THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Urban Renewal Agency
Agenda

Tuesday, February 13, 2018, 3:00 PM

City Chambers
203 Main Avenue East- Twin Falls, Idaho

Members: Chairman Dan Brizee, Vice Chairman Dexter Ball, Secretary Neil Christensen, Perri Gardner, Suzzane Cawthra, Rudy Ashenbrener

1) Confirmation of Quorum/Call Meeting to Order
2) Consideration of Amendment(s) to the Agenda
3) Consent Calendar
   a) Request to approve 1) Minutes for January 8, 2018 meeting; 2) January 2018 Financial Report; 3) February 2018 Accounts Payable.
4) Reports/Updates
   a) Executive Director's Report by Nathan Murray.
   b) Presentation of the FY2017 Audited Financial Statements by Scott Hunsaker of Mahlke Hunsaker & Co.
5) Items of Consideration
   None.
6) General Input/Announcements - Public/Staff
7) Upcoming Meeting(s)
   Monday, March 12, 2018, at 12:00 p.m.
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, llame Leila Sanchez (208) 735-7287.

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Urban Renewal Agency
Minutes

Monday, January 8, 2018, 12:00 PM

City Council Chambers
203 Main Ave. E - Twin Falls, Idaho

Members: Chairman Dan Brizee, Vice Chairman Dexter Ball, Secretary Neil Christensen, Perri Gardner, Suzzane Cawthra, Rudy Ashenbrener

1) Confirmation of Quorum/Call Meeting to Order
Chairman Brizee confirmed a quorum was present and called the meeting to order at 12:00 PM.

2) Consideration of Amendment(s) to the Agenda
None.

3) Consent Calendar

a) Request to approve: 1) Minutes for December 11, 2017 meeting; 2) Minutes for December 19, 2017 meeting; 3) December 2017 Financial Report; 4) January 2018 Accounts Payable.
MOTION: Neil Christensen moved to approve the consent calendar. Perri Gardner seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

4) Reports/Updates

a) Executive Director's Report by Nathan Murray.
Nathan shared that Elam & Burke had been notified that we would not need their services for the coming year and Otak was informed we will not need additional construction services from them for the commons.

b) Main Avenue Update by Perrin Robinson, CH2M.
Perrin shared that construction is substantially complete and Guho has been completing the punch list items and cleaning up. The completion form will be signed today. Guho has requested a release of a portion of the retainage which is appropriate at this time. Additionally, Guho has prepared a change order in the amount of $390,000 (credit) due to efficiencies used throughout the project. Minor things will be completed in the Spring.
Cash flow projections for the Agency, in anticipation of the Main Avenue change order, were presented. Discussion ensued.
Chairman Brizee expressed gratitude to Guho & Starr for projects well done.

5) Items of Consideration

a) Authorization of staff to close on the purchase of property at 160 Main Avenue South with the final Purchase and Sale Agreement to include lease back provisions to the current tenant.
Nathan shared the property is for sale by the Idaho Youth Ranch and the settled purchase price of $470,000 includes a 30 day lease with current tenant. The agency has discussed acquiring this property in the past and believe this unique building can be transitioned into better use that supports the efforts being made downtown. The next step should be inspections so that the condition of the building is known before any decisions are made. Discussion ensued.
MOTION: Perri Gardner moved to approve the purchase of property at 160 Main Avenue South. Suzzane Cawthra seconded the motion. Roll call vote showed 5 members present voted

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and one abstained (Ashenbrener). Approved 5 to 0.

Rudy Ashenbrener filled the vacant position on the Main Avenue Project Oversight Subcommittee.

b) Approval of the Guaranteed Maximum Price (GMP) for construction of the Commons Plaza.
Chairman Brizee stated a conflict of interest with this item and will not be voting.
Nathan shared the results of the GMP bids that were solicited by Starr Corp. for the construction of the Commons Plaza is $2,435,279.00 which includes a portion for Hansen St. improvements that have already been paid. Actual construction costs for the Plaza is $2,052,484. He asked the board to authorize approval of $2.4M.
MOTION: Perri Gardner moved to accept the GMP. Neil Christensen seconded the motion. Roll call vote shows 5 members present voted and one abstained (Brizee). Approved 5 to 0.

6) Items for Discussion

a) Discussion of the proposed development of property located at 160 Main Avenue S, including items to be considered for a Request for Proposals.
Nathan shared the plan going forward will be to 1) have the outside skin removed and have structural and other necessary inspections completed; 2) find out what costs are associated with the redevelopment of the property; and 3) asking for RFP's once we've decided how to purpose the property. Discussion ensued. A community workshop/discussion will be scheduled at a later date about the building and plan for downtown.

7) General Input/Announcements - Public/Staff
Kathy Markus told the board members they have the option to attend meetings via phone/laptop and will share instructions for that purpose.

8) Upcoming Meeting(s)

a) Monday, February 12, 2018, at 12:00 p.m.

9) Adjournment
The meeting adjourned at 12:40: PM

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Lorrie Bauer, Recording Secretary

Urban Renewal Agency of the City of Twin Falls, ID
Profit & Loss
January 2018

	Jan 18	
Ordinary Income/Expense		
Income		
Contributions		119,021.65
Investment Income		7,724.58
Property Taxes		5,009,115.11
Rental Income		1,333.33
Total Income		5,137,194.67
Gross Profit		5,137,194.67
Expense		
RAA 4-1		
Shoshone St/2nd Ave N	6,030.00	
Main Ave.	841,951.13	
Payment on City's $6,000,000	1,000,000.00	
Total RAA 4-1		1,847,981.13
Debt Payments - Interest		83,642.50
Legal Expense		60.00
Meeting Expense		151.18
Property Tax Expense		15,645.95
Real Estate Exp. - Other		870.01
Real Estate Purchase		465,395.00
Total Expense		2,413,745.77
Net Ordinary Income		2,723,448.90
Net Income		**2,723,448.90**

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
October 2017 through January 2018

