THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Urban Renewal Agency
Agenda

Monday, March 18, 2024, 12:00 PM

Council Chambers
203 Main Avenue East, Twin Falls, Idaho

Members: Rudy Ashenbrener, Andy Hohwieler, Dan Brizee, Jan Rogers, JJ McBride, Dave McAlindin, Eric Smallwood

1) Confirmation of Quorum/Call Meeting to Order
2) Conflict of Interest Declaration
3) Consent Calendar
   a) **ACTION ITEM:** Request to approve 1) Minutes for the February 26, 2024, meeting; 2) February 2024 Financial Report, and 3) March 2024 Accounts Payable.
      By: Lorrie Bauer, Administrative Assistant
4) Reports/Updates
   a) Executive Director's Report
      By: Shawn Barigar, Executive Director
5) Items of Consideration
   a) **PRESENTATION:** Presentation of the 2023 Annual Report followed by Public Comments.
      By: Shawn Barigar, Executive Director
   b) **ACTION ITEM:** Consider approval of Resolution No. 2024-01 authorizing the filing of the 2023 Annual Report per Idaho Law.
      By: Shawn Barigar, Executive Director
   c) **ACTION ITEM:** Consider approval of Authorization for Design Services from GGLO to create marketing materials for Downtown Master Plan.
      By: Shawn Barigar, Executive Director
6) Public Input and Announcements
7) Upcoming Meeting(s)
   a) April 22, 2024, @ 12:00pm
8) Adjournment

Any person(s) needing special accommodations to participate in the above-noticed meeting could contact Lorrie Bauer (208) 735-7313 at least two working days before the meeting. Si desea esta información en Español, por favor llame a Josh Palmer al teléfono (208) 735-7312.

Urban Renewal Agency
Minutes

Monday, February 26, 2024, 12:00 PM

Council Chambers
203 Main Avenue East, Twin Falls, Idaho

1) Confirmation of Quorum/Call Meeting to Order

Present: JJ McBride, Rudy Ashenbrener, Andy Hohwieler, Dan Brizee, Jan Rogers, Eric Smallwood, Dave McAlindin.

Absent: None.

Staff Present: Lorrie Bauer, Administrative Assistant; Shawn Barigar, Executive Director; Jesse Schuerman, Staff Engineer; Brent Hyatt, Assistant Finance Director; Jonathan Spendlove, Planning & Zoning Director; Ruth Pierce, City Council Liaison; Travis Rothweiler, City Manager; Mitch Humble, Deputy City Manager; Morgan Mitchell, Administrative Assistant.

Chair Ashenbrener called the meeting to order at 12:01 PM. A quorum was present.

2) Conflict of Interest Declaration

None.

3) Consent Calendar

a) Request to approve 1) Minutes for the December 18, 2023, meeting; 2) December 2023 and January 2024 Financial Report, and 3) February 2024 Accounts Payable.
MOTION: Eric Smallwood moved to approve the consent calendar as presented. Dave McAlindin seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0.

4) Reports/Updates

a) Executive Director's Report
(Note: podium mic issue)
Executive Director, Shawn Barigar, voiced his report as included in the agenda packet. Commissioner Jan Rogers added that she and Commissioner Dave McAlindin created a document for the legislators that explains the importance and differences between urban renewal, TIF, and LIDD in easy-to-comprehend terms. She will share the document with the commissioners.

5) Items of Consideation

a) Presentation and consideration for approval of the FY2023 Audited Financial Statements.
Brent Hyatt announced his upcoming retirement, then introduced Scott Hunsaker to present the report. Scott Hunsaker of Mahlke Hunsaker & Company reported the audit findings. An unqualified opinion was given, which means no issues were found and it was a clean report. *(Note: mic sound on at 15:37)*.
MOTION: Dave McAlindin moved to approve the FY2023 Audited Financial Statements. Jan Rogers seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0.

b) Presentation and consideration for tentative approval of the Draft 2023 Annual Report and instruct staff to schedule final approval for March 18, 2024, to include comments from the public.
Executive Director, Shawn Barigar, voiced the draft report that was included in the agenda packet. The report included accomplishments of the past year and the financial audit. Discussion ensued.

MOTION: Andy Hohwieler moved to tentatively approve the draft 2023 Annual report and instructed staff to schedule the final approval for March 18, 2024, to include public comment. Jan Rogers seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

c) Consider approval of a Lease extension for tenants at Agency-owned property located at 139 3rd Ave S.
Executive Director, Shawn Barigar, introduced the request as included in the agenda packet. Tenants have requested to exercise the existing lease provision for two 3-month lease extensions.
MOTION: JJ McBride moved to approve the lease extension for tenants at Agency-owned property located at 139 3rd Ave S. Andy Hohwieler seconded the motion. Roll call vote showed all members present voted in favor, approved 7 to 0.

d) Consider approval of a First Amendment to the Lease for tenants at Agency-owned property located at 259 Shoshone Street South.
Executive Director, Shawn Barigar, introduced the request as included in the agenda packet. Discussion ensued.
MOTION: Jan Rogers moved to approve the first amendment to the lease for tenants at agency-owned property located at 259 Shoshone Street South. Eric Smallwood seconded the motion. Roll call vote showed all members present voted in favor. Approved 7 to 0.

e) Presentation of Communication Strategies for Old Towne-2 Implementation Plan.
Executive Director, Shawn Barigar, shared proposed tactics to advance communication and marketing of development strategies as included in the agenda packet. Discussion ensued. Commissioners like the strategies and are excited to begin. They would like to hear feedback from developers as discussions progress.

6) Public Input and Announcements
None.

7) Upcoming Meeting(s)

a) March 18, 2024, @ 12:00pm.

8) Executive Session

a) Executive Session pursuant to Idaho Code Section 74-206(1)(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student.
MOTION: Jan Rogers moved to enter into Executive Session. Andy Hohwieler seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0. The meeting will not return to open session. The public portion of the meeting ended at 12:51 pm. Shawn Barigar did not attend the executive session due to a potential conflict.

9) Adjournment
The meeting adjourned at 1:35 PM.

