

**CITY OF SUN VALLEY, IDAHO**

**Basic Financial Statements**

**September 30, 2009**

**City of Sun Valley, Idaho**

**Table of Contents**

	Page
Independent Auditors' Report	1-2
Government-Wide Financial Statements	3
Statement of Net Assets	4
Statement of Activities	5
Fund Financial Statements – Governmental Funds	6
Balance Sheet	7
Statement of Revenues, Expenditures and Changes in Fund Balance	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	9
Notes to the Financial Statements	11-21
Required Supplemental Information	22
Budgetary Comparison Schedule	23
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	24-25
Supplemental Information	26
Original Budget Governmental Funds	27
Final Budget Governmental Funds	28
Budgetary Comparisons	29-40

Justamere Inn  
401 Gooding Street, Suite 203  
P.O. Box 1293  
Twin Falls, Idaho 83303-1293

Phone (208) 734-2077  
Fax (208) 734-2079

office@hcmholmstead.com

February 8, 2010

### INDEPENDENT AUDITORS' REPORT

To The Honorable Mayor and  
Members of the City Council  
Sun Valley, Idaho

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Sun Valley, 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 Sun Valley's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Sun Valley, Idaho, as of September 30, 2009, and the respective changes in financial position 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 February 8, 2010, on our consideration of the City of Sun Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The City of Sun Valley has not presented the required Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Sincerely,

  
HCM HOLMSTEAD PLLC

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Sun Valley  
Statement of Net Assets  
September 30, 2009**

	<b>Primary Government</b>
	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 138,732
Investments	2,581,041
Receivables, Net	295,570
<b>Total Current Assets</b>	<b>3,015,343</b>
<b>Noncurrent Assets</b>	
Capital Assets	
Land and Infrastructure, Net	6,268,513
Buildings, Property and Equipment, Net	3,230,185
<b>Total Noncurrent Assets</b>	<b>9,498,698</b>
<b>Total Assets</b>	<b>\$ 12,514,041</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 133,188
Accrued Wages and Benefits	221,343
Accrued Interest	9,625
Current Portion of Long-Term Debt	565,000
<b>Total Current Liabilities</b>	<b>929,156</b>
<b>Special Revenue Funds</b>	
Bonds	590,000
<b>Total Liabilities</b>	<b>1,519,156</b>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	8,343,698
Restricted for:	
Debt Service	26,774
Unrestricted	2,624,413
<b>Total Net Assets</b>	<b>10,994,885</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 12,514,041</b>

See accompanying notes and accountants' report.

**City of Sun Valley  
Statement of Activities  
For the Year Ended  
September 30, 2009**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Exp) Revenue &amp; Changes in Net Assets Primary Government</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Governmental Activities</u>
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
General Government	\$ 987,637	\$ 25,345	\$ -	\$ -	\$ (962,292)
General Government Infrastructure					
Unallocated Depreciation *	485,152	-	-	-	(485,152)
Building Safety	192,444	146,727	-	-	(45,717)
Police	1,193,378	8,703	-	-	(1,184,675)
Fire	690,551	-	-	-	(690,551)
Streets	1,067,326	49,868	-	-	(1,017,458)
Community Development	355,214	-	-	-	(355,214)
Interest on Long-Term Debt	82,643	-	-	-	(82,643)
Workforce Housing	17,565	16,925	-	-	(640)
<b>External Contracts:</b>					
Public Transit	380,558	-	-	-	(380,558)
Economic Devel./Cultural Information Services	328,100	-	-	-	(328,100)
Recreation Services	30,000	-	-	-	(30,000)
<b>Total Government Activities</b>	<u>\$ 5,810,568</u>	<u>\$ 247,568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,563,000)</u>
<b>General Revenues</b>					
<b>Taxes</b>					
Property Taxes, Levied for General Purposes					\$ 2,127,240
Property Taxes, Levied for Debt Service					915,185
Franchise and Public Services Taxes					132,321
Local Option Tax					1,186,427
State Shared Revenue					656,538
Interest Earnings					44,563
Miscellaneous					30,982
<b>Total General Revenues</b>					<u>5,093,256</u>
<b>Change in Net Assets</b>					(469,744)
<b>Net Assets - Beginning</b>					<u>11,464,629</u>
<b>Net Assets - Ending</b>					<u>\$ 10,994,885</u>

\* Unallocated depreciation that excludes depreciation which is included in the direct expenses of various programs.

See accompanying notes and accountants' report.

**FUND FINANCIAL STATEMENTS**

**City of Sun Valley  
Balance Sheet  
Governmental Funds  
September 30, 2009**

	General Fund	Street Fund	Debt Service Fund	Fixed Asset Fund	Workforce Housing Fund	Land Acquisition Fund	Capital Improvement Fund	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ (801,052)	\$ 149,725	\$ 31,010	\$ 30,097	\$ 191,211	\$ 371,763	\$ 165,978	\$ 138,732
Investments	2,581,040	-	-	-	-	-	-	2,581,040
Property Taxes Receivable	37,883	-	10,094	-	-	-	-	47,977
Other Receivables, Net	88,485	-	-	-	-	-	-	88,485
Due from Other Governments	146,932	12,175	-	-	-	-	-	159,107
<b>Total Assets</b>	<u>\$ 2,053,288</u>	<u>\$ 161,900</u>	<u>\$ 41,104</u>	<u>\$ 30,097</u>	<u>\$ 191,211</u>	<u>\$ 371,763</u>	<u>\$ 165,978</u>	<u>\$ 3,015,341</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts Payable	\$ 96,742	\$ 11,132	\$ -	\$ -	\$ -	\$ -	\$ 25,314	\$ 133,188
Other Accrued Liabilities	214,036	7,307	-	-	-	-	-	221,343
Deferred Revenue	61,526	-	14,330	-	-	-	-	75,856
<b>Total Liabilities</b>	372,304	18,439	14,330	-	-	-	25,314	430,387
<b>Fund Balances</b>								
<b>Reserved:</b>								
Debt Service	-	-	26,774	-	-	-	-	26,774
<b>Unreserved:</b>								
Designated	1,271,633	-	-	-	-	-	-	1,271,633
Undesignated	409,351	-	-	-	-	-	-	409,351
Special Revenue Funds	-	143,461	-	-	191,211	-	-	334,672
Capital Projects Funds	-	-	-	30,097	-	371,763	140,664	542,524
<b>Total Fund Balances</b>	<u>1,680,984</u>	<u>143,461</u>	<u>26,774</u>	<u>30,097</u>	<u>191,211</u>	<u>371,763</u>	<u>140,664</u>	<u>2,584,956</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,053,288</u>	<u>\$ 161,900</u>	<u>\$ 41,104</u>	<u>\$ 30,097</u>	<u>\$ 191,211</u>	<u>\$ 371,763</u>	<u>\$ 165,978</u>	<u>\$ 3,015,341</u>

**RECONCILIATION OF TOTAL GOVERNMENT FUND BALANCE**

<b>Total Governmental Fund Balances</b>	\$ 2,584,956
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	9,498,698
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	75,856
Long-Term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(1,164,625)
<b>Net Assets of Governmental Activities</b>	<u>\$ 10,994,885</u>

See accompanying notes and accountants' report.

