Financial Statements
September 30, 2024

Urban Renewal Agency of the City of Caldwell, Idaho

Urban Renewal Agency of the City of Caldwell, Idaho

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Members of the Board of Commissioners
Urban Renewal Agency of the City of Caldwell, Idaho
Caldwell, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Urban Renewal Agency of the City of Caldwell, Idaho (the Agency), 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund 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 Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 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 GAAS, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
January 27, 2025

Commissioners of the Urban Renewal Agency of the City of Caldwell, Idaho (the Agency), offer readers of these financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended September 30, 2024.

It is a privilege for the Caldwell Urban Renewal Agency to provide you with our Annual Report for fiscal year ended September 30, 2024. This report has been compiled in compliance with Idaho Code Section 50-2006 in which the Agency *"is required to file, with the local governing body, on or before March 31 of each year, a report of its activities for the preceding calendar year. Such report is to include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of the calendar year."*

In addition to the above stated requirement of Idaho Urban Law, Sections 50-1010 and 67-450B in the Idaho Code further require the Agency to *"cause a full and complete audit of its financial statements to be made each fiscal year."* In response to this annual fiscal year audit requirement, independent auditor Eide Bailly LLP has completed the 2024 fiscal year audit for the Urban Renewal Agency of the City of Caldwell (the Agency). This audit is available in the office of the City Clerk, 205 S 6th Ave, Caldwell, Idaho.

The results of the 2024 fiscal year audit for the Agency are included within the financial statements, footnotes and audit opinion presented in this annual report.

FINANCIAL HIGHLIGHTS

- The assets of the Agency exceeded its liabilities and deferred inflows of resources at September 30, 2024, by $5,393,774. Liabilities include $884,138 in accounts payable and amounts due to other governments. Deferred inflows consist of $144,436 for unavailable property tax revenues for taxes levied but not yet earned. Assets include $5,275,985 in cash, $260,651 in taxes receivable, $15,791 in accounts receivables and $3,469 in interest receivables.

- As of September 30, 2024, the Agency's general fund reported ending fund balance of $4,439,929. Of this amount, $4,439,929 is restricted for urban renewal projects. Cash, investments, and cash equivalents were $5,275,985 and represents 136.23% of total fund expenditures reported on the Statement of Activities.

BACKGROUND

The Agency was organized and approved by Caldwell City Council (City) on December 21, 1998, under Idaho Code, Title 50; Chapter 20 entitled "Idaho Urban Renewal Agency Law of 1965." The Agency was established to promote development and redevelopment efforts in an undervalued portion of the City and in the City's area of impact within Canyon County (the County). The goals of the Agency include a plan to transform this underdeveloped area into a desirable location for prospective homeowners, small businesses, and corporate development. Letters of support from taxing districts within the urban renewal area were submitted as evidence of support for the organization of the Agency during the public hearing on December 21, 1998. Later in 1999, Canyon County organized a similar Urban Renewal Agency covering lands within the City area of impact that were designated in the City's Urban Renewal Agency. This action paved the way for communication between the City and County on urban renewal matters in the impact area.

On December 21, 1998, the Caldwell City Council approved the Urban Renewal "Plan." This Plan described the proposed activities of the Urban Renewal Agency including the adoption of a *revenue allocation (tax increment)* financing provision. With the adoption of this tax increment financing provision, the County Commissioners and County Treasurer allocate incremental increases in tax revenues annually between the Agency and other taxing districts located within the boundaries of the revenue allocation area.

On September 29, 2003, the Agency amended Plan boundaries and the revenue allocation area to include the downtown corridor between 10th St. and 5th St. from the Union Pacific Railroad right-of-way to Dearborn and public and private land within the following boundary: beginning at the intersection of Ustick Road and Florida Avenue "point of beginning", thence north on Florida Avenue to the Caldwell Highline Canal, thence northwesterly along the Highline Canal to Indiana Avenue, thence south to the southern boundary of Fairoaks Subdivision, thence west along said boundary to Illinois Avenue extended, thence south on Illinois Avenue extended to Ustick Road, thence east on Ustick Road to the point of beginning. These amendments add a project to the scope of the Workable Program/Implementation Plan within the downtown corridor. The project is commonly referred to as the "Indian Creek Day-lighting and Restoration Project." The amendments also add some detail to Plan provisions dealing with recreational, park and swimming facilities and expand the revenue allocation area so that revenue allocation funding can be used to facilitate financing of the project.

