THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS



2024 Annual Report

Shawn Barigar
Executive Director

March 17, 2025

Board of Commissioners

January – June 2024
Rudy Ashenbrener – Chair
Andy Hohwieler – Vice Chair
Dave McAlindin – Secretary
Dan Brizee
Jan Rogers
JJ McBride
Eric Smallwood

July – December 2024
Rudy Ashenbrener – Chair
Dave McAlindin – Vice Chair
Eric Smallwood – Secretary
Dan Brizee
Jan Rogers
JJ McBride
Jennifer Colvin

Staff

Shawn Barigar, Executive Director
Lorrie Bauer - Administrative Assistant
Jesse Schuerman - Engineer
Brent Hyatt – Finance (January – April 2024)
Parker Scherer – Finance (April – December 2024)

This Annual Report is prepared pursuant to Idaho Code Section 50- 2006(5)(c):

An agency authorized to transact business and exercise powers under this chapter shall file, with the local governing body, on or before March 31 of each year a report of its activities for the preceding calendar year, which report shall include the financial data and audit reports required under sections 67-1075 and 67-1076, Idaho Code. The agency shall be required to hold a public meeting to report these findings and take comments from the public. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality and the state controller and that the report is available for inspection during business hours in the office of the city clerk or county recorder, in the office of the agency, and at all times on the website of the state controller.

The Urban Renewal Agency
of the City of Twin Falls, Idaho

Agency Activities for Calendar Year 2024

Old Towne-2 Revenue Allocation Area

Downtown Master Plan Implementation

With the creation of the new Old Towne-2 Revenue Allocation Area in 2023, the Agency Board and Staff focused on strategies and tactics to advance communication and marketing of development opportunities in the downtown area.

Utilizing the framework of the Downtown Master Plan, efforts throughout the year included:

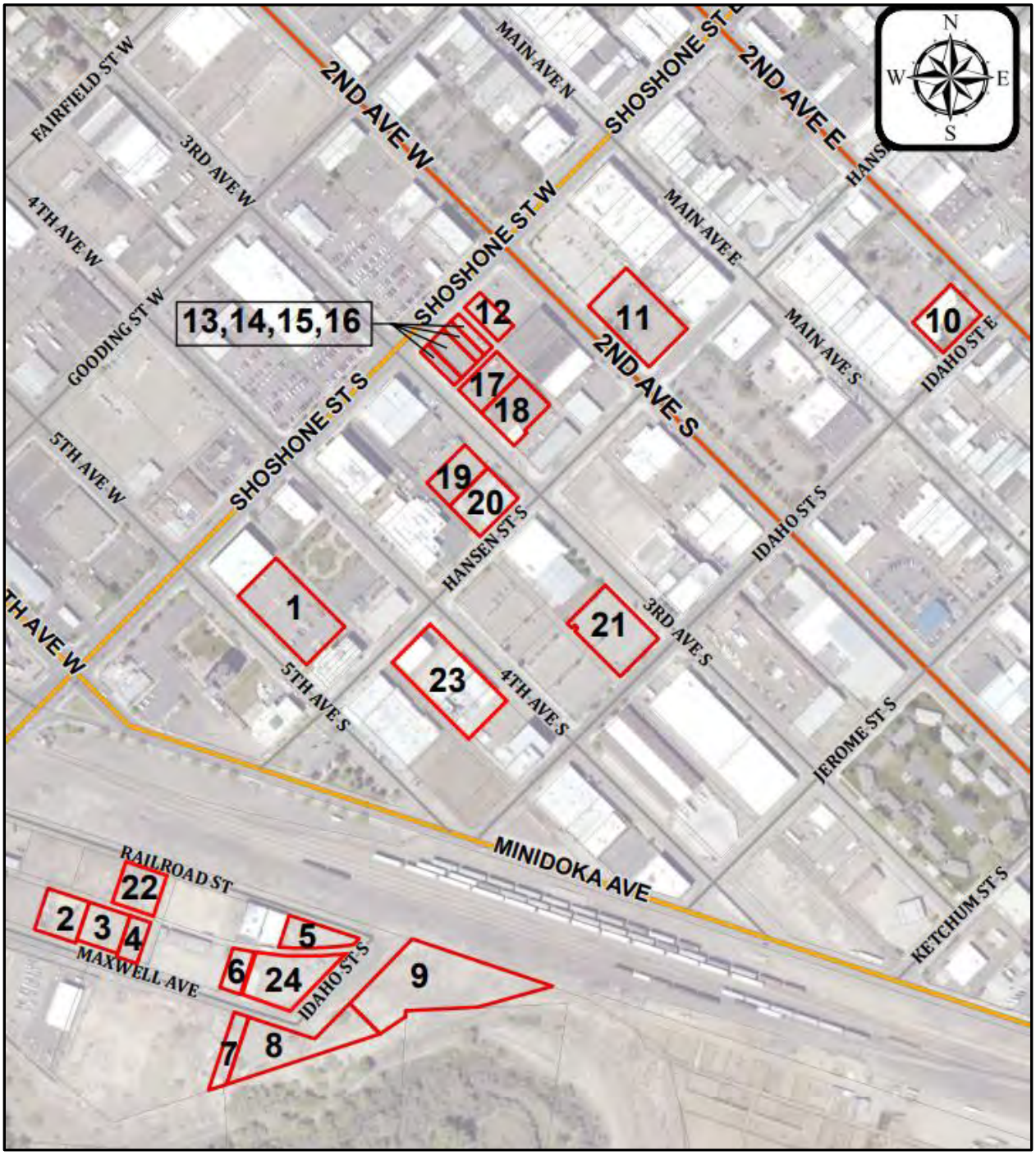
- Creation of a concise summary of the Downtown Master Plan, including collateral materials (presentations, brochures, website content) used for presentations to local civic groups, professional organizations, current downtown business owners and residents, and the general public.
- Compilation of property information for Agency-owned properties within the Old Towne-2 Area to share with individuals inquiring about development opportunities.
- Scheduling of one-on-one presentations with potential developers to gauge market conditions and appetite for advancing development.
- Consideration of developing formal Requests for Proposals for projects that align with the Downtown Master Plan.

Old Towne-2 Revenue Allocation Area



Project Support in Old Towne-2 Revenue Allocation Area

The Agency maintained its owned properties in the area to include tenant-occupied buildings, public parking, and vacant facilities for future development opportunities. Agency-owned properties are designated on this map outlined in red and numbered.



Throughout its existence, the Urban Renewal Agency has aided a variety of projects within urban renewal project areas. These forms of assistance have taken several forms, from one-time assistance for smaller projects (such as power upgrades or sidewalk improvements) to larger public improvements supporting multi-million-dollar projects (such as Chobani and Clif Bar).

In 2024, the Board and Staff developed a formalized set of guidelines related to Agency participation to support private development. The Development Assistance Participation Program provides clarity to private developers seeking support from the Agency. In 2024, these guidelines were utilized to support development projects in the Old Towne-2 Revenue Allocation Area.

- The Agency provided funding in the amount of $20,430.89 to The Gaslamp, LLC, at 248 Idaho Street South to assist with the payment of Impact Fees associated with improvements at the building to open and operate a meeting and event facility. The development of this project advances the program goals for the Old Towne-2 project plan and assists with the development of an underdeveloped area, strengthening the economic base of the project area and the community.

- The Agency provided funding in the amount of $7,000 for a budget study to determine cost estimates for public improvements in the 200-400 block corridor of Hansen Street East, associated with a proposed private development by Hansen Parkway Developers. The study results will be used to determine potential Agency participation in future redevelopment in the corridor.



Potential Development Buildout - 2043

Orchard Drive East Revenue Allocation Area

The Agency continued work with Summit Creek Development on development of Gemini Business Park in the Orchard Drive East Revenue Allocation Area, which was established in 2022.



In 2024, crews completed site work and initial construction of infrastructure to include water and wastewater extensions, roadways, sidewalks, landscaping, and electricity and natural gas enhancements.

The first three buildings of the proposed 1,215,000 square-foot industrial park were occupied in 2024. Construction on the next 100,000 square-foot building began in 2024 and is expected to be occupied in mid-2025.



Under the Owner-Participation Agreement for the project, public infrastructure improvements related to the new area are eligible for reimbursement, once the Agency realizes property tax allocation in the area. Staff have worked with the developer to establish a submission process for reviewing these expenses and determination for future reimbursement.