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

	Governmental Funds							Total (Governmental Funds)
	General Fund	Street Fund	Debt Service Fund	Fixed Asset Fund	Workforce Housing Fund	Land Acquisition Fund	Capital Improvement Fund	
<b>REVENUES</b>								
Property Tax	\$ 1,314,160	\$ 472,600	\$ 911,419	\$ 69,573	\$ -	\$ -	\$ 252,729	\$ 3,020,481
Local Option Tax	1,186,427	-	-	-	-	-	-	1,186,427
Franchise Tax	132,321	-	-	-	-	-	-	132,321
Licenses	1,945	-	-	-	-	-	-	1,945
Building Permits	94,494	-	-	-	-	-	-	94,494
Idaho Shared Revenue	656,538	49,867	-	-	-	-	-	706,405
General Government	52,233	-	-	-	-	-	-	52,233
Fines	1,525	-	-	-	-	-	-	1,525
Interest	44,563	-	-	-	-	-	-	44,563
Miscellaneous	61,560	-	-	-	16,926	-	-	78,486
<b>Total Revenues</b>	<u>3,545,766</u>	<u>522,467</u>	<u>911,419</u>	<u>69,573</u>	<u>16,926</u>	<u>-</u>	<u>252,729</u>	<u>5,318,880</u>
<b>EXPENDITURES</b>								
General Government	962,035	-	-	-	-	-	-	962,035
Building Safety	127,504	-	-	-	-	-	-	127,504
Police	1,136,154	-	-	-	-	-	-	1,136,154
Fire	607,361	-	-	-	-	-	-	607,361
Streets	-	419,661	-	-	-	-	-	419,661
Community Development	353,946	-	-	-	-	-	-	353,946
Capital Outlay	18,999	213,045	-	226,180	6,213	-	760,887	1,225,324
<b>External Contracts:</b>								
Public Transit	380,558	-	-	-	-	-	-	380,558
Econ. Devel./Cultural Infor. Serv.	328,100	-	-	-	-	-	-	328,100
Recreation Services	30,000	-	-	-	-	-	-	30,000
<b>Debt Service:</b>								
Fiscal Agent Fees	-	-	1,500	-	-	-	-	1,500
Principal Retirement	-	-	815,000	-	-	-	-	815,000
Interest Charges	-	-	92,475	-	-	-	-	92,475
<b>Total Expenditures</b>	<u>3,944,657</u>	<u>632,706</u>	<u>908,975</u>	<u>226,180</u>	<u>6,213</u>	<u>-</u>	<u>760,887</u>	<u>6,479,618</u>
<b>Excess Revenue Over (Under) Expenditures</b>	(398,891)	(110,239)	2,444	(156,607)	10,713	-	(508,158)	(1,160,738)
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	47,674	-	-	573,806	621,480
Transfers Out	(362,842)	(40,906)	-	-	-	(217,732)	-	(621,480)
<b>Total Other Financing Sources (Uses)</b>	<u>(362,842)</u>	<u>(40,906)</u>	<u>-</u>	<u>47,674</u>	<u>-</u>	<u>(217,732)</u>	<u>573,806</u>	<u>-</u>
Net Change in Fund Balances	(761,733)	(151,145)	2,444	(108,933)	10,713	(217,732)	65,648	(1,160,738)
<b>Fund Balances, Beginning of Year</b>	<u>2,442,719</u>	<u>294,606</u>	<u>24,330</u>	<u>139,030</u>	<u>180,498</u>	<u>589,495</u>	<u>75,016</u>	<u>3,745,694</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,680,984</u>	<u>\$ 143,461</u>	<u>\$ 26,774</u>	<u>\$ 30,097</u>	<u>\$ 191,211</u>	<u>\$ 371,763</u>	<u>\$ 140,664</u>	<u>\$ 2,584,956</u>

See accompanying notes and accountants' report.

**City of Sun Valley**  
**Reconciliation of the Statement of Revenues**  
**and Changes in Fund Balance of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended**  
**September 30, 2009**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	(1,160,738)
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The amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(155,782)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		815,000
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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.		9,833
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Some revenues reported in the statement of activities are deferred and, therefore, are not reported as revenues in the governmental funds.		21,943
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<b>Change in Net Assets of Governmental Activities</b>	\$	<u><u>(469,744)</u></u>
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See accompanying notes and accountants' report.

**NOTES TO FINANCIAL STATEMENTS**

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**INTRODUCTION**

The City of Sun Valley, Idaho, (the City) was chartered in 1947 under the laws of the State of Idaho. The City is governed by an elected mayor and a four-member council who are compensated for their services.

The City provides public safety (police and fire), community development, building safety, streets, planning and zoning, and general administrative services to its citizens.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City conform to generally accepted accounting principles as promulgated in the various statements and interpretations issued by the Governmental Accounting Standards Board, and other authoritative pronouncements.

**Financial Reporting Entity** - As required by generally accepted accounting principles, these financial statements present all aspects for which the City is financially accountable.

**Government-Wide Accounting** - In accordance with Government Accounting Standards Boards Statement No. 34, the City has presented a Statement of Net Assets and Statement of Activities for the City as a whole. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds. The City has no business-type activities and, therefore, this column is eliminated.

Policies specific to the government-wide statements are as follows:

**Capitalizing Assets** - Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as streets and paths are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets.

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Under the requirements of GASB Statement No. 34, the City is considered a Phase 3 government since its total annual revenues is less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The City has opted to retroactively report these types of capital assets.

*Program Revenues* - The Statement of Activities presents two categories of program revenues - 1) charges for services; and 2) operating grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the City.

*Indirect Expenses* - Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the City has chosen not to do so.

*Restricted Net Assets* - Restricted net assets are those for which a constraint has been imposed either externally or by law. The City recognized the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

*Description of Funds* - The accounts of the City are organized on the basis of funds to report on financial position and results of operations. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds of the City have all been determined to be in the account group, Governmental Funds.

Governmental Funds - Governmental funds account for all of the City's general activities, including the collection and disbursement of specific or legally-restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

General Fund - This fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Fixed Asset Fund – This Fund accounts for all revenues and expenditures to finance assets that are tangible, have a useful life exceeding two (2) or more years and cost more than \$5,000. A fixed asset can be categorized as land, buildings, equipment, improvements other than buildings, construction in progress and intangibles.

Debt Service Fund – This Fund is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Governmental Funds – Continued

Street Fund – This Fund accounts for financial resources for the planning, design, purchase, maintenance and replacement of City streets, paths, storm drains, multi use path, street cleaning, snow removal and street signs.

Land Acquisition Fund – This Fund accounts for financial resources for the acquisition of land by the City. Land may be acquired for needed public facilities, including but not limited to buildings, parks, open space, and work force housing.

Work Force Housing Fund – This Fund was created in FY '05 and accounts for financial resources to support housing for City of Sun Valley employees.

Capital Improvement Fund – This Fund accounts for financial resources used to construct or acquire capital improvements or facilities. Revenues flowing into the fund may include transfers from the General Fund or general obligation bond proceeds that were authorized for a project, state and federal grants and current taxes. Expenditures flowing out of the fund are usually payments to contractors for project design and construction.