The Plan amendment on November 21, 2005, extended the duration of the Plan and added language directing the use of increment received after December 31, 2014. The 2005 amendment modified Section 800 "Duration of This Plan" to read as follows:

"Except for the nondiscrimination and non-segregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan shall be effective for twenty-four (24) years from the original date of adoption of this plan by the City of Caldwell through December 21, 2022 provided, however, that the revenue from property taxes shall be restricted to collection of taxes assessed for the twenty-three (23) year period commencing with the 1999 assessment through the 2022 assessment, with the condition that the tax increment revenue received after December 31, 2014, will be used only to pay debt service on bonds for urban renewal projects constructed prior to said date and not for any other projects constructed after said date. Any tax increment revenue received after December 31, 2014, exceeding the amount needed for payment of urban renewal bonds issued prior to said date shall be returned to the local taxing districts in order that such entities may reduce their tax levies proportionally."

The Plan was again amended on August 25, 2014. This amendment changed the language in the 2005 amendment above. Language in the Plan after the 2014 amendment reads:

"Except for the nondiscrimination and non-segregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan shall be effective for twenty-four (24) years from the original date of adoption of this Plan by the City of Caldwell through December 21, 2022 provided, however, that the revenue from property taxes shall be restricted to collection of taxes assessed for the twenty-three (23) year period commencing with the 1999 assessment through the 2022 assessment."

Subsequent to December 31, 2014, the Agency shall work specifically with the public bodies affected by revenue allocation to identify and implement urban renewal projects important to those public bodies and consider the scope of such projects in light of such public bodies' pro rata connection to tax increment. All projects and funding shall be at the discretion of the Agency, not the public bodies.

As a result of legislation, on July 10, 2017, the Board of Commissioners for the Agency changed from six members from City Council to three members from City Council and three members from public who reside in the urban renewal boundaries. As a result of this action, the Agency is no longer considered to be a component unit of the City. The current Board of Commissioners is made from two members of the City Council, one member for the County Commissioners and three members that reside in Canyon County.

On December 20, 2021, the Caldwell City Council approved another Urban Renewal "Plan" for the North Urban Renewal Area. This Plan described the proposed activities of the specified Urban Renewal Area including the adoption of another revenue allocation (tax increment) financing provision. With the adoption of this tax increment financing provision, the County Commissioners and County Treasurer allocate incremental increases in tax revenues annually between the Agency and other taxing districts located within the boundaries of the north revenue allocation area.

On December 21, 2022, the East Urban Renewal Area closed. With this area closing, the Agency will not receive property tax from this area after September 30, 2023. The property taxes will go back to the taxing districts within the area. However, there are still some delinquent property taxes from prior years to be collected. There was significant investment within this area, the ending accessed property taxed value for the City of Caldwell was $1,432,069,400 a significant increase from the 2008 base of $60,492,278.

PROPERTY VALUE AND TAX INCREMENT FINANCING

Tax increment financing is the primary source of revenue for the Agency. The amount of revenue received from property taxes is determined by the value of taxable property in excess of the base year, multiplied by the current tax levy rates in effect from the various taxing districts within the urban renewal boundaries. If the market value of property increases, the proceeds from the property tax may increase even with no increase in the tax levy rate.

The net taxable value of properties in the City is $8,088,798,783. This $804,592,591 increase is 11.05% more than the 2023 net taxable value of $7,284,206,129. (2023 base adjusted for county assessor changes). The increment value of the real and personal properties within the North urban renewal boundary within City Limits is $35,452,277. (2023 increment adjusted for county assessor changes). This is an increase of $6,794,150 or 23.71%. Combined net taxable value increase in the City and Urban Renewal totaled $811,386,804 or 11.10% to a net taxable value of $8,124,251,060.

As of January 1, 2022, the base year for the new North Revenue Allocation Area, assessed values of taxable properties within the urban renewal boundaries totaled $20,340,024. As of September 30, 2024, assessed values within this same area total $34,452,277. Property tax increment revenue estimated for the fiscal year 2025 equals $152,177.

The total property tax receipts for fiscal year ended September 30, 2024, were $117,497 as reported on the Statement of Activities on page 10.