Washington Street South Revenue Allocation Area Termination

The Urban Renewal Plan for the Washington Street South Urban Renewal Project was adopted by the City Council on December 17, 2019, establishing the Washington Street South revenue allocation area. Its effective base year was retroactive to January 1, 2020. The contemplated development under the Washington Street South Plan did not occur and will not occur in the future.

In June 2024, the Agency Board adopted a resolution authorizing the termination of the Washington Street South RAA. All obligations and expenses from remaining projects were completed by September 30, 2024. Non-obligated surplus funds totaling $48,522.36 were

remitted to the Twin Falls County Treasurer to be distributed to the taxing districts proportionately.

The ordinance officially terminating the revenue allocation area was adopted by the Twin Falls City Council on August 26, 2024.

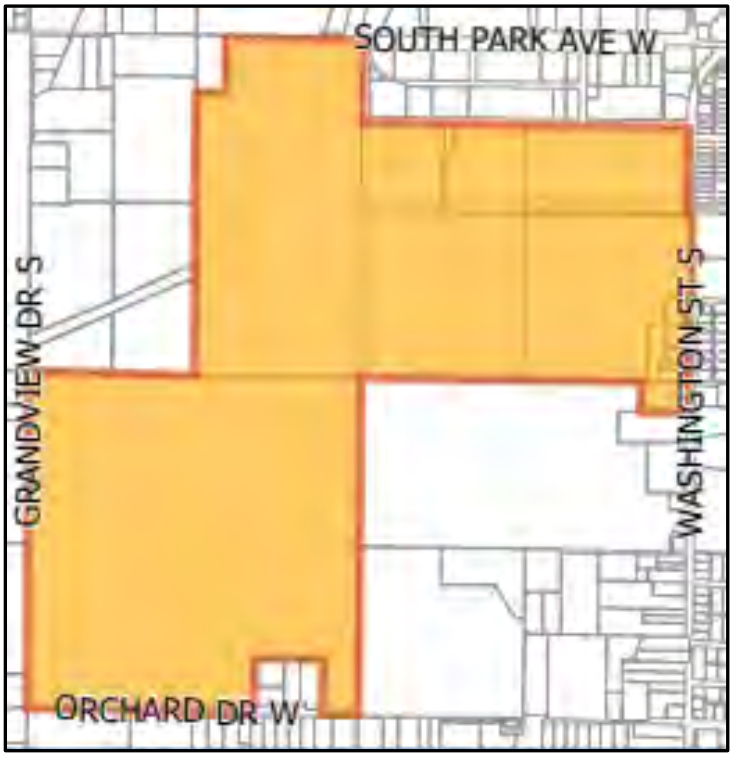
Southwest Revenue Allocation Area

As part of its work, the Urban Renewal Agency seeks to support industrial, manufacturing, and commercial development within the City of Twin Falls. The Agency has been a key driver of significant investments by private development in the past.

In June 2024, the Board moved forward with analysis of a potential new project area in the southwest part of Twin Falls for potential future industrial, manufacturing, and commercial development. The area is generally bounded by Washington Street South, Orchard Drive West, Grandview Drive South, and South Park Avenue West. Kushlan Associates was contracted to provide professional services related to the preparation of an Eligibility Report and Economic Feasibility Study relating to the proposed new revenue allocation area.

The area was identified as eligible for consideration of an Urban Renewal project area. Following the process as outlined in Idaho Code, the Twin Falls City Council adopted the ordinance to establish the new Southwest Urban Renewal Project and Revenue Allocation Area on December 16, 2024.

Southwest Revenue Allocation Area



Financial Information

We provide the following financial information as part of this Annual Report, in compliance with Idaho Code 67-1076(2)(b) and (c).

- The date of the last audit was for the fiscal year ending 9/30/2024.
- The average length of term of all bond obligations is 9 years.
- The average interest rate of all bond obligations is 6.6%.

The following attachments include additional Financial Information.

Attachment A: Adopted 2024-2025 Budget
Attachment B: FY 2023 Audit
Attachment C: FY 2024 Audit *(including budget to actual comparisons).*

Attachment A
Adopted 2024 - 2025 Budget

Urban Renewal Agency of the City of Twin Falls, Idaho
Budget Estimates
Fiscal Year October 1, 2024 through September 30, 2025

	2024-2025								
							Zions Bank		Budget
	General	4-3 (Chobani)	4-4 (Clif)	South Washington	Orchard Dr East	Old Towne - 2	Chobani	Clif	Total
Revenue									
Investment Income	47,600	26,600	8,500	-	-	-	117,700	-	200,400
Other Income	150,000	-	-	-	-	-	-	-	150,000
Grant Income/Contributions	-	-	343,903	-	-	-	-	-	343,903
Property Taxes - Revenue Allocation Proceeds	-	3,528,435	834,585	-	5,818	258,203	-	-	4,627,041
Rental Income	46,600	-	-	-	-	-	-	-	46,600
Total Revenue	244,200	3,555,035	1,186,988	-	5,818	258,203	117,700	-	5,367,944
Transfers	-	(3,067,738)	(1,186,988)	-	-	-	3,067,738	1,186,988	-
Loans Against The General Fund	(23,397)	-	-	-	-	23,397	-	-	-
Reserves	450,118	-	-	-	-		-	-	450,118
Total Revenue and Cash Carryover	670,921	487,297	-	-	5,818	281,600	3,185,438	1,186,988	**5,818,062**
Expenditures									
General Development Projects	500,000	-	-	-	-	-	-	-	**500,000**
Bond Trustee Fees	2,000	-	-	-	-	-	3,000	-	**5,000**
Community Relations & Website	10,000	-	-	-	-	-	-	-	**10,000**
Debt Pay Interest - Chobani	-	-	-	-	-	-	1,352,438	-	**1,352,438**
Debt Pay Principal - Chobani	-	365,473	-	-	-	-	1,830,000	-	**2,195,473**
Debt Pay Open Note - Chobani	-	121,824	-	-	-	-	-	-	**121,824**
Debt Pay Interest - Clif Bar Bond	-	-	-	-	-	-	-	476,988	**476,988**
Debt Pay Principal - Clif Bar Bond	-	-	-	-	-	-	-	710,000	**710,000**
Owner Participation Agreement - Developer Reimbursment	-	-	-	-	4,945	-	-	-	**4,945**
Dues and Subscriptions	4,600	-	-	-	-	-	-	-	**4,600**
Insurance Expense - ICRMP	11,294	-	-	-	-	-	-	-	**11,294**
Legal Expense (Notices)	18,200	-	-	-	-	16,800	-	-	**35,000**
Management Fee	107,127	-	-	-	873	100,000	-	-	**208,000**
Meeting Expense	4,000	-	-	-	-	-	-	-	**4,000**
Miscellaneous	500	-	-	-	-	-	-	-	**500**
Office Expense	500	-	-	-	-	-	-	-	**500**
Prof. Dev.\Training	7,500	-	-	-	-	-	-	-	**7,500**
Professional Fees	5,200	-	-	-	-	4,800	-	-	**10,000**
Property Tax Expense	-	-	-	-	-	-	-	-	**-**
Property Maintenance	-	-	-	-	-	10,000	-	-	**10,000**
Real Estate Purchase & Projects	-	-	-	-	-	150,000	-	-	150,000
Total Expense	670,921	487,297	-	-	5,818	281,600	3,185,438	1,186,988	5,818,062
Balance	-	-	-	-	-	-	-	-	-

Attachment B

FY 2023 Audit

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

AUDITED FINANCIAL STATEMENTS
September 30, 2023

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Urban Renewal Agency of the
City of Twin Falls, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Urban Renewal Agency of the City of Twin Falls, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Urban Renewal Agency of the City of Twin Falls, Idaho's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 25-27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024, on our consideration of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting and compliance.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho
January 31, 2024

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	$ 4,909,215
Receivables:	
Interest income	20,861
Real estate	3,942,322
Total Assets	$ 8,872,398
Liabilities	
Pooled Cash Deficit	$ 26,730
Accounts payable	27,927
Accrued interest	5,838,742
Deposits payable	4,556
Development Agreement	10,234,049
Project Improvement Reimbursement Agreement	14,234,032
Noncurrent liabilities	
Due within one year	2,468,000
Due in more than one year	26,329,000
Total Liabilities	59,163,036
Net Position	
Net investment in capital assets	(49,322,759)
Restricted for:	
Debt service	3,311,483
Redevelopment	22,911
Unrestricted	(4,302,273)
Total Net Position	(50,290,638)
Total Liabilities and Net Position	$ 8,872,398

