CITY OF TWIN FALLS IDAHO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED:
SEPTEMBER 30 2025



CITY OF TWIN FALLS
PEOPLE SERVING PEOPLE

AN ANNUAL PUBLICATION BY THE CITY OF TWIN FALLS FINANCE DEPARTMENT | SEPTEMBER 2025

City of Twin Falls, Idaho



Annual Comprehensive Financial Report
For the Fiscal Year
Ended September 30, 2025

Prepared by the Finance Department

CITY OF TWIN FALLS, IDAHO
Financial Statements
Table of Contents

INTRODUCTORY SECTION	
Letter of Transmittal	i-iv
Organizational Chart	v
Names of the City's Principal Officials	vi
GFOA's Distinguished Budget Presentation Award	vii
GFOA's Excellence in Financial Reporting Award	viii
FINANCIAL SECTION	1
INDEPENDENT AUDITORS' REPORT	2-4
MANAGEMENTS DISCUSSION AND ANALYSIS	5-18
FINANCIAL STATEMENTS	19
Government-Wide Financial Statements	20
Statement of Net Position	21-22
Statement of Activities	23
Fund Financial Statements	24
Government Funds:	
Balance Sheet-Government Funds	25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	26
Statement of Revenues, Expenditures, and Changes in Fund Balance-Government Funds	27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Proprietary Funds:	
Statement of Net Position-Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Position-Proprietary Funds	30
Statement of Cash Flows-Proprietary Funds	31
Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33
Notes To Financial Statements	34-71
REQUIRED SUPPLEMENTARY INFORMATION	72
Budgetary and Prior Year Comparison Schedule-General Fund	73
Budgetary and Prior Year Comparison Schedule-Street Fund	74
Budgetary and Prior Year Comparison Schedule-Airport Fund	75
Schedule of Employer's Share of Net Pension Liability	76
Schedule of Employer Contributions	77
Notes to Required Supplementary Information	78

CITY OF TWIN FALLS, IDAHO
Financial Statements
Table of Contents

SUPPLEMENTARY INFORMATION	79
Combining and Budgetary Statements	
Combining Statements-Other Government Funds	80-81
Combining Statements-Proprietary Funds	82-84
Combining Statements-Internal Service Funds	85-87
Budgetary and Prior Year Comparison Schedule-Capital Improvement Fund	88
Budgetary and Prior Year Comparison Schedule-Airport Construction	89
Budgetary and Prior Year Comparison Schedule-Waterworks Fund	90
Budgetary and Prior Year Comparison Schedule-Wastewater Fund	91
Budgetary and Prior Year Comparison Schedule-Sanitation Fund	92
Budgetary and Prior Year Comparison Schedule-Nonmajor Funds	93-105
STATISTICAL SECTION	106
Statistical Section Overview	107
Schedule of Net Position - Schedule 1	108
Schedule of Changes in Net Position - Schedule 2	109-110
Program Labor Burden - Schedule 3	111
Fund Balances, Governmental Funds (a) - Schedule 4	112
Changes in Fund Balances, Governmental Funds (a) - Schedule 5	113
Assessed Value of Taxable Property - Schedule 6	114
Property Tax Levies - Schedule 7	114
Principal Property Tax Payers - Schedule 8	115
Ratios of Outstanding Debt by Type (a) - Schedule 9	115
Direct and Overlapping Governmental Activities Debt (a) - Schedule 10	116
Legal Debt Margin Information € - Schedule 11	116
Pledged Revenue Coverage - Schedule 12	117
Demographic and Economic Statistics - Schedule 13	118
City's Largest Employers - Schedule 14	119
Selected City Service Information - Schedule 15	120
Other Operating Information - Schedule 16	121
SINGLE AUDIT SECTION	122
Schedule of Expenditures of Federal Awards	123
Notes to Schedule of Expenditures of Federal Awards	124
Schedule of Findings and Questioned Costs	125
Independent Auditors' Report - *Government Auditing Standards*	126
Independent Auditors' Report - Uniform Guidance	127-128

INTRODUCTORY SECTION

P.O. Box 1907 203 Main Ave. E Twin Falls, Idaho 83303-1907 Fax: (208) 736-2296

February 26, 2026

Mayor Jason Brown, City Council,
and Citizens of the City of Twin Falls, Idaho

The Finance Department is pleased to submit the Annual Comprehensive Financial Report of the City of Twin Falls, Idaho (the City) for the fiscal year ended September 30, 2025. 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 located in south-central Idaho along the scenic Snake River canyon. With a population of approximately 56,849 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 97,864. 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, Twin Falls, and Elko (Nevada) counties. The City serves as the retail, educational, medical and employment center for this nine-county area that has a total population of nearly 275,000. As a result, the daytime population in Twin Falls swells to over 110,000 people each day.

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 two 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 act as legislators and administrators, and 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
- Public transportation
- 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.

The Urban Renewal Agency of Twin Falls, Idaho (URA) is an organization with 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

The City of Twin Falls monitors economic conditions at the international, national, state, and local levels to support budget development and long-term financial planning. Economic conditions entering Fiscal Year 2025–2026 reflect a period of stabilization following several years characterized by elevated inflation, supply chain disruptions, and labor shortages. Although inflationary pressures have moderated, cost increases continue to affect municipal operations and service delivery, requiring ongoing fiscal discipline.

At the national level, the U.S. economy has demonstrated moderate growth with relatively stable employment conditions and continued activity in the housing market. U.S. home prices increased approximately 4.0% between the first quarter of 2024 and the first quarter of 2025. Inflation, as measured by the Consumer Price Index (CPI), moderated to approximately 2.35% year-over-year as of March 2025. While these indicators reflect improving conditions, borrowing costs and broader economic uncertainty continue to influence consumer and business decision-making.

Idaho's economy reflects similar trends, with continued employment strength accompanied by signs of slower growth. Statewide unemployment remained low at approximately 3.4% in May 2025. Employers continue to report challenges related to workforce availability and retention. Housing affordability remains a consideration as home values continue to exceed national averages, and state revenue collections have trended below legislative targets, reinforcing the need for prudent fiscal management.

At the local level, Twin Falls continues to demonstrate stable economic performance. The City's unemployment rate remained approximately 3.4%, reflecting a strong labor market. Construction activity remained steady, with single-family permit activity near pre-pandemic levels and commercial permitting activity showing continued recovery. Local economic conditions continue to be influenced by national factors including labor availability, interest rates, and construction costs.

The Municipal Cost Index (MCI), which measures inflationary pressures specific to local governments, continues to indicate ongoing cost increases affecting municipal service delivery. Between March 2024 and March 2025, the MCI increased approximately 1.9%, and has risen more than 20% over the past four years. These trends continue to inform budget assumptions and long-term financial planning.

B. Outlook and Long-Term Planning

Twin Falls continues to serve as the economic and employment center of the Magic Valley and remains positioned for continued growth. Growth trends create sustained demand for infrastructure investment, service expansion, and workforce capacity.

The City's long-term outlook remains stable; however, several factors continue to influence planning and resource allocation. Rising municipal costs, workforce constraints, housing affordability pressures, and increasing service expectations require careful prioritization of resources. The City continues to emphasize fiscal sustainability through conservative revenue forecasting, disciplined expenditure management, and responsible use of reserves, consistent with the City's 2030 Strategic Plan.

Financial decisions are evaluated within the context of multi-year financial planning to help ensure long-term sustainability and maintain service levels over time. The City maintains fund balance levels consistent with adopted financial policies to provide operational stability and flexibility during economic fluctuations.

Labor market conditions remain an important planning consideration. Low unemployment levels contribute to continued competition for qualified employees. The City continues to evaluate compensation structures, professional development opportunities, and organizational practices to support workforce recruitment and retention. Succession planning remains a focus to help ensure continuity of operations and institutional knowledge.

Housing affordability also remains a factor influencing long-term planning. Home values in Twin Falls have increased significantly since 2020, creating affordability challenges for residents and workforce recruitment. The City continues to address these issues through planning initiatives supporting infrastructure investment, permitting efficiencies, and diversified housing options.

The City continues implementation of Priority Based Budgeting as a framework for aligning financial decisions with community priorities and performance outcomes. This approach supports transparency, strengthens accountability, and assists in directing resources toward programs and services that provide measurable community benefit.

City management continues to monitor economic conditions throughout the fiscal year and adjust financial strategies as necessary to maintain long-term fiscal stability and consistent service delivery.

C. Major initiatives

Through the annual budget process, the City continues to prioritize investments supporting infrastructure, workforce stability, and long-term financial sustainability. These initiatives are discussed in further detail within the Management Discussion and Analysis section and the City's adopted budget document available on the City's website (tfid.org).

Infrastructure initiatives include continued investment in wastewater and transportation systems, as well as public safety facilities and related improvements. These investments are intended to support growth, maintain service reliability, and address long-term capital needs.

Workforce initiatives include compensation adjustments, professional development opportunities, and retention strategies intended to maintain competitiveness in a constrained labor market. The City also continues transition efforts related to self-funded health insurance, which is expected to support long-term cost management.

Additional initiatives include continued refinement of Priority Based Budgeting, enhancement of performance measurement practices, and evaluation of operational efficiencies. The City remains focused on balancing service demands with available resources while maintaining adequate reserve levels to support long-term financial stability.

Overall, the City of Twin Falls enters Fiscal Year 2025–2026 with a stable financial position, established fiscal policies, and continued focus on maintaining service levels while adapting to evolving economic conditions.

FINANCIAL INFORMATION

A. Accounting system

The City's accounting system supports an appropriate 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 requires 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 are involved 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 30,000 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, 2024, and for the ten previous years. 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, 2024. This was the tenth consecutive year that the City government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

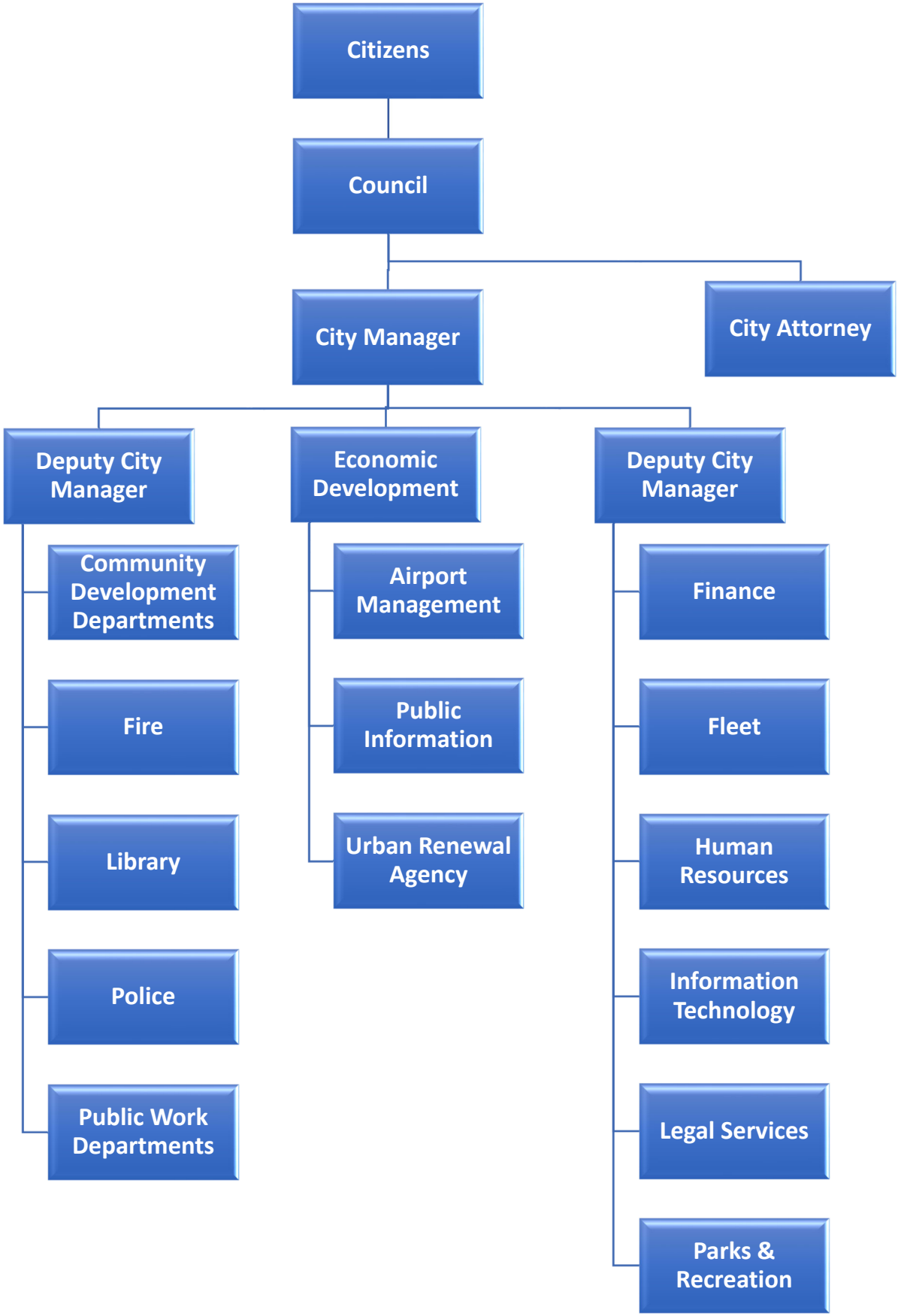
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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
Council
City Manager
City Attorney
Deputy City Manager
Economic Development
Deputy City Manager
Community Development Departments
Fire
Library
Police
Public Work Departments
Airport Management
Public Information
Urban Renewal Agency
Finance
Fleet
Human Resources
Information Technology
Legal Services
Parks & Recreation

City of Twin Falls, Idaho
Names of the Principal City Officials As of
February 2026

Name	Position – Title	Email
Jason Brown	Mayor	jbrown@tfid.org
Craig Hawkins	Vice-Mayor	chawkins@tfid.org
Chris Reid	City Councilman	creid@tfid.org
Ruth Pierce	City Councilwoman	rpierce@tfid.org
Cherie Vollmer	City Councilwoman	cvollmer@tfid.org
Grayson Stone	City Councilman	gstone@tfid.org
Nathan Murray	City Councilman	nmurray@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, 2024

Christopher P. Morrill

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, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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, 2025, 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, 2025, 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 23, 2026, 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 23, 2026

City of Twin Falls, Idaho

Management's Discussion and Analysis

We, as management of the City of Twin Falls, offer this narrative overview and analysis of the financial activities of the City of Twin Falls for the fiscal year ended September 30, 2025, to accompany the City's financial statements for the same period. We encourage readers to consider the information presented here in conjunction 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 an increase of $11,100,000. That net total comprises an increase of $9,000,000 originating from governmental activities and an increase of $2,100,000 from business-type activities (primarily water, wastewater, and sanitation). Business-type activities result in 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 regarding 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, and 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 21-23 of this report.

Fund Financial Statements. A fund represents a grouping of related accounts that individuals use to maintain control over resources that they have segregated for specific activities or objectives. The City of Twin Falls, like other state and local governments, uses fund accounting to ensure and illustrate compliance with finance-related legal requirements. The City of Twin Falls divides all its funds into three categories: governmental funds, proprietary funds, and fiduciary 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 fourteen individual governmental funds. The City of Twin Falls presents information 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. We aggregate data from nine other smaller funds into a single 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.

You can find the basic governmental fund financial statements on pages 25-27 of this report.

The City of Twin Falls maintains two types of *proprietary funds*, namely enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements and are labeled as such in the fund statements. The City of Twin Falls uses enterprise funds to account for the utility services it provides, specifically 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 also major funds of the City. 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 smaller enterprise funds that are also contained in the supplemental information of the financial statements.

The proprietary fund financial statements for the three major funds can be found on pages 29-31 of this report.

The third type of fund used in fund accounting is *fiduciary funds*. Fiduciary fund resources are legally restricted and cannot be accessed or used by the City to support its own operations or programs. Due to the restricted access of this fund type, the government does not report fiduciary funds in the government-wide financial statements. The accounting for fiduciary funds closely resembles that of proprietary funds. The City's Health Plan Trust Fiduciary Fund holds resources that are restricted for providing employee health benefits. Under GASB 84, this fund meets the definition of a fiduciary activity because the City administers the plan under a formal trust arrangement and manages the assets solely for the benefit of plan participants.

The fiduciary fund financial statements can be found on pages 32-33 of this report.

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. You can find the notes to the financial statements on pages 35-71 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.

The City reports liabilities with average maturities greater than one year in two components - the amount due within one year and the amount due over one year. The City's net position is determined by the difference between its assets and liabilities.

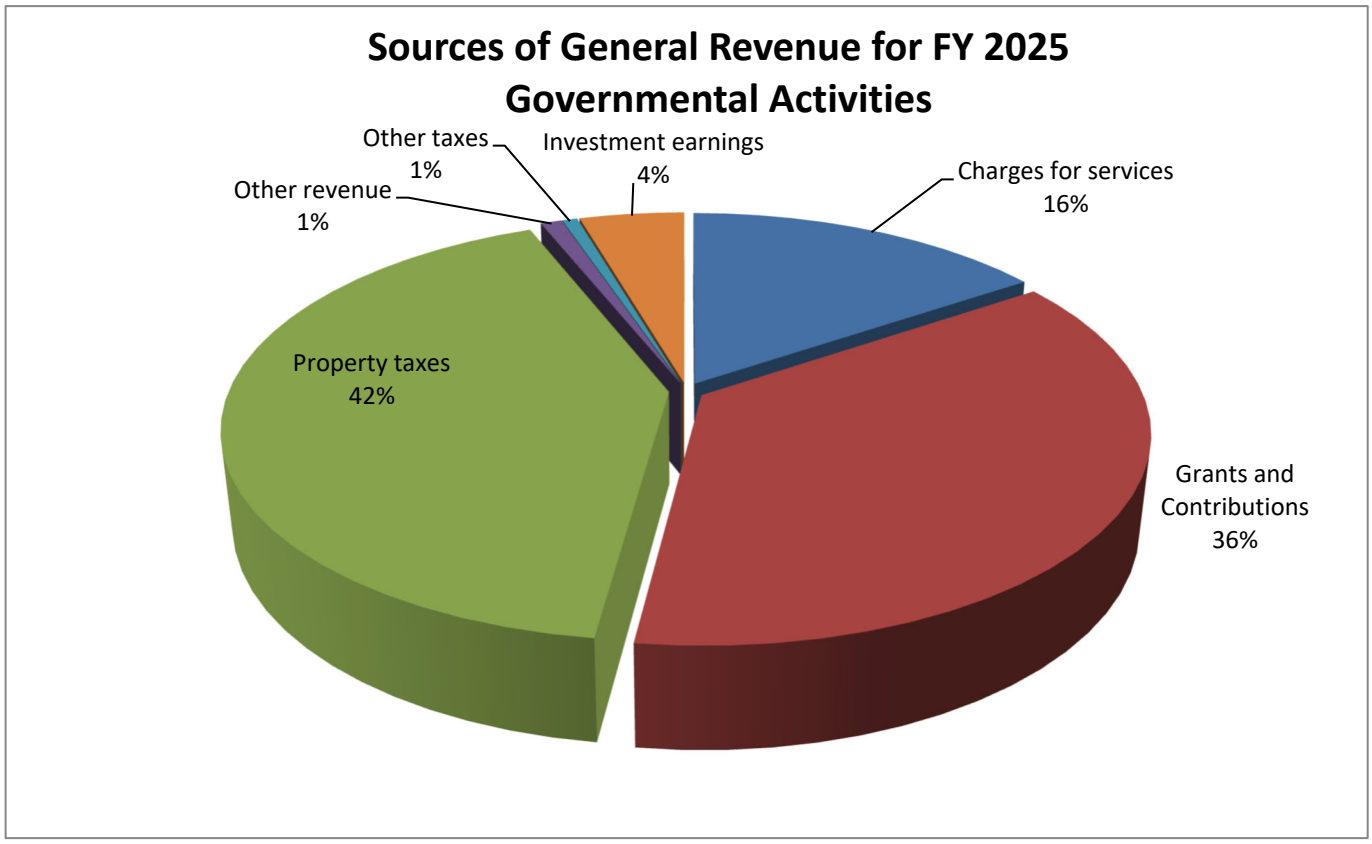
Fortunately, the City has operated incurring no general obligation bonds. The City has, however, entered into three leases, including two for fire apparatus and one for construction of a fire station. The fire station lease takes the form of certificates of participation. Those leases are being presented as financing debt with balances of $300,000, $750,000, and $7,625,000 respectively. Compensated absences are the only other long-term debt currently in the governmental activities. They constitute an obligation of the City in the amount of $2,200,000. That obligation represents unused vacation pay employees have earned and not used, as well as overtime hours for which the employee has chosen to defer payment to a future period. Upon retirement or resignation, the company compensates employees for any remaining balance. As the City has grown, the number of employees has increased. That and compensation increases have caused a natural increase in the balance of compensated absences being reported as a liability. However, as long-standing employees retire, with the City paying out their disproportionately higher balances mitigates the increase a little. Employees are constantly using and replenishing their compensated absence balances. Most 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.

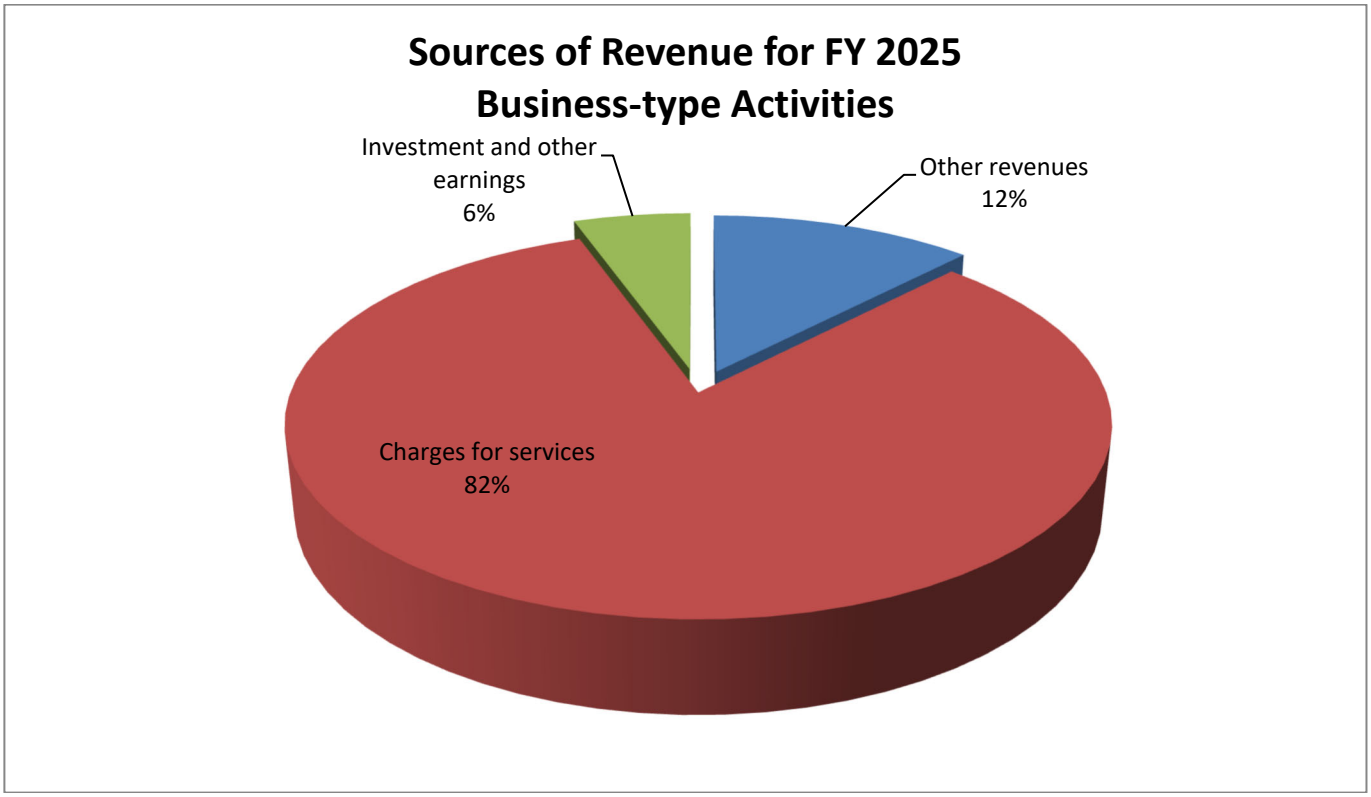
The City's other existing debt comprises revenue bonds. The revenue bonds are more fully discussed with the analysis of the proprietary funds.

