AMMON URBAN RENEWAL AGENCY
A Component Unit of the City of Ammon

General Purpose Financial Statements
with
Required Supplemental Information
and
Independent Auditor's Report
For the Year Ended September 30, 2024

Ammon Urban Renewal Agency

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Year Ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ammon Urban Renewal Agency
Ammon, Idaho

Opinions

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors Responsibility under for the Audit of the Financial Statements section of our report. We are required to be independent to the Agency, Ammon Idaho, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient an appropriate to provide a basis for our audit opinion.

Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Our responsibility is to express opinions on these financial statements based on our audit. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.
Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 inquires, 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 (MD&A) which is management's analysis of the Entity's financial activities based on currently known facts, decisions, or conditions, that accounting principles generally accepted in the United States of America requires 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.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants

Idaho Falls, ID
February 3, 2025

AMMON URBAN RENEWAL AGENCY
Statement of Net Position
September 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 484,694
Taxes receivables (net)	6,542
Receivables (net)	810,212
Total assets	$ 1,301,448
LIABILITIES	
Current liabilities	
Accounts payable	$ -
Total current liabilities	$ -
Long-term liabilities	
Due in more than one year	$ 810,212
Total liabilities	$ 810,212
NET POSITION	
Restricted	$ -
Unrestricted	491,236
Total net assets	$ 491,236

The notes to the financial statements are an integral part of this statement.

AMMON URBAN RENEWAL AGENCY
Statement of Activities
For Fiscal Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Fees, Fines, & Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:						
General government	$ 18,995	$ -	$ -	$ -	$ (18,995)	$ (18,995)
Total governmental activities	$ 18,995	$ -	$ -	$ -	$ (18,995)	$ (18,995)
General revenues:						
Taxes -- Bonneville County					$ 383,158	$ 383,158
Miscellaneous					2,861,366	2,861,366
Interest and investment earnings					-	-
Total general revenues					$ 3,244,524	$ 3,244,524
Changes in net assets					$ 3,225,529	$ 3,225,529
Net assets--beginning					(2,734,293)	(2,734,293)
Net assets--ending					$ 491,236	$ 491,236

The notes to the financial statements are an integral part of this statement.

AMMON URBAN RENEWAL AGENCY
Balance Sheet
Governmental Funds
September 30, 2024

ASSETS	Hitt Road Special Revenue Fund	1st Street Special Revenue Fund	Total
Cash on hand and on deposit	$ 83,670	$ 401,024	$ 484,694
Taxes receivable (net)	-	6,542	6,542
Total assets	$ 83,670	$ 407,566	$ 491,236
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Deferred revenues	-	5,106	5,106
Total liabilities	$ -	$ 5,106	$ 5,106
FUND BALANCE			
Restricted	$ -	$ -	$ -
Unassigned	83,670	402,460	486,130
Total fund balance	$ 83,670	$ 402,460	$ 486,130
Total liabilities and fund balance	$ 83,670	$ 407,566	$ 491,236

The notes to the financial statements are an integral part of this statement.

AMMON URBAN RENEWAL AGENCY
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
September 30, 2024

Total Governmental Fund Balances	$ 486,130
Property taxes received that are not available to pay for current period expenses are deferred in the funds.	5,106
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Accrued Interest	-
Notes Payable	-
Bond Payable	-
Net Assets of Governmental Activities	$ 491,236

The notes to the financial statements are an integral part of this statement.

AMMON URBAN RENEWAL AGENCY
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For Fiscal Year Ended September 30, 2024

	Hitt Road Special Revenue Fund	1st Street Special Revenue Fund	Total
REVENUES			
Local Sources:			
Tax charges	$ 154,188	$ 238,311	$ 392,499
Interest earnings	-	-	-
Total revenue	$ 154,188	$ 238,311	$ 392,499
EXPENDITURES			
Administration	$ 2,155	$ 2,155	$ 4,310
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Insurance expense	1,196	1,196	2,392
Office expense	-	225	225
Legal & professional services	3,106	6,337	9,443
Capital outlay	350,000	16,458	366,458
Advertising	310	304	614
Total expenditures	$ 356,767	$ 26,675	$ 383,442
Excess (deficiency) revenues over expenditures	$ (202,579)	$ 211,636	$ 9,057
OTHER FINANCING SOURCES AND USES			
Transfers in (out)	-	-	-
Net change in fund balance	$ (202,579)	$ 211,636	$ 9,057
Fund balances - beginning	286,249	190,824	477,073
Fund balances - ending	$ 83,670	$ 402,460	$ 486,130

The notes to the financial statements are an integral part of this statement.

