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

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Government-Wide Financial Statements	4
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	7
Fund Balance Sheet – Governmental Funds	8
Statement of Revenues. Expenditures, and Changes in Fund Balance – Governmental Funds	9
Reconciliation of Governmental Funds Statements to Government-Wide Statements	10
NOTES TO FINANCIAL STATEMENTS	11-24
REQUIRED SUPPLEMENTARY INFORMATION	25
Budget and Actual Comparison – General Fund	26
Budget and Actual Comparison – Redevelopment Fund	27
Budget and Actual Comparison – Debt Service Fund	28
SUPPLEMENTARY INFORMATION	29
Combined Balance Sheets- Redevelopment Fund	30
Combining Statement of Revenues, Expenditures and Changes in Fund Balances By Project for the Redevelopment Fund	31
Combined Balance Sheets- Debt Service Fund	32
Combining Statement of Revenues, Expenditures and Changes in Fund Balances By Project for the Debt Service Fund	33
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTOL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	34-35

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.

Mahlke Hunsaker & Company pllc
www.m-hcpa.com | 208.734.2077| 201 Canyon Crest Drive, Suite 100, Twin Falls, ID 83301

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