Lorrie Bauer, Administrative Assistant

Urban Renewal Agency of the City of Twin Falls, ID
Profit & Loss
February 2024

	Feb 24
Ordinary Income/Expense	
Income	
Investment Income	22,004.16
Property Taxes	1,048,104.82
Rental Income	3,283.33
Total Income	1,073,392.31
Gross Profit	1,073,392.31
Expense	
Legal Expense	1,025.00
Management Fee	208,000.00
Miscellaneous	6,170.95
Total Expense	215,195.95
Net Ordinary Income	858,196.36
Net Income	**858,196.36**

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
October 2023 through February 2024

	Oct '23 - Feb 24	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Contributions	0.00	221,588.00	-221,588.00	0.0%
Investment Income	107,616.10	45,900.00	61,716.10	234.5%
Other Income	8,149.00	150,000.00	-141,851.00	5.4%
Property Taxes	4,650,774.66	4,704,352.00	-53,577.34	98.9%
Rental Income	21,216.65	53,800.00	-32,583.35	39.4%
Total Income	4,787,756.41	5,175,640.00	-387,883.59	92.5%
Gross Profit	4,787,756.41	5,175,640.00	-387,883.59	92.5%
Expense				
General Development Projects	25,000.00	500,000.00	-475,000.00	5.0%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	0.00	1,487,302.00	-1,487,302.00	0.0%
Debt Pay. (Chobani) Principal	0.00	2,193,000.00	-2,193,000.00	0.0%
Total RAA 4-3 (Chobani)	0.00	3,680,302.00	-3,680,302.00	0.0%
Bond Trustee Fees	0.00	5,000.00	-5,000.00	0.0%
Community Relations & Website	0.00	5,000.00	-5,000.00	0.0%
Debt Payments - Interest	0.00	516,588.00	-516,588.00	0.0%
Debt Payments - Principal	0.00	725,000.00	-725,000.00	0.0%
Dues and Subscriptions	4,600.00	4,600.00	0.00	100.0%
Insurance Expense	0.00	2,172.00	-2,172.00	0.0%
Legal Expense	24,136.93	20,000.00	4,136.93	120.7%
Management Fee	208,000.00	208,000.00	0.00	100.0%
Meeting Expense	769.11	5,000.00	-4,230.89	15.4%
Miscellaneous	10,224.20	500.00	9,724.20	2,044.8%
Office Expense	0.00	500.00	-500.00	0.0%
Professional Fees	0.00	10,000.00	-10,000.00	0.0%
Property Tax Expense	2,068.61			
Total Expense	274,798.85	5,682,662.00	-5,407,863.15	4.8%
Net Ordinary Income	4,512,957.56	-507,022.00	5,019,979.56	-890.1%
Other Income/Expense				
Other Income				
Transfers In	0.00	4,455,390.00	-4,455,390.00	0.0%
Transfers Out	0.00	-4,455,390.00	4,455,390.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	**4,512,957.56**	**-507,022.00**	**5,019,979.56**	**-890.1%**

March 2024 Accounts Payable

Check #	Date	Name	Amount	Account	Memo	Class/Fund
4791	3/14/2024	ICRMP	1,086.00	Insurance Expense	Annual Premium for Policy Year 2023-24 / #18018-2	General
4792	3/14/2024	Lorrie Bauer	206.45	Meeting Expense	20240226 Lunch Reimb (Mcalister's) / #2195047	General
4793	3/14/2024	Times News	64.61	Legal Expense	Pub- Public notice of 2023 Annual Report / #149865	General
4794	3/14/2024	Zions Bank	3,000.00	Bond Trustee Fee	Chobani-RAA Series 2013A & 2013B #8568616	zz-Bond Fund

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Date: Monday, March 18, 2024

To: Urban Renewal Agency of the City of Twin Falls

From: Shawn Barigar, Executive Director

Executive Director's Report

1. Legislative Update: The Idaho Legislature continues to meet in this session. While initially they had hoped to adjourn by March 22, it appears more than likely that they'll continue slightly longer. We continue to monitor developments within the Legislature through our membership in the Redevelopment Association of Idaho.

2. Idaho Economic Development Association Conference: Lorrie and Shawn attended the IEDA conference in Boise since our last board meeting. The conference included a variety of presentations that were very valuable toward our continued professional development as well as opportunities for networking with other economic development professionals and seeking input on future development strategies in Twin Falls. We were able to tour some Boise Valley industries, learn more about the economic outlook and changing demographics in Idaho, and connect on legislative issues. We also had good "hands on" discussions related to developing storytelling techniques and addressing challenges facing Idaho communities, such as affordable housing development, childcare, and creativity. We also heard from a variety of state and federal agencies as important partners to economic development. During the membership meeting, I was elected to one of the at-large seats available on the IEDA Board of Directors - and will join Jan Rogers, who serves on the board as our region's representative. I look forward to the continued connections with IEDA.

3. Upcoming Board Recruitment: As I reported last month, we have three terms on the Board that will expire on June 30. These are the seats currently held by Dave McAlindin, J.J. McBride, and Andy Hohwieler. Both Dave and J.J. are eligible for reappointment and have expressed interest to the Mayor that they'd like to do so. Andy has completed two full terms and is not eligible for reappointment. So, we will have one vacancy to fill. We will communicate this information to the general public seeking applicants for consideration in the coming weeks. Assuming we have multiple applicants, we will coordinate a panel to conduct interviews and make a recommendation to the Mayor for her consideration for appointment. If you have thoughts on individuals who may be interested in applying, please let them know about the process or have them contact our department.

Attachments**:**

None

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Date: Monday, March 18, 2024

To: Urban Renewal Agency of the City of Twin Falls

From: Shawn Barigar, Executive Director

PRESENTATION

Request:

Presentation of the 2023 Annual Report followed by Public Comments.

Background:

Idaho Code Section 50-2006(5)(c) requires urban renewal agencies operating in Idaho to present an annual report regarding their activities for the preceding calendar year, which report shall include certain financial information. The Agency is required to hold a public meeting to report these findings and take comments from the public.

The 2023 Annual Report was tentatively approved at the February 26, 2024, meeting. The Agency will hear public comments on the Report at today's meeting and then consider adopting the report and direct Agency staff to file the 2023 Annual Report as indicated by Idaho law.

Approval Process:

N/A

Budget Impact:

N/A

Regulatory Impact:

N/A

Conclusion:

Following the presentation of the report, comments will be heard from the public.