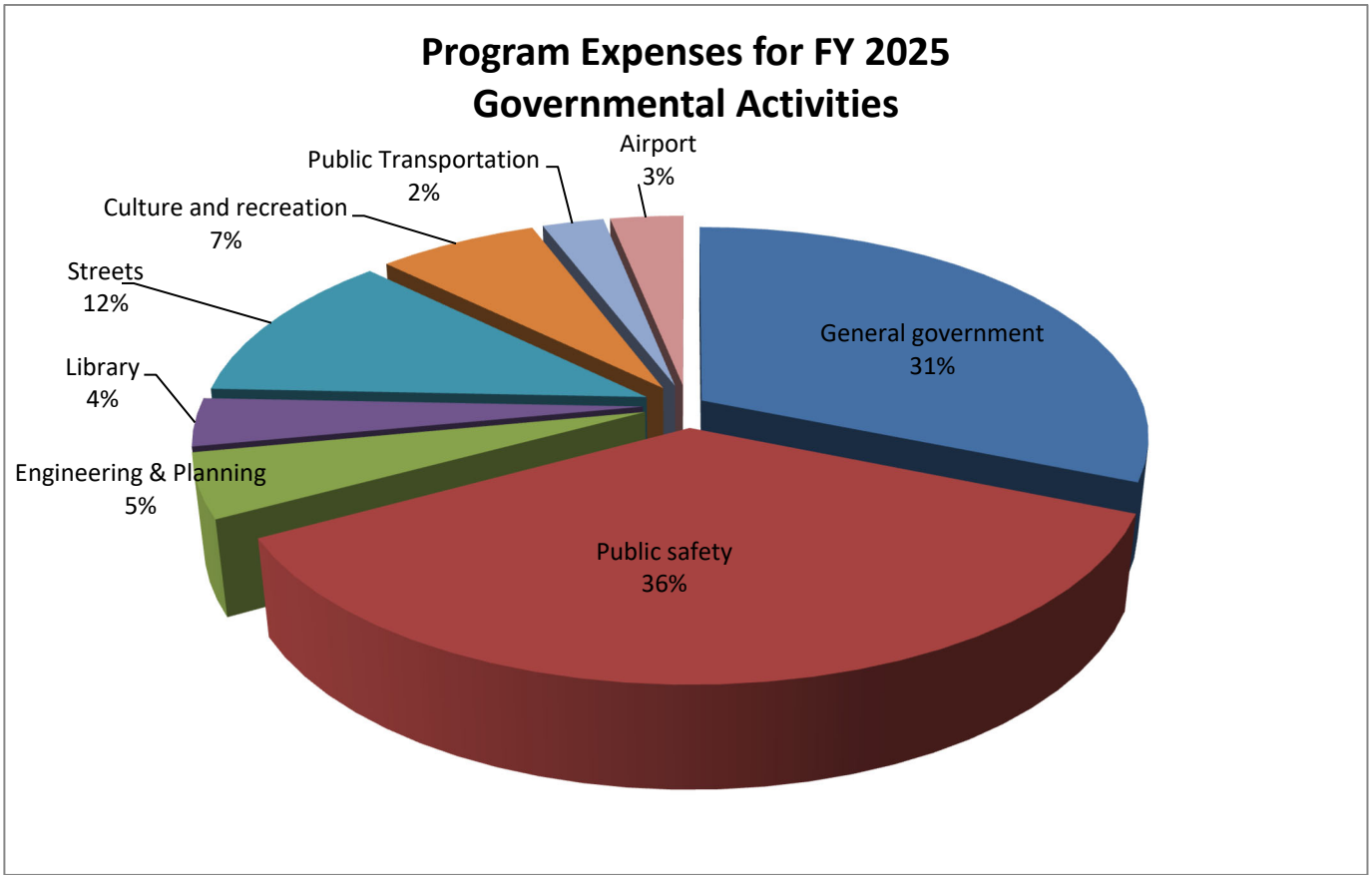
In its mission to provide citizens of the City with the services and protections they require, the City maintains a substantial investment in streets, water systems, waste treatment and disposal structures, offices, a pool of vehicles, and general and heavy equipment. All those capital assets have a 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 $12,000,000 for the government funds and $6,100,000 for the business-type activities. Using the City's current depreciation amounts, the City would need to average $18,100,000 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".

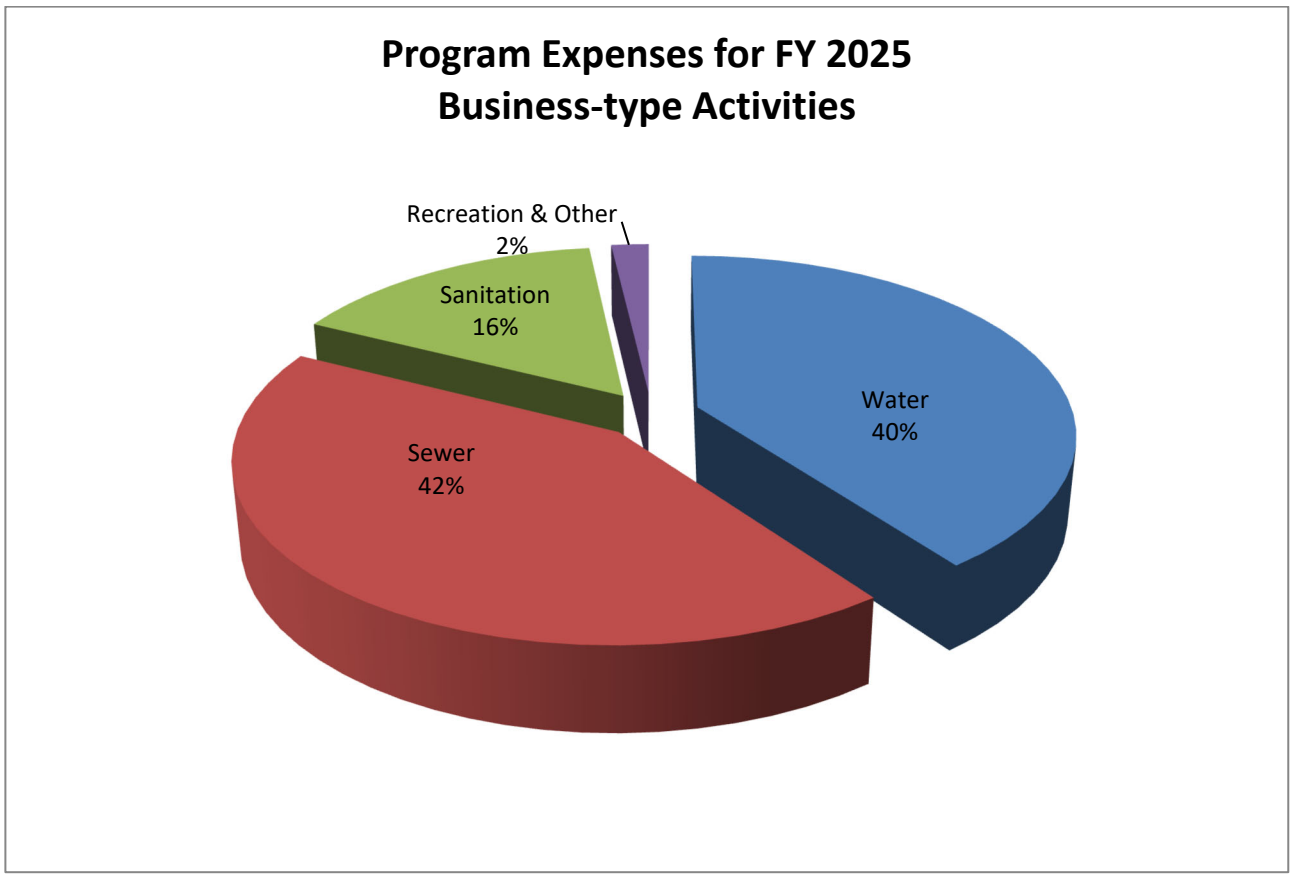
The table below presents the City's Condensed Statement of Net Position as of September 30, 2024, and 2025, which is derived from the government-wide Statement of Net Position. The assets of the City exceeded its liabilities (net position) at the close of the year by $221,500,000 for governmental activities and by $168,700,000 for business-type activities, for a combined total of $390,200,000 for the primary government. Governmental Activities net position increased by $11,800,000 from 2024 to 2025, while the net position for business-type activities increased by $15,000,000 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 $280,000,000 at the 2025 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 $14,300,000 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 collected by the City and are custodial and dedicated for specific purposes. The remaining balance of $95,900,000 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	
	2024	2025	2024	2025	2024	2025
Current and other assets	$ 90,858,070	$ 91,083,129	$ 53,218,409	$ 53,144,544	$ 144,076,479	$ 144,227,673
Capital assets	160,234,549	163,283,777	139,177,272	149,394,303	299,411,821	312,678,080
Total assets	251,092,619	254,366,906	192,395,681	202,538,847	443,488,300	456,905,753
Deferred Outflow of Resources	4,913,903	3,341,577	379,963	334,525	5,293,866	3,676,102
Current and other liabilities	(15,827,397)	(8,471,213)	(12,510,034)	(10,317,686)	(28,337,431)	(18,788,899)
Long Term Liabilities	(30,411,860)	(21,902,619)	(26,514,042)	(23,251,717)	(56,925,902)	(45,154,336)
Total liabilities	(46,239,257)	(30,373,832)	(39,024,076)	(33,569,403)	(85,263,333)	(63,943,235)
Deferred Inflow of Resources	(37,916)	(5,802,834)	(3,401)		(41,317)	(5,802,834)
Net position:						
Investment in capital assets	152,296,140	155,168,359	112,051,441	124,928,886	264,347,581	280,097,245
Restricted	14,360,162	14,310,480	-	-	14,360,162	14,310,480
Unrestricted	43,073,048	52,052,979	41,696,726	43,817,978	84,769,774	95,870,957
Total net position	$ 209,729,350	$ 221,531,818	$ 153,748,167	$ 168,746,864	$ 363,477,517	$ 390,278,682




Sources of Revenue for FY 2025
Business-type Activities
Investment and other earnings 6%
Other revenues 12%
Charges for services 82%


Program Expenses for FY 2025
Governmental Activities
Public Transportation 2%
Airport 3%
Culture and recreation 7%
Streets 12%
Library 4%
Engineering & Planning 5%
General government 31%
Public safety 36%



Analysis of Condensed Statement of Activities

The following table presents the City's condensed statement of activities for the fiscal year 2023-24 and fiscal year 2024-25. 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	
	2024	2025	2024	2025	2023	2025
Program revenues						
Charges for services	$ 10,305,224	$ 11,671,013	$ 28,151,119	$ 32,346,439	$ 38,456,343	$ 44,017,452
Grants and contributions						
Operating	14,348,386	14,604,839	91,220	34,168	14,439,606	14,639,007
Capital	4,340,798	12,691,507	-	-	4,340,798	12,691,507
Total program revenue	28,994,408	38,967,359	28,242,339	32,380,607	57,236,747	71,347,966
General revenues and payments						
Property taxes	29,603,952	31,244,196	-	-	29,603,952	31,244,196
Other taxes	506,717	491,843	-	-	506,717	491,843
Investment earnings (Loss)	5,514,284	3,389,966	3,692,344	2,150,793	9,206,628	5,540,759
Other revenues	1,185,332	687,183	683,046	4,784,897	1,868,378	5,472,080
Total general revenues and payments	36,810,285	35,813,188	4,375,390	6,935,690	41,185,675	42,748,878
Total general revenues and payments	65,804,693	74,780,547	32,617,729	39,316,297	98,422,422	114,096,844
Program expenses						
General government	21,461,532	19,447,400	-	-	21,461,532	19,447,400
Public safety	23,027,124	22,404,436	-	-	23,027,124	22,404,436
Streets, Engineering, P&Z	8,971,745	10,326,670	-	-	8,971,745	10,326,670
Culture and recreation	6,153,610	6,600,358	-	-	6,153,610	6,600,358
Public Transportation	-	1,649,777	-	-	-	1,649,777
Airport	3,575,164	1,961,209	-	-	3,575,164	1,961,209
Water	-	-	9,470,549	9,924,038	9,470,549	9,924,038
Sewer	-	-	11,915,748	10,599,561	11,915,748	10,599,561
Sanitation	-	-	3,756,939	3,919,933	3,756,939	3,919,933
Recreation enterprises	-	-	279,702	387,954	279,702	387,954
Other	-	-	62,959	74,343	62,959	74,343
Total program expenses	63,189,175	62,389,850	25,485,897	24,905,829	88,675,072	87,295,679
Excess (deficiency) before gain (loss) and transfers	2,615,518	12,390,697	7,131,832	14,410,468	9,747,350	26,801,165
Transfers	2,325,991	(588,229)	(2,325,991)	588,229	-	-
Asset Sales & Contributions	-	-	-	-	-	-
Change in net position	4,941,509	11,802,468	4,805,841	14,998,697	9,747,350	26,801,165
Beginning net position	204,787,841	209,729,350	148,942,326	153,748,167	353,730,167	363,477,517
					-	-
Ending net position	$ 209,729,350	$ 221,531,818	$ 153,748,167	$ 168,746,864	$ 363,477,517	$ 390,278,682

Governmental Revenues

The City is heavily reliant on property taxes to support governmental operations, with that support currently at 42% of funding. Other sources of general revenues are mainly grants and contributions (36%) charges for services (16%) and investment earnings (4%). Other sources of revenue, around 2%, include other taxes and revenues.

Program Expenses and Revenue for Governmental Activities

The following table presents the net costs for governmental activities. Two programs have had significant changes over the past year, one of these being the new transportation program, and the other being the streets department. The transportation program is a new program within the City of Twin Falls due to the City reaching a population size that legally requires a transportation system. The Public Transportation program only generated 15% of revenue compared to its expenditure in 2025.

Major state grants played a major role in swinging net program costs of the streets department. The net streets department costs went from a net surplus of $2,700,000 in 2024 to a net surplus of $8,200,000 in the current year. The streets department received a state grant of about $8,000,000 in the current year for the purpose of remodeling a major roadway within the City of Twin Falls.

Net Cost of Governmental Activities

For the Fiscal Year Ended September 30

Functions/Programs	Program Expenses 2025	Less Program Revenues 2025	Net Program Costs 2025	Net Program Costs 2024	Program Revenues as a Percentage of Program Expenses 2025	Program Revenues as a Percentage of Program Expenses 2024
General government	$ 19,447,400	$ 14,365,029	$ 5,082,371	$ 9,022,941	73.9%	58.0%
Fire	6,544,545	716,810	5,827,735	6,640,779	11.0%	8.9%
Police	15,859,891	1,155,600	14,704,291	14,559,057	7.3%	7.5%
Engineering & planning	3,053,697	2,486,456	567,241	1,270,695	81.4%	59.1%
Library	2,297,223	69,489	2,227,734	2,441,767	3.0%	2.6%
Culture & recreation	4,303,135	1,225,557	3,077,578	2,408,219	28.5%	34.0%
Public Transportation	1,649,777	246,684	1,403,093	-	15.0%	0.0%
Highways & streets	7,272,973	15,521,284	(8,248,311)	(2,746,616)	213.4%	146.8%
Airport	1,961,209	3,180,450	(1,219,241)	597,925	162.2%	83.3%
Totals	$ 62,389,850	$ 38,967,359	$ 23,422,491	$ 34,194,767	62.5%	56.9%

Program Expenses and Revenue for Business-type Activities

The following table presents net income and costs for business-type activities. Sound management principles of a municipality require that these activities not only cover operational costs but also generate profits that can be used as a resource for debt funding and capital improvements.

Overall, the net program costs for City water and sanitation services remained relatively unchanged. However, the program revenues related to wastewater have significantly increased during the year. This increase in revenues is due to a large expansion by Chobani to their manufacturing plant. They have paid large development fees to cover the cost for increased sewer usage. An overview of the Enterprise funds follows:

Net Income (Costs) of Business-type Activities

For the Fiscal Year Ended September 30

Functions/Programs	Program Revenues 2025	Less Program Expenses 2025	Net Program Income (Costs) 2025	Net Program Income (Costs) 2024	Program Expenses as a Percentage of Program Revenues 2025	Program Expenses as a Percentage of Program Revenues 2024
Water	$ 13,450,894	$ 9,924,038	$ 3,526,856	$ 3,427,793	73.8%	73.4%
Sewer	14,183,749	10,599,561	3,584,188	(1,252,088)	74.7%	111.7%
Sanitation	4,127,921	3,919,933	207,988	310,409	95.0%	92.4%
Dierkes Lk/Shoshone Falls	547,844	387,954	159,890	257,475	70.8%	52.1%
Common Area Maintenance	70,199	74,343	(4,144)	12,853	105.9%	83.0%
Totals	$ 32,380,607	$ 24,905,829	$ 7,474,778	$ 5,917,957	76.9%	80.2%

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, 2025, the City of Twin Falls' governmental funds reported combined fund balances of $71,300,000, with $55,400,000 representing the portion that was not restricted or committed. That is an increase in the balance that is not restricted or committed of $9,900,000 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 $12,200,000 on September 30, 2025, with most of that fund balance being available. That balance compares to an ending fund balance of $12,500,000 on September 30, 2024. The General fund experienced relatively small variances from its budget. One exception was the increase in licenses and permits revenue. The City experienced an unexpected strong growth in permits. Due to high efforts in recruitment, the City is experiencing more stable levels of employment leading to a closer match between budgeted salaries and actual expenditures.

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 completing the annual audit, the City will transfer the amount above that 25%, reduced by any deficit fund balances in other City Funds, to the City's Capital Improvement Fund. The transferred amount will be available for one-time 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 $1,980,000.

The amended budget increased expenditures by $1,000,000 because the organization had to record the initial funding contribution required to apply/launch the new self-insurance plan, a cost that was not included in the original budget. This was an unforeseen cost necessary to be paid out in the current year—it was the foundational capitalization needed to establish the plan.

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 on fuel sales. The Street fund ensures that the funds are used solely for the benefit of the City's streets. Along with these dedicated taxes, the City budgets to supplement the fuel taxes with other State shared revenues, property taxes, and grants to meet the needs of the City's roads.

The Street Fund's fund balance increased from $15,200,000 to $17,500,000. Street re-surfacing can be large overlay projects that require millions of dollars and last for several years. The City endeavors 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 and has increased efficiency.

Airport and Airport Construction Funds

The City has identified the Airport and Airport Construction Funds as major funds. The Airport Fund saw a consistent fund balance between the prior fiscal year and this fiscal year. However, the Airport Construction Fund experienced an increase in fund balance by $1,200,000 from last fiscal year to this fiscal year. This change is due to federal grant reimbursements for previous expenditures. 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 National Plan of Integrated Airport Systems (NPIAS) includes the City's as part of the national plan. That means that the Airport has been identified as having significance to national transportation within the United States, making it 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.

Major renovations over several years have been done 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 have brought major grant revenues. In the prior year, grant revenue for the Airport Fund and the Airport Construction fund totaled $1,500,000. This year's grant revenue for the two funds totaled $1,700,000, both of which are in line with historical averages.

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. This year the Capital Improvement fund once again included the construction activity on two new fire stations and a fire training facility. The new fire stations were completed during 2024 and the fire training facility finished completion in 2025. Overall, $21,500,000 was used to construct these facilities. These are discussed below.

As stated above, 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 one-time projects. This year, $1,980,000 was transferred under the policy.

Proprietary Funds
The City's proprietary funds reported combined ending net positions of $168,800,000 on September 30, 2025, with most of that invested in capital assets, net of debt ($125,000,000). $43,800,000 is reported as unrestricted for all Proprietary Funds at year's end.

The Funds met their scheduled debt payments and reduced continuing bonds in the Wastewater Funds by $2,520,000. The two outstanding bonds will be paid off in two, and eight years. The City's existing water storage tanks have reached the end of their useful life and require timely replacement. To address this critical infrastructure need, the City is evaluating the feasibility of issuing a water revenue bond as a potential funding mechanism.

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 fully complying with all other promises it made to bondholders as a condition of lending.

Waterworks Fund
The Water Fund's fund balance (other than the investment in Capital Assets) increased by less than $50,000. Capital assets increased by $8,600,000. The water fund has a healthy unrestricted net position, $16,800,000, 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 develop a plan for updating our water system in areas that are deficient. Included in that plan is a need for a new water tank, costing around $13,000,000.

Wastewater Fund
Treated wastewater gallons remained virtually unchanged from 3,115 (million gallons) for the fiscal year ended September 30, 2024, to 3,189 in the current year. Over the same period, solids treated (in thousands of pounds) stayed stagnant from 5,904 to 5,929. In the previous year, some industrial customers exceeded their discharge permits and incurred penalties. City staff work with these companies to achieve permanent solutions to their excess discharges. One such company made major upgrades to their pre-treatment plant resulting in a decrease in penalties.

The City of Twin Falls has an agreement with a neighboring City, Kimberly, to process the wastewater of Kimberly on much the same terms as it does industrial users. In the current year, Chobani paid $1,900,000 to expand its authorized sewer capacity. This represents a significant infrastructure contribution that directly supports the City's ability to manage increased wastewater flows associated with the company's major facility expansion. From the City's perspective, this investment is an essential component of maintaining a reliable, compliant, and sustainable wastewater system as one of the community's largest industrial users grows its operational footprint. That amount is included in the Fund financial statements for the Wastewater fund and significantly increases Non-Operating Revenues for the year.

The unrestricted portion of the Wastewater fund balance increased by $2,400,000.

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 decreased by $280,000. The Fund has an Unrestricted balance of $560,000. The fund has no debt and no need for an investment in capital assets. In order to decrease that balance, a hold was placed on rate increases for the current year. The City will probably adopt a similar stance until the reserves of the fund are reduced-further yet keeping enough of a fund balance to keep the fund viable.

Included in the Sanitation Fund activities is the City's recycling program. 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). However, due to a major recycling plant closing, the cost of recycling has significantly increased. At this time, the City is considering the sustainability of the program.

Economic Factors

The City of Twin Falls monitors economic conditions at the international, national, state, and local levels to support budget development and long-term financial planning. Economic conditions entering Fiscal Year 2025–2026 reflect a period of stabilization following several years characterized by elevated inflation, supply chain disruptions, and labor shortages. Although inflationary pressures have moderated, cost increases continue to affect municipal operations and service delivery, requiring ongoing fiscal discipline.

At the national level, the U.S. economy has demonstrated moderate growth with relatively stable employment conditions and continued activity in the housing market. U.S. home prices increased approximately 4.0% between the first quarter of 2024 and the first quarter of 2025. Inflation, as measured by the Consumer Price Index (CPI), moderated to approximately 2.35% year-over-year as of March 2025. While these indicators reflect improving conditions, borrowing costs and broader economic uncertainty continue to influence consumer and business decision-making.

The Municipal Cost Index (MCI), which measures inflationary pressures specific to local governments, continues to indicate ongoing cost increases affecting municipal service delivery. Between March 2024 and March 2025, the MCI increased approximately 1.9% and has risen more than 20% over the past four years. These trends continue to inform budget assumptions and long-term financial planning.

Twin Falls has started to see a leveling out of demand in terms of single-family building permits issued. There were 255 single family permits issued through September 2025; this shows consistency year over year for the first time since 2020. This similar number represents a good benchmark on how the economy is currently affecting the City. This illustrates that the need for additional housing is staying relatively consistent. Single family building permits issued by the City for the past six years are:

Fiscal Year Ending	Permits Issued
2020	573
2021	486
2022	154
2023	106
2024	287
2025	255

Commercial construction activity rebounded sharply in FY 2025, marking a significant turnaround from the prior year's historic low. The City issued 44 new commercial building permits, more than doubling last year's total of 19. These permits represent $111,700,000 in newly permitted value, signaling renewed confidence from developers and sustained investment in the local economy.

The average permit value of approximately $2,500,000 remains consistent with prior years, indicating that while the volume of projects increased substantially, the scale and type of commercial development occurring in the City has remained stable. This combination of higher activity levels and steady project size suggests a broad-based recovery rather than a spike driven by a few large projects.

Unemployment conditions in both the nation and the region continued to normalize in FY 2025, reflecting a labor market that remains historically tight. National unemployment settled at 4.4% as of September 2025, a level consistent with pre-pandemic trends and indicative of broader economic stabilization. Idaho's labor market remains even stronger, with statewide unemployment at 3.7%.

Within this context, the City of Twin Falls posted an unemployment rate of 3.2% at fiscal year-end, outperforming both state and national averages. Such persistently low unemployment underscores the ongoing challenge faced by employers across the state: a limited labor pool and continued competition for available workers. For the City, these conditions highlight both the strength of the local economy and the constraints that tight labor markets place on business expansion and workforce recruitment.

Twin Falls' economic resilience continues to be one of its defining strengths. During the Great Recession of 2008—widely regarded as the most severe economic downturn since the Great Depression—the City and the broader community weathered the crisis more effectively than many regions across the nation. A combination of healthy reserve balances, prudent fiscal management, and innovative local government practices positioned the City to maintain stability while many communities faced deep and prolonged financial strain. Several long-standing structural advantages contributed to the community's ability to navigate the recession and continue growing in the years that followed. Twin Falls benefits from a strong mix of agricultural,

industrial, and commercial activity, reducing reliance on any single sector. The City serves as the retail, educational, medical, entertainment, and employment center for a vast region of southern Idaho and northern Nevada, drawing from a population of nearly 275,000 residents across more than 12,000 square miles. Investments in public safety, infrastructure, and amenities have supported sustained population and business growth, even during challenging economic cycles.

Assessed net taxable market values within the City increased $50,000,000 from $6,160,000,000 to $6,210,000,000. Most of that increase was attributed to the change in market values. 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 2025 and 2024 budget years.

Taxing District	2025 Levy Rates (funded 2025-2026 budget)	2024 Levy Rates (funded 2024-25 budget)	Percent Change
City of Twin Falls	0.005060063	0.004931725	-2.60%
Twin Falls County	0.002731623	0.002683757	-1.78%
Twin Falls County Ambulance District	0.000117152	0.000114905	-1.96%
Twin Falls County Abatement District	0.000056692	0.000067860	16.46%
Twin Falls School District 411	0.001298048	0.001490168	12.89%
Twin Falls Highway District	0.000732473	0.000725150	-1.01%
College of Southern Idaho	0.000740088	0.000725026	-2.08%
Combined	0.010736139	0.010738591	0.02%

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. The City develops a plan and sets goals, 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:

Labor and Talent Shortage
To meet the increased demand for goods, products, and services, more human talent is essential. The City of Twin Falls must position itself as an employer of choice, adapting to the changing labor market beyond just offering competitive pay and benefits. Globally, the workforce is undergoing a radical shift, with a growing divide between the technical and digital skills required for modern positions and the availability of workers possessing those skills. Talent retention is crucial to organizational health, as the loss of talent can erode internal relationships, external partnerships, institutional knowledge, and can lead to burnout among remaining staff.

The City of Twin Falls is looking at several strategies designed to address labor shortages and retain its talented public servants

Using Cash Reserves to Make Strategic Investments in Infrastructure
Through fiscally responsible budgeting, the City has incurred cash reserves to be able to dedicate towards needed projects. The City Council elected to use $8,183,800 from cash reserves to address debt service requirements, infrastructure improvements and facility deficiencies. A few of the larger projects include:

- $1,630,000 for the construction of a new roundabout:

  The intersection at Filer Avenue, Martin Street, and Wendell Street has become one of Twin Falls' most congested and safety-challenged areas, and the implementation of a modern roundabout is a necessary step to address these growing concerns. As traffic volumes have increased with the city's continued expansion, the existing configuration has struggled to manage peak-hour demand, resulting in frequent delays, unpredictable turning movements, and elevated crash risks. A roundabout at this location will improve traffic flow, reduce conflict points, enhance pedestrian safety, and create a more efficient and reliable corridor for residents and visitors as Twin Falls continues to grow.