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Activities

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Total
Primary Government:						
Governmental Activities:						
General government	$ 285,383	$ -	$ -	$ -	$ (285,383)	$ (285,383)
Community development	874,179	-	-	-	(874,179)	(874,179)
Interest on long-term debt	3,086,791	-	-	-	(3,086,791)	(3,086,791)
Total Governmental Activities	4,246,353	-	-	-	(4,246,353)	(4,246,353)
General Revenues and Transfers:						
Taxes:						
Property taxes, levied for general tax increment purposes					7,456,918	7,456,918
Other income					150,000	150,000
Investment income					243,714	243,714
Rental Income					52,170	52,170
Gain on sale of assets					(1,764,821)	(1,764,821)
Contributions					283,498	283,498
Transfers					-	-
Total General Revenues and Transfers					6,421,479	6,421,479
Changes in Net Position					2,175,126	2,175,126
Net Position, October 1, 2022					(52,465,764)	(52,465,764)
Net Position, September 30, 2023					$ (50,290,638)	$ (50,290,638)

FINANCIAL STATEMENTS

Fund Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Fund Balance Sheet

GOVERNMENTAL FUNDS

September 30, 2023

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,566,352	$ 45,421	$ 3,297,442	$ 4,909,215
Interest income receivable	6,803	17	14,041	20,861
Total Assets	$ 1,573,155	$ 45,438	$ 3,311,483	$ 4,930,076
Liabilities				
Pooled Cash Deficit	$ -	$ 26,730	$ -	$ 26,730
Accounts payable	27,927	-	-	27,927
Deposits payable	4,556	-	-	4,556
Total Liabilities	32,483	26,730	-	59,213
Fund Balances				
Restricted fund balance:	-	45,421	3,311,483	3,356,904
Unrestricted fund balance:				
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	1,540,672	(26,713)	-	1,513,959
Total Fund Balances	1,540,672	18,708	3,311,483	4,870,863
Total Liabilities and Fund Balances	$ 1,573,155	$ 45,438	$ 3,311,483	$ 4,930,076

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Revenues, Expenditures, and Changes in Fund Balances

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	$ -	$ 7,486,379	$ -	$ 7,486,379
Rental income	52,170	-	-	52,170
Investment income	72,985	29,920	140,810	243,715
Other income	150,000	-	-	150,000
Contributions	-	-	283,498	283,498
Total Revenues	275,155	7,516,299	424,308	8,215,762
Expenditures				
Current				
General government and administration	21,682	263,701	-	285,383
Area development and improvements	230,174	742,979	-	973,153
Real estate expense	-	2,694,607	-	2,694,607
Debt service				
Principal	-	328,740	2,400,000	2,728,740
Interest and other charges	-	2,000	1,912,373	1,914,373
Total Expenditures	251,856	4,032,027	4,312,373	8,596,256
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,299	3,484,272	(3,888,065)	(380,494)
Other Financing Sources (Uses)				
Transfers in (out)	-	(4,193,293)	4,193,293	-
Total Other Financing Sources (Uses)	-	(4,193,293)	4,193,293	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	23,299	(709,021)	305,228	(380,494)
Fund Balances - Beginning of Year	1,517,373	727,729	3,006,255	5,251,357
Fund Balances - End of Year	$ 1,540,672	$ 18,708	$ 3,311,483	$ 4,870,863

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Reconciliation of Governmental Funds Balance Sheet to the Government-wide Statement of Net Position

September 30, 2023

Governmental Fund Balances	$	4,870,863
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		3,942,322
Long-term liabilities, including bonds, real estate notes, and revenue notes and related accrued interest, are not due and payable in the current period and therefore are not reported in the governmental funds		(59,103,823)
Total Net Position of Governmental Activities	$	(50,290,638)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities for the year ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds	$	(380,494)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the asset. This is the amount by which capital outlays exceeded depreciation in the current period		
Expenditures for capital assets		2,793,582
Loss on Sale of Capital Assets		(1,764,821)
Property tax revenues in the government-wide statement of activities include economic resources that are not reported as revenues in the governmental fund operating statement		(29,461)
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets		2,728,740
Accrued interest is reported in the statement of activities, but does not require the use of financial resources and therefore is not reported as an expenditure in governmental funds		(1,172,420)
Changes in Net Position of Governmental Activities	$	2,175,126

The accompanying notes are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

1. *SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES*

Organization

The Urban Renewal Agency of the City of Twin Falls, Idaho was organized under Idaho law on July 19, 1965 to rehabilitate, conserve, and redevelop deteriorated or deteriorating areas in the City of Twin Falls to increase the tax base, promote economic development and promote employment.

In April 1998, the Urban Renewal Agency adopted an Urban Renewal Plan for Urban Renewal Area No. 4 and created Revenue Allocation Area No. 4. The original area included the old town area and much of the industrial area of Twin Falls, stretching from 2800 East to 3300 East between the South Park Avenue/ Kimberly Road line on the north and Orchard Avenue on the south. This original area terminated at the end of the fiscal year. Later other revenue allocation areas were added. The following revenue allocation areas now exist:

Revenue Allocation Area No. 4-1 includes limited areas within Urban Renewal Area No. 4. In July of 2013 the Board of Directors approved an expansion of the original Revenue Allocation Area 4-1. The expansion, of 10%, was towards the central downtown area of Twin Falls. This revenue allocation area has a termination date of December 31, 2023. During the subsequent year, in 2023, the Board will wind down the activities of the area and dispose of its assets.

Revenue Allocation Area No. 4-3 was created in November 2011. Revenue Allocation Area No. 4-3 consists of approximately two hundred and twenty acres and is generally located south of Kimberly Road (3800 North of Highway 30, west of 3300 East and north of the railroad).

Revenue Allocation Area No. 4-4 was created in May, 2015 and consists of approximately ninety acres. It is generally located south of Kimberly Road (3800 North or Hwy 30), west of 3300 East, and south of the railroad right-of-way.

Washington Street South was created in January 2020 and contains approximately 90 acres. It is located primarily in the south-central part of the City and comprises parcels adjacent or near a major north/south arterial, Washington Street South, also designated as Idaho State Highway 74. The area currently has no planned development.

In November 2022, a new revenue allocation area was created, the Orchard Drive East Project Area. It consists of approximately 80 acres and is generally located on the west side of N 3300 Road E/Champlin Road and north of E 3700 N/Orchard Drive East.

The Idaho State Tax Commission is charged with maintaining a registry of urban renewal agency plans within the state. Copies of the plans for the above areas can be found at https://tax.idaho.gov/urban-renewal-registry/

Under Chapter 20, Title 50 of the Idaho Code, the Agency is an independent public body, corporate and politic. For financial reporting purposes only, the Agency is a discretely presented component unit of the reporting entity of the City of Twin Falls, Idaho.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Financial Reporting Entity
The Agency's financial statements include the accounts of all Agency operations. Governmental accounting and financial reporting standards require the inclusion of any organizations considered a component unit of the reporting entity.

Urban Renewal Agency of the City of Twin Falls, Idaho has no component units, but is considered a component unit of the City of Twin Falls, Idaho.

The financial statements of the Urban Renewal Agency of the City of Twin Falls, Idaho, 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 more significant of the governmental Agency's accounting policies are described below.

Basis of Presentation, Measurement Focus and Basis of Accounting

The Agency's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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

The statement of net position presents the financial position of the governmental activities of the Agency at year-end.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Government-Wide Financial Statements-continued
These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

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

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

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

Fund Accounting
The Agency uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Agency has only one category of funds: governmental.

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

Major Governmental Funds
The *general fund* is the Agency's primary operating fund. It accounts for all financial resources of the agency, except those required to be accounted for in another fund.

The *redevelopment fund* accounts for revenue sources that are legally restricted to expenditures for specific purposes.

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or non-expendable trust funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Measurement Focus, Basis of Accounting and Basis of Presentation

Government-wide Financial Statements
The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities and deferred inflows of resources associated with the operation of the Agency are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements
All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Basis of Accounting
Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues-Exchange Transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Agency, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues-Non-exchange Transactions
Non-exchange transactions, in which the Agency receives value without directly giving equal value in return, include property taxes, grants and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Agency must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Agency on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized in the governmental funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Revenues-Non-exchange Transactions-continued
Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: Property taxes and interest. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Unearned Revenue
Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Expenses/Expenditures
On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY

Deposits and Investments
Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Agency. Short-term investments are all in U. S. Treasury money market funds regulated by the Securities and Exchange Commission.

