

**CITY OF
IDAHO FALLS, IDAHO**



**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED
SEPTEMBER 30, 2009

CITY OF IDAHO FALLS, IDAHO
Comprehensive Annual Financial Report
For the fiscal year ended September 30, 2009

Prepared By:
Municipal Services Division
Finance Department
Thane Sparks
Controller

City of Idaho Falls, Idaho
Comprehensive Annual Financial Report
For the Year Ended September 30, 2009

Table of Contents

Introductory Section	Page No.
Title Page	
Letter of Transmittal.....	1
GFOA Certificate of Achievement.....	4
Principal Officials	5
Organizational Chart.....	6
 Financial Section	
Independent Auditor's Report.....	7
Management's Discussion and Analysis	9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	20
Statement of Activities	21
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Basis - Budget and Actual:	
General Fund.....	24
Statement of Net Assets – Proprietary Funds	25
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds.....	27
Statement of Cash Flows – Proprietary Funds.....	28
Notes to the Financial Statements	31
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions.....	56
Combining Balance Sheet – Nonmajor Governmental Funds.....	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	62
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances – Non-GAAP Basis - Budget and Actual:	
Street Fund	66
Recreation Fund	67
Library Fund.....	68
Airport Passenger Facility Charge Fund.....	69
MERF Fund	70
Electric Light Public Purpose Fund.....	71
Business Improvement District Fund.....	72
Golf Fund	73
Sanitary Sewer Capital Improvement Fund.....	74
Municipal Capital Improvement Fund	75

City of Idaho Falls

Comprehensive Annual Financial Report

For the Year Ended September 30, 2009

Table of Contents, Continued

Street Capital Improvement Fund.....	76
Bridge and Arterial Street Fund.....	77
Water Capital Improvement Fund.....	78
Surface Drainage Fund.....	79
Traffic Light Capital Improvement Fund	80

Statistical Section

Exhibit
Number

A-1	Statistical Section Divider	82
	Financial Trend Information	
B-1	Net Assets by Component, last eight fiscal years	83
B-2	Changes in Net Assets, last eight fiscal years.....	84
B-3	Fund Balances of Governmental Funds, last ten fiscal years	86
B-4	Changes in Fund Balances of Governmental Funds, last ten fiscal years.....	87
B-5	Tax Revenues by Source, Governmental Funds, last ten fiscal years.....	88
	Revenue Capacity Information	
C-1	Assessed Value and Actual Value of Taxable Property, last ten fiscal years	89
C-2	Direct and Overlapping Property Tax Levies, last ten fiscal years	90
C-3	Principal Property Tax Payers	92
C-4	Property Tax Levies and Collections, last ten fiscal years	93
	Debt Capacity Information	
D-1	Ratios of Outstanding Debt by Type, last ten fiscal years.....	94
D-2	Ratios of General Bonded Debt Outstanding, last ten fiscal years	95
D-3	Direct and Overlapping Governmental Activities Debt as of September 30, 2008.....	96
D-4	Legal Debt Margin Information, last ten fiscal years	97
D-5	Pledged-Revenue Coverage, last ten fiscal years.....	98
	Demographic and Economic Information	
E-1	Demographic and Economic Statistics, last ten years	99
E-2	Principal Employers, prior year and seven years ago	100
	Operating Information	
F-1	Full-time Equivalent City of Idaho Falls Government Employees by Function/Program, last ten fiscal years	101
F-2	Operating Indicators by Function/Program, last ten fiscal years	102
F-3	Capital Asset Statistics by Function/Program, last ten fiscal years.....	103

City of Idaho Falls

Comprehensive Annual Financial Report

For the Year Ended September 30, 2009

Table of Contents, Continued

Single Audit Section

Schedule of Expenditures of Federal Awards	105
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	107
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Passenger Facility Charge (PFC) Programs.....	109
Independent Auditors' Report on Schedule of Passenger Facility Charges Collected and Expended	111
Schedule of Passenger Facility Charges Collected and Expended	113
Schedule of Findings and Questioned Costs	114

INTRODUCTORY SECTION



City of Idaho Falls

CONTROLLER'S OFFICE

P.O. Box 50220
Idaho Falls, ID 83405-0220

February 1, 2010

To the Honorable Mayor, Members of the City Council
And Citizens of Idaho Falls

The Comprehensive Annual Financial Report (CAFR) of the City of Idaho Falls (City) for the fiscal year ended September 30, 2009 is hereby submitted. Responsibility for the accuracy of the data, and the completeness and fairness of the presentations, including all disclosures, rests with the City and is based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The administration believes the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

Rudd & Company PLLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are contained in the single audit section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Idaho Falls was incorporated in 1889 under the laws of the State of Idaho. The City operates under a Mayor-Council form of government and provides the following services: general administrative services, planning and building, public safety (police, fire, ambulance and animal control), parks and recreation, streets, library, public works, airport, water and sewer, sanitation and electric utility.

The accompanying CAFR includes the financial activities of the City, the primary government, and its component unit, The Idaho Falls Redevelopment Agency.

The City of Idaho Falls is located in the southeastern corner of the state. The City currently occupies a land area of approximately 20 square miles with an estimated population of 54,500. The City has the authority to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its boundaries by annexation, which occurs as deemed appropriate by the Council.

Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and six council members. The Council is responsible, among other things, for passing ordinances, adopting the budget, confirming committee members and working with various department heads as assigned by the mayor. The mayor is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the City; and appointing the heads of the various departments. The Council are elected on a non-partisan basis.

Council members serve four-year staggered terms, with three council members elected every two years. The mayor is elected to serve a four-year term. The mayor and council members are elected at large.

An operating, equipment, and capital budget, including proposed expenditures and the means of financing them is proposed by the mayor to the council members for approval. Budgets are integrated into the accounting system to facilitate management control during the year. Budgetary control is enhanced for governmental funds through the use of an encumbrance system. As purchase orders are issued, corresponding appropriations are reserved by the use of encumbrances for later payment so that appropriations may not be overspent.

Local economy

The Idaho Falls economy can be characterized as a regional center for retail, wholesale, medical, educational and governmental services. Underlying the City economy is a very strong base of agriculture production and processing in barley, potatoes, wheat and cattle. Offsetting the agriculture base is the scientific and hi-tech research and supporting businesses for the Idaho National Labs. This scientific sector means a highly educated work force and high incomes in the local economy. This diversified and regional market economy provides economic stability in jobs, incomes and tax base.

The regional market area extends from the City of Blackfoot to the south of Idaho Falls into Montana and Wyoming on the north and east and on into central Idaho. The state and federal offices in Idaho Falls also serve the Idaho portion of this area. The City is also the County seat. The regional medical center hospital, medical specialties and services are concentrated in Idaho Falls.

The three state universities have a large classroom and research presence in the City and are associated with the National Labs. A two year college provides technical training. There are two school districts and several private school systems.

Idaho Falls is the regional market center on the western side of Yellowstone Park and Jackson Hole. To the west is the Craters of the Moon. The outdoor activities of fly fishing, hunting, skiing, snowmobiling, hiking and sightseeing support many businesses and manufacturers. The tourism and entertainment business within the City is growing and supporting more and more jobs and businesses. The state's largest museum is in Idaho Falls which anchors a growing cultural tourism sector.

Because of its location in a region with a varied economic base, unemployment has been relatively stable. Currently the City is experiencing some of the same economic downturn as the rest of the country. Within the past ten years, the unemployment rate has reached a high of 6.5 percent this year (2009) to a low of 2.4 percent in the year (2007). The unemployment rate at the end of fiscal year 2009

was 6.5 percent which reflects the declining economy which is expected to decline further in the months ahead before recovering. Idaho Falls continues to experience some of the lowest unemployment rates in the nation. The economy is expected to continue to diversify and grow in the manufacturing and technology industries.

Long-term financial planning

Unreserved fund balance in the general fund (32.6 percent of total general fund O&M expenses) is slightly below the policy guidelines set by the Council for budgetary and planning purposes of at least 4 months of O&M expenses in reserve.

The Council also maintains and reviews a five year capital plan that outlines major purchases and projects. Some of the major projects being planned and reviewed are the reconstruction of the intersection at Hitt Road and 17th Street, replacement of the D Street and Yellowstone underpass, waste water treatment plant upgrades, and a new building to house the law enforcement. Funding options are being considered and are not set at this time. The City is continuing to improve park area centered on the greenbelt for the benefit of the residents and visitors of this area.

Relevant financial policies

It is the City's policy that "onetime" resource inflows not be used for operating purposes. Accordingly all grants received are designated and spent for the purposes that they were applied for.

Major initiatives

A few of the important initiatives facing the City to be addressed at the state level are water rights, highway funding, road maintenance, property taxes, annexation authority, revenue sharing, and local option taxation. The state is facing a budget shortfall which has an impact on revenue sharing that the City receives. The City is looking for ways to make up the decreased funding.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Idaho Falls for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the twentieth consecutive year that the City of Idaho Falls has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the City Controller's Office, together with assistance from other Departments and Divisions of the City, and the assistance of the City's independent auditor, Rudd & Company PLLC. All of these efforts are greatly appreciated.

Respectfully submitted,

Thane Sparks
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Idaho Falls
Idaho

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Idaho Falls

Principal Officials

September 30, 2009

City Council

Jared Fuhriman
Ida Hardcastle
Karen Cornwell
Thomas Hally
Michael Lehto
Ken Taylor
Sharon Parry

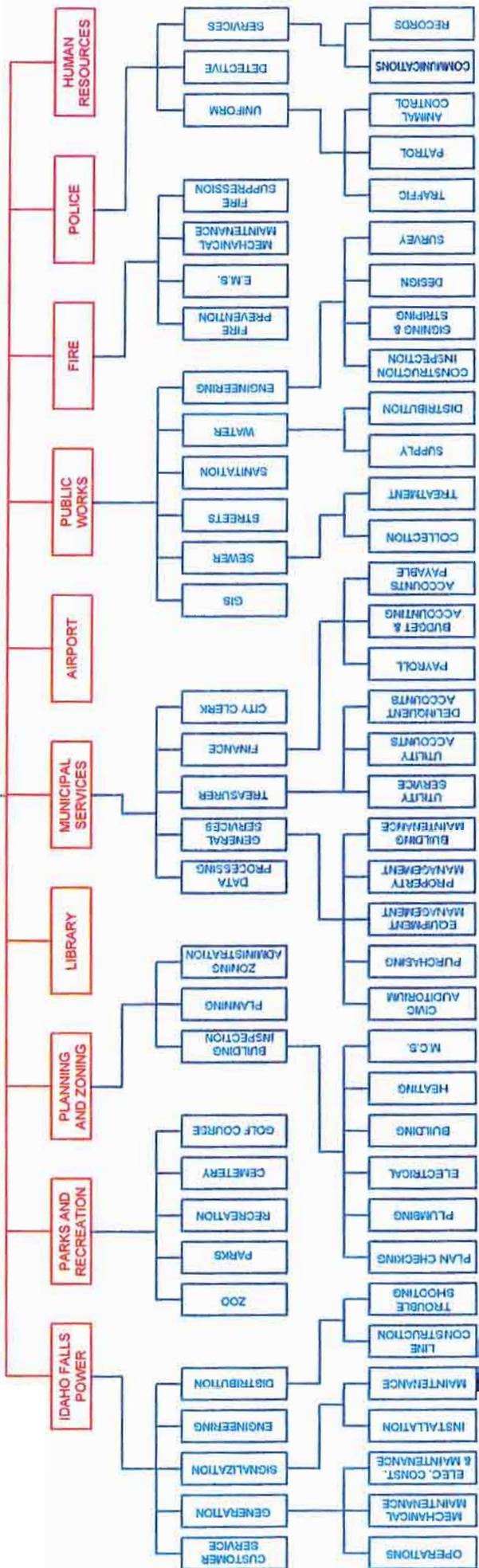
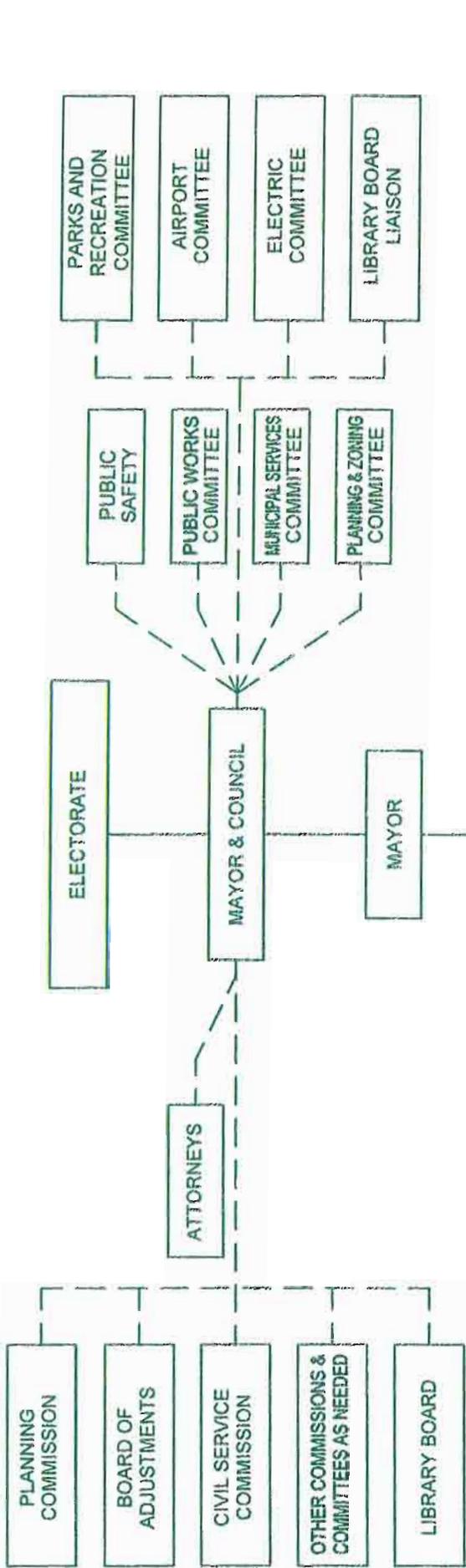
Mayor
Mayor Pro Tem/Council Member
Council Member
Council Member
Council Member
Council Member
Council Member

Other Principal Officers

Dale Storer
David Christiansen
Dean Ellis
Jackie Flowers
Len Nelson
Steve Roos
S. Craig Lords
Renee Magee
Chad Stanger
Robert Wright
Brian Sagendorf

City Attorney
Parks & Recreation Director
Fire Chief
Electric Light Director
Airport Director
Police Chief
Municipal Services Director
Planning & Zoning Director
Public Works Director
Library Director
Human Resources Director

CITY OF IDAHO FALLS ORGANIZATION



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Idaho Falls, Idaho

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, including PFC quarterly reports of the City of Idaho Falls, Idaho, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Idaho Falls, Idaho's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Electric Light Fund, which represents 50%, 44% and 68% respectively, of the assets, net assets and revenues of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Electric Light Fund, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

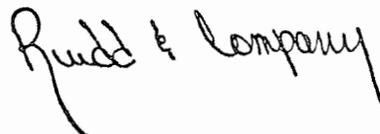
In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Idaho Falls, Idaho as of September 30, 2009, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2010, on our consideration of the City of Idaho Falls, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance the *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis on pages 9 through 18 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Idaho Falls, Idaho's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the budgetary comparison schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the City of Idaho Falls, Idaho. The combining and individual nonmajor fund financial statements, the budgetary comparison schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

January 29, 2010

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, flowing style.

Management's Discussion and Analysis

The discussion and analysis of the City of Idaho Falls' financial performance provides an overall review of the City's financial activities for the year ended September 30, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City exceeded its liabilities at September 30, 2009 by \$365,406,903. Of this amount, \$79,773,191 of unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net assets increased \$13,679,852 as a result of this year's operations. The governmental net assets increased by \$2,379,981 and the business-type net assets increased by \$11,299,871.
- At September 30, 2009, the City's governmental activities reported combined ending net assets of \$121,335,229, an increase of \$2,379,981 in comparison with the prior year. Approximately 22.6 percent of this amount, \$27,445,983, is available for spending at the City's discretion.
- The unreserved fund balance for the general fund was \$11,349,318 or 32.6 percent of the total general fund expenditures.
- Total liabilities decreased by \$12,436,008, which represents a 20 percent decrease from 2008.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Idaho Falls' basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from

other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, culture, recreation and public works. The business-type activities of the City include the airport, water and sewer, sanitation, ambulance and electric operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate redevelopment agency, a component unit of the City. Financial information for the component unit is reported separately from the financial information presented for the primary government.

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

Governmental 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 evaluating 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 maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The City maintains proprietary funds. Enterprise funds (one type of a proprietary fund) are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its airport, water and sewer, sanitation, ambulance and electric operations.

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 the airport, water and sewer, sanitation, ambulance and electric operations, all of which are considered to be major funds of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the basic financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$365,406,903 at September 30, 2009.

By far the largest portion of the City's net assets (77 percent) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Idaho Falls' Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 37,344,584	\$ 36,367,424	\$ 83,720,230	\$ 91,242,528	\$121,064,814	\$127,609,952
Capital assets	92,745,461	90,587,825	201,305,520	195,674,174	294,050,981	286,261,999
Total assets	130,090,045	126,955,249	285,025,750	286,916,702	415,115,795	413,871,951
Long-term liabilities outstanding	5,146,387	5,060,045	37,020,193	43,146,897	42,166,580	48,206,942
Other liabilities	3,608,429	2,939,956	3,933,883	10,998,002	7,542,312	13,937,958
Total liabilities	8,754,816	8,000,001	40,954,076	54,144,899	49,708,892	62,144,900
Net assets:						
Invested in capital assets, net of related debt	92,745,461	90,587,825	189,866,463	181,218,089	282,611,924	271,805,914
Restricted	1,143,785	988,654	1,878,003	2,016,097	3,021,788	3,004,751
Unrestricted	27,445,983	27,378,769	52,327,208	49,537,617	79,773,191	76,916,386
Total net assets	\$121,335,229	\$118,955,248	\$244,071,674	\$232,771,803	\$365,406,903	\$351,727,051

An additional portion of the City's net assets (.83 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$79,773,191) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, the City was able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

The net assets of the City as a whole increased \$13,679,852 (3.9 percent) from \$351,727,051 at September 30, 2008 to \$365,406,903 at September 30, 2009. Governmental activities increased \$2,379,981 (2.0 percent) over the prior year while the business-type activities increased \$11,299,871 (4.9 percent) over the same period.

Changes in unrestricted net assets

The City's unrestricted net assets-the part of net assets that can be used to finance day-to-day operations increased \$2,863,394 (3.7 percent) over the prior year. The governmental activities increased \$67,214 (.2 percent) while the business-type activities increased \$2,796,180 (5.6 percent) equaling the increase of \$2,863,394.

Business-type activities. The increase in net assets of \$11,299,871 in the Statement of Activities was allocated as follows:

- Investment in capital assets, net of related debt, increased by \$8,648,374. This reflects capital contributions in the amount of \$5,439,660.
- A decrease of \$138,094 in restricted net assets for debt services.
- \$2,789,591 was allocated to unrestricted net assets.

Governmental activities. Key elements in the \$67,214 increase in unrestricted net assets is as follows:

- Items reclassified from unrestricted to restricted assets:
 1. \$1,050,759 increase in reserve for encumbrances.
 2. \$155,131 increase in reserve for loan receivables.
 3. \$97,080 increase in reserve for council designated.
 4. \$718,669 decrease in the special revenue funds' unrestricted net assets.
 5. \$2,686,544 decrease in the capital project funds' unrestricted net assets.