***Basis of Accounting/Measurement Focus*** – The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

In the fund statements, governmental funds of the City are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Revenues from property, sales, and local option taxes are considered measurable and available when collected within 60 days of year end. Delinquent property taxes not collected within 60 days of year end are recorded as deferred revenue. Expenditures are recognized when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due.

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

***Budgets and Budgetary Accounting*** - Annual appropriated budgets are adopted for all the funds of the City. The budget is prepared in accordance with the basis of accounting utilized by that fund. Budgeted amounts shown are as originally adopted and as amended by the City Council. Budget amendments are passed on an as-needed basis. All annual appropriations lapse at fiscal year end. A balanced budget is required.

***Cash and Cash Equivalents*** - Beginning in the 1998 fiscal year, the City pooled cash resources of its funds to facilitate management of cash. Cash applicable to a particular fund is readily identifiable.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

***Investments*** - State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements, and the Idaho State Treasurer Local Government Investment Pool.

***Custodial Credit Risk*** - For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk outside of the deposit and investment agreements.

***Credit Risk*** - Credit risk is the risk that an insurer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's and Fitch's. The investments of the City are not rated and the City's policy does not restrict them to rated investments.

***Receivables and Payables*** - Property taxes are levied during the first week of September and are payable in two installments on December 20th and June 20th of the following year. Blaine County bills and collects property taxes for the City.

All receivables are reported at their gross value.

***Use of Estimates*** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Capital Assets** - The City's assets are recorded at historical cost or where historical cost is not available, estimated historical cost based on replacement cost. Depreciation is recorded using the straight-line method over useful lives of the assets as follows:

Buildings	20-40 years	Vehicles	3-25 years
Equipment	7-15 years	Infrastructure	20-50 years

**Compensated Absences** - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

**Long-Term Obligations** - In the government-wide financial statements, debt principal payments are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments are recognized as expenditures when paid.

**Net Assets/Fund Balance** - In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

*Invested in Capital Assets, Net of Related Debt* - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds or other borrowings attributable to the acquisition, construction or improvement of capital assets.

*Restricted Net Assets* - Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets.

*Unrestricted Net Assets* - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

*Reserved* - These resources are segregated because their use is legally restricted for a specific purpose.

*Unreserved* - This category represents that portion of equity that can be appropriated for expenditures or legally segregated for a specific future use.

*Designated* - Resolution No. 2009-07 entitled Adoptions of Fund Balance Policy – General Fund, was passed by the City Council on April 16, 2009. This policy states that the City shall maintain at all times in its General Fund, an unreserved, designated fund balance of no less than the equivalent of 16 weeks and no more than the equivalent of 32 weeks of regular General Fund operating expenditures, based on its annual General Fund Budget. The amount will be established by the City Council in its adoption of the annual budget.

*Undesignated* – This category represents balances that have no legal restriction or council designation.

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

*Inter-fund Transactions* - All inter-fund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

**NOTE 2 - CASH AND INVESTMENTS**

The cash and cash equivalents on hand (book balances) at September 30, 2009, are as follows:

Petty Cash	\$	134
General Checking		<u>138,598</u>
Total	\$	<u>146,959</u>

Investments consist of the following at September 30, 2009:

Idaho State Governmental Investment Pool	\$	2,581,040
--	----	-----------

The Local Government Investment Pool is managed by the State of Idaho Treasurer’s office. The funds of the pool are invested in certificates of deposits, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

**NOTE 3 – INVESTMENT IN MOUNTAIN RIDES TRANSPORTATION AUTHORITY**

The Mountain Rides Transportation Authority (the Authority) is an Authority Board authorized pursuant to Idaho Code, Section 76-2328 to procure, establish, operate, maintain and plan for a multimodal public transportation system in and between the corporate limits of Sun Valley, Ketchum, Hailey, Bellevue and Carey and within Blaine County and outside of Blaine County to counties with commuters traveling to Blaine County. The Authority receives its funding through federal and state grants, fares, and contributions from the cities in Blaine County as well as from Blaine County. The City’s share of operating costs for the fiscal year ended September 30, 2009 was \$380,000. The Authority is governed by an independent Board comprised of representatives appointed by the Mayors of each city, except the City of Carey, and the Board of County Commissioners, and one “Member-At-Large” appointed by the Board of the Authority.

City’s share of operating costs	\$	380,000
Buses Purchased		<u>151,990</u>
Total Contribution to Mountain Rides	\$	<u>531,990</u>

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**NOTE 4 - RECEIVABLES**

The following is a summary of receivables at September 30, 2009:

Property Taxes:

2008 Assessment	\$	36,873
2007 Assessment		5,267
2006 - 2001 Assessment		5,837
Local Option Tax		88,485
Other (State - Liquor, Highway and Revenue Sharing)		159,107
		159,107
	\$	295,569

**NOTE 5 - CAPITAL ASSETS**

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

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 191,149	\$ -	\$ -	\$ 191,149
Capital assets being depreciated:				
Buildings and Improvements	3,003,728			3,003,728
Infrastructure	15,838,960	540,535		16,379,495
Equipment and Vehicles	3,395,942	68,695		3,464,637
Total	22,238,630	609,230	-	22,847,860
Less Accumulated Depreciation for:				
Buildings and Improvements	1,169,083	78,295		1,247,378
Infrastructure	9,816,881	485,152		10,302,033
Equipment and Vehicles	1,789,337	201,563		1,990,900
Total	12,775,301	765,010	-	13,540,311
Capital Assets, Net	\$ 9,654,478	\$ (155,780)	\$ -	\$ 9,498,698

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**NOTE 5 - CAPITAL ASSETS - Continued**

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 15,629
Community Development & Building	1,007
Police	46,324
Workforce Housing	11,353
Fire	85,528
Street	56,988
Unallocated	<u>548,083</u>
Total Depreciation Expense	<u>\$764,083</u>

**NOTE 6 - BONDS PAYABLE**

In February 1995, the voters of Sun Valley approved the issuance of \$6,500,000 in bonds for street improvements. On August 12, 1995, the City issued \$2,000,000 of the bonds. On July 15, 1997, the City issued the remaining \$4,500,000 of bonds. In May 2004, bonds in the amount of \$4,060,000 were refinanced. In August 2004, the City issued \$ 1,300,000 in general obligation capital notes to finance the repair of a secondary roadway in the city.

The following is the general long-term debt activity for the year ending September 30, 2009:

General obligation refunding bonds - Series 2003, due in semi-annual installments ranging from \$14,750 to \$590,000 through 2011 at coupon interest rates ranging from 2% to 5%.

General obligation capital notes – Series 2004, due in semi-annual installments ranging from \$245,000 to \$275,000 through 2009 at coupon interest rates ranging from 1.75% to 3.3%.