State statutes authorize the Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. Investments are stated at fair market value at year end.

The Agency is a voluntary participant in the State of Idaho Local Government Investment Pool (LPIG). The LPIG is regulated by State of Idaho Code under the oversight of the Treasurer of the State of Idaho. The fair value of the Agency's investments in the pool is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair market value provided by the fund for the entire portfolio. The LGIP is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk
For deposits and investments, custodial credit risk that, in the event of the failure of the counterparty, the Agency 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 Agency 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 issuer 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 Agency are not rated, and the Agency's policy does not restrict them to rated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Receivables and Payables
All trade and property tax receivables are shown net of any allowances for collectability.

Prepaid Items
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets
Tax increment property tax revenues are restricted first to the ongoing payment of revenue bonds outstanding. When received, these revenues are deposited in a separate account controlled by a bank trustee. All use of these funds must be requisitioned, and approval of the trustee is required before payment is made.

The amount shown as restricted cash in the financial statements is the maximum annual debt service requirements for both principal and interest on the bonds.

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

Donated assets are stated at fair value on the date donated.

Deferred Inflows of Resources
In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Transfers between funds reported in the governmental activity's column are eliminated. Interfund transactions are reported as operating transfers in conformity with generally accepted accounting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Accrued Liabilities and Long-Term Obligations
All payables accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payables are reported net of applicable bond premiums or discounts. Bond issuance costs are reported as an expense of the current period. Refunding of debt may result in deferred gains or losses and are reported as deferred inflows and outflows of resources.

The difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

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

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

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the Agency’s highest level of decision-making authority, the Board of Directors.

Assigned Fund Balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This intent can be expressed by the Board of Directors through the budgetary process.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Governmental Fund Balances-continued
Unassigned Fund Balance – This classification includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Net Position
Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets
Annually by September 1, the Agency is required to adopt and publish a budget for the next fiscal year. This budget is prepared by fund and includes historical information for the prior two years.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, redevelopment, and debt service funds. All annual appropriations lapse at fiscal year-end.

Excess of Expenditures over Appropriations
For the fund year ended September 30, 2023, the general fund exceeded appropriations by $104,812.

Other
The Agency's Funds require more accountability as additional revenue allocation areas are added. No allocation was made of property tax revenues to the general funds revenues, as has been the practice in past years, in an effort to first use the general funds reserves before requiring revenue allocation areas to contribute to the General Funds annual overhead.

3. CASH AND INVESTMENTS

Cash and Cash Equivalents – A reconciliation of cash and cash equivalents on September 30, 2023 is as follows.

Cash in bank	$	51,029
State Investment Pool		1,530,083
Money-market bond funds		3,301,373
Total Cash & Cash Equivalents	$	4,882,485

Cash and Cash Equivalents is reported on the financial statements:

Cash and Cash Equivalents	$	4,909,215
Pooled Cash Deficit		(26,730)
Total Cash & Cash Equivalents	$	4,882,485

The reconciled bank balance is covered by $250,000 federal depository insurance with the remainder covered by collateral held by the Agency's agent in the Agency's name.

The Agency has no investments in foreign currency and no expenses to foreign currency risk.

4. *TAXES RECEIVABLE AND UNAVAILABLE REVENUE*

The Urban Renewal Agency operates within Twin Falls County, Idaho. Idaho counties are responsible for collecting property taxes and remitting them to the various taxing entities within the County. Annually, taxes on property are due on the 20th of December; however, they may be paid in two installments with the second installment due June 20 in the following year. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date.

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

In the governmental fund statements, taxes receivable and unavailable revenue consist of property tax revenue yet to be collected. The amount due from other governments is the property tax revenue estimated to be collected by Twin Falls County after year end and remitted to the Agency through November 2023.

5. INTERFUND TRANSFERS

A summary of interfund transfers follows:

	Transfers In	Transfers Out
Redevelopment	$ -	$ 4,193,293
Debt Service	4,193,293	-
	$ 4,193,293	$ 4,193,293

6. *CAPITAL ASSETS*

A summary of activity of capital assets for the Agency for the year ended September 30, 2023, was as follows:

	Balance, September 30, 2022	Additions	Deletions or Transfers	2023
Governmental Activities:				
Land and Buildings	$ 2,913,562	$ 2,793,582	$ (1,764,822)	$ 3,942,322
	$ 2,913,562	$ 2,793,582	$ (1,764,822)	$ 3,942,322

7. *LONG-TERM DEBT*

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

Revenue bonds and notes

Outstanding debt on September 30, 2023 consists of the following:

Revenue Allocation Bond, Series 2016A, dated July 1, 2016 and maturing September 1, 2036. The proceeds of the bonds provided funds to repay interim financing for the Clif Bar Project, establish a reserve fund, and to pay costs of issuance of the Bonds and other expenses. The bonds are term bonds that require semiannual payments on March 1, and September 1 each year. The bonds bear interest at 5.5%.	$ 9,575,000
Revenue Allocation Bonds, Series 2013A, dated February 21, 2013 and maturing April 1, 2032. The proceeds of the bonds provided funding to certain urban renewal projects. The bonds are term bonds that require annual sinking fund deposits on April 1 each year. The bonds bear interest at 6.318%. Repayment of the bonds is guaranteed by Chobani Global Holding , Inc.	19,222,000
Total	$ 28,797,000

7. LONG-TERM DEBT – continued

Expected annual maturities of these obligations are as follows:

September 30,		Total	Interest	Principal
2024		$ 4,471,890	2,003,890	2,468,000
2025		4,369,425	1,829,425	2,540,000
2026		4,275,779	1,648,779	2,627,000
2027		4,179,289	1,461,289	2,718,000
2028		4,085,784	1,266,784	2,819,000
2029-2033		16,152,367	3,142,367	13,010,000
2034-2036		2,878,450	263,450	2,615,000
	Total	$ 40,412,984	$ 11,615,984	$ 28,797,000

The Agency is also indebted to Chobani Idaho, LLC. The Agency entered into a Projects Improvements Reimbursement Agreement on May 9, 2016, to reimburse cost incurred by Chobani to construct certain Project Improvements authorized by the Development Agreement, including site remediation, a water storage tank and a wastewater equalization tank. On September 30, 2023, the Agency was indebted in the amount of $14,234,032.

The Agency is also indebted to Clif Bar & Company. The Agency entered into a Development Agreement on October 17, 2013, to reimburse cost incurred by Clif Bar & Company to construct certain Project Improvements authorized by the Development Agreement. On September 30, 2023, the Agency was indebted in the amount of $10,234,049. That amount accrues interest at a variable rate, 7.5% on September 30, 2023. Accrued interest at year end totaled $5,052,010. For several years the Agency has not been able to make any payments on the indebtedness. The agreement states that any existing debt with Clif Bar by the Agency at the end of the revenue allocation area's life ends without recourse.

7. LONG-TERM DEBT – continued

During the year ended September 30, 2023, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2022	Additions	Repayments	Balances, September 30, 2023
Revenue Allocation Bonds, Series 2013A	$ 20,882,000	$ -	$ 1,660,000	$ 19,222,000
Revenue Allocation Bonds, Series 2016	10,315,000	-	740,000	9,575,000
Total Revenue Bonds	31,197,000	-	2,400,000	28,797,000
Chobani Idaho, LLC-Projects Improvements Reimbursement Agreement	14,562,772	-	328,740	14,234,032
Clif Bar-Development Agreement	10,234,049	-	-	10,234,049
Total Agreements	24,796,821	-	328,740	24,468,081
Total	$ 55,993,821	$ -	$ 2,728,740	$ 53,265,081

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

8. *MANAGEMENT AGREEMENT*

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

9. *BOND COVENANT COMPLIANCE*

The Agency is subject to various covenants as a result of bonds issued by the Agency. For example, the bonds may require an annual audit, timely payments, an adequate cash reserve in case of an overdue payment, sufficient revenue collections, or notifications of "Listed Events." During the year ended September 30, 2023, the Agency was in compliance with these covenants.