	Oct '17 - Jan 18	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Line of Credit Adv. - Clif Bar	195,746.58			
Bank Bond Proceeds	0.00	2,800,000.00	-2,800,000.00	0.0%
Contributions	119,021.65			
Investment Income	31,105.39	15,000.00	16,105.39	207.4%
Other Income	60.00			
Property Taxes	5,064,937.67	10,218,350.00	-5,153,412.33	49.6%
Rental Income	61,260.47	440,487.00	-379,226.53	13.9%
Sale of Assets	2,044,350.00			
Total Income	7,516,481.76	13,473,837.00	-5,957,355.24	55.8%
Gross Profit	7,516,481.76	13,473,837.00	-5,957,355.24	55.8%
Expense				
RAA 4-1				
Shoshone St/2nd Ave N	38,813.10			
Main Ave.	2,481,546.64			
Payment on City's $6,000,000	1,000,000.00			
RAA 4-1 - Other	40,000.00	5,794,948.00	-5,754,948.00	0.7%
Total RAA 4-1	3,560,359.74	5,794,948.00	-2,234,588.26	61.4%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	0.00	1,263,666.00	-1,263,666.00	0.0%
Debt Pay. (Chobani) Principal	0.00	5,361,334.00	-5,361,334.00	0.0%
Total RAA 4-3 (Chobani)	0.00	6,625,000.00	-6,625,000.00	0.0%
RAA 4-4 (Clif Bar)	20,000.00			
Bond Trustee Fees	0.00	3,000.00	-3,000.00	0.0%
Bonding Costs	0.00	2,000.00	-2,000.00	0.0%
Community Relations & Website	0.00	500.00	-500.00	0.0%
Debt Payments - Interest	83,642.50	925,877.00	-842,234.50	9.0%
Debt Payments - Principal	0.00	1,470,000.00	-1,470,000.00	0.0%
Dues and Subscriptions	4,250.00	2,300.00	1,950.00	184.8%
Insurance Expense	0.00	6,650.00	-6,650.00	0.0%
Legal Expense	60.00	30,000.00	-29,940.00	0.2%
Management Fee	0.00	208,000.00	-208,000.00	0.0%
Meeting Expense	249.96	3,500.00	-3,250.04	7.1%
Miscellaneous	0.00	500.00	-500.00	0.0%
Office Expense	175.00	500.00	-325.00	35.0%
Prof. Dev.\Training	0.00	2,500.00	-2,500.00	0.0%
Professional Fees	0.00	10,000.00	-10,000.00	0.0%
Property Tax Expense	109,504.56	125,600.00	-16,095.44	87.2%
Real Estate Exp. - Call Center	44,032.76	153,400.00	-109,367.24	28.7%
Real Estate Exp. - Other	1,406.59	12,000.00	-10,593.41	11.7%
Real Estate Lease	0.00	124,000.00	-124,000.00	0.0%
Real Estate Purchase	465,395.00			
Total Expense	4,289,076.11	15,500,275.00	-11,211,198.89	27.7%
Net Ordinary Income	3,227,405.65	-2,026,438.00	5,253,843.65	-159.3%
Other Income/Expense				
Other Income				
Transfers In	0.00	482,450.00	-482,450.00	0.0%
Transfers Out	0.00	-482,450.00	482,450.00	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	**3,227,405.65**	**-2,026,438.00**	**5,253,843.65**	**-159.3%**

Twin Falls Urban Renewal February 2018 Accounts Payable

Check #	Date	Paid Amount	Name	Account	Fund	Memo
3655	01/09/2018	465,395.00	Title Fact, Inc.	Real Estate Purchase	Rev Alloc 4-1	Idaho Youth Ranch
Wire	01/10/2018	1,000,000.00	City of Twin Falls	Payment on City's $6,000,000	Rev Alloc 4-1	Payment on $6,000,000 purchase of ConAgra pretreatment facility - Bal. $5,000,000
3656	01/22/2018	12,967.50	Washington Federal	Debt Payments - Interest	Rev Alloc 4-1	Interest on Washington Federal account #4647541
3656	01/22/2018	70,675.00	Washington Federal	Debt Payments - Interest	Rev Alloc 4-1	Interest on Washington Federal account #4603726
3657	01/30/2018	2,984,860.13	Zions First National Bank	Zions #8616 - Excess Funds	zz-Bond Fund - Zions Bank-Chob.	Revenue Allocation Area 4-3 Property Taxes Collected
3657	01/30/2018	566,280.50	Zions First National Bank	Zions #8617 - Excess Funds	zz-Bond Fund - Zions Bank-Clif	Revenue Allocation Area 4-4 Property Taxes Collected
3658	02/01/2018	26,500.00	Cavalli	Main Ave.	Rev Alloc 4-1	1/2 Down on ArmourStone Planters
3659	02/08/2018	1,777.57	CH2M	Main Ave.	Rev Alloc 4-1	Owners Representative Serivces / #381130106
3659	02/08/2018	5,531.69	CH2M	Main Ave.	Rev Alloc 4-1	Owners Representative Serivces / #381133860
3660	02/08/2018	208,000.00	City of Twin Falls	Management Fee	General	Management Fee for 2018
3660	02/08/2018	53,894.82	City of Twin Falls	Main Ave.	Rev Alloc 4-1	Reimburse City for payments to Starr Corp / 20180208
3661	02/08/2018	1,900.00	EHM Engineers, Inc.	Main Ave.	Rev Alloc 4-1	Commons Plaza Wall / 001-15
3661	02/08/2018	1,817.00	EHM Engineers, Inc.	Shoshone St/2nd Ave N	Rev Alloc 4-1	Street & Sign Improvements / #314-1777719
3662	02/08/2018	11.84	Idaho Power	Real Estate Exp. - Other	Rev Alloc 4-1	Power - 122 4th Av S
3663	02/08/2018	315.00	Kimberly Nurseries	Real Estate Exp. - Other	Rev Alloc 4-1	Snow/Ice Removal (3rd) 12-23-17 / #10996
3663	02/08/2018	495.50	Kimberly Nurseries	Real Estate Exp. - Other	Rev Alloc 4-1	Snow/Ice Removal (3rd) 12-24-17 / #10999
3663	02/08/2018	810.50	Kimberly Nurseries	Real Estate Exp. - Other	Rev Alloc 4-1	Snow/Ice Removal (3rd) 12-26-17 / #11088
3663	02/08/2018	120.00	Kimberly Nurseries	Real Estate Exp. - Other	Rev Alloc 4-1	Snow/Ice Removal (Main Av) 12-26-17 / #11089
3664	02/08/2018	15.99	Lorrie Bauer	Meeting Expense	General	Cookies for Community Workshop on 1/30/18
3665	02/08/2018		Void			
3666	02/08/2018	4,000.00	Rocky Mountain Transport and Excavation	Real Estate Exp. - Other	Rev Alloc 4-1	260 Maxwell St - building demolition / #6988
3667	02/08/2018	6,294.45	Terry's Heating & Airconditioning	Real Estate Exp. - Call Center	Rental Fund	HVAC Units (4) Carrier (#9,12,13,19) (Retainage) / #5232-1
3668	02/08/2018	900.00	Trees and Stumps, LLC	Real Estate Exp. - Other	Rev Alloc 4-1	Tree trimming/removal - Downtown & Hansen St / #660732
3669	02/08/2018	3,000.00	Zions First National Bank	Bond Trustee Fees	zz-Bond Fund - Zions Bank-Chob.	Rev. Alloc. Bond Series 2013A & 2013B / #8568616