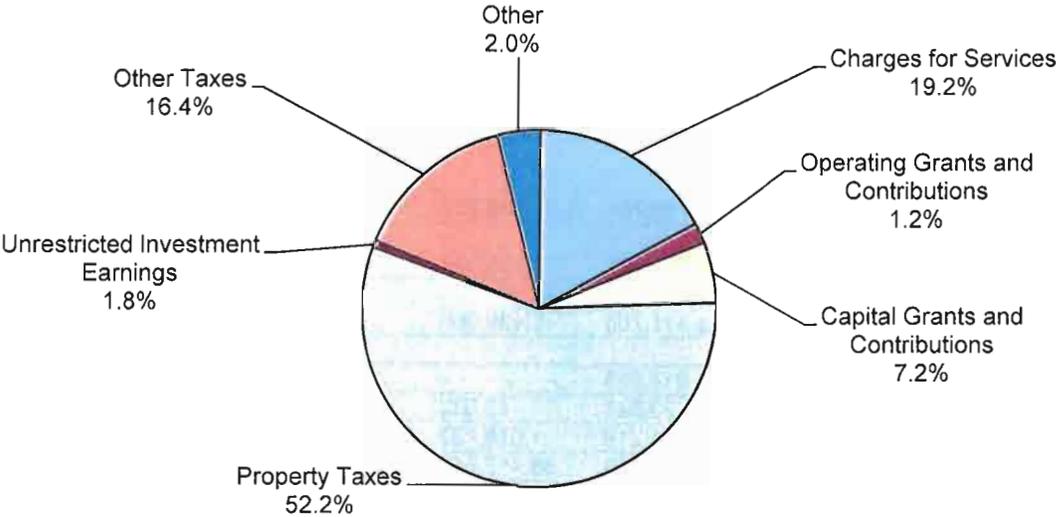
Governmental activities. Governmental activities increased the City's net assets by \$2,379,981. Key elements of this increase are as follows:

City of Idaho Falls' Changes in Net Assets

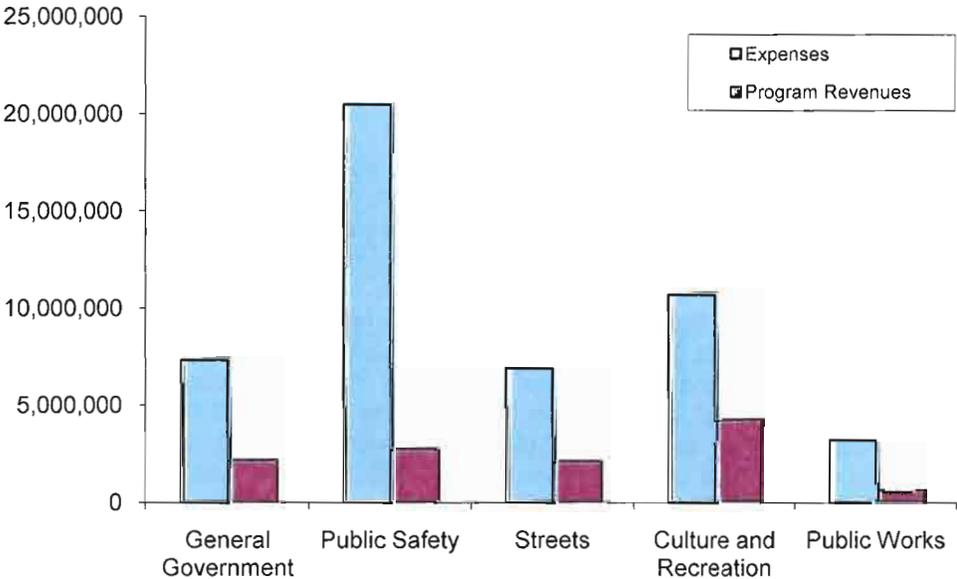
	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 8,109,035	\$ 8,789,751	\$ 77,089,787	\$ 79,962,634	\$ 85,198,822	\$ 88,752,385
Operating grants and contributions	869,368	521,471	1,835,937	1,503,087	2,705,305	2,024,558
Capital grants and contributions	2,588,058	3,311,708	5,439,660	11,408,555	8,027,718	14,720,263
General revenues:						
Property taxes	26,487,935	23,914,223			26,487,935	23,914,223
Other taxes	7,051,309	7,523,341	13,532	14,565	7,064,841	7,537,906
Other	2,132,498	1,741,219	1,078,733	2,224,268	3,211,231	3,965,487
Total revenues	47,238,203	45,801,713	85,457,649	95,113,109	132,695,852	140,914,822
Expenses:						
General government	7,315,174	7,397,540			7,315,174	7,397,540
Public safety	20,467,132	20,869,523			20,467,132	20,869,523
Streets	6,883,494	6,595,657			6,883,494	6,595,657
Culture and recreation	10,686,792	10,130,787			10,686,792	10,130,787
Public works	3,200,900	2,827,838			3,200,900	2,827,838
Airport			3,965,696	3,921,248	3,965,696	3,921,248
Water and sewer			12,185,186	11,140,464	12,185,186	11,140,464
Sanitation			3,233,531	2,978,262	3,233,531	2,978,262
Ambulance			2,937,746	2,811,351	2,937,746	2,811,351
Electric			48,140,349	48,820,273	48,140,349	48,820,273
Total expenses	48,553,492	47,821,345	70,462,508	69,671,598	119,016,000	117,492,943
Increase (decrease) in net assets before transfers	(1,315,289)	(2,019,632)	14,995,141	25,441,511	13,679,852	23,421,879
Transfers	3,695,270	3,910,680	(3,695,720)	(3,910,680)		
Increase (decrease) in net assets	2,379,981	1,891,048	11,299,871	21,530,831	13,679,852	23,421,879
Net assets – October 1	118,955,248	117,064,200	232,771,803	211,240,972	351,727,051	328,305,172
Net assets – September 30	\$121,335,229	\$118,955,248	\$244,071,674	\$232,771,803	\$365,406,903	\$351,727,051

- Total revenues had a net decrease of \$8,218,970 (5.8 percent). Property tax revenues increased \$2,573,712 (10.8 percent). Capital grants decreased \$6,692,545 (45.5 percent). The decrease comes from fewer developer contributed streets and storm drainage systems and completion of a grant from FAA to rehabilitate the main runway.
- Total expenses for governmental activities had a net increase of \$732,147 (1.5 percent). General government decreased \$82,366. Public safety decreased \$402,391. This decrease reflects no increase in hiring and fewer capital purchases. Streets increased \$287,837 over last year. The net increase in the street fund reflects the overall increase in street expenditures including street overlays. Culture and recreation had a net increase of \$556,005. Public works had a net increase of \$373,062, all of which reflects assets capitalized in governmental funds.

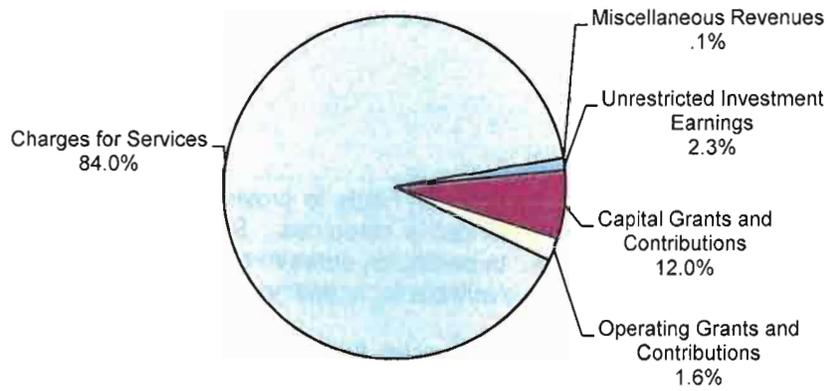
2009 Revenues by Source - Governmental Activities



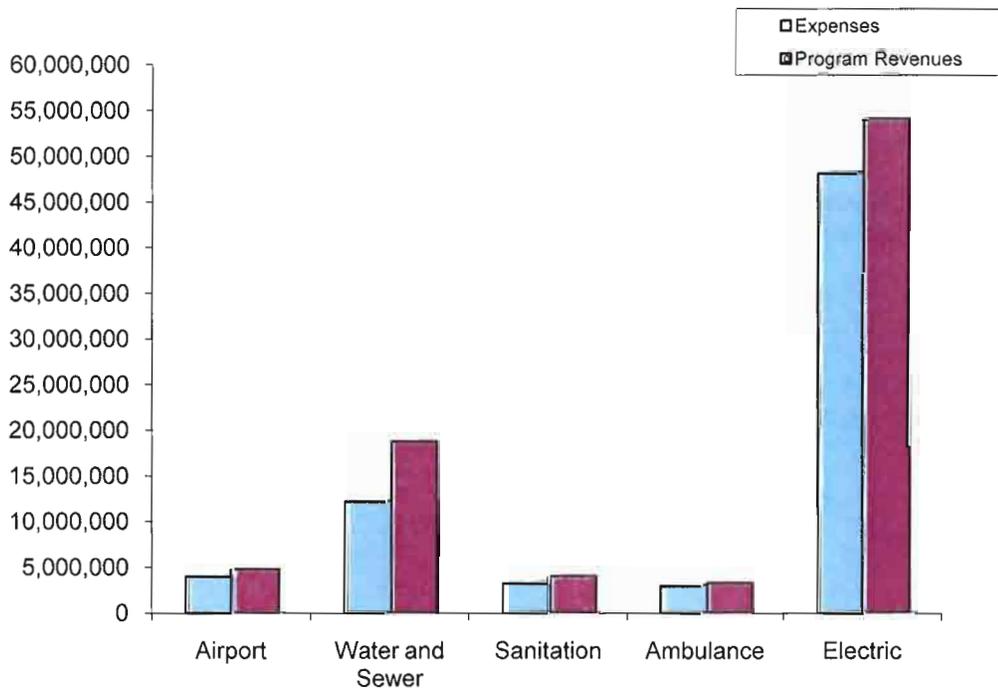
2009 Expenses and Program Revenues - Governmental Activities



2009 Revenues by Source - Business-type Activities



2009 Expenses and Program Revenues - Business-type Activities



Business-type activities. As already noted, business-type activities increased net assets by \$11,299,871 (4.9 percent). Key elements of this net increase are as follows:

- Debt and accrued interest were reduced \$6,276,509.
- The airport fund, water and sewer fund, and the electric fund had contributed capital during the year with a \$5,439,660 value.

Financial Analysis of the City's Funds

Governmental funds. The City uses governmental funds to provide information on near-term receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of September 30, 2009, the City's governmental funds reported combined ending fund balances of \$32,613,613, a decrease of \$14,658 in comparison with the prior year. Approximately 74.1 percent of this total amount, \$24,169,870 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed 1) to pay debt service, 2) encumbrances, or 3) for a variety of other restricted purposes.

The general fund is the chief operating fund of the City. At September 30, 2009, unreserved fund balance of the general fund was \$11,349,318, while total fund balance reached \$15,946,893. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditure. Unreserved fund balance represent 32.6 percent of total general fund expenditure, while total fund balance represents 45.8 percent of that same amount.

The fund balance of the City's general fund increased by \$1,748,335 during the current fiscal year. The key factor in this is as follows:

- There were several capital projects that were planned and budgeted. Construction had not started by the end of the budget year.
- The City changed health insurance provider that resulted in a \$640,000 savings to the general fund.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of all the proprietary funds at September 30, 2009 amounted to \$52,327,208. Of that total electric operation amounted to \$26,921,728 or 51.4 percent. The total increase in net assets for the funds was \$11,299,871 compared to the prior year. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights. The City did not amend the 2009 general fund budget.

The major differences between the budget and actual for the general fund are summarized as follows:

- The general fund revenues were short by \$228,406 mainly due to the downturn in the economy that affected state shared revenues, interest earnings, and building permits. Also to some budgeted grants that were not received.
- General government administrative expenses were \$3,743,984 less than budgeted.
- A few budgeted capital projects were not started and there were, also, other cost savings such as the change of the health insurance provider.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2009 amounts to \$294,050,981 (net of accumulated depreciation). Capital assets include land, infrastructure, buildings, improvements other than buildings, machinery and equipment and construction in progress.

Major Capital additions during the year were:

- The airport capitalized \$3,051,940 to finish rehabilitating the main runway and construct a snow removal equipment building.
- The water and sewer fund spent \$1,387,874 for new water lines, sewer lines and replacement of existing lines.
- The electric fund added \$6,932,834 in capital for transmission, distribution, generation, and fiber optics.
- Renovation of the electric administration building in the amount of \$1,873,065.
- Streets and storm drains increased \$2,058,877 through contributed capital.
- Water and sewer lines increased \$1,202,256 through contributed capital.

City of Idaho Falls' Capital Assets

	Governmental Activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$13,911,240	\$12,677,454	\$ 5,508,896	\$ 5,435,188	\$ 19,420,136	\$ 18,112,642
Infrastructure	78,835,927	77,106,463	18,741,736	16,868,672	97,577,663	93,975,135
Buildings and improvements	33,818,724	32,302,982	300,227,842	291,153,389	334,046,566	323,456,371
Machinery and equipment	17,129,978	16,343,895	25,159,929	23,291,934	42,289,907	39,635,829
Construction in progress	2,255,443	724,202	15,168,692	13,102,512	17,424,135	13,826,714
Accumulated depreciation	(53,205,851)	(48,778,543)	(163,501,575)	(154,177,521)	(216,707,426)	(202,956,064)
Total	\$92,745,461	\$90,376,453	\$201,305,520	\$195,674,174	\$294,050,981	\$286,050,627

Additional information about the City's capital assets can be found in Note IV.C in the notes to the financial statements.

Debt administration. At September 30, 2009, the City had \$38,095,644 in business-type debt outstanding compared to \$44,024,322 last year, a 13.5 percent decrease.

City of Idaho Falls' Outstanding Business-type Debt		
	2009	2008
General obligations-zero coupon bonds	\$ 9,084,388	\$11,408,196
Revenue bonds-net of premium	0	0
Certificates of participation	2,750,000	3,510,000
Compensated absences	2,112,452	2,054,117
Total	\$13,946,840	\$16,972,313

The general obligation bonds are zero coupon bonds. The bonds were sold at a discount with the interest accruing until the bond is callable. Additional information about the City's long-term debt can be found in Note IV.E.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City is currently 6.5 percent. This compares favorably to the state's average unemployment rate of 8.8 percent.
- Inflationary trends for the City are about the same as the national level.
- The City compares above the average in economic growth during the current downturn in the world economy.

These factors and many others were considered in preparing the City's budget for the 2010 fiscal year.

The general fund ended the current year with an unreserved fund balance of \$11,349,318. The City has appropriated \$1,430,000 of this amount for spending in the 2010 fiscal year budget on new addition to the hockey and ice complex.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Thane Sparks, City of Idaho Falls, 308 Constitution Way, P.O. Box 50220, Idaho Falls, ID 83405.

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**City of Idaho Falls
Statement of Net Assets
September 30, 2009**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Redevelopment Agency
ASSETS				
Cash and cash equivalents	\$ 21,654,561	\$ 20,518,063	\$ 42,172,624	\$ 809,904
Investments	10,524,011	43,671,239	54,195,250	1,484,503
Receivables (net of allowance for uncollectables)	2,603,361	7,145,355	9,748,716	358,886
Internal balances	2,333	(2,333)	-	-
Due from other governments	1,686,837	66,334	1,753,171	-
Inventories	374,697	4,641,636	5,016,333	-
Prepaid charges	498,784	-	498,784	-
Deferred charges	-	408,510	408,510	-
Restricted assets:				
Cash and cash equivalents	-	7,271,426	7,271,426	-
Capital assets (net of accumulated depreciation):				
Land	13,911,240	5,508,896	19,420,136	-
Infrastructure	78,835,927	18,741,736	97,577,663	-
Buildings and improvements	33,818,724	300,227,842	334,046,566	-
Machinery and equipment	17,129,978	25,159,929	42,289,907	-
Construction work in progress	2,255,443	15,168,692	17,424,135	-
Accumulated depreciation	(53,205,851)	(163,501,575)	(216,707,426)	-
Total assets	<u>130,090,045</u>	<u>285,025,750</u>	<u>415,115,795</u>	<u>2,653,293</u>
LIABILITIES				
Accounts payable	1,657,278	3,121,665	4,778,943	280,750
Contracts payable	10,000	-	10,000	-
Accrued wages payable	1,605,955	745,403	2,351,358	-
Security deposits	335,196	4,252	339,448	-
Accrued interest payable from restricted assets	-	62,563	62,563	-
Noncurrent liabilities:				
Due within one year	3,281,508	9,545,213	12,826,721	-
Due in more than one year	1,846,197	27,462,724	29,308,921	12,718,953
Net other postemployment benefits obligation	18,682	12,256	30,938	-
Total liabilities	<u>8,754,816</u>	<u>40,954,076</u>	<u>49,708,892</u>	<u>12,999,703</u>
NET ASSETS				
Invested in capital assets, net of related debt	92,745,461	189,866,463	282,611,924	-
Restricted for:				
Debt services	-	1,878,003	1,878,003	-
Conservation programs	1,143,785	-	1,143,785	-
Unrestricted	27,445,983	52,327,208	79,773,191	(10,346,410)
Total net assets (deficit)	<u>\$ 121,335,229</u>	<u>\$ 244,071,674</u>	<u>\$ 365,406,903</u>	<u>\$ (10,346,410)</u>

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
Statement of Activities
For the Year Ended September 30, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Assets			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total		Redevelopment Agency
			Grants and Contributions	Capital Contributions					
Primary Government:									
Government activities:									
General government	\$ 7,315,174	\$ 1,447,854	\$ 672,909	\$ -	\$ (5,194,411)		\$ (5,194,411)		
Public safety	20,467,132	2,591,457	50,898	46,894	(17,777,883)		(17,777,883)		
Streets	6,883,494	-	-	2,058,877	(4,824,617)		(4,824,617)		
Culture and recreation	10,686,792	3,542,074	145,561	482,287	(6,516,870)		(6,516,870)		
Public works	3,200,900	527,650	-	-	(2,673,250)		(2,673,250)		
Total governmental activities	48,553,492	8,109,035	869,368	2,588,058	(36,987,031)		(36,987,031)		
Business-type activities:									
Airport	3,965,696	2,140,557	203,330	2,337,935		\$ 716,126	716,126		
Water and sewer	12,185,186	17,026,050	63,504	1,564,783		6,469,151	6,469,151		
Sanitation	3,233,531	3,892,477	-	-		658,946	658,946		
Ambulance	2,937,746	1,602,109	1,569,103	-		233,466	233,466		
Electric	48,140,349	52,428,594	-	1,536,942		5,825,187	5,825,187		
Total business-type activities	70,462,508	77,089,787	1,835,937	5,439,660		13,902,876	13,902,876		
Total primary government	\$ 119,016,000	\$ 85,198,822	\$ 2,705,305	\$ 8,027,718	(36,987,031)	13,902,876	(23,084,155)		
Component unit:									
Redevelopment agency	\$ 3,234,086	-	-	-			\$ (3,234,086)		
Total component unit	\$ 3,234,086	\$ -	\$ -	\$ -			(3,234,086)		
General revenues:									
Property taxes					26,487,935		26,487,935		
Unrestricted sales tax and revenue sharing					5,429,055	13,532	5,442,587		
Franchise taxes					893,822		893,822		
Alcoholic beverage taxes					728,432		728,432		
Unrestricted investment earnings					282,375	1,078,733	1,361,108	14,455	
Miscellaneous revenues					1,850,123		1,850,123		
Transfers					3,695,270	(3,695,270)	-		
Total general revenues and transfers					39,367,012	(2,603,005)	36,764,007	2,544,506	
Change in net assets					2,379,981	11,299,871	13,679,852	(689,580)	
Net assets (deficit)-beginning as restated-see note H					118,955,248	232,771,803	351,727,051	(9,656,830)	
Net assets (deficit)-ending					\$ 121,335,229	\$ 244,071,674	\$ 365,406,903	\$ (10,346,410)	

The notes to the financial statements are an integral part of this statement.

