065	23,016,908	23,074,463	1,889	265,377	22,807,197	22,471,912	277,184	58,101
2018	2,900,999,246	0.007503874	21,768,733	21,860,986	14,230	238,524	21,608,232	21,301,310	306,141	781
2017	2,683,754,266	0.007429860	19,939,918	20,029,737	10,188	232,073	19,787,476	19,504,497	282,638	341
2016	2,361,514,635	0.008039014	18,984,249	19,066,563	7,496	231,976	18,827,091	18,567,107	259,984	-
2015	2,274,715,387	0.007868287	17,898,114	18,040,788	26,521	238,801	17,775,466	17,367,958	407,508	-
2014	2,264,943,286	0.007664692	17,360,093	17,454,148	56,669	238,801	17,158,678	16,805,418	353,260	-
2013	2,200,305,399	0.007856543	17,286,794	17,821,562	26,820	244,595	17,550,147	17,142,639	407,508	-
2012	2,152,055,074	0.007713994	16,600,940	17,079,578	56,541	237,543	16,785,494	16,368,284	417,210	-

Property Tax Levies - Schedule 7

<u>Fiscal Year</u>	<u>Twin Falls City</u>	<u>Twin Falls County</u>	<u>Twin Falls School District</u>	<u>Twin Falls Highway Dist.</u>	<u>College of Southern Idaho</u>	<u>County Ambulance</u>	<u>County Abatement</u>	<u>Total</u>
2021	0.006245573	0.003604221	0.003106028	0.000942152	0.000924499	0.000148295	0.000085067	0.015055835
2020	0.005300426	0.003974578	0.003629366	0.001069504	0.001014337	0.000169938	0.000097697	0.015255846
2019	0.007134065	0.004192917	0.004275126	0.001091370	0.000889340	0.000179316	0.000103273	0.017865407
2018	0.007503874	0.004282926	0.004750628	0.001131447	0.000914913	0.000198801	0.000108620	0.018891209
2017	0.007429860	0.004311054	0.004618324	0.001151472	0.000931594	0.000191659	0.000112259	0.018746222
2016	0.008039014	0.004620777	0.004821117	0.001245724	0.000982086	0.000211166	0.000124953	0.020044837
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

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.

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

City of Twin Falls, Idaho

Principal Property Tax Payers - Schedule 8

Taxpayer	2022 Taxable Assessed Value	2021 Taxable Assessed Value	2020 Taxable Assessed Value	2019 Taxable Assessed Value	2018 Taxable Assessed Value	2017 Taxable Assessed Value	2016 Taxable Assessed Value	2015 Taxable Assessed Value	2014 Taxable Assessed Value	2013 Taxable Assessed Value
Chobani, Inc (Agro-Farma)	\$ 397,493,952	\$ 313,752,654	\$ 305,587,296	\$ 267,321,986	\$ 274,928,865	\$ 425,078,135	\$ 447,967,459	\$ 440,704,927	\$ 397,014,522	\$ 332,583,611
Idaho Power	175,121,784	162,509,565	143,702,217	144,446,139	136,632,843	127,282,949	123,110,502			
Idaho Frozen Foods (Lamb Weston)	129,929,956	122,129,924	96,214,362	84,485,629	83,612,919	92,120,925	85,206,199	73,766,988	76,896,371	74,497,915
Clif Bar Baking Company	113,922,212	107,013,848	102,279,229	105,294,875	103,242,722	96,844,384	37,007,452			
Westrock (Longview), LLC	56,268,349	56,504,145	37,839,972	52,477,906	21,835,126	18,330,840	19,852,116	17,250,406	18,350,447	
Glanbia Foods, Inc	48,851,524	45,812,601	49,209,189	42,128,211	46,932,648	50,296,001	34,069,915	32,280,570	33,796,073	24,448,073
Jayco	32,605,389	28,792,333	26,959,163	28,055,877					11,576,542	
Bridgeview Estates	28,055,426									
Wal-Mart Stores, Inc.	26,220,928	24,684,063	22,639,862	19,732,121	18,101,850	18,617,037	18,202,778	15,022,186	18,989,807	13,709,376
Canyon Park West, LLC	22,450,733	21,022,372	20,750,097							
Magic Valley Mall II , LLC		25,468,345	30,973,975	32,076,216	33,466,990	36,153,343	34,260,684	28,085,114	28,103,597	31,636,266
Henningsen Cold Storage Co				24,313,037	17,491,746	19,684,168	17,692,399	17,779,174	17,675,599	22,048,496
Twin Falls Canyon Park (Geronimo LLC)				20,630,808	17,854,445	15,935,346	14,043,318			

Source: Assessed property values are provided by Twin Falls County. Utility taxpayers were added in 2016.