AMMON URBAN RENEWAL AGENCY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For Fiscal Year Ended September 30, 2024

Net changes in fund balances - total governmental funds		$ 9,057
Amounts reported for governmental activities in the Statement of Activities are different because:		
Property taxes received that are not available to pay for current period expenses are deferred in the funds.		5,106
Debt payments are treated as an expenditure in the governmental funds, but the payments reduce long term debt in the Statement of Activities.		
Bonds payable	964,065	
Accrued interest change	2,247,301	3,211,366
Change in Net Assets of Governmental Activities		$ 3,225,529

The notes to the financial statements are an integral part of this statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Ammon Urban Renewal Agency (the Agency) was created by a resolution from the Ammon City Council dated January 6, 1994. provision of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code). The accounting policies and practices of the Agency conform to generally accepted accounting principles applied to governments

The Agency is a component unit, as defined by generally accepted accounting principles, of the City of Ammon, Idaho (the City), because of its operational or financial relationship with the City. The City appoints the governing body of the Agency.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

The Agency's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the Agency are discussed below.

Government-wide Statements and Fund Financial Statements: The Governmental Funds Balance Sheet and Statement of Net Assets are combined and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities are combined. The Statement of Net Assets and the Statement of Activities display information about the Agency. These statements include the financial activities of the overall Agency. The Ammon Urban Renewal Agency has no business type activities.

The Agency reports the following major governmental funds:

The Special Revenue Funds: consists of a 1st street district and Hitt road district funds used to account for the property taxes received by the Agency and to disburse payments on the obligations of the Agency.

Measurement Focus, Basis of Accounting

Government-Wide Financial Statements. The Government-Wide Financial Statements are reported using the economic resources measurement focus. The Government-Wide Financial Statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. The Agency considers property taxes to be available if they are collected within 60 days after year-end and are in the hands of intermediary collecting government. Other major revenues are susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

C. **BUDGET**

Budget for the Special Revenue Fund was created for the year ended September 30, 2024. The legal level of budgetary control is the Board of Directors.

D. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include amounts held by U.S. Bank Trust in the First American Prime Obligations Fund. The First American Prime Obligation Fund consists of Repurchase Agreements and Treasuries that are collateralized by Treasury Securities.

For deposits and investments, custodial credit risk is the 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.

E. **RECEIVABLES AND PAYABLES**

All property tax receivables are shown net of an allowance for uncollectibles.

F. **PROPERTY TAXES**

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. The Agency does not levy property taxes; however, it is entitled to the increase in property taxes levied by the taxing districts within its jurisdiction after January 1, 1994.

In accordance with Idaho State law, property taxes are levied in September for each calendar year. All the personal taxes and half the real property taxes are due by December 20. The second half of the real property taxes are due by June 20. Property taxes attach as an enforceable lien as of January 1 of the following year. Notice of foreclosure is filed by the county clerk three years from the date of delinquency. Therefore, no amount has been set aside for an allowance for doubtful accounts. Property taxes not collected before December 1 of the current year are classified as deferred revenues.

G. **EXPENDITURES**

Expenditures are recognized when the related fund liability is incurred. The Agency's policy is to first apply restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted net position is available.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

H. FUND BALANCE

The five categories of fund balance are nonspendable, restricted, committed, assigned, and unassigned. For the year ended September 30, 2024, the Agency had fund balances which were restricted, and unassigned of $0, and $486,130 respectively. Restricted funds are those which are constrained to being used for a specific purpose by external parties, constitutional provisions, or enabling legislation. Committed funds are those which are constrained to being used for a specific purpose by the City itself. Assigned Funds are amounts intended to be used for specific purposes as expressed by the City's management. Unassigned funds are those which are available for any purpose.

I. CAPITAL ASSETS AND DEPRECIATION

The Agency does not own any capital assets.

J. INSURANCE

The Agency is exposed to certain risks of loss due to general liability, wrongful acts, faithful performance, and crime. The Agency has elected to transfer these risks through the purchase of insurance from a commercial enterprise. Settled claims have not exceeded insurance coverage for the past three years.

K. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the Agency to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH

At year-end, the carrying amount and bank balance of the Agency's deposits was $484,694.

Credit risk - The Agency's deposits at year end are limited to bank deposits with one bank.

Custodial credit risk - In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency does not have a deposit policy for custodial credit risk. Of the bank balances, $250,000 was covered by federal depository insurance. As of September 30, 2024, $234,694 of the Agency's deposits and certificates of deposit were exposed to custodial credit.

NOTE 3 RECEIVABLES

Receivables at year end consist of the following:

	1st Street Fund
Local Sources	
Local Taxes	$ 6,542
Cap Improvement Receivable	810,212
Total Local	$ 816,754

NOTE 4 NOTES PAYABLE

On January 28, 1998, the Agency entered into a Limited Recourse Promissory Note (Phase I Note, Series 1997A Project Note) payable in the amount of $917,150 to CPI/Ammon Limited Partnership. The note bears interest at 9.0%. The principal balance on the note at September 30, 2024, has been forgiven.