**City of Idaho Falls
Balance Sheet
Governmental Funds
September 30, 2009**

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 11,143,126	\$ 10,511,435	\$ 21,654,561
Investments	5,002,000	5,522,011	10,524,011
Receivables	1,227,418	1,375,943	2,603,361
Due from other funds	3,927	-	3,927
Due from other governments	939,504	747,333	1,686,837
Inventory	374,697	-	374,697
Prepaid items	498,784	-	498,784
Total assets	\$ 19,189,456	\$ 18,156,722	\$ 37,346,178
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	493,191	1,164,087	1,657,278
Contracts payable	-	10,000	10,000
Accrued wages	1,426,454	179,501	1,605,955
Due to other funds	-	1,594	1,594
Security deposits	335,196	-	335,196
Deferred revenue	987,722	134,820	1,122,542
Total liabilities	3,242,563	1,490,002	4,732,565
Fund balances:			
Reserved for:			
Loans	-	1,143,785	1,143,785
Encumbrances	469,266	2,567,105	3,036,371
Inventories	374,697	-	374,697
Prepaid items	498,784	-	498,784
Unreserved-designated:			
Insurance and benefits	2,815,675	-	2,815,675
Culture and recreation projects	439,153	135,278	574,431
Unreserved, reported in:			
General fund	11,349,318	-	11,349,318
Special revenue funds	-	8,690,050	8,690,050
Capital projects funds	-	4,130,502	4,130,502
Total fund balances	15,946,893	16,666,720	32,613,613
Total liabilities and fund balances	\$ 19,189,456	\$ 18,156,722	37,346,178
Total governmental funds balances			32,613,613
Amounts reported for governmental activities in the statement of net assets are different because:			
Deferred revenue is not available to pay current period expenditures and, therefore, is not reported in the funds.			1,122,542
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			92,745,461
Compensated absences (a long-term liability) are not due and payable in the current period and, therefore, are not reported in the funds.			(5,127,705)
Other postemployment benefits obligation (a long-term liability) are not due and payable in the current period and, therefore, are not reported in the funds.			(18,682)
Net assets of governmental activities			\$ 121,335,229

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 23,787,199	\$ 3,267,961	\$ 27,055,160
Licenses and permits	469,239	-	469,239
Intergovernmental	5,983,884	3,492,769	9,476,653
Charges for services	811,710	3,335,297	4,147,007
Fines	558,743	95,586	654,329
Interest	105,363	177,012	282,375
Miscellaneous	1,951,936	819,282	2,771,218
Total revenues	<u>33,668,074</u>	<u>11,187,907</u>	<u>44,855,981</u>
EXPENDITURES			
Current:			
General government	7,102,254	691,323	7,793,577
Public safety	20,125,700	-	20,125,700
Streets	-	3,208,216	3,208,216
Culture & recreation	5,361,046	5,168,639	10,529,685
Public works	2,201,627	-	2,201,627
Capital outlay	-	4,707,104	4,707,104
Total expenditures	<u>34,790,627</u>	<u>13,775,282</u>	<u>48,565,909</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,122,553)</u>	<u>(2,587,375)</u>	<u>(3,709,928)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,815,817	4,921,517	8,737,334
Transfers out	(944,929)	(4,097,135)	(5,042,064)
Total other financing sources (uses)	<u>2,870,888</u>	<u>824,382</u>	<u>3,695,270</u>
Net change in fund balances	1,748,335	(1,762,993)	(14,658)
Fund balances, October 1	14,198,558	18,429,713	32,628,271
Fund balances, September 30	<u>\$ 15,946,893</u>	<u>\$ 16,666,720</u>	32,613,613

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds	(14,658)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	130,106
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	2,027,530
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	323,345
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 governmental funds (i.e., compensated absences and other postemployment benefits liability).	(86,342)
Change in net assets of governmental activities.	<u>\$ 2,379,981</u>

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For the Fiscal Year Ended September 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes	\$ 23,661,662	\$ 23,808,295	\$ 146,633
Licenses and permits	760,850	469,239	(291,611)
Intergovernmental	5,780,479	5,923,800	143,321
Charges for services	814,700	811,710	(2,990)
Fines	540,700	558,743	18,043
Interest	150,000	105,362	(44,638)
Miscellaneous	2,149,100	1,951,936	(197,164)
Total revenues	<u>33,857,491</u>	<u>33,629,085</u>	<u>(228,406)</u>
EXPENDITURES			
Current:			
General government	10,564,125	7,090,881	3,473,244
Public safety	20,294,964	20,113,877	181,087
Culture and recreation	5,651,142	5,358,883	292,259
Public works	1,998,424	2,201,030	(202,606)
Total expenditures	<u>38,508,655</u>	<u>34,764,671</u>	<u>3,743,984</u>
Excess of revenues over expenditures	<u>(4,651,164)</u>	<u>(1,135,586)</u>	<u>3,515,578</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	3,827,057	3,815,817	(11,240)
Operating transfers out	(880,400)	(944,929)	(64,529)
Total other financing sources (uses)	<u>2,946,657</u>	<u>2,870,888</u>	<u>(75,769)</u>
Net change in fund balances	(1,704,507)	1,735,302	3,439,809
Fund balance, October 1	<u>10,630,932</u>	<u>10,630,932</u>	
Fund balance, September 30	<u>\$ 8,926,425</u>	<u>\$ 12,366,234</u>	<u>\$ 3,439,809</u>

The notes to the financial statements are an integral part of this statement.

**City of Idaho Falls
Statement of Net Assets
Proprietary Funds
September 30, 2009**

Business-type Activities-Enterprise Funds

	Airport	Water & Sewer	Sanitation	Ambulance	Electric	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,233,695	\$ 9,819,805	\$ 829,671	\$ 910,647	\$ 6,724,245	\$ 20,518,063
Investments	1,207,066	9,410,462	380,124	498,204	32,175,383	43,671,239
Receivables (net of allowance for uncollectibles):						
Utility & accounts	28,161	859,096	187,602	695,357	4,952,852	6,723,068
Interest	9,562	112,379	-	1,981	298,365	422,287
Due from other governments	66,334	-	-	-	-	66,334
Inventory	-	966,680	-	-	3,674,956	4,641,636
Restricted cash and cash equivalents	897,647	-	-	-	3,851,055	4,748,702
Total current assets	<u>4,442,465</u>	<u>21,168,422</u>	<u>1,397,397</u>	<u>2,106,189</u>	<u>51,676,856</u>	<u>80,791,329</u>
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	420,500	-	-	-	2,102,224	2,522,724
Deferred charges	13,178	-	-	-	395,332	408,510
Capital assets:						
Land	2,615,359	890,790	-	-	2,002,747	5,508,896
Buildings	12,355,498	1,845,404	430,756	107,537	4,002,541	18,741,736
Improvements other than buildings	38,420,717	93,869,601	39,385	-	167,908,139	300,237,842
Machinery & equipment	2,406,424	11,112,103	4,452,053	1,893,193	5,286,156	25,149,929
Construction work in progress	11,575,243	-	-	-	3,593,449	15,168,692
Less accumulated depreciation	(22,489,091)	(43,371,467)	(2,656,538)	(1,484,259)	(93,500,220)	(163,501,575)
Total capital assets (net of accumulated depreciation)	<u>44,884,150</u>	<u>64,346,431</u>	<u>2,265,656</u>	<u>516,471</u>	<u>89,292,812</u>	<u>201,305,520</u>
Total noncurrent assets	<u>45,317,828</u>	<u>64,346,431</u>	<u>2,265,656</u>	<u>516,471</u>	<u>91,790,368</u>	<u>204,236,754</u>
Total assets	<u>\$ 49,760,293</u>	<u>\$ 85,514,853</u>	<u>\$ 3,663,053</u>	<u>\$ 2,622,660</u>	<u>\$ 143,467,224</u>	<u>\$ 285,028,083</u>

The notes to the financial statements are an integral part of this statement.

**City of Idaho Falls
Statement of Net Assets
Proprietary Funds
September 30, 2009**

Business-type Activities-Enterprise Funds

	Airport	Water & Sewer	Sanitation	Ambulance	Electric	Total
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 270,371	\$ 868,490	\$ 590	\$ 4,091	\$ 1,978,123	\$ 3,121,665
Accrued wages	30,224	159,136	74,437	143,685	337,921	745,403
Due to other funds	662	491	318	426	436	2,333
Compensated absences	64,355	290,030	123,272	253,243	548,120	1,279,020
Security deposits	4,252	-	-	-	-	4,252
Bonds payable-current	835,000	-	-	-	2,100,333	2,935,333
Accrued interest payable-current	62,563	-	-	-	5,330,860	5,393,423
Total current liabilities	<u>1,267,427</u>	<u>1,318,147</u>	<u>198,617</u>	<u>401,445</u>	<u>10,295,793</u>	<u>13,481,429</u>
Noncurrent liabilities:						
Accrued interest-G.O. bonds	-	-	-	-	17,730,236	17,730,236
Compensated absences	12,949	257,728	87,889	164,961	309,905	833,432
Net other postemployment benefits	1,820	4,315	3,853	2,936	(668)	12,256
Certificates of participation	1,915,000	-	-	-	-	1,915,000
G.O. bonds payable	-	-	-	-	6,984,056	6,984,056
Total noncurrent liabilities	<u>1,929,769</u>	<u>262,043</u>	<u>91,742</u>	<u>167,897</u>	<u>25,023,529</u>	<u>27,474,980</u>
Total liabilities	<u>3,197,196</u>	<u>1,580,190</u>	<u>290,359</u>	<u>569,342</u>	<u>35,319,322</u>	<u>40,956,409</u>
NET ASSETS						
Invested in capital assets, net of related debt	42,134,150	64,346,431	2,265,656	516,471	80,603,755	189,866,463
Restricted for debt service	1,255,584	-	-	-	622,419	1,878,003
Unrestricted	3,173,363	19,588,232	1,107,038	1,536,847	26,921,728	52,327,208
Total net assets	<u>\$ 46,563,097</u>	<u>\$ 83,934,663</u>	<u>\$ 3,372,694</u>	<u>\$ 2,053,318</u>	<u>\$ 108,147,902</u>	<u>\$ 244,071,674</u>

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2009

Business-type Activities-Enterprise Funds

	Airport	Water & Sewer	Sanitation	Ambulance	Electric	Total
Operating revenues:	\$ 2,140,557	\$ 17,026,050	\$ 3,892,477	\$ 1,602,109	\$ 51,617,631	\$ 76,278,824
Operating expenses:						
Operations and maintenance	1,677,501	9,029,391	2,895,649	2,839,024	40,248,045	56,689,610
Depreciation	2,156,481	3,155,795	337,882	98,722	5,384,744	11,133,624
Total operating expenses	3,833,982	12,185,186	3,233,531	2,937,746	45,632,789	67,823,234
Operating income (loss)	(1,693,425)	4,840,864	658,946	(1,335,637)	5,984,842	8,455,590
Nonoperating revenues (expenses):						
Intergovernmental	216,862	63,504	-	1,569,103	-	1,849,469
Interest income	37,948	229,499	9,361	12,202	789,723	1,078,733
Other, net	-	-	-	-	810,963	810,963
Interest expenses	(131,714)	-	-	-	(2,507,560)	(2,639,274)
Total nonoperating revenues (expenses)	123,096	293,003	9,361	1,581,305	(906,874)	1,099,891
Net income (loss) before contributions and transfers	(1,570,329)	5,133,867	668,307	245,668	5,077,968	9,555,481
Capital contributions	2,337,935	1,564,783	-	-	1,536,942	5,439,660
Transfers in	480,315	-	-	-	-	480,315
Transfers out	-	(848,160)	(194,098)	-	(3,133,327)	(4,175,585)
Change in net assets	1,247,921	5,850,490	474,209	245,668	3,481,583	11,299,871
Total net assets-October 1	45,315,176	78,084,173	2,898,485	1,807,650	104,666,319	232,771,803
Total net assets-September 30	\$ 46,563,097	\$ 83,934,663	\$ 3,372,694	\$ 2,053,318	\$ 108,147,902	\$ 244,071,674

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2009

Business-type Activities-Enterprise Funds

	Airport	Water & Sewer	Sanitation	Ambulance	Electric	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 2,121,300	\$ 16,844,460	\$ 3,854,463	\$ 1,483,883	\$ 52,255,982	\$ 76,560,088
Payments to suppliers	(910,531)	(4,717,797)	(978,430)	(535,527)	(35,902,759)	(43,045,044)
Payments to employees	(831,388)	(3,775,616)	(1,900,690)	(2,263,336)	(5,038,614)	(13,809,644)
Other, net	-	-	-	-	810,963	810,963
Net cash provided (used) by operations	379,381	8,351,047	975,343	(1,314,980)	12,125,572	20,516,363
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	480,315	-	-	-	-	480,315
Transfers to other funds	-	(848,160)	(194,098)	-	(3,133,327)	(4,175,585)
Net cash provided (used) by noncapital financing activities	480,315	(848,160)	(194,098)	-	(3,133,327)	(3,695,270)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	2,337,935	1,564,783	-	-	-	3,902,718
Intergovernmental revenues	216,862	63,504	-	1,569,103	-	1,849,469
Acquisition and construction of capital assets	(3,190,914)	(3,834,897)	(648,693)	(80,758)	(7,472,768)	(15,228,030)
Principal paid on capital debt	(760,000)	-	-	-	(2,323,808)	(3,083,808)
Interest paid on capital debt	(125,125)	-	-	-	(5,616,192)	(5,741,317)
Net cash provided (used) by capital and related financing activities	(1,521,242)	(2,206,610)	(648,693)	1,488,345	(15,412,768)	(18,300,968)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	11,761,521	43,532,897	2,324,785	4,686,829	69,607,407	131,913,439
Purchase of investments	(11,711,652)	(45,693,852)	(2,222,381)	(4,855,803)	(63,754,890)	(128,238,578)
Earnings on investments	39,059	212,249	9,361	12,679	787,906	1,061,254
Net cash provided (used) by investing activities	88,928	(1,948,706)	111,765	(156,295)	6,640,423	4,736,115

Net increase (decrease) in cash and cash equivalents	(572,618)	3,347,571	244,317	17,070	219,900	3,256,240
Cash and cash equivalents balance, October 1	4,124,460	6,472,234	585,354	893,577	12,457,624	24,533,249
Cash and cash equivalents balance, September 30	\$ 3,551,842	\$ 9,819,805	\$ 829,671	\$ 910,647	\$ 12,677,524	\$ 27,789,489

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (1,693,425)	\$ 4,840,864	\$ 658,946	\$ (1,335,637)	\$ 5,984,842	\$ 8,455,590
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	2,156,481	3,155,795	337,882	98,722	5,384,744	11,133,624
(Increase) decrease in accounts receivable	(19,257)	(245,093)	(38,014)	(118,226)	630,880	210,290
(Increase) decrease due from other governments	6,954,272	-	-	-	-	6,954,272
(Increase) decrease inventory	-	(11,925)	-	-	(113,524)	(125,449)
(Decrease) increase accounts payable	(6,991,535)	558,698	(1,355)	(22,780)	(579,303)	(7,036,275)
(Decrease) increase due to other funds	524	(20)	243	216	7,714	8,677
(Decrease) increase in accrued liabilities	(27,679)	52,728	17,641	62,725	(744)	104,671
Other income, net	-	-	-	-	810,963	810,963
Total adjustments	2,072,806	3,510,183	316,397	20,657	6,140,730	12,060,773

Net cash provided (used) by operating activities

\$ 379,381	\$ 8,351,047	\$ 975,343	\$ (1,314,980)	\$ 12,125,572	\$ 20,516,363
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Noncash investing, capital, and financing activities:

Contributions of capital assets	-	-	-	-	1,536,942	1,536,942
Capital assets traded	-	10,070	59,781	-	-	69,851
Transfer of construction work-in-progress to plant in service	-	-	-	-	9,072,802	9,072,802
Amortization of debt related premium and deferred charges included in interest expense	-	-	-	-	66,779	66,779

For purposes of the statements of cash flows, cash and cash equivalents are as follows:

	Airport	Water and Sewer	Sanitation	Ambulance	Electric	Total
Cash and cash equivalents reported on the balance sheet	\$ 2,233,695	\$ 9,819,805	\$ 829,671	\$ 910,647	\$ 6,724,245	\$ 20,518,063
Restricted cash and cash equivalents included in restricted cash	1,318,147	-	-	-	5,953,279	7,271,426
Total cash and cash equivalents	\$ 3,551,842	\$ 9,819,805	\$ 829,671	\$ 910,647	\$ 12,677,524	\$ 27,789,489

The notes to the financial statements are an integral part of this statement.

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City of Idaho Falls, Idaho

Notes to the Financial Statements

For the Year Ended September 30, 2009

I. Summary of significant accounting policies

A. Reporting entity

The City of Idaho Falls (the City) was incorporated in 1889 under the laws of the State of Idaho. The City operates under a Mayor-Council form of government. The Mayor is elected for a four-year term. The Council consists of six members, each serving a four-year term. The City provides the following services: public safety (police, fire, ambulance and animal control) planning and building, parks and recreation, streets, library, public works, airport, water and sewer, electric, sanitation, and general and administrative services.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. Council directly controls the operation of each of these activities through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget.

The component unit column in the accompanying financial statements includes the financial data of the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The City appoints the governing body of the Idaho Falls Redevelopment Agency. The Agency receives tax incremental financing and has authority to issue debt. The Agency was formed to improve certain blighted areas within the City. Complete financial statements of the Agency can be reviewed at the City of Idaho Falls Clerk's Office.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The City currently does not have any fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental fund:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government such as general administration, police, fire, planning and building, parks and public works, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The airport fund accounts for the activities of the City airport. All activities, debt service and capital additions are accounted for in the fund.

The water and sewer fund is used to account for the operations of the water and sewer utility system. The City operates 19 wells, a water distribution system, sewage treatment plant, sewage pumping stations and collection systems.

The sanitation fund accounts for the activities of the City's trash collection operations.

The ambulance fund accounts for the activities of operating the City's ambulance service.

The electric fund accounts for the activities of the City's electric generation, transmission and distribution operations.

The City has elected to include the sanitation and ambulance funds as major proprietary funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer, sanitation, and electric functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, liabilities, and net assets or equity

1. Cash and investments

The City's cash and cash equivalents are defined as unrestricted cash on hand, demand deposits and short-term investments and restricted cash and investments with original maturities of three months or less from the date of acquisition. Restricted investments are stated at fair value. The City pools its investable funds to maximize interest income. Interest income earned as a result of pooling is distributed to the appropriate funds based on the average balance of pooled cash of each fund. Unrestricted investments are stated at fair value.

Idaho Code provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. City policy is consistent with this direction.

The City is limited to the following general types of investments:

Certain revenue bonds, general obligation bonds, local improvement district bonds, tax anticipation notes, and registered warrants of state and local governmental entities.

Time deposit accounts.

Bonds, treasury bills, interest-bearing notes, debentures, or other similar obligations of the United States Government and the Farm Credit System.

Repurchase agreements.

Banker's acceptances and prime commercial paper.

Mutual or money market funds.

2. Receivables and payables

Interfund receivables and payables arising from interfund transactions are referred to as either "due from other funds" or "due to other funds" for the current portion with "advances to other funds" or "advances from other funds" for the non-current portion. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Delinquent utility receivables are carried in the accounts of the utility funds for five years from the date of the last transaction, before they are written off against the allowance for doubtful accounts. Such amounts are included in the allowance for doubtful accounts after one year with no activity. All trade receivables are shown net of allowance for uncollectibles.

The property tax levy rate is set in September and the dollar amount is set in November for the new calendar year. Levies are determined on the second Monday of September. All of the personal property tax and one-half of the real property tax are due on or before December 20. The remaining one-half of the real property tax is due on or before June 20, of the following year. Property taxes attach as an enforceable lien on property as of January 1, of the following year. Notice of foreclosure is filed with the County Clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year.

3. Inventory and prepaid items

Inventory is stated at average cost. Inventory for all funds consist of expendable supplies held for consumption and is recorded as expense when consumed (consumption method). Certain insurance premiums and travel advances representing costs applicable to future accounting periods are recorded as prepaid items.