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

Fiscal Year	Government Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income (b)	Per Capita (b)	City Personal Income	City Population
	Certificates of Participation	Capitalized Lease	Revenue Bonds (c)	Term Loans					
2022	8,905,713	728,832	\$ 33,930,860	-	43,565,405	1.04%	819	4,208,749,000	53,213
2021	-	-	37,563,989	-	37,563,989	0.96%	725	3,899,972,000	51,807
2020	-	-	48,736,084	-	48,736,084	1.32%	971	3,681,817,000	50,197
2019	-	-	53,297,705	-	53,297,705	1.56%	1,071	3,410,765,000	49,764
2018	-	-	57,684,327	-	57,684,327	1.77%	1,172	3,259,461,000	49,202
2017	-	-	61,978,558	-	61,978,558	2.07%	1,284	3,000,974,000	48,260
2016	-	-	66,173,038	-	66,173,038	2.29%	1,394	2,889,612,000	47,468
2015	-	-	70,287,516	-	70,287,516	2.53%	1,529	2,779,540,000	45,981
2014	-	-	74,291,998	-	74,291,998	2.84%	1,645	2,620,007,000	45,158
2013	-	-	38,340,793	\$ 49,445	38,390,238	1.54%	856	2,491,872,000	44,848

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

City of Twin Falls, Idaho

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct & Overlapping Debt</u>	<u>Combined Debt</u>
Debt Repaid with Property Taxes (b):				
Twin Falls School District - Series 2014C General Obligation Debt (Refunding)	28,320,000	84.38%	23,896,416	
Twin Falls School District - Series 2020 General Obligation Debt	59,875,000	84.38%	50,522,525	
Urban Renewal Agency of Twin Falls, Idaho:				
Revenue Allocation Bonds, Series 2013A	20,882,000	100.00%	20,882,000	
Revenue Allocation Bonds, Series 2016A	10,315,000	100.00%	10,315,000	
Other Debt:				
Twin Falls School District - Capital Leases (Energy Savings and Building)	723,470	84.38%	610,464	
Subtotal, overlapping debt			<u>106,226,405</u>	106,226,405
City Direct Debt (d):				<u>9,634,545</u>
Total Direct and Overlapping Debt				<u>\$ 115,860,950</u>

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, 2022. The URA is as of September 30, 2022.
- (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) Debt related to business-type activities, repaid from service revenue, is not included as part of the City's direct and overlapping debt.

Legal Debt Margin Information - Schedule 11

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 since 2010.

City of Twin Falls, Idaho

Pledged Revenue Coverage - Schedule 12

(cash basis of accounting)

Water Revenue Bonds

<u>Fiscal Year</u>	Utility Service	Less: Operating	Net Available	Required Debt Service		<u>Coverage</u>
	<u>Charges</u>	<u>Expense</u>	<u>Revenue</u>	<u>Principal</u>	<u>Interest (a)</u>	
2022	\$ 11,809,706	\$ 5,978,749	\$ 5,830,957	\$ 1,085,000	\$ 132,750	4.79
2021	11,955,356	5,561,107	6,394,249	2,305,000	430,245	2.34
2020	11,463,822	5,530,372	5,933,450	2,215,000	572,100	2.13
2019	10,800,370	5,529,462	5,270,908	2,140,000	607,990	1.92
2018	10,751,213	5,406,882	5,344,331	2,085,000	678,166	1.93
2017	10,263,184	4,907,137	5,356,047	2,105,000	709,811	1.90
2016	10,236,640	5,065,364	5,171,276	2,055,000	721,589	1.86
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

Wastewater Revenue Bonds

<u>Fiscal Year</u>	Utility Service	Less: Operating	Net Available	Required Debt Service		<u>Coverage</u>
	<u>Charges</u>	<u>Expense</u>	<u>Revenue</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 11,695,412	\$ 5,035,951	\$ 6,659,461	\$ 2,235,000	\$ 1,247,280	1.91
2021	10,261,051	4,307,539	5,953,512	2,130,000	1,351,237	1.71
2020	9,343,523	4,478,552	4,864,971	2,030,000	1,455,281	1.40
2019	9,956,050	4,583,458	5,372,592	1,930,000	1,551,781	1.54
2018	10,213,945	4,239,570	5,974,375	1,905,000	1,578,084	1.72
2017	9,826,394	4,598,570	5,227,824	1,845,000	1,638,516	1.50
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

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.