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Tuesday, February 13, 2018

Executive Director's Report

By: Nathan Murray, Executive Director

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1) 147 Main Ave E- Construction has begun at the Debra Gates property at 147 Main Ave E (see attached Photo, courtesy of Chairman Brizee). Crews will be completing demolition the next few weeks then onto reconstruction of the facade which will tie into the Downtown Commons plaza and wall. The design of the interior has been changed somewhat but will still comply with the Memorandum of Understanding for the final deeding of a portion of the wall.

2) 160 Main Ave S- An RFP has been sent out for 160 Main Ave S. The URA is requesting mixed-use, residential-commercial, at the site, with preference given to projects with quality design that support that existing amenities of Downtown. Proposals are due March 15th.

The building is under analysis for environmental and structural integrity and we anticipate reports later this month.

3) 1851 Fillmore St N- When the C3 building was sold, the URA was no longer obligated to lease additional parking at the property located at 1851 Fillmore St N. However, per our lease obligation, we have the responsibility to return the lot to the owner in "good condition and repair".

The owner is asking that we mill, repave and re-stripe the entire lot for which they've submitted a bid of $104,260.00. Staff's opinion is that a crack and chip seal, with fog coat and re-striping at a cost of approx. $30k is more appropriate, especially since that property is currently not being used for parking and it is not likely to be a parking lot long-term. Staff is negotiating with the owners the appropriate solution.

4) Downtown Alleyway Project- Staff is in the process of assessing the timing and sequencing of the downtown alleyway utility upgrades in relation to the life of Area #4-1 and other priority utility projects inside the allocation area. There may be a possibility to scale back the scope of work to still meet the needs of the alleyways while spreading the cost out to other projects in the area. JUB is re-running models to identify needs with the help of Jesse to appropriately prioritize projects.

5) Strategy Session- Thank you to those that participated in a strategy session regarding Area #4-1. We had some good ideas come out of the meeting which are noted in an attachment to this report. The top priority expressed by the Board and Community continues to be housing. Unless otherwise instructed, staff will continue to hold in reserve the appropriate amount of cash to help incent downtown housing in the appropriate locations.

6) The Downtown Arts Subcommittee met this past week to discuss wrapping the electrical utility boxes along Main Avenue with artwork and doing art installations along the Common's wall. They will be issuing a call to artists that expires April (see attached), and hope to have art being installed sometime in June after selecting the winning proposals.

Attachments:

1. 147 Main Ave E
2. Area #4-1 Priority List
3. Downtown Commons Call for Artists 20180208

TL943 CAT
CAT

A list of the items noted at the TFURA Community Planning Meet on January 30, 2018

Votes	Item
16	Downtown housing (2nd story apts., condos, townhomes, market rate in Old Towne)
7	Downtown grocery/market
4	2nd Avenue traffic calming and recirculation measures
4	Albion sewer
4	Rock Creek Canyon enhancements
3	Hotel/B&B
3	History park near grain silos
2	Recreation center
2	Baseball Stadium (Minor league)
2	Mural Art project
1	Façade grant
1	Curb & Gutter on side streets to Main Ave.
1	Open space improvements (pocket parks, etc.)
1	Bike lanes
0	Hepworth property - concert venue
0	Drip system/flower baskets on Shoshone
0	Railroad Crossing
0	ROW acquisitions
0	Street lighting
0	Parking garage
0	Fixed route transit
0	Stock yard acquisition

DOWNTOWN COMMONS NORTHWEST WALL and
MAIN AVE. ELECTRICAL BOX WRAPS
TWIN FALLS, IDAHO

Call for Artists

Deadline: April 27, 2018

INTRODUCTION

The Magic Valley Arts Council on behalf of the City of Twin Falls invites artists to apply for public art submission's that will be reproduced onto vinyl wraps that will go on the northwest wall of the Downtown Commons off Main Ave. in downtown Twin Falls, Idaho. The Urban Renewal Agency for the City of Twin Falls has just completed a major redesign project for Main Ave. in downtown Twin Falls. Part of this redesign project includes what is currently identified as the Downtown Commons, a public gathering park, located directly across from the new City Hall. The Urban Renewal Agency Arts Committee is looking to install public art on the northwest wall of this park. In addition, artwork will also be selected that will be used to cover five electrical boxes located along Main Ave. All selected artwork will be reproduced onto large stretched vinyl frames that will be adhered to the northwest wall or on vinyl wraps that are adhered to the electrical boxes.

ELIGIBILITY

The call is open to all two-dimensional artists residing in the State of Idaho creating original artwork suitable in scale for reproduction in a large format. There is no entry fee. Artists from all cultural, ethnic, and economic backgrounds are encouraged to apply.

BUDGET

Artwork selected per electrical box
- Full wrap pays $500
- Half wrap pays up to $250

Artwork selected for the northwest wall at Downtown Commons
- Large sectional (approx. 14' x 18' space at the left-hand end of public art space pays up to $1,500
- Small sectionals (up to 5 spaces approx. 9'x13' each) pays up to $750.

All final awards offered are up to selection committee's discretion.

ART OPPORTUNITY

Overview

The City of Twin Falls Urban Renewal Agency Arts Committee seeks an artist or artist(s) to submit artwork

- Artwork suitable for reproduction for five electrical box wraps
- Artwork suitable for reproduction on a large scale for the northwest wall of the Downtown Commons. This selection might be one large piece for the left-hand side of the wall and five selections to fit within the framing of the posts and beams that will remain as part of the structure.
- Artwork submitted must display compatibility with the site(s), appropriateness regarding the location, timelessness, and quality. The work must be original.
- Artwork can be submitted either as a photograph, drawing, painting or graphic design.