Attachments:

1. 2023 URA Annual Report

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

2023 Annual Report

Shawn Barigar
Executive Director

February 26, 2024

Board of Commissioners

January – June 2023
Rudy Ashenbrener – Chair
Andy Hohwieler – Vice Chair
Dan Brizee – Secretary
Jan Rogers
JJ McBride
Dave McAlindin
Eric Smallwood

July – December 2023
Rudy Ashenbrener – Chair
Andy Hohwieler – Vice Chair
Dave McAlindin - Secretary
Dan Brizee
Jan Rogers
JJ McBride
Eric Smallwood

Staff

Shawn Barigar, Executive Director
Lorrie Bauer - Administrative Assistant
Jesse Schuerman - Engineer
Brent Hyatt - Finance

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 2023

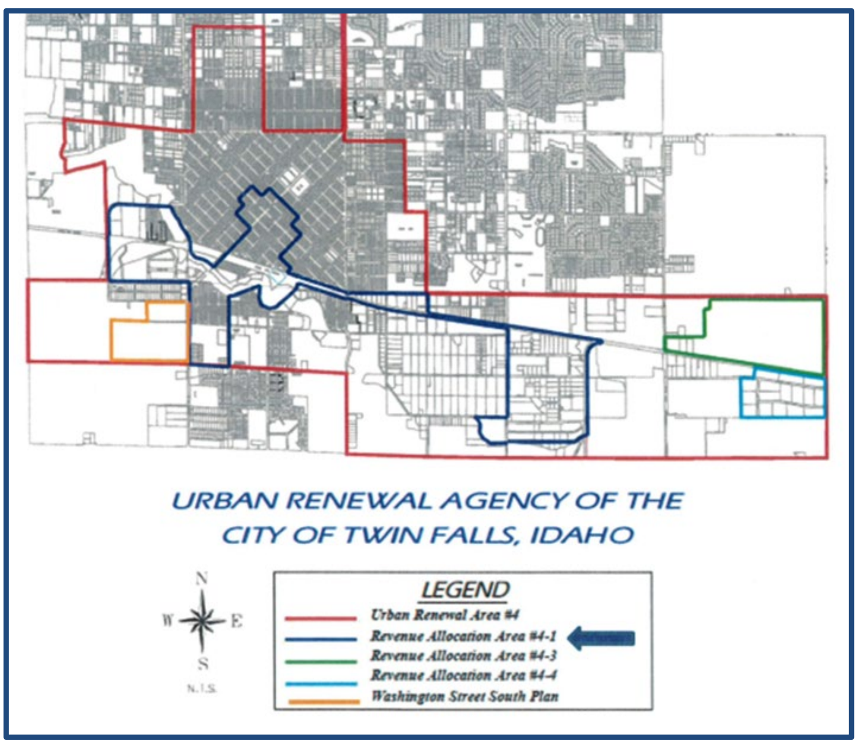
Revenue Allocation Area #4-1 Termination

2023 began with the process of final termination of Revenue Allocation Area #4-1. Remaining obligations and projects completed in 2023 include:

- Finalized transfers of real property to the City of Twin Falls to support public parking maintained by the City of Twin Falls and public space in the Downtown Commons and surrounding area.
- Completed environmental site assessments through support of the South Central Brownfield Revitalization Program through Region IV Development for retained properties owned by the Agency on Shoshone St. S. and 3rd Ave. S.
- Site preparation for Agency-owned property at 164 3rd Ave. S. including environmental remediation and structure demolition.
- Mutual Termination of Disposition and Development Agreement and Agreement to Negotiate Exclusively for 2nd and Hansen proposed mixed use development.
- Finalized property acquisitions of parcels in the Railroad Subdivision on Maxwell Ave. and Railroad Ave. as well as the former Globe Seed and Feed property on 4th Ave. S.

All obligations and expenses from remaining projects were completed by September 30, 2023. Non-obligated surplus funds totaling $320,492.54 were remitted to the 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 September 18, 2023.



Revenue Allocation Area #4-1 was created in 1998 and stretched from Old Towne and Downtown south to Lamb Weston and east along the railroad tracks to include the Eastland Industrial Area. Over the course of its 24-year history, the Urban Renewal Agency was able to invest approximately $49,400,000 for public parking, street improvements, water, sewer, streetlights, public space, property acquisition for redevelopment, streetscape, and other public infrastructure. This investment spurred private development and job creation throughout the area, resulting in an assessed value growth of more than $225,600,000 over the 24 years…from $76,762,151 to $302,457,053.

<u>Orchard Drive East Revenue Allocation Area</u>

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.

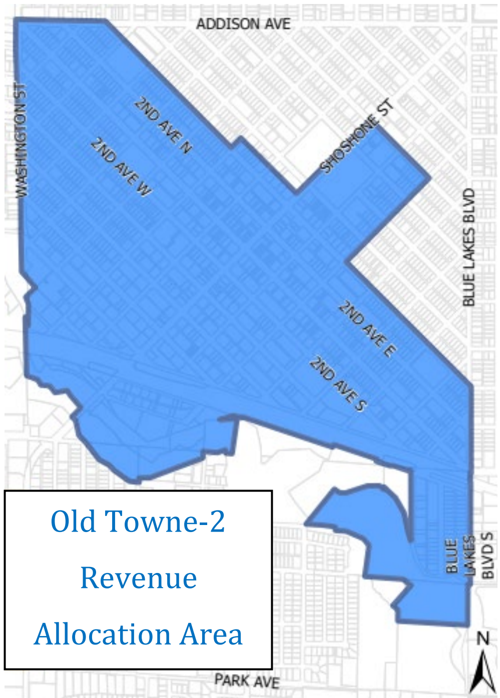
An Owner-Participation Agreement was finalized and executed to outline public infrastructure improvements related to the new area and the mechanism for the developer to request reimbursement for these eligible expenses.

In Spring 2023, crews began site work and initial construction of infrastructure to include water and wastewater extensions, and electricity and natural gas enhancements. The first phase of this 1,215,000 square-foot industrial park will include three buildings totaling 117,500 square feet. These buildings are class A concrete tilt-up construction with insulated panels, providing a superior thermal envelope that allows for low operating costs. All three buildings offer spaces of different sizes between 6,000-60,000 square feet.

Future phases will consist of several individual buildings, ranging in size from 5,000 square feet to 200,000 square feet and will serve a variety of different businesses and users. The project will be built out in phases with both build-to-suit product as well as ready-to-lease product.

Creation of Old Towne-2 Revenue Allocation Area

Building on the momentum of partnership between public and private development in the Downtown area of Twin Falls, the Agency worked through establishment of a new Project Area: the Old Towne-2 Revenue Allocation Area.



Old Towne-2 Revenue Allocation Area

The Board retained GGLO and their partner ECONorthwest to develop a Master Plan for the area. The Board's vision for the new area included additional downtown housing, hotels, a convention center, continued small development on Main Avenue, commercial and light industrial development (assembly) in the Historical Warehouse District.

Several public infrastructure improvements were discussed, including funding to assist with the relocating and traffic calming on the 2nd Avenues (US Highway 30), water and sewer lines, complete street improvements, fiber optics, power and gas upgrades, and parking lots/structures were just some of the public improvements that were recommended for the area.