ACTIVITIES AND COMMITMENTS

The Agency remains committed to economic development and residential stability within its geographic boundaries in the City. Some of the specific activities, including accomplishments and board actions, are listed below.

- **Tilian Project by deChase Misis:** Opened in December of 2023, this significant mixed use development in downtown Caldwell includes 142 apartments and 7,900 SQFT of retail space. The apartments have a 95% occupancy rate, and the retail spaces are fully leased, featuring tenants such as Kindred Wine Lounge, a space, and The Griddle breakfast eatery.
    - Phase Two will feature retail and office space in a two-story building on .34 acres.
- **Wayfinding Plan:** In 2023, the Agency partnered with Destination Caldwell to implement a wayfinding plan to improve navigation in the downtown core. The plan is set to be finalized and implemented by Quarter 1 2025.
- **Home Depot Development**: Home Depot purchased 17 acres in the Sky Ranch Business Center for 108,000 SQFT store with a 28,000 SGFT garden center. The site also includes five additional retail pads for future development. The project commenced construction in October 2024.
- **D&B Supply and North Ranch Business Park:** On September 12, 2022, Ball Ventures Ahlquist (BVA) and D&B Supply broke ground on a 109,000 SQFT D&B distribution center. This year, construction began on D&B's corporate office building, slated for completion in Quarter 2 2025.
- **Maverick and North Ranch Business Park:** Maverick opened a new location in the 114- Acre North Ranch Business Park alongside a future Baskin Robbins, complementing the park's retail options, including Fat Guys Fresh Deli, which opened in 2023.
- **Mussell Construction Project:** Mussell Construction LLC, completed a redevelopment project by installing a parking lot at 306 S Kimball Ave. Using Brownfields grant from the Department of Environmental Quality, environmental work was conducted on the site before completing the parking lot to support the project.
- **TS Development at 510 Arthur Street:** TS Development was awarded the property at 510 Arthur Street, and the Agency partnered with the City of Caldwell to vacate a section of Arthur Street for the project. Finalized in the summer of 2024, construction on the 23,620 SQFT mixed-use project will begin early next year.
- **RRC Contractors at 215 S Kimball Ave:** RRC Contractors commenced construction on a two-story, 15,000 SQFT restaurant and office building. Site work and utility installation began November of 2024, with construction planned to continue through 2025.
- **North Caldwell Infrastructure:** The district is advancing with significant infrastructure projects. A waterline was extended by the City of Caldwell from Highway 20/26 to Highway 44, providing water and sewer services to the area. Idaho Power also purchased 2.5 acres for a future substation, supporting the area's growth.
- **Weather Tight Roofing Expansion:** Weather Tight Roofing is planning a 12,000 SQFT building on Chicago street in North Caldwell Area, expected to add 15-20 jobs. Construction is scheduled to begin in Quarter 2 of 2025.
- **Maverick Expansion in North Caldwell:** Maverick is under contract to purchase 7.82 acres for a convenience store in the North Caldwell Area. The property has been annexed into the City of Caldwell, with construction set to begin in spring 2025 following the closing of the property early next year.

These projects highlight the Agency's dedication to sustainable growth and economic vitality in Caldwell.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements are comprised of the government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all Agency assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency reports one general fund as a governmental fund.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of available resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other supplementary information - In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. Required supplementary information includes the budget to actual for the general fund and the notes to the required supplementary information.

FINANCIAL OVERVIEW

Statement of Net Position

	Governmental Activities	
	2024	2023
Other assets	$ 5,555,896	$ 10,374,678
Capital assets	866,452	2,982,297
Total assets	6,422,348	13,356,975
Short-term liabilities	884,138	2,139,704
Total liabilities	884,138	2,139,704
Deferred Inflows of Resources	144,436	111,499
	1,028,574	2,251,203
Investment in capital assets	866,452	2,982,297
Restricted	4,527,322	8,123,475
Total Net Position	$ 5,393,774	$ 11,105,772

Statement of Activities

	Governmental Activities	
	2024	2023
Revenues:		
General Revenues		
Property taxes		
General purpose	$ 117,497	$ 10,896,545
Unrestricted investment earnings	157,085	211,146
Unrestricted unrealized gain on investments	2,018	729
Miscellaneous	1	23,551
Gain on sale of land	-	5,102,665
Total Revenues	276,601	16,234,636
Expenses:		
Urban Renewal Agency	5,988,598	16,715,427
Interest on long-term debt	-	27,087
Total Expenses	5,988,598	16,742,514
Net Revenues	$ (5,711,997)	$ (507,878)