Art "Theme"

Ideally, the artwork selected will be reflective of the topography, landscape, geology and heritage of and/or celebration of our lifestyle in the Magic Valley. The goal of these public art projects is to provide a legacy in Twin Falls; add dimension, depth, and character to the community, inspire young minds, encourage and aid in business retention, reinforce a local identity for citizens to take pride in, and generally add to the beauty and quality of life enjoyed by all. In summary, the City of Twin Falls is promoting emplacement of either fun, bold, or iconic public art to engage our travelers and citizens.

The artwork must not be a likeness of any identifiable individual(s).

The artist will have the responsibility of providing to the City of Twin Falls a completed art piece capable of being reproduced in multiple large format(s).

COMMUNITY PROFILE

Twin Falls began as an agricultural center, springing up from the high desert of Southern Idaho. The town served the pioneering farmers who homesteaded the irrigated lands of the fertile Snake River Plain, which had once been populated by Native Americans. Twin Falls is still at the heart of one of the world's most productive farming regions, but it's also developing into a small urban center – the kind of place many people seek as a refuge from the faster pace and challenges of larger metropolitan areas.

Centrally located in South Central Idaho, Twin Falls is the perfect home-base for exploring the region. Parks, golf courses, river access and trails follow the Snake River as it winds through the region – the steep canyon walls framing the setting for fishing, boating, rafting, and waterskiing. With a population of 50,000, small-town America lives on in Twin Falls with friendly faces at every turn.

Twin Falls has, as they say, "been discovered". New job growth, building, and business retention is compounding at one of the highest rates in the state. During the last few decades, gradual diversification of the agriculture-based economy allowed the city to continue to grow, and Twin Falls is now the home of one of the most state- of-the-art hospitals in the country, several internationally known manufacturing centers, a thriving community college, restaurants, and retail. In recent years, Twin Falls has become quite multicultural, thanks in large part to a refugee center operated by the College of Southern Idaho. Since 1993, significant numbers of people from Eastern Europe, Nepal, Africa, and elsewhere have moved to the Magic Valley. The city and surrounding areas also have a sizeable Hispanic population.

Twin Falls boasts a thriving art community with a variety of performing arts series, jazz concerts, community and semi-professional theater groups, two dedicated art galleries, summer camps in the arts, and a yearly public art festival.

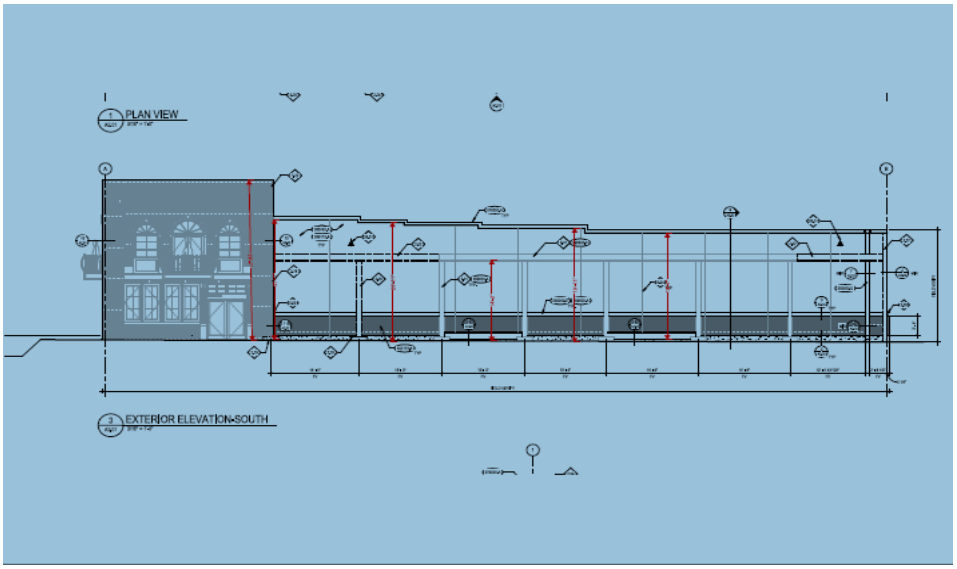
SHOSHONE FALLS

The scenic Snake River Canyon lies in the heart of the Magic Valley in South Central Idaho. This is an imperious and majestic bit of real estate, with dramatic rock formations towering nearly 500 feet above the verdant canyon floor, its rugged terrain dissected by the mighty Snake River. Shoshone Falls is among the most spectacular natural beauties along the Snake River. At 212 feet, the falls are higher than Niagara Falls and offer staggering beauty.

SPORTS AND ADVENTURE

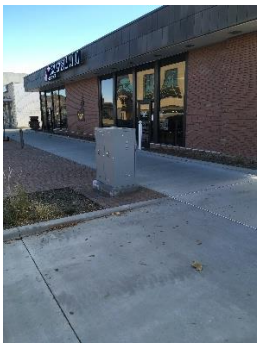
Twin Falls and its surrounding areas offer some of the best outdoor opportunities in the state. Whether you'd like to crash through Class V rapids, fish in clear rivers and reservoirs, go mountain biking, or even jump off a bridge, Twin Falls provides unbelievable access to Southern Idaho getaways.

Architectural drawing of Northwest Wall of the Downtown Commons
Public Art space will be between columns as indicated in below drawing



ADJACENT WALL ARTIST RENDERING

Electrical Boxes



TIMELINE

Mar. 2, 2018	**Call to Artists**
April 27, 2018	Deadline for response to RFP (by 5 p.m.)
May 11, 2018	Selected artist notified by this date

Late Spring 2018	Anticipated Installation
TBD	Artist will be notified to be available in Twin Falls for community introduction of the artwork, including media interviews, public tours of the site and ribbon cutting ceremony.

APPLICATION DELIVERY

Application due by 5 p.m., MST, **April 27, 2018**
Mail to:
Magic Valley Arts Council
195 River Vista Place Suite 101
Twin Falls, Idaho 83301
Attn: Arts Committee
Digital Delivery: Jpeg format can be emailed to: carolyn@twinfallscenter.org

The application should be packaged in such a manner that the sealed envelope clearly reflects the project name(s) and the applicant's name and address. All materials submitted become the property of the City of Twin Falls and will not be returned unless a self-addressed and stamped envelope, with sufficient postage, is provided. The Magic Valley Arts Council and The City of Twin Falls will make every effort to protect submitted materials; however, it will not be responsible for any loss or damage.