2nd Avenue North Conceptual Rendering

The final Downtown Master Plan outlines 20 years of development goals, opportunities, and strategies. The framework of the Plan was utilized, in part, by Kushlan Associates to complete the Eligibility Study of the proposed area. In compliance with Idaho Code, the Agency developed an Urban Renewal Plan for the Old Towne-2 Revenue Allocation Area, which was adopted by the Twin Falls City Council on November 27, 2023.

The Agency Board and Staff spent meetings in November and December 2023 brainstorming goals and strategies for moving the Old Towne-2 Plan forward in the coming year.

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 ended 9/30/2023.
- The average length of term of all bond obligations is 10 years.
- The average interest rate of all bond obligations is 6%.

The following attachments include additional Financial Information.

Attachment A: Adopted 2023-2024 Budget
Attachment B: FY 2022 Audit
Attachment D: FY 2023 Audit (including budget to actual comparisons).

Attachment A

Adopted 2023-2024 Budget

Urban Renewal Agency of the City of Twin Falls, Idaho
Budget Estimates
Fiscal Year October 1, 2023 through September 30, 2024

	2023-2024 Budget							
		South	Orchard			Zions Bank		**Budget**
	General	Washington	Dr. East	4-3 (Chobani)	4-4 (Clif)	Chobani	Clif	**Total**
Revenue								
Investment Income	25,000			1,400		19,500		45,900
Other Income	150,000							150,000
Grant Income/Contributions					221,588			221,588
Property Taxes		21,950	0	3,662,402	1,020,000			4,704,352
Rental Income	53,800							53,800
Total Revenue	228,800	21,950	0	3,663,802	1,241,588	19,500	0	5,175,640
Transfers				(3,213,802)	(1,241,588)	3,213,802	1,241,588	0
Forecasted Cash Carryover	1,200,000	7,159		0	0	0	0	1,207,159
Total Revenue and Cash Carryover	1,428,800	29,109	0	450,000	0	3,233,302	1,241,588	6,382,799
Expenditures								
Projects, Planning, and Development	500,000							500,000
Bond Trustee Fees	2,000					3,000		5,000
Community Relations & Website	5,000							5,000
Debt Payment - Interest						1,487,302	516,588	2,003,890
Debt Payment - Principal						1,743,000	725,000	2,468,000
Payment on Open Note				450,000				450,000
Dues and Subscriptions	4,600							4,600
Insurance Expense - ICRMP	2,172							2,172
Legal Expense (Notices)	20,000							20,000
Management Fee - City	208,000							208,000
Meeting Expense	5,000							5,000
Miscellaneous	500							500
Office Expense	500							500
Professional Fees	10,000							10,000
Total Expense	757,772			450,000	0	3,233,302	1,241,588	5,682,662
	671,028	29,109	0	0	0	0	0	700,137

<u>Attachment B</u>

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

AUDITED FINANCIAL STATEMENTS
September 30, 2022

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

Table of Contents

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, 2022, 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, 2022, 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 January 04, 2023, 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 04, 2023

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2022

		Governmental Activities
Assets		
Cash and cash equivalents	$	5,303,142
Receivables:		
Property taxes		37,482
Interest income		9,656
Other governments		1,219
Prepaid Deposits		25,000
Real estate		2,913,562
Total Assets	$	8,290,061
Liabilities		
Pooled Cash Deficit	$	34,724
Accounts payable		37,039
Accrued interest		4,666,325
Deposits payable		23,916
Development Agreement		10,234,049
Project Improvement Reimbursement Agreement		14,562,772
Noncurrent liabilities		
Due within one year		2,400,000
Due in more than one year		28,797,000
Total Liabilities		60,755,825
Net Position		
Net investment in capital assets		(53,080,259)
Restricted for:		
Debt service		3,006,225
Redevelopment		762,450
Unrestricted		(3,154,180)
Total Net Position		(52,465,764)
Total Liabilities and Net Position	$	8,290,061

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, 2022

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets	
					Primary Government	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary Government:						
Governmental Activities:						
General government	$ 403,729	$ -	$ -	$ -	$ (403,729)	$ (403,729)
Community development	120,927	-	-	-	(120,927)	(120,927)
Interest on long-term debt	2,626,258	-	-	-	(2,626,258)	(2,626,258)
Total Governmental Activities	3,150,914	-	-	-	(3,150,914)	(3,150,914)
General Revenues and Transfers:						
Taxes:						
Property taxes, levied for general tax increment purposes					7,610,114	7,610,114
Other income					150,000	150,000
Investment income					38,715	38,715
Rental Income					28,000	28,000
Gain on sale of assets					2,212,725	2,212,725
Contributions					100,678	100,678
Total General Revenues and Transfers					10,140,232	10,140,232
Changes in Net Position					6,989,318	6,989,318
Net Position, October 1, 2021					(59,455,082)	(59,455,082)
Net Position, September 30, 2022					$ (52,465,764)	$ (52,465,764)

The accompanying notes are an integral part of the financial statements

FINANCIAL STATEMENTS

Fund Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Fund Balance Sheet

GOVERNMENTAL FUNDS

September 30, 2022

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,535,529	$ 767,101	$ 3,000,511	$ 5,303,141
Property tax receivable	-	37,482	-	37,482
Interest income receivable	3,908	3	5,744	9,655
Prepaid deposits		25,000	-	25,000
Due from other governments	-	1,219	-	1,219
Total Assets	$ 1,539,437	$ 830,805	$ 3,006,255	$ 5,376,497
Liabilities				
Pooled Cash Deficit	$ -	$ 34,724	$ -	$ 34,724
Accounts payable	18,148	18,891	-	37,039
Deposits payable	3,916	20,000	-	23,916
Total Liabilities	22,064	73,615	-	95,679
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	29,461	-	29,461
Fund Balances				
Restricted fund balance:	-	762,450	3,006,255	3,768,705
Unrestricted fund balance:				
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	1,517,373	(34,721)	-	1,482,652
Total Fund Balances	1,517,373	727,729	3,006,255	5,251,357
Total Liabilities and Fund Balances	$ 1,539,437	$ 830,805	$ 3,006,255	$ 5,376,497