10. *COMMITMENTS AND SUBSEQUENT EVENTS*

On November 27, 2023, a new revenue allocation area was created, the Old Towne-2 Revenue Allocation Area. It comprises approximately 370 acres and is generally bordered by 2nd Ave. N. (NE), Washington Street (W), Blue Lakes Blvd. (E), Rockcreek (S).

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

The Agency has evaluated subsequent events through January 31, 2024, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

General Fund

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

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Rental income	$ 30,000	$ 30,000	$ 52,170	$ 22,170
Investment Income	4,000	4,000	72,985	68,985
Other income	150,000	150,000	150,000	-
Total Revenues	184,000	184,000	275,155	91,155
Expenditures				
Current				
General government	55,889	55,889	21,682	34,207
Area development and improvements	-	-	230,174	(230,174)
Total Expenditures	55,889	55,889	251,856	(195,967)
Excess (Deficiency) of Revenues Over (Under) Expenditures	128,111	128,111	23,299	(104,812)
Other Financing Sources (Uses)				
Transfers in (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 128,111	$ 128,111	23,299	$ (104,812)
Fund Balance - Beginning of Year			1,517,373	
Fund Balance - End of Year			$ 1,540,672	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Redevelopment Fund

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

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 7,680,023	$ 7,680,023	$ 7,486,379	$ (193,644)
Investment income	-	-	29,920	29,920
Total Revenues	7,680,023	7,680,023	7,516,299	(163,724)
Expenditures				
Current				
General government and administration	258,000	258,000	263,701	(5,701)
Area development and improvements	4,192,000	4,192,000	742,979	3,449,021
Real estate expense	-	-	2,694,607	(2,694,607)
Debt service				
Principal	650,000	650,000	328,740	321,260
Interest and other charges	2,000	2,000	2,000	-
Total Expenditures	5,102,000	5,102,000	4,032,027	1,069,973
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,578,023	2,578,023	3,484,272	906,249
Other Financing Sources (Uses)				
Contributions	50,000	50,000	-	(50,000)
Transfers in (out)	(4,278,333)	(4,278,333)	(4,193,293)	85,040
Total Other Financing Sources (Uses)	(4,228,333)	(4,228,333)	(4,193,293)	35,040
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (1,650,310)	$ (1,650,310)	(709,021)	$ 941,289
Fund Balance - Beginning of Year			727,729	
Fund Balance - End of Year			$ 18,708	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Debt Service Fund

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

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Investment income	$ 1,100	$ 1,100	$ 140,810	139,710
Contributions	-	-	283,498	283,498
Total Revenues	1,100	1,100	424,308	423,208
Expenditures				
Debt service				
Principal	2,400,000	2,400,000	2,400,000	-
Interest and other charges	1,879,433	1,879,433	1,912,373	(32,940)
Total Expenditures	4,279,433	4,279,433	4,312,373	(32,940)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,278,333)	(4,278,333)	(3,888,065)	390,268
Other Financing Sources (Uses)				
Issuance of Debt			-	-
Transfers in (out)	4,278,333	4,278,333	4,193,293	(85,040)
Total Other Financing Sources (Uses)	4,278,333	4,278,333	4,193,293	(85,040)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ -	$ -	305,228	$ 305,228
Fund Balance - Beginning of Year			3,006,255	
Fund Balance - End of Year			$ 3,311,483	

The accompanying notes are an integral part of the financial statements

SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Combined Fund Balance Sheet

REDEVELOPMENT FUNDS

September 30, 2023

	Area 4-1	Area 4-3	Area 4-4	Washington Street South	Total Redevelopment Funds
Assets					
Cash and cash equivalents	$ -	$ -	$ -	$ 45,421	$ 45,421
Property tax receivable	-	-	-	-	-
Total Assets	$ -	$ 7	$ 10	$ 45,421	$ 45,438
Liabilities					
Pooled cash deficit	$ -	$ 21,081	$ 5,649	$ -	$ 26,730
Total Liabilities	-	21,081	5,649	-	26,730
Fund Balances					
Restricted fund balance:	-	-	-	45,421	45,421
Unrestricted fund balance:					
Committed fund balance	-	-			-
Assigned fund balance	-	-	-	-	-
Unassigned fund balance	-	(21,074)	(5,639)	-	(26,713)
Total Fund Balances	-	(21,074)	(5,639)	45,421	18,708
Total Liabilities and Fund Balances	$ -	$ 7	$ 10	$ 45,421	$ 45,438

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Redevelopment Fund

Combining Statement Of Revenues, Expenditures, and Changes in Fund Balances

By Project for the Redevelopment Fund

For the Year Ended September 30, 2023

	Area 4-1	Area 4-3	Area 4-4	Washington Street South	Total Redevelopment Fund
Revenues					
Property taxes	$ 2,945,996	$ 3,491,618	$ 1,010,503	$ 38,262	$ 7,486,379
Investment income	-	25,776	4,144	-	29,920
Total Revenues	2,945,996	3,517,394	1,014,647	38,262	7,516,299
Expenditures					
Current					
General government and administration	263,701	-	-	-	263,701
Area development and improvements	742,979	-	-	-	742,979
Real estate expense	2,694,607	-	-	-	2,694,607
Debt service					
Principal	-	328,740	-	-	328,740
Interest and other charges	-	-	2,000	-	2,000
Total Expenditures	3,701,287	328,740	2,000	-	4,032,027
Excess (Deficiency) of Revenues Over (Under) Expenditures	(755,291)	3,188,654	1,012,647	38,262	3,484,272
Other Financing Sources (Uses)					
Transfers in (out)	-	(3,179,824)	(1,013,469)	-	(4,193,293)
Total Other Financing Sources (Uses)	-	(3,179,824)	(1,013,469)	-	(4,193,293)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(755,291)	8,830	(822)	38,262	(709,021)
Fund Balance - Beginning of Year	755,291	(29,904)	(4,817)	7,159	727,729
Fund Balance - End of Year	$ -	$ (21,074)	$ (5,639)	$ 45,421	$ 18,708

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Combined Fund Balance Sheet

DEBT SERVICE FUNDS

September 30, 2023

	Area 4-3	Area 4-4	Total Debt Service Funds
Assets			
Cash and cash equivalents	$ 3,297,442	$ -	$ 3,297,442
Interest income receivable	14,041	-	14,041
Total Assets	$ 3,311,483	$ -	$ 3,311,483
Liabilities			
Pooled cash deficit	$ -	$ -	$ -
Accounts Payable	-	-	-
Total Liabilities	-	-	-
Fund Balances			
Restricted fund balance:	3,311,483	-	3,311,483
Unrestricted fund balance:			-
Committed fund balance	-	-	-
Assigned fund balance	-	-	-
Unassigned fund balance	-	-	-
Total Fund Balances	3,311,483	-	3,311,483
Total Liabilities and Fund Balances	$ 3,311,483	$ -	$ 3,311,483

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Debt Service Fund

Combining Statement Of Revenues, Expenditures, and Changes in Fund Balances

By Project for the Redevelopment Fund

For the Year Ended September 30, 2023

	Area 4-3	Area 4-4	Total Debt Service Fund
Revenues			
Investment income	$ 140,627	$ 183	$ 140,810
Contributions	-	283,498	283,498
Total Revenues	140,627	283,681	424,308
Expenditures			
Debt service			
Principal	1,660,000	740,000	2,400,000
Interest and other charges	1,355,223	557,150	1,912,373
Total Expenditures	3,015,223	1,297,150	4,312,373
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,874,596)	(1,013,469)	(3,888,065)
Other Financing Sources (Uses)			
Transfers in (out)	3,179,824	1,013,469	4,193,293
Total Other Financing Sources (Uses)	3,179,824	1,013,469	4,193,293
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	305,228	-	305,228
Fund Balance - Beginning of Year	3,006,255	-	3,006,255
Fund Balance - End of Year	$ 3,311,483	$ -	$ 3,311,483

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

To the Board of Commissioners
Urban Renewal Agency of the
City of Twin Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho's, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements, and have issued our report thereon dated January 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Urban Renewal Agency of the City of Twin Falls, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of Urban Renewal Agency of the City of Twin Falls, Idaho's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, PLLC
TWIN FALLS, IDAHO
January 31, 2024

Attachment C

FY 2024 Audit

(Including budget to actual comparisons)

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

AUDITED FINANCIAL STATEMENTS
September 30, 2024

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Urban Renewal Agency of the
City of Twin Falls, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Urban Renewal Agency of the City of Twin Falls, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Urban Renewal Agency of the City of Twin Falls, Idaho's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 25-27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2025, on our consideration of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting and compliance.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho
February 21, 2025