APPLICATION CONTENT

Materials to be supplied by the Artist

- Photographs: Up to 5 photographs of your submission(s), PowerPoint, or jpeg digital format or links to html pages or vector file.
- Annotated photograph list (typed, one page maximum): The list must be provided with the artist's name, title, medium, date of work, dimensions, the corresponding photo number, and short description.
- Theme: Describe your overall idea and how it ties in with the area and style of the art to be produced.

SELECTION

A selection panel made up of the designated representatives of the City of Twin Falls and the project committee will review all artists' submissions. Selection criteria include: artistic quality and innovation, timelessness, compatibility with the site(s). The selection panel will select the artwork based on the criteria, and possible community feedback on the proposed project.

INQUIRIES

Contact:
Carolyn White
Magic Valley Arts Council
195 River Vista Place
Twin Falls, ID 83301
(208) 734-2787
carolyn@twinfallscenter.org

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

AUDITED FINANCIAL STATEMENTS
September 30, 2017

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

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February 1, 2018

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type 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, 2017, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type 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, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 30-33 be presented to supplement the basic financial statements. Such 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. 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.

Other 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 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.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2018, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting and compliance.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	10,080,673	$ 682,187	$ 10,762,860
Receivables:			
Property taxes	106,733	-	106,733
Interest income	7,885	738	8,623
Other governments	12,922	-	12,922
Other	1,452	-	1,452
Prepaid Expenses	18,000	-	18,000
Construction in progress	18,541,554	-	18,541,554
Real estate	2,621,783	-	2,621,783
Land, buildings and improvements	-	5,206,902	5,206,902
Equipment	-	475,000	475,000
Accumulated depreciation	-	(1,046,286)	(1,046,286)
Total Assets	$ 31,391,002	$ 5,318,541	$ 36,709,543
Liabilities			
Pooled Cash Deficit	$ 79,557	$ -	$ 79,557
Accounts payable	2,027,527	2,749	2,030,276
Accrued interest	1,393,575	-	1,393,575
Development Agreement	10,286,307	-	10,286,307
Project Improvement Reimbursement Agreement	2,982,151	-	2,982,151
Noncurrent liabilities			
Due to other governments	6,000,000	-	6,000,000
Due within one year	2,770,000	-	2,770,000
Due in more than one year	45,704,000	-	45,704,000
Total Liabilities	71,243,117	2,749	71,245,866
Net Position			
Net investment in capital assets	10,877,030	4,635,616	15,512,646
Restricted for:			
Debt service	2,693,747	-	2,693,747
Unrestricted	(53,422,892)	680,176	(52,742,716)
Total Net Position	(39,852,115)	5,315,792	(34,536,323)
Total Liabilities and Net Position	$ 31,391,002	$ 5,318,541	$ 36,709,543

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, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Primary Government:							
Governmental Activities:							
General government	$ 412,589	$ -	$ -	$ -	$ (412,589)	$ -	$ (412,589)
Community development	654,796	-	-	120,000	(534,796)	-	(534,796)
Interest on long-term debt	2,581,655	-	-	-	(2,581,655)	-	(2,581,655)
Total Governmental Activities	3,649,040	-	-	120,000	(3,529,040)	-	(3,529,040)
Business-Type Activities:							
Rental property	263,945	452,148	-	-	-	188,203	188,203
Total Business-Type Activities	263,945	452,148	-	-	-	188,203	188,203
Total Primary Government							
General Revenues and Transfers:							
Taxes:							
Property taxes, levied for general tax increment purposes					9,795,235	-	9,795,235
Other income and sale of assets					151,757	-	151,757
Interest and investment earnings					66,080	738	66,818
Loss on sale of assets					(6,000,000)	-	(6,000,000)
Total General Revenues and Transfers					4,013,072	738	4,013,810
Changes in Net Position					484,032	188,941	672,973
Net Position, October 1, 2016					(40,336,147)	5,126,851	(35,209,296)
Net Position, September 30, 2017					$ (39,852,115)	$ 5,315,792	$ (34,536,323)

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, 2017

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	$ -	$ 7,386,926	$ 2,693,747	$ 10,080,673
Property tax receivable	-	106,733	-	106,733
Interest income receivable	-	7,885	-	7,885
Other receivables	1,452	-	-	1,452
Due from other governments	-	12,922	-	12,922
Total Assets	$ 1,452	$ 7,514,466	$ 2,693,747	$ 10,209,665
Liabilities				
Pooled Cash Deficit	$ 71,564	$ 5,993	$ 2,000	$ 79,557
Accounts payable	1,183	2,026,343	-	2,027,526
Total Liabilities	72,747	2,032,336	2,000	2,107,083
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	106,733	-	106,733
Fund Balances				
Restricted fund balance:	-	-	2,693,747	2,693,747
Unrestricted fund balance:				-
Committed fund balance	-	5,458,589	-	5,458,589
Assigned fund balance	-	-	-	-
Unassigned fund balance	(71,295)	(83,192)	(2,000)	(156,487)
Total Fund Balances	(71,295)	5,375,397	2,691,747	7,995,849
Total Liabilities and Fund Balances	$ 1,452	$ 7,514,466	$ 2,693,747	$ 10,209,665

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, 2017

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	$ -	$ 6,873,186	$ 2,935,349	$ 9,808,535
Rental income	-	-	-	-
Investment income	37,127	13,047	15,905	66,079
Other income	151,757	-	-	151,757
Total Revenues	188,884	6,886,233	2,951,254	10,026,371
Expenditures				
Current				
General government and administration	260,178	154,388	-	414,566
Area development and improvements	-	5,572,575	-	5,572,575
Real estate expense	-	25,658	-	25,658
Debt service				
Principal	-	5,101,508	1,239,000	6,340,508
Interest and other charges	-	70,044	2,201,604	2,271,648
Bond issuance costs	-	-	-	-
Total Expenditures	260,178	10,924,173	3,440,604	14,624,955
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,294)	(4,037,940)	(489,350)	(4,598,584)
Other Financing Sources (Uses)				
Construction advances	-	868,944	-	868,944
Contributions	-	120,000	-	120,000
Issuance of debt	-	5,099,861	-	5,099,861
Total Other Financing Sources (Uses)	-	6,088,805	-	6,088,805
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(71,294)	2,050,865	(489,350)	1,490,221
Fund Balances - Beginning of Year	(1)	3,324,532	3,181,097	6,505,628
Fund Balances - End of Year	$ (71,295)	$ 5,375,397	$ 2,691,747	$ 7,995,849