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, 2022

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	$ -	$ 7,637,219	$ -	$ 7,637,219
Rental income	28,000	-	-	28,000
Investment income	16,305	2,646	19,763	38,714
Other income	150,000	-	-	150,000
Contributions	-	-	100,678	100,678
Total Revenues	194,305	7,639,865	120,441	7,954,611
Expenditures				
Current				
General government and administration	292,831	41,008	-	333,839
Area development and improvements	13,041	658,556	-	671,597
Real estate expense	-	69,890	-	69,890
Debt service				
Principal	-	2,823,298	2,316,000	5,139,298
Interest and other charges	-	56,284	2,019,742	2,076,026
Total Expenditures	305,872	3,649,036	4,335,742	8,290,650
Excess (Deficiency) of Revenues Over (Under) Expenditures	(111,567)	3,990,829	(4,215,301)	(336,039)
Other Financing Sources (Uses)				
Transfers in (out)	-	(4,221,045)	4,221,045	-
Total Other Financing Sources (Uses)	-	(4,221,045)	4,221,045	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(111,567)	(230,216)	5,744	(336,039)
Fund Balances - Beginning of Year	1,628,940	957,945	3,000,511	5,587,396
Fund Balances - End of Year	$ 1,517,373	$ 727,729	$ 3,006,255	$ 5,251,357

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, 2022

Governmental Fund Balances	$ 5,251,357
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	2,913,562
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	29,461
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	(60,660,144)
Total Net Position of Governmental Activities	$ (52,465,764)

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, 2022

Net Change in Fund Balances - Total Governmental Funds	$ (336,039)
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	550,670
Gain on Sale of Capital Assets	2,212,725
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	(27,106)
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets	5,139,298
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	(550,230)
Changes in Net Position of Governmental Activities	$ 6,989,318

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, 2022

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. 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, 2022. 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.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Government-Wide Financial Statements-continued
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.

<u>Measurement Focus, Basis of Accounting and Basis of Presentation</u>

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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, 2022, no funds exceeded appropriations.

Other
The Agency's Funds are requiring 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, 2022 is as follows.

Cash in bank	$	18,976
State Investment Pool		2,254,992
Money-market bond funds		2,994,450
Total Cash & Cash Equivalents	$	5,268,418

Cash and Cash Equivalents is reported on the financial statements:

Cash and Cash Equivalents	$	5,303,142
Pooled Cash Deficit		(34,724)
Total Cash & Cash Equivalents	$	5,268,418

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. 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 2022.

5. *INTERFUND TRANSFERS*

A summary of interfund transfers follows:

	Transfers In	Transfers Out
Redevelopment	$ -	$ 4,221,045
Debt Service	4,221,045	-
	$ 4,221,045	$ 4,221,045

6. *CAPITAL ASSETS*

A summary of activity of capital assets for the Agency for the year ended September 30, 2022, was as follows:

	Balance, September 30, 2021	Additions	Deletions or Transfers	Balance, September 30, 2022
Governmental Activities:				
Land and Buildings	$ 3,150,167	$ 550,670	$ (787,275)	$ 2,913,562
	$ 3,150,167	$ 550,670	$ (787,275)	$ 2,913,562

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, 2022 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%.	$ 10,315,000
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.	20,882,000
Total	$ 31,197,000

7. LONG-TERM DEBT – continued

Expected annual maturities of these obligations are as follows:

September 30,		Total	Interest	Principal
2023		$ 4,276,433	1,876,433	2,400,000
2024		4,198,995	1,730,995	2,468,000
2025		4,121,276	1,581,276	2,540,000
2026		4,053,610	1,426,610	2,627,000
2027		3,984,407	1,266,407	2,718,000
2028-2032		18,814,165	3,720,165	15,094,000
2033-2036		3,787,525	437,525	3,350,000
	Total	$ 43,236,411	$ 12,039,411	$ 31,197,000

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, 2022, the Agency was indebted in the amount of $14,562,772.

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, 2022, the Agency was indebted in the amount of $10,234,049. That amount accrues interest at a variable rate, 7.5% on September 30, 2022. Accrued interest at year end totaled $3,982,338. 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, 2022, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2021	Additions	Repayments	Balances, September 30, 2022
Revenue Allocation Bonds, Series 2013A	$ 22,463,000	$ -	$ 1,581,000	$ 20,882,000
Revenue Allocation Bonds, Series 2015A-Tax Exempt	405,000	-	405,000	-
Revenue Allocation Bonds, Series 2015C-Taxable	1,805,000	-	1,805,000	-
Revenue Allocation Bonds, Series 2016	11,050,000	-	735,000	10,315,000
Total Revenue Bonds	35,723,000	-	4,526,000	31,197,000
Chobani Idaho, LLC-Projects Improvements Reimbursement Agreement	15,176,070	-	613,298	14,562,772
Clif Bar-Development Agreement	10,234,049	-	-	10,234,049
City of Twin Falls Agreement	3,000,000	-	3,000,000	-
Total Agreements	28,410,119	-	3,613,298	24,796,821
Total	$ 64,133,119	$ -	$ 8,139,298	$ 55,993,821

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. *COMMITMENTS AND SUBSEQUENT EVENTS*

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 Agency has committed up to $2,000,000.00 to a developer for construction of a public parking facility within Revenue Allocation Area 4-1.

As mentioned previously, Revenue Allocation Area No. 4-1 has reached the end of the life allowed by statute. The area terminated December 31, 2022. In Idaho property taxes are assessed in one year and collected the following year. During 2023 the area will be collecting its final revenues, settling existing obligations, and liquidating assets. A termination budget was adopted by the Board for the final year. That budget will be updated as the closure process progresses.

The Agency has evaluated subsequent events through January 04, 2023, the date which the financial statements were available to be issued.

10. *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, 2022, the Agency was in compliance with these covenants.

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, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Rental income	$ 30,000	$ 30,000	$ 28,000	$ (2,000)
Investment Income	3,000	3,000	16,305	13,305
Other income	150,000	150,000	150,000	-
Total Revenues	183,000	183,000	194,305	11,305
Expenditures				
Current				
General government	315,180	315,180	292,831	22,349
Area development and improvements	-	-	13,041	(13,041)
Total Expenditures	315,180	315,180	305,872	9,308
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132,180)	(132,180)	(111,567)	20,613
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	$ (132,180)	$ (132,180)	(111,567)	$ 20,613
Fund Balance - Beginning of Year			1,628,940	
Fund Balance - End of Year			$ 1,517,373	