- $4,000,000 to fund the canyon rim drop line:

  The continued growth of Twin Falls has increased demands on the City's wastewater conveyance system, underscoring the need for a new canyon rim drop line to ensure long-term service reliability. As development expands along the canyon rim and upstream collection areas experience higher flows, the existing drop line is approaching its functional capacity and lacks the redundancy expected of a modern utility network. This constraint elevates operational risk, particularly during peak flow periods or maintenance activities, when system flexibility is essential to prevent service disruptions and protect environmentally sensitive areas along the Snake River Canyon. A new drop line would provide critical system resilience by distributing flows more effectively, reducing pressure on aging infrastructure, and ensuring compliance with regulatory standards governing wastewater management near natural resources.

Transition to a Modern ERP System to Support Organizational Growth

The City of Twin Falls has reached a scale and operational complexity that can no longer be fully supported by its legacy enterprise resource planning (ERP) systems. As the community has grown, so have the demands on financial management, human resources, utility billing, procurement, asset management, and citizen-facing services. The current systems—many of which were implemented when the City was significantly smaller—struggle to keep pace with increased transaction volumes, expanded regulatory requirements, and the need for timely, data-driven decision-making. These limitations create inefficiencies, increase reliance on manual workarounds, and hinder the City's ability to provide responsive and transparent services to residents.

A modern, fully integrated ERP platform would allow the City to streamline workflows, improve data accuracy, and enhance cross-departmental collaboration. As Twin Falls continues to grow, the City requires tools that support real-time reporting, scalable financial controls, automated processes, and improved cybersecurity protections. Upgrading to a more robust ERP system is not simply a technology enhancement—it is a strategic investment in operational resilience, long-term fiscal stewardship, and the City's capacity to meet the expectations of a larger and more diverse population. This transition will position Twin Falls to manage future growth effectively while maintaining the high standard of service its residents expect.

Future Outlook for Employee Benefits

The City's long-term outlook for employee benefits reflects both the strategic importance of maintaining a competitive compensation structure and the financial pressures associated with rising health-care costs. Employee benefits remain essential to sustaining a skilled and stable workforce, yet the continued escalation of insurance premiums—most notably the doubling of family-coverage costs since 2014—poses a material challenge to the City's financial position. In response, leadership has implemented a series of structural changes designed to balance fiscal responsibility with the need to offer high-quality coverage. The transition between fiscal years 2020 and 2022 to a single high-deductible health plan marked a significant step toward cost containment, aligning the City's benefit structure with industry trends while preserving access to comprehensive care. The initiation of the self-insurance process in fiscal year 2025 represents a further evolution in this strategy, positioning the City to exercise greater control over plan design, manage claims more efficiently, and mitigate exposure to market volatility. Looking ahead, the City anticipates continued evaluation of benefit models, funding strategies, and risk-management practices to ensure that its employee benefit offerings remain sustainable, competitive, and aligned with long-term organizational needs.

Self-funding, or self-insurance is a risk management strategy where the employer assumes the financial risk of providing health care benefits to its employees, rather than purchasing a fully insured plan from a traditional insurance carrier. There are a few reasons why self-funding may be preferred:

- Cost Control: Self-insurance allows for more control over healthcare costs, it allows for the design of benefit plans by choosing providers and implementing cost-containment measures to manage expenses more effectively.

- Customization: Self-insured plans allow for greater flexibility in designing benefit packages that meet the specific needs of the workforce. Employers can tailor plans to the demographics and health needs of their employees.

- Cash Flow: Instead of paying fixed premiums to an insurance carrier, self-insured plans only pay for actual claims incurred.

- Risk Management: Self-insured plans can manage and mitigate risks more directly. It provides a clearer understanding of employees' health patterns, which in turn allows for the implementation of wellness programs and other initiatives to prevent or manage health issues.

- Potential Cost Savings: In some cases, self-insured plans may realize cost savings by avoiding the profit margins charged by insurance carriers. However, this also means assuming the financial risk for high-cost claims. Recent actuarial studies suggest the City could realize a reduction in health insurance costs by more than $1.1 million to $1.3 million in FY 2027.

Urban Renewal Agency

In 1965, the City of Twin Falls, Idaho organized the Urban Renewal Agency (URA) under Idaho law to redevelop deteriorating areas and promote economic development.

Under governmental accounting standards, the Agency is considered a component unit of the City, and 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.

Revenue Allocation Area 4-3 (Chobani Area)
In March, Chobani announced a $500 million expansion of its Twin Falls plant. According to a press release from the company, the expansion will increase production by 50% and add over 500,000 square feet of new space. "Over a decade ago, this empty stretch of land in Twin Falls, Idaho, became the heartbeat of a food revolution. Today, that heart is growing even stronger. This expansion is expected to create a minimum of 160 new jobs, strengthen Idaho's dairy industry, and ensure that the food made here reaches even more families across the country," the company stated.

According to Chobani, "The expanded Twin Falls plant will span 1.6 million square feet and feature 24 production lines. Employing more than 1,200 people earning wages almost 12% higher than the regional average, this investment will continue to fuel the local economy and shape the future of food." In conjunction with Chobani and the City of Twin Falls, the Agency approved actions within a development agreement to support the announced expansion. Additionally, related to RAA 4-3, the Agency:

- Processed plan amendment to de-annex an approximate 28-acre parcel from the Revenue Allocation Area.

- Processed tax increment transfers and bond-related payments in coordination with the Agency's trustee bank.

- Monitored assessed valuation growth and compliance with existing development agreements.

Old Towne-2 Revenue Allocation Area
Old Towne-2 employed a range of targeted strategies to support and advance revitalization efforts within the district. The initiative utilized multiple approaches to strengthen economic activity, enhance the area's character, and encourage sustained investment. Several of the key methods used to further these objectives are outlined below.

- Approved funding for a public improvement budget study prepared by HMH Engineering to evaluate potential streetscape and pedestrian improvements along approximately 1.5 blocks of Hansen Street East. The study estimated probable construction costs between $544,390 and $653,270. The Agency continued discussions with Hansen Parkway Developers regarding potential future Agency participation in public improvements through an Owner Participation Agreement, contingent on further development details and Board direction.

- Launched the Development Assistance Participation Program to support public-private partnership in the Old Towne-2 RAA. Through a variety of assistance activities, the Agency strives to encourage private investment in the area, increase valuation of properties, and support employment opportunities within the community. The primary goal of the Program is to optimize the use of the Agency's financial resources to drive economic development, create suitable public infrastructure, and enhance placemaking within the core of the community.

- The Agency initiated discussions with downtown business owners and operators to identify opportunities for increased connection, collaboration, and support.

FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO
Statement of Net Position
September 30, 2025

	Primary Government			Component Unit- Urban Renewal
	Governmental Activities	Business Type Activities	Total	
Assets				
Cash and Investments	$ 73,468,322	$ 48,193,851	$ 121,662,173	$ 5,446,453
Receivables:				
Taxes	618,761	-	618,761	86,836
Fees and Services, net of allowances for uncollectibles	-	3,758,123	3,758,123	-
Intergovernmental	4,030,237	-	4,030,237	-
Interest	-	-	-	17,963
Accounts	638,314	9,929	648,243	-
Prepaid Expenses	-	95,352	95,352	-
Inventory	-	1,087,289	1,087,289	-
Pension Asset-FFR Plan	12,327,495	-	12,327,495	-
Capital Assets not being Depreciated				
Land	11,968,899	13,026,846	24,995,745	3,942,322
Construction in Progress	11,346,494	10,487,321	21,833,815	-
Capital Assets				
Buildings and Structures	49,572,074	19,037,927	68,610,001	-
Infrastructure	307,229,359	128,325,842	435,555,201	-
Improvements	26,002,385	45,072,211	71,074,596	-
Machinery and Equipment	29,545,420	19,256,267	48,801,687	-
Accumulated Depreciation	(281,875,690)	(85,812,111)	(367,687,801)	-
Right of Use Assets	9,937,296	-	9,937,296	-
Accumulated Amortization	(442,460)	-	(442,460)	-
Total Assets	254,366,906	202,538,847	456,905,753	9,493,574
Deferred Outflows of Resources				
Pension Obligations	3,341,577	334,525	3,676,102	-
Total Deferred Outflows of Resources	3,341,577	334,525	3,676,102	-
Total Assets and Deferred Outflows of Resources	$ 257,708,483	$ 202,873,372	$ 460,581,855	$ 9,493,574

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Net Position
September 30, 2025

	Primary Government			Component Unit- Urban Renewal
	Governmental Activities	Business Type Activities	Total	
Liabilities				
Pooled Cash	$ 9,022	$ -	$ 9,022	$ 5,989
Accounts Payable	3,663,098	3,484,810	7,147,907	6,562
Accrued Expenses	400,809	-	400,809	-
Accrued Interest	42,801	20,367	63,168	6,727,582
Unearned Revenue	1,431,126	40,633	1,471,759	-
Customer Deposits	829,126	3,999,498	4,828,624	4,556
Noncurrent Liabilities:				
Compensated Absences-Current Portion	1,412,454	182,378	1,594,832	-
Leases Payable Current Portion	387,777	-	387,777	-
Certificates of Participation- Current Portion	295,000	-	295,000	-
Revenue Bond Payable-Current Portion	-	2,590,000	2,590,000	2,627,000
Compensated Absences	746,928	101,046	847,974	-
Leases Payable	662,163	-	662,163	-
Certificates of Participation	7,755,005	-	7,755,005	-
Revenue Bond Payable	-	21,875,417	21,875,417	20,195,000
Development & Project Reimbursement Agreements	-	-	-	24,468,081
Pension Liability	12,738,523	1,275,254	14,013,777	-
Total Liabilities	30,373,832	33,569,403	63,943,235	54,034,770
Deferred Inflows of Resources				
Pension Obligations	5,802,834	557,105	6,359,939	-
Total Deferred Inflows of Resources	5,802,834	557,105	6,359,939	-
Net Position				
Net Investment in Capital Assets	155,168,359	124,928,886	280,097,245	(43,347,759)
Restricted for:				
Debt Service & Redevelopment	-	-	-	7,574,354
Law Enforcement Activities	237,534	-	237,534	-
Benefit of the TFPD	11,826	-	11,826	-
Capital Construction	678,678	-	678,678	-
Park Development	1,054,947	-	1,054,947	-
Pensions	12,327,495	-	12,327,495	-
Unrestricted	52,052,979	43,817,978	95,870,957	(8,767,791)
Total Net Position	221,531,818	168,746,864	390,278,682	(44,541,196)
Total Liabilities, Deferred Inflows and Net Position	$ 257,708,483	$ 202,873,372	$ 460,581,855	$ 9,493,574

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Activities
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit - Urban Renewal
Primary Government:								
Governmental Activities:								
General Government	$ 19,447,400	$ 3,794,855	$ 7,466,021	$ 3,104,153	$ (5,082,371)	$ -	$ (5,082,371)	
Fire	6,544,545	716,810	-	-	(5,827,735)	-	(5,827,735)	
Police	15,859,891	1,155,600	-	-	(14,704,291)	-	(14,704,291)	
Engineering/Planning	3,053,697	2,486,456	-	-	(567,241)	-	(567,241)	
Library	2,297,223	68,439	1,050	-	(2,227,734)	-	(2,227,734)	
Culture and Recreation	4,303,135	707,065	518,492	-	(3,077,578)	-	(3,077,578)	
Public Transportation	1,649,777	246,684	-	-	(1,403,093)	-	(1,403,093)	
Highway and Street	7,272,973	1,451,120	6,108,190	7,961,974	8,248,311	-	8,248,311	
Airport	1,961,209	1,043,984	511,086	1,625,380	1,219,241	-	1,219,241	
Total Governmental Activities	62,389,850	11,671,013	14,604,839	12,691,507	(23,422,491)	-	(23,422,491)	
Business-Type Activities:								
Water	9,924,038	13,419,743	31,151	-	-	3,526,856	3,526,856	
Wastewater	10,599,561	14,180,732	3,017	-	-	3,584,188	3,584,188	
Sanitation	3,919,933	4,127,921	-	-	-	207,988	207,988	
Dierkes Lake/Shoshone Falls	387,954	547,844	-	-	-	159,890	159,890	
Common Area Maintenance	74,343	70,199	-	-	-	(4,144)	(4,144)	
Total Business-Type Activities	24,905,829	32,346,439	34,168	-	-	7,474,778	7,474,778	
Total Primary Government	$ 87,295,679	$ 44,017,452	$ 14,639,007	$ 12,691,507	$ (23,422,491)	$ 7,474,778	$ (15,947,713)	
Component Unit:								
Urban Renewal Agency								$ (2,033,663)
		General Revenues:						
		Taxes:						
		Property taxes, Levied for General Purposes			31,244,196	$ -	$ 31,244,196	$ -
		Property taxes, Levied for Debt Service			-	-	-	5,094,293
		Franchise and Public Service Taxes			491,843	-	491,843	-
		Interest, Dividends & Changes in Fair Value			3,389,966	2,150,793	5,540,759	245,444
		Gain (Loss) on Sale of Assets or Transfer of Assets			142,975	30,450	173,425	-
		Miscellaneous Revenues			544,208	4,754,447	5,298,655	267,062
		Transfers			(588,229)	588,229	-	-
					35,224,959	7,523,919	42,748,878	5,606,799
		Change in Net Position			11,802,468	14,998,697	26,801,165	3,573,136
		Net Position - October 1, 2024			209,729,350	153,748,167	363,477,517	(48,114,332)
		Net Position - September 30, 2025			$ 221,531,818	$ 168,746,864	$ 390,278,682	$ (44,541,196)

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO
Fund Balance Sheets
Governmental Funds
September 30, 2025

	General	Street	Airport	Capital Improvement	Airport Construction	Other Governmental	Total Governmental
Assets							
Cash and Investments	$ 12,373,736	$ 18,308,120	$ 3,453,131	$ 22,485,693	$ 812,649	$ 15,513,806	$ 72,947,135
Receivables (net of allowance)							
Taxes	570,829	21,144	-	19,773	-	1,446	613,192
Intergovernmental	1,261,310	772,982	1,012	849,841	740,956	403,436	4,029,537
Accounts	93,468	410,850	99,778	-	24,191	7,264	635,551
Total Assets	$ 14,299,343	$ 19,513,096	$ 3,553,921	$ 23,355,307	$ 1,577,796	$ 15,925,951	$ 78,225,414
Liabilities							
Pooled Cash	$ -	$ -	$ -	$ -	$ -	$ 9,022	$ 9,022
Accounts Payable	361,919	1,910,022	14,879	610,983	34,609	699,299	3,631,711
Accrued Expenditures	394,363	-	6,187	-	-	-	400,550
Customer Deposits Payable	829,126	-	-	-	-	-	829,126
Total Liabilities	1,585,408	1,910,022	21,066	610,983	34,609	708,321	4,870,409
Deferred Inflows of Resources							
Unavailable Revenues-Property Taxes	521,279	19,418	-	18,135	-	1,318	560,150
Unavailable Revenues-Other	1,950	32,707	-	412,306	984,162	-	1,431,125
Total Deferred Inflows of Resources	523,229	52,125	-	430,441	984,162	1,318	1,991,275
Fund Balances							
Nonspendable Fund Balance	-	-	-	-	-	-	-
Restricted, Expendable for							
Law Enforcement Activities	237,534	-	-	-	-	-	237,534
Restricted for the Benefit for TFPD	11,826	-	-	-	-	-	11,826
Restricted for Capital Construction	-	-	-	984,527	678,678	-	1,663,205
Park Development	-	-	-	-	-	1,054,947	1,054,947
Committed Fund Balance							
Budgeted Surplus Res.	-	-	208,997	115,810	-	875,903	1,200,710
Impact Fees	-	-	-	-	-	11,460,419	11,460,419
Drug Seizure	-	-	-	-	-	228,513	228,513
Public Art Fund	-	-	-	57,337	-	-	57,337
Assigned Fund Balance							
General Government	11,941,346	-	-	-	-	-	11,941,346
Streets	-	17,550,949	-	-	-	-	17,550,949
Airport	-	-	3,323,858	-	-	-	3,323,858
Street Light	-	-	-	-	-	419,036	419,036
Capital Improvements	-	-	-	21,156,209	-	-	21,156,209
Community Services-Library	-	-	-	-	-	1,173,615	1,173,615
Pool	-	-	-	-	-	23,740	23,740
Unassigned Fund Balance	-	-	-	-	(119,653)	(19,861)	(139,514)
Total Fund Balance	12,190,706	17,550,949	3,532,855	22,313,883	559,025	15,216,312	71,363,730
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 14,299,343	$ 19,513,096	$ 3,553,921	$ 23,355,307	$ 1,577,796	$ 15,925,951	$ 78,225,414

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, 2025

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

Total Governmental Fund Balances	$	71,363,730
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		162,948,170
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.		565,238
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.		806,487
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		3,341,577
Deferred inflows of resources		(5,802,834)
Pension liability-base plan		(12,738,523)
Pension asset-FFR plan		12,327,495
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		(42,801)
Certificates of Participation and Equipment Notes		(9,099,945)
Compensated absences		(2,159,382)
Compensated absences included in the internal service funds		22,606
Net Position of Governmental Activities	$	221,531,818

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended September 30, 2025

	General	Street	Airport	Capital Improvement	Airport Construction	Other Governmental	Total Governmental
Revenues							
Property Taxes, Including Interest	$ 26,675,627	$ 844,808	$ 511,022	$ 780,278	$ -	$ 2,253,453	$ 31,065,188
Other Taxes	510,320	-	-	-	-	491,843	1,002,163
Special Assessments, Including Interest	-	-	-	-	-	58,787	58,787
Fines and Forfeitures	17,439	-	-	-	-	14,009	31,448
Licenses and Permits	2,391,642	-	-	-	-	-	2,391,642
Fees and Services	1,932,627	-	834,534	-	137,517	3,494,434	6,399,112
Intergovernmental	3,689,972	6,108,190	511,086	2,645,810	-	518,493	13,473,551
Federal Grants	998,368	7,961,974	15,000	2,305,790	1,646,217	799,413	13,726,762
Interest, Dividends & Changes in Fair Value	608,670	1,039,160	136,017	1,000,484	13,204	583,466	3,381,001
Farm Income	-	-	71,934	-	-	-	71,934
Miscellaneous	1,227,941	1,490,530	-	342,732	-	49,906	3,111,109
Total Revenue	38,052,606	17,444,662	2,079,593	7,075,094	1,796,938	8,263,804	74,712,697
Expenditures							
Current							
General Government	7,209,957	-	-	216,246	-	-	7,426,203
Public Safety	24,283,326	-	-	2,978,266	-	112,124	27,373,716
Engineering	1,762,668	-	-	-	-	-	1,762,668
Community Development	1,329,243	-	-	-	-	25,000	1,354,243
Culture and Recreation	2,964,975	-	-	1,351,600	-	3,038,820	7,355,395
Public Transportation	1,650,689	-	-	-	-	-	1,650,689
Highway and Streets	-	3,417,729	-	24,887	-	671,378	4,113,994
Airport	-	-	1,610,315	-	507,267	-	2,117,582
Capital Outlay	-	10,971,772	-	490,838	-	1,581,409	13,044,019
Debt Service	-	-	-	1,078,433	-	-	1,078,433
Total Expenditures	39,200,858	14,389,501	1,610,315	6,140,270	507,267	5,428,731	67,276,942
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,148,252)	3,055,161	469,278	934,824	1,289,671	2,835,073	7,435,755
Other Financing Sources and (Uses)							
Transfers In	2,886,682	153,576	6,651	2,631,600	-	358,210	6,036,719
Transfers Out	(2,001,326)	(838,466)	(480,739)	(3,061,364)	-	(681,261)	(7,063,156)
Total Other Financing Sources and (Uses)	885,356	(684,890)	(474,088)	(429,764)	-	(323,051)	(1,026,437)
Net Change in Fund Balance	(262,896)	2,370,271	(4,810)	505,060	1,289,671	2,512,022	6,409,318
Fund Balance October 1, 2024	12,453,602	15,180,678	3,537,665	21,808,823	(730,646)	12,704,290	64,954,412
Fund Balance September 30, 2025	$ 12,190,706	$ 17,550,949	$ 3,532,855	$ 22,313,883	$ 559,025	$ 15,216,312	$ 71,363,730

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, 2025

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, 2025

Net Change in Fund Balances - Total Government Funds		$ 6,409,318
Amounts reported for governmental activities in the Statement of Activities are different because:		
Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period		
Expenditures for capital assets	15,008,142	
Less current year depreciation	(12,027,044)	
		2,981,098
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.		(61,748)
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.		
Compensated Absences		279,912
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.		18,340
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.		
Certificates of Participation and Leases Payable issued		(223,037)
Repayment of Debt		659,843
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.		1,686,536
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.		52,206
Change in Net Position of Governmental Activities		$ 11,802,468

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Net Position
Proprietary Funds
September 30, 2025

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business-Type	Total	
Assets						
Current Assets						
Cash and Investments	$ 22,142,150	$ 23,066,889	$ 486,085	$ 2,498,727	$ 48,193,851	$ 521,187
Receivables, net of allowance for uncollectibles						
Taxes	-	-	-		-	5,569
Fees and Services	1,493,341	1,847,245	411,989	5,548	3,758,123	-
Intergovernmental	-	-	-	-	-	700
Accounts	8,098	38	-	1,793	9,929	2,763
Inventories	1,087,289	-	-	-	1,087,289	-
Total Current Assets	24,730,878	24,914,172	898,074	2,506,068	53,049,192	530,219
Noncurrent Assets						
Prepaid Asset	-	95,352	-		95,352	-
Capital Assets (Net of Accum. Depreciation)	65,492,185	79,674,654	-	4,227,465	149,394,304	335,607
Total Noncurrent Assets	65,492,185	79,770,006	-	4,227,465	149,489,656	335,607
Total Assets	90,223,063	104,684,178	898,074	6,733,533	202,538,848	865,826
Deferred Outflows of Resources						
Pension Obligations	242,990	91,535	-	-	334,525	-
Total Deferred Outflows of Resources	242,990	91,535	-	-	334,525	-
Total Assets and Deferred Outflows of Resources	$ 90,466,053	$ 104,775,713	$ 898,074	$ 6,733,533	$ 202,873,373	$ 865,826
Liabilities and Net Position						
Current Liabilities:						
Accounts Payable	2,632,234	456,042	335,992	60,542	3,484,810	31,387
Accrued Interest	-	20,367	-	-	20,367	259
Unavailable Revenues-Property Taxes	-	-	-	-	-	5,089
Deferred Revenues	-	-	-	40,633	40,633	-
Customer Deposits Payable	3,999,498	-	-	-	3,999,498	-
Revenue Bonds Payable - Current	-	2,590,000	-	-	2,590,000	-
Compensated Absences	136,672	45,706	-	-	182,378	19,554
Total Current Liabilities	6,768,404	3,112,115	335,992	101,175	10,317,686	56,289
NonCurrent Liabilities:						
Revenue Bonds Payable (Net of Discounts)	-	21,875,417	-	-	21,875,417	-
Compensated Absences	79,686	21,360	-	-	101,046	3,050
Pension Liability	926,311	348,943	-	-	1,275,254	-
Total Non-current Liabilities	1,005,997	22,245,720	-	-	23,251,717	3,050
Total Liabilities	7,774,401	25,357,835	335,992	101,175	33,569,403	59,339
Deferred Inflows of Resources						
Pension Obligations	404,666	152,439	-	-	557,105	-
Total Deferred Inflows of Resources	404,666	152,439	-	-	557,105	-
Net Position						
Net Investment In Capital Assets	65,492,185	55,209,237	-	4,227,465	124,928,887	335,607
Restricted	-	-	-	-	-	-
Unrestricted	16,794,801	24,056,202	562,082	2,404,893	43,817,978	470,880
Total Net Position	82,286,986	79,265,439	562,082	6,632,358	168,746,865	806,487
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 90,466,053	$ 104,775,713	$ 898,074	$ 6,733,533	$ 202,873,373	$ 865,826

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, 2025

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business-Type	Total	
Operating Revenues:						
Charges for Services	$ 13,200,733	$ 11,996,590	$ 4,127,921	$ 618,043	$ 29,943,287	$ 693,717
Taps, Connection and Other Fees	219,010	-	-	-	219,010	-
Special Assessments, Including Interest	-	-	-	-	-	259,197
Miscellaneous	4,363,535	255,633	2,546	13,104	4,634,818	-
Total Operating Revenues	17,783,278	12,252,223	4,130,467	631,147	34,797,115	952,914
Operating Expenses:						
Contracted Services	364,160	4,022,059	2,848,951	158,903	7,394,073	8,330
Personnel Expenses	3,359,053	1,219,351	-	129,564	4,707,968	597,683
Depreciation and Amortization	2,195,697	3,683,123	-	75,542	5,954,362	14,382
Utilities	1,377,776	4,463	-	9,895	1,392,134	12,454
Landfill Expenses	-	-	1,039,423	-	1,039,423	-
Supplies	760,714	77,551	-	12,117	850,382	47,591
Insurance	-	-	-	-	-	613,069
Repairs and Maintenance	179,101	46,953	-	9,494	235,548	16,094
Vehicle Expenses	236,499	72,677	-	4,184	313,360	1,405
Small Equipment	781,474	473,594	-	53,355	1,308,423	67,745
Studies and Projects	31,668	-	18,435	-	50,103	-
Rental Expense	172,491	70	-	-	172,561	-
Miscellaneous Expense	347,567	33,308	13,124	9,243	403,242	69
Testing and Monitoring	105,847	-	-	-	105,847	-
Travel and Meetings	11,991	3,847	-	-	15,838	2,924
Total Operating Expenses	9,924,038	9,636,996	3,919,933	462,297	23,943,264	1,381,746
Operating Income (Loss)	7,859,240	2,615,227	210,534	168,850	10,853,851	(428,832)
Non-Operating Revenues (Expenses):						
Development Fees	-	2,184,142	-	-	2,184,142	-
Interest, Dividends & Changes in Market Value	1,053,732	997,871	26,571	72,619	2,150,793	8,964
Rent and Royalties	119,630	-	-	-	119,630	-
Federal Grants	31,151	3,017	-	-	34,168	-
Gain (Loss) on Sale or Transfer of Assets	450	30,000	-	-	30,450	-
Interest Expense	-	(962,565)	-	-	(962,565)	-
Total Non-Operating Revenues (Exp.)	1,204,963	2,252,465	26,571	72,619	3,556,618	8,964
Income (Loss) Before Interfund Transfers	9,064,203	4,867,692	237,105	241,469	14,410,469	(419,868)
Interfund Transfers						
Transfers In	1,018,210	-	-	2,623,884	3,642,094	513,224
Transfers Out	(1,447,575)	(1,066,857)	(522,743)	(16,690)	(3,053,865)	(75,016)
Net Transfers	(429,365)	(1,066,857)	(522,743)	2,607,194	588,229	438,208
Net Income (Loss)	8,634,838	3,800,835	(285,638)	2,848,663	14,998,698	18,340
Total Net Position, October 1, 2024	73,652,148	75,464,604	847,720	3,783,695	153,748,167	788,147
Total Net Position, September 30, 2025	$ 82,286,986	$ 79,265,439	$ 562,082	$ 6,632,358	$ 168,746,865	$ 806,487