City of Twin Falls, Idaho

Demographic and Economic Statistics - Schedule 13

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>City Population</u>	Unavailable	53,213	51,807	50,197	49,764	49,202	48,260	47,468	45,981	45,158
<u>Total Personal Income for Twin Falls County (Thousand Dollars)</u>	Unavailable	4,208,749	3,899,972	3,681,817	3,410,765	3,259,461	3,000,974	\$ 2,889,612	\$ 2,779,540	\$ 2,620,007
<u>Personal Income per capita for Twin Falls County</u>	Unavailable	45,627	44,112	42,379	40,756	38,935	35,934	\$ 35,079	\$ 34,763	\$ 33,336
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>City Unemployment Rate</u>	2.7	2.8	6.3	2.8	2.7	2.8	3.3	3.6	4.1	5.4
<u>City Labor Force</u>	26,103	24,014	25,513	24,342	23,761	24,206	23,522	23,221	22,243	22,364
<u>School Enrollment</u>	9,531	9,556	9,294	9,775	9,693	9,602	9,322	9,090	8,865	8,633

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 at the end of September. The Department of Labor cautions users that the City is a small sample size for purposes of computing an unemployment rate. School enrollment information is based on the census at September 4th of each school year.

City of Twin Falls, Idaho

City's Largest Employers - Schedule 14

2022

<u>Business</u>	<u>Rank</u>	<u>Employment Range</u>	<u>Industry</u>
St Luke's Magic Valley Reg. Medical Center	1	2,000 - 2,999	Health Care
Chobani Idaho Inc.	3	1,000 - 1,499	Food Manufacturing
Twin Falls School District #411	2	1,000 - 1,499	Local Government - Education
College of Southern Idaho	4	1,000 - 1,499	Local Government - Education
Lamb Weston Inc.	5	700 - 799	Food Manufacturing
Wal-Mart Associates, Inc.	6	400 - 499	Retail Trade
Amalgamated Sugar Company	7	400 - 499	Food Manufacturing
Twin Falls County	8	400 - 499	Local Government - Administration
Clif Bar Baking Company	9	300 - 399	Food Manufacturing
City of Twin Falls	10	300 - 399	Local Government - Administration

2013

<u>Business</u>	<u>Rank</u>	<u>Employment Range</u>	<u>Industry</u>
St. Lukes Magic Valley Reg. Medical Center	1	2,300 - 2,399	Health Care
Personnel Plus Inc.	3	1,900 - 1,999	Administrative & Support Services
Twin Falls School District #411	2	1,200 - 1,299	Local Government - Education
College of Southern Idaho	4	1,100 - 1,199	Local Government - Education
Conagra Foods Packaged Food Co	5	600 - 699	Food Manufacturing
Chobani Idaho Inc.	6	600 - 699	Food Manufacturing
C3 Customercontact Channels Inc.	7	500 - 599	Administrative & Support Services
Wal-Mart Associates, Inc.	8	500 - 599	Retail Trade
Amalgamated Sugar Company	9	400 - 499	Food Manufacturing
City of Twin Falls	10	300 - 399	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 for 2013 and the 3rd Quarter Wages for 2022