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, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 7,820,517	$ 7,820,517	$ 7,637,219	$ (183,298)
Investment income	310	310	2,646	2,336
Total Revenues	7,820,827	7,820,827	7,639,865	(180,962)
Expenditures				
Current				
General government and administration	100	100	41,008	(40,908)
Area development and improvements	2,871,218	2,871,218	658,556	2,212,662
Real estate expense	69,890	69,890	69,890	-
Debt service				
Principal	2,985,000	2,985,000	2,823,298	161,702
Interest and other charges	60,912	60,912	56,284	4,628
Total Expenditures	5,987,120	5,987,120	3,649,036	2,338,084
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,833,707	1,833,707	3,990,829	2,157,122
Other Financing Sources (Uses)				
Issuance of debt	942,700	942,700	-	(942,700)
Transfers in (out)	(4,334,827)	(4,334,827)	(4,221,045)	113,782
Total Other Financing Sources (Uses)	(3,392,127)	(3,392,127)	(4,221,045)	(828,918)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (1,558,420)	$ (1,558,420)	(230,216)	$ 1,328,204
Fund Balance - Beginning of Year			957,945	
Fund Balance - End of Year			$ 727,729	

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, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Investment income	$ 915	$ 915	$ 19,763	18,848
Contributions	-	-	100,678	100,678
Total Revenues	915	915	120,441	119,526
Expenditures				
Debt service				
Principal	2,316,000	2,316,000	2,316,000	-
Interest and other charges	2,019,742	2,019,742	2,019,742	-
Total Expenditures	4,335,742	4,335,742	4,335,742	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,334,827)	(4,334,827)	(4,215,301)	119,526
Other Financing Sources (Uses)				
Transfers in (out)	4,334,827	4,334,827	4,221,045	(113,782)
Total Other Financing Sources (Uses)	4,334,827	4,334,827	4,221,045	(113,782)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ -	$ -	5,744	5,744
Fund Balance - Beginning of Year			3,000,511	
Fund Balance - End of Year			$ 3,006,255	

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, 2022

	Area 4-1	Area 4-3	Area 4-4	Washington Street South	Total Redevelopment Funds
Assets					
Cash and cash equivalents	$ 759,942	$ -	$ -	$ 7,159	$ 767,101
Property tax receivable	37,482	-	-	-	37,482
Interest income receivable	-	1	2	-	3
Prepaid deposits	25,000				25,000
Due from other governments	1,219	-	-	-	1,219
Total Assets	$ 823,643	$ 1	$ 2	$ 7,159	$ 830,805
Liabilities					
Pooled cash deficit	$ -	$ 29,905	$ 4,819	$ -	$ 34,724
Accounts payable	18,891	-	-	-	18,891
Deposits payable	20,000				20,000
Total Liabilities	38,891	29,905	4,819	-	73,615
Deferred Inflows of Resources					
Unavailable revenue-property taxes	29,461	-	-	-	29,461
Fund Balances					
Restricted fund balance:	755,291	-	-	7,159	762,450
Unrestricted fund balance:					
Committed fund balance	-	-			-
Assigned fund balance	-	-	-	-	-
Unassigned fund balance	-	(29,904)	(4,817)	-	(34,721)
Total Fund Balances	755,291	(29,904)	(4,817)	7,159	727,729
Total Liabilities and Fund Balances	$ 823,643	$ 1	$ 2	$ 7,159	$ 830,805

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, 2022

	Area 4-1	Area 4-3	Area 4-4	Washington Street South	Total Redevelopment Fund
Revenues					
Property taxes	$ 2,807,446	$ 3,590,874	$ 1,231,740	$ 7,159	$ 7,637,219
Investment income	-	1,396	1,250	-	2,646
Total Revenues	2,807,446	3,592,270	1,232,990	7,159	7,639,865
Expenditures					
Current					
General government and administration	40,763	-	245	-	41,008
Area development and improvements	658,556	-	-	-	658,556
Real estate expense	69,890	-	-	-	69,890
Debt service					
Principal	2,210,000	613,298	-	-	2,823,298
Interest and other charges	54,284	-	2,000	-	56,284
Total Expenditures	3,033,493	613,298	2,245	-	3,649,036
Excess (Deficiency) of Revenues Over (Under) Expenditures	(226,047)	2,978,972	1,230,745	7,159	3,990,829
Other Financing Sources (Uses)					
Transfers in (out)	-	(2,989,148)	(1,231,897)	-	(4,221,045)
Total Other Financing Sources (Uses)	-	(2,989,148)	(1,231,897)	-	(4,221,045)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(226,047)	(10,176)	(1,152)	7,159	(230,216)
Fund Balance - Beginning of Year	981,338	(19,728)	(3,665)	-	957,945
Fund Balance - End of Year	$ 755,291	$ (29,904)	$ (4,817)	$ 7,159	$ 727,729

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Combined Fund Balance Sheet

DEBT SERVICE FUNDS

September 30, 2022

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Funds
Assets				
Cash and cash equivalents	$ -	$ 3,000,511	$ -	$ 3,000,511
Interest income receivable	-	5,744	-	5,744
Total Assets	$ -	$ 3,006,255	$ -	$ 3,006,255
Liabilities				
Pooled cash deficit	$ -	$ -	$ -	$ -
Accounts Payable	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	-	-	-
Fund Balances				
Restricted fund balance:	-	3,006,255	-	3,006,255
Unrestricted fund balance:				-
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	-	-	-
Total Fund Balances	-	3,006,255	-	3,006,255
Total Liabilities and Fund Balances	$ -	$ 3,006,255	$ -	$ 3,006,255

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, 2022

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Fund
Revenues				
Investment income	$ -	$ 19,763	$ -	$ 19,763
Contributions	-	-	100,678	100,678
Total Revenues	-	19,763	100,678	120,441
Expenditures				
Debt service				
Principal	-	1,581,000	735,000	2,316,000
Interest and other charges	-	1,422,167	597,575	2,019,742
Total Expenditures	-	3,003,167	1,332,575	4,335,742
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,983,404)	(1,231,897)	(4,215,301)
Other Financing Sources (Uses)				
Transfers in (out)	-	2,989,148	1,231,897	4,221,045
Total Other Financing Sources (Uses)	-	2,989,148	1,231,897	4,221,045
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Use	-	5,744	-	5,744
Fund Balance - Beginning of Year	-	3,000,511	-	3,000,511
Fund Balance - End of Year	$ -	$ 3,006,255	$ -	$ 3,006,255

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, 2022, 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 04, 2023.

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 04, 2023

<u>Attachment C</u>

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

MH&co Mahlke Hunsaker & Company PLLC
Certified Public Accountants

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.

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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 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

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets	
					Primary Government	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	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.

<u>Revenue bonds and notes</u>

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.

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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

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, March 18, 2024

To: Urban Renewal Agency of the City of Twin Falls

From: Shawn Barigar, Executive Director

ACTION ITEM

Request:

Consider approval of Resolution No. 2024-01 authorizing the filing of the 2023 Annual Report per Idaho Law.