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business-Type	Total	
Cash Flows from Operating Activities						
Receipts from Customers	$ 10,259,102	$ 11,366,750	$ 4,130,192	$ 658,555	$ 26,414,599	$ -
Cash Received from Interfund Services Provided	-	-	-	-	-	692,714
Property Taxes, Including Interest	-	-	-	-	-	240,657
Payments to Suppliers	(3,019,376)	(5,251,959)	(3,899,326)	(296,813)	(12,467,474)	(778,425)
Payments to Employees	(3,270,599)	(1,232,058)	-	(129,564)	(4,632,221)	(596,424)
Other Receipts	4,363,535	255,633	2,546	13,104	4,634,818	-
Net Cash Provided (Used) by Operating Activities	8,332,662	5,138,366	233,412	245,282	13,949,722	(441,478)
Cash Flows from Non-Capital Financing Activities						
Interfund Transfers to Other Funds	(1,447,575)	(1,066,857)	(522,743)	(16,690)	(3,053,865)	(75,016)
Receipts from (Advances) to Other Funds	1,018,210	-	-	2,623,884	3,642,094	513,224
Net Cash Provided (Used) by Non-Capital Financing Activities	(429,365)	(1,066,857)	(522,743)	2,607,194	588,229	438,208
Cash Flows from Capital and Related Financing Activities						
Purchase of Capital Assets	(9,684,952)	(1,456,745)	-	(2,815,768)	(13,957,465)	(144,258)
Construction in Progress	(1,111,839)	(1,109,374)	-	(137,630)	(2,358,843)	-
(Gain) Loss on Disposals, Transfers of Capital Assets	4,500	-	-	-	4,500	-
Principal Paid on Capital Debt	-	(2,520,000)	-	-	(2,520,000)	-
Interest Paid on Capital Debt	-	(965,125)	-	-	(965,125)	-
Development Fees	-	2,184,142	-	-	2,184,142	-
Rents and Royalties	119,630	-	-	-	119,630	-
Capital Grants	31,151	3,017	-	-	34,168	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(10,641,510)	(3,864,085)	-	(2,953,398)	(17,458,993)	(144,258)
Cash Flows from Investing Activities						
(Purchase) or Sale of Securities	(369,592)	(534,757)	(22,299)	(47,127)	(973,775)	(6,216)
Interest, Dividends & Changes in Fair Value	1,053,732	997,871	26,571	72,619	2,150,793	8,964
Net Cash Provided (Used) by Investing Activities	684,140	463,114	4,272	25,492	1,177,018	2,748
Net Increase (Decrease) in Cash and Cash Equivalents	(2,054,073)	670,538	(285,059)	(75,430)	(1,744,024)	(144,780)
Balances - Beginning of the Year	6,361,549	(3,408,377)	(304,920)	300,029	2,948,281	366,008
Balances - End of the Year	$ 4,307,476	$ (2,737,839)	$ (589,979)	$ 224,599	$ 1,204,257	$ 221,228
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	$ 7,859,240	$ 2,615,227	$ 210,534	$ 168,850	$ 10,853,851	$ (428,832)
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	2,195,697	3,823,537	-	75,542	6,094,776	14,382
Amortization	-	(140,414)	-	-	(140,414)	-
Gain or Loss on Disposal of Assets	450	30,000	-	-	30,450	-
Change in Assets and Liabilities:						
Receivables, Net	(122,885)	(629,840)	2,271	(121)	(750,575)	16,220
Prepaid Expenses	-	11,919	-	-	11,919	-
Inventories	42,272	-	-	-	42,272	-
Due From Other Funds	-	-	-	-	-	-
DOF or Resources-Pension Obligations	5,287	40,151	-	-	45,438	-
Accounts Payable	1,307,190	(559,356)	20,607	(39,622)	728,819	(8,840)
Accrued Expenses						96
Deferred Revenues	-	-		40,633	40,633	(35,763)
Customer Deposits	(3,037,756)	-	-	-	(3,037,756)	-
Compensated Absences	22,622	11,130	-	-	33,752	1,259
Pension Asset or Liability	(341,792)	(215,355)	-	-	(557,147)	-
DIF or Resources-Pension Obligations	402,337	151,367	-	-	553,704	-
Net Cash Provided (Used) by Operating Activities	$ 8,332,662	$ 5,138,366	$ 233,412	$ 245,282	$ 13,949,722	$ (441,478)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds						
Cash and Investments-Statement of Net Position	$ 22,142,150	$ 23,066,889	$ 486,085	$ 2,498,727	$ 48,193,851	$ 521,187
Less: Investments	(17,834,674)	(25,804,728)	(1,076,064)	(2,274,128)	(46,989,594)	(299,959)
Cash and Cash Equivalents	$ 4,307,476	$ (2,737,839)	$ (589,979)	$ 224,599	$ 1,204,257	$ 221,228

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Fiduciary Net Position
September 30, 2025

	Employee Benefit Trust Fund
Assets	
Cash and Cash Equivalents	$ 1,398,815
Total Assets	$ 1,398,815
Liabilities	
Health Claims incurred by not reported	-
Total Liabilities	-
Fiduciary Net Position	$ 1,398,815

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2025

	Employee Benefit Trust Fund
Additions	
Contributions	
Employer	$ 1,394,458
Plan Members	-
Total Contributions	1,394,458
Interest Income	4,472
Total Additions	1,398,930
Deductions	
Administrative Expenses	115
Total Deductions	115
Change in Fiduciary Net Position	1,398,815
Fiduciary Net Position, Beginning of Year	-
Fiduciary Net Position, End of Year	$ 1,398,815

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES

The City of Twin Falls, Idaho is a municipal corporation governed by an elected seven-member council.

The financial statements of the City of Twin Falls, Idaho have been prepared in conformity with generally accepted accounting principles, (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

FINANCIAL REPORTING ENTITY

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended component unit and each discretely presented component unit has a September 30 year end. A brief description of the discretely presented components units follows:

Blended Component Unit-Twin Falls Public Library
Blended component units are legally separate organizations but are intertwined enough that they are reported as part of the primary government. The City's 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.

The City of Twin Falls Health Plan Trust (the Trust) is reported as a Fiduciary Activity of the City of Twin Falls. The Trust reports under GASB standards in the same manner as the City.

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.

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 it's discretely presented component unit at year-end.

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

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

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

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

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

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

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.

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

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

The government reports the following major proprietary funds:

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

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

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

The City reports the following other fund types:

Fiduciary Funds
The City of Twin Falls Health Plan Trust (the Trust) is a fiduciary fund established under an Irrevocable Trust Agreement to provide self-funded healthcare benefits, including medical, surgical, hospital, pharmacy, dental, and vision benefits, to eligible employees of the City of Twin Falls (the Plan Sponsor) and their dependents.

The Trust is administered by a Board of Trustees consisting of five individuals appointed by the City Manager. The Trustees act as fiduciaries on behalf of the beneficiaries of the Plan and the Trust Fund.

The assets of the Trust Fund are held in a fiduciary capacity in the name of the Plan for the exclusive purpose of providing health benefits and paying reasonable administrative costs. Trust assets are not assets of the City and shall never inure to the benefit of the Plan Sponsor or any employer and are not available to satisfy the obligations of the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Fiduciary Funds
The Trust meets the criteria for reporting as a fiduciary activity under GASB Statement No. 84, Fiduciary Activities (GASB 84), because (1) the City controls the Trust's assets, (2) the assets are held in a trust that is legally protected from the City's creditors, (3) the assets are dedicated to providing benefits to plan participants, and (4) the City is not a beneficiary of the Trust.[41][28] Accordingly, the Trust is reported as an employee benefit fiduciary fund in the fiduciary fund financial statements.

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.

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.

Health Plan Trust Fund
The Health Plan Trust Fund is reported using the economic resources measurement focus and the accrual basis of accounting, as required for fiduciary funds under GASB 34 and GASB 84. Under this method, contributions are recognized as additions when due pursuant to formal commitments or when received, and investment income is recognized as it is earned. Benefit payments and administrative expenses are recognized as deductions when the related liability is incurred. Investments of the Trust are reported at fair value. Fair value is based on quoted market prices, where available, or other observable inputs. Changes in fair value are reported as investment income (loss) in the statement of changes in fiduciary net position.

The Trust's investment policy is established by the Board of Trustees and authorizes investments in instruments permitted under Idaho law and the City's overall investment guidelines. The policy addresses credit risk, interest rate risk, and concentration of credit risk.

The Trust Fund is not included in the City's government-wide financial statements because fiduciary activities are excluded from those statements under GASB 84 and continue to be reported only in the fiduciary fund financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Cash, Cash Equivalents, and Investments-continued
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.

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.

Receivables and Payables-continued
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 $4,046 as of September 30, 2025.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.
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, 2025, no capital assets were considered to be impaired, and no impairment loss was recognized for the year that ended September 30, 2025.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.
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 fun.

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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

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.

Health Plan Trust Fund
The Health Plan Trust Fund is reported using the economic resources measurement focus and the accrual basis of accounting, as required for fiduciary funds under GASB 34 and GASB 84. Under this method, contributions are recognized as additions when due pursuant to formal commitments or when received, and investment income is recognized as it is earned. Benefit payments and administrative expenses are recognized as deductions when the related liability is incurred.

Investments of the Trust are reported at fair value. Fair value is based on quoted market prices, where available, or other observable inputs. Changes in fair value are reported as investment income (loss) in the statement of changes in fiduciary net position.

The Trust's investment policy is established by the Board of Trustees and authorizes investments in instruments permitted under Idaho law and the City's overall investment guidelines. The policy addresses credit risk, interest rate risk, and concentration of credit risk.

The Trust Fund is not included in the City's government-wide financial statements because fiduciary activities are excluded from those statements under GASB 84 and continue to be reported only in the fiduciary fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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

Implementation of GASB Statement No. 84, Fiduciary Activities
The City implemented GASB Statement No. 84, Fiduciary Activities, for the fiscal year ended September 30, 2025. GASB 84 establishes specific criteria for identifying fiduciary activities and clarifies how those activities are reported in the basic financial statements.

As a result of implementing GASB 84, the Health Plan Trust Fund is reported for the first time as a fiduciary fund in the City's basic financial statements. The adoption of GASB 84 required the City to evaluate its existing arrangements and determine which activities met the fiduciary criteria. The City concluded that the Health Plan Trust assets are held in a qualifying trust for the benefit of employees and their dependents and therefore constitute a fiduciary activity.

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.

Budgetary Information
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.

3. DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents
A reconciliation of cash and cash equivalents on September 30, 2025 is as follows:

Reconciled Bank Accounts	$ 4,811,610
State Investment Pool	21,826
Savings & Certificates	-
Money Market Mutual Funds	1,346,695
Library Operating Fund	17,995
Petty Cash	6,372
Total Cash	$ 6,204,498

Cash and Investment Reconciliation to the Statement of Net Position	
Cash as Stated Above	$ 6,204,498
Investments	115,457,675
Pooled Cash Deficit	(9,022)
Cash and Investments	$ 121,653,151

On September 30, 2025, the Urban Renewal Agency's reconciliation of cash and cash equivalents is as follows:

Cash in Bank	$ 188,616	**Reconciliation to the Statement of Net Assets**	
State Investment Pool	1,140,985	Cash on Statement of Net Assets	$ 5,446,453
Money Market Fund	4,110,863	Pooled Cash Deficit	(5,989)
Total	$ 5,440,464	Total Cash	$ 5,440,464

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, 2025.

US Government Bonds	$ 1,058,772
Money Market Funds	86,886
Mortgage/Asset Backed Securities	110,549,471
Municipal Bonds	786,819
Corporate Bonds	2,975,727
Total	$ 115,457,675

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.

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 Maturities (in years)			
Investments	Fair Value	Less than 1 year	1-5 Years	6-10 Years	Over 10 Years
U.S. Government Bonds					
Small Business Admin GTD	$ 565,292	$ -	$ 47,398	$ 107,088	$ 410,806
Federal Home Loan Banks	493,480	-	493,480	-	-
Money Market Funds	86,886	86,886	-	-	-
Mortgage/Asset Backed Securities					
Federal Home Loan Mortgage Corporation	888,589	6	525,392	-	363,191
FHLMC Multiclass Mtg Partn CTFS	43,377,175	3,029	4,790,100	15,402,383	23,181,663
FNMA GTD MTG Pass thru CTFS Pool	10,381,427	86,740	9,365,318	929,369	-
FNMA GTD REMIC PASS THRU CTF	39,408	-	6,576	32,832	-
FNMA GTD REMIC PASS THRU TR	33,973,331	-	685,401	12,715,737	20,572,193
FNMA STRIPPED MTG BACKED SECURITIES	125,353	-	-	-	125,353
Freddie MAC Seasoned CR Risk	-	-	-	-	
FRESB MultiFamily Mortgage	217,845	82,620	135,225	-	
GNMA GTD MTG PASS THRU CTFS POOL	616	-	616	-	
GNMA GTD Multifamily remic pass thru	4,461,737	-	74,140	-	4,387,597
GNMA GTD REMIC PASS THRU SECS	16,449,135	1,334	44,939	5,295,697	11,107,165
GNMA II GTD MTG PASS THRU CTFS POOL	61,146	-	42,743	18,403	-
Small Business Admin GTD DEV PARTN	158,045	-	158,045	-	-
Small Business Admin GTD PARTN CTFS	415,664	47,600	106,448	-	261,616
Municipal Bonds					
Vermont St Student Assistance Corp	786,819	-	-	786,819	-
Corporate Bonds	2,975,727	1,980,410	995,317		-
	$ 115,457,675	$ 2,288,625	$ 17,471,138	$ 35,288,328	$ 60,409,584

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	Moody's Rating
U.S. Government Bonds			
Small Business Admin GTD	$	565,292	Unrated
Federal Home Loan Banks		493,480	Aaa
Money Market Funds		86,886	
Mortgage/Asset Backed Securities			
Federal Home Loan Mortgage Corporation		888,589	Unrated
FHLMC Multiclass Mtg Partn CTFS		43,377,175	Unrated
FNMA GTD MTG Pass thru CTFS Pool		10,381,427	Unrated
FNMA GTD REMIC PASS THRU CTF		39,408	Unrated
FNMA GTD REMIC PASS THRU TR		33,973,331	Unrated
FNMA STRIPPED MTG BACKED SECURITIES		125,353	Unrated
FRESB MultiFamily Mortgage		217,845	Unrated
GNMA GTD MTG PASS THRU CTFS POOL		616	Unrated
GNMA GTD Multifamily remic pass thru		4,461,737	Unrated
GNMA GTD REMIC PASS THRU SECS		16,449,135	Unrated
GNMA II GTD MTG PASS THRU CTFS POOL		61,146	Unrated
Small Business Admin GTD DEV PARTN		158,045	Unrated
Small Business Admin GTD PARTN CTFS		415,664	Unrated
Municipal Bonds			
Vermont St Student Assistance Corp		786,819	AAA
Corporate Bonds		2,975,727	A1
	$	115,457,675	

3. *DEPOSITS AND INVESTMENTS-Continued*

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The City only conducts investment purchases on a delivery versus payment basis with all securities held by a safe keeper, in the City's name, to eliminate custodial credit risk.

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	43,377,175	37.57%
FNMA GTD MTG Pass thru CTFS Pool	10,381,427	8.99%
FNMA GTD REMIC PASS THRU TR	33,973,331	29.42%
GNMA GTD REMIC PASS THRU SECS	16,449,135	14.25%

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, 2025:

Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
US Government Bonds	$ 1,058,772	$ -	$ 1,058,772	$ -
Money Market Funds	86,886	86,886	-	-
Mortgage/Asset Backed Securities	110,549,471	-	110,549,471	-
Municipal Bonds	786,819		786,819	
Corporate Bonds	2,975,727	-	2,975,727	-
Total	$ 115,457,675	$ 86,886	$ 115,370,789	$ -

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	$ 21,826	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, 2025, are considered to be deferred revenue.

Taxes receivable and deferred revenue on September 30, 2025, consist of the following for the City:

Fund	Taxes Receivable	Unavailable Revenue
General	$ 570,829	$ 521,279
Street	21,144	19,418
Street Lighting	1,446	1,318
Capital Improvement	19,773	18,135
Insurance	5,569	5,089
Total	$ 618,761	$ 565,239

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

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

Property Taxes	$ 565,239
Unearned Revenues-Other	1,431,125
Total	$ 1,996,364

Urban Renewal Agency taxes receivable and unavailable revenue on September 30, 2025 consist of 2024 property tax revenue to be collected after November 30, 2025.

Amounts due from other governments on September 30, 2025 are presented as follows for the City:

Fund	Federal	State	County	Local	Total
General	$ 100,360	$ 987,126	$ 93,015	$ 80,809	$ 1,261,310
Street	-	765,973	7,009	-	772,982
Street Lighting	-	-	179	-	179
Library	-	-	4,040	-	4,040
Airport	-	-	1,012	-	1,012
Capital Improvement	122,523	724,908	2,410	-	849,841
Airport Construction	740,956	-	-	-	740,956
CSBG	254,159	-	-	-	254,159
Insurance	-	-	700	-	700
Drug Seizuer	-	3,000	-	-	3,000
Pool	-	139,759	-	-	139,759
Fireworks	-	-	2,299	-	2,299
Total Fund and Government-wide Financial Statements	$ 1,217,998	$ 2,620,766	$ 110,664	$ 80,809	$ 4,030,237

Urban Renewal Agency receivable from other governments consists of property taxes collected by the County prior to December 1, 2025.

5. CAPITAL ASSETS

Changes in capital assets for the City for the year ended September 30, 2025, are as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Government-wide Assets:					
Capital Assets, not Being Depreciated					
Land	$ 11,972,762	$ 3,572	$ (7,435)	$ -	$ 11,968,899
Construction in Progress	5,987,686	12,285,565	-	(6,926,757)	11,346,494
Total Capital Assets, not Being Depreciated	17,960,448	12,289,137	(7,435)	(6,926,757)	23,315,393
Capital Assets Being Depreciated					
Buildings and Structures	45,542,998	-	(235,000)	4,264,076	49,572,074
Infrastructure	306,977,752	251,607	-	-	307,229,359
Improvements	23,174,267	210,298	(44,861)	2,662,681	26,002,385
Machinery and Equipment	28,539,094	2,401,358	(1,277,205)	(117,827)	29,545,420
Total Capital Assets Being Depreciated	404,234,111	2,863,263	(1,557,066)	6,808,930	412,349,238
Right to Use Assets					
Buildings and Structures	9,208,464	-	-	-	9,208,464
Machinery and Equipment	728,832	-	-	-	728,832
Total Right to Use Assets	9,937,296	-	-	-	9,937,296
Less Accum. Deprec. For Govt. Wide					
Buildings and Structures	15,075,772	1,212,802	(204,450)	-	16,084,124
Infrastructure	221,031,705	7,655,768	-	-	228,687,473
Improvements	16,870,649	845,270	(40,375)	-	17,675,544
Machinery and Equipment	18,733,772	2,070,533	(1,257,929)	(117,827)	19,428,549
Total Accum. Deprec.	271,711,898	11,784,373	(1,502,754)	(117,827)	281,875,690
Less Accum. Amortization For Govt. Wide					
Buildings and Structures	15,347	184,169	-	-	199,516
Machinery and Equipment	170,061	72,883	-	-	242,944
Total Accum. Amortization	185,408	257,052	-	-	442,460
Governmental Activities Capital Assets, net	$ 160,234,549	$ 3,625,079	$ (61,747)	$ -	$ 163,283,777

5. CAPITAL ASSETS – Continued

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business Type Activity Assets:					
Capital Assets, not Being Depreciated					
Land	$ 12,825,918	$ 200,928	$ -	$ -	$ 13,026,846
Construction in Progress	6,004,466	14,079,670	-	(9,596,815)	10,487,321
Total Capital Assets, not Being Depreciated	18,830,384	14,280,598	-	(9,596,815)	23,514,167
Capital Assets Being Depreciated					
Buildings and Structures	19,037,927	-	-	-	19,037,927
Infrastructure	121,252,135	893,712	-	6,179,995	128,325,842
Improvements	41,458,310	197,081	-	3,416,820	45,072,211
Machinery and Equipment	18,580,170	944,917	(386,647)	117,827	19,256,267
Total Capital Assets Being Depreciated	200,328,542	2,035,710	(386,647)	9,714,642	211,692,247
Less Accum. Deprec. For Business Type Activities					
Buildings and Structures	16,462,161	224,691	-	-	16,686,852
Infrastructure	30,294,391	3,835,354	-	-	34,129,745
Improvements	21,607,283	911,752	-	-	22,519,035
Machinery and Equipment	11,617,819	1,122,979	(382,146)	117,827	12,476,479
Total Accum. Deprec.	79,981,654	6,094,776	(382,146)	117,827	85,812,111
Business-type Activities Capital Assets, net	$ 139,177,272	$ 10,221,532	$ (4,501)	$ -	$ 149,394,303

Changes in capital assets for the Urban Renewal Agency for the year ended September 30, 2025, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government-wide Assets:				
Capital Assets, not Being Depreciated				
Land and Buildings	$ 3,942,322	$ -	$ -	$ 3,942,322
Total Capital Assets, not Being Depreciated	$ 3,942,322	$ -	$ -	$ 3,942,322

Investments in real estate have not been allocated between land and buildings.

5. CAPITAL ASSETS – Continued

Depreciation expense was charged to the governmental functions for the City as follows:

General Government	$	9,135,108
Fire		345,354
Police		365,374
Library		85,187
Culture and Recreation		409,920
Highway and Streets		694,462
Airport		936,950
Pool		54,688
		12,027,043
Depreciation on Capital Assets held by the City's Internal Service Fund		14,382
Total Depreciation Expense-Governmental Activities	$	12,041,425

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.

6. LONG-TERM LIABILITIES-Continued

The City Council determined that the best interests of the community would be 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. Additionally, Zions is providing the financing for construction of the fire station through certificates of participation in the amount of $8,405,000. This lease matures on September 1, 2042. Lease payments, under the agreement, are appropriated annually with no early redemption allowed until the year 2030. The City is waiting on economic and investment factors to determine if early redemptions will be made once available. At this time, no early payments have been made. The lease would end if a payment were not funded. However, it is the intent of the City to fulfil all terms of the agreement. The lease agreement is being represented as a financing arrangement for the fire station costs. During construction, costs were being inventoried as Construction in Process. The asset has been moved to a Right of Use Asset during the current year.

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%.

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 $979,238. 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 4.43%.

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 end is as follows. Additional detailed information is available on the following pages.

6. LONG-TERM LIABILITIES-Continued

	Beginning Balance	Additions	Principal Payments	Amort.	Ending Balance	Due Within One Year
Governmental Activities:						
Annual Appropriation Certificates of Participation, Series 2022	$ 8,360,241	$ -	$ (285,000)	$ (25,236)	$ 8,050,005	$ 295,000
Zions Bancorporation-lease	445,545		(145,714)		299,831	148,497
Zions Bancorporation-lease	979,238	-	(229,129)	-	750,109	239,280
Total	$ 9,785,024	$ -	$ (659,843)	$ (25,236)	$ 9,099,945	$ 682,777
Business-type Activities:						
Idaho Bond Bank Authority, Parity Lien Revenue	$ 1,926,448		$ (595,000)	$ (35,483)	$ 1,295,965	605,000
Idaho Bond Bank Authority, Revenue Bonds	25,199,383		(1,925,000)	(104,931)	23,169,452	1,985,000
Total	$ 27,125,831	$ -	$ (2,520,000)	$ (140,414)	$ 24,465,417	$ 2,590,000

The following are obligations of the City.

Governmental Activities

Annual Appripriation Certificates of Participation, Series 2022

Payable in semi-annual installments over 20 years with interest rates that varies from 4 to 5%	$ 7,625,000	
Plus: Unamortized Premium	425,005	
Total		$ 8,050,005
Zions Bancorporation		
Payable in annual installments over 5 years with interest rates of 1.91%		299,831
Payable in annual installments over 5 years with interest rates of 4.43%		750,109
Total		$ 9,099,945

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, 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%	$ 1,225,000	
Plus: Unamortized Premium	70,966	
Total		1,295,966
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%	22,330,000	
Plus: Unamortized Premium	839,451	
Total		23,169,451
Total		$24,465,417

The Debt service requirements to maturity are as follows:

	Governmental Activities:			Business-type Activities:		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2026	$ 682,777	$ 391,307	$ 1,074,084	$ 2,590,000	$ 893,987	$ 3,483,987
2027	711,214	363,120	1,074,334	2,670,000	814,350	3,484,350
2028	590,949	333,660	924,609	2,765,000	716,850	3,481,850
2029	345,000	305,600	650,600	2,875,000	606,250	3,481,250
2030	360,000	288,350	648,350	2,990,000	491,250	3,481,250
2031-2035	2,100,000	1,151,750	3,251,750	9,665,000	783,400	10,448,400
2036-2040	2,660,000	588,250	3,248,250	-	-	-
2041-2042	1,225,000	74,000	1,299,000	-	-	-
Total	$ 8,674,940	$ 3,496,037	$ 12,170,977	$ 23,555,000	$ 4,306,087	$ 27,861,087

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, 2025 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%.	$ 8,140,000
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.	14,682,000
Total	$ 22,822,000

Expected annual maturities of these obligations are as follows:

September 30,	Principal	Interest	Total
2026	$ 2,627,000	$ 1,573,957	$ 4,200,957
2027	2,718,000	1,386,468	4,104,468
2028	2,819,000	1,191,962	4,010,962
2029	2,915,000	989,642	3,904,642
2030	3,001,000	779,808	3,780,808
2031-2035	7,747,000	1,296,106	9,043,106
2036	995,000	40,975	1,035,975
Total	$ 22,822,000	$ 7,258,918	$ 30,080,918

In addition to the Bond, 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, 2025, the Agency was indebted in the amount of $14,234,032. The agreement states that any existing debt with Chobani by the Agency at the end of the revenue allocation area's life ends without recourse.