On January 28, 1998, the Agency entered into a Limited Recourse Promissory Note (Phase I Note Bond Project Series 1997B Project) payable in the amount of $46,915 to CPI/Ammon Limited Partnership. The note bears interest at 5.88%. The principal balance on the note at September 30, 2024, has been forgiven.

The recourse of CPI/Ammon Limited Partnership for payment on these notes is limited solely to the funds in the Revenue Allocation Fund, after payment of interest and principal on the bonds and payments to fund the Administrative Fund. The Agency's obligation to make revenue allocation payments to CPI/Ammon Limited Partnership terminates for taxes collected and paid to the Agency for the calendar year beginning January 1, 2024.

The Ammon URA made a payment of $350,000, towards the notes and interest, this payment will be the only payment made and all further debt will be forgiven.

NOTE 5 CAPITAL IMPROVEMENT REIMBURSEMENT PAYABLE/RECEIVABLE

On December 7, 2021, the Agency entered into a Capital Improvement reimbursement agreement with Advance Creative Solutions, LLC in the amount of $ 833,354. This agreement was later amended to include $195,192 to be paid to the Heaton Family and the original agreement was amended to Advance Creative Solutions by the amount to be paid to the Heaton's. The agreement provides that they will pay 70% of the revenue allocation proceeds that the Agency receives. If the amount has not been paid in full by December 31, 2040 the obligation is terminated. As the amount of the reimbursement amount is based upon property tax revenue to be received a receivable has also been booked in the same amount. As of September 30, 2024 the payable/receivable balance is $810,212.

NOTE 6 CHANGES IN GENERAL LONG-TERM DEBT

A summary of the changes in the General Long-term Debt follows:

	Notes Payable	Reimbursement Payable
Balance, October 1, 2023	$ 964,065	$ 824,659
Principal Payment	(964,065)	(14,447)
Balance at September 30, 2024	$ -	$ 810,212

NOTE 7 PROPERTY TAX REVENUE

Current property tax revenue is not meeting original expectations. When the Series 1999 Bonds and other notes payable were entered into, property tax revenue was expected to have increased significantly enough to make the principal payments as well as the interest. The required interest payments are being made on the Bonds as well as principal payments as cash flows permit. The Agency made a payment of $350,000 and the remaining interest and debt has been forgiven.

NOTE 8 ECONOMIC DEPENDENCY

The Agency receives approximately 100% of its revenue from taxes.

NOTE 9 SUBSEQUENT EVENTS

Management of the Agency evaluated subsequent events through February 3, 2025, which was the date the financial statements were available to be issued. There were no subsequent type events, identified by management of the Agency, that are required to be disclosed.

REQUIRED SUPPLEMENTAL INFORMATION

AMMON URBAN RENEWAL AGENCY
Statement of Revenues and Expenditures, Budget to Actual Comparison
Special Revenue Funds
For Fiscal Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local Sources:				
Tax charges	$ 346,000	$ 346,000	$ 392,499	$ 46,499
Interest earnings	700	700	-	(700)
Total revenue	$ 346,700	$ 346,700	$ 392,499	$ 45,799
EXPENDITURES				
Audit	$ 2,000	$ 2,000	$ 1,600	$ 400
Administration & legal expense	25,000	25,000	12,153	12,847
Insurance expense	2,000	2,000	2,392	(392)
OPA Expense	11,500	11,500	16,458	(4,958)
Miscellaneous	1,250	1,250	839	411
Capital Outlay	350,000	350,000	350,000	-
Total expenditures	$ 391,750	$ 391,750	$ 383,442	$ 7,908
Net change in fund balances	$ (45,050)	$ (45,050)	$ 9,057	$ 53,707
OTHER FINANCING SOURCES AND USES				
Transfers in (out)	-	-	-	-
Net change in fund balance	$ (45,050)	$ (45,050)	$ 9,057	$ 54,107
FUND BALANCE				
Beginning balance	30,000	30,000	477,073	447,073
Ending balance	$ (15,050)	$ (15,050)	$ 486,130	$ 501,180

The notes to the financial statements are an integral part of this statement.

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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*

Board of Directors
Ammon Urban Renewal Agency
Ammon, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States 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 and each major fund of Ammon Urban Renewal Agency, a component unit of the City of Ammon, Idaho as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Ammon Urban Renewal Agency's basic financial statements, and have issued our report thereon dated February 3, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ammon Urban Renewal Agency's internal control over financial reporting (internal control) as a basis for designing 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 Ammon Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Ammon Urban Renewal Agency'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Ammon Urban Renewal Agency'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 onthe 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.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants
Idaho Falls, Idaho
February 3, 2025