4. Restricted assets

Funds set aside to meet bond reserves, debt service, and renewal and replacement requirements in the enterprise funds, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

5. Capital assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of two years. Infrastructure, water and sewer lines, wells, electrical distribution and transmission lines, and generation facility costs are summarized at year-end and recorded as summary totals for the year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated except for land, land improvements and construction in progress. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	7-50
Improvements other than buildings	5-50
Machinery and equipment	3-50
Infrastructure	25-30

A full year's depreciation is taken in the year assets are placed in service.

6. Compensated absences

a. Governmental funds:

The City reports compensated absences in accordance with the provision of GASB Interpretation No. 6 "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". The City uses the current financial resources measurement focus and the modified accrual basis of accounting. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

b. Enterprise funds:

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits in the future. The amount is based on eligible accumulated sick leave and employee wage rates at retirement.

The entire amount of compensated absences is reported as a fund liability.

The entire compensated absence liability is reported on the government-wide financial statements.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the government fund balance sheet and the government wide statement of net assets

The government fund balance sheet includes reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. The principal element of that difference is the capital assets reported as net of related debt. However, there is no debt related to the government capital assets; the \$92,745,461 represents the entire net value of the City's governmental capital assets after deducting \$53,205,851 in accumulated depreciation.

B. Explanation of certain differences between the governmental fund statements of revenues, expenditures, and changes in fund balances and government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlay

as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capitalized asset expenditures	\$ 5,476,971
Depreciation expense	<u>5,346,865</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of Governmental activities	<u>\$ 130,106</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

All governmental and proprietary fund types are required to legally adopt an annual budget.

Budgets are not adopted on a basis consistent with generally accepted accounting principles. All unencumbered appropriations lapse at year-end.

The City uses an encumbrance accounting system to provide budgetary control over City expenditures. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-budgeted and re-encumbered during the subsequent year.

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

On or before June 9 of each year, all divisions of the City submit appropriation requests to the City controller's office so that a budget may be prepared. The budget is prepared for the entire City by fund, function and activity, and includes information on the past year, current year estimates, and requested appropriation for the next fiscal year.

Prior to the fourth Thursday of August, the mayor submits to the city council a proposed budget for the fiscal year commencing October 1. The budget summary includes proposed expenditures and the means of financing them.

A public hearing is conducted to obtain citizen comments.

Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.

The budget includes the general, special revenue, capital project, and enterprise funds. The level of control (level at which expenditures, including encumbrances, should not exceed budget) is the fund. The legal level of control is the appropriation ordinance.

Any budget transfer within an individual fund by management does not require formal city council approval. State law does allow the city council to amend the original appropriation ordinance.

The City did not amend its original budget ordinance.

B. Excess of expenditures over appropriations

For the year ended September 30, 2009, expenditures exceeded appropriations in the Electric Light Public Purpose fund by \$75,723, and the Business Improvement fund by \$8,200. These over expenditures were funded by available fund balance in each of the two funds.

IV. Detailed notes on all funds

A. Cash and investments

The City maintains a cash and investment pool for use by all funds. In addition, the Airport fund and the Electric Light fund each have deposits held separately by a trustee which are classified as restricted.

1. Deposits

At September 30, 2009, the carrying amount of the City's deposits was \$79,584,172 and the respective bank balances totaled \$80,222,683. Of the bank balances, \$45,319,618 were insured or collateralized with pooled securities held by the pledging financial institution in the name of the City.

2. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The City's policy is to minimize custodial credit risk by spreading its deposits among various financial institutions in amounts that either collateralized by other investments or are less than the available insurance amount offered by the financial institutions. As of September 30, 2009, some of the City's deposits totaling \$34,903,065 were not covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were exposed to custodial credit risk. As of September 30, 2009, total deposits of \$45,319,618 were insured or collateralized by deposits held by financial institutions and deposits of \$34,903,065 were unsecured and uncollateralized.

3. Custodial Credit Risk – Investments

As of September 30, 2009, the City's investments were covered by federal depository insurance or by collateral held of the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus had no investments that were exposed to custodial credit risk.

4. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations primarily by investing in shorter-term securities, money market mutual funds, or similar investment pools.

5. Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the City's policy to limit investments to the safest types of securities and to diversify the City's investment portfolio so that potential losses on securities will be minimized. The City follows Idaho statute that outlines qualifying investment options.

6. Investments

The City's investments at September 30, 2009 are summarized below:

Investment Type	Fair Value	<u>Investment Maturities (in Years)</u>			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	\$14,565,420	\$ 249,920	\$14,300,500	\$0	\$15,000
Commercial Paper	9,489,708	9,489,708			
Total Investments	\$24,055,128	\$9,739,628	\$14,300,500	\$0	\$15,000

Reconciliation of deposits categorization:

Cash and Cash Equivalents reported on the Statement of Net Assets	\$42,172,624
Restricted Cash and Cash Equivalent	7,271,426
Investments categorized as deposits	30,140,122
Total deposits categorized	<u><u>\$79,584,172</u></u>

Reconciliation of investments categorization:

Investments reported on the Statement of Net Assets	\$54,195,250
Less investments categorized as deposits	(30,140,122)
Total investments categorized	<u><u>\$24,055,128</u></u>

7. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents at September 30, 2009 are as follows:

Electric Light Fund:

Restricted by 1991 General Obligation Electric Refunding Bonds	\$5,952,765
Restricted Security Deposits	514
Total restricted Electric Light Fund	<u><u>5,953,279</u></u>

Airport Fund:

Restricted by series 2006 Certificates of Participation	1,318,147
Total restricted Airport Fund	<u><u>1,318,147</u></u>
Total Restricted Cash and Cash Equivalents	<u><u>\$7,271,426</u></u>

B. Receivables

Receivables as of year-end for the City's major funds and nonmajor funds in the aggregate including the applicable allowance for uncollectibles accounts are as follows:

	General	Airport	Water and Sewer	Sanitation	Ambulance	Electric	Nonmajor Funds	Total
Receivables:								
Taxes	\$1,148,422						\$ 158,003	\$1,306,425
Accounts		\$28,161	\$1,244,410	\$271,743	\$1,769,629	\$5,818,974		9,132,917
Interest	78,996	9,562	112,379		1,981	298,365	74,155	575,438
Loans							1,143,785	1,143,785
Gross receivables	1,227,418	37,723	1,356,789	271,743	1,771,610	6,117,339	1,375,943	12,158,565
Less: allowance for uncollectibles			(385,314)	(84,141)	(1,074,272)	(866,122)		(2,409,849)
Net total receivables	\$1,227,418	\$37,723	\$ 971,475	\$187,602	\$ 697,338	\$5,251,217	\$1,375,943	\$9,748,716

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Property taxes – (general fund)	\$ 987,722
Property taxes – (nonmajor funds)	134,820
Total deferred revenue for governmental funds	<u>\$1,122,542</u>

C. Capital assets

Capital asset activity for the year ended September 30, 2009 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 12,898,603	\$ 1,012,637		\$ 13,911,240
Construction in progress	724,202	2,193,346	\$ (662,105)	2,255,443
Total capital assets, not being depreciated	<u>13,622,805</u>	<u>3,205,983</u>	<u>(662,105)</u>	<u>16,166,683</u>
Capital assets, being depreciated:				
Infrastructure	76,885,314	1,950,613		78,835,927
Buildings and improvements	32,388,964	1,429,760		33,818,724
Machinery and equipment	16,468,574	1,673,271	(1,011,867)	17,129,978
Total capital assets being depreciated	<u>125,742,852</u>	<u>5,053,644</u>	<u>(1,011,867)</u>	<u>129,784,629</u>
Less accumulated depreciation for:				
Infrastructure	(24,510,912)	(2,898,271)		(27,409,183)
Buildings and improvements	(13,125,198)	(1,051,918)		(14,177,116)
Machinery and equipment	(11,141,722)	(1,396,676)	918,846	(11,619,552)
Total accumulated depreciation	<u>(48,777,832)</u>	<u>(5,346,865)</u>	<u>918,846</u>	<u>(53,205,851)</u>
Total capital assets, being depreciated, net	<u>76,965,020</u>	<u>(293,221)</u>	<u>(93,021)</u>	<u>76,578,778</u>
Governmental activities capital assets, net	<u>\$ 90,587,825</u>	<u>\$ 2,912,762</u>	<u>\$ (755,126)</u>	<u>\$ 92,745,461</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 5,435,188	\$ 73,708		\$ 5,508,896
Construction in progress	13,102,512	11,138,982	\$(9,072,802)	15,168,692
Total capital assets, not being depreciated	<u>18,537,700</u>	<u>11,212,690</u>	<u>(9,072,802)</u>	<u>20,677,588</u>
Capital assets, being depreciated:				
Buildings and improvements	308,022,061	11,757,398	(799,881)	318,979,578
Machinery and equipment	23,291,934	3,009,583	(1,151,588)	25,149,929
Total capital assets being depreciated	<u>331,313,995</u>	<u>14,766,981</u>	<u>(1,951,469)</u>	<u>344,129,507</u>
Less accumulated depreciation for:				
Buildings and improvements	(141,399,154)	(9,641,778)	727,843	(150,313,089)
Machinery and equipment	(12,778,367)	(1,491,846)	1,081,727	(13,188,486)
Total accumulated depreciation	<u>(154,177,521)</u>	<u>(11,133,624)</u>	<u>1,809,570</u>	<u>(163,501,575)</u>
Total capital assets, being depreciated, net	<u>177,136,474</u>	<u>3,633,357</u>	<u>(141,899)</u>	<u>180,627,932</u>
Business-type activities capital assets, net	<u>\$195,674,174</u>	<u>\$14,846,047</u>	<u>\$(9,214,701)</u>	<u>\$201,305,520</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 385,907
Public safety	506,174
Streets	3,318,150
Culture and recreation	1,111,897
Public works	24,737
Total depreciation expense – governmental activities	<u>\$ 5,346,865</u>
Business-type activities:	
Airport	\$ 2,156,481
Water & sewer	3,155,795
Sanitation	337,882
Ambulance	98,722
Electric	5,384,744
Total depreciation expense – business-type activities	<u>\$11,133,624</u>

D. Interfund receivables, payables, and transfers

The interfund balances at September 30, 2009 are as follows:

	Interfund Receivables	Interfund Payables
General	\$3,927	
Non major funds		\$1,594
Airport		662
Water and Sewer		491
Sanitation		318
Ambulance		426
Electric Light		436
Total	<u>\$3,927</u>	<u>\$3,927</u>

All remaining balances resulted from the time lag between the dates that the reimbursable expenditures occur and payments between funds are made, which is monthly.

Summary of interfund transfers by fund is as follows:

	Transfers In	Transfers Out
Major funds:		
General	\$3,815,817	\$ 944,929
Airport	480,315	
Water and sewer		848,160
Sanitation		194,098
Electric		3,133,327
Non major funds:		
Governmental funds	4,921,517	4,097,135
	<u>\$9,217,649</u>	<u>\$9,217,649</u>

Transfers are used to (1) move revenues from the fund the statute requires to collect them in to the fund the budget requires to expend them in, and (2) move in-lieu tax payments from the water and sewer, sanitation and electric funds to the general fund.

E. Long-term debt

1. Business-type activities

General obligation bonds. The City has issued general obligation electric refunding (deferred interest) bonds to refund revenue bonds in the Electric fund. The bonds are expected to be repaid from operating revenues but are secured by general ad valorem taxes. The original amount of general obligation bonds issued in prior years was \$47,947,985. The interest rates of the outstanding bonds are between 6.95% and 7.10% and are payable in increasing installments of principal over the next eight years.

Annual debt service requirements to maturity for general obligation bonds outstanding at September 30, 2009 are as follows:

Year Ending September 30	Principal	Interest
2010	\$ 2,100,333	\$ 5,594,667
2011	1,954,972	5,725,028
2012	1,820,851	5,849,149
2013	1,693,715	5,956,285
2014	785,658	3,019,342
2015	728,860	3,056,140
Total	<u>\$ 9,084,389</u>	<u>\$29,200,611</u>

Certificates of participation. The City also issued certificates of participation for the remodeling of the airport terminal building. The airport fund pledges income derived from the acquired or constructed assets to pay the debt service. The original amount of certificates of participation notes issued in prior years was \$6,000,000. The original 2001 certificates were refunded in June, 2006. The new certificates in the amount of \$4,205,000 have a stated rate of interest of 4.550% and are payable in increasing installments of principal over the next five years.

Certificates of participation debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2010	\$ 835,000	\$ 87,133
2011	915,000	45,500
2012	1,000,000	
Total	<u>\$2,750,000</u>	<u>\$132,633</u>

Changes in long-term liabilities. The following is a summary of changes in long-term obligations of the City at September 30, 2009:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Other long-term debt					
Obligations:					
Compensated absences	<u>\$ 5,054,653</u>	<u>\$3,276,359</u>	<u>\$(3,203,307)</u>	<u>\$ 5,054,653</u>	<u>\$3,281,508</u>
Business-type activities:					
Bonds-notes payable:					
General obligation bonds:					
Electric series 1991	\$11,408,196		\$(2,323,808)	\$ 9,084,388	\$2,100,333
Electric series 1991- Zero coupon interest	27,052,009	\$2,440,781	(5,343,986)	24,148,804	5,330,860
Certificates of participation Airport series 2006	3,510,000		(760,000)	2,750,000	835,000
Total bonds payable	<u>41,970,205</u>	<u>2,440,781</u>	<u>(8,427,794)</u>	<u>35,983,192</u>	<u>8,266,193</u>
Compensated absences	<u>2,054,117</u>	<u>1,309,986</u>	<u>(1,251,651)</u>	<u>2,112,452</u>	<u>1,279,020</u>
Business-type activity Long-term liabilities	<u>\$44,024,322</u>	<u>\$3,750,767</u>	<u>\$(9,679,445)</u>	<u>\$38,095,644</u>	<u>\$9,545,213</u>

All compensated absences are liquidated by the fund in which it was incurred. The following governmental funds were used to liquidate the liability for compensated absences, general, street, recreation, library, and golf funds.

Prior-year defeasance of debt. The City has at various times entered into advance refunding transactions related to certain issues of its bonded debt. A portion of the proceeds of the refunding bond issues were placed in trust and used to purchase securities to meet all debt service requirements of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts were not included in the accompanying financial statements as the City defeased its obligations for payment of the refunded debt upon completion of the refunding transactions. At September 30, 2009, refunded bond issues and the related principal payable from escrow are as follows:

	<u>Principal Balance</u>
Bond issue:	
Business-type activities:	
1979 Electric revenue bonds	\$16,125,000

On June 8, 2006, the City issued Airport Refunding Certificates of Participation, Series 2006, in the amount of \$4,205,000 with a stated interest rate of 4.55% to currently refund and redeem Airport Certificates of Participation, Series 2001, with a principal balance of \$4,605,000 and a stated interest rate of 5.80%. Additionally, the City used proceeds from its debt reserve funds to pay the issuance costs of the new certificates, as well as an advanced principal and interest payment on the refunded certificates.

As a result of refunding the 2001 certificates, the City reduced its total debt service cash requirements by \$273,853, resulting in an economic gain (the difference between the present value of the debt service payments on the old debt versus the new debt) of \$132,072.

Bond covenants. At September 30, 2009, all significant bond covenants have been complied with.

V. Other information

A. Retirement plan

The Idaho State Legislature created the Public Employee Retirement System of Idaho (PERSI), a cost-sharing multiple-employer public retirement system. Statutes governing PERSI are Title 59, Chapter 13 and Title 50, Chapter 15 of Idaho Code. PERSI is a defined benefit plan requiring that both the member and the employer contribute. Designed as a mandatory system for eligible state employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. The benefits and obligations to contribute to the plans were established by and may be amended by the Idaho State Legislature. Financial reports for the plan are available on the PERSI web site or in print upon request.

After 5 years of credited service members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service the annual service retirement allowance is 2.0 percent (2.3 percent police/firefighter) of the average monthly salary for the highest consecutive 42 months.

As of September 30, 2009, the required contribution rate as determined by PERSI of covered payroll for the City and employees is as follows:

<u>Employee Group</u>	<u>Employer</u>	<u>Employee</u>
General	10.39%	6.23 %
Police	10.73	7.65
Fire (hired after 10-01-80)	27.97	7.65
Fire (hired before 10-01-80)	36.62	11.45

The City's contributions required and paid were \$4,698,774, \$4,388,721, \$4,154,196 for the years ended September 30, 2009, 2008 and 2007 respectively.

B. Risk management

The City is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omission, injuries to employees, and natural disasters. The City uses public entity commercial insurance contracts to transfer risk of loss to insurance providers.

Major insurance contracts at the year ended September 30, 2009 were as follows:

<u>Type of Coverage</u>	<u>Coverage Amounts</u>	<u>Deductible</u>
Property	\$129,700,000	\$ 2,500
General liability, per occurrence	500,000	0
General liability, aggregate	2,000,000	N/A
Employee benefits, liability	500,000	0
Automobile, liability	500,000	0
Automobile, comprehensive	500,000	2,500
Automobile, collision	500,000	0
Public officials	500,000	0
Law enforcement, liability	500,000	0
Boiler and machinery	20,000,000	2,500
Airport, liability	50,000,000	None
Umbrella	3,000,000	-0-
Hydro-generation facility:		
Property and boiler and machinery	100,000,000	250,000

Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There has not been a significant reduction in insurance coverage in the past fiscal year.

C. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

D. Postretirement health care benefits

The City makes available postretirement health insurance in accordance with a City resolution to City employees who retire under PERSI from the City before attaining age 65.

Currently, the City pays \$100 toward each retiree's monthly insurance premium. The retiree pays the balance and all future increases until the retiree reaches age 65 or at the expiration of ten years from the date of retirement, whichever comes first. The City Council may decrease or increase premium contributions of future retirees. However, in no event shall the City decrease the City's premium contribution below the contribution in effect at the time the employee retires.

There were 28 retirees who met the eligibility requirements and participated in the insurance program. Expenditures for post retirement health insurance are recognized on a pay-as-you-go basis. During the year, expenditures of \$29,200 were recognized for postretirement health insurance. Projected future insurance costs for the current retirees are \$105,000.

The City also contributes to the retiree's monthly insurance premium with a subsidy of 1.68% of total active employee's insurance premium. During the year this subsidy amounted to \$104,180. The City Council may decrease or increase this premium contribution at any time.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially-determined amounts regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations are based on the types of benefits provided under the terms of the plan and on the pattern of shared costs between the employer and plan members, at the time of each valuation. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions are as follows:

Valuation date	July 1, 2007
Actuarial cost method	Projected Unit Credit (PUC)
Amortization method	Rolling 30-year, level % of pay
Amortization period	30 years
Discount rate	5.00%
Health care cost trend rates - medical:	There is no trend on the \$100 per retiree per month benefit. There is no trend on the 1.68% subsidy benefit until fiscal year 2012 of 0.30% due to the two year rate guarantee. Fiscal year 2013 is 6.5% grading down by 0.50% each year until reaching 5.00%.
Growth in membership	0.00%
Mortality	Basis - RP-2000 Combined Mortality Tables
Probability of enrollment upon retirement	85% Electric 10% Non Electric
Salary increase	4.50%

The table below summarizes the City's annual cost, expected contributions to the plan, and changes in the net OPEB obligation for fiscal year ended September 30, 2009. These calculations are based on the Actuarial Valuation Date of July 1, 2007:

Annual Required Contribution	\$ 153,615
Interest on net OPEB obligation	528
Adjustment to Annual Required Contribution	<u>(378)</u>
Annual OPEB Cost (Expense)	153,765
Actual contribution (employer-paid benefits)	<u>(133,380)</u>
Increase in net OPEB obligation	20,385
Net OPEB Obligation – Beginning of Year	<u>10,553</u>
Net OPEB Obligation – End of Year	<u>\$ 30,938</u>

Schedule of funding progress follows:

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll		UAAL As a Percentage of Covered Payroll
					Electric	Non-Electric	
July 1, 2007	\$ -	\$1,737,696	\$1,737,696	0%	\$4,395,392	\$24,513,816	6%

Schedule of three year trend information follows:

Fiscal Year Ending	Annual OPEB Expense (AOE)	Actual Contributions		Actual Contributions as a Percentage of AOE*	Net OPEB Obligation/ (Asset) at End of Year **
		Electric	Non-Electric		
September 30, 2007	NA	NA	NA	NA	NA
September 30, 2008	\$152,556	\$11,980	\$130,023	93%	\$10,553
September 30, 2009	153,765	13,421	119,959	87%	30,938

* Equals actual incurred claims plus administration less retiree contributions as a percentage of AOE.