6. LONG-TERM LIABILITIES-Continued

Payments to Chobani are limited to "Available Revenues" in the Revenue Allocation Fund as defined in the Reimbursement Agreement. Available Revenues consist of amounts remaining in the Revenue Allocation Fund after satisfaction of required reserves, payment of trustee fees, and provision for bond principal and interest due within the ensuing six months. The Reimbursement Agreement does not constitute a general obligation of the City or the Agency; it is payable solely from Revenue Allocation Revenues of RAA 4-3.

The Reimbursement Agreement bears no interest and remains in effect until the earlier of (1) termination of RAA 4-3 or (2) payment in full of the maximum reimbursement amount. Unpaid amounts in any given year may be carried forward and paid from Available Revenues in subsequent years, subject to the revenue and legal limitations described above.

In addition to the Bond, the Agency is also indebted to Clif Bar & Company. The Agency entered into a Line of Credit and Promissory Note agreement with Clif Bar & Company, in addition to the Bond. The Note evidences the Agency's obligation to Clif Bar for certain project-related costs, payable solely from 'Available Revenues' remaining after the payment of all amounts required under the Bond Resolution, including Bond principal, interest, arbitrage rebate, and required reserves.

The maturity date of the Note is the earliest of: (i) redemption of the Bond, (ii) payment of total debt service under the Bond, or (iii) one month prior to the expiration or termination of the TIF district. Any unpaid balance at that time is not payable from any other Agency resources.

At September 30, 2025, the note had an outstanding principal balance of $10,234,049. Interest on the Note is accrued and paid only to the extent of Available Revenues as defined in the agreement.

Changes in Long-Term Debt

During the year ended September 30, 2025, the following changes occurred in liabilities reported as the general long-term debt.

	Beginning Balance	Additions	Principal Payments	Ending Balance	Due Within One Year
Revenue Allocation Bonds, Series 2013A	$ 17,253,000	$ -	$ (2,571,000)	$ 14,682,000	$ 1,922,000
Revenue Allocation Bonds, Series 2016	8,850,000	-	(710,000)	8,140,000	705,000
Total Revenue Bonds	26,103,000	-	(3,281,000)	22,822,000	2,627,000
Chobani Idaho, LLC-Projects Improvements	14,234,032	-		14,234,032	-
Clif Bar Development	10,234,049	-	-	10,234,049	-
Total Agreements	24,468,081	-	-	24,468,081	-
Total	$ 50,571,081	$ -	$ (3,281,000)	$ 47,290,081	$ 2,627,000

6. LONG-TERM LIABILITIES-Continued

Changes in accrued compensated absences are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount due Within 1 year
Governmental	$ 2,406,645	$ 1,286,194	$ (1,533,457)	$ 2,159,382	$ 1,367,679
Business-type	249,672	240,846	(207,094)	283,424	201,933
Total	$ 2,656,317	$ 1,527,040	$ (1,740,551)	$ 2,442,806	$ 1,569,612

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. MANAGEMENT AGREEMENT

The Agency and the City of Twin Falls entered into an agreement in March 1993, where the City agreed to provide administrative, legal, engineering, budgeting, and accounting services in exchange for a fee paid by the Agency. The amount is determined annually and was $208,000 for the year.

8. 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.

9. INTERFUND TRANSACTIONS-Continued

Interfund transfers for the year are as follows:

	Transfers to										
	General	Street	Airport	Capital Imp.	Fire Works	Water Works	Dierkes	Insurance	Shop Revolving	Pool	Total
Transfers From											
General	$ -	$ -	$ 6,651	$ 1,980,000	$ 14,675	$ -	$ -	$ -	$ -	$ -	$ 2,001,326
Street	362,516	-	-	-	-	428,241	-	42,143	5,566	-	838,466
Street Light	29,661	-	-	-	-	-	-	-	-	-	29,661
Airport	438,596	-	-	-	-	-	-	42,143	-	-	480,739
Capital Imp.	-	31,766	-	-	-	-	2,623,884	-	62,179	343,535	3,061,364
Waterworks	1,232,570	121,810	-	-	-	-	-	93,195	-	-	1,447,575
Wastewater	514,432	-	-	-	-	294,984	-	257,441	-	-	1,066,857
Common Area	3,713	-	-	-	-	-	-	-	-	-	3,713
Sanitation	217,201	-	-	-	-	294,985	-	10,557	-	-	522,743
Dierkes Lake	12,977	-	-	-	-	-	-	-	-	-	12,977
Impact Fees	-	-		651,600	-	-	-	-	-	-	651,600
Shop	863	-	-	-	-	-	-	-	-	-	863
Insurance	74,153	-	-	-	-	-	-	-	-	-	74,153
Total	$ 2,886,682	$ 153,576	$ 6,651	$ 2,631,600	$ 14,675	$ 1,018,210	$ 2,623,884	$ 445,479	$ 67,745	$ 343,535	$ 10,192,037

Interfund transfers for the Urban Renewal Agency are as follows for the year ended September 30, 2025.

	Transfers In	**Transfers Out**
Redevelopment Funds	$ -	$ 4,731,546
Debt Service Funds	4,731,546	-
	$ 4,731,546	$ 4,731,546

10. RISK MANAGEMENT

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

The Insurance fund is budgeted through property tax assessments and transfers from the enterprise funds. The City is insured for all risk through Travelers. There are various annual deductibles based off of type of risk.

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.

11. 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.

11. PENSION PLANS-Continued

Pension Benefits-continued
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.

For the Base Plan, the contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for public safety. As of June 30, 2025, it was 7.18% for general employees and 10.36% for public safety. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.96% for general employees and 13.48% for police and firefighters. The City's contributions were $3,583,566 for the year ended June 30, 2025.

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

For the Base Plan at September 30, 2025, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2025, the City's proportion was .005827545percent.

For the FRF on September 30, 2025, the City reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2025, 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, 2025, the City's proportion was .042227719 percent.

For the year ended September 30, 2025, the City recognized pension expense (revenue) of ($525,159) for the Base Plan and ($1,119,382) for the FRF Plan for an aggregate total of ($1,644,541). On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

11. PENSION PLANS-Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
BASE PLAN		
Differences between expected and actual experience	$ 2,655,541	$ -
Changes in assumptions or other inputs	-	2,478,031
Net difference between projected and actual earnings on pension plan investments	-	3,622,564
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	72,118	21,436
The City's contributions subsequent to the measurement date	948,443	-
Total	$ 3,676,102	$ 6,122,031
FRF		
Differences between expected and actual experience	$ -	$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	237,908
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	-	-
Total	$ -	$ 237,908

For the Base Plan, $948,443 and $0 for the FRF Plan 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, 2026.

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, 2025, the beginning of the measurement period ended June 30, 2024 is 4.6 and 4.6 years for the measurement period June 30,2025, 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:

11. PENSION PLANS-Continued

Year Ended September 30,

	Base Plan	FRF
2025	$ 2,444,361	$ 396,222
2026	(2,333,405)	(279,973)
2027	(2,125,816)	(178,270)
2029	(1,379,512)	(175,887)
	$ (3,394,372)	$ (237,908)

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, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15%
Salary inflation	3.15%
Investment rate of return	6.55%, net of investment expenses
Cost-of living adjustments	1.00%

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries – Males Pub – 2010 General Tables, increased 11%
General Employees and All Beneficiaries – Females Pub – 2010 General Tables, increased 21%
Teachers – Males Pub – 2010 Teacher Tables, increased 12%
Teachers – Females Pub – 2010 Teacher Tables, increased 21%
Fire & Police – Males Pub – 2010 Safety Tables, increased 21%
Fire & Police – Females Pub – 2010 Safety Tables, increase 26%
Disabled Members – Males Pub – 2010 Disabled Tables, increased 38%
Disabled Members – Females 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.

11. 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	2.40%
Salary increases	3.15%
Investment rate of return	6.55%, net of investment expenses
Cost-of living adjustments	3.15%

Contributing Members, Service Retirement Members, and Beneficiaries
Fire & Police – Males Pub – 2010 Safety Tables, increased 21%
Fire & Police – Females Pub – 2010 Safety Tables, increased 26%. 5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members – Males Pub – 2010 Disabled Tables, increased 38%
Disabled Members – Females 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, 2025 is based on the results of an actuarial valuation date of July 1, 2025.

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, 2025 is based on the results of an actuarial valuation date of July 1, 2025.

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 and FRF plan are as of 2025 and are listed below.

11. PENSION PLANS-Continued

BASE Plan

Capital Market Assumptions 2025

Asset Class	DB Plans	Sick Leave
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%

FRF Plan	Target Allocation	Long-term Expected Rate of Return
Asset Class		
Cash	0.00%	0.00%
Large Cap	22.00%	4.75%
Small/Mid Cap	10.00%	4.95%
International Equity	11.00%	4.75%
Emerging Markets Equity	11.00%	4.95%
Domestic Fixed	20.00%	2.25%
TIPS	10.00%	2.05%
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 6.55% for the Base Plan and 6.55% 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.

11. 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 for the Base Plan and the net pension asset for the FRF Plan calculated using the discount rate of 6.55 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.55 percent) or 1-percentage-point higher (7.55 percent) than the current rate:

	1% Decrease 5.55%	Current Discount Rate 6.55%	1% Increase 7.55%
BASE PLAN			
City's proportionate share of the net pension liability	$ 33,827,132	$ 14,013,777	$ (2,172,852)
FRF PLAN			
City's proportionate share of the net pension asset	$(11,551,776)	$ (12,327,495)	$ (13,008,839)

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, 2025, 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.

12. CONTRIBUTIONS, BENEFITS, AND NET POSITION - HEALTH PLAN TRUST FUND

The Trust is funded by employer and, when applicable, employee contributions. The City of Twin Falls, as employer, is required to contribute amounts determined in accordance with the Plan provisions and related funding policies. Employee contributions, if any, are made through periodic payroll deductions. All contributions are paid in advance, deposited into the Trust's accounts, and disbursed from those accounts to pay benefits and administrative expenses.

The Trust Fund is legally liable for payment of all benefits under the Plan's schedule of benefits. Benefits include medical, hospital, pharmacy, dental, and vision coverage, as well as related services for the prevention, diagnosis, and treatment of disease, injury, or bodily condition.

For the year ended September 30, 2025, additions to the Health Plan Trust Fund consisted of employer contributions of $1,394,458, employee contributions of $0, and net investment income of $4,472. Deductions consisted of benefit payments of $ and administrative expenses of $115. As of September 30, 2025, fiduciary net position held in trust for health benefits totaled $1,398,815.

13. 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.

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.

14. BOND COVENANT COMPLIANCE

The City and Urban Renewal agency are subject to various covenants as a result of the various bonds issued by the City and the Agency. 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, 2025, the City was in compliance with these covenants. During the year ended September 30, 2025, the Agency was not in compliance with these covenants.

The trustee of the Revenue Allocation Bonds, Series 2013A, notified the Agency that it did not meet the requirement that property tax revenue collected must exceed the debt service payment by 1.25 times. As a result, the trustee will hold back 75% of "Available Pledged Revenue" following the April 1 payment date and it will be applied to the bonds. This process will continue until coverage returns to 1.25x through either increases in tax revenues, decreases to debt service, or both.

15. FUND BALANCE AND NET ASSET DEFICITS

The City did not have any fund deficits as of September 30, 2025, which are significant.

16. URBAN RENEWAL SUMMARIZED INFORMATION

	Year Ended September 30, 2025
Assets	$ 9,493,574
Total Assets	$ 9,493,574
Liabilities & Net Position	
Liabilities	$ 54,034,770
Net Assets:	
Net Investment in Capital Assets	(43,347,759)
Restricted	7,574,354
Unrestricted	(8,767,791)
Total Liabilities & Net Position	$ 9,493,574
Revenues	$ 5,606,799
Expenditures	(2,033,663)
Excess (Deficiency) Revenues over Expenditures	$ 3,573,136
Net Position - Beginning of Year	(48,114,332)
Net Position - End of Year	$ (44,541,196)

17. REVENUE ALLOCATION REIMBURSEMENT COMMITMENT

The Urban Renewal Agency has entered into an Owner Participation Agreement (OPA) with Twins Industrial, LP (the Participant) and a related Confirmation of Agency Reimbursement for Block 1, under which the Participant has constructed certain public improvements within the Agency's urban renewal project area. The Agency has agreed to reimburse the Participant for eligible public improvement costs, subject to specific limitations.

Under the Confirmation, the maximum reimbursement obligation of the Agency related to Block 1 is $2,414,302, payable without interest. Reimbursements are payable solely from revenue allocation (tax increment) proceeds generated as a direct result of the Participant's private development, as defined in the OPA. The Agency has no obligation to use any other funds or to levy additional taxes to make these payments, and the obligation does not constitute a general obligation of the City or the Agency.

The reimbursement commitment expires on the earlier of (1) December 31, 2042, or (2) the termination of the applicable urban renewal plan and project area. Any portion of the $2,414,302 that has not been reimbursed from eligible revenue allocation proceeds by that date is extinguished, and the Agency has no further obligation to the Participant.

Consistent with governmental accounting standards for limited, pay-as-you-go tax increment reimbursement arrangements, the Agency recognizes a liability only for amounts of revenue allocation proceeds that have been collected and are currently due and payable to the Participant under the terms of the agreement. Future potential reimbursements, which are contingent upon the generation of sufficient revenue allocation proceeds and which lapse upon plan termination, are not recorded as liabilities in the financial statements but are disclosed as a commitment.

17. REVENUE ALLOCATION REIMBURSEMENT COMMITMENT-Continued

At September 30, 2025, the status of this reimbursement commitment was as follows:

- Maximum reimbursement amount: $2,414,302
- Cumulative revenue allocation proceeds collected related to the project: $15,028
- Cumulative reimbursements paid to Participant: $(12,774)
- Remaining potential reimbursement (not recorded as a liability): $2,401,528.

The OPA remains in full force and effect except as expressly modified by the Confirmation; in the event of any conflict between the OPA and the Confirmation, the OPA controls.

18. SUBSEQUENT EVENTS

The City and Agency have evaluated subsequent events through February 23, 2026, 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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Property Taxes, Including Penalty and Interest	$26,541,314	$26,541,313	$26,675,627	$ 134,314	$24,583,031
Non-property Taxes	532,000	532,000	510,320	(21,680)	640,382
Fines and Forfeitures	7,000	7,000	17,439	10,439	22,244
Licenses and Permits	1,307,000	1,307,000	2,391,642	1,084,642	1,740,189
Fees and Services	1,608,778	1,608,778	1,932,627	323,849	1,664,745
Intergovernmental	3,607,065	3,607,065	3,689,972	82,907	3,874,094
Federal Grants	1,923,346	1,923,346	998,368	(924,978)	498,742
Interest, Dividends & Changes in Market Value	157,908	157,908	608,670	450,762	959,408
Miscellaneous	935,185	938,185	1,227,941	289,756	1,386,464
Total Revenues	36,619,596	36,622,595	38,052,606	1,430,011	35,369,299
Expenditures:					
Current					
Data Processing	3,313,923	3,361,193	3,183,401	177,792	2,763,465
Council	154,496	154,496	158,313	(3,817)	154,059
Manager	1,380,613	1,404,248	1,394,202	10,046	1,405,735
Finance	888,571	908,166	875,836	32,330	764,733
Attorney	671,008	690,704	617,565	73,139	567,183
Personnel	909,509	933,144	824,648	108,496	661,252
Janitoral	151,730	157,638	155,993	1,645	140,110
Total General Government	7,469,850	7,609,589	7,209,958	399,631	6,456,537
Police	15,142,271	15,599,217	15,074,414	524,803	13,961,883
Fire	7,474,735	7,677,603	7,560,092	117,511	6,931,993
Inspection	1,009,603	1,043,086	1,011,089	31,997	947,439
Animal Control	640,844	652,661	637,731	14,930	557,432
Total Public Safety	24,267,453	24,972,567	24,283,326	689,241	22,398,747
Engineering	1,876,519	1,931,668	1,762,668	169,000	1,688,859
Planning and Zoning	964,207	995,720	990,805	4,915	924,040
Economic Development	352,179	360,057	338,438	21,619	316,884
Total Community Development	1,316,386	1,355,777	1,329,243	26,534	1,240,924
Parks	2,053,853	2,104,734	2,005,337	99,397	1,924,888
Recreation	918,996	936,053	959,638	(23,585)	872,045
Total Culture and Recreation	2,972,849	3,040,787	2,964,975	75,812	2,796,933
Public Transportation	1,629,896	1,633,836	1,650,689	(16,853)	-
Total Expenditures	39,532,953	40,544,224	39,200,858	1,343,365	34,582,000
Excess (Deficiency) of Revenue Over Expenditures	(2,913,357)	(3,921,629)	(1,148,252)	2,773,376	787,299
Other Financing Sources (Uses)					
Transfers In	2,931,683	2,931,683	2,886,682	(45,001)	2,828,186
Transfers Out	(18,326)	(21,326)	(2,001,326)	(1,980,000)	(893,364)
Total Other Financing Sources (Uses)	2,913,357	2,910,357	885,356	(2,025,001)	1,934,822
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	$ -	$ (1,011,272)	(262,896)	$ 748,375	$ 2,722,121
Fund Balance, October 1st,			12,453,602		9,731,481
Fund Balance, September 30th			$ 12,190,706		$ 12,453,602

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Property Taxes	$ 832,670	$ 832,670	$ 844,808	$ 12,138	$ 1,194,036
Intergovernmental	4,419,400	4,419,400	6,108,190	1,688,790	6,685,358
Grants	8,341,960	8,478,250	7,961,974	(516,276)	534,521
Interest, Dividends & Changes in Market Value	205,628	205,628	1,039,160	833,532	1,670,532
Miscellaneous	1,382,360	1,382,360	1,490,530	108,170	1,541,507
Total Revenues	15,182,018	15,318,308	17,444,662	2,126,354	11,625,957
Expenditures:					
Current					
Highways and Streets	3,554,183	4,080,935	3,417,729	663,206	2,763,575
Capital Outlay	11,454,036	13,558,768	10,971,772	2,586,996	3,586,000
Total Expenditures	15,008,219	17,639,703	14,389,501	3,250,202	6,349,575
Excess (Deficiency) of Revenues Over (Under) Expenditures	173,799	(2,321,395)	3,055,161	5,376,556	5,276,382
Other Financing Sources (Uses)					
Transfers In	230,861	230,861	153,576	77,285	514,647
Transfers Out	(404,660)	(404,660)	(838,466)	433,806	(393,199)
Total Other Sources (Uses)	(173,799)	(173,799)	(684,890)	511,091	121,448
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ -	$ (2,495,194)	2,370,271	$ 4,865,465	5,397,830
Fund Balances, October 1st			15,180,678		9,782,848
Fund Balances, September 30th			$ 17,550,949		$ 15,180,678

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Property Taxes	$ 511,085	$ 511,085	$ 511,022	$ (63)	$ 457,213
Fees and Services	751,721	751,721	834,534	82,813	821,847
Intergovernmental	511,086	511,086	511,086	-	456,831
Grants	-	-	15,000	15,000	44,039
Interest, Dividends & Changes in Market Value	61,359	61,359	136,017	74,658	170,724
Farm Income	65,877	65,877	71,934	6,057	71,088
Miscellaneous	-	-	-	-	3,874
Total Revenues	1,901,128	1,901,128	2,079,593	178,465	2,025,616
Expenditures:					
Current					
Airport	1,678,040	1,715,462	1,610,315	105,147	2,125,222
Total Expenditures	1,678,040	1,715,462	1,610,315	105,147	2,125,222
Excess (Deficiency) of Revenues Over (Under) Expenditures	223,088	185,666	469,278	283,612	(99,606)
Other Financing Sources (Uses)					
Transfers In	6,651	6,651	6,651	-	6,389
Transfers Out	(480,739)	(480,739)	(480,739)	-	(467,166)
Total Other Sources (Uses)	(474,088)	(474,088)	(474,088)	-	(460,777)
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ (251,000)	$ (288,422)	(4,810)	$ 283,612	(560,383)
Fund Balances, October 1st			3,537,665		4,098,048
Fund Balances, September 30th			$ 3,532,855		$ 3,537,665

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*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's portion of the net pension (asset) liability	.005827545	.005731512	.005701241	.005831701	.005857242	.006008378	.006125586	.005940511	.005813347	.005422236
City's proportionate share of the net pension (asset) liability	$14,013,777	$21,895,761	$23,473,505	$22,867,124	$ (406,916)	$13,468,446	$ 6,116,243	$ 7,955,648	$ 8,356,557	$11,008,731
City's covered payroll	$28,593,893	$25,886,542	$23,900,808	$22,761,735	$21,589,895	$21,171,721	$20,550,187	$18,865,104	$17,837,788	$15,786,995
City's proportional share of the net pension liability as a percentage of its covered-employee payroll	49.01%	84.58%	98.21%	100.46%	-1.88%	63.62%	29.76%	42.17%	46.85%	69.73%
Plan fiduciary net position as a percentage of the total pension liability	90.89%	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's portion of the net pension asset	.042227719	.042227719	.042227719	.042227719	.042227719	.042227719	.042011350	.038550585	.036537638	.040605333
City's proportionate share of the net pension asset	$12,327,495	$10,628,552	$ 9,982,749	$ 8,668,968	$11,411,063	$ 6,256,568	$ 5,647,629	$ 4,190,076	$ 3,353,402	$ 2,086,650
City's covered payroll	$ 4,605,453	$ 4,233,362	$ 3,876,509	$ 3,772,373	$ 3,505,708	$ 3,252,302	$ 3,299,502	$ 2,899,425	$ 2,646,204	$ 2,524,390
City's proportional share of the net pension asset as a percentage of its covered-employee payroll	267.67%	251.07%	257.52%	229.80%	325.50%	192.37%	171.17%	144.51%	126.72%	82.66%
Plan fiduciary net position as a percentage of the total pension asset	227.13%	207.66%	200.58%	184.72%	211.83%	155.55%	152.74%	140.15%	129.65%	118.42%

Data reported is measured as of June 30 (measurement date).

See accompanying notes to required supplementary information.

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*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 3,603,716	$ 3,244,668	$ 2,963,452	$ 2,773,662	$ 2,695,296	$ 2,532,527	$ 2,420,702	$ 2,197,901	$ 2,040,589	$ 1,813,839
Contribution in relation to the statutorily required contribution	3,603,716	3,244,668	2,963,452	2,773,662	2,695,296	2,532,527	2,420,702	2,197,901	2,040,589	1,813,839
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 27,632,727	$ 26,301,782	$ 24,473,754	$ 22,948,042	$ 22,302,258	$ 21,291,447	$ 20,875,898	$ 19,123,237	$ 17,772,209	$ 15,594,399
Contributions as a percentage of covered-employee payroll	13.04%	12.34%	12.11%	12.09%	12.09%	11.89%	11.60%	11.49%	11.48%	11.63%

Schedule of Employer Contributions
FRF
Last 10 - Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ -	$ -	$ -	$ -	$ -	$ 158,979	$ 170,631	$ 150,607	$ 137,351	$ 137,818
Contribution in relation to the statutorily required contribution	-	-	-	-	-	158,979	170,631	150,607	137,351	137,818
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 4,488,313	$ 4,311,534	$ 4,011,738	$ 3,814,149	$ 3,505,708	$ 3,324,570	$ 3,352,786	$ 3,000,975	$ 2,710,218	$ 2,508,735
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	4.78%	5.09%	5.02%	5.07%	5.49%

Data reported is measured as of September 30.

See accompanying notes to required supplementary information.