Changes in long-term debt during the year are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Bonds				
Series 2003 Refinance	\$ 1,695,000	\$ -	\$ 540,000	\$ 1,155,000
Series 2004	275,000		275,000	-
	<u>\$ 1,970,000</u>	<u>\$ -</u>	<u>\$ 815,000</u>	<u>\$ 1,155,000</u>

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**NOTE 6 - BONDS PAYABLE - Continued**

The annual requirements to amortize all general obligation bonds as of September 30, 2009 and related interest payments are as follows:

Year Ended September 30,	Interest	Principal
2010	57,750	565,000
2011	29,500	590,000
	\$ 87,250	\$ 1,155,000

Interest accrued at:	
September 30, 2009	\$ 13,900

*Additional disclosures required by U.S. Securities and Exchange Commission Rule 15c2-12(b)(5):*

The assessed value of property subject to ad valorem taxation within the City of Sun Valley for the fiscal year ended in 2009 is \$2,662,778,130.

The ad valorem tax levy rate, amounts including occupancy and sub-roll, and percentages of taxes collected are:

	Tax Levy Rate	Tax Levy Amount	Percentage Collection
2008	0.000929414	\$ 2,474,825	92.82%
2007	0.001092481	\$ 2,286,939	98.91%
2006	0.001092614	\$ 2,221,197	95.42%
2005	0.001318510	\$ 2,840,882	97.53%
2004	0.001557621	\$ 2,803,345	98.25%

Within the requirements of Rule 15c2-12(b)(5), there have been no material events to report.

**NOTE 7 - PENSION PLANS**

Public Employee Retirement System of Idaho (PERSI) – The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The Plan provides benefits based on members’ years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members of beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. Financial reports for the Plan are available on the PERSI web site or in print upon request.

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**NOTE 7 - PENSION PLANS - Continued**

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

The contribution requirements of the City of Sun Valley and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2009, the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.65% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. The City of Sun Valley employer contributions required and paid were \$189,179, \$156,437 and \$147,692 for the three years ended September 30, 2009, 2008, and 2007, respectively.

**NOTE 8- RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City defends itself through law firms and its insurance company, if coverage is acknowledged, when claims arise. No claims for which the City may become liable are known or measurable at this time.

**NOTE 9- LEGAL COMPLIANCE – BUDGETS**

The City follows these procedures in establishing the budgetary data:

- Prior to August, the Mayor submits to the City Council a proposed operating budget outlined for the fiscal year commencing the following October 1. The operating budget summary includes proposed expenditures and the means of financing them.
  
- A public hearing is conducted at City Hall to obtain taxpayer comments.
  
- Prior to September 1, the budget is legally enacted through passage of an ordinance.

**City of Sun Valley, Idaho**  
**Notes to Financial Statements**  
**Year Ended September 30, 2009**

**NOTE 9- LEGAL COMPLIANCE -BUDGETS - Continued**

Formal budgetary integration is employed as a management control device during the year.

Revisions that alter the total expenditures of any fund must be approved by the City Council. However, state law does not allow fund expenditures to exceed fund appropriations.

**REQUIRED SUPPLEMENTAL INFORMATION**

**City of Sun Valley**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**All Governmental Fund Types**  
**For the Year Ended**  
**September 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<b>Fund Balance, October 1</b>	\$ 3,745,694	\$ 3,745,694	3,745,694	-
<b>Resources (Inflows)</b>				
Property Tax	3,013,554	3,013,554	\$ 3,020,481	\$ 6,927
Local Option Tax	1,450,382	1,450,382	1,186,427	(263,955)
Franchise Tax	147,730	147,730	132,321	(15,409)
Licenses	5,125	5,125	1,945	(3,180)
Building Permits	211,114	211,114	94,494	(116,620)
Idaho Shared Revenue	802,329	802,329	706,405	(95,924)
General Government	26,500	26,500	52,233	25,733
Fines	1,042	1,042	1,525	483
Interest	60,000	60,000	44,563	(15,437)
Miscellaneous	69,055	69,055	78,486	9,431
<b>Total Amounts Appropriated</b>	<u>5,786,831</u>	<u>5,786,831</u>	<u>5,318,880</u>	<u>(467,951)</u>
<b>Charges to Appropriations (Outflows)</b>				
General Government	1,261,698	1,261,698	962,035	299,663
Building Safety	163,518	163,518	127,504	36,014
Police	1,183,314	1,183,314	1,136,154	47,160
Fire	521,171	602,904	607,361	(4,457)
Streets	408,522	408,522	419,661	(11,139)
Community Development	313,511	313,511	353,946	(40,435)
Capital Outlay	1,486,838	1,500,418	1,225,324	275,094
<b>External Contracts:</b>				
Public Transit	380,000	380,000	380,558	(558)
Economic Devel./Cultural Information Services	335,000	335,000	328,100	6,900
Recreation Services	60,000	60,000	30,000	30,000
<b>Debt Service:</b>				
Fiscal Agent Fees	1,000	1,000	1,500	(500)
Principal Retirement	815,000	815,000	815,000	-
Interest Charges	92,475	92,475	92,475	-
<b>Total Charges to Appropriations</b>	<u>7,022,047</u>	<u>7,117,360</u>	<u>6,479,618</u>	<u>637,742</u>
<b>Excess (Deficiency)</b>	(1,235,216)	(1,330,529)	(1,160,738)	(1,105,693)
<b>Other Financing Sources (Transfers)</b>	1,051,176	1,064,756	-	(1,064,756)
<b>Net Change in Fund Balance</b>	<u>(184,040)</u>	<u>(265,773)</u>	<u>(1,160,738)</u>	<u>(894,965)</u>
<b>Fund Balance, September 30</b>	<u>\$ 3,561,654</u>	<u>\$ 3,479,921</u>	<u>\$ 2,584,956</u>	<u>\$ 894,965</u>

The accompanying notes are an integral part of these statements.

Justamere Inn  
401 Gooding Street, Suite 203  
P.O. Box 1293  
Twin Falls, Idaho 83303-1293

Phone (208) 734-2077  
Fax (208) 734-2079

office@hcmholmstead.com

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

To The City Council  
City of Sun Valley:

We have audited the financial statements of the City of Sun Valley as of and for the year ending September 30, 2009, and have issued our report thereon dated February 8, 2010. 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 Sun Valley's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements but do not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity'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 entity'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 entity's financial statements 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 a material misstatement of the financial statement will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for 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. No significant deficiencies or material weaknesses were noted during our review of the internal control of the City of Sun Valley.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Sun Valley 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 and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "HCM Holmstead".