** Equals prior year Net OPEB obligation plus current year AOE less actual current year contributions.

E. Idaho Falls Redevelopment Agency

1. Reporting entity

The component unit column in the combined financial statements includes the financial data of the Idaho Falls Redevelopment Agency (Agency), the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City in accordance with state urban renewal law. The Agency has authority to construct public improvements including the acquisition of public right-of-way within the blighted area legally designated as the redevelopment district. The Mayor appoints the seven-member governing board. The Agency derives its funding from tax increment financing.

2. Summary of significant accounting policies

The Agency uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

3. Deposits and investments

At September 30, 2009, the carrying amount of the Agency's deposits was \$809,904 and the respective bank balances totaled \$809,904. Of the bank balances, \$723,339 was insured or collateralized with pooled securities held by the pledging financial institutions in the name of the Agency.

The Agency has elected to invest in the State Investment Pool through the Idaho State Treasurer. The value of the Agency's investments was \$1,484,503. The Agency's investments were covered by collateral held by the pledging financial institution's trust department or agent in the name of the Agency, and thus had no investments that were exposed to custodial credit risk.

4. Capital assets

The Agency has no capital assets. All such assets are donated to the City of Idaho Falls.

5. Long-term debt

The Agency issued \$1,500,000 in parity lien limited recourse promissory notes, Series 2004 on May 4, 2004. The notes are payable only from tax increment revenues. The note matured on March 1, 2009 and final payment was made, the interest rate was 4.2%.

The Agency signed a \$4,042,000 Participant Limited Recourse Promissory Note, Series 2004 on November 15, 2004. The note matures on December 31, 2018, and the interest rate is 5.0%.

The Agency signed a \$600,000 Limited Recourse Promissory Note, Series 2006A on April 12, 2006. The note matures on December 31, 2018, and the interest rate is 6.0%. The note was paid off and retired during the current fiscal year.

The Agency signed a \$6,906,310 Participant Limited Recourse Promissory Note, Series 2008 on July 17, 2008. The note matures on December 31, 2029, and the interest rate is 6.25%. On January 16, 2009 the Agency approved an amendment and restatement of this note to include an additional \$1,946,292 for a total note balance of \$8,812,602. All other terms remained the same.

The Agency signed a \$99,482 Limited Recourse Promissory Note, Series 2008A on December 18, 2008. The note matures on December 31, 2019, and the interest rate is 6.25%

The Agency signed a \$200,000 Limited Recourse Promissory Note, Series 2009 on July 16, 2009. The note matures on December 31, 2018, and the interest rate is 6.00%

The above notes are not callable, unless in default, and are not subject to prepayment penalty if redeemed. The Agency has agreed to pay the note holder 75% of the tax increment monies which the Agency receives after deductions for the school credit, as set forth in the law, commencing upon receipt of tax increment monies received from the sites (as defined in the OPA's) until the principal is retired, whichever occurs first. The Agency's obligation to the note holders shall only be to pay above-described percentages or the amount of tax increment monies received by the Agency, notwithstanding said amount may be reduced, curtailed, or limited in any way, and there shall be no compounding of interest or amounts added to the principal in the event the tax increment monies are reduced, curtailed or limited in any way.

Because the tax increment monies to be received subsequent to this contract cannot be reasonably estimated, debt service requirements through the next five years have not been disclosed.

6. Changes in long-term debt

A summary of the changes in long-term obligations of the Agency at September 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Parity lien limited recourse promissory notes series 2004	\$ 475,000		\$(475,000)	
Promissory note 2004	3,886,363		(179,955)	\$ 3,706,408
Promissory note 2006A	163,883		(163,883)	
Promissory note 2008	6,866,310	\$1,946,292		8,812,602
Promissory note 2008A		99,482	(41,647)	57,835
Promissory note 2009		200,000	(57,892)	142,108
Total bonds/notes payable	<u>\$11,391,556</u>	<u>\$2,245,774</u>	<u>\$(918,377)</u>	<u>\$12,718,953</u>

All significant bond covenants have been complied with.

7. Budget

The Agency was not required to submit a budget for the period ended September 30, 2009, for the debt service reserve fund. The Agency did prepare a budget for the special revenue and capital projects funds.

F. Budgetary basis of accounting

While the City reports financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budget, however, is based upon accounting for certain transactions on a modified basis of accounting. The Statement of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Basis – Budget and Actual, presented for each major governmental fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The following table summarizes the adjustment necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

<u>Net Change in Fund Balance General Fund</u>	
GAAP basis	\$ 1,748,335
Timing differences-budget versus accrual reporting	(13,033)
Budget basis	<u>\$ 1,735,302</u>

G. Commitments

The City has several active construction projects as of September 30, 2009. The projects include developing a master plan for the airport, upgrading a water pump station, street and bridge engineering and reconstruction, new well site engineering, replacing old sections of water and sewer line, an addition to the hockey shelter, and phase 1 on the Ryder Park urban fishery. At year-end the City's commitments with contractors are as follows:

<u>Projects</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
Hockey shelter addition	\$ 8,320	\$1,721,680
Airport master plan	127,117	207,883
Ryder Park phase 1	15,054	161,341
Sewer and water improvements	1,780,493	2,690,517
Street and bridge improvements	2,408,141	1,918,939
Total	<u>\$4,339,125</u>	<u>\$6,700,360</u>

The airport master plan is being financed 95% by the Federal Aviation Administration and 5% by the airport. The addition to the hockey shelter will be funded by charges for services, fund balance, and a grant of \$300,000 from the hockey association. All the other projects are being financed by charges for services and fund balances.

The City has entered into the following agreements for power:

Bonneville Power Administration (BPA) – Effective October 1, 2001, the City entered into a Block and Slice Power Sales Agreement with the BPA. The provisions of this agreement establishes the terms under which the City is committed to purchase power for a period of ten years. The Power Sales Agreement specifies that BPA rates are variable and includes provisions for various adjustments depending on actual load and BPA costs. In addition, the Slice portion of the agreement includes a true up provision that allows BPA to recover Slice costs not previously recovered during the fiscal year. BPA assesses this true up on an annual basis subsequent to year-end. The true up is paid, or refunded if a credit, in installments during the next fiscal year. The Slice portion of the agreement commits the City to purchase a certain percentage of BPA generation and may result in surplus power that the City intends to sell on the open market.

Bulb Turbine Project – Effective October 1, 2006, the City entered into a 5-year power sales agreement to sell the entire output of the bulb turbine project to BPA. The rate is based on an energy market index with a cap and a floor. For the year ended September 30, 2009 and 2008, the City's power sales to BPA under this agreement were \$3,588,019 and \$4,346,833 respectively.

Gem State Project – The City has entered into a power sales contract and ground lease agreement with PacifiCorp, formerly Utah Power and Light Company. Under the power sales contract, PacifiCorp is entitled to a maximum of 39% of the energy to be produced from the gem state project through 2023. PacifiCorp is required to pay annual amounts equal to its entitlement percentage rate times (1) the variable costs of operating and maintaining the gem state project and (2) the agreed-upon fixed capital cost, plus (3) 5% of the amounts set forth in (1) and (2). For the year ended September 30, 2009 and 2008, PacifiCorp payments under this agreement were \$2,712,080 and \$2,728,070, respectively. The City may, with three years notice, reduce the PacifiCorp entitlement to 25%.

Utah Associated Municipal Power Systems (UAMPS) – Effective October 1, 1996, the City entered into a contract with UAMPS whereby the City agreed to purchase any additional energy requirements not met by BPA and gem state from UAMPS or other sources. Planned purchases and sales to and from UAMPS are based on either market price at MONA or the cost of the

resource. Unplanned purchases and sales to and from UAMPS are based on the market price at MONA. For the years ended September 30, 2009 and 2008, power purchases from UAMPS were \$5,879,577 and \$2,393,767, respectively. The contract also allows for the City to sell surplus energy to UAMPS. For the year ended September 30, 2009 and 2008, power sales to UAMPS were \$1,555,409 and \$3,048,572, respectively.

Idaho Energy Authority (IDEA) – Effective October 1, 2001, the City entered into a transmission services agreement with IDEA. IDEA is a nonprofit organization consisting of public power utilities located in the states of Idaho, Wyoming, Utah, and Washington. IDEA contracts with BPA for transmission to deliver BPA energy to IDEA Member loads. The City contracts with IDEA for transmission services to deliver BPA energy to the City’s load.

Horse Butte Wind Project – Horse Butte Wind Project is a proposed 100MW wind project east of the City of Idaho Falls. The Electric fund is investigating participation in the construction of the wind project through its membership in UAMPS. The city council authorized participation in the development phase at a 2.037MW. The project is expected to move to the construction phase in 2010.

Litigation – The City is subject to legal proceedings and claims that arise in the ordinary course of business. In the opinion of the City’s management, the ultimate liability with respect to these proceedings and claims will not have a material adverse effect on the City’s financial position.

H. Restatements and reclassifications

The City has restated the beginning net assets in the Statement of Activities for the governmental activities to reflect assets not included in the City’s September 30, 2008 Statement of Net Assets.

	Governmental Activities
Net assets-September 30, 2008	<u>\$118,743,876</u>
Capital assets-net	211,372
Restated net assets-October 1, 2008	<u>\$118,955,248</u>

Certain September 30, 2008 amounts have been reclassified to conform to the September 30, 2009 presentation.

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**COMBINING STATEMENTS
(NONMAJOR GOVERNMENTAL FUNDS)**

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COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes.

Street Fund – to account for the operation of the street maintenance department. Financing is provided by state gasoline taxes and state revenue sharing. State law requires that gasoline tax revenue be used to maintain roads and streets.

Recreation Fund – to account for the operation of City-run recreation programs. Property taxes and user fees provide financing. The City restricts these revenues to finance recreation programs.

Library Fund – to account for the operation of the Public Library. Financing is provided principally through property taxes, which are restricted for library operations.

Airport Passenger Facility Charge Fund – to account for the accumulation of cash, which is set aside to purchase specific assets or pay debt service in the airport Fund.

Golf Fund – to account for the operation of the three public owned golf courses; Pinecrest, Sandcreek, and Sage Lakes. User fees provide financing. The City restricts these revenues to finance golf maintenance and operations.

Municipal Equipment Replacement (MERF) Fund – to account for the accumulation of cash which is set aside to purchase equipment at some future date.

Electric Light Public Purpose Fund – to account for the accumulation of cash which is set aside for the specific purpose of conserving electrical energy.

Business Improvement District Fund – to account for the accumulation of cash which is set aside for specific purposes of the business improvement district.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Sanitary Sewer Capital Improvement Fund – to account for the capital improvements of sanitary treatment facilities and extensions to the sanitary sewer system. Revenues are derived from sewer connection fees and sewer main charges.

Municipal Capital Improvement Fund – to account for the acquisition and construction of capital assets (including infrastructure). Revenues are derived from property taxes.

Street Capital Improvement Fund – to account for funds received from the State of Idaho which are held for large future street projects.

Bridge and Arterial Street Fund – to account for the construction of bridges and parts of streets which are the responsibility of the City. Revenues are derived from the payment of bridge and arterial street fees.

Water Capital Improvement Fund – to account for the capital construction of water main extensions and well development. Revenues are derived from the payment of water main connection and development fees.

Surface Drainage Fund – to account for the design, development and construction of drainage interceptors, treatment and/or disposal facilities. Revenues are derived from developer fees.

Traffic Light Capital Improvement Fund – to account for the design and construction of traffic lights. Revenues are derived from in-lieu-of tax payments from the Electric Light Fund.

**City of Idaho Falls
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2009**

	Special Revenue		
	Street	Recreation	Library
ASSETS			
Cash and cash equivalents	\$ 231,039	\$ 376,927	\$ 1,055,668
Investments	-	-	300,000
Taxes receivable	-	23,360	83,762
Interest receivable	184	68	1,764
Loans receivable	-	-	-
Due from other governments	725,551	-	21,782
Total assets	\$ 956,774	\$ 400,355	\$ 1,462,976
LIABILITIES			
Liabilities:			
Accounts payable	\$ 59,644	\$ 3,685	\$ 23,020
Contracts payable	10,000	-	-
Accrued wages	54,130	27,451	56,974
Due to other funds	235	491	731
Deferred revenues	-	20,095	72,055
Total liabilities	124,009	51,722	152,780
FUND BALANCES			
Reserved for loans	-	-	-
Reserved for encumbrances	35,286	455	211,165
Unreserved, designated			
Aquatic Center capital improvements	-	124,465	-
Ice rink capital improvements	-	10,813	-
Unreserved, undesignated	797,479	212,900	1,099,031
Total fund balances	832,765	348,633	1,310,196
Total liabilities and fund balances	\$ 956,774	\$ 400,355	\$ 1,462,976

Special Revenue

Airport Passenger Facility	MERF	Electric Light Public Purpose	Business Improvement District	Golf	Total
\$ -	\$ 2,468,841	\$ 454,661	\$ 53,813	\$ 318,005	\$ 4,958,954
-	3,126,011	550,000	-	-	3,976,011
-	-	-	-	-	107,122
-	53,384	3,780	-	-	59,180
-	-	1,143,785	-	-	1,143,785
-	-	-	-	-	747,333
\$ -	\$ 5,648,236	\$ 2,152,226	\$ 53,813	\$ 318,005	\$ 10,992,385
\$ -	\$ 15,780	\$ 36,340	\$ -	\$ 67,154	\$ 205,623
-	-	-	-	-	10,000
-	-	-	-	40,946	179,501
-	-	-	-	137	1,594
-	-	-	-	-	92,150
-	15,780	36,340	-	108,237	488,868
-	-	1,143,785	-	-	1,143,785
-	272,106	-	-	15,392	534,404
-	-	-	-	-	124,465
-	-	-	-	-	10,813
-	5,360,350	972,101	53,813	194,376	8,690,050
-	5,632,456	2,115,886	53,813	209,768	10,503,517
\$ -	\$ 5,648,236	\$ 2,152,226	\$ 53,813	\$ 318,005	\$ 10,992,385

City of Idaho Falls
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2009

	Capital Projects			
	Sanitary Sewer Capital Improvement	Municipal Capital Improvement	Street Capital Improvement	Bridge and Arterial Street
ASSETS				
Cash and cash equivalents	\$ 88,327	\$ 542,255	\$ 1,949,100	\$ 1,281,263
Investments	-	1,047,000	-	450,000
Taxes receivable	-	50,881	-	-
Interest receivable	-	10,084	-	4,452
Loans receivable	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 88,327</u>	<u>\$ 1,650,220</u>	<u>\$ 1,949,100</u>	<u>\$ 1,735,715</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ -	\$ 25,040	\$ 777,919	\$ 11,863
Contracts payable	-	-	-	-
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	42,670	-	-
Total liabilities	<u>-</u>	<u>67,710</u>	<u>777,919</u>	<u>11,863</u>
FUND BALANCES				
Reserved for loans	-	-	-	-
Reserved for encumbrances	-	426,312	1,043,793	374,637
Unreserved, designated				
Aquatic Center capital improvements	-	-	-	-
Ice rink capital improvements	-	-	-	-
Unreserved, undesignated	88,327	1,156,198	127,388	1,349,215
Total fund balances	<u>88,327</u>	<u>1,582,510</u>	<u>1,171,181</u>	<u>1,723,852</u>
Total liabilities and fund balances	<u>\$ 88,327</u>	<u>\$ 1,650,220</u>	<u>\$ 1,949,100</u>	<u>\$ 1,735,715</u>

Capital Projects

Water Capital Improvement	Surface Drainage	Traffic Light Capital Improvement	Total	Total Nonmajor Governmental Funds
\$ 755,529	\$ 91,764	\$ 844,243	\$ 5,552,481	\$ 10,511,435
49,000	-	-	1,546,000	5,522,011
-	-	-	50,881	158,003
206	-	233	14,975	74,155
-	-	-	-	1,143,785
-	-	-	-	747,333
\$ 804,735	\$ 91,764	\$ 844,476	\$ 7,164,337	\$ 18,156,722
\$ 7,171	\$ 15,828	\$ 120,643	\$ 958,464	\$ 1,164,087
-	-	-	-	10,000
-	-	-	-	179,501
-	-	-	-	1,594
-	-	-	42,670	134,820
7,171	15,828	120,643	1,001,134	1,490,002
-	-	-	-	1,143,785
129,900	14,549	43,510	2,032,701	2,567,105
-	-	-	-	124,465
-	-	-	-	10,813
667,664	61,387	680,323	4,130,502	12,820,552
797,564	75,936	723,833	6,163,203	16,666,720
\$ 804,735	\$ 91,764	\$ 844,476	\$ 7,164,337	\$ 18,156,722

City of Idaho Falls
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	<u>Special Revenue</u>		
	<u>Street</u>	<u>Recreation</u>	<u>Library</u>
REVENUES			
Taxes	\$ -	\$ 461,364	\$ 1,654,266
Intergovernmental	2,856,325	-	636,444
Charges for services	-	718,385	11,153
Fines	-	-	95,586
Interest	5,930	1,937	9,912
Miscellaneous	11,109	30,521	80,242
Total revenues	<u>2,873,364</u>	<u>1,212,207</u>	<u>2,487,603</u>
EXPENDITURES			
Current:			
General government	-	-	-
Streets	3,208,216	-	-
Culture & recreation	-	1,209,492	2,467,410
Capital outlay	-	-	-
Total expenditures	<u>3,208,216</u>	<u>1,209,492</u>	<u>2,467,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(334,852)</u>	<u>2,715</u>	<u>20,193</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(410,620)	(5,520)	(1,800)
Total other financing sources and (uses)	<u>(410,620)</u>	<u>(5,520)</u>	<u>(1,800)</u>
Net change in fund balances	(745,472)	(2,805)	18,393
Fund balances - beginning	<u>1,578,237</u>	<u>351,438</u>	<u>1,291,803</u>
Fund balances - ending	<u>\$ 832,765</u>	<u>\$ 348,633</u>	<u>\$ 1,310,196</u>

Special Revenue						
Airport Passenger Facility	MERF	Electric Light Public Purpose	Business Improvement District	Golf	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,115,630
-	-	-	-	-	-	3,492,769
480,315	-	-	-	1,611,075	-	2,820,928
-	-	-	-	-	-	95,586
-	76,133	14,521	-	435	-	108,868
-	-	646,620	49,205	1,585	-	819,282
480,315	76,133	661,141	49,205	1,613,095	-	9,453,063
-	-	625,723	65,600	-	-	691,323
-	-	-	-	-	-	3,208,216
-	-	-	-	1,491,737	-	5,168,639
-	1,267,650	-	-	-	-	1,267,650
-	1,267,650	625,723	65,600	1,491,737	-	10,335,828
480,315	(1,191,517)	35,418	(16,395)	121,358	-	(882,765)
-	1,561,749	-	-	-	-	1,561,749
(480,315)	-	-	-	(198,880)	-	(1,097,135)
(480,315)	1,561,749	-	-	(198,880)	-	464,614
-	370,232	35,418	(16,395)	(77,522)	-	(418,151)
-	5,262,224	2,080,468	70,208	287,290	-	10,921,668
\$ -	\$ 5,632,456	\$ 2,115,886	\$ 53,813	\$ 209,768	\$ -	10,503,517