Background:

At the time of filing the report with the City on or before March 31, the Agency shall publish in the Times-News a notice to the effect that the report has been filed with the City and the state controller and that the report is available for inspection in the office of the City Clerk or the Agency, and at all times on the website of the state controller.

The 2023 Annual Report was tentatively approved at the February 26, 2024 meeting. The public was invited to comment following the presentation. The Agency will consider approving the report by resolution and direct Agency staff to file the 2023 Annual Report as indicated by Idaho Code 50-2006(5)(c).

Approval Process:

A majority vote of a quorum of the Agency Commissioners present at the meeting.

Budget Impact:

There may be a cost for in-house printing of the report and postage to distribute it to those who request it.

Regulatory Impact:

N/A

Conclusion:

Staff recommends that the Board approve Resolution No. 2024-01 adopting the 2023 Annual Report. Completion of this process will have the Agency in compliance with the statutory requirement for reporting.

Attachments:

1. Resolution No. 2024-01 = 2023 Annual Report

RESOLUTION NO. 2024-01

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO APPROVING THE 2023 ANNUAL REPORT OF THE URBAN RENEWAL AGENCY; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT WITH THE CITY AND IDAHO STATE CONTROLLER; DIRECTING CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR TO SUBMIT SAID REPORT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of the City of Twin Falls, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the "Law") and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"), a duly created and functioning urban renewal agency for Twin Falls, Idaho, hereinafter referred to as the "Agency."

WHEREAS, Idaho Code 50-2006(5)(c) requires every urban renewal agency exercising powers under the Law to file with the local governing body and the Idaho State Controller on or before March 31 of each year a report of its activities for the preceding calendar year, which report shall include certain financial information; and,

WHEREAS, Idaho Code 50-2006(5)(c) requires every urban renewal agency to hold a public meeting to report these findings and take comments from the public; and,

WHEREAS, pursuant to Idaho Code 50-2006(5)(c), Agency staff prepared the annual report of the Agency's activities for calendar year 2023, a copy of which report is attached hereto as **Exhibit A** and incorporated herein by reference;

WHEREAS, the Agency Board reviewed and tentatively approved the draft annual report at the February 26, 2024, Agency Board meeting and directed that the report be made available to the public and that notice of availability be published and posted;

WHEREAS, Agency representatives took steps to provide a copy of the report for public review and comment;

WHEREAS, on March 18, 2024, pursuant to Idaho Code 50-2006(5)(c), the Agency held an open public meeting, properly noticed, to report these findings in the annual report and to take comments from the public at the Council Chambers, 203 Main Avenue East, Twin Falls, Idaho, on the proposed annual report.

WHEREAS, Idaho Code 50-2006(5)(c) requires every urban renewal agency, at the time of filing the report, to publish in a newspaper of general circulation in the community a notice that the report has been filed with the municipality and the Idaho State Controller and that the report is available for inspection during business hours in the office of the City Clerk and the Agency.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the 2023 Annual Report attached hereto as "**Exhibit A**" and the notice of filing the annual report attached hereto as "**Exhibit B**" are hereby approved and adopted by the Agency Board.

Section 3: That the Board Chair, Vice Chair, or Executive Director shall submit said annual report to the City Clerk of the City of Twin Falls, Idaho, and the Idaho State Controller, as directed by the Idaho State Controller's staff, on or before March 31, 2024.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of the City of Twin Falls, Idaho, on March 18, 2024. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on March 18, 2024.

APPROVED:

By ____
Rudy Ashenbrener, Chair

ATTEST:

By ______________________________________
Dave McAlindin, Secretary

Exhibit A

2023 Annual Report

(See Report in Item 5a)

Exhibit B

Notice of Filing

PUBLIC NOTICE

As required by Idaho Code Section 50-2006(5)(c), the Urban Renewal Agency of the City of Twin Falls, Idaho, has filed its 2023 Annual Report with the City of Twin Falls. It is anticipated information within the 2023 Annual Report will be submitted to the Idaho State Controller pursuant to Idaho Code Section 67-1076. This report is available for inspection during business hours in the office of the City Clerk and Urban Renewal Agency located at City Hall, 203 Main Avenue East, 3rd Floor, Twin Falls, Idaho. The report is also available on the Agency's website at https://www.tfid.org/126/Urban-Renewal-Agency.

Published: ___________________

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, March 18, 2024

To: Urban Renewal Agency of the City of Twin Falls

From: Shawn Barigar, Executive Director

ACTION ITEM

Request:

Consider approval of Authorization for Design Services from GGLO to create marketing materials for Downtown Master Plan.

Background:

As part of the communication strategies that were outlined to the Board last month, staff has reached out to GGLO to inquire about design services related to the Downtown Master Plan that they completed previously for the Agency. GGLO would develop a concise executive summary/marketing package from the approved Downtown Master Plan for the purpose of outreach and communication to potential project partners, developers, and the general public. These would include impactful collateral materials (presentations, brochures, content for website) to assist staff and the Board in communicating the vision for downtown development.

The proposed Authorization for Design Services is included with your packet and outlines the deliverable work product, timeline, and the cost of $10,500.

Approval Process:

A majority vote of a quorum of the Agency Commissioners present at the meeting.

Budget Impact:

$500,000 is included in the current budget for "Projects, Planning, and Development". No expenditures from this line item have been made to date.

Regulatory Impact:

N/A

Conclusion:

Staff recommends that the Board approve the agreement with GGLO for completion of the design services in the amount of $10,500.

Attachments:

1. GGLO - Auth For Design Services DT MP Marketing Pkg

Authorization For Design Services

Date: March 18, 2024

Project: The Urban Renewal Agency of the City of Twin Falls
Downtown Master Plan Marketing Support

Project No.: 2022047

This document constitutes the working agreement and authorizes GGLO to provide design services as described below. Services will be performed and invoiced either on lump sum or on an hourly basis at GGLO's current hourly rates. No construction document or construction contract administration services will be performed under this Authorization. The attached Terms of Agreement are incorporated by reference into this Agreement.

Client:

The Urban Renewal Agency of the City of Twin Falls
Authorized Representative: Shawn Barigar, Executive Director

Project Description:

Develop a concise executive summary/marketing package from the approved Downtown Master Plan for the purposes of outreach and communication to potential project partners and developers.