HCM Holmstead, pllc  
February 8, 2010

## **SUPPLEMENTAL INFORMATION**

**City of Sun Valley  
Original Budget  
Governmental Funds  
For the Year Ended  
September 30, 2009**

	Governmental Funds							Total (Governmental Funds)
	General Fund	Street Fund	Debt Service Fund	Fixed Asset Fund	Workforce Housing Fund	Land Acquisition Fund	Capital Improvement Fund	
<b>REVENUES</b>								
Property Tax	\$ 1,312,152	\$ 471,426	\$ 908,475	\$ 69,400	\$ -	\$ -	\$ 252,101	\$ 3,013,554
Local Option Tax	1,450,382	-	-	-	-	-	-	1,450,382
Franchise Tax	147,730	-	-	-	-	-	-	147,730
Licenses	5,125	-	-	-	-	-	-	5,125
Building Permits	211,114	-	-	-	-	-	-	211,114
Idaho Shared Revenue	749,852	52,477	-	-	-	-	-	802,329
General Government	26,500	-	-	-	-	-	-	26,500
Fines	1,042	-	-	-	-	-	-	1,042
Interest	60,000	-	-	-	-	-	-	60,000
Grants	-	-	-	-	-	-	-	-
Miscellaneous	53,080	-	-	-	15,975	-	-	69,055
<b>Total Revenues</b>	<u>4,016,977</u>	<u>523,903</u>	<u>908,475</u>	<u>69,400</u>	<u>15,975</u>	<u>-</u>	<u>252,101</u>	<u>5,786,831</u>
<b>EXPENDITURES</b>								
General Government	1,261,698	-	-	-	-	-	-	1,261,698
Building Safety	163,518	-	-	-	-	-	-	163,518
Police	1,183,314	-	-	-	-	-	-	1,183,314
Fire	521,171	-	-	-	-	-	-	521,171
Streets	-	408,522	-	-	-	-	-	408,522
Community Development	313,511	-	-	-	-	-	-	313,511
Capital Outlay	22,000	299,421	-	240,400	15,975	-	909,042	1,486,838
<b>External Contracts:</b>								
Public Transit	380,000	-	-	-	-	-	-	380,000
Econ. Devel./Cultural Information Serv.	335,000	-	-	-	-	-	-	335,000
Recreation Services	60,000	-	-	-	-	-	-	60,000
<b>Debt Service:</b>								
Fiscal Agent Fees	-	-	1,000	-	-	-	-	1,000
Principal Retirement	-	-	815,000	-	-	-	-	815,000
Interest Charges	-	-	92,475	-	-	-	-	92,475
<b>Total Expenditures</b>	<u>4,240,212</u>	<u>707,943</u>	<u>908,475</u>	<u>240,400</u>	<u>15,975</u>	<u>-</u>	<u>909,042</u>	<u>7,022,047</u>
<b>Excess (Deficiency)</b>	(223,235)	(184,040)	-	(171,000)	-	-	(656,941)	(1,235,216)
<b>Other Financing Sources (Uses)</b>								
Transfers In	223,235	-	-	171,000	-	-	656,941	1,051,176
Transfers Out	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>223,235</u>	<u>-</u>	<u>-</u>	<u>171,000</u>	<u>-</u>	<u>-</u>	<u>656,941</u>	<u>1,051,176</u>
Net Change in Fund Balances	-	(184,040)	-	-	-	-	-	(184,040)
<b>Fund Balances, Beginning of Year</b>	<u>2,442,719</u>	<u>294,606</u>	<u>24,330</u>	<u>139,030</u>	<u>180,498</u>	<u>589,495</u>	<u>75,016</u>	<u>3,745,694</u>
<b>Fund Balances, End of Year</b>	<u>\$ 2,442,719</u>	<u>\$ 110,566</u>	<u>\$ 24,330</u>	<u>\$ 139,030</u>	<u>\$ 180,498</u>	<u>\$ 589,495</u>	<u>\$ 75,016</u>	<u>\$ 3,561,654</u>

The accompanying notes are an integral part of these statements.

**City of Sun Valley  
Final Budget  
Governmental Funds  
For the Year Ended  
September 30, 2009**

	Governmental Funds							Total (Governmental Funds)
	General Fund	Street Fund	Debt Service Fund	Fixed Asset Fund	Workforce Housing Fund	Land Acquisition Fund	Capital Improvement Fund	
<b>REVENUES</b>								
Property Tax	\$ 1,312,152	\$ 471,426	\$ 908,475	\$ 69,400	\$ -	\$ -	\$ 252,101	\$ 3,013,554
Local Option Tax	1,450,382	-	-	-	-	-	-	1,450,382
Franchise Tax	147,730	-	-	-	-	-	-	147,730
Licenses	5,125	-	-	-	-	-	-	5,125
Building Permits	211,114	-	-	-	-	-	-	211,114
Idaho Shared Revenue	749,852	52,477	-	-	-	-	-	802,329
General Government	26,500	-	-	-	-	-	-	26,500
Fines	1,042	-	-	-	-	-	-	1,042
Interest	60,000	-	-	-	-	-	-	60,000
Grants	-	-	-	-	-	-	-	-
Miscellaneous	53,080	-	-	-	15,975	-	-	69,055
<b>Total Revenues</b>	<b>4,016,977</b>	<b>523,903</b>	<b>908,475</b>	<b>69,400</b>	<b>15,975</b>	<b>-</b>	<b>252,101</b>	<b>5,786,831</b>
<b>EXPENDITURES</b>								
General Government	1,261,698	-	-	-	-	-	-	1,261,698
Building Safety	163,518	-	-	-	-	-	-	163,518
Police	1,183,314	-	-	-	-	-	-	1,183,314
Fire	602,904	-	-	-	-	-	-	602,904
Streets	-	408,522	-	-	-	-	-	408,522
Community Development	313,511	-	-	-	-	-	-	313,511
Capital Outlay	22,000	299,421	-	253,980	15,975	-	909,042	1,500,418
<b>External Contracts:</b>								
Public Transit	380,000	-	-	-	-	-	-	380,000
Econ. Devel./Cultural Information Serv.	335,000	-	-	-	-	-	-	335,000
Recreation Services	60,000	-	-	-	-	-	-	60,000
<b>Debt Service:</b>								
Fiscal Agent Fees	-	-	1,000	-	-	-	-	1,000
Principal Retirement	-	-	815,000	-	-	-	-	815,000
Interest Charges	-	-	92,475	-	-	-	-	92,475
<b>Total Expenditures</b>	<b>4,321,945</b>	<b>707,943</b>	<b>908,475</b>	<b>253,980</b>	<b>15,975</b>	<b>-</b>	<b>909,042</b>	<b>7,117,360</b>
<b>Excess (Deficiency)</b>	<b>(304,968)</b>	<b>(184,040)</b>	<b>-</b>	<b>(184,580)</b>	<b>-</b>	<b>-</b>	<b>(656,941)</b>	<b>(1,330,529)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	223,235	-	-	184,580	-	-	656,941	1,064,756
Transfers Out	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>223,235</b>	<b>-</b>	<b>-</b>	<b>184,580</b>	<b>-</b>	<b>-</b>	<b>656,941</b>	<b>1,064,756</b>
Net Change in Fund Balances	(81,733)	(184,040)	-	-	-	-	-	(265,773)
<b>Fund Balances, Beginning of Year</b>	<b>2,442,719</b>	<b>294,606</b>	<b>24,330</b>	<b>139,030</b>	<b>180,498</b>	<b>589,495</b>	<b>75,016</b>	<b>3,745,694</b>
<b>Fund Balances, End of Year</b>	<b>\$ 2,360,986</b>	<b>\$ 110,566</b>	<b>\$ 24,330</b>	<b>\$ 139,030</b>	<b>\$ 180,498</b>	<b>\$ 589,495</b>	<b>\$ 75,016</b>	<b>\$ 3,479,921</b>

The accompanying notes are an integral part of these statements.