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, 2017

Governmental Fund Balances	$	7,995,849
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		21,163,337
Prepaid expenses are not a financial resource and therefore not reported in the governmental funds		18,000
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		106,732
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		(69,136,033)
Total Net Position of Governmental Activities	$	(39,852,115)

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, 2017

Net Change in Fund Balances - Total Governmental Funds	$	1,490,221
Amounts reported for governmental activities in the Statement of Activities are different because:		
Property tax revenues in the government-wide statement of activities include economic resources that are not reported as revenues in the governmental fund operating statement		(13,299)
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets		6,340,506
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		(310,007)
Government funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities		-
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources		(5,968,805)
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocatred over their estimated useful lives as depreciation expense. This is the amount by which the removal of completed projects exceeded capitalized capital outlay in the current period		4,945,416
Changes in Net Position of Governmental Activities	$	484,032

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

PROPRIETARY FUND

September 30, 2017

		Rental Activity
Assets		
Cash and cash equivalents	$	682,187
Interest income receivable		738
Land, Buildings and Improvements		5,206,902
Equipment		475,000
Accumulated Depreciation		(1,046,286)
Total Assets	$	5,318,541
Liabilities		
Accounts Payable	$	2,749
Security Deposits		-
Total Liabilities		2,749
Net Position		
Net Investment in Capital Assets		4,635,616
Restricted		-
Unrestricted		680,176
Total Net Position		5,315,792
Total Liabilities and Net Position	$	5,318,541

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Revenues, Expenses and Changes in Fund Net Position

PROPRIETARY FUND

For the Year Ended September 30, 2017

	Rental Activity
Operating Revenues	
Rental income	$ 452,148
Investment income	738
Total Operating Revenues	452,886
Expenses	
Depreciation	96,776
Property taxes	27,648
Real estate lease	72,000
Real estate expense	67,521
Total Operating Expenses	263,945
Operating Income (Loss)	188,941
Interfund Transfers	
Transfers in (out)	-
Contribution of fixed assets	-
Net Transfers	-
Change in Net Position	188,941
Net Position - Beginning of Year	5,126,851
Net Position - End of Year	$ 5,315,792

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Cash Flows

PROPRIETARY FUND

September 30, 2017

		Rental Activity
Cash Flows from Operating Activities		
Receipts from customers	$	452,148
Payments to suppliers		(168,772)
Net Cash Provided (Used) by Operating Activities		283,376
Net Increase (Decrease) in Cash and Cash Equivalents		283,376
Cash and Cash Equivalents - Beginning of Fiscal Year		398,811
Cash and Cash Equivalents- End of Fiscal Year	$	682,187
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	$	188,941
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation		96,776
(Increase) decrease in		
Interest income receivable		(738)
Increase (decrease) in		
Accounts payable		(1,603)
Net Cash Provided (Used) by Operating Activities	$	283,376

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, 2017

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 a call center building on Poleline Road and Revenue Allocation Area's No. 4-3 and 4-4 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.
>
> 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.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 statement of net position presents the financial position of the governmental and business-type 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 and for each identifiable activity of the business-type activities of the Agency. 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.

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 and each identifiable business activity is self-financing or draws from the general revenues of the Agency.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 uses two categories of funds: governmental and proprietary.

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.

Proprietary funds
Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds.

The *rental fund* is used to account for the costs necessary to operate the Agency's rental property and the charges necessary to offset those costs.

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.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statements of cash flows provide information about how the Agency finances and meets the cash flow needs of its proprietary activities.

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. Proprietary funds use the accrual basis of accounting at both reporting levels. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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 and Depreciation
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.

Proprietary capital assets are reported in their respective fund. Donated assets are stated at fair value on the date donated. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Capital Assets and Depreciation – continued

Property, plant and equipment are depreciated in the proprietary funds using the straight-line method over the following estimated useful lives:

Land	Not depreciated
Buildings and improvements	50 years
Machinery and equipment	5-20 years

Depreciation has been computed and recorded in these statements for the rental fund's existing building.

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 governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.
Interfund transactions are reported as operating transfers in conformity with generally accepted accounting principles.

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 payable 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.

1. *SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued*

Accrued Liabilities and Long-Term Obligations – continued

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

Operating Revenues and Expenses
Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Agency, those revenues are rental income. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Items that do not result from the provision of goods or services to customers or directly relate to the principal and usual activity of the fund are recorded as nonoperating revenues and expenses. These items include investment earnings and gains or losses on the disposition of capital assets.

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, 2017, the General Fund exceeded appropriations in the amount of $71,294, the Debt Service Fund exceeded appropriations in the amount of $489,350.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY-continued

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 at September 30, 2017 is as follows.

Cash in bank	$	112,291
State Investment Pool		6,828,434
Money-market bond funds		3,742,578
Total Cash & Cash Equivalents	$	10,683,303
Cash on the financial statements	$	10,762,860
Funds with pooled cash deficits		(79,557)
Total Cash & Cash Equivalents	$	10,683,303

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 2017.

5. CAPITAL ASSETS

A summary of activity in the general fixed for the Agency for the year ended September 30, 2017, was as follows:

	Balance, September 30, 2016	Additions	Deletions	Balance, September 30, 2017
Governmental Activities:				
Construction in Progress	$ 13,596,138	$ 4,945,416	$ -	$ 18,541,554
Land and Buildings	2,621,783	6,000,000	(6,000,000)	2,621,783
	$ 16,217,921	$ 10,945,416	$ (6,000,000)	$ 21,163,337
Business Type Activities:				
Land	$ 1,350,000		$ -	$ 1,350,000
Buildings & Improvments	3,856,902	-	-	3,856,902
Equipment	475,000	-	-	475,000
Total	$ 5,681,902	$ -	$ -	$ 5,681,902
Accumulated Depreciation for Business-Type Activities				
Buildings & Improvments	$ 516,177	$ 84,276	$ -	$ 600,453
Equipment	433,333	12,500	-	445,833
Total	$ 949,510	$ 96,776	$ -	$ 1,046,286

6. 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.