City of Idaho Falls
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Capital Projects			
	Sanitary Sewer Capital Improvement	Municipal Capital Improvement	Street Capital Improvement	Bridge and Arterial Street
REVENUES				
Taxes	\$ -	\$ 1,152,331	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	102,156	-	-	147,495
Fines	-	-	-	-
Interest	-	39,993	-	15,702
Miscellaneous	-	-	-	-
Total revenues	<u>102,156</u>	<u>1,192,324</u>	<u>-</u>	<u>163,197</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Streets	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlay	17,898	525,807	1,831,073	70,863
Total expenditures	<u>17,898</u>	<u>525,807</u>	<u>1,831,073</u>	<u>70,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>84,258</u>	<u>666,517</u>	<u>(1,831,073)</u>	<u>92,334</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,000,000	-
Transfers out	-	(3,000,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(3,000,000)</u>	<u>3,000,000</u>	<u>-</u>
Net change in fund balances	84,258	(2,333,483)	1,168,927	92,334
Fund balances - beginning	<u>4,069</u>	<u>3,915,993</u>	<u>2,254</u>	<u>1,631,518</u>
Fund balances - ending	<u>\$ 88,327</u>	<u>\$ 1,582,510</u>	<u>\$ 1,171,181</u>	<u>\$ 1,723,852</u>

Capital Projects				
Water Capital Improvement	Surface Drainage	Traffic Light Capital Improvement	Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,152,331	\$ 3,267,961
-	-	-	-	3,492,769
241,635	23,083	-	514,369	3,335,297
-	-	-	-	95,586
5,518	-	6,931	68,144	177,012
-	-	-	-	819,282
247,153	23,083	6,931	1,734,844	11,187,907
-	-	-	-	691,323
-	-	-	-	3,208,216
-	-	-	-	5,168,639
344,630	34,825	614,358	3,439,454	4,707,104
344,630	34,825	614,358	3,439,454	13,775,282
(97,477)	(11,742)	(607,427)	(1,704,610)	(2,587,375)
-	-	359,768	3,359,768	4,921,517
-	-	-	(3,000,000)	(4,097,135)
-	-	359,768	359,768	824,382
(97,477)	(11,742)	(247,659)	(1,344,842)	(1,762,993)
895,041	87,678	971,492	7,508,045	18,429,713
\$ 797,564	\$ 75,936	\$ 723,833	\$ 6,163,203	\$ 16,666,720

City of Idaho Falls, Idaho
Street Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Highway users' apportionment	\$ 1,930,871	\$ 1,849,959	\$ (80,912)
Revenue sharing	1,127,738	1,053,124	(74,614)
Interest	10,000	5,930	(4,070)
Miscellaneous	-	11,109	11,109
Total revenues	<u>3,068,609</u>	<u>2,920,122</u>	<u>(148,487)</u>
EXPENDITURES			
Streets	<u>3,781,295</u>	<u>3,206,783</u>	<u>574,512</u>
Excess of revenues over (under) expenditures	<u>(712,686)</u>	<u>(286,661)</u>	<u>426,025</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>(404,700)</u>	<u>(410,620)</u>	<u>(5,920)</u>
Total other financing sources (uses)	<u>(404,700)</u>	<u>(410,620)</u>	<u>(5,920)</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(1,117,386)</u>	<u>(697,281)</u>	<u>420,105</u>
Fund balances - beginning	<u>565,279</u>	<u>565,279</u>	<u>-</u>
Fund balances - ending	<u>\$ (552,107)</u>	<u>\$ (132,002)</u>	<u>\$ 420,105</u>

City of Idaho Falls, Idaho
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 463,931	\$ 444,788	\$ (19,143)
Charges for services	744,450	718,386	(26,064)
Interest	2,000	1,937	(63)
Miscellaneous	39,200	30,521	(8,679)
Total revenues	<u>1,249,581</u>	<u>1,195,632</u>	<u>(53,949)</u>
EXPENDITURES			
Recreation	<u>1,234,266</u>	<u>1,209,073</u>	<u>25,193</u>
Excess of revenues over (under) expenditures	<u>15,315</u>	<u>(13,441)</u>	<u>(28,756)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>(6,000)</u>	<u>(5,520)</u>	<u>480</u>
Total other financing sources (uses)	<u>(6,000)</u>	<u>(5,520)</u>	<u>480</u>
Excess of revenues and other financing sources over (under) expenditures and uses	9,315	(18,961)	(28,276)
Fund balances - beginning	<u>351,346</u>	<u>351,346</u>	<u>-</u>
Fund balances - ending	<u>\$ 360,661</u>	<u>\$ 332,385</u>	<u>\$ (28,276)</u>

City of Idaho Falls, Idaho
Library Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 1,663,466	\$ 1,658,814	\$ (4,652)
Intergovernmental	648,565	638,564	(10,001)
Charges for services	14,000	11,153	(2,847)
Fines	73,000	95,587	22,587
Interest	25,000	9,912	(15,088)
Miscellaneous	168,000	80,242	(87,758)
Total revenues	<u>2,592,031</u>	<u>2,494,272</u>	<u>(97,759)</u>
EXPENDITURES			
Culture	<u>3,057,376</u>	<u>2,466,783</u>	<u>590,593</u>
Excess of revenues over (under) expenditures	<u>(465,345)</u>	<u>27,489</u>	<u>492,834</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(1,800)	(1,800)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(465,345)</u>	<u>25,689</u>	<u>491,034</u>
Fund balances - beginning	<u>1,194,248</u>	<u>1,194,248</u>	<u>-</u>
Fund balances - ending	<u>\$ 728,903</u>	<u>\$ 1,219,937</u>	<u>\$ 491,034</u>

City of Idaho Falls, Idaho
Airport Passenger Facility Charge Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services	\$ 625,000	\$ 480,315	\$ (144,685)
Total revenues	<u>625,000</u>	<u>480,315</u>	<u>(144,685)</u>
EXPENDITURES			
	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(625,000)	(480,315)	144,685
Total other financing sources (uses)	<u>(625,000)</u>	<u>(480,315)</u>	<u>144,685</u>
Excess of revenues and other financing sources over (under) expenditures and uses	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Idaho Falls, Idaho
MERF Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Interest	\$ 200,000	\$ 130,431	\$ (69,569)
Total revenues	<u>200,000</u>	<u>130,431</u>	<u>(69,569)</u>
EXPENDITURES			
Capital outlay	<u>2,242,952</u>	<u>1,267,650</u>	<u>975,302</u>
Excess of revenues over (under) expenditures	<u>(2,042,952)</u>	<u>(1,137,219)</u>	<u>905,733</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,470,100	1,561,749	91,649
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,470,100</u>	<u>1,561,749</u>	<u>91,649</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(572,852)</u>	<u>424,530</u>	<u>997,382</u>
Fund balances - beginning	<u>7,490,698</u>	<u>7,490,698</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 6,917,846</u></u>	<u><u>\$ 7,915,228</u></u>	<u><u>\$ 997,382</u></u>

City of Idaho Falls, Idaho
Electric Light Public Purpose Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Interest	\$ 15,000	\$ 14,521	\$ (479)
Miscellaneous	535,000	608,491	73,491
Total revenues	<u>550,000</u>	<u>623,012</u>	<u>73,012</u>
EXPENDITURES			
General government	<u>550,000</u>	<u>625,723</u>	<u>(75,723)</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(2,711)</u>	<u>(2,711)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	-	(2,711)	(2,711)
Fund balances - beginning	<u>2,043,859</u>	<u>2,043,859</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,043,859</u>	<u>\$ 2,041,148</u>	<u>\$ (2,711)</u>

City of Idaho Falls, Idaho
Business Improvement District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Miscellaneous	\$ 58,700	\$ 49,205	\$ (9,495)
Total revenues	<u>58,700</u>	<u>49,205</u>	<u>(9,495)</u>
EXPENDITURES			
General government	<u>57,400</u>	<u>65,600</u>	<u>(8,200)</u>
Excess of revenues over (under) expenditures	<u>1,300</u>	<u>(16,395)</u>	<u>(17,695)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	1,300	(16,395)	(17,695)
Fund balances - beginning	<u>71,078</u>	<u>71,078</u>	<u>-</u>
Fund balances - ending	<u>\$ 72,378</u>	<u>\$ 54,683</u>	<u>\$ (17,695)</u>

City of Idaho Falls, Idaho
 Golf Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Non-GAAP Basis - Budget and Actual
 For The Year Ended September 30, 2009

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ 1,850,600	\$ 1,611,075	\$ (239,525)
Interest	-	435	435
Miscellaneous	-	1,585	1,585
Total revenues	<u>1,850,600</u>	<u>1,613,095</u>	<u>(237,505)</u>
EXPENDITURES			
Recreation	<u>1,677,586</u>	<u>1,491,048</u>	<u>186,538</u>
Excess of revenues over (under) expenditures	<u>173,014</u>	<u>122,047</u>	<u>(50,967)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>(191,300)</u>	<u>(198,880)</u>	<u>(7,580)</u>
Total other financing sources (uses)	<u>(191,300)</u>	<u>(198,880)</u>	<u>(7,580)</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(18,286)	(76,833)	(58,547)
Fund balances - beginning	<u>287,290</u>	<u>287,290</u>	<u>-</u>
Fund balances - ending	<u>\$ 269,004</u>	<u>\$ 210,457</u>	<u>\$ (58,547)</u>

City of Idaho Falls, Idaho
Sanitary Sewer Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services	\$ 243,750	\$ 102,156	\$ (141,594)
Interest	-	-	-
Total revenues	<u>243,750</u>	<u>102,156</u>	<u>(141,594)</u>
EXPENDITURES			
Capital outlay	<u>20,000</u>	<u>17,898</u>	<u>2,102</u>
Excess of revenues over (under) expenditures	<u>223,750</u>	<u>84,258</u>	<u>(139,492)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	223,750	84,258	(139,492)
Fund balances - beginning	<u>(156,769)</u>	<u>(156,769)</u>	<u>-</u>
Fund balances - ending	<u>\$ 66,981</u>	<u>\$ (72,511)</u>	<u>\$ (139,492)</u>

City of Idaho Falls, Idaho
Municipal Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 1,166,599	\$ 1,185,897	\$ 19,298
Interest	25,000	39,993	14,993
Total revenues	<u>1,191,599</u>	<u>1,225,890</u>	<u>34,291</u>
EXPENDITURES			
Capital outlay	<u>1,880,000</u>	<u>525,807</u>	<u>1,354,193</u>
Excess of revenues over (under) expenditures	<u>(688,401)</u>	<u>700,083</u>	<u>1,388,484</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>(3,000,000)</u>	<u>3,000,000</u>
Total other financing sources (uses)	<u>-</u>	<u>(3,000,000)</u>	<u>3,000,000</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(688,401)	(2,299,917)	(1,611,516)
Fund balances - beginning	<u>3,964,508</u>	<u>3,964,508</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,276,107</u>	<u>\$ 1,664,591</u>	<u>\$ (1,611,516)</u>

City of Idaho Falls, Idaho
Street Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services	\$ -	\$ -	\$ -
Interest	1,000	-	(1,000)
Total revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
EXPENDITURES			
Capital outlay	<u>2,017,545</u>	<u>1,831,073</u>	<u>186,472</u>
Excess of revenues over (under) expenditures	<u>(2,016,545)</u>	<u>(1,831,073)</u>	<u>185,472</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,000,000	(3,000,000)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>3,000,000</u>	<u>(3,000,000)</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(2,016,545)</u>	<u>1,168,927</u>	<u>(5,814,528)</u>
Fund balances - beginning	<u>(86,026)</u>	<u>(86,026)</u>	<u>-</u>
Fund balances - ending	<u>\$ (2,102,571)</u>	<u>\$ 1,082,901</u>	<u>\$ (5,814,528)</u>

City of Idaho Falls, Idaho
Bridge and Arterial Street Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services	\$ 250,000	\$ 147,495	\$ (102,505)
Interest	10,000	15,702	5,702
Total revenues	<u>260,000</u>	<u>163,197</u>	<u>(96,803)</u>
EXPENDITURES			
Capital outlay	<u>1,500,000</u>	<u>70,863</u>	<u>1,429,137</u>
Excess of revenues over (under) expenditures	<u>(1,240,000)</u>	<u>92,334</u>	<u>1,332,334</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(1,240,000)</u>	<u>92,334</u>	<u>1,332,334</u>
Fund balances - beginning	<u>1,611,285</u>	<u>1,611,285</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 371,285</u></u>	<u><u>\$ 1,703,619</u></u>	<u><u>\$ 1,332,334</u></u>

City of Idaho Falls, Idaho
Water Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services	\$ 278,750	\$ 241,635	\$ (37,115)
Interest	10,000	5,518	(4,482)
Total revenues	<u>288,750</u>	<u>247,153</u>	<u>(41,597)</u>
EXPENDITURES			
Capital outlay	<u>746,719</u>	<u>344,630</u>	<u>402,089</u>
Excess of revenues over (under) expenditures	<u>(457,969)</u>	<u>(97,477)</u>	<u>360,492</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(457,969)</u>	<u>(97,477)</u>	<u>360,492</u>
Fund balances - beginning	<u>681,785</u>	<u>681,785</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 223,816</u></u>	<u><u>\$ 584,308</u></u>	<u><u>\$ 360,492</u></u>

City of Idaho Falls, Idaho
Surface Drainage Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services	\$ 50,000	\$ 23,083	\$ (26,917)
Interest	2,000	-	(2,000)
Total revenues	<u>52,000</u>	<u>23,083</u>	<u>(28,917)</u>
EXPENDITURES			
Capital outlay	<u>78,456</u>	<u>34,825</u>	<u>43,631</u>
Excess of revenues over (under) expenditures	<u>(26,456)</u>	<u>(11,742)</u>	<u>14,714</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(26,456)</u>	<u>(11,742)</u>	<u>14,714</u>
Fund balances - beginning	<u>57,760</u>	<u>57,760</u>	<u>-</u>
Fund balances - ending	<u>\$ 31,304</u>	<u>\$ 46,018</u>	<u>\$ 14,714</u>

City of Idaho Falls, Idaho
Traffic Light Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Interest	\$ 10,000	\$ 6,931	\$ (3,069)
Total revenues	<u>10,000</u>	<u>6,931</u>	<u>(3,069)</u>
EXPENDITURES			
Capital Outlay	<u>1,100,000</u>	<u>614,358</u>	<u>485,642</u>
Excess of revenues over (under) expenditures	<u>(1,090,000)</u>	<u>(607,427)</u>	<u>482,573</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	359,768	359,768	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>359,768</u>	<u>359,768</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(730,232)</u>	<u>(247,659)</u>	<u>482,573</u>
Fund balances - beginning	<u>965,050</u>	<u>965,050</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 234,818</u></u>	<u><u>\$ 717,391</u></u>	<u><u>\$ 482,573</u></u>

STATISTICAL SECTION

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Statistical Section Divider

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

	Page No.
Financial Trend Information	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	83-88
Revenue Capacity Information	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	89-93
Debt Capacity Information	
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.	94-98
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities taking place.	99-100
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	101-103

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002: schedules presenting government-wide information include information beginning in that year.

City of Idaho Falls, Idaho

Net Assets by Component

Last Eight Fiscal Years

Accrual Basis of Accounting

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Government activities								
Invested in capital assets, net of related debt	\$ 92,745,461	\$ 90,587,825	\$ 89,628,017	\$ 75,420,697	\$ 62,705,757	\$ 57,633,347	\$ 52,305,750	\$ 21,864,511
Restricted	1,143,785	988,654	1,518,064	3,402,646	6,736,942	6,056,616	3,130,340	1,364,635
Unrestricted	27,445,983	27,378,769	25,706,747	24,727,016	21,860,561	25,269,081	28,275,109	28,920,996
Total government activities net assets	121,335,229	118,955,248	116,852,828	103,550,359	91,303,260	88,959,044	83,711,199	52,150,142
Business-type activities								
Invested in capital assets, net of related debt	189,866,463	181,218,089	166,859,124	157,413,332	108,875,345	98,911,578	87,471,546	72,477,084
Restricted	1,878,003	2,016,097	2,313,968	2,219,983	7,811,452	5,280,458	4,518,779	4,047,019
Unrestricted	52,327,208	49,537,617	42,067,880	30,049,095	44,219,444	42,718,141	37,261,558	27,008,225
Total business-type activities net assets	244,071,674	232,771,803	211,240,972	189,682,410	160,906,241	146,910,177	129,251,883	103,532,328
Primary government								
Invested in capital assets, net of related debt	282,611,924	271,805,914	256,487,141	232,834,029	171,581,102	156,544,925	139,777,296	94,341,595
Restricted	3,021,788	3,004,751	3,832,032	5,622,629	14,548,394	11,337,074	7,649,119	5,411,654
Unrestricted	79,773,191	76,916,386	67,774,627	54,776,111	66,080,005	67,987,222	65,536,667	55,929,221
Total primary government net assets	\$ 365,406,903	\$ 351,727,051	\$ 328,093,800	\$ 293,232,769	\$ 252,209,501	\$ 235,869,221	\$ 212,963,082	\$ 155,682,470

City of Idaho Falls, Idaho
Changes in Net Assets
Last Eight Fiscal Years
Accrual Basis of Accounting

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Expenses								
Governmental activities:								
General government	\$ 7,315,174	\$ 7,397,540	\$ 6,352,659	\$ 6,045,214	\$ 7,020,227	\$ 5,687,846	\$ 5,246,689	\$ 4,607,475
Public safety	20,467,132	20,869,523	18,764,841	18,504,730	17,049,527	16,101,112	15,631,429	14,812,813
Streets	6,883,494	6,595,657	5,472,555	4,821,388	4,623,301	5,276,158	4,339,488	3,060,926
Culture and recreation	10,686,792	10,130,787	8,894,067	8,565,987	7,997,412	7,942,206	7,836,918	7,728,153
Public works	3,200,900	2,827,838	2,387,383	3,993,094	2,567,482	3,445,460	1,318,930	1,610,575
Total governmental activities expense	48,553,492	47,821,345	41,871,505	41,930,413	39,257,949	38,452,782	34,373,454	31,819,942
Business-type activities:								
Airport	3,965,696	3,921,248	3,358,665	3,327,638	3,000,115	3,044,875	2,980,682	2,340,066
Water and sewer	12,185,186	11,140,464	10,707,873	10,131,230	9,761,885	8,829,366	9,389,813	7,379,348
Sanitation	3,233,531	2,978,262	2,739,364	2,653,943	2,444,929	2,405,552	2,290,599	2,224,795
Ambulance	2,937,746	2,811,351	2,453,241	2,451,434	2,373,885	2,255,651	2,064,268	1,965,393
Electric	48,140,349	48,820,273	46,277,879	46,368,111	48,762,832	46,199,973	45,597,007	59,297,851
Total business-type activities expenses	70,462,508	69,671,598	65,537,022	64,932,356	66,343,646	62,735,417	62,322,369	73,207,453
Total primary government expenses	\$ 119,016,000	\$ 117,492,943	\$ 107,408,527	\$ 106,862,769	\$ 105,601,595	\$ 101,188,199	\$ 96,695,823	\$ 105,027,395
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 1,447,854	\$ 1,935,811	\$ 1,942,675	\$ 1,749,636	\$ 1,579,249	\$ 1,663,469	\$ 2,174,184	\$ 2,030,907
Public Safety	2,591,457	2,388,287	2,335,010	2,317,726	2,079,157	2,011,819	2,021,885	1,936,398
Culture and recreation	3,542,074	3,486,720	3,450,895	3,285,176	3,096,376	2,935,330	2,543,718	2,878,449
Other activities	527,650	978,933	2,553,284	993,388	852,820	758,329	787,945	639,912
Operating grants and contributions	889,368	521,471	1,046,978	1,173,294	2,425,562	2,128,657	2,101,732	2,196,548
Capital grants and contributions	2,588,058	3,311,708	8,417,579	9,092,823	2,191,632	5,868,434	256,318	1,112,094
Total governmental activities program revenues	11,566,461	12,622,930	19,746,421	18,612,043	12,224,796	15,366,038	9,885,782	10,794,308
Business-type activities:								
Charges for service:								
Water and Sewer	17,026,050	13,733,266	13,193,636	12,312,167	10,707,560	9,074,694	9,152,546	8,773,864
Electric	52,428,594	58,747,641	59,829,162	61,146,482	57,543,412	58,065,365	55,875,701	52,076,210
Other activities	7,635,143	7,481,727	7,299,938	5,921,743	5,508,043	5,385,174	4,834,271	4,702,381
Operating grants and contributions	1,835,937	1,503,087	1,518,842	1,551,558	1,447,533	1,182,247	1,290,522	952,698
Capital grants and contributions	5,439,660	11,408,555	6,043,486	14,238,986	7,195,422	8,001,076	1,642,458	2,099,109
Total business-type activities program revenue	84,365,384	92,874,276	87,885,064	95,170,936	82,401,970	81,708,556	72,795,498	68,604,262
Total primary government program revenues	\$ 95,931,845	\$ 105,497,206	\$ 107,631,485	\$ 113,782,979	\$ 94,626,766	\$ 97,074,594	\$ 82,681,280	\$ 79,398,570