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	$ 5,332,226
Receivables:	
Property taxes	17,277
Interest income	21,855
Real estate	3,942,322
Total Assets	$ 9,313,680
Liabilities	
Pooled Cash Deficit	$ 5,264
Accounts payable	18,240
Accrued interest	6,828,871
Deposits payable	4,556
Development Agreement	10,234,049
Project Improvement Reimbursement Agreement	14,234,032
Noncurrent liabilities	
Due within one year	2,540,000
Due in more than one year	23,563,000
Total Liabilities	57,428,012
Net Position	
Net investment in capital assets	(46,628,759)
Restricted for:	
Debt service	5,015,354
Redevelopment	644,943
Unrestricted	(7,145,870)
Total Net Position	(48,114,332)
Total Liabilities and Net Position	$ 9,313,680

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Activities

For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Total
Primary Government:						
Governmental Activities:						
General government	$ 325,363	$ -	$ -	$ -	$ (325,363)	$ (325,363)
Community development	45,953	-	-	-	(45,953)	(45,953)
Interest on long-term debt	2,997,019	-	-	-	(2,997,019)	(2,997,019)
Total Governmental Activities	3,368,335	-	-	-	(3,368,335)	(3,368,335)
General Revenues and Transfers:						
Taxes:						
Property taxes, levied for general tax increment purposes					5,066,006	5,066,006
Other income					8,149	8,149
Investment income					302,932	302,932
Rental Income					48,400	48,400
Gain on sale of assets					-	-
Contributions					119,154	119,154
Transfers					-	-
Total General Revenues and Transfers					5,544,641	5,544,641
Changes in Net Position					2,176,306	2,176,306
Net Position, October 1, 2023					(50,290,638)	(50,290,638)
Net Position, September 30, 2024					$ (48,114,332)	$ (48,114,332)

FINANCIAL STATEMENTS

Fund Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Fund Balance Sheet

GOVERNMENTAL FUNDS

September 30, 2024

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,400,691	$ 630,112	$ 3,301,423	$ 5,332,226
Property tax receivable	-	17,277	-	17,277
Interest income receivable	5,462	2,818	13,575	21,855
Total Assets	$ 1,406,153	$ 650,207	$ 3,314,998	$ 5,371,358
Liabilities				
Pooled Cash Deficit	$ -	$ 5,264	$ -	$ 5,264
Accounts payable	18,240	-	-	18,240
Deposits payable	4,556	-	-	4,556
Total Liabilities	22,796	5,264	-	28,060
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	16,372	-	16,372
Fund Balances				
Restricted fund balance:	-	633,653	3,314,998	3,948,651
Unrestricted fund balance:				
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	1,383,357	(5,082)	-	1,378,275
Total Fund Balances	1,383,357	628,571	3,314,998	5,326,926
Total Liabilities and Fund Balances	$ 1,406,153	$ 650,207	$ 3,314,998	$ 5,371,358

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Revenues, Expenditures, and Changes in Fund Balances

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	$ 1,160	$ 5,048,474	$ -	$ 5,049,634
Rental income	48,400	-	-	48,400
Investment income	76,493	51,721	174,719	302,933
Other income	8,149	-	-	8,149
Contributions	-	-	119,154	119,154
Total Revenues	134,202	5,100,195	293,873	5,528,270
Expenditures				
Current				
General government and administration	291,517	31,278	-	322,795
Area development and improvements	-	48,522	-	48,522
Debt service				
Principal	-	-	2,694,000	2,694,000
Interest and other charges	-	-	2,006,890	2,006,890
Total Expenditures	291,517	79,800	4,700,890	5,072,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,315)	5,020,395	(4,407,017)	456,063
Other Financing Sources (Uses)				
Transfers in (out)	-	(4,410,532)	4,410,532	-
Total Other Financing Sources (Uses)	-	(4,410,532)	4,410,532	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(157,315)	609,863	3,515	456,063
Fund Balances - Beginning of Year	1,540,672	18,708	3,311,483	4,870,863
Fund Balances - End of Year	$ 1,383,357	$ 628,571	$ 3,314,998	$ 5,326,926

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Reconciliation of Governmental Funds Balance Sheet to the Government-wide Statement of Net Position

September 30, 2024

Governmental Fund Balances	$	5,326,926
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		3,942,322
Prepaid expenses are not a financial resource and therefore not reported in the governmental funds		-
Certain property tax collections are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds		16,372
Long-term liabilities, including bonds, real estate notes, and revenue notes and related accrued interest, are not due and payable in the current period and therefore are not reported in the governmental funds		(57,399,952)
Total Net Position of Governmental Activities	$	(48,114,332)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities for the year ended September 30, 2024

Net Change in Fund Balances - Total Governmental Funds	$	456,063
Amounts reported for governmental activities in the Statement of Activities are different because:		
Property tax revenues in the government-wide statement of activities include economic resources that are not reported as revenues in the governmental fund operating statement		16,372
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets		2,694,000
Accrued interest is reported in the statement of activities, but does not require the use of financial resources and therefore is not reported as an expenditure in governmental funds		(990,129)
Changes in Net Position of Governmental Activities	$	2,176,306

The accompanying notes are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

1. *SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES*

Organization

The Urban Renewal Agency of the City of Twin Falls, Idaho was organized under Idaho law on July 19, 1965 to rehabilitate, conserve, and redevelop deteriorated or deteriorating areas in the City of Twin Falls to increase the tax base, promote economic development and promote employment.

In April 1998, the Urban Renewal Agency adopted an Urban Renewal Plan for Urban Renewal Area No. 4 and created Revenue Allocation Area No. 4. The original area included the old town area and much of the industrial area of Twin Falls, stretching from 2800 East to 3300 East between the South Park Avenue/ Kimberly Road line on the north and Orchard Avenue on the south. This original area terminated at the end of the fiscal year. Later other revenue allocation areas were added. The following revenue allocation areas now exist:

Revenue Allocation Area No. 4-3 was created in November 2011. Revenue Allocation Area No. 4-3 consists of approximately two hundred and twenty acres and is generally located south of Kimberly Road (3800 North of Highway 30, west of 3300 East and north of the railroad).

Revenue Allocation Area No. 4-4 was created in May, 2015 and consists of approximately ninety acres. It is generally located south of Kimberly Road (3800 North or Hwy 30), west of 3300 East, and south of the railroad right-of-way.

Washington Street South was created in January 2020 and contains approximately 90 acres. It is located primarily in the south-central part of the City and comprises parcels adjacent or near a major north/south arterial, Washington Street South, also designated as Idaho State Highway 74. The area currently has no planned development. This revenue allocation area was terminated on August 26, 2024.

In November 2022, a new revenue allocation area was created, the Orchard Drive East Project Area. It consists of approximately 80 acres and is generally located on the west side of N 3300 Road E/Champlin Road and north of E 3700 N/Orchard Drive East.

The Idaho State Tax Commission is charged with maintaining a registry of urban renewal agency plans within the state. Copies of the plans for the above areas can be found at https://tax.idaho.gov/urban-renewal-registry/

Under Chapter 20, Title 50 of the Idaho Code, the Agency is an independent public body, corporate and politic. For financial reporting purposes only, the Agency is a discretely presented component unit of the reporting entity of the City of Twin Falls, Idaho.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Financial Reporting Entity
The Agency's financial statements include the accounts of all Agency operations. Governmental accounting and financial reporting standards require the inclusion of any organizations considered a component unit of the reporting entity.

Urban Renewal Agency of the City of Twin Falls, Idaho has no component units, but is considered a component unit of the City of Twin Falls, Idaho.

The financial statements of the Urban Renewal Agency of the City of Twin Falls, Idaho, 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 more significant of the governmental Agency's accounting policies are described below.

Basis of Presentation, Measurement Focus and Basis of Accounting

The Agency's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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

The statement of net position presents the financial position of the governmental activities of the Agency at year-end.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Government-Wide Financial Statements-continued
These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

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

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

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

Fund Accounting
The Agency uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Agency has only one category of funds: governmental.

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

Major Governmental Funds
The *general fund* is the Agency's primary operating fund. It accounts for all financial resources of the agency, except those required to be accounted for in another fund.

The *redevelopment fund* accounts for revenue sources that are legally restricted to expenditures for specific purposes.