6. LONG-TERM DEBT - Continued

Revenue bonds and notes

Outstanding debt at September 30, 2017 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%.	$13,670,000
Revenue Allocation Refunding Bonds, Series 2015A (Tax Exempt), dated February 5, 2015 and maturing August 1, 2022. The proceeds of the bonds provided funds to refund prior obligations issued, establish a reserve fund, and to pay costs of issuance of the Bonds and other expenses. The bonds are term bonds that require annual sinking fund deposits on August 1 each year. Bonds maturing August 1, 2016 and later are subject to prior redemption on August 1, 2015. The bonds bear interest at 2.1%	1,235,000
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. Bonds maturing August 1, 2016 and later are subject to prior redemption on August 1, 2015. The bonds bear interest at 4.502%. Repayment of the bonds is guaranteed by Chobani Global Holding, Inc.	28,069,000
Revenue Allocation Bonds, Series 2015C, dated July 23, 2015 and maturing August 1, 2022. The proceeds of the bonds were used and will be used to fund renewal projects along or near the Main Ave. of Twin Falls, downtown. The bonds are term bonds that require semi-annual interest payments on February 1 and August 1. Annual principal payments are due on August 1 each year beginning on August 1, 2018. The bonds interest rates vary; currently the rate is 1.534%.	5,500,000
Total	$ 48,474,000

6. LONG-TERM DEBT – continued

Expected annual maturities of these obligations are as follows:

Year	Total	Interest	Principal
September 30, 2018	$ 4,947,301	$ 2,177,301	$ 2,770,000
September 30, 2019	5,286,541	2,065,541	3,221,000
September 30, 2020	5,264,496	1,935,496	3,329,000
September 30, 2021	5,232,536	1,801,536	3,431,000
September 30, 2022	6,189,753	1,663,753	4,526,000
2023-2027	19,055,719	6,302,719	12,753,000
2028-2032	18,155,593	3,061,593	15,094,000
2033-2036	3,787,525	437,525	3,350,000
Total	$ 67,919,464	$ 19,445,464	$ 48,474,000

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. At September 30, 2017, the Agency was indebted in the amount of $2,982,151. 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. At September 30, 2017, the Agency was indebted in the amount of $10,286,307.

The Agency is also indebted to the City of Twin Falls. The Agency entered into an agreement on April 10, 2017 to purchase a parcel of real property, including a wastewater treatment facility. The property was then transferred to Con Agra. At September 30, 2017, the Agency was indebted in the amount of $6,000,000. The obligation bears no interest and requires repayment as incremental tax revenue from Revenue Allocation Area 4-1 becomes available and full repayment prior to the area's closure.

6. LONG-TERM DEBT – continued

Changes in Long-Term Debt

During the year ended September 30, 2017, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2016	Additions	Repayments	Balances, September 30, 2017
Revenue Allocation Bonds, Series 2013A	29,308,000	-	1,239,000	28,069,000
Revenue Allocation Bonds, Series 2015A-Tax Exempt	2,275,000	-	1,040,000	1,235,000
Revenue Allocation Bonds, Series 2015C-Taxable	400,139	5,099,861	-	5,500,000
Revenue Allocation Bonds, Series 2016	13,670,000	-	-	13,670,000
Total Revenue Bonds	45,653,139	5,099,861	2,279,000	48,474,000
Chobani Idaho, LLC-Projects Improvements Reimbursement Agreement	7,043,659	6,895	4,068,403	2,982,151
Clif Bar-Development Agreement	9,417,363	868,944	-	10,286,307
City of Twin Falls Agreement	-	6,000,000		6,000,000
Total Agreements	16,461,022	6,875,839	4,068,403	19,268,458
Total	$ 62,114,161	$ 11,975,700	$ 6,347,403	$ 67,742,458

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.

7. *OPERATING LEASE EXPENSE*

The Agency leases a parking lot for use by employees of its tenant, C3. The initial term of this lease is fifteen years from January 2003. The lease requires annual rent of $68,000 due on January 1 each year through 2012, increasing to $72,000 on January 1, 2013. If the lease is renewed for an additional five-year term the rent increases to $124,630 on January 1, 2018. The lease agreement includes annual options to purchase beginning in December 2007. The option amount is $1,133,000 until 2012, increasing to $1,246,300 in 2013, and to $1,370,930 if not exercised until after 2017.

The future minimum lease payments on this lease, through 2021, are as follows:

September 30, 2018	$	124,630
September 30, 2019		124,630
September 30, 2020		124,630
September 30, 2021		124,630
Total	$	498,520

The lease obligation described above was assumed in conjunction with the sale of the related property. See note nine, Commitments and Subsequent Events, below.

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 $198,000 for the year.

9. *COMMITMENTS AND SUBSEQUENT EVENTS*

The Agency has evaluated subsequent events through February 1, 2018, the date which the financial statements were available to be issued. On December 1, 2017, the Agency sold the C3 building for $2,050,000 which effectively will eliminate the Rental Fund (proprietary fund). The balance of the rental fund will be transferred to the general fund next fiscal year.

10. *BOND COVENANT COMPLIANCE*

The Agency is subject to various covenants as a result of the various bonds issued by the Agency. During the year ended September 30, 2017, the Agency is 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, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Investment Income	$ 9,000	$ 9,000	$ 37,127	$ 28,127
Other income	-	-	151,757	151,757
Total Revenues	9,000	9,000	188,884	179,884
Expenditures				
Current				
General government	346,445	346,445	260,178	86,267
Total Expenditures	346,445	346,445	260,178	86,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	(337,445)	(337,445)	(71,294)	266,151
Other Financing Sources (Uses)				
Transfers in (out)	367,445	367,445	-	(367,445)
Total Other Financing Sources (Uses)	367,445	367,445	-	(367,445)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 30,000	$ 30,000	(71,294)	$ (101,294)
Fund Balance - Beginning of Year			(1)	
Fund Balance - End of Year			$ (71,295)	

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, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 6,597,903	$ 6,597,903	$ 6,873,186	$ 275,283
Investment income	500	500	13,047	12,547
Total Revenues	6,598,403	6,598,403	6,886,233	287,830
Expenditures				
Current				
General government and administration	-	-	154,388	(154,388)
Area development and improvements	9,688,615	9,688,615	5,572,575	4,116,040
Real estate expense	7,700	7,700	25,658	(17,958)
Debt service				
Principal	5,108,403	5,108,403	5,101,508	6,895
Interest and other charges	99,546	99,546	70,044	29,502
Total Expenditures	14,904,264	14,904,264	10,924,173	3,980,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,305,861)	(8,305,861)	(4,037,940)	4,267,921
Other Financing Sources (Uses)				
Cash carryover	-	-	-	-
Contributions	-	-	120,000	120,000
Construction advances	606,000	606,000	868,944	262,944
Issuance of debt	(5,099,861)	(5,099,861)	5,099,861	10,199,722
Transfers in (out)	(300,000)	(300,000)	-	300,000
Total Other Financing Sources (Uses)	(4,793,861)	(4,793,861)	6,088,805	10,882,666
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (13,099,722)	$ (13,099,722)	2,050,865	$ 15,150,587
Fund Balance - Beginning of Year			3,324,532	
Fund Balance - End of Year			$ 5,375,397	