Cash and cash equivalents, both restricted and unrestricted, decreased $4,719,003 to $5,275,985 from the 2023 balance of $9,994,987. Major cash uses included City Economic Development support of $226,800 and $2,274,317 for City projects within the district. Major sources of cash included property tax revenues of $256,652 and investment earnings $157,085. The decrease of $117,497 in taxes receivable resulted from the close out of the East Urban Renewal area. Vouchers payable, interest payable and due to other governments balances decreased $1,255,566 to $884,138 made up of $806,976 reimbursable to the City for projects and $77,162 in operating and project expenses at September 30, 2024.

CAPITAL ASSETS

During fiscal year 2024, there were no capital assets additions. Capital asset deletions of $2,115,845 were for the sale of land held for development. Capital assets total $866,452 as of September 30, 2024. See Note 6 for additional information.

BUDGET

The Agency is required to submit and operate under a budget approved by the board. The 2024 budget for the Agency was approved August 14, 2023, in a public meeting and appears in the supplementary information following the footnotes section of the report. The Agency approved a budget amendment on January 8, 2024 in a public meeting.

BOARD OF COMMISSIONERS

As a result of legislation, on July 1, 2017, the Board of Commissioners was changed to be made of not less than three commissioners and no more than nine commissioners and City Council members were not able to be the majority of the board. Commissioner Porter is currently serving as Chairman of the Board of Commissioners, Commissioner Warwick serves as vice-chairman and Caldwell City Clerk, Debbie Geyer serves as Secretary. Caldwell City Finance Director Raelynn North serves as Treasurer.

All members of the Board of Commissioners as September 30, 2024:

COMMISSIONER	TERM EXPIRATION
Jim Porter (Chair)	July 1, 2028
Julie Warwick (Vice-Chair)	July 1, 2025
Brad Doty	July 1, 2026
Chris Allgood	July 1, 2029
Adam Garcia	October 7, 2024
David Moore	July 1, 2025
Zach Brooks	July 1, 2026

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, City of Caldwell, P.O. Box 1179 205 S 6th Ave, Caldwell, Idaho 83606.

Urban Renewal Agency of the City of Caldwell, Idaho
Statement of Net Position and Governmental Fund Balance Sheet
September 30, 2024

	General Fund	Adjustments (Note 2)	Statement of Net Position
Assets			
Cash, investments, and cash equivalents	$ 5,275,985	$ -	$ 5,275,985
Receivables			
Taxes	260,651	-	260,651
Interest	3,469	-	3,469
Other	15,791	-	15,791
Land	-	866,452	866,452
	$ 5,555,896	$ 866,452	$ 6,422,348
Liabilities			
Vouchers and payroll payable	$ 77,162	$ -	$ 77,162
Due to other governments	806,976	-	806,976
Total liabilities	884,138	-	884,138
Deferred Inflows of Resources			
Unavailable property tax revenue	231,829	(87,393)	144,436
Fund Balance/Net Position			
Fund balances			
Restricted for urban renewal projects	4,439,929	(4,439,929)	-
Total fund balance	4,439,929	(4,439,929)	-
	$ 5,555,896		
Net Position			
Investment in capital assets		866,452	866,452
Restricted		4,527,322	4,527,322
Total net position		5,393,774	5,393,774
		$ 866,452	$ 6,422,348

Urban Renewal Agency of the City of Caldwell, Idaho

Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended September 30, 2024

	General Fund	Adjustments (Note 3)	Statement of Activities
Expenditures/Expenses			
Urban renewal	$ 3,872,754	$ 2,115,845	$ 5,988,599
Total expenditures/expenses	3,872,754	2,115,845	5,988,599
General Revenues			
Property taxes	256,652	(139,155)	117,497
Interest	157,085	-	157,085
Unrealized gain	2,018	-	2,018
Miscellaneous	1	-	1
Total general revenues	415,756	(139,155)	276,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,456,998)	(2,255,000)	(5,711,997)
Other Financing Sources (Uses)			
Proceeds from sale of land	2	(2)	-
Total other financing sources (uses)	2	(2)	-
Change in Total Fund Balance	(3,456,996)	(2,255,002)	(5,711,997)
Change in Net Position	-	-	(5,711,997)
Fund Balance/Net Position			
Beginning of Year	7,896,925	3,208,847	11,105,772
Fund Balance/Net Position, End of Year	$ 4,439,929	$ 953,845	$ 5,393,774