**City of Sun Valley**  
**Budgetary Comparisons - General Fund**  
**Revenues and Expenditures by Department**  
**For the Year Ended**  
**September 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variences Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Tax	\$ 1,312,152	\$ 1,312,152	\$ 1,314,160	\$ 2,008
Local Option Tax	1,450,382	1,450,382	1,186,427	(263,955)
Franchise Tax	147,730	147,730	132,321	(15,409)
Licenses	5,125	5,125	1,945	(3,180)
Building Permits	211,114	211,114	94,494	(116,620)
Idaho Shared Revenue	749,852	749,852	656,538	(93,314)
General Government	26,500	26,500	52,233	25,733
Fines	1,042	1,042	1,525	483
Interest	60,000	60,000	44,563	(15,437)
Grants	-	-	-	-
Miscellaneous	53,080	53,080	61,560	8,480
<b>Total Revenues</b>	<u>4,016,977</u>	<u>4,016,977</u>	<u>3,545,766</u>	<u>(471,211)</u>
<b>EXPENDITURES</b>				
<b>General Government</b>				
<b>Legislative</b>				
Salaries and Wages	85,500	85,500	76,250	9,250
Fringe Benefits	71,939	71,939	71,939	-
Operational Expenditures	16,228	16,228	17,238	(1,010)
<b>Total Legislation</b>	<u>173,667</u>	<u>173,667</u>	<u>165,427</u>	<u>8,240</u>
<b>Administrative</b>				
Salaries and Wages	358,637	358,637	369,336	(10,699)
Fringe Benefits	109,486	109,486	110,992	(1,506)
Workers Compensation	1,920	1,920	1,920	-
State Unemployment	2,000	2,000	5,044	(3,044)
Office/Operating Supplies	17,350	17,350	12,901	4,449
Janitorial Supplies	1,420	1,420	1,106	314
Motor Fuels & Lubricants	600	600	547	53
Postage	3,000	3,000	2,365	635
Professional Fees	10,000	10,000	13,142	(3,142)
Supplemental Allowances	12,000	12,000	12,000	-
Audit	9,250	9,250	9,250	-
Attorney Fees	80,000	80,000	71,120	8,880
Computer Consultants	25,000	25,000	26,572	(1,572)
Newsletter & Annual Report	3,000	3,000	1,030	1,970
Website	1,000	1,000	856	144
Advertising & Legal Publishing	5,000	5,000	3,975	1,025
Insurance - Liability Fund	63,109	63,109	58,109	5,000
Travel, Training & Meetings	8,700	8,700	14,662	(5,962)
Dues, Subscriptions, Memberships	3,500	3,500	9,646	(6,146)
Advertising & Recruitment	1,000	1,000	35	965

The accompanying notes are an integral part of these statements.

**City of Sun Valley**  
**Budgetary Comparisons - General Fund**  
**Revenues and Expenditures by Department**  
**For the Year Ended**  
**September 30, 2009**

EXPENDITURES - CONTINUED	Budgeted Amounts		Actual Amounts	Variances Final to Actual
	Original	Final		
<b>Administration - Continued</b>				
Custodial & Cleaning Services	14,500	14,500	15,497	(997)
Telephone and Communications	24,747	24,747	13,834	10,913
Utilities	28,000	28,000	28,857	(857)
Rental - Office Furniture & Equipment	756	756	3,558	(2,802)
Rep/Maint -Office Furn. Equip	3,500	3,500	3,315	185
Rep/Maint - Buildings	7,166	7,166	2,279	4,887
Rep/Maint - Grounds	1,103	1,103	-	1,103
Rep/Maint - Auto Equip	562	562	785	(223)
Repairs & Maint Auto Equip	500	500	982	(482)
Bank Charges	1,500	1,500	2,658	(1,158)
Motor Fuels & Lubricants	1,500	1,500	235	1,265
Comp Plan	2,500	2,500	-	2,500
Contingency	285,725	285,725	-	285,725
<b>Total Administration</b>	1,088,031	1,088,031	796,608	291,423
<b>Building Safety</b>				
Salaries & Wages	100,713	100,713	94,739	5,974
Fringe Benefits	22,462	22,462	21,210	1,252
Workers Compensation	987	987	926	61
Office Supplies	281	281	546	(265)
Operating Supplies	2,500	2,500	1,012	1,488
Motor Fuels & Lubricants	4,500	4,500	965	3,535
Professional Fees	25,000	25,000	2,072	22,928
Travel, Training, Meetings	2,900	2,900	1,619	1,281
Dues, Subscriptions, Memberships	875	875	446	429
Telephone & Communications	1,300	1,300	1,579	(279)
Repair & Maint - Auto Equip	2,000	2,000	2,390	(390)
<b>Total Building Safety</b>	163,518	163,518	127,504	36,014
<b>Police</b>				
Salaries & Wages	612,875	612,875	614,934	(2,059)
Overtime	42,120	42,120	34,077	8,043
Fringe Benefits	254,364	254,364	252,655	1,709
Workers Compensation	21,267	21,267	20,097	1,170
State Unemployment	5,000	5,000	-	5,000
Office Supplies	3,093	3,093	898	2,195
Janitorial Supplies	735	735	544	191
Operating Supplies	8,775	8,775	5,016	3,759
Police Trust Account	5,000	5,000	2,487	2,513

The accompanying notes are an integral part of these statements.

**City of Sun Valley**  
**Budgetary Comparisons - General Fund**  
**Revenues and Expenditures by Department**  
**For the Year Ended**  
**September 30, 2009**

EXPENDITURES - CONTINUED	Budgeted Amounts		Actual Amounts	Variances Final to Actual
	Original	Final		
<b>Police - Continued</b>				
Minor Equipment	7,350	7,350	6,741	609
Safety Equipment	750	750	173	577
Records Mgt System	23,377	23,377	20,369	3,008
Motor Fuels & Lubricants	20,000	20,000	10,993	9,007
Postage	184	184	117	67
Medical Services	500	500	-	500
Investigative Expert Services	2,500	2,500	12	2,488
Informational Services	750	750	-	750
Travel, Training, Meetings	14,848	14,848	11,095	3,753
Dues, Subscriptions, Memberships	1,200	1,200	800	400
Physical Examinations	750	750	-	750
Telephone & Communications	3,009	3,009	3,592	(583)
Rental - Property & Equipment	2,400	2,400	1,950	450
Repairs & Maint - Equipment	1,000	1,000	693	307
Repairs & Maint - Auto Equip	6,946	6,946	5,508	1,438
Repairs & Maint - Other	1,250	1,250	266	984
Repairs & Maint - Radio Service	1,500	1,500	968	532
Laundry	3,200	3,200	2,657	543
Uniforms	4,957	4,957	3,679	1,278
Vehicle Towing	250	250	-	250
Drug Dog Program	1,500	1,500	1,737	(237)
<b>External Contracts</b>				
Communication - Dispatch	106,862	106,862	110,892	(4,030)
Prosecution of Misdemeanors	25,000	25,000	23,205	1,795
<b>Total Police</b>	1,183,314	1,183,314	1,136,154	47,160
<b>Fire</b>				
Salaries & Wages	214,772	226,407	236,926	(10,519)
Salaries & Wages - On Call	75,000	115,000	97,145	17,855
Salaries & Wages - Temp	6,000	6,000	2,679	3,321
Fringe Benefits	88,390	92,489	91,662	827
Workers Compensation	7,542	7,542	9,388	(1,846)
State Unemployment	350	350	-	350
Housing Allowance	6,500	6,500	6,000	500
Office Supplies	3,000	3,000	1,155	1,845
Janitorial Supplies	1,300	1,300	1,105	195
Operating Supplies	9,261	9,261	11,082	(1,821)
Medical Safety Supplies	5,000	5,000	10,353	(5,353)
Minor Tools	1,000	1,000	3,111	(2,111)
Motor Fuels & Lubricants	15,000	15,000	14,945	55

The accompanying notes are an integral part of these statements.