City of Twin Falls, Idaho

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Selected City Service Information - Schedule 15										
<u>Building:</u>										
Permits Issued (Single Family)	154	486	573	326	243	224	236	230	189	182
Value (Single Family)	\$ 47,458,326	\$ 100,909,255	\$ 88,824,234	\$ 63,519,682	\$ 47,311,351	\$ 44,391,872	\$ 47,719,056	\$ 46,392,231	\$ 30,578,140	\$ 27,654,144
Permits Issued (New Commercial)	59	93	58	78	59	32	28	59	36	33
Value (New Commercial)	\$ 80,545,560	\$ 73,075,447	\$ 32,537,387	\$ 33,091,360	\$ 63,097,492	\$ 28,328,054	\$ 56,969,584	\$ 87,856,213	\$ 35,167,774	\$ 25,313,089
<u>Fire:</u>										
Total Incidents	6,418	6,285	6,231	5,851	5,003	5,413	2,788	3,170	3,200	3,418
Estimate of Property Saved	\$ 9,502,636	\$ 121,632,208	\$ 21,547,482	\$ 24,260,600	\$ 7,655,605	\$ 18,581,258	\$ 10,636,150	\$ 21,382,821	\$ 12,409,423	\$ 27,200,175
Estimate of Property Lost	\$ 5,361,155	\$ 4,295,162	\$ 2,472,354	\$ 1,265,305	\$ 1,664,981	\$ 1,756,247	\$ 1,008,100	\$ 2,257,189	\$ 1,375,840	\$ 1,327,375
<u>Police:</u>										
Calls for Service	51,304	50,111	52,819	54,427	56,621	58,655	54,832	52,552	51,439	54,606
Case Reports Taken	6,536	8,707	7,362	7,492	7,659	7,971	7,275	7,263	7,050	7,377
<u>Airport:</u>										
Airplane Takeoff/Landings	32,276	35,358	39,310	34,488	29,375	25,621	26,337	28,195	25,265	29,731
Boarding/Deboarding	32,333	33,796	53,907	87,497	85,358	81,206	70,055	65,586	56,894	53,683
<u>Library:</u>										
Number of Cardholders	31,317	34,604	32,641	33,107	30,937	28,564	34,804	31,636	30,989	29,277
Average Daily Traffic	1,208	384	564	731	726	843	820	797	817	808
Total Items Checked Out	499,369	431,679	402,679	555,958	568,046	582,464	474,709	474,844	493,939	453,385
<u>Parks:</u>										
Total Maintained Acreage	1,662	1,504	1,504	1,504	1,395	1,395	1,363	1,363	1,363	1,362
<u>Water:</u>										
Water Consumed (Millions)	4,730	4,775	4,655	4,228	4,589	4,737	4,798	4,616	4,608	4,613
<u>Wastewater:</u>										
Gallons Treated (Millions)	3,098	2,969	2,822	2,727	2,784	2,918	2,850	2,750	2,716	2,560
Solids Treated (Thousand lbs. BOD):	9,518	8,098	6,830	6,358	8,272	8,691	8,608	9,494	9,256	9,368
<u>Sanitation:</u>										
Customer Count	16,441	15,967	15,585	15,303	15,055	14,912	14,618	14,412	14,039	13,874
Trash Tonnage (Tons)	21,668	21,532	21,199	19,430	19,224	18,120	18,086	17,269	17,490	17,037
Tonnage per Customer	1.32	1.35	1.36	1.27	1.28	1.22	1.24	1.20	1.25	1.23
Recycling Tons	879	843	875	1,578	1,770	1,865	1,938	1,936	1,951	1,958

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.

City of Twin Falls, Idaho

	<u>2023</u>	<u>FYE 2022</u>	<u>FYE 2021</u>	<u>FYE 2020</u>	<u>FYE 2019</u>	<u>FYE 2018</u>	<u>FYE 2017</u>	<u>FYE 2016</u>	<u>FYE 2015</u>	<u>FYE 2014</u>
Other Operating Information - Schedule 16										
<u>Budgeted Fulltime Equivalent Employees:</u>										
General Government	50.00	49.00	46.00	46.25	45.00	43.00	40.00	40.00	40.00	37.00
Fire	48.50	47.50	47.50	47.50	42.50	42.00	42.00	42.00	41.75	41.75
Police	107.00	103.00	102.75	102.75	103.75	102.75	113.75	107.75	105.75	105.75
Dispatch *	13.00	13.00	13.00	13.00	13.00	11.00				
Engineering/Planning	19.00	19.00	19.25	19.25	19.25	19.25	19.25	20.25	19.25	19.25
Streets	16.33	16.33	16.00	16.00	16.00	14.00	14.00	14.00	13.00	13.00
Library	38.00	38.00	36.00	45.00	48.00	49.00	55.00	55.00	51.00	53.00
Culture and Recreation *	19.00	19.00	20.00	19.00	19.25	18.00	17.00	17.00	16.00	16.00
Airport	9.50	9.50	9.50	9.50	8.50	8.50	8.13	8.13	7.00	7.00
Water	32.33	31.33	29.50	29.00	28.75	27.75	27.75	27.75	27.75	26.75
Wastewater	10.84	9.84	9.75	9.75	9.75	8.75	8.75	8.75	8.75	7.75
Sanitation	-	-	-	-	-	-	-	-	-	-
	363.50	355.50	349.25	357.00	353.75	344.00	345.63	340.63	330.25	327.25