Fiscal Year

	2009	2008	2007	2006	2005	2004	2003	2002
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Net (expense) revenue	\$ (36,987,031)	\$ (35,198,415)	\$ (22,125,084)	\$ (23,318,370)	\$ (27,033,153)	\$ (23,086,744)	\$ (24,487,672)	\$ (21,025,634)
Governmental activities	13,902,876	23,202,678	22,348,042	30,238,580	16,058,324	18,973,139	10,473,129	(4,603,191)
Business-type activities	\$ (23,084,155)	\$ (11,995,737)	\$ 222,958	\$ 6,920,210	\$ (10,974,829)	\$ (4,113,605)	\$ (14,014,543)	\$ (25,628,825)
Total primary government net expenses								

General Revenues and Other Changes in Net Assets

Governmental activities:								
Taxes								
Property taxes	\$ 26,487,935	\$ 23,914,223	\$ 21,694,620	\$ 20,550,997	\$ 19,133,611	\$ 18,737,942	\$ 18,232,773	\$ 17,086,397
Sales taxes	5,429,055	6,028,163	6,312,994	6,152,996	3,947,652	3,580,742	3,416,541	3,381,442
Franchise taxes	893,822	829,622	857,610	730,926	666,616	538,161	628,309	557,939
Alcoholic beverages taxes	728,432	665,556	647,954	562,977	523,045	489,583	416,652	366,337
Unrestricted investment earnings	282,375	819,317	1,242,137	1,062,467	682,832	371,203	480,250	697,865
Miscellaneous revenues	1,850,123	921,902	822,360	2,716,785	753,985	748,483	454,937	184,521
Transfers	3,695,270	3,910,680	3,632,318	3,544,165	3,388,525	3,211,438	2,772,243	2,583,262
Total governmental activities	39,367,012	37,089,463	35,209,993	35,321,313	29,096,266	27,677,552	26,401,705	24,857,763
Business-type activities:								
Sales taxes	13,532	14,565	14,773	14,065	13,073	13,138	11,992	
Unrestricted investment income	1,078,733	2,224,268	2,828,065	2,067,689	970,618	480,876	354,446	942,557
Gain on sale of assets					24,682	1,050,887		
Miscellaneous revenues					317,892	351,692	608,518	
Transfers	(3,695,270)	(3,910,680)	(3,632,318)	(3,544,165)	(3,388,525)	(3,211,438)	(2,772,243)	(2,583,262)
Total business-type activities	(2,603,005)	(1,671,847)	(789,480)	(1,462,411)	(2,062,260)	(1,314,845)	(1,797,287)	(1,640,705)
Total primary government	\$ 36,764,007	\$ 35,417,616	\$ 34,420,513	\$ 33,858,902	\$ 27,034,006	\$ 26,362,707	\$ 24,604,418	\$ 23,217,058

Change in Net Assets

Governmental activities	\$ 2,379,981	\$ 1,891,048	\$ 13,084,909	\$ 12,002,943	\$ 2,063,113	\$ 4,590,808	\$ 1,914,033	\$ 3,832,129
Business-type activities	11,299,871	21,530,831	21,558,562	28,776,169	13,996,064	17,658,294	8,675,842	(6,243,896)
Total primary government	\$ 13,679,852	\$ 23,421,879	\$ 34,643,471	\$ 40,779,112	\$ 16,059,177	\$ 22,249,102	\$ 10,589,875	\$ (2,411,767)

City of Idaho Falls, Idaho

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund										
Reserved	\$ 1,342,747	\$ 1,588,058	\$ 1,285,083	\$ 1,975,020	\$ 1,437,650	\$ 3,147,673	\$ 4,588,195	\$ 1,445,680	\$ 1,069,899	\$ 371,067
Unreserved-designated	3,254,828	3,138,160	3,882,634	9,901,527	5,517,604	3,451,009	3,345,173	2,000,000	2,000,000	2,000,000
Unreserved	11,349,318	9,472,340	8,912,614	5,838,207	8,690,665	8,737,165	8,394,829	9,159,287	7,074,290	5,076,320
Total general fund	\$ 15,946,893	\$ 14,198,558	\$ 14,080,331	\$ 17,714,754	\$ 15,645,919	\$ 15,335,847	\$ 16,328,197	\$ 12,604,967	\$ 10,144,189	\$ 7,447,387
All Other Governmental Funds										
Reserved	\$ 3,710,890	\$ 2,049,082	\$ 1,976,794	\$ 1,427,626	\$ 5,299,292	\$ 2,908,943	\$ 1,395,249	\$ 1,747,870	\$ 1,173,490	\$ 868,110
Unreserved-designated	135,278	154,866	146,178	137,543	128,779	122,129	115,968			
Special revenue funds										
Unreserved, reported in:										
Special revenue funds	8,690,050	9,408,719	8,722,291	7,246,699	5,685,030	6,554,528	7,824,361	8,159,301	8,797,159	8,225,846
Capital projects funds	4,130,502	6,817,046	5,959,637	5,342,582	5,333,029	9,622,811	11,084,399	10,142,347	8,167,550	7,265,300
Total all other funds	\$ 16,666,720	\$ 18,429,713	\$ 16,804,900	\$ 14,154,450	\$ 16,446,130	\$ 19,208,411	\$ 20,419,977	\$ 20,049,518	\$ 18,138,199	\$ 16,359,256

City of Idaho Falls, Idaho
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues										
Taxes	\$ 27,055,160	\$ 24,814,514	\$ 22,389,145	\$ 21,281,924	\$ 19,800,227	\$ 19,276,130	\$ 18,862,435	\$ 17,654,668	\$ 16,579,450	\$ 15,468,227
Licenses and permits	469,239	806,908	844,455	693,211	687,528	761,834	622,316	584,423	513,757	565,712
Intergovernmental	9,476,653	9,260,828	9,923,966	9,822,574	8,716,581	8,050,760	7,447,200	7,807,590	7,473,530	7,412,951
Charges for services	4,147,007	4,764,733	6,359,716	4,590,109	4,122,096	3,903,334	3,881,242	3,654,039	3,637,598	3,427,211
Fines	654,329	605,379	656,125	638,446	543,370	571,351	587,759	545,031	548,236	569,830
Interest	282,375	819,316	1,242,137	1,062,467	683,127	371,203	480,250	697,865	1,261,317	1,209,870
Miscellaneous	2,771,218	1,617,075	4,161,192	3,655,551	1,430,627	1,539,593	1,634,045	1,351,421	2,671,899	4,678,700
Total revenues	44,855,981	42,688,753	45,586,736	41,744,282	35,983,556	34,474,205	33,515,247	32,295,037	32,685,787	33,332,501
Expenditures										
General government	7,793,577	6,985,481	6,508,728	6,048,169	6,833,352	5,623,662	5,364,838	5,239,783	4,367,807	3,835,465
Public safety	20,125,700	19,941,808	18,437,544	18,330,346	16,548,647	15,752,993	15,113,070	14,339,764	13,486,193	13,692,424
Streets	3,208,216	2,912,534	2,404,574	2,215,289	2,666,953	3,227,363	2,968,327	2,708,774	2,892,209	2,146,463
Culture and recreation	10,529,685	9,988,537	14,059,309	8,382,678	7,844,033	8,101,224	7,896,034	7,376,200	7,495,526	7,012,121
Public works	2,201,627	2,131,286	1,480,771	1,556,942	1,296,431	1,037,692	1,229,408	1,026,833	838,764	1,040,175
Capital outlay	4,707,104	2,896,747	7,312,101	8,977,868	6,634,874	4,127,133	1,884,124	1,989,231	1,405,978	2,074,604
Debt service:										
Principal									190,000	175,000
Interest									5,225	15,874
Total expenditures	48,565,909	44,856,393	50,203,027	45,511,292	41,824,290	37,870,067	34,455,801	32,680,585	30,681,702	29,992,126
Excess of revenues over (under) expenditures	(3,709,928)	(2,167,640)	(4,616,291)	(3,767,010)	(5,840,734)	(3,395,862)	(940,554)	(385,548)	2,004,085	3,340,375
Other Financing Sources (Uses)										
Capital contributions	8,737,334	6,148,529	9,148,696	7,288,377	6,277,178	4,882,473	4,372,103	5,112,930	3,950,710	3,792,289
Transfer in	(5,042,064)	(2,237,849)	(5,516,378)	(3,744,212)	(2,888,653)	(1,671,035)	(1,599,860)	(2,529,668)	(1,479,050)	(1,349,005)
Transfers out										
Total other financing sources (uses)	3,695,270	3,910,680	3,632,318	3,544,165	3,388,525	3,453,946	2,772,243	2,583,262	2,471,660	2,443,284
Net change in fund balances	\$ (14,658)	\$ 1,743,040	\$ (983,973)	\$ (222,845)	\$ (2,452,209)	\$ 58,084	\$ 1,831,689	\$ 2,197,714	\$ 4,475,745	\$ 5,783,659
Debt service as a percentage of noncapital expenditures									0.67%	0.68%

City of Idaho Falls, Idaho

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

Modified Accrual basis of Accounting

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Property Tax Penalties</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total Taxes</u>
2009	\$ 25,972,690	\$ 188,648	\$ 888,502	\$ 5,320	\$ 27,055,160
2008	23,769,582	215,310	822,684	6,938	24,814,514
2007	21,385,896	145,639	850,468	7,142	22,389,145
2006	20,394,495	151,492	729,329	6,608	21,281,924
2005	18,995,459	138,152	660,438	6,178	19,800,227
2004	18,583,619	151,474	532,583	8,454	19,276,130
2003	18,073,622	159,151	622,027	7,635	18,862,435
2002	16,947,486	138,911	552,457	15,814	17,654,668
2001	16,010,549	147,197	412,425	9,279	16,579,450
2000	14,985,172	128,668	341,755	12,632	15,468,227
2000-2009 Change	\$ 10,987,518	\$ 59,980	\$ 546,747	\$ (7,312)	\$ 11,586,933

City of Idaho Falls, Idaho

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended 30-Sep	Real Property		Total Taxable Assessed Value	Total Direct Tax Levy	Property Taxes Certified to County
	Total Assessed Value	Less Property Tax Exemptions			
2009	\$ 3,936,744,617	\$ 939,683,983	\$ 2,997,060,634	0.008718428	\$ 26,129,658
2008	3,594,918,894	859,998,849	2,734,920,045	0.008582005	23,471,098
2007	3,172,168,665	744,597,426	2,427,571,239	0.008827421	21,429,192
2006	2,960,999,081	610,229,122	2,350,769,959	0.008582015	20,174,344
2005	2,672,856,319	570,067,357	2,102,788,962	0.008982015	18,887,282
2004	2,506,379,675	531,606,452	1,974,773,223	0.009366159	18,496,040
2003	2,404,156,640	517,311,933	1,886,844,707	0.009516983	17,957,069
2002	2,239,722,363	494,711,352	1,745,011,011	0.009639679	16,821,346
2001	2,115,797,951	475,965,308	1,639,832,643	0.009697564	15,902,382
2000	2,038,102,532	464,546,491	1,573,556,041	0.009438579	14,852,133

Source: Bonneville County Assessor's Office and the City of Idaho Falls, Idaho.

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are also actual values. Tax levies are per \$1 of assessed value. Currently, Bonneville County is only able to determine Total Assessed Value and can not distinguish between residential, commercial, and industrial properties. Approximately 89 percent of the property tax exemptions come from the residential home owner's exemption. The exemption is equal to 50 percent of the assessed value of residential property, to a maximum of \$100,938. Approximately 11 percent of the property tax exemptions apply to the Idaho Falls, Idaho Redevelopment Agency which is within the City limits.

City of Idaho Falls, Idaho
Direct and Overlapping Property Tax Levies
Last Ten Fiscal Years

City of Idaho Falls, Idaho Direct Levy								
Fiscal Year	General Fund	Fireman's Retirement	Tort	Recreation Fund	Library Fund	Municipal Capital Improvement Fund	General Obligation Debt Service	Total Direct
2009	0.007070105	0.000348341	0.000200864	0.000154802	0.000555058	0.000389258		0.008718428
2008	0.007125001	0.000308341	0.000212072	0.000155517	0.000557620	0.000223454		0.008582005
2007	0.007231922	0.000347379	0.000275996	0.000161417	0.000578775	0.000231932		0.008827421
2006	0.006999577	0.000358728	0.000285013	0.000155867	0.000558873	0.000223957		0.008582015
2005	0.007327797	0.000356669	0.000317223	0.000162779	0.000583658	0.000233889		0.008982015
2004	0.007681781	0.000374756	0.000282586	0.000170535	0.000611468	0.000245033		0.009366159
2003	0.007912298	0.000376320	0.000171199	0.000175538	0.000629407	0.000252221		0.009516983
2002	0.008033348	0.000392582	0.000143278	0.000177747	0.000637328	0.000255396		0.009639679
2001	0.008089978	0.000408578	0.000123793	0.000178535	0.000640153	0.000256527		0.009697564
2000	0.007732288	0.000403100	0.000158876	0.000169922	0.000609272	0.000244153	0.000120968	0.009438579

Source: Bonneville County Assessor's Office.

Note: Bonneville County sets the City's levy. The Mayor and City Council determine the dollar amount to be levied as determined by State law. Overlapping levies are those taxing districts that apply to property within the City. Not all overlapping levies apply to all the City's property owners. For example, although the County property tax levy applies to all City property owners, School District 93's levy, applies to approximately 14 percent of the City's property owners.

City of Idaho Falls, Idaho Overlapping Levies

School District 91	School District 93	Bonneville County	Ambulance District	Flood Control District	New Sweden Cemetery District	Ammon Cemetery District
0.004101884	0.005447938	0.004035117	0.000292873	0.000005940	0.000031360	0.000047506
0.004102010	0.005448000	0.004076056	0.000315747	0.000006107	0.000033031	0.000049285
0.004521858	0.005447634	0.004246505	0.000324330	0.000006252	0.000033121	0.000052042
0.007634142	0.007595133	0.004267845	0.000324285	0.000005947	0.000030151	0.000055896
0.008268900	0.007573027	0.004346074	0.000332077	0.000006138	0.000031008	0.000056246
0.008270018	0.007633046	0.004346074	0.000327255	0.000006468	0.000088612	0.000055171
0.008031303	0.007633000	0.004346074	0.000327255	0.000006416	0.000092812	0.000055579
0.008293489	0.007633082	0.004346074	0.000283949	0.000006417	0.000031479	0.000058320
0.008442673	0.007639000	0.004346074	0.000283949	0.000006284	0.000030412	0.000057880
0.008620568	0.008330976	0.004346074	0.000283949	0.000006093	0.000029497	0.000057914

City of Idaho Falls, Idaho
Principal Property Tax Payers
September 30, 2009

Taxpayers	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bush Ag. Resources Inc.	\$ 92,585,839	1	3.1%	\$ 51,430,503	1	3.4%
Eastern Idaho Regional Medical Center	88,206,540	2	2.9	46,241,836	2	3.1
GMODELO Agriculture Inc.	64,961,036	3	2.2	-	-	-
Grand Teton Mall	42,947,467	4	1.4	34,001,815	3	2.3
Mountain View Hospital	32,046,431	5	1.1	-	-	-
Fairwinds Sandcreek Retirement Center	24,805,894	6	0.8	-	-	-
Wal-Mart	15,186,613	7	0.5	-	-	-
Fremont Ave Association	14,488,483	8	0.5	-	-	-
INEL Office Building (Batelle)	12,344,352	9	0.4	18,827,427	5	1.3
B&T Hotels	11,412,049	10	0.4	-	-	-
Qwest	-	-	-	24,221,479	4	1.6
INEL Engineering Research Office	-	-	-	11,817,985	6	0.8
Melaleuca, Inc.	-	-	-	10,761,244	7	0.7
Fred Meyer Inc.	-	-	-	10,472,899	8	0.7
Shilo Inn	-	-	-	8,866,423	9	0.6
Yellowstone Square Mall	-	-	-	7,340,209	10	0.5
	<u>\$ 398,984,704</u>		<u>13.3%</u>	<u>\$ 223,981,820</u>		<u>15.0%</u>

Source: Bonneville County Auditor's Office

City of Idaho Falls, Idaho
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year Ended September 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2009	\$ 26,129,658	\$ 25,224,859	96.3%	\$ 694,453	\$ 25,919,312	99.2%
2008	23,471,098	22,716,967	96.8	667,662	23,384,629	99.6
2007	21,429,192	20,733,375	96.8	542,625	21,276,000	99.3
2006	20,174,344	19,583,242	97.1	572,129	20,155,371	99.9
2005	18,887,282	18,346,822	97.1	790,065	19,136,887	101.3
2004	18,496,040	17,698,397	95.7	564,606	18,263,003	98.7
2003	17,957,069	17,760,875	98.9	574,873	18,335,748	102.1
2002	16,821,346	16,249,361	96.6	468,352	16,717,713	99.4
2001	15,902,382	15,402,121	96.9	543,790	15,945,911	100.3
2000	14,852,133	14,339,239	96.5	437,340	14,776,579	99.5

City of Idaho Falls, Idaho

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita
	Certificates of Participation	General Obligation Bonds	Airport Bonds	Airport Certificates of Participation	General Obligation Bonds	Electric				
2009				\$ 2,750,000	\$ 9,084,389			11,834,389	0.70%	216
2008				3,510,000	11,408,196			14,918,196	0.90	274
2007				4,205,000	13,903,061			18,108,061	1.13	334
2006			\$ 230,000	4,205,000	16,605,230			21,040,230	1.43	396
2005			450,000	4,955,000	19,501,260			24,906,260	1.82	474
2004			655,000	5,260,000	22,627,492			28,542,492	2.13	547
2003			850,000	5,525,000	25,978,489			32,353,489	2.46	626
2002			1,035,000	5,750,000	29,592,879			36,377,879	2.83	710
2001			1,205,000	6,000,000	32,624,721			39,829,721	3.10	781
2000		\$ 190,000	1,365,000		35,957,054			37,512,054	3.24	737

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

(1) See Exhibit E-1 for personal income and population data.

City of Idaho Falls Idaho
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita
	Governmental Activities General Obligation Bonds	Business-Type Electric General Obligation Bonds	Total			
2009		\$ 9,084,389	\$ 9,084,389	\$ 2,997,060,634	0.30%	166
2008		11,408,196	11,408,196	2,734,920,045	0.42	209
2007		13,903,061	13,903,061	2,427,571,239	0.57	256
2006		16,605,230	16,605,230	2,350,769,959	0.71	313
2005		19,501,260	19,501,260	2,102,788,962	0.93	371
2004		22,627,492	22,627,492	1,974,773,223	1.15	434
2003		25,978,489	25,978,489	1,886,844,707	1.38	502
2002		29,592,879	29,592,879	1,745,011,011	1.70	578
2001		32,624,721	32,624,721	1,639,832,643	1.99	641
2000	\$ 190,000	35,957,054	36,147,054	1,573,556,041	2.30	713

City of Idaho Falls, Idaho

Direct and Overlapping Governmental Activities Debt

As of September 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid from property taxes:			
Overlapping:			
Bonneville County	\$ 3,380,000	64%	\$ 2,163,200
Idaho Falls Redevelopment Agency	12,718,953 (b)	0%	
School District No. 91	2,405,000	86%	2,068,300
School District No. 93	70,055,000	14%	9,807,700
Total overlapping	<u>88,558,953</u>		<u>14,039,200</u>
Direct:			
City of Idaho Falls	- (a)		-
Total direct and overlapping debt	<u>\$ 88,558,953</u>		<u>\$ 14,039,200</u>

Source: Assessed value data used to estimate applicable percentages provided by Bonneville County. Debt outstanding data provided by each governmental unit.