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, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 2,561,446	$ 2,561,446	$ 2,935,349	$ 373,903
Investment income	-	-	15,905	15,905
Total Revenues	2,561,446	2,561,446	2,951,254	389,808
Expenditures				
Debt service				
Principal	1,239,000	1,239,000	1,239,000	-
Interest and other charges	1,322,446	1,322,446	2,201,604	(879,158)
Total Expenditures	2,561,446	2,561,446	3,440,604	(879,158)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(489,350)	(489,350)
Other Financing Sources (Uses)				
Issuance of Debt	-	-	-	-
Transfers in (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	(489,350)	(489,350)
Fund Balance - Beginning of Year			3,181,097	
Fund Balance - End of Year			$ 2,691,747	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Proprietary Fund

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

For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Rental income	$ 456,483	$ 456,483	$ 452,148	$ (4,335)
Investment Income	-	-	738	738
Total Revenues	456,483	456,483	452,886	(3,597)
Expenditures				
Current				
Depreciation	-	-	96,776	(96,776)
Property taxes	37,750	37,750	27,648	10,102
Real estate lease	72,000	72,000	72,000	-
Real estate expense	153,400	153,400	67,521	85,879
Total Expenditures	263,150	263,150	263,945	(795)
Excess (Deficiency) of Revenues Over (Under) Expenditures	193,333	193,333	188,941	(4,392)
Other Financing Sources (Uses)				
Transfers in (out)	(67,445)	(67,445)	-	67,445
Total Other Financing Sources (Uses)	(67,445)	(67,445)	-	67,445
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 125,888	$ 125,888	188,941	$ 63,053
Fund Balance - Beginning of Year			5,126,851	
Fund Balance - End of Year			$ 5,315,792	

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, 2017

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Funds
Assets				
Cash and cash equivalents	$ 7,286,926	$ -	$ 100,000	$ 7,386,926
Property tax receivable	106,733	-	-	106,733
Interest income receivable	7,885	-	-	7,885
Due from other governments	12,922	-	-	12,922
Due from other funds	-	-	-	-
Total Assets	$ 7,414,466	$ -	$ 100,000	$ 7,514,466
Liabilities				
Pooled cash deficit	$ -	$ 5,993	$ -	$ 5,993
Accounts payable	1,849,144	-	177,199	2,026,343
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Prepaid rent income	-	-	-	-
BID Grant Oversight	-	-	-	-
Total Liabilities	1,849,144	5,993	177,199	2,032,336
Deferred Inflows of Resources				
Unavailable revenue-property taxes	106,733	-	-	106,733
Fund Balances				
Restricted fund balance:	-	-	-	-
Unrestricted fund balance:				
Committed fund balance	5,458,589	-		5,458,589
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	(5,993)	(77,199)	(83,192)
Total Fund Balances	5,458,589	(5,993)	(77,199)	5,375,397
Total Liabilities and Fund Balances	$ 7,414,466	$ -	$ 100,000	$ 7,514,466

The accompanying notes are an integral part of the financial statements

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, 2017

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Fund
Revenues				
Property taxes	$ 2,540,311	$ 4,218,733	$ 114,142	$ 6,873,186
Investment income	7,885	4,781	381	13,047
Total Revenues	2,548,196	4,223,514	114,523	6,886,233
Expenditures				
Current				
General government and administration	2,937	150,000	1,452	154,389
Area development and improvements	4,943,195	-	629,380	5,572,575
Real estate expense	25,658	-	-	25,658
Debt service				
Principal	1,040,000	4,061,508	-	5,101,508
Interest and other charges	63,148	6,895	-	70,043
Total Expenditures	6,074,938	4,218,403	630,832	10,924,173
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,526,742)	5,111	(516,309)	(4,037,940)
Other Financing Sources (Uses)				
Construction advances	-	-	868,944	868,944
Contributions	120,000	-	-	120,000
Issuance of debt	5,099,861	-	-	5,099,861
Total Other Financing Sources (Uses)	5,219,861	-	868,944	6,088,805
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,693,119	5,111	352,635	2,050,865
Fund Balance - Beginning of Year	3,765,470	(11,104)	(429,834)	3,324,532
Fund Balance - End of Year	$ 5,458,589	$ (5,993)	$ (77,199)	$ 5,375,397

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Combined Fund Balance Sheet

DEBT SERVICE FUNDS

September 30, 2017

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Funds
Assets				
Cash and cash equivalents	$ -	$ 2,693,747	$ -	$ 2,693,747
Total Assets	$ -	$ 2,693,747	$ -	$ 2,693,747
Liabilities				
Pooled cash deficit	$ -	$ -	$ 2,000	$ 2,000
Total Liabilities	-	-	2,000	2,000
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	-	-	-
Fund Balances				
Restricted fund balance:	-	2,693,747	-	2,693,747
Unrestricted fund balance:				-
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	-	(2,000)	(2,000)
Total Fund Balances	-	2,693,747	(2,000)	2,691,747
Total Liabilities and Fund Balances	$ -	$ 2,693,747	$ -	$ 2,693,747

The accompanying notes are an integral part of the financial statements

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, 2017

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Fund
Revenues				
Property taxes	$ -	$ 2,547,107	$ 388,242	$ 2,935,349
Investment income	-	14,339	1,566	15,905
Total Revenues	-	2,561,446	389,808	2,951,254
Expenditures				
Current				
Debt service				
Principal	-	1,239,000	-	1,239,000
Interest and other charges	-	1,322,446	879,158	2,201,604
Total Expenditures	-	2,561,446	879,158	3,440,604
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(489,350)	(489,350)
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	(489,350)	(489,350)
Fund Balance - Beginning of Year	-	2,693,747	487,350	3,181,097
Fund Balance - End of Year	$ -	$ 2,693,747	$ (2,000)	$ 2,691,747

The accompanying notes are an integral part of the financial statements

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, the business-type activities, the aggregate discretely presented component units, 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, 2017, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements, and have issued our report thereon dated February 1, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, PLLC
TWIN FALLS, IDAHO
February 1, 2018