**City of Sun Valley**  
**Budgetary Comparisons - General Fund**  
**Revenues and Expenditures by Department**  
**For the Year Ended**  
**September 30, 2009**

EXPENDITURES - CONTINUED	Budgeted Amounts		Actual Amounts	Variances Final to Actual
	Original	Final		
<b>Fire - Continued</b>				
Postage	50	50	91	(41)
Travel, Training, Meetings	8,700	8,700	6,575	2,125
Dues, Subscriptions, Memberships	3,200	3,200	5,866	(2,666)
Custodial & Cleaning Services	1,100	1,100	189	911
Telephone & Communications	5,500	5,500	5,559	(59)
Rental Equipment	5,000	5,000	2,915	2,085
Rental - Other	500	500	1,838	(1,338)
Turnouts	6,000	6,000	5,323	677
Repairs & Maint - Office Furn	300	300	516	(216)
Repairs & Maint - Buildings	5,000	31,000	12,992	18,008
Repairs & Maint - Grounds	2,500	2,500	3,832	(1,332)
Repairs & Maint - Equipment	16,894	16,892	27,510	(10,618)
Repairs & Maint - Auto Equip	10,500	10,500	19,312	(8,812)
Repairs & Maint - Radio Service	4,000	4,000	10,585	(6,585)
Laundry	2,812	2,812	1,720	1,092
Uniforms	3,500	3,500	4,375	(875)
Office Furniture & Equipment	12,500	12,500	12,612	(112)
<b>Total Fire</b>	521,171	602,903	607,361	(4,458)
 <b>Community Development</b>				
Salaries and Wages	172,639	172,639	179,872	(7,233)
Fringe Benefits	50,045	50,045	52,669	(2,624)
Workers Compensation	1,692	1,692	1,692	-
P&Z Expense Reimbursement	24,750	24,750	13,502	11,248
Planning Bus Exp	1,700	1,700	1,327	373
Office/Operating Supplies	5,305	5,305	4,423	882
Professional Fees	8,000	8,000	4,161	3,839
Engineering	10,000	10,000	63,517	(53,517)
Contract Labor	20,380	20,380	18,212	2,168
Advertising & Legal Publishing	10,000	10,000	7,783	2,217
Travel, Training & Meetings	6,800	6,800	4,751	2,049
Dues, Subscriptions, Memberships	1,000	1,000	615	385
Telephone & Communications	1,200	1,200	1,420	(220)
<b>Total Community Development</b>	313,511	313,511	353,946	(40,435)

The accompanying notes are an integral part of these statements.

**City of Sun Valley**  
**Budgetary Comparisons - General Fund**  
**Revenues and Expenditures by Department**  
**For the Year Ended**  
**September 30, 2009**

EXPENDITURES - CONTINUED	Budgeted Amounts		Actual Amounts	Variances Final to Actual
	Original	Final		
<b>Capital Outlay</b>				
Office Furniture & Equip - Comm Devel	3,000	3,000	52	2,948
Office Furniture & Equip - Police	5,500	5,500	2,690	2,810
Radios - Handheld	2,500	2,500	4,639	(2,139)
Animal Control	1,500	1,500	2,042	(542)
Office Furniture & Equip - Administrative	3,000	3,000	3,580	(580)
Office Furniture & Equipment - Building Safety	3,000	3,000	2,007	993
Office Furniture & Equipment - Legislative	1,000	1,000	3,079	(2,079)
Elections	2,500	2,500	911	1,589
<b>Total Capital Outlay</b>	22,000	22,000	18,999	3,001
<b>External Contracts</b>				
Public Transit	380,000	380,000	380,558	(558)
Economic Devel./Cultural Info. Serv.	335,000	335,000	328,100	6,900
Recreation Services	60,000	60,000	30,000	30,000
<b>Total External Contracts</b>	775,000	775,000	738,658	36,342
<b>Total Expenditures</b>	4,066,545	4,148,277	3,944,657	203,620
<b>Excess (Deficiency)</b>	(49,568)	(131,300)	(398,891)	(267,591)
<b>Other Financing Sources (Uses)</b>				
Transfers In	223,235	223,235	-	(223,235)
Transfers Out	-	-	(362,842)	(362,842)
<b>Total Other Financing Sources (Uses)</b>	223,235	223,235	(362,842)	(586,077)
Net Change in Fund Balances	173,667	91,935	(761,733)	(853,668)
Fund Balance, Beginning of Year	2,442,719	2,442,719	2,442,719	-
Fund Balance, End of Year	\$ 2,616,386	\$ 2,534,654	\$ 1,680,986	\$ (853,668)

The accompanying notes are an integral part of these statements.

**City of Sun Valley  
Budgetary Comparisons  
Debt Service Fund  
For the Year Ended  
September 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Tax	\$ 285,075	\$ 285,075	\$ 282,019	\$ (3,056)
Property Tax - 2003 Bond	623,400	623,400	629,400	6,000
<b>Total Revenues</b>	<u>908,475</u>	<u>908,475</u>	<u>911,419</u>	<u>2,944</u>
<b>EXPENDITURES</b>				
Fiscal Agent Services	1,000	1,000	1,500	(500)
2003 Bond Principal	540,000	540,000	540,000	-
Fairway Road Principal Payment	275,000	275,000	275,000	-
Interest 03 Series	83,400	83,400	83,400	-
Interest 2004 Note	9,075	9,075	9,075	-
<b>Total Expenditures</b>	<u>908,475</u>	<u>908,475</u>	<u>908,975</u>	<u>(500)</u>
<b>Excess (Deficiency)</b>	-	-	2,444	2,444
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
Net Change in Fund Balances	-	-	2,444	2,444
<b>Fund Balances, Beginning of Year</b>	<u>24,330</u>	<u>24,330</u>	<u>24,330</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 24,330</u>	<u>\$ 24,330</u>	<u>\$ 26,774</u>	<u>\$ 2,444</u>

The accompanying notes are an integral part of these statements.