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or non-expendable trust funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Measurement Focus, Basis of Accounting and Basis of Presentation

Government-wide Financial Statements
The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities and deferred inflows of resources associated with the operation of the Agency are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements
All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Basis of Accounting
Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues-Exchange Transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Agency, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues-Non-exchange Transactions
Non-exchange transactions, in which the Agency receives value without directly giving equal value in return, include property taxes, grants and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Agency must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Agency on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized in the governmental funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Revenues-Non-exchange Transactions-continued
Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: Property taxes and interest. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Unearned Revenue
Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Expenses/Expenditures
On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY

Deposits and Investments
Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Agency. Short-term investments are all in U. S. Treasury money market funds regulated by the Securities and Exchange Commission.

State statutes authorize the Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. Investments are stated at fair market value at year end.

The Agency is a voluntary participant in the State of Idaho Local Government Investment Pool (LPIG). The LPIG is regulated by State of Idaho Code under the oversight of the Treasurer of the State of Idaho. The fair value of the Agency's investments in the pool is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair market value provided by the fund for the entire portfolio. The LGIP is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk
For deposits and investments, custodial credit risk that, in the event of the failure of the counterparty, the Agency 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 Agency 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 issuer 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 Agency are not rated, and the Agency's policy does not restrict them to rated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Receivables and Payables
All trade and property tax receivables are shown net of any allowances for collectability.

Prepaid Items
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets
Tax increment property tax revenues are restricted first to the ongoing payment of revenue bonds outstanding. When received, these revenues are deposited in a separate account controlled by a bank trustee. All use of these funds must be requisitioned, and approval of the trustee is required before payment is made.

The amount shown as restricted cash in the financial statements is the maximum annual debt service requirements for both principal and interest on the bonds.

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

Donated assets are stated at fair value on the date donated.

Deferred Inflows of Resources
In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Transfers between funds reported in the governmental activity's column are eliminated. Interfund transactions are reported as operating transfers in conformity with generally accepted accounting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Accrued Liabilities and Long-Term Obligations
All payables accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payables are reported net of applicable bond premiums or discounts. Bond issuance costs are reported as an expense of the current period. Refunding of debt may result in deferred gains or losses and are reported as deferred inflows and outflows of resources.

The difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

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

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

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the Agency’s highest level of decision-making authority, the Board of Directors.

Assigned Fund Balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This intent can be expressed by the Board of Directors through the budgetary process.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Governmental Fund Balances-continued
Unassigned Fund Balance – This classification includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Net Position
Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets
Annually by September 1, the Agency is required to adopt and publish a budget for the next fiscal year. This budget is prepared by fund and includes historical information for the prior two years.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, redevelopment, and debt service funds. All annual appropriations lapse at fiscal year-end.

Excess of Expenditures over Appropriations
For the fund year ended September 30, 2024, no funds exceeded appropriations.

Other
The Agency's Funds require more accountability as additional revenue allocation areas are added. No allocation was made of property tax revenues to the general funds revenues, as has been the practice in past years, in an effort to first use the general funds reserves before requiring revenue allocation areas to contribute to the General Funds annual overhead.

3. CASH AND INVESTMENTS

Cash and Cash Equivalents – A reconciliation of cash and cash equivalents on September 30, 2024 is as follows.

Cash in bank	$	79,900
State Investment Pool		1,287,916
Money-market bond funds		3,959,146
Total Cash & Cash Equivalents	$	5,326,962

Cash and Cash Equivalents is reported on the financial statements:

Cash and Cash Equivalents	$	5,332,226
Pooled Cash Deficit		(5,264)
Total Cash & Cash Equivalents	$	5,326,962

The reconciled bank balance is covered by $250,000 federal depository insurance with the remainder covered by collateral held by the Agency's agent in the Agency's name.

The Agency has no investments in foreign currency and no expenses to foreign currency risk.

4. *TAXES RECEIVABLE AND UNAVAILABLE REVENUE*

The Urban Renewal Agency operates within Twin Falls County, Idaho. Idaho counties are responsible for collecting property taxes and remitting them to the various taxing entities within the County. Annually, taxes on property are due on the 20th of December; however, they may be paid in two installments with the second installment due June 20 in the following year. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date.

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

In the governmental fund statements, taxes receivable and unavailable revenue consist of property tax revenue yet to be collected. The amount due from other governments is the property tax revenue estimated to be collected by Twin Falls County after year end and remitted to the Agency through November 2024.

5. INTERFUND TRANSFERS

A summary of interfund transfers follows:

	Transfers In	Transfers Out
Redevelopment	$ -	$ 4,410,532
Debt Service	4,410,532	-
	$ 4,410,532	$ 4,410,532

6. *CAPITAL ASSETS*

A summary of activity of capital assets for the Agency for the year ended September 30, 2024, was as follows:

	Balance, September 30, 2023	Additions	Deletions or Transfers	Balance, September 30, 2024
Governmental Activities:				
Land and Buildings	$ 3,942,322	$ -	$ -	$ 3,942,322
	$ 3,942,322	$ -	$ -	$ 3,942,322

7. *LONG-TERM DEBT*

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

Revenue bonds and notes

Outstanding debt on September 30, 2024 consists of the following:

Revenue Allocation Bond, Series 2016A, dated July 1, 2016 and maturing September 1, 2036. The proceeds of the bonds provided funds to repay interim financing for the Clif Bar Project, establish a reserve fund, and to pay costs of issuance of the Bonds and other expenses. The bonds are term bonds that require semiannual payments on March 1, and September 1 each year. The bonds bear interest at 5.5%.	$ 8,850,000
Revenue Allocation Bonds, Series 2013A, dated February 21, 2013 and maturing April 1, 2032. The proceeds of the bonds provided funding to certain urban renewal projects. The bonds are term bonds that require annual sinking fund deposits on April 1 each year. The bonds bear interest at 7.738%. Repayment of the bonds is guaranteed by Chobani Global Holding , Inc.	17,253,000
Total	$ 26,103,000

7. LONG-TERM DEBT – continued

Expected annual maturities of these obligations are as follows:

September 30,		Total	Interest	Principal
2025		$ 4,351,938	$ 1,811,938	$ 2,540,000
2026		4,258,292	1,631,292	2,627,000
2027		4,161,802	1,443,802	2,718,000
2028		4,068,297	1,249,297	2,819,000
2029		3,961,977	1,046,977	2,915,000
2030-2034		12,807,544	2,158,544	10,649,000
2035-2036		1,965,350	130,350	1,835,000
	Total	$ 35,575,200	$ 9,472,200	$ 26,103,000

The Agency is also indebted to Chobani Idaho, LLC. The Agency entered into a Projects Improvements Reimbursement Agreement on May 9, 2016, to reimburse cost incurred by Chobani to construct certain Project Improvements authorized by the Development Agreement, including site remediation, a water storage tank and a wastewater equalization tank. On September 30, 2024, the Agency was indebted in the amount of $14,234,032. The agreement states that any existing debt with Chobani by the Agency at the end of the revenue allocation area's life ends without recourse.

The Agency is also indebted to Clif Bar & Company. The Agency entered into a Development Agreement on October 17, 2013, to reimburse cost incurred by Clif Bar & Company to construct certain Project Improvements authorized by the Development Agreement. On September 30, 2024, the Agency was indebted in the amount of $10,234,049. That amount accrues interest at a variable rate, 7.5% on September 30, 2024. Accrued interest at year end totaled $6,140,230. For several years the Agency has not been able to make any payments on the indebtedness. The agreement states that any existing debt with Clif Bar by the Agency at the end of the revenue allocation area's life ends without recourse.

7. LONG-TERM DEBT – continued

During the year ended September 30, 2024, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2023	Additions	Repayments	Balances, September 30, 2024
Revenue Allocation Bonds, Series 2013A	$ 19,222,000	$ -	$ 1,969,000	$ 17,253,000
Revenue Allocation Bonds, Series 2016	9,575,000	-	725,000	8,850,000
Total Revenue Bonds	28,797,000	-	2,694,000	26,103,000
Chobani Idaho, LLC-Projects Improvements Reimbursement Agreement	14,234,032	-	-	14,234,032
Clif Bar-Development Agreement	10,234,049	-	-	10,234,049
Total Agreements	24,468,081	-	-	24,468,081
Total	$ 53,265,081	$ -	$ 2,694,000	$ 50,571,081

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

8. *MANAGEMENT AGREEMENT*

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

9. *BOND COVENANT COMPLIANCE*

The Agency is subject to various covenants as a result of bonds issued by the Agency. For example, the bonds may require an annual audit, timely payments, an adequate cash reserve in case of an overdue payment, sufficient revenue collections, or notifications of "Listed Events." During the year ended September 30, 2024, the Agency was not in compliance with these covenants.