NOTE 1- BUDGETARY INFORMATION

Budgetary-GAAP Reporting Reconciliation

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

Budgetary Policies

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

SUPPLEMENTARY INFORMATION

CITY OF TWIN FALLS, IDAHO
Combining Statement - Other Governmental Funds
Fund Balance Sheets
September 30, 2025

	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	$ 485,117	$ 1,415,640	$ 42,167	$ 303,816	$ -	$ 2,246,740	$ -	$ 1,054,947	$ 12,199,371	$ 12,748	$ 13,267,066	$ 15,513,806
Receivables (net of allowance)												
Taxes	1,446	-	-	-	-	1,446	-	-	-	-	-	1,446
Intergovernmental	179	4,040	139,759	3,000	2,299	149,277	-	-	-	254,159	254,159	403,436
Accounts	5,058	-	2,206	-	-	7,264	-	-	-	-	-	7,264
Total Assets	$ 491,800	$ 1,419,680	$ 184,132	$ 306,816	$ 2,299	$ 2,404,727	$ -	$ 1,054,947	$ 12,199,371	$ 266,906	$ 13,521,224	$ 15,925,951
Liabilities												
Pooled Cash	$ -	$ -	$ -	$ -	$ 5,277	$ 5,277	$ 3,745	$ -	$ -	$ -	$ 3,745	$ 9,022
Accounts Payable	71,446	100,065	160,392	-	-	331,903	-	-	87,352	280,044	367,396	699,299
Total Liabilities	71,446	100,065	160,392	-	5,277	337,180	3,745	-	87,352	280,044	371,141	708,321
Deferred Inflows of Resources												
Unavailable Revenue - Property Taxes	1,318	-	-	-	-	1,318	-	-	-	-	-	1,318
Total Deferred Inflows of Resources	1,318	-	-	-	-	1,318	-	-	-		-	1,318
Fund Balance												
Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	-	-	-	-	-	-	-		-	-
Law Enforcement	-	-	-	-	-	-	-	-	-	-	-	-
Park Development	-	-	-	-	-	-	-	1,054,947	-	-	1,054,947	1,054,947
Committed Fund Balance												
Budgeted Surpluses	-	146,000	-	78,303	-	224,303	-	-	651,600	-	651,600	875,903
Park Development	-	-	-	-	-	-	-	-	-	-	-	-
Trail Fund	-	-	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-	11,460,419	-	11,460,419	11,460,419
Drug Seizure	-	-	-	228,513	-	228,513	-	-	-	-	-	228,513
Assigned Fund Balance												
Street Light	419,036	-		-	-	419,036	-	-	-	-	-	419,036
Community Services-Library	-	1,173,615	-	-	-	1,173,615	-	-	-	-	-	1,173,615
Pool	-	-	23,740	-	-	23,740	-	-	-	-	-	23,740
Unassigned Fund Balance	-	-	-	-	(2,978)	(2,978)	(3,745)	-	-	(13,138)	(16,883)	(19,861)
Total Fund Balance	419,036	1,319,615	23,740	306,816	(2,978)	2,066,229	(3,745)	1,054,947	12,112,019	(13,138)	13,150,083	15,216,312
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 491,800	$ 1,419,680	$ 184,132	$ 306,816	$ 2,299	$ 2,404,727	$ -	$ 1,054,947	$ 12,199,371	$ 266,906	$ 13,521,224	$ 15,925,951

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, 2025

	Special Revenue Funds						Capital Projects Fund					
	Street Light	Library	Pool	Drug Seizure	Fireworks	Total	Historic Preservation	Park Develop.	Impact Fee	CDBG	Total	Total Other Government Funds
Revenues												
Property Taxes, Including Interest	$ 65,355	$ 2,188,098	$ -	$ -	$ -	$ 2,253,453	$ -	$ -	$ -	$ -	$ -	$ 2,253,453
Other Taxes	491,843	-	-	-	-	491,843	-	-	-	-	-	491,843
Special Assessments, Including Interest	-	-	-	58,787	-	58,787	-	-	-	-	-	58,787
Fines and Forfeitures	-	14,009	-	-	-	14,009	-	-	-	-	-	14,009
Fees and Services	-	32,698	450,280	-	1,930	484,908	-	-	3,009,526	-	3,009,526	3,494,434
Intergovernmental	-	-	510,101	-	8,392	518,493	-	-	-	-	-	518,493
Federal Grants	-	1,050	-	-	-	1,050	-	-	-	798,363	798,363	799,413
Interest, Dividends & Changes in Fair Value	-	66,007	-	-	-	66,007	-	45,107	472,352	-	517,459	583,466
Miscellaneous	25,808	23,279	66	-	753	49,906	-	-	-	-	-	49,906
Total Revenue	583,006	2,325,141	960,447	58,787	11,075	3,938,456	-	45,107	3,481,878	798,363	4,325,348	8,263,804
Expenditures												
Current												
Public Safety	-	-	-	64,824	-	64,824	-	-	-	47,300	47,300	112,124
Community Development	-	-	-	-	25,000	25,000	-	-	-	-	-	25,000
Culture and Recreation	-	2,232,636	806,184	-	-	3,038,820	-	-	-	-	-	3,038,820
Highway and Streets	671,378	-	-	-	-	671,378	-	-	-	-	-	671,378
Capital Outlay	-	114,099	487,461	-	-	601,560	-	-	215,441	764,408	979,849	1,581,409
Total Expenditures	671,378	2,346,735	1,293,645	64,824	25,000	4,401,582	-	-	215,441	811,708	1,027,149	5,428,731
Excess of Revenues Over (Under) Expenditures	(88,372)	(21,594)	(333,198)	(6,037)	(13,925)	(463,126)	-	45,107	3,266,437	(13,345)	3,298,199	2,835,073
Other Financing Sources (Uses)												
Transfers In	-	-	343,535	-	14,675	358,210	-	-	-	-	-	358,210
Transfers Out	(29,661)	-	-	-	-	(29,661)	-	-	(651,600)	-	(651,600)	(681,261)
Net Transfers	(29,661)	-	343,535	-	14,675	328,549	-	-	(651,600)	-	(651,600)	(323,051)
Net Change in Fund Balance	(118,033)	(21,594)	10,337	(6,037)	750	(134,577)	-	45,107	2,614,837	(13,345)	2,646,599	2,512,022
Fund Balance October 1, 2024	537,069	1,341,209	13,403	312,853	(3,728)	2,200,806	(3,745)	1,009,840	9,497,182	207	10,503,484	12,704,290
Fund Balance September 30, 2025	$ 419,036	$ 1,319,615	$ 23,740	$ 306,816	$ (2,978)	$ 2,066,229	$ (3,745)	$ 1,054,947	$ 12,112,019	$ (13,138)	$ 13,150,083	$ 15,216,312

CITY OF TWIN FALLS, IDAHO
Combining Statement - Proprietary Funds
Fund Balance Sheets
September 30, 2025

	Business-Type Activities		
	Dierkes Lake Shoshone Falls	Common Area Maintenance	Total
Assets			
Current Assets			
Cash and Investments	$ 2,438,990	$ 59,737	$ 2,498,727
Receivables, net of allowance for uncollectibles			
Fees and Services	-	5,548	5,548
Accounts	1,793	-	1,793
Total Current Assets	2,440,783	65,285	2,506,068
Noncurrent Assets			
Capital Assets (Net of Accum. Depreciation)	4,227,465	-	4,227,465
Total Noncurrent Assets	4,227,465	-	4,227,465
Total Assets	6,668,248	65,285	6,733,533
Deferred Outflows of Resources			
Pension Obligations	-	-	-
Total Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	$ 6,668,248	$ 65,285	$ 6,733,533
Liabilities			
Current Liabilities:			
Accounts Payable	$ 39,971	$ 20,571	$ 60,542
Deferred Revenues	40,633	-	40,633
Total Current Liabilities	80,604	20,571	101,175
Total Liabilities	80,604	20,571	101,175
Deferred Inflows of Resources			
Pension Obligations	-	-	-
Total Deferred Inflows of Resources	-	-	-
Net Position			
Invested In Capital Assets, net of related debt	4,227,465	-	4,227,465
Restricted	-	-	-
Unrestricted	2,360,179	44,714	2,404,893
Total Equity	6,587,644	44,714	6,632,358
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 6,668,248	$ 65,285	$ 6,733,533

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, 2024

	Business-Type Activities		
	Dierkes Lake Shoshone Falls	Common Area Maintenance	Totals
Operating Revenues:			
Charges for Services	$ 547,844	$ 70,199	$ 618,043
Miscellaneous	13,104	-	13,104
Total Operating Revenues	560,948	70,199	631,147
Operating Expenses:			
Contracted Services	91,237	67,666	158,903
Personnel Expenses	129,564	-	129,564
Depreciation and Amortization	75,542	-	75,542
Utilities	5,080	4,815	9,895
Supplies	12,117	-	12,117
Repairs and Maintenance	7,671	1,823	9,494
Vehicle Expenses	4,184	-	4,184
Small Equipment	53,355	-	53,355
Miscellaneous Expense	9,204	39	9,243
Total Operating Expenses	387,954	74,343	462,297
Operating Income (Loss)	172,994	(4,144)	168,850
Non-Operating Revenues (Expenses):			
Interest, Dividends & Changes in Fair Value	72,619	-	72,619
Total Non-Operating Revenues (Exp.)	72,619	-	72,619
Income (Loss) Before Contributions and Transfers	245,613	(4,144)	241,469
Contributions and Interfund Transfers:			
Transfers In	2,623,884	-	2,623,884
Transfers Out	(12,977)	(3,713)	(16,690)
Net Transfers	2,610,907	(3,713)	2,607,194
Net Income (Loss)	2,856,520	(7,857)	2,848,663
Total Net Position, October 1, 2024	3,731,124	52,571	3,783,695
Total Net Position, September 30, 2025	$ 6,587,644	$ 44,714	$ 6,632,358

City of Twin Falls, Idaho
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2025

	Business-Type Activities		
	Dierkes Lake Shoshone Falls	Common Area Maintenance	Total
Cash Flows from Operating Activities			
Receipts from Customers	$ 588,366	$ 70,189	$ 658,555
Payments to Suppliers	(226,345)	(70,468)	(296,813)
Payments to Employees	(129,564)	-	(129,564)
Other Receipts (Payments)	13,104	-	13,104
Net Cash Provided (Used) by Operating Activities	245,561	(279)	245,282
Cash Flows from Non-Capital Financing Activities			
Interfund Transfers to Other Funds	(12,977)	(3,713)	(16,690)
Transfers from Other Funds	2,623,884	-	2,623,884
Net Cash Provided (Used) by Non-Capital Financing Activities	2,610,907	(3,713)	2,607,194
Cash Flows from Capital and Related Financing Activities			
Construction in Progress	(137,630)	-	(137,630)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,953,398)	-	(2,953,398)
Cash Flows from Investing Activities			
Interest, Dividends & Changes in Fair Value	72,619	-	72,619
Net Cash Provided (Used) by Investing Activities	25,492	-	25,492
Net Increase (Decrease) in Cash and Cash Equivalents	(71,438)	(3,992)	(75,430)
Balances - Beginning of the Year	236,300	63,729	300,029
Balances - End of the Year	$ 164,862	$ 59,737	$ 224,599
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ 172,994	$ (4,144)	$ 168,850
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	75,542	-	75,542
Change in Assets and Liabilities:			
Receivables, Net	(111)	(10)	(121)
Accounts Payable	(43,497)	3,875	(39,622)
Deferred Revenues	40,633	-	40,633
Net Cash Provided (Used) by Operating Activities	$ 245,561	$ (279)	$ 245,282
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds			
Cash and Investments-Statement of Net Position	$ 2,438,990	$ 59,737	$ 2,498,727
Less: Investments	(2,274,128)	-	(2,274,128)
Cash and Cash Equivalents	$ 164,862	$ 59,737	$ 224,599

CITY OF TWIN FALLS, IDAHO
Combining Statement - Internal Service Funds
Statement of Net Position
September 30, 2025

	Governmental Activities - Internal Service Funds		
	Insurance	Shop Revolving	Total
Assets			
Current Assets:			
Cash and Investments	$ 281,070	$ 240,117	$ 521,187
Receivables, net of allowance for uncollectibles			
Taxes	5,569	-	5,569
Intergovernmental	700	-	700
Accounts	1,072	1,691	2,763
Total Current Assets	288,411	241,808	530,219
Noncurrent Assets:			
Capital Assets (Net of Accum. Depreciation)	-	335,607	335,607
Total Noncurrent Assets	-	335,607	335,607
Total Assets	$ 288,411	$ 577,415	$ 865,826
Liabilities and Net Position			
Current Liabilities:			
Accounts Payable	$ 29,462	$ 1,925	$ 31,387
Accrued Expenses	-	259	259
Unavailable Revenues-Property Taxes	5,089	-	5,089
Compensated Absences	-	19,554	19,554
Total Current Liabilities	34,551	21,738	56,289
NonCurrent Liabilities:			
Compensated Absences	-	3,050	3,050
Total Non-Current Liabilities	-	3,050	3,050
Total Liabilities	34,551	24,788	59,339
Net Position			
Net Investment in Capital Assets	-	335,607	335,607
Restricted	-	-	-
Unrestricted	253,860	217,020	470,880
Total Net Position	253,860	552,627	806,487
Total Liabilities and Net Position	$ 288,411	$ 577,415	$ 865,826

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, 2025

	Governmental Activities - Internal Service Funds		
	Insurance	Shop Revolving	Total
Operating Revenues:			
Charges for Services	$ -	$ 693,717	$ 693,717
Special Assessments, Including Interest	259,197	-	259,197
Total Operating Revenues	259,197	693,717	952,914
Operating Expenses:			
Contracted Services	-	8,330	8,330
Personnel Expenses	-	597,683	597,683
Depreciation and Amortization	-	14,382	14,382
Utilities	-	12,454	12,454
Supplies	-	47,591	47,591
Insurance	613,069	-	613,069
Repairs and Maintenance	-	16,094	16,094
Vehicle Expenses	-	1,405	1,405
Small Equipment	-	67,745	67,745
Miscellaneous Expense	-	69	69
Travel and Meetings	-	2,924	2,924
Total Operating Expenses	613,069	768,677	1,381,746
Operating Income (Loss)	(353,872)	(74,960)	(428,832)
Non-Operating Revenues (Expenses):			
Interest, Dividends & Changes in Fair Value	8,964	-	8,964
Total Non-Operating Revenues (Exp.)	8,964	-	8,964
Income (Loss) Before Operating Transfers	(344,908)	(74,960)	(419,868)
Operating Transfers:			
Operating Transfers In	445,479	67,745	513,224
Operating Transfers Out	(74,153)	(863)	(75,016)
Net Transfers	371,326	66,882	438,208
Net Income (Loss)	26,418	(8,078)	18,340
Total Net Position, October 1, 2024	227,442	560,705	788,147
Total Net Position, September 30, 2025	$ 253,860	$ 552,627	$ 806,487

CITY OF TWIN FALLS, IDAHO
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2025

	Governmental Activities		
	Insurance	Shop Revolving	Total
Cash Flows from Operating Activities			
Cash Received from Interfund Services Provided	$ -	$ 692,714	$ 692,714
Property Taxes, Including Interest	240,657	-	240,657
Payments to Suppliers	(623,834)	(154,591)	(778,425)
Payments to Employees	-	(596,424)	(596,424)
Net Cash Provided (Used) by Operating Activities	(383,177)	(58,301)	(441,478)
Cash Flows from Non-Capital Financing Activities			
Interfund Transfers to Other Funds	(74,153)	(863)	(75,016)
Transfers from Other Funds	445,479	67,745	513,224
Net Cash Provided (Used) by Non-Capital Financing Activities	371,326	66,882	438,208
Cash Flows from Capital and Related Financing Activities			
Disposals, Transfers of Capital Assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(144,258)	(144,258)
Cash Flows from Investing Activities			
Interest, Dividends & Changes in Fair Value	8,964	-	8,964
Net Cash Provided (Used) by Investing Activities	2,748	-	2,748
Net Increase (Decrease) in Cash and Cash Equivalents	(9,103)	(135,677)	(144,780)
Balances - Beginning of the Year	(9,786)	375,794	366,008
Balances - End of the Year	$ (18,889)	$ 240,117	$ 221,228
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ (353,872)	$ (74,960)	$ (428,832)
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	14,382	14,382
Change in Assets and Liabilities:			
Receivables, Net	17,223	(1,003)	16,220
Accounts Payable	(10,765)	1,925	(8,840)
Deferred Revenues	(35,763)	-	(35,763)
Compensated Absences	-	1,259	1,259
Net Cash Provided (Used) by Operating Activities	$ (383,177)	$ (58,301)	$ (441,478)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds			
Cash and Investments-Statement of Net Position	$ 281,070	$ 240,117	$ 521,187
Less: Investments	(299,959)	-	(299,959)
Cash and Cash Equivalents	$ (18,889)	$ 240,117	$ 221,228

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Property Taxes	$ 770,000	$ 770,000	$ 780,278	$ 10,278	$ 1,110,286
Intergovernmental	2,494,138	2,494,138	2,645,810	151,672	2,167,592
Federal Grants	-	1,869,086	2,305,790	436,704	2,300,237
Interest, Dividends & Changes in Fair Value	423,400	423,400	1,000,484	577,084	1,804,657
Miscellaneous or Reserves	-	430,000	342,732	(87,268)	250,395
Total Revenues	3,687,538	5,986,624	7,075,094	1,088,470	7,633,167
Expenditures:					
Current					
General Government	786,000	786,000	216,246	569,754	403,573
Public Safety	1,745,456	2,932,769	2,978,266	(45,497)	5,709,222
Culture and Recreation	1,010,075	1,440,075	1,351,600	88,475	816,037
Highways and Streets	75,000	75,000	24,887	50,113	30,512
Capital Outlay	490,000	490,000	490,838	(838)	4,780,970
Debt Service	4,010,957	4,697,976	1,078,433	3,619,543	4,780,970
Total Expenditures	8,117,488	10,421,820	6,140,270	4,281,550	16,521,284
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,429,950)	(4,435,196)	934,824	5,370,020	(8,888,117)
Other Financing Sources (Uses)					
Transfers In	651,600	651,600	2,631,600	1,980,000	1,525,100
Transfers Out	(1,598,550)	(3,995,113)	(3,061,364)	933,749	(1,537,721)
Issuance of Debt	-	-	-	-	695,140
Total Other Sources (Uses)	(946,950)	(3,343,513)	(429,764)	2,913,749	682,519
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ (5,376,900)	$ (7,778,709)	505,060	$ 8,283,769	(8,205,598)
Fund Balances, October 1st			21,808,823		25,233,452
Fund Balances, September 30th			$ 22,313,883		$ 17,027,853

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Fees and Services	$ 100,625	$ 100,625	$ 137,517	$ 36,892	$ 122,219
Federal Grants	2,234,375	2,234,375	1,646,217	(588,158)	1,457,437
Interest, Dividends & Changes in Market Value	15,000	15,000	13,204	(1,796)	19,383
Total Revenues	2,350,000	2,350,000	1,796,938	(553,062)	1,599,039
Expenditures:					
Current					
Airport	2,350,000	2,350,000	507,267	1,842,733	2,433,449
Total Expenditures	2,350,000	2,350,000	507,267	1,842,733	2,433,449
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,289,671	1,289,671	(834,410)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ -	$ -	1,289,671	$ 1,289,671	(834,410)
Fund Balances, October 1st			(730,646)		103,764
Fund Balances, September 30th			$ 559,025		$ (730,646)

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, 2025
With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Operating Revenues:					
Charges for Services	$ 12,312,273	$ 12,312,273	$ 13,200,734	$ 888,461	$ 12,656,691
Taps, Connection and Other Fees	165,000	165,000	219,010	54,010	241,651
Miscellaneous	60,000	3,460,000	4,273,674	813,674	53,159
Total Operating Revenues	12,537,273	15,937,273	17,693,418	1,756,145	12,951,501
Operating Expenses:					
Contracted Expenses	403,891	403,891	364,160	39,731	313,335
Personnel Expenses	3,223,667	3,350,377	3,359,053	(8,676)	3,277,938
Depreciation and Amortization	-	-	2,195,697	(2,195,697)	2,062,396
Utilities	1,366,800	1,366,800	1,377,776	(10,976)	1,266,725
Supplies	744,450	744,450	760,714	(16,264)	748,876
Repairs and Maintenance	214,000	214,000	179,101	34,899	218,700
Vehicle Expense	246,624	246,624	236,499	10,125	207,523
Capital & Equipment	5,935,350	14,655,505	781,474	13,874,031	787,511
Studies and Projects	34,000	34,000	31,668	2,332	32,088
Rental Expense	185,500	185,500	172,491	13,009	177,667
Miscellaneous Expenses	300,739	300,739	347,567	(46,828)	238,310
Testing and Monitoring	100,250	100,250	105,847	(5,597)	91,366
Travel and Meetings	18,900	18,900	11,991	6,909	9,518
Total Operating Expenses	12,774,171	21,621,036	9,924,038	11,696,998	9,431,953
Operating Income (Loss)	(236,898)	(5,683,763)	7,769,380	13,453,143	3,519,548
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	335,180	335,180	1,049,232	714,052	1,777,402
Rent and Royalties	100,000	100,000	119,630	19,630	119,630
Federal Grants	-	-	31,151	31,151	-
Debt Principal Payments	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	94,811	94,811	167,603
Interest Expense	-	-	-	-	(38,596)
Total Non-operating Revenues (Exp.)	435,180	435,180	1,294,824	859,644	2,026,039
Income (Loss) Before Operating Transfers	198,282	(5,248,583)	9,064,204	14,312,787	5,545,587
Interfund Transfers and Donations:					
Transfers In	589,970	589,970	1,018,209	428,239	528,421
Transfers Out	(1,447,575)	(1,447,575)	(1,447,575)	-	(1,407,491)
Net Transfers and Donations	(857,605)	(857,605)	(429,366)	428,239	(879,070)
Net Income (Loss)	$ (659,323)	$ (6,106,188)	8,634,838	$ 14,741,026	4,666,517
Net Position, October 1st,			73,652,148		68,985,631
Net Position, September 30th			$ 82,286,986		$ 73,652,148

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, 2025
With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Operating Revenues:					
Charges for Services	$ 10,434,480	$ 10,434,480	$ 11,996,590	$ 1,562,110	$ 10,267,500
Miscellaneous	3,000	3,000	255,633	252,633	119,375
Total Operating Revenues	10,437,480	10,437,480	12,252,223	1,814,743	10,386,875
Operating Expenses:					
Contracted Expenses	4,126,266	4,126,266	4,022,059	104,207	4,200,262
Personnel Expenses	1,148,631	1,192,619	1,219,351	(26,732)	1,203,686
Depreciation and Amortization	-	-	3,683,123	(3,683,123)	3,651,566
Utilities	6,000	6,000	4,463	1,537	4,412
Supplies	83,800	83,800	77,551	6,249	77,600
Repairs and Maintenance	25,000	25,000	46,953	(21,953)	26,809
Vehicle Expense	78,391	78,391	72,677	5,714	61,616
Capital & Equipment	2,585,250	4,317,640	473,594	3,844,046	1,615,562
Rental Expense	1,000	1,000	70	930	-
Miscellaneous Expenses	43,000	43,000	33,308	9,692	38,684
Travel and Meetings	6,000	6,000	3,847	2,153	3,766
Total Operating Expenses	8,103,338	9,879,716	9,636,996	242,720	10,883,963
Operating Income (Loss)	2,334,142	557,764	2,615,227	2,057,463	(497,088)
Non-operating Revenues (Expenses):					
Development Fees	5,000	5,000	2,184,142	2,179,142	304,940
Interest, Dividends & Changes in Fair Value	489,938	489,938	997,871	507,933	1,681,390
Federal Grants	-	-	3,017	3,017	91,220
Debt Principal Payments	(2,520,000)	(2,520,000)	-	2,520,000	-
Gain on Sale of Assets	-	-	30,000	30,000	201,732
Interest Expense	(965,125)	(965,125)	(962,565)	2,560	(1,031,785)
Total Non-operating Revenues (Exp.)	(2,990,187)	(2,990,187)	2,252,465	5,242,652	1,247,497
Income (Loss) Before Operating Transfers	(656,045)	(2,432,423)	4,867,692	7,300,115	750,409
Interfund Transfers and Donations:					
Transfers In	-	-	-	-	-
Transfers Out	(1,066,857)	(1,066,857)	(1,066,857)	-	(1,077,890)
Net Transfers and Donations	(1,066,857)	(1,066,857)	(1,066,857)	-	(1,077,890)
Net Income (Loss)	$ (1,722,902)	$ (3,499,280)	3,800,835	$ 7,300,115	(327,481)
Net Position, October 1st,			75,464,604		75,792,085
Net Position, September 30th			$ 79,265,439		$ 75,464,604

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Operating Revenues:					
Charges for Services	$ 3,950,000	$ 4,025,000	$ 4,127,921	$ 102,921	$ 4,067,348
Miscellaneous	-	-	2,546	2,546	2,454
Total Operating Revenues	3,950,000	4,025,000	4,130,467	105,467	4,069,802
Operating Expenses:					
Contracted Expenses	2,815,594	2,836,897	2,848,951	(12,054)	2,726,049
Landfill Expenses	976,000	1,029,697	1,039,423	(9,726)	929,306
Studies and Projects	76,073	76,073	18,435	57,638	85,840
Miscellaneous Expenses	15,000	15,000	13,124	1,876	15,744
Total Operating Expenses	3,882,667	3,957,667	3,919,933	37,734	3,756,939
Operating Income (Loss)	67,333	67,333	210,534	143,201	312,863
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	14,278	14,278	26,571	12,293	62,440
Total Non-operating Revenues (Exp.)	14,278	14,278	26,571	12,293	62,440
Income (Loss) Before Operating Transfers	81,611	81,611	237,105	155,494	375,303
Interfund Transfers and Donations:					
Transfers In	-	-	-	-	-
Transfers Out	(522,743)	(522,743)	(522,743)	-	(486,197)
Net Transfers and Donations	(522,743)	(522,743)	(522,743)	-	(486,197)
Net Income (Loss)	$ (441,132)	$ (441,132)	(285,638)	$ 155,494	(110,894)
Net Position, October 1st,			847,720		958,614
Net Position, September 30th			$ 562,082		$ 847,720

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, 2025
With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Property Taxes	$ 65,021	$ 65,021	$ 65,355	$ 334	$ 62,313
Non-Property Taxes	449,640	449,640	491,843	42,203	506,717
Grants	-	115,000	-	(115,000)	-
Investment Income	-	-	-	-	-
Miscellaneous & Intergovernmental	-	-	25,808	25,808	21,821
Total Revenues	514,661	629,661	583,006	(46,655)	590,851
Expenditures:					
Current					
Highways and Streets	485,000	700,000	671,378	28,622	463,538
Total Expenditures	485,000	700,000	671,378	28,622	463,538
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,661	(70,339)	(88,372)	(18,033)	127,313
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(29,661)	(29,661)	(29,661)	-	(29,005)
Total Other Sources (Uses)	(29,661)	(29,661)	(29,661)	-	(29,005)
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ -	$ (100,000)	(118,033)	$ (18,033)	98,308
Fund Balances, October 1st			537,069		438,761
Fund Balances, September 30th			$ 419,036		$ 537,069

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Property Taxes	$ 2,188,668	$ 2,188,668	$ 2,188,098	$ (570)	$ 2,072,048
Fines and Forfeits	23,000	23,000	14,009	(8,991)	16,971
Fees and Services	22,000	22,000	32,698	10,698	31,348
Federal Grants	-	-	1,050	1,050	-
Interest, Dividends & Changes in Fair Value	21,126	21,126	66,007	44,881	111,554
Miscellaneous & Intergovernmental	19,500	19,500	23,279	3,779	82,802
Total Revenues	2,274,294	2,274,294	2,325,141	50,847	2,314,723
Expenditures:					
Current					
Culture and Recreation	2,274,294	2,349,139	2,232,636	116,503	2,112,736
Capital Outlay	146,000	146,000	114,099	31,901	220,294
Total Expenditures	2,420,294	2,495,139	2,346,735	148,404	2,333,030
Excess (Deficiency) of Revenues Over (Under) Expenditures	(146,000)	(220,845)	(21,594)	199,251	(18,307)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ (146,000)	$ (220,845)	(21,594)	$ 199,251	(18,307)
Fund Balances, October 1st			1,341,209		1,359,516
Fund Balances, September 30th			$ 1,319,615		$ 1,341,209