**City of Sun Valley  
Budgetary Comparisons  
Street Fund  
For the Year Ended  
September 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variances Positive (Negative) Final to Actual</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Tax	\$ 471,426	\$ 471,426	\$ 472,600	\$ 1,174
Idaho Shared Revenue	52,477	52,477	49,867	(2,610)
<b>Total Revenues</b>	<u>523,903</u>	<u>523,903</u>	<u>522,467</u>	<u>(1,436)</u>
<b>EXPENDITURES</b>				
Salaries & Wages	181,231	181,231	193,375	(12,144)
Fringe Benefits	91,914	91,914	96,765	(4,851)
Workers Compensation	11,237	11,237	10,931	306
Janitorial Supplies	250	250	362	(112)
Operating Supplies	3,750	3,750	2,374	1,376
Tools & Equipment	1,000	1,000	1,222	(222)
Safety Equipment	500	500	657	(157)
Motor Fuels & Lubricants	28,800	28,800	11,707	17,093
Other Professional Services	3,500	3,500	777	2,724
Advertising & Legal Publishing	1,000	1,000	114	886
Travel, Training, Meeting	1,000	1,000	-	1,000
Telephone Service	1,155	1,155	1,903	(748)
Sanding/Mag Chloride	12,000	12,000	13,458	(1,458)
Rental - Equipment	1,000	1,000	-	1,000
Rent - Snow Removal Equip	2,500	2,500	-	2,500
Repairs & Maint - Streets	3,605	3,605	4,093	(488)
Striping	25,000	25,000	28,991	(3,991)
Repairs & Maint - Large Equip	11,000	11,000	27,211	(16,211)
Repairs & Maint - Small Equip	2,060	2,060	428	1,632
Repairs & Maint - Auto Equip	3,000	3,000	3,727	(727)
Repairs & Maint - Misc	1,000	1,000	5,593	(4,593)
Repairs & Maint - Building	2,500	2,500	5,546	(3,046)
Repairs & Maint - Radio	520	520	-	520
Landscape Services	2,000	2,000	2,732	(732)
Noxious Weed Control	15,000	15,000	6,638	8,362
Uniforms	2,000	2,000	1,057	943
Office Furniture & Equipment	1,000	1,000	1,643	(643)
Machinery	6,000	6,000	8,261	(2,261)
Road & Paths Maint Program	247,213	247,213	203,062	44,151
Land Maintenance Five Acre Parcel	2,000	2,000	79	1,921
Contingency	43,208	43,208	-	43,208
<b>Total Street</b>	<u>707,943</u>	<u>707,943</u>	<u>632,706</u>	<u>75,237</u>

The accompanying notes are an integral part of these statements.

**City of Sun Valley  
Budgetary Comparisons  
Street Fund  
For the Year Ended  
September 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variances Positive (Negative) Final to Actual</b>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(40,906)	(40,906)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(40,906)</u>	<u>(40,906)</u>
Net Change in Fund Balances	(184,040)	(184,040)	(151,145)	32,895
<b>Fund Balances, Beginning of Year</b>	<u>294,606</u>	<u>294,606</u>	<u>294,606</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 110,566</u>	<u>\$ 110,566</u>	<u>\$ 143,461</u>	<u>\$ 32,895</u>

The accompanying notes are an integral part of these statements.

**City of Sun Valley  
Budgetary Comparisons  
Fixed Asset Fund  
For the Year Ended  
September 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Tax	\$ 69,400	\$ 69,400	\$ 69,573	\$ 173
<b>Total Revenues</b>	69,400	69,400	69,573	173
<b>EXPENDITURES</b>				
Police Patrol Vehicle	4,700	47,000	19,271	27,729
New Engine Support Equipment	13,500	25,150	25,133	17
Fire Engines	-	5,545	5,541	4
Bobcat Equipment/Snow Removal	25,000	23,135	23,131	4
Mt. Rides Transportation (buses)	150,000	152,000	151,900	100
File Cabinets for Clerk's Office	4,900	-	-	-
Laserfiche	-	1,150	-	1,150
<b>Total Expenditures</b>	<u>240,400</u>	<u>253,980</u>	<u>226,180</u>	<u>27,800</u>
	-	-	-	-
<b>Excess (Deficiency)</b>	(171,000)	(184,580)	(156,607)	27,627
<b>Other Financing Sources (Uses)</b>				
Transfers In	171,000	184,580	47,674	(136,906)
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>171,000</u>	<u>184,580</u>	<u>47,674</u>	<u>(136,906)</u>
Net Change in Fund Balances	-	-	(108,933)	(108,933)
<b>Fund Balances, Beginning of Year</b>	<u>139,030</u>	<u>139,030</u>	<u>139,030</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 139,030</u>	<u>\$ 139,030</u>	<u>\$ 30,097</u>	<u>\$ (108,933)</u>

The accompanying notes are an integral part of these statements.

**City of Sun Valley  
Budgetary Comparisons  
Workforce Housing Fund  
For the Year Ended  
September 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Rents	\$ 15,975	\$ 15,975	\$ 16,925	\$ 950
<b>Total Revenues</b>	15,975	15,975	16,925	950
<b>EXPENDITURES</b>				
City Owned Units/Utilities & Maint.	4,128	4,128	6,213	(2,085)
Future Housing Projects	11,847	11,847	-	11,847
<b>Total Expenditures</b>	15,975	15,975	6,213	9,762
<b>Excess (Deficiency)</b>	-	-	10,713	10,713
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
Net Change in Fund Balances	-	-	10,713	10,713
<b>Fund Balances, Beginning of Year</b>	180,498	180,498	180,498	-
<b>Fund Balances, End of Year</b>	\$ 180,498	\$ 180,498	\$ 191,211	\$ (10,713)

The accompanying notes are an integral part of these statements.

**City of Sun Valley  
Budgetary Comparisons  
Land Acquisition Fund  
For the Year Ended  
September 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Tax	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	-	-	-	-
<b>EXPENDITURES</b>				
Expenditures	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (Deficiency)</b>	-	-	-	-
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(217,732)	(217,732)
<b>Total Other Financing Sources (Uses)</b>	-	-	(217,732)	(217,732)
<b>Net Change in Fund Balances</b>	-	-	(217,732)	(217,732)
<b>Fund Balances, Beginning of Year</b>	589,495	589,495	589,495	-
<b>Fund Balances, End of Year</b>	\$ 589,495	\$ 589,495	\$ 371,763	\$ (217,732)

The accompanying notes are an integral part of these statements.

**City of Sun Valley  
Budgetary Comparisons  
Capital Improvement Fund  
For the Year Ended  
September 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Tax	\$ 252,101	\$ 252,101	\$ 252,729	\$ 628
<b>Total Revenues</b>	252,101	252,101	252,729	628
<b>EXPENDITURES</b>				
Streets	909,042	909,042	760,887	148,155
<b>Total Expenditures</b>	909,042	909,042	760,887	148,155
<b>Excess (Deficiency)</b>	(656,941)	(656,941)	(508,158)	148,783
<b>Other Financing Sources (Uses)</b>				
Transfers In	656,941	656,941	573,806	83,135
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	656,941	656,941	573,806	83,135
Net Change in Fund Balances	-	-	65,648	(65,648)
<b>Fund Balances, Beginning of Year</b>	75,016	75,016	75,016	-
<b>Fund Balances, End of Year</b>	<u>\$ 75,016</u>	<u>\$ 75,016</u>	<u>\$ 140,664</u>	<u>\$ (65,648)</u>

The accompanying notes are an integral part of these statements.