Scope of Services of this Authorization:

Task 980: Marketing Package

- Attend bi-weekly progress review meetings with URA Executive Director
- Finalize Table-Of-Contents, confirm supplemental graphics and narratives
- Develop draft and final Marketing Package (combination of existing plan and supplemental summaries and renderings)
- Assist with presentations to URA Board and City Council as needed (up to two presentations)

Deliverables: *Draft & Final Marketing Package*

- *Cover*
- *Acknowledgements*
- *Introduction*
- *Project Location*
- *Vision*
- *Goals*
- *Plans & Renderings*
- *Market Study Findings*
- *Development Scenarios*

Compensation of this Authorization:

Task	Terms	Fee	Timeline
Marketing Package	Hourly, Estimated	$10,000	April-May
Reimbursable Expenses	Estimated	$500	
Total		**$10,500**	

____
Authorized Client Representative

____
Date

____
GGLO Architecture, Interior Design,
Landscape Architecture, Planning and Urban Design, LLC.

March 18, 2024
Date

Attachments: Terms of Agreement

Terms of Agreement

Date of Agreement: March 18, 2024
Project: The Urban Renewal Agency of the City of Twin Falls
Downtown Master Plan Marketing Support
Project No.: 2022047

I. COMPENSATION

Compensation for Professional Services is billed on an hourly basis or as a percentage of project completion. Compensation for Supplemental Services shall be billed on an hourly basis according to the billing rate schedule below, or as agreed to prior to the commencement of the services.

II. 2024 HOURLY BILLING RATES

Principal III	$350
Principal II	$310
Principal I	$265
Architect II	$185
Architect I	$175
Architectural Designer II	$155
Architectural Designer I	$140
Landscape Architect II	$180
Landscape Architect I	$165
Landscape Designer II	$155
Landscape Designer I	$140
Urban Designer IV	$170
Urban Designer III	$160
Urban Designer II	$140
Urban Designer I	$125
Intern	$110

The rates and multiples set forth above may be adjusted as required by GGLO compensation practices.

III. SUBCONSULTANTS

The costs of subconsultants for engineering, model construction, artist’s renderings, etc., when required and authorized by the Owner, shall be billed at a multiple of one and one-tenth (1.10) times the expense incurred by GGLO.

IV. REIMBURSABLE EXPENSES

Reimbursable expenses are charged in addition to compensation for Professional Services and include printing and reproduction; postage, delivery charges; transportation, air travel, parking; and automobile use. Unless agreed otherwise, reimbursable expenses shall be billed at a multiple of one and one-tenth (1.10) times the expenses incurred by GGLO.

V. INVOICING AND PAYMENTS

Invoices shall be submitted monthly for services and reimbursable expenses incurred during the preceding month. Services shall be billed on an hourly basis. Payments are due and payable upon receipt of the invoice by the Owner. Failure of the Owner to notify GGLO in writing of any disputes with the amount of any monthly invoices, within thirty (30) days of receipt by the Owner, shall be considered acceptance of those invoices for payment under this agreement.

Amounts unpaid thirty (30) days after the date of the invoice shall bear interest at the rate of one and one-half percent (1-1/2%) per month, or the maximum amount allowed by law, whichever is less. In addition, GGLO may, after giving written notice to the Owner, suspend services until all amounts due are paid in full, and the Owner shall indemnify, defend, and pay any claims and expenses incurred by GGLO resulting from such work stoppage and expenses from collection of amounts past due.

VI. OTHER CONDITIONS

1. Limitation of Liability: The Owner and GGLO have discussed the risks, rewards, and benefits of the project and GGLO's total fee for services. The risks have been allocated such that the Owner agrees that, to the fullest extent permitted by law, GGLO’s total liability to the Owner for any and all injuries, claims, losses, expenses, damages or claims expenses arising out of this agreement from any cause or causes, shall not exceed the total amount of GGLO’s total fee for services rendered on this project. Such claims and causes include, but are not limited to negligence, professional errors or omissions, strict liability, or breach of contract.

2. Design of Alterations: Inasmuch as the remodeling and/or rehabilitation of an existing structure requires that certain assumptions be made regarding existing conditions, and because some of these assumptions may not be verifiable without expending additional sums of money, or destroying otherwise adequate or serviceable portions of the building, the Owner agrees that, except for negligence on the part of GGLO, the Owner will hold harmless, indemnify and defend GGLO from and against any and all claims, damages and costs arising out of assumptions made regarding existing conditions related to the professional services provided under this Agreement.

3. Design Without Construction Review: The Owner understands that there may be misinterpretations of GGLO's plans and specifications during construction which may lead to errors and subsequent damage. In the event that the Owner elects to proceed with the work without GGLO providing regular and ongoing construction contract administration services, the Owner agrees to indemnify, hold harmless and defend GGLO against any and all claims which may arise out of the acts of a Contractor performing work not in compliance with the intent of the design documents.

4. Design of Studies: Because preliminary studies require that assumptions be made regarding existing conditions and some of these assumptions may not be verifiable without expending additional resources, studies are based upon Owner-provided information and are prepared in response to specific program requirements and limitations. Studies are subject to additional site investigation, design development and regulatory review. Information provided in a study is not to be relied upon for any purpose without the express written consent of GGLO. The Owner hereby agrees to hold harmless, indemnify and defend GGLO from and against all claims, damages and costs arising out of professional services provided related to preliminary studies under this agreement.

5. Ownership of Documents: The Owner acknowledges GGLO’s construction documents as instruments of professional service. All reports, plans, specifications, field data and notes, and other documents, including all documents on electronic media, prepared by GGLO as instruments of service shall remain the property of GGLO. GGLO will provide the Owner with record electronic files of the Contract Documents, conforming to GGLO’s standard specifications for software and file format. The

Owner agrees, to the fullest extent permitted by law, to indemnify and hold GGLO harmless from any claim, liability or cost (including reasonable attorney's fees and defense costs) arising or allegedly arising out of any use or modification of the construction documents by the Owner or any person or entity that acquires or obtains the plans and specifications from or through the Owner without the written authorization of GGLO.

6. Termination or Suspension: If the project is suspended by the Owner for more than 30 consecutive days, GGLO shall be compensated for services performed prior to notice of such suspension. When the project is resumed, GGLO's fees for the remaining services and the time schedules shall be equitably adjusted. In the event of termination not the fault of GGLO, GGLO shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due.

7. Statute of Limitations: Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statues of limitations shall commence to run no later than either the date of Substantial Completion for acts or failures to act occurring prior to Substantial Completion or the date of issuance of the final Certificate for Payment for acts or failures to act occurring after Substantial Completion. In no event shall such statutes of limitations commence to run any later than the date when GGLO's services are completed.