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Charges for Services	$ 400,500	$ 400,500	$ 450,280	$ 49,780	$ 399,453
Intergovernmental	480,973	480,973	510,101	29,128	567,226
Miscellaneous	-	-	66	66	184
Total Revenues	881,473	881,473	960,447	78,974	966,863
Expenditures:					
Contracted Expenses	10,600	10,600	12,562	(1,962)	9,513
Personnel Expenses	578,773	586,651	624,683	(38,032)	530,549
Utilities	96,000	96,000	67,873	28,127	80,670
Supplies	43,600	43,600	55,132	(11,532)	61,127
Repairs and Maintenance	15,000	15,000	21,816	(6,816)	23,270
Capital & Equipment	1,310,000	1,310,000	487,461	822,539	263,827
Miscellaneous Expenses	22,500	22,500	20,988	1,512	16,807
Travel and Meetings	5,000	5,000	3,130	1,870	1,979
Total Expenditures	2,081,473	2,089,351	1,293,645	795,706	987,742
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,200,000)	(1,207,878)	(333,198)	(716,732)	(20,879)
Other Financing Sources (Uses):					
Transfers In	1,200,000	1,200,000	343,535	(856,465)	36,174
Transfers Out	-	-	-	-	-
Net Transfers	1,200,000	1,200,000	343,535	(856,465)	36,174
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ -	$ (7,878)	10,337	$ (1,573,197)	15,295
Fund Balances, October 1st			13,403		(1,892)
Fund Balances, September 30th			$ 23,740		$ 13,403

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Special Assessments, Including Interest	$ -	$ -	$ 58,787	$ 58,787	$ 61,067
Total Revenues	-	-	58,787	58,787	61,067
Expenditures:					
Public Safety	78,303	78,303	64,824	13,479	52,389
Total Expenditures	78,303	78,303	64,824	13,479	52,389
Excess (Deficiency) of Revenues Over (Under) Expenditures	(78,303)	(78,303)	(6,037)	72,266	8,678
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ (78,303)	$ (78,303)	(6,037)	$ 72,266	8,678
Fund Balances, October 1st			312,853		304,175
Fund Balances, September 30th			$ 306,816		$ 312,853

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Intergovernmental	$ 7,825	$ 7,825	$ 8,392	$ 567	$ 8,013
Miscellaneous and Permits	2,500	2,500	2,683	183	2,337
Total Revenues	10,325	10,325	11,075	750	10,350
Expenditures:					
Community Development	22,000	25,000	25,000	-	22,000
Total Expenditures	22,000	25,000	25,000	-	22,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,675)	(14,675)	(13,925)	750	(11,650)
Other Financing Sources (Uses)					
Transfers In	11,675	14,675	14,675	-	11,975
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	11,675	14,675	14,675	-	11,975
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ -	$ -	750	$ 750	325
Fund Balances, October 1st			(3,728)		(4,053)
Fund Balances, September 30th			$ (2,978)		$ (3,728)

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, 2025
With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Federal Grants	$ -	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-	-
Expenditures:					
Current					
Community Development	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ -	$ -	-	$ -	-
Fund Balances, October 1st			(3,745)		(3,745)
Fund Balances, September 30th			$ (3,745)		$ (3,745)

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, 2025
With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Interest, Dividends & Changes in Fair Value	$ -	$ -	$ 45,107	$ 45,107	$ 76,878
Total Revenues	-	-	45,107	45,107	76,878
Expenditures:					
Current					
Park Development	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	45,107	45,107	76,878
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ -	$ -	45,107	$ 45,107	76,878
Fund Balances, October 1st			1,009,840		932,962
Fund Balances, September 30th			$ 1,054,947		$ 1,009,840

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Fees and Services	$ -	$ -	$ 3,009,526	$ 3,009,526	$ 2,599,538
Interest, Dividends & Changes in Fair Value	-	-	472,352	472,352	685,707
Total Revenues	-	-	3,481,878	3,481,878	3,285,245
Expenditures:					
Current					
Capital Outlay	-	292,760	215,441	77,319	58,473
Total Expenditures	-	292,760	215,441	77,319	58,473
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(292,760)	3,266,437	3,559,197	3,226,772
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(651,600)	(651,600)	(651,600)	-	(650,100)
Total Other Sources (Uses)	(651,600)	(651,600)	(651,600)	-	(650,100)
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ (651,600)	$ (944,360)	2,614,837	$ 3,559,197	2,576,672
Fund Balances, October 1st			9,497,182		6,920,510
Fund Balances, September 30th			$ 12,112,019		$ 9,497,182

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, 2025
With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Revenues:					
Federal Grants	$ 995,000	$ 1,042,300	$ 798,363	$ (243,937)	$ 4,564
Total Revenues	995,000	1,042,300	798,363	(243,937)	4,564
Expenditures:					
Current					
Community Development	-	47,300	47,300	-	-
Capital Outlay	950,000	950,000	764,408	185,592	-
Total Expenditures	950,000	997,300	811,708	185,592	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,000	45,000	(13,345)	(58,345)	4,564
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(45,000)	(45,000)	-	(45,000)	(4,564)
Total Other Sources (Uses)	(45,000)	(45,000)	-	(45,000)	(4,564)
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	$ -	$ -	(13,345)	$ (103,345)	-
Fund Balances, October 1st			207		207
Fund Balances, September 30th			$ (13,138)		$ 207

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Operating Revenues:					
Charges for Services	$ 519,852	$ 519,852	$ 547,844	$ 27,992	$ 537,177
Miscellaneous	-	-	13,104	13,104	9,130
Total Operating Revenues	519,852	519,852	560,948	41,096	546,307
Operating Expenses:					
Contracted Expenses	80,600	80,600	91,237	(10,637)	81,588
Personnel Expenses	166,029	168,983	129,564	39,419	81,762
Depreciation and Amortization	-	-	75,542	(75,542)	58,519
Utilities	5,800	5,800	5,080	720	4,800
Supplies	11,800	11,800	12,117	(317)	9,241
Repairs and Maintenance	13,500	13,500	7,671	5,829	2,143
Vehicle Expense	2,000	2,000	4,184	(2,184)	2,069
Capital & Equipment	529,500	3,118,430	53,355	3,065,075	29,937
Miscellaneous Expenses	20,500	20,500	9,204	11,296	9,643
Total Operating Expenses	829,729	3,421,613	387,954	3,033,659	279,702
Operating Income (Loss)	(309,877)	(2,901,761)	172,994	3,074,755	266,605
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	33,354	33,354	72,619	39,265	171,112
Gain on Sale of Assets	-	-	-	-	9,964
Total Non-operating Revenues (Exp.)	33,354	33,354	72,619	39,265	181,076
Income (Loss) Before Operating Transfers	(276,523)	(2,868,407)	245,613	3,114,020	447,681
Interfund Transfers:					
Transfers In	289,500	2,623,884	2,623,884	-	133,486
Transfers Out	(12,977)	(12,977)	(12,977)	-	(12,690)
Net Transfers	276,523	2,610,907	2,610,907	-	120,796
Net Income (Loss)	$ -	$ (257,500)	2,856,520	$ 3,114,020	568,477
Net Position, October 1st,			3,731,124		3,162,647
Net Position, September 30th			$ 6,587,644		$ 3,731,124

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, 2025

With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Operating Revenues:					
Charges for Services	$ 75,438	$ 75,438	$ 70,199	$ (5,239)	$ 75,812
Total Operating Revenues	75,438	75,438	70,199	(5,239)	75,812
Operating Expenses:					
Contracted Expenses	58,543	63,543	67,666	(4,123)	57,352
Utilities	4,800	4,800	4,815	(15)	3,953
Repairs and Maintenance	8,382	8,382	1,823	6,559	1,439
Miscellaneous Expenses	-	-	39	(39)	215
Total Operating Expenses	71,725	76,725	74,343	2,382	62,959
Operating Income (Loss)	3,713	(1,287)	(4,144)	(2,857)	12,853
Income (Loss) Before Operating Transfers	3,713	(1,287)	(4,144)	(2,857)	12,853
Interfund Transfers:					
Capital Contributions				-	
Transfers In	-	-	-	-	-
Transfers Out	(3,713)	(3,713)	(3,713)	-	(3,631)
Net Transfers	(3,713)	(3,713)	(3,713)	-	(3,631)
Net Income (Loss)	$ -	$ (5,000)	(7,857)	$ (2,857)	9,222
Net Position, October 1st,			52,571		43,349
Net Position, September 30th			$ 44,714		$ 52,571

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, 2025
With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Operating Revenues:					
Special Assessments, Including Interest	$ 257,919	$ 257,919	$ 259,197	$ 1,278	$ 244,616
Total Operating Revenues	257,919	257,919	259,197	1,278	244,616
Operating Expenses:					
Insurance Expense	626,611	626,611	613,069	13,542	611,052
Miscellaneous Expenses	2,630	2,630	-	2,630	895
Travel and Meetings	2,390	2,390	-	2,390	2,411
Total Operating Expenses	631,631	631,631	613,069	18,562	614,358
Operating Income (Loss)	(373,712)	(373,712)	(353,872)	19,840	(369,742)
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	2,386	2,386	8,964	6,578	15,440
Total Non-operating Revenues (Exp.)	2,386	2,386	8,964	6,578	15,440
Income (Loss) Before Operating Transfers	(371,326)	(371,326)	(344,908)	26,418	(354,302)
Operating Transfers:					
Transfers In	445,479	445,479	445,479	-	404,465
Transfers Out	(74,153)	(74,153)	(74,153)	-	(72,514)
Net Transfers	371,326	371,326	371,326	-	331,951
Net Income (Loss)	$ -	$ -	26,418	$ 26,418	(22,351)
Net Position, October 1st			227,442		249,793
Net Position, September 30th			$ 253,860		$ 227,442

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, 2025
With Comparative Actual Amounts from the Previous Year

	2025				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
Operating Revenues:					
Charges for Services	$ 686,436	$ 686,436	$ 693,717	$ 7,281	$ 594,556
Total Operating Revenues	686,436	686,436	693,717	7,281	594,556
Operating Expenses:					
Contracted Expenses	9,000	9,000	8,330	670	7,138
Personnel Expenses	591,173	614,808	597,683	17,125	493,998
Depreciation and Amortization	-	-	14,382	(14,382)	10,818
Utilities	11,500	11,500	12,454	(954)	12,310
Supplies	42,250	42,250	47,591	(5,341)	41,904
Repairs and Maintenance	17,250	17,250	16,094	1,156	11,896
Vehicle Expense	2,500	2,500	1,405	1,095	1,809
Capital & Equipment	147,750	209,929	67,745	142,184	1,049,403
Miscellaneous Expenses	5,750	5,750	69	5,681	-
Travel and Meetings	6,150	6,150	2,924	3,226	4,053
Total Operating Expenses	833,323	919,137	768,677	150,460	1,633,329
Operating Income (Loss)	(146,887)	(232,701)	(74,960)	157,741	(1,038,773)
Income (Loss) before Operating Transfers	(146,887)	(232,701)	(74,960)	157,741	(1,038,773)
Interfund Transfers:					
Transfers In	-	62,179	67,745	5,566	1,047,533
Transfers Out	(863)	(863)	(863)	-	(844)
Net Transfers	(863)	61,316	66,882	5,566	1,046,689
Net Income (Loss)	$ (147,750)	$ (171,385)	(8,078)	$ 163,307	7,916
Net Position, October 1st,			560,705		552,789
Net Position, September 30th			$ 552,627		$ 560,705

STATISTICAL SECTION

CITY OF TWIN FALLS, IDAHO

Statistical Section

September 30, 2025

This section of the City's Annual Comprehensive 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,

Schedule of Net Position - Schedule 1
(accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities											
Net Investment in Capital Assets	$ 155,168,359	$ 152,296,140	$ 149,081,271	$ 153,295,664	$ 152,208,211	$ 148,052,251	$ 148,693,057	$ 154,044,906	$ 144,133,814	$ 139,207,450	$ 140,796,310
Restricted	14,310,480	14,360,162	13,151,527	1,046,875	1,217,245	1,683,155	941,273	472,926	5,689,098	5,333,887	4,228,544
Unrestricted	52,052,979	43,073,048	42,555,043	43,045,250	47,724,835	38,802,159	40,293,887	37,601,624	30,207,292	31,667,251	28,789,849
Total Governmental Activities Net Position	$ 221,531,818	$ 209,729,350	$ 204,787,841	$ 197,387,789	$ 201,150,291	$ 188,537,565	$ 189,928,217	$ 192,119,456	$ 180,030,204	$ 176,208,588	$ 173,814,703
Business-Type Activities											
Net Investment in Capital Assets	$ 124,928,886	$ 112,051,441	$ 106,913,776	$ 106,544,599	$ 105,800,840	$ 99,430,017	$ 99,872,951	$ 99,291,611	$ 84,024,365	$ 82,464,944	$ 67,210,548
Restricted	-	-	-	-	-	-	6,378,604	6,392,986	4,250,768	8,935,206	15,815,072
Unrestricted	43,817,978	41,696,726	42,028,550	37,862,972	35,875,999	35,201,955	23,427,888	18,713,692	19,722,784	11,110,781	14,887,526
Total Governmental Activities Net Position	$ 168,746,864	$ 153,748,167	$ 148,942,326	$ 144,407,571	$ 141,676,839	$ 134,631,972	$ 129,679,443	$ 124,398,289	$ 107,997,917	$ 102,510,931	$ 97,913,146
Primary Government											
Net Investment in Capital Assets	$ 280,097,245	$ 264,347,581	$ 255,995,047	$ 259,840,263	$ 258,009,051	$ 247,482,268	$ 248,566,008	$ 253,336,517	$ 228,158,179	$ 221,672,394	$ 208,006,858
Restricted	14,310,480	14,360,162	13,151,527	1,046,875	1,217,245	1,683,155	7,319,877	6,865,912	9,939,866	14,269,093	20,043,616
Unrestricted	95,870,957	84,769,774	84,583,593	80,908,222	83,600,834	74,004,114	63,721,775	56,315,316	49,930,076	42,778,032	43,677,375
Total Primary Government Net Position	$ 390,278,682	$ 363,477,517	$ 353,730,167	$ 341,795,360	$ 342,827,130	$ 323,169,537	$ 319,607,660	$ 316,517,745	$ 288,028,121	$ 278,719,519	$ 271,727,849

.

Note - In 2015 the City implemented a new accounting principal for recognizing pension costs under GASB 68, Accounting and Financial Reporting for Pensions. In the current year. The City began classifing net pension assets as a restriction of net position. Prior years net positions have not been restated to reflect these changes.

City of Twin Falls, Idaho

September 30,

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:											
Governmental Activities:											
General Government	$ 19,447,400	$ 21,461,532	$ 17,585,202	$ 16,129,395	$ 14,737,970	$ 15,661,483	$ 16,117,728	$ 14,086,895	$ 12,728,775	$ 13,451,319	$ 13,055,440
Fire	6,544,545	7,292,982	6,608,175	6,656,031	2,882,058	5,207,029	4,407,629	4,170,533	3,724,075	3,365,672	2,690,217
Police	15,859,891	15,734,142	14,908,568	13,962,627	11,807,078	12,872,981	11,620,966	10,830,232	9,894,491	8,972,945	8,603,022
Engineering/Planning	3,053,697	3,106,535	2,728,814	2,463,218	2,457,786	2,861,883	2,738,386	2,447,395	2,289,208	2,148,670	2,169,122
Library	2,297,223	2,507,472	2,220,523	2,179,449	1,967,760	1,932,768	1,895,668	1,899,062	1,764,149	1,699,739	1,743,574
Culture and Recreation (a & b)	4,303,135	3,646,138	3,975,647	3,723,170	3,145,391	3,081,632	2,401,718	2,278,971	2,199,115	2,042,063	1,920,259
Public Transportation (c)	1,649,777	-	-	-	-	-	-	-	-	-	-
Streets	7,272,973	5,865,210	5,425,655	5,441,136	4,402,017	5,493,103	6,438,417	8,140,135	5,802,644	3,811,188	3,663,385
Airport	1,961,209	3,575,164	2,649,057	2,639,863	3,138,840	2,013,652	2,202,086	1,856,344	1,817,366	1,747,681	1,734,504
Total	62,389,850	63,189,175	56,101,641	53,194,889	44,538,900	49,124,531	47,822,598	45,709,567	40,219,823	37,239,277	35,579,523
Business-Type Activities:											
Water	9,924,038	9,470,549	9,280,724	8,018,753	7,801,764	7,926,989	7,982,299	7,589,565	7,221,602	7,279,970	6,783,620
Wastewater	10,599,561	11,915,748	10,680,918	9,727,160	9,042,533	9,294,699	9,321,354	8,739,629	8,064,545	7,724,769	7,234,304
Sanitation	3,919,933	3,756,939	3,571,360	3,247,214	3,033,789	2,978,268	2,900,054	2,683,396	2,514,297	2,413,932	2,336,654
Golf (a)		-	-	-	-	63,308	51,549	57,992	43,062	47,036	46,853
Pool (b)		-	-	-	-	-	700,672	534,172	361,136	155,910	181,301
Dierkes Lake/Shoshone Falls	387,954	279,702	334,029	220,062	214,538	231,839	224,319	211,501	311,985	193,223	223,664
Common Area Maintenance	74,343	62,959	59,409	56,381	42,900	49,723	46,909	41,641	49,998	31,411	23,099
Total	24,905,829	25,485,897	23,926,440	21,269,570	20,135,524	20,544,826	21,227,156	19,857,896	18,566,625	17,846,251	16,829,495
Total Primary Government	$ 87,295,679	$ 88,675,072	$ 80,028,081	$ 74,464,459	$ 64,674,424	$ 69,669,357	$ 69,049,754	$ 65,567,463	$ 58,786,448	$ 55,085,528	$ 52,409,018
Program Revenues:											
Governmental Activities:											
Charges for Services	$ 11,671,013	$ 10,305,224	$ 7,522,657	$ 8,401,811	$ 9,371,119	$ 8,027,791	$ 7,342,801	$ 8,056,954	$ 6,329,286	$ 6,354,779	$ 6,801,330
Operating Grants and Contributions	14,604,839	14,348,386	21,296,809	12,190,859	17,286,215	9,975,484	9,232,149	8,720,614	8,347,517	8,074,642	7,781,738
Capital Grants and Contributions	12,691,507	4,340,798	3,091,748	4,341,949	8,837,954	2,154,900	3,225,200	6,487,476	1,867,265	4,311,907	985,169
Total	38,967,359	28,994,408	31,911,214	24,934,619	35,495,288	20,158,175	19,800,150	23,265,044	16,544,068	18,741,328	15,568,237
Business-Type Activities:											
Charges for Services	$ 32,346,439	$ 28,151,119	$ 29,685,642	$ 28,324,137	$ 28,748,863	$ 25,763,546	$ 25,637,594	$ 26,031,064	$ 24,399,151	$ 23,017,706	$ 23,046,518
Operating Grants and Contributions	34,168	91,220	158,755	43,017	-	-	175,959	142,266	126,233	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-
Total	32,380,607	28,242,339	29,844,397	28,367,154	28,748,863	25,763,546	25,813,553	26,173,330	24,525,384	23,017,706	23,046,518
Total Primary Government	$ 71,347,966	$ 57,236,747	$ 61,755,611	$ 53,301,773	$ 64,244,151	$ 45,921,721	$ 45,613,703	$ 49,438,374	$ 41,069,452	$ 41,759,034	$ 38,614,755

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	$ 31,244,196	$ 29,603,952	$ 27,302,364	$ 25,555,842	$ 18,671,370	$ 23,386,148	$ 22,160,886	$ 20,596,854	$ 19,334,072	$ 18,219,696	$ 17,673,416
Franchise Taxes	491,843	506,717	480,255	432,623	398,503	356,555	369,688	400,950	394,089	393,394	385,292
Interest and Investment Earnings	3,389,966	5,514,284	862,606	(4,444,340)	(56,423)	1,326,248	1,664,320	152,747	365,364	604,822	577,025
Miscellaneous Rev. (Including Asset Sales)	687,183	1,185,332	792,835	893,674	922,967	821,233	1,001,583	1,903,083	6,195,101	322,311	423,292
Contributions of Assets	-	-	-	-	-	-	-	9,816,959	-	-	-
Transfers	(588,229)	2,325,991	2,152,419	2,059,969	1,822,858	992,122	634,732	1,663,182	987,999	1,507,521	1,578,589
Total	35,224,959	39,136,276	31,590,479	24,497,768	21,759,275	26,882,306	25,831,209	34,533,775	27,276,625	21,047,744	20,637,614
Business-Type Activities:											
Interest and Investment Earnings	$ 2,150,793	$ 3,692,344	$ 485,641	$ (2,478,291)	$ (64,202)	$ 1,005,583	$ 1,041,825	$ 205,674	$ 307,138	$ 611,827	$ 1,100,433
Miscellaneous Rev. (Including Asset Sales)	4,784,897	683,046	283,576	171,408	215,651	413,746	287,664	199,952	429,834	166,115	123,606
Contributions of Assets	-	-	-	-	-	-	-	11,342,494	-	-	-
Transfers	588,229	(2,325,991)	(2,152,419)	(2,059,969)	(1,822,858)	(992,122)	(634,732)	(1,663,182)	(987,999)	(1,507,521)	(1,578,589)
Total	7,523,919	2,049,399	(1,383,202)	(4,366,852)	(1,671,409)	427,207	694,757	10,084,938	(251,027)	(729,579)	(354,550)
Total Primary Government	$ 42,748,878	$ 41,185,675	$ 30,207,277	$ 20,130,916	$ 20,087,866	$ 27,309,513	$ 26,525,966	$ 44,618,713	$ 27,025,598	$ 20,318,165	$ 20,283,064
Change in Net Position:											
Governmental Activities	$ 11,802,468	$ 4,941,509	$ 7,400,052	$ (3,762,502)	$ 12,715,663	$ (2,084,050)	$ (2,191,239)	$ 12,089,252	$ 3,600,870	$ 2,549,795	$ 626,328
Business-Type Activities	14,998,697	4,805,841	4,534,755	2,730,732	6,941,930	5,645,927	5,281,154	16,400,372	5,707,732	4,441,876	5,862,473
Total Primary Government	$ 26,801,165	$ 9,747,350	$ 11,934,807	$ (1,031,770)	$ 19,657,593	$ 3,561,877	$ 3,089,915	$ 28,489,624	$ 9,308,602	$ 6,991,671	$ 6,488,801

(a) The classification of the Golf Fund was reevaluated and determined to be governmental fund. That change occurred in 2020-21. Years prior have not been restated.

(b) The classification of the Pool was reevaluated and since 2019 it has been included as a cultural and recreation activity in Governmental Activities above.

(c) Public Transportation is a new department within the governmental fund due to the City meeting a threshold in which public transportation is required.