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

(a) Excludes general obligation bonds reported in enterprise funds and backed by a revenue guarantee.

(b) The bonds and notes to the Idaho Falls Redevelopment Agency, which is entirely within the City, are payable solely from incremental tax revenues from ad valorem taxes levied by all overlapping taxing authorities, which result from increases in assessed valuation of property within the revenue allocation area; no ad valorem levy to pay such bonds and notes is permitted.

City of Idaho Falls, Idaho
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Debt limit	\$ 78,734,892	\$ 71,898,378	\$ 63,443,373	\$ 59,219,982	\$ 54,253,617	\$ 50,398,132	\$ 48,385,112	\$ 45,216,813	\$ 42,804,449	\$ 41,216,111
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	(190,000)
Legal debt margin	<u>\$ 78,734,892</u>	<u>\$ 71,898,378</u>	<u>\$ 63,443,373</u>	<u>\$ 59,219,982</u>	<u>\$ 54,253,617</u>	<u>\$ 50,398,132</u>	<u>\$ 48,385,112</u>	<u>\$ 45,216,813</u>	<u>\$ 42,804,449</u>	<u>\$ 41,026,111</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	0.61%

Legal Debt Margin Calculation for Fiscal Year 2009	
Assessed value	<u>\$ 3,936,744,617</u>
Debt limit (2% of market value)	\$ 78,734,892
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	<u>\$ 78,734,892</u>

Note: General obligation bonds may be issued by the City for a variety of purposes in an amount which does not at any time exceed in aggregate 2% of the market value for assessment purposes of the real and personal property in the City, according to the preceding year's assessment. However, general obligation bonds issued to acquire, construct, or improve facilities for water, light and power, storm sewers and sanitary sewer systems are exempt from and do not count against the general obligation debt limit. In addition, bonds secured only by a pledge of revenue-producing facility, are not subject to and do not count against the debt limit.

City of Idaho Falls, Idaho
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Airport Revenue Bonds and Certificates of Participation				Electric General Obligation Revenue Bonds			
	Revenue(1)	Less Operating Expense(2)	Net Available Revenue	Coverage(4)	Revenue(1)	Less Operating Expense(2)	Net Available Revenue	Coverage(4)
2009	\$ 2,875,682	\$ 1,677,500	\$ 1,198,182	1.35	\$ 53,218,316	\$ 40,248,045	\$ 12,970,271	1.63
2008	3,354,790	1,679,366	1,675,424	1.96	60,377,193	41,001,766	19,375,427	2.44
2007	3,519,538	1,372,967	2,146,571	5.09	61,943,138	38,371,027	23,572,111	3.06
2006	3,133,545	1,386,968	1,746,577	1.36	62,714,219	38,410,805	24,303,414	3.16
2005	2,622,993	1,207,267	1,415,726	1.65	58,766,450	40,578,989	18,187,461	2.28
2004	2,406,581	1,252,039	1,154,542	1.38	58,766,450	37,898,405	20,868,045	2.62
2003	2,202,376	1,159,630	1,042,746	1.31	56,766,471	37,107,036	19,659,435	2.46
2002	2,149,807	1,031,044	1,118,763	1.36	52,672,441	50,699,130	1,973,311	0.25 (5)
2001	2,173,338	951,210	1,222,128	5.18	53,368,671	35,979,066	17,389,605	2.17
2000	1,493,151	897,255	595,896	2.47	37,058,880	24,019,673	13,039,207	1.62

(1) Revenues include operating revenues, interest income, sales taxes, PFC funds, certain federal grants, and non-operating income.
(2) Operating expenses do not include depreciation and payments in lieu of taxes but includes other charges.
(3) Includes principal and interest on revenue bonds, certificates of participation, and general obligation bonds which are paid from operating revenues and subject to debt coverage requirements.
(4) The Airport bond ordinance requires 1.25 coverage while the Electric bond ordinance requires 1.15 coverage.
(5) The Electric Fund did not meet its rate coverage of 1.15 for the year ended September 30, 2002. The City Council raised electrical rates in October, 2002 as required by the bond ordinance to meet rate coverage.

City of Idaho Falls, Idaho

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Attainment			School Enrollment	Unemployment Rate
					High School Graduates or Higher	25 Years and Older	4 or More Years of College		
2009	54,750 (1)	\$ 1,680,715,500	\$ 30,698 (1)	-	-	-	10,480	6.5%	
2008	54,334	1,656,582,000 (1)	30,396 (1)	33.6	89.2%	28.0%	10,400	3.6	
2007	54,272 (1)	1,609,219,072 (1)	29,651 (1)	-	-	-	10,279	2.4	
2006	53,000 (1)	1,473,400,000 (1)	27,800 (1)	-	-	-	10,400	2.6	
2005	52,500 (1)	1,365,000,000 (1)	26,000 (1)	-	-	-	10,400	2.7	
2004	52,148	1,340,203,600 (1)	25,700 (1)	-	-	-	10,385	3.1	
2003	51,703	1,315,686,241	25,447	-	-	-	10,520	2.9	
2002	51,216	1,283,370,528	25,058	-	-	-	10,648	3.5	
2001	51,023	1,233,838,186	24,182	-	-	-	10,767	3.4	
2000	50,894	1,156,820,620	22,730	32.3	87.7	28.2	10,704	3.2	

(1) Numbers are estimated.

Sources: Population, provided by Idaho Commerce and Labor, Personal Income is calculated by multiplying population by per capita personal income. Per Capita Personal Income provided by U.S. Department of Commerce and Bureau of Economic Analysis. U.S. Department of Labor for unemployment rate. U.S. Census Bureau for Median Age and Educational information. Educational information is only available every ten years.

City of Idaho Falls, Idaho

Principal Employers

Prior Year and Seven Years Ago

Employer	2008 (a)			2001		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Bechtel BWXT Idaho	2,500	1	7.85%	2,500	1	8.40%
Idaho Falls School District 91	1,700	2	5.34	1,700	2	5.71
Eastern Idaho Regional Medical Center	1,311	3	4.12	1,311	3	4.40
Melaleuca, Inc.	1,300	4	4.08	1,300	4	4.37
Bonneville Joint School District 93	850	5	2.67	850	5	2.86
City of Idaho Falls	750	6	2.35	750	6	2.52
Center Partners	600	7	1.88	600	7	2.02
Wal-Mart	450	8	1.41	450	9	1.51
Bonneville County	450	9	1.41	450	8	1.51
Albertsons, Inc.	350	10	1.10	350	10	1.18
Total	<u>10,261</u>		<u>32.21%</u>	<u>10,261</u>		<u>34.48%</u>

Source: Idaho Commerce and Labor

(a) These numbers are averages. They include part time and full time employees. Data not available for period nine years prior, 2001 earliest data available.

Full-time Equivalent City of Idaho Falls Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Actual Full-time Employees as of September 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government:										
Mayor and council	8	8	7	8	8	8	8	7	8	8
Municipal services	68	68	67	67	69	69	69	67	67	68
Human resources	2	2	2	2	2	2	2	2	2	2
Planning and building	17	17	17	16	14	14	15	16	17	17
Public safety:										
Police	127	127	122	122	121	118	116	119	119	118
Fire	103	103	100	97	94	94	95	90	94	94
Streets	21	21	21	20	20	20	21	20	21	21
Culture and recreation:										
Parks and recreation	63	63	62	59	60	60	58	60	58	57
Library	21	21	21	20	25	25	23	26	27	28
Public works	20	20	19	20	20	20	19	19	19	19
Airport	14	14	13	13	13	13	13	13	13	13
Water and sewer	54	54	50	49	49	49	49	49	46	46
Sanitation	30	30	27	27	26	26	26	26	26	26
Electric	64	64	62	59	60	59	61	62	62	60
Total	612	612	590	579	581	577	575	576	579	577

Source: "Monthly Employment Report" compiled by the City of Idaho Falls Human Resources Division.

City of Idaho Falls, Idaho

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Planning and building										
Building permits issued	408	595	849	837	834	874	810	840	778	884
Value of building permits	\$23,403,760	\$54,005,000	\$71,772,712	\$62,226,668	\$63,329,405	\$72,804,706	\$49,865,046	\$47,922,805	\$72,477,904	\$51,130,818
Inspections	5,476	8,947	9,414	9,213	9,160	8,969	7,645	7,165	6,812	7,659
Police										
Physical arrest	3,599	3,950	4,317	4,931	4,070	4,158	4,197	3,545	3,867	4,719
Parking violations	4,130	3,192	3,723	4,869	4,869	10,776	8,023	10,201	12,846	11,619
Traffic violations	14,835	11,502	19,028	18,384	17,902	16,564	20,440	20,293	7,151	13,980
Fire										
Total dispatches	4,211	3,945	3,884	3,852	3,759	3,765	3,830	3,504	3,235	3,275
Emergency responses	3,365	3,850	1,912	1,871	1,873	916	874	731	696	821
Fires extinguished	275	445	324	394	453	217	278	209		
Inspections	1,825	1,805	1,723	907	2,551	3,162				
Parks and recreation										
18 hole golf rounds played	130,882	127,063	144,647	133,410	133,312	134,762	141,528	119,720	120,988	129,120
Zoo Admissions	129,710	119,267	108,435	107,947	106,612	89,459	81,085	84,742	87,154	87,154
Aquatic center usage	121,422	117,112	118,286	111,378	105,068	98,917	105,665	114,900	128,609	134,489
Total program participants	39,377	36,812	40,522	51,234	36,461	36,055	37,166	37,976	42,889	44,418
Library										
Total items held for circulation	285,812	274,232	272,651	258,552	246,658	229,583	228,104	223,769	228,007	226,900
Annual circulation	1,097,030	944,340	811,053	778,235	700,305	668,520	633,676	648,617	636,429	646,388
Airport										
Enplanements	138,514	151,200	152,407	148,756	139,918	117,354	116,142	114,143	117,896	125,275
Average flights per day	10	13	14	13	17	16	16	16	16	16
Water and sewer										
Average daily consumption in gallons	23,178,000	24,526,000	25,784,000	24,100,000	21,170,000	21,820,000	22,500,000	21,600,000	23,200,000	22,000,000
Monthly residential water rate	\$ 21.00	\$ 21.00	\$ 15.00	\$ 13.00	\$ 13.00	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00
Average daily sewage treatment in gallons	11,142,663	11,701,000	11,787,000	11,831,000	11,049,000	10,604,000	9,859,000	9,948,000	10,500,000	10,500,000
Monthly residential sewer rates	\$ 18.95	\$ 18.95	\$ 16.50	\$ 16.50	\$ 16.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50
Sanitation										
Total cubic yards of Refuse collected	321,883	301,174	310,996	327,845	266,683	213,000	286,685	254,811	260,608	291,650
Monthly residential rate	\$ 9.00	\$ 9.00	\$ 7.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50
Electric										
Average daily usage in kwh	1,912,749	1,943,896	1,898,308	1,865,943	1,783,821	1,697,980	1,679,091	1,709,213	1,732,254	1,660,943
Residential rate per kwh	\$ 0.054	\$ 0.054	\$ 0.055	\$ 0.058	\$ 0.060	\$ 0.064	\$ 0.064	\$ 0.055	\$ 0.045	\$ 0.039
Average Mwh generated per hour (1)	26.3	26.4	29.7	30.2	25.3	24.1	24.6	23.5	15.7	32.3

Source: Various City Departments

(1) The City has the capacity to generate up to 50 mwh if water flow is adequate.

City of Idaho Falls, Idaho
Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	1	1	1	1	1	1	1	1	1	1
Cars	111	108	107	102	100	101	99	91	86	86
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Fire Trucks	16	16	16	16	15	15	15	15	15	15
Street (Miles)	284	284	270	261	258	256	251	245	240	235
Parks and recreation										
Parks	52	52	52	52	52	52	51	51	51	51
Acres	1,842	1,826	1,801	1,749	1,749	1,749	1,749	1,749	1,749	1,749
Baseball/softball diamonds	26	26	26	26	26	26	26	26	26	26
Soccer/football fields	29	25	21	16	16	16	16	16	16	16
Golf courses	3	3	3	3	3	3	3	3	3	3
Swimming pools	1	1	1	1	1	1	1	1	2	2
Library buildings	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	308	306	302	301	299	298	258	254	252	250
Fire hydrants	2,031	2,023	1,984	1,890	1,878	1,835	1,803	1,725	1,690	1,650
Wells	19	19	19	18	18	18	17	17	17	17
Sewer										
Sanitary sewer (miles)	273	266	257	246	243	241	236	233	223	221
Treatment capacity (gallons)	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
Sanitation Trucks	19	17	17	17	17	17	17	17	17	17
Electric										
Transmission lines (miles)	37	37	38	38	38	38	38	38	38	38
Distribution lines (miles)	414	408	401	360	352	337	330	325	320	315
Hydro generating plants	4	4	4	4	4	4	4	4	4	4
Street lights	4,383	4,027	3,782	4,220	4,190	4,050	4,023	3,881	3,881	3,775
Traffic signals (1)	53	48	46	47	46	43	43	43	42	41

Source: Various City Departments
(1) The City took 9 traffic signals out from the downtown area in 2000.

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SINGLE AUDIT SECTION

CITY OF IDAHO FALLS, IDAHO
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Cash Basis Revenues</u>
U.S. Department of Housing and Urban Development				
Direct Programs:				
* Community Development Block Grant	14.218		\$ 659,971	\$ 492,589
U.S. Department of Justice				
Direct Programs:				
Organized Crime Drug Task Grant	**		\$ 10,599	\$ 10,599
K9 Training Grant	**		13,500	13,500
Bi-Lingual Training Reimbursement	**		175	175
Pass-through Idaho Department of Juvenile Corrections:				
Enforcing Underage Drinking Laws	16.727		6,651	6,651
Total Department of the Justice			\$ 30,925	\$ 30,925
U.S. Department of Transportation				
Direct Programs:				
Recreational Trails Program	20.219		\$ 160,000	\$ 160,000
* Airport Improvement Program	20.106	3-16-0018-29	326,472	7,249,251
		3-16-0018-30	607,180	607,180
		3-16-0018-31	534,266	534,266
		3-16-0018-32	122,661	81,802
		3-16-0018-33	793,300	793,300
			2,383,879	9,265,799
Pass-through Idaho Dept of Transportation:				
Highway Planning and Construction	20.205		16,659	16,659
Recreational Trails Program	20.219		29,528	29,528
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	K8000-2008-1	11,199	11,199
Total Department of Transportation			\$ 2,601,265	\$ 9,483,185

CITY OF IDAHO FALLS, IDAHO
Schedule of Expenditures of Federal Awards (continued)
Year Ended September 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Cash Basis Revenues</u>
U.S. Department of Homeland Security Pass-through Idaho State Military Division * Homeland Security Grant	97.067		\$ 405,544	\$ 405,544
Total Department of Homeland Security			\$ 405,544	\$ 405,544
Total Federal Assistance			\$ 3,697,705	\$ 10,412,243

* Represents major programs.

* CFDA number not available

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Idaho Falls, Idaho as of September 30, 2009 and is presented in accordance with the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amount presented in, or used in, the preparation of the financial statements.



**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***

Honorable Mayor and Members of the City Council
City of Idaho Falls, Idaho

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Idaho Falls, Idaho, as of and for the year ended September 30, 2009, which collectively comprise the City of Idaho Falls, Idaho's basic financial statements and have issued our report thereon dated January 29, 2010. We did not audit the financial statements of the Electric Light Fund, which represents 50%, 44% and 68% respectively, of the assets, net assets and revenues of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Electric Light Fund is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Idaho Falls, Idaho's internal control over financial reporting as a basis for designing our auditing procedures 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 Idaho Falls, Idaho's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Idaho Falls, Idaho's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Idaho Falls, Idaho's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Idaho Falls, Idaho's financial statements that is more than inconsequential will not be prevented or detected by the City of Idaho Falls, Idaho's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Idaho Falls, Idaho's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, City Council, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

January 29, 2010

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, flowing style.



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND PASSENGER FACILITY CHARGE (PFC) PROGRAMS**

Honorable Mayor and Members of the City Council
City of Idaho Falls, Idaho

Compliance

We have audited the compliance of the City of Idaho Falls, Idaho with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs and with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended September 30, 2009. The City of Idaho Falls, Idaho's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and to its passenger facility program is the responsibility of the City of Idaho Falls, Idaho's management. Our responsibility is to express an opinion on the City of Idaho Falls, Idaho's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Guide. Those standards, OMB Circular A-133 and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or on the passenger facility program occurred. An audit includes examining, on a test basis, evidence about the City of Idaho Falls, Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Idaho Falls, Idaho's compliance with those requirements.

In our opinion, the City of Idaho Falls, Idaho complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and the passenger facility charge program for the year ended September 30, 2009.

Internal Control Over Compliance

The management of the City of Idaho Falls, Idaho is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and to the passenger facility charge program. In planning and performing our audit, we considered the City of Idaho Falls, Idaho's internal control over compliance with requirements that could have a direct and material effect on a major federal program or on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Idaho Falls, Idaho's internal control over compliance.

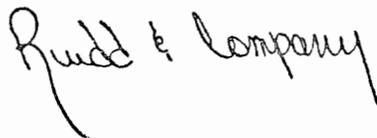
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, The Federal Aviation Administration and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

January 29, 2010





**INDEPENDENT AUDITORS' REPORT
ON SCHEDULE OF
PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED**

Honorable Mayor and City Council
City of Idaho Falls, Idaho

We have audited the financial statements of the City of Idaho Falls, Idaho for the year ended September 30, 2009, and have issued our report thereon dated January 29, 2010. These financial statements are the responsibility of the City of Idaho Falls, Idaho's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Passenger Facility Charge Program Audit Compliance Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the City of Idaho Falls, Idaho, taken as a whole. The accompanying Schedule of Passenger Facility Charges Collected and Expended for the year ended September 30, 2009, which is the responsibility of management of the City of Idaho Falls, Idaho, is presented for the purpose of additional analysis and as required by the Federal Aviation Administration of the U.S. Department of Transportation to implement Section 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990 and is not a required part of the financial statements. The information in the schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

January 29, 2010

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CITY OF IDAHO FALLS, IDAHO
Idaho Falls, Idaho Municipal Airport
Schedule of Passenger Facility Charges Collected and Expended
Year Ended September 30, 2009

	Passenger Facility Charges Collected	Passenger Facility Charges Expended
PFC Charges Collected and Expended for the Current Year	\$ 480,315	\$ 480,315
PFC Charges Collected and Expended in Prior Years	<u>6,197,489</u>	<u>6,197,489</u>
Total PFC Charges to Date	<u>\$ 6,677,804</u>	6,677,804
PFC Interest Earned to Date		27,394
Actual PFC Related Expenditures to Date		<u>(9,730,512)</u>
Ending Balance Unliquidated PFC Revenue Account (PFC Expended to Date, Plus Interest Less Actual Expenditures to Date		<u>\$ (3,025,314)</u>
Total Approved PFC Related Expenditures to Date		<u>\$ 11,255,531</u>

CITY OF IDAHO FALLS, IDAHO
Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified
that are not considered to be
material weaknesses? None Reported

Noncompliance material to financial
statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified
that are not considered to be
material weaknesses? None Reported

Type of auditors' report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133? No

CITY OF IDAHO FALLS, IDAHO
Schedule of Findings and Questioned Costs (continued)
Year Ended September 30, 2009

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
20.106	Airport Improvement Program
97.067	Homeland Security Grant

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

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None