* During 2017 the City took back responsibility for operating the City Pool. Also in 2017 the Dispatch function which had previously been reported in the Police Department began independent operations

<u>Net Book Value of Capital Assets</u>	<u>Machinery &</u>					
	<u>Land</u>	<u>Building</u>	<u>Improvements</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Total</u>
General Government	\$ 11,279,236	\$ 19,440,635	\$ 1,824,044	\$ 77,426,195	\$ 1,892,285	\$ 111,862,395
Fire	-	97,886	17,290	-	2,811,667	2,926,843
Police & Dispatch	-	80,352	172,072	-	622,992	875,416
Engineering/Planning	-	-	-	-	51,344	51,344
Streets	-	63,820	2,091	2,452,152	1,363,972	3,882,035
Library	-	1,219,396	107,779	-	2,199,909	3,527,084
Culture and Recreation	158,532	1,346,071	2,176,800	20,134	410,933	4,112,470
Airport	-	2,076,500	2,213,353	4,508,384	1,032,179	9,830,416
Water	12,569,052	715,511	8,117,346	30,149,398	1,813,200	53,364,507
Wastewater	126,185	2,351,294	10,287,172	65,420,331	5,442,591	83,627,573
Sanitation						
	\$ 24,133,005	\$ 27,391,465	\$ 24,917,947	\$ 179,976,594	\$ 17,641,072	\$ 274,060,083

* Included in the category of General Government are shared function assets

SINGLE AUDIT INFORMATION

CITY OF TWIN FALLS, IDAHO
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grant	14.218		\$ 48,564
Federal Aviation Administration			
Airport Improvement Program	20.106		1,477,850
Airport Improvement Program-Cares Ac	20.106		1,131,937
Department of Transportation			
Payments for Small Community Air Service Developmer	20.930		298,769
Federal Emergency Management Agency			
Staffing for Adequate Fire and Emergency Respons	97.083		<u>52,031</u>
Total Direct Awards			3,009,151
Department of the Interior			
Passed through the Southern Idaho Water Quality Coalition			
Water SMART	15.507		43,017
Department of Transportation			
Passed through the Idaho Transportation Departmen			
State and Community Highway Safety	20.600		2,858
National Priority Safety Program:	20.616		<u>2,611</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,057,637</u></u>

The City of Twin Falls received equipment in the amount of \$6,762 from the Department of Homeland Securi

CITY OF TWIN FALLS, IDAHO
Notes to Schedule of Expenditures of Federal Awards
September 30, 2022

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.

Note C-Indirect Cost Rate

The City does not draw for indirect administrative expenses, and has not elected to use the 10% de minimus cost rate.

CITY OF TWIN FALLS, IDAHO
 Schedule of Findings and Questioned Costs
 For the Year ended September 30, 2022

Financial Statements

Unmodified

Type of auditor's report issued:

Internal Control over financial reporting:

Material Weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be a Material Weakness? Yes No

Non-Compliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:

Material Weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be a Material Weakness? Yes No

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

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

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

Dollar threshold used to distinguish between type A and Type B programs \$750,000

Auditee Qualified as low-risk auditee? Yes No

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

To the City Council
City of Twin Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Twin Falls, Idaho, as of and for the year ended September 30, 2022, 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 07, 2023.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 07, 2023

**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

Opinion on Each Major Federal Program

We have audited City of Twin Falls, Idaho's compliance with the types of compliance requirements identified as subject to audit 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, 2022. The City of Twin Falls, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Twin Falls, Idaho and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Twin Falls, Idaho's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Twin Falls, Idaho's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Twin Falls, Idaho's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Twin Falls, Idaho's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Twin Falls, Idaho's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Twin Falls, Idaho's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Twin Falls, Idaho's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 07, 2023