City of Twin Falls, Idaho

December 31,

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Labor Cost:											
General Government	$ 4,856,733	$ 4,492,225	$ 4,533,567	$ 4,116,928	$ 3,823,527	$ 3,580,518	$ 3,514,294	$ 3,265,129	$ 2,846,567	$ 2,600,066	$ 2,628,021
Fire	4,571,545	4,395,248	4,176,172	3,828,422	3,662,943	3,478,216	3,446,415	3,140,516	2,872,326	2,589,862	2,573,121
Police	8,746,986	8,223,779	8,122,703	7,412,373	7,263,972	6,955,216	6,904,756	6,633,364	6,058,440	5,752,076	5,578,775
Dispatch *	1,004,011	1,020,877	773,104	874,245	818,167	795,979	573,079	535,200	608,941	-	-
Engineering/Planning	1,554,082	1,619,657	1,401,205	1,237,993	1,479,692	1,530,546	1,513,612	1,433,523	1,516,200	1,363,856	1,318,899
Streets	1,001,879	974,742	925,168	895,266	886,006	842,707	843,576	853,955	766,244	702,086	679,117
Library	1,226,716	1,419,881	1,095,129	1,060,754	994,374	965,026	953,313	867,556	834,132	762,985	774,970
Culture and Recreation *	2,139,653	1,946,332	1,865,534	1,722,909	1,681,958	1,472,540	1,568,655	1,487,072	1,020,463	933,486	908,640
Airport	663,101	628,573	631,196	568,397	575,812	526,722	478,006	464,952	412,893	387,441	375,470
Water	2,276,936	2,028,918	1,960,581	1,850,260	1,624,009	1,586,221	1,543,034	1,593,718	1,426,265	1,325,484	1,294,640
Wastewater	700,180	660,882	610,604	566,498	442,399	423,705	441,489	365,370	393,295	340,666	346,945
Sanitation	-	-	-	-	-	-	-	-	-	-	-
	$ 28,741,822	$ 27,411,114	$ 26,094,963	$ 24,134,045	$ 23,252,859	$ 22,157,396	$ 21,780,229	$ 20,640,355	$ 18,755,766	$ 16,758,008	$ 16,478,598
Program Labor Hours:											
General Government	125,059	120,831	119,257	117,526	107,841	115,280	115,424	93,515	93,728	88,381	90,186
Fire	154,453	154,151	150,182	146,799	146,756	148,041	151,204	139,267	140,474	143,128	143,904
Police	237,870	233,745	235,832	222,416	232,225	225,152	260,740	279,184	269,115	288,151	293,747
Dispatch *	28,478	28,335	24,107	24,804	27,195	30,863	27,598	31,414	35,351	-	-
Engineering/Planning	40,556	42,646	37,617	33,269	39,463	41,578	43,185	40,671	48,151	47,022	47,639
Streets	33,906	33,895	32,702	32,005	32,480	31,937	31,614	30,698	30,383	29,655	29,065
Library	51,820	63,386	52,931	52,756	52,214	45,974	64,134	61,570	52,660	43,785	39,476
Culture and Recreation *	100,356	90,838	91,172	88,788	88,967	80,607	98,098	93,143	56,097	51,483	51,008
Airport	20,194	19,928	20,972	19,407	20,941	20,037	21,292	23,071	21,356	20,652	18,995
Water	72,421	68,163	67,388	63,879	61,662	63,341	62,277	65,015	63,047	60,970	62,207
Wastewater	22,139	21,988	20,619	20,688	17,229	17,450	18,757	14,384	17,078	17,109	17,456
Sanitation	-	-	-	-	-	-	-	-	-	-	-
	887,252	877,906	852,779	822,337	826,973	820,260	894,323	871,932	827,440	790,336	793,683

* 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 operatior

City of Twin Falls, Idaho

September 30,

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund											
Restricted	$ 249,360	$ 199,666	$ 113,981	$ 125,417	$ 753,573	$ 423,362	$ 941,273	$ 472,443	$ 78,417	$ 78,151	$ 77,852
Reserved (for Dedicated Purpose)/Committed	-	-	-	-	-	-	-	14,545	578,141	2,537,477	70,820
Unreserved/Undesignated/Assigned	11,941,346	12,253,936	9,617,500	10,835,712	11,173,073	10,382,728	10,811,603	9,177,112	8,135,374	7,014,566	10,007,787
Total	$ 12,190,706	$ 12,453,602	$ 9,731,481	$ 10,961,129	$ 11,926,646	$ 10,806,090	$ 11,752,876	$ 9,664,100	$ 8,791,932	$ 9,630,194	$ 10,156,459
All Other Governmental Funds											
Restricted and Nonspendable	$ 2,718,152	$ 3,531,944	$ 1,912,200	$ 921,458	$ 980,485	$ 980,600	$ 912,153	$ 364,769	$ 236,441	$ 356,084	$ 321,410
Reserved (for Dedicated Purpose)/Committed	12,946,979	15,659,616	7,771,442	8,748,182	8,349,127	9,901,226	6,395,683	4,714,621	5,694,194	7,011,321	3,934,208
Unreserved/Undesignated/Assigned	43,507,893	33,309,250	39,480,911	28,208,383	24,112,664	21,104,004	20,906,743	21,867,547	19,635,325	25,471,609	22,507,705
Total (a)	$ 59,173,024	$ 52,500,810	$ 49,164,553	$ 37,878,023	$ 33,442,276	$ 31,985,830	$ 28,214,579	$ 26,946,937	$ 25,565,960	$ 32,839,014	$ 26,763,323

(a) 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,

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:											
Property Taxes	$ 31,065,188	$ 29,478,927	$ 27,047,298	$ 25,500,427	$ 18,606,019	$ 23,213,478	$ 22,047,524	$ 20,296,182	$ 19,244,951	$ 18,227,029	$ 17,674,504
Other Taxes	1,002,163	1,147,099	1,030,545	884,539	844,815	1,791,976	833,479	916,669	890,516	880,171	911,857
Special Assessments	58,787	61,067	108,861	148,034	54,243	54,172	41,697	52,890	48,712	161,679	86,100
Fines and Forfeitures	31,448	39,215	53,008	54,181	46,903	32,327	43,518	41,416	35,378	41,145	49,417
Licenses and Permits	2,391,642	1,740,189	1,165,799	1,580,313	2,277,696	1,882,560	1,563,063	1,478,997	1,206,907	1,264,310	1,192,848
Fees and Services	6,399,112	5,640,472	3,609,059	4,332,625	4,745,584	3,981,232	3,566,493	4,044,752	2,864,280	2,907,286	3,418,932
Intergovernmental	13,473,551	13,759,114	12,075,750	12,065,072	10,273,570	9,324,739	8,882,379	8,514,511	8,027,528	7,850,437	6,987,622
Federal Grants	13,726,762	4,839,540	11,651,076	4,460,505	15,848,906	2,794,573	3,573,250	6,676,611	2,174,987	3,785,398	1,740,331
Miscellaneous & Investment Income	6,341,007	8,857,996	3,657,673	(1,800,917)	2,590,280	3,700,849	5,354,114	5,028,789	2,500,653	3,974,965	2,561,569
Total	74,489,660	65,563,619	60,399,069	47,224,779	55,288,016	46,775,906	45,905,517	47,050,817	36,993,912	39,092,420	34,623,180
Expenditures:											
General Government	7,426,203	6,860,110	6,613,680	6,189,417	6,522,913	6,578,986	5,717,526	5,124,801	4,845,447	4,453,961	4,113,905
Public Safety	27,373,716	28,160,358	32,155,598	24,618,708	20,660,157	18,286,968	17,552,034	16,190,076	15,540,831	14,834,689	13,737,173
Engineering	1,762,668	1,688,859	1,412,545	1,450,042	1,651,535	1,683,416	1,692,915	1,553,187	1,499,651	1,426,545	1,320,956
Community Development	1,354,243	1,262,924	1,117,534	867,739	1,083,792	997,728	1,049,807	940,192	867,205	716,364	908,135
Cultural and Recreation	7,355,395	6,449,621	5,936,021	5,621,033	5,276,359	4,691,137	4,512,993	3,901,366	3,705,360	3,959,919	3,933,293
Public Transportation	1,650,689	-	-	-	-	-	-	-	-	-	-
Highways and Streets	4,113,994	3,257,625	4,277,094	3,646,040	4,569,560	4,169,589	4,874,857	7,058,335	4,852,226	2,809,548	2,166,676
Airport	2,117,582	4,558,671	2,888,348	3,371,090	9,120,557	3,097,547	2,179,219	4,943,941	3,493,986	2,632,330	1,230,160
Debt Issuance Costs	-	-	-	184,321	-	-	-	-	-	-	-
Capital Outlay	13,044,119	8,061,860	2,757,811	2,659,413	4,682,551	5,053,453	5,255,964	6,412,563	11,517,565	3,978,723	3,552,872
Debt Service											
Principal	659,843	412,983	365,303	-	-	-	-	-	-	-	-
Interest	418,490	434,721	436,796	-	-	-	-	-	-	-	-
Total	67,276,942	61,147,732	57,960,730	48,607,803	53,567,424	44,558,824	42,835,315	46,124,461	46,322,271	34,812,079	30,963,170
Other Financing Sources (Uses):											
Transfers In	6,036,719	4,922,471	17,321,434	6,035,996	5,271,225	6,059,458	3,052,337	4,183,880	4,224,338	4,737,890	4,180,526
Transfers Out	(7,063,156)	(3,975,120)	(15,498,938)	(4,357,478)	(3,841,069)	(5,420,548)	(2,766,120)	(2,857,091)	(3,228,041)	(3,468,805)	(2,860,508)
Issuance of Debt	223,037	695,140	5,796,048	3,174,736	-	-	-	-	-	-	-
Total	(803,400)	1,642,491	7,618,544	4,853,254	1,430,156	638,910	286,217	1,326,789	996,297	1,269,085	1,320,018
Net Change in Fund Balances	$ 6,409,318	$ 6,058,378	$ 10,056,883	$ 3,470,230	$ 3,150,748	$ 2,855,992	$ 3,356,419	$ 2,253,145	$ (8,332,062)	$ 5,549,426	$ 4,980,028
Debt Service as a percentage of non-capital expenditures	1.99%	1.60%	1.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Twin Falls, Idaho

Assessed Value of Taxable Property - Schedule 6

Fiscal Year	Assessed Valuation	City Levy Rate	Calculated Property Taxes for Budget	Actual Assessment All Property Taxes	Cancellations	Adjustments (Circuit Breaker)	Net Assessed Property Taxes	Collected in Year of Assessment	Collected in Subsequent Yr.	Outstanding Balance 9/30/2025
2024	$ 6,210,885,149	0.004931725	30,630,378	$ 30,952,594	$ 64,642	$ 2,067,336	28,820,616	$ 28,464,057	$ -	$ 356,559
2023	6,160,218,640	0.004714041	29,039,523	29,276,760	77,423	3,640,694	25,558,643	25,197,773	168,271	192,599
2022	5,583,114,592	0.004783910	26,709,118	26,982,837	95,914	339,655	26,547,268	26,148,888	334,827	63,553
2021	4,035,957,147	0.006245573	25,206,865	25,345,088	108,864	323,568	24,912,656	24,590,929	315,678	6,049
2020	3,452,293,576	0.005300426	18,298,627	18,367,681	10,776	227,298	18,129,607	17,857,778	271,829	-
2019	3,226,338,398	0.007134065	23,016,908	23,074,463	1,889	265,377	22,807,197	22,471,912	335,285	-
2018	2,900,999,246	0.007503874	21,768,733	21,860,986	14,230	238,524	21,608,232	21,301,310	306,922	-
2017	2,683,754,266	0.007429860	19,939,918	20,029,737	10,188	232,073	19,787,476	19,504,807	282,669	-
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	-

Property Tax Levies - Schedule 7

Fiscal Year	Twin Falls City	Twin Falls County	Twin Falls School District	Twin Falls Highway Dist.	College of Southern Idaho	County Ambulance	County Abatement	Total
2024	0.004931725	0.002683757	0.001490168	0.000725150	0.000725026	0.000114905	0.000067860	0.010738591
2023	0.004714041	0.002671258	0.001604588	0.000703461	0.000705854	0.000111169	0.000063292	0.010573663
2022	0.004783910	0.002782758	0.002262071	0.000716758	0.000728329	0.000112486	0.000064329	0.011450641
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

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 curre 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 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 20t

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 choos 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 qualifie the property taxes on their home and up to one acre of land may be reduced by as much as $1,500

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 ar 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 direc

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

Principal Property Tax Payers - Schedule 8

Taxpayer	2025 Taxable Assessed Value	2024 Taxable Assessed Value	2023 Taxable Assessed Value	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
Chobani, Inc (Agro-Farma)	$ 474,554,112	$ 419,502,405	$ 436,418,386	$ 397,493,952	$ 313,752,654	$ 305,587,296	$ 267,321,986	$ 274,928,865	$ 425,078,135	$ 447,967,459
Idaho Power	203,200,013	152,535,363	138,297,751	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)	150,239,635	142,287,290	139,639,621	129,929,956	122,129,924	96,214,362	84,485,629	83,612,919	92,120,925	85,206,199
Clif Bar Baking Company	114,505,258	108,904,148	127,487,731	113,922,212	107,013,848	102,279,229	105,294,875	103,242,722	96,844,384	37,007,452
Westrock (Longview), LLC	62,134,359	61,229,234	63,835,517	56,268,349	56,504,145	37,839,972	52,477,906	21,835,126	18,330,840	19,852,116
Glanbia Foods, Inc	43,064,028	46,241,155	45,552,707	48,851,524	45,812,601	49,209,189	42,128,211	46,932,648	50,296,001	34,069,915
Jayco	37,484,625	37,058,645	37,514,746	32,605,389	28,792,333	26,959,163	28,055,877			
Bridgeview Estates	29,060,204			28,055,426						
Wal-Mart Stores, Inc.	26,324,810	27,816,896	26,148,929	26,220,928	24,684,063	22,639,862	19,732,121	18,101,850	18,617,037	18,202,778
Canyon Park West, LLC	26,273,190	26,650,899	23,567,180	22,450,733	21,022,372	20,750,097				
Twin Falls Rivercrest Apartments		46,935,945								
Twin Falls Golden Eagle, LLC			20,685,551							
Magic Valley Mall II , LLC					25,468,345	30,973,975	32,076,216	33,466,990	36,153,343	34,260,684
Henningsen Cold Storage Co							24,313,037	17,491,746	19,684,168	17,692,399
Twin Falls Canyon Park (Geronimo LLC)								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

	Government Activities		Business-type Activities		Total	Percentage			
Fiscal Year	Certificates of Participation	Lease	Revenue Bonds (c)	Term Loans	Primary Government	of Personal Income (b)	Per Capita (b)	City Personal Income	City Population
2025	$ 8,050,005	$ 1,049,940	$ 24,465,417	$ -	$ 33,565,362	0.69%	$ 604	$ 4,864,802,000	55,589
2024	$ 8,360,241	$ 1,424,783	$ 27,125,831	$ -	$ 36,910,855	0.74%	$ 672	$ 4,956,379,000	54,943
2023	8,655,477	1,567,767	30,598,345	-	40,821,589	0.89%	$ 752	4,592,839,000	54,300
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	1.64%	1,083	3,259,461,000	49,202
2018	-	-	57,684,327	-	57,684,327	1.92%	1,195	3,000,974,000	48,260
2017	-	-	61,978,558	-	61,978,558	2.14%	1,306	2,889,612,000	47,468
2016	-	-	66,173,038	-	66,173,038	2.38%	1,439	2,779,540,000	45,981
2015	-	-	70,287,516	-	70,287,516	2.68%	1,556	2,620,007,000	45,158

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 includec
(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 yeai
(c) The City secured the following new revenue bonds - 2009, $10,225,000; 2010, $18,595,000; 2013, $14,670,000; 2014 $38,000,00(

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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct & Overlapping Debt	Combined Debt
Debt Repaid with Property Taxes (b):				
Twin Falls School District - Series 2020 General Obligation Debt	49,770,000	84.19%	41,901,363	
Urban Renewal Agency of Twin Falls, Idaho:				
Revenue Allocation Bonds, Series 2013A	14,682,000	100.00%	14,682,000	
Revenue Allocation Bonds, Series 2016A	8,140,000	100.00%	8,140,000	
Other Debt:				
Twin Falls School District - Leases (Energy Savings and Building)	532,686	84.19%	448,468	
Subtotal, overlapping debt			65,171,831	65,171,831
City Direct Debt (d):				9,099,945
Total Direct and Overlapping Debt				$ 74,271,776

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

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 a 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 n imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping governmen

(a) The School District's debt information is as of their year end of June 30, 2024. The URA is as of September 30, 2024

(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 t 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 deb

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 leases totaling $9,099,945 (net of amortized premium or discount) which are classifie as general obligation debt. The 10 percent limitation under State statutes would be around $620,000,000

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

Water Revenue Bonds (a)

Fiscal Year	Utility Service Charges	Less: Operating Expense	Net Available Revenue	Required Debt Service Principal	Required Debt Service Interest	Coverage
2025	$ 13,200,733	$ 7,728,341	$ 5,472,392	$ -	$ -	-
2024	12,656,691	7,369,557	5,287,134	805,000	38,596	6.27
2023	12,035,516	7,277,755	4,757,761	765,000	76,928	5.65
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

Wastewater Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expense	Net Available Revenue	Required Debt Service Principal	Required Debt Service Interest	Coverage
2025	$ 11,996,590	$ 5,953,873	$ 6,042,717	$ 595,000	$ 962,565	3.88
2024	10,267,500	7,232,397	3,035,103	2,450,000	1,031,785	0.87
2023	10,412,263	6,049,078	4,363,185	2,350,000	1,133,135	1.25
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

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 amortizatior
(a) As of 2024 all water revenue bonds have been paid in full.

City of Twin Falls, Idaho

Demographic and Economic Statistics - Schedule 13

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City Population	Unavailable	55,589	54,943	54,300	53,213	51,807	50,197	49,764	49,202	48,260	47,468
Total Personal Income for Twin Falls County (Thousand Dollars)	Unavailable	4,864,802	4,956,379	4,592,839	4,208,749	3,899,972	3,681,817	3,410,765	3,259,461	3,000,974	$ 2,889,612
Personal Income per capita for Twin Falls County	Unavailable	50,992	52,087	49,019	45,627	44,112	42,379	40,756	38,935	35,934	$ 35,079

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City Unemployment Rate	3.4	3.6	3.1	2.7	2.8	6.3	2.8	2.7	2.8	3.3	3.6
City Labor Force	28,370	26,756	26,329	26,103	24,014	25,513	24,342	23,761	24,206	23,522	23,221
School Enrollment	8,723	9,053	9,282	9,531	9,556	9,294	9,775	9,693	9,602	9,322	9,090

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 Lab Force were supplied by the Idaho Department of Labor. School enrollment information was provided by the Twin Falls School Distric

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 calend 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 enrollme information is based on the census near the beginning of the school year

City's Largest Employers - Schedule 14

2025

Business	Rank	Employment Range	Industry
St Lukes Magic Valley Regional Medical	1	2000-2999	Healthcare
Chobani LLC	2	1000-1499	Food Manufacturing
Twin Falls School Dist #411	3	1000-1499	Local Government - Education
College of Southern Idaho	4	499-999	Local Government - Education
Lamb Weston Inc	5	499-999	Food Manufacturing
Wal-Mart Associates Inc	6	250-499	Retail Trade
City of Twin Falls	7	250-499	Local Government - Administration
Amalgamated Sugar Company LLC	8	250-499	Food Manufacturing
Twin Falls County	9	250-499	Local Government - Administration
Clif Bar Baking Company	10	250-499	Food Manufacturing

2016

Business	Rank	Employment Range	Industry
St Lukes Magic Valley Regional Medical	1	2,000-2,500	Health Care
Twin Falls School District #411	2	1,000-1,499	Local Government Education
College of Southern Idaho	3	500-999	Local Government Education
Personnel Plus Inc	4	500-999	Administrative & Support Services
Chobani LLC	5	500-999	Manufacturing
C3 CustomerContactChannels	6	500 -999	Administrative & Support Services
Conagra Foods Lamb Weston	7	500-999	Manufacturing
Elwood Staffing Company	8	250-499	Administrative & Support Services
Amalgamated Sugar Company LLC	9	250-499	Manufacturing
Twin Falls County	10	250-499	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 includes both private and public employer

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Selected City Service Information - Schedule 15											
Building:											
Permits Issued (Single Family)	255	287	106	154	486	573	326	243	224	236	230
Value (Single Family)	$ 81,699,547	$ 70,693,436	$ 32,688,177	$ 47,458,326	$ 100,909,255	$ 88,824,234	$ 63,519,682	$ 47,311,351	$ 44,391,872	$ 47,719,056	$ 46,392,231
Permits Issued (New Commercial)	44	19	51	59	93	58	78	59	32	28	59
Value (New Commercial)	$ 111,747,346	$ 58,198,013	$ 26,024,044	$ 80,545,560	$ 73,075,447	$ 32,537,387	$ 33,091,360	$ 63,097,492	$ 28,328,054	$ 56,969,584	$ 87,856,213
Fire:											
Total Incidents	6,637	6,550	6,395	6,418	6,285	6,231	5,851	5,003	5,413	2,788	3,170
Estimate of Property Saved	$ 23,091,034	$ 26,932,711	$ 56,402,406	$ 9,502,636	$ 121,632,208	$ 21,547,482	$ 24,260,600	$ 7,655,605	$ 18,581,258	$ 10,636,150	$ 21,382,821
Estimate of Property Lost	$ 4,191,944	$ 1,813,312	$ 1,162,088	$ 5,361,155	$ 4,295,162	$ 2,472,354	$ 1,265,305	$ 1,664,981	$ 1,756,247	$ 1,008,100	$ 2,257,189
Police:											
Calls for Service	53,779	52,750	54,960	51,304	50,111	52,819	54,427	56,621	58,655	54,832	52,552
Case Reports Taken	6,388	6,289	7,076	6,536	8,707	7,362	7,492	7,659	7,971	7,275	7,263
Airport:											
Airplane Takeoff/Landings	22,764	23,353	28,641	32,276	35,358	39,310	34,488	29,375	25,621	26,337	28,195
Boarding/Deboarding	33,915	31,577	38,657	32,333	33,796	53,907	87,497	85,358	81,206	70,055	65,586
Library:											
Number of Cardholders	29,981	28,945	30,052	31,317	34,604	32,641	33,107	30,937	28,564	34,804	31,636
Average Daily Traffic	586	580	593	1,208	384	564	731	726	843	820	797
Total Items Checked Out	530,197	424,221	535,495	499,369	431,679	402,679	555,958	568,046	582,464	474,709	474,844
Parks:											
Total Maintained Acreage	1,681	1,671	1,671	1,662	1,504	1,504	1,504	1,395	1,395	1,363	1,363
Water:											
Water Consumed (Millions)	4,885	4,434	4,565	4,730	4,775	4,655	4,228	4,589	4,737	4,798	4,616
Wastewater:											
Gallons Treated (Millions)	3,189	3,115	3,073	3,098	2,969	2,822	2,727	2,784	2,918	2,850	2,750
Solids Treated (Thousand lbs. BOD):	5,929	5,904	7,724	9,518	8,098	6,830	6,358	8,272	8,691	8,608	9,494
Sanitation:											
Customer Count	16,960	16,881	16,648	16,441	15,967	15,585	15,303	15,055	14,912	14,618	14,412
Trash Tonnage (Tons)	23,076	22,151	21,449	21,668	21,532	21,199	19,430	19,224	18,120	18,086	17,269
Tonnage per Customer	1.36	1.31	1.29	1.32	1.35	1.36	1.27	1.28	1.22	1.24	1.20
Recycling Tons	99	658	719	879	843	875	1,578	1,770	1,865	1,938	1,936

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 Sanitatio

Other Operating Information - Schedule 16

	FYE 2026	FYE 2025	FYE 2024	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017
Budgeted Fulltime Equivalent Employees:										
General Government	53.75	52.75	51.50	50.00	49.00	46.00	46.25	45.00	43.00	40.00
Fire	51.50	51.50	48.50	48.50	47.50	47.50	47.50	42.50	42.00	42.00
Police	108.00	107.00	107.00	107.00	103.00	102.75	102.75	103.75	102.75	113.75
Dispatch *	14.00	14.00	14.00	13.00	13.00	13.00	13.00	13.00	11.00	-
Engineering/Planning	19.00	19.00	19.00	19.00	19.00	19.25	19.25	19.25	19.25	19.25
Streets	16.67	16.67	16.33	16.33	16.33	16.00	16.00	16.00	14.00	14.00
Library	19.00	19.00	37.00	38.00	38.00	36.00	45.00	48.00	49.00	55.00
Culture and Recreation *	19.25	19.25	19.00	19.00	19.00	20.00	19.00	19.25	18.00	17.00
Airport	9.50	9.50	9.50	9.50	9.50	9.50	9.50	8.50	8.50	8.13
Water	32.16	32.16	32.33	32.33	31.33	29.50	29.00	28.75	27.75	27.75
Wastewater	11.17	10.67	10.84	10.84	9.84	9.75	9.75	9.75	8.75	8.75
Sanitation	-	-	-	-	-	-	-	-	-	-
	354.00	351.50	365.00	363.50	355.50	349.25	357.00	353.75	344.00	345.63

* 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

Net Book Value of Capital Assets	Land	Building	Improvements	Infrastructure	Machinery & Equipment	Total
General Government	$ 11,941,049	$ 38,374,320	$ 5,487,910	$ 71,294,110	$ 794,660	$ 127,892,049
Fire	-	18,433	243,169	-	1,874,776	2,136,378
Police & Dispatch	-	37,994	99,980	-	1,204,195	1,342,169
Engineering/Planning	-	-	-	-	68,404	68,404
Streets	-	54,428	906	2,802,248	2,394,231	5,251,813
Library	-	1,028,438	74,129	-	2,166,344	3,268,911
Culture and Recreation	158,532	1,280,189	5,185,134	535,957	998,045	8,157,857
Airport	-	1,822,064	1,138,933	3,909,570	1,176,598	8,047,165
Water	12,569,052	648,094	7,480,667	33,951,206	1,787,182	56,436,201
Wastewater	327,113	1,381,973	11,169,186	60,255,604	5,109,442	78,243,318
Sanitation	-	-	-	-	-	-
	$ 24,995,746	$ 44,645,933	$ 30,880,014	$ 172,748,695	$ 17,573,877	$ 290,844,265

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

SINGLE AUDIT INFORMATION

CITY OF TWIN FALLS
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Award Information	*AL/other #*	*Pass-Through Entity Name*	*Federal Expenditures ($)*
CDBG - Entitlement Grants-Cluster			
Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants	14.218		$ 798,363
Total Community Development Block Grants/Entitlement Grants			798,363
Total Department of Housing and Urban Development			798,363
Total CDBG - Entitlement Grants-Cluster			798,363
Federal Transit Cluster-Cluster			
Department of Transportation			
Federal Transit Formula Grants	20.507		100,360
Total Federal Transit Formula Grants			100,360
Total Department of Transportation			100,360
Total Federal Transit Cluster-Cluster			100,360
Highway Safety Cluster-Cluster			
Department of Transportation			
State and Community Highway Safety	20.600	Idaho Transportation Department	4,399
Total State and Community Highway Safety			4,399
National Priority Safety Programs	20.616	Idaho Transportation Department	419
Total National Priority Safety Programs			419
Total Department of Transportation			4,818
Total Highway Safety Cluster-Cluster			4,818
Other Programs (Treated individually for major program determination)			
United States Department of Agriculture			
Soil and Water Conservation	10.902		764,518
Total Soil and Water Conservation			764,518
Total United States Department of Agriculture			764,518
United States Department of Justice			
Public Safety Partnership and Community Policing Grants	16.710	State of Idaho	100,000
Total Public Safety Partnership and Community Policing Grants			100,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738		17,287
Total Edward Byrne Memorial Justice Assistance Grant Program			17,287
Total United States Department of Justice			117,287
Department of Transportation			
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106		1,660,997
Total Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs			1,660,997
Highway Planning and Construction	20.205	Idaho Transportation Department	175,012
Total Highway Planning and Construction			175,012
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Idaho Transportation Department	1,093,894
Total Formula Grants for Rural Areas and Tribal Transit Program			1,093,894
Total Department of Transportation			2,929,903
United States Environmental Protection Agency			
Sewer Overflow and Stormwater Reuse Municipal Grant Program	66.447	Idaho Department of Environmental Quality	5,104
Total Sewer Overflow and Stormwater Reuse Municipal Grant Program			5,104
Drinking Water State Revolving Fund	66.468	Idaho Department of Environmental Quality	29,064
Total Drinking Water State Revolving Fund			29,064
Total United States Environmental Protection Agency			34,168
Department of Health and Human Services			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	State of Idaho	13,518
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			13,518
Total Department of Health and Human Services			13,518
Total Other Programs (Treated individually for major program determination)			3,859,394
Total Expenditures of Federal Awards			$ 4,762,935

The accompanying notes are an integral part of this schedule

CITY OF TWIN FALLS, IDAHO
Notes to Schedule of Expenditures of Federal Awards
September 30, 2025

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, 2025

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal Control over financial reporting:		
Material Weakness(es) identified?	Yes ☐	No ☒
Significant deficiency(ies) identified that are not considered to be a Material Weakness?	Yes ☐	No ☒
Non-Compliance material to financial statements noted?	Yes ☐	No ☒

Federal Awards

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

Identification of major programs

Name of Federal Program or Cluster	CFDA Number
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106
Soil and Water Conservation	10.902

Dollar threshold used to distinguish between type A and Type B programs	$1,000,000	
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, 2025, 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 23, 2026.

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 23, 2026

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 the 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, 2025. 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, 2025.

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., PLLC
February 23, 2026