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

10. *COMMITMENTS AND SUBSEQUENT EVENTS*

On December 16, 2024, a new revenue allocation area was created, the Southwest Revenue Allocation Area. The Project Area contains approximately 370 acres, inclusive of rights-of-way, and is generally located in the south-central part of the City. The Project Area is generally bounded on the east by a major north/south arterial, State Highway 74/Washington Street South, on the south by North Road, on the west by Grandview Drive, and on the north by portions of South Park A Venue West and Diamond Ave.

The Agency has evaluated subsequent events through February 21, 2025, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

General Fund

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

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ -	$ -	$ 1,160	$ 1,160
Rental income	53,800	53,800	48,400	(5,400)
Investment Income	25,000	25,000	76,493	51,493
Other income	150,000	150,000	8,149	(141,851)
Total Revenues	228,800	228,800	134,202	(94,598)
Expenditures				
Current				
General government	255,772	255,772	291,517	(35,745)
Area development and improvements	502,000	502,000	-	502,000
Total Expenditures	757,772	757,772	291,517	466,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	(528,972)	(528,972)	(157,315)	371,657
Other Financing Sources (Uses)				
Transfers in (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (528,972)	$ (528,972)	(157,315)	$ 371,657
Fund Balance - Beginning of Year			1,540,672	
Fund Balance - End of Year			$ 1,383,357	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Redevelopment Fund

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

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 4,682,402	$ 4,682,402	$ 5,048,474	$ 366,072
Investment income	1,400	1,400	51,721	50,321
Total Revenues	4,683,802	4,683,802	5,100,195	416,393
Expenditures				
Current				
General government and administration	-	-	31,278	(31,278)
Area development and improvements	-	-	48,522	(48,522)
Debt service				
Principal	450,000	224,000	-	224,000
Interest and other charges	-	-	-	-
Total Expenditures	450,000	224,000	79,800	144,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,233,802	4,459,802	5,020,395	560,593
Other Financing Sources (Uses)				
Contributions	221,588	221,588	-	(221,588)
Transfers in (out)	(4,455,390)	(4,455,390)	(4,410,532)	44,858
Total Other Financing Sources (Uses)	(4,233,802)	(4,233,802)	(4,410,532)	(176,730)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ -	$ 226,000	609,863	$ 383,863
Fund Balance - Beginning of Year			18,708	
Fund Balance - End of Year			$ 628,571	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Debt Service Fund

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

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Investment income	$ 19,500	$ 19,500	$ 174,719	155,219
Contributions	-	-	119,154	119,154
Total Revenues	19,500	19,500	293,873	274,373
Expenditures				
Debt service				
Principal	2,468,000	2,694,000	2,694,000	(226,000)
Interest and other charges	2,006,890	2,006,890	2,006,890	-
Total Expenditures	4,474,890	4,700,890	4,700,890	(226,000)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,455,390)	(4,681,390)	(4,407,017)	48,373
Other Financing Sources (Uses)				
Transfers in (out)	4,455,390	4,455,390	4,410,532	(44,858)
Total Other Financing Sources (Uses)	4,455,390	4,455,390	4,410,532	(44,858)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ -	$ (226,000)	3,515	$ 3,515
Fund Balance - Beginning of Year			3,311,483	
Fund Balance - End of Year			$ 3,314,998	

The accompanying notes are an integral part of the financial statements

SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Combined Fund Balance Sheet

REDEVELOPMENT FUNDS

September 30, 2024

	Area 4-3	Area 4-4	Washington Street South	Orchard Drive East	Total Redevelopment Funds
Assets					
Cash and cash equivalents	$ 630,011	$ -	$ -	$ 101	$ 630,112
Property tax receivable	17,277	-	-	-	17,277
Interest income receivable	2,636	182	-	-	2,818
Total Assets	$ 649,924	$ 182	$ -	$ 101	$ 650,207
Liabilities					
Pooled cash deficit	$ -	$ 5,264	$ -	$ -	$ 5,264
Total Liabilities	-	5,264	-	-	5,264
Deferred Inflows of Resources					
Unavailable revenue-property taxes	16,372	-	-	-	16,372
Fund Balances					
Restricted fund balance:	633,552	-	-	101	633,653
Unrestricted fund balance:					-
Committed fund balance	-				-
Assigned fund balance	-	-	-	-	-
Unassigned fund balance	-	(5,082)	-	-	(5,082)
Total Fund Balances	633,552	(5,082)	-	101	628,571
Total Liabilities and Fund Balances	$ 649,924	$ 182	$ -	$ 101	$ 650,207

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Redevelopment Fund

Combining Statement Of Revenues, Expenditures, and Changes in Fund Balances

By Project for the Redevelopment Fund

For the Year Ended September 30, 2024

	Area 4-3	Area 4-4	Washington Street South	Orchard Drive East	Total Redevelopment Fund
Revenues					
Property taxes	$ 3,908,176	$ 1,105,818	$ 34,379	$ 101	$ 5,048,474
Investment income	34,735	16,986	-	-	51,721
Total Revenues	3,942,911	1,122,804	34,379	101	5,100,195
Expenditures					
Current					
General government and administration	-	-	31,278	-	31,278
Area development and improvements	-	-	48,522	-	48,522
Total Expenditures	-	-	79,800	-	79,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,942,911	1,122,804	(45,421)	101	5,020,395
Other Financing Sources (Uses)					
Transfers in (out)	(3,288,285)	(1,122,247)	-	-	(4,410,532)
Total Other Financing Sources (Uses)	(3,288,285)	(1,122,247)	-	-	(4,410,532)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	654,626	557	(45,421)	101	609,863
Fund Balance - Beginning of Year	(21,074)	(5,639)	45,421	-	18,708
Fund Balance - End of Year	$ 633,552	$ (5,082)	$ -	$ 101	$ 628,571

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Combined Fund Balance Sheet

DEBT SERVICE FUNDS

September 30, 2024

	Area 4-3	Area 4-4	Total Debt Service Funds
Assets			
Cash and cash equivalents	$ 3,301,162	$ 261	$ 3,301,423
Interest income receivable	13,575	-	13,575
Total Assets	$ 3,314,737	$ 261	$ 3,314,998
Liabilities			
Pooled cash deficit	$ -	$ -	$ -
Accounts Payable	-	-	-
Total Liabilities	-	-	-
Deferred Inflows of Resources			
Unavailable revenue-property taxes	-	-	-
Fund Balances			
Restricted fund balance:	3,314,737	261	3,314,998
Unrestricted fund balance:			-
Committed fund balance	-	-	-
Assigned fund balance	-	-	-
Unassigned fund balance	-	-	-
Total Fund Balances	3,314,737	261	3,314,998
Total Liabilities and Fund Balances	$ 3,314,737	$ 261	$ 3,314,998

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Debt Service Fund

Combining Statement Of Revenues, Expenditures, and Changes in Fund Balances

By Project for the Redevelopment Fund

For the Year Ended September 30, 2024

	Area 4-3	Area 4-4	Total Debt Service Fund
Revenues			
Investment income	$ 174,271	$ 448	$ 174,719
Contributions	-	119,154	119,154
Total Revenues	174,271	119,602	293,873
Expenditures			
Debt service			
Principal	1,969,000	725,000	2,694,000
Interest and other charges	1,490,302	516,588	2,006,890
Total Expenditures	3,459,302	1,241,588	4,700,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,285,031)	(1,121,986)	(4,407,017)
Other Financing Sources (Uses)			
Transfers in (out)	3,288,285	1,122,247	4,410,532
Total Other Financing Sources (Uses)	3,288,285	1,122,247	4,410,532
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,254	261	3,515
Fund Balance - Beginning of Year	3,311,483	-	3,311,483
Fund Balance - End of Year	$ 3,314,737	$ 261	$ 3,314,998

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

To the Board of Commissioners
Urban Renewal Agency of the
City of Twin Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho's, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements, and have issued our report thereon dated February 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, PLLC
TWIN FALLS, IDAHO
February 21, 2025