Note 1 - Summary of Significant Accounting Policies

The Urban Renewal Agency of the City of Caldwell, Idaho (the Agency) was organized on December 21, 1998, under the Idaho Urban Renewal Law, Chapter 20, and Title 50 of the Idaho Code. The Agency was established to oversee redevelopment efforts in the Northeastern Caldwell areas, including housing rehabilitation, incentives for development of multi-family affordable housing, beautification of entryways, improvements to the City of Caldwell (the City) infrastructure, and creation of new parks and a recreation complex. When the redevelopment plan is completed, the Agency's assets will revert to City ownership.

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 Agency's accounting policies are described below.

The accounting and reporting policies of the Agency relating to the funds included in the accompanying basic financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the GASB and the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

Financial Reporting Entity

For financial reporting purposes, the Agency is stand-alone government. The Agency provides urban renewal services to the City of Caldwell and its citizens.

Government-Wide and Fund Financial Statements

The government-wide column of the financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As allowed under GAAP, the Agency is reported as a "Single Program Entity." This allows for the government-wide financial statements to be combined with the fund level financial statements.

Measurement Focus, Basis of Accounting, And Financial Statement Presentation

The government-wide column of the financial statements is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The general fund (governmental fund) column of the financial statements is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Agency considers property taxes available if they are collected within 60 days after year end and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due.

The Agency reports the following major governmental funds:

General Fund - the Agency's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Agency has no non-major funds.

East Revenue Allocation Area Dissolution

Under the conditions of the 2014 amendment to the Plan of the Urban Renewal Agency of the City of Caldwell, Idaho, the Agency's revenue allocation area and the collection of revenue from property taxes have ceased as of December 21, 2022.

Section 800 regarding Duration of this Plan is hereby further amended to read, in its entirety, as follows:

> Except for the nondiscrimination and non-segregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan shall be effective for twenty-four (24) years from the original date of adoption of this Plan by the City of Caldwell through December 21, 2022, provided, however, that the revenue from property taxes shall be restricted to collection of taxes assessed for the twenty-three (23) year period commencing with the 1999 assessment through the 2022 assessment.

Section 304 regarding Cooperation with Public Bodies shall be amended by addition of the following paragraph:

> Subsequent to December 31, 2014, the Agency shall work specifically with the public bodies affected by revenue allocation to identify and implement urban renewal projects important to those public bodies and consider the scope of such projects in light of such public bodies' pro rata connection to tax increment. All projects and funding shall be at the discretion of the Agency, not the public bodies. For guidance, the Agency's construction of the new Canyon County Administration Building prior to December 31, 2014, shall be deemed an identified and implemented project for Canyon County and the Agency's construction of two sewer projects (Revenue Allocation Bonds Series 2006A for various sewer system improvements including collection lines and related facilities for the system, and Revenue Allocation Bonds Series 2008 for Caldwell Wastewater Treatment Plant upgrades – Phase 4) prior to December 31, 2014, shall be deemed identified and implemented projects for the City of Caldwell.

North Revenue Allocation Area Dissolution

On December 20, 2021, the Agency passed Ordinance No. 3391 which approved the Caldwell North Urban Renewal Area Plan. The Agency's revenue allocation area and the collection of property taxes will cease on December 31, 2041. The agency may elect to terminate the Plan at any time, pursuant to the processes contained within section 900 of the approved plan.

Cash, Investments, and Cash Equivalents

The Agency considers all highly liquid investments, including restricted cash, with a maturity of three months or less when purchased, to be cash equivalents. For purposes of efficient cash flow management and the management of temporary investments, the Agency utilizes the State of Idaho's Local Government Investment Pool for its cash.

Investments

State statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, commercial paper, corporate bonds, repurchase agreements, City coupons and local improvement district bonds.

Investments are stated at fair value as determined by quoted market prices, except for the certificates of deposit which are non-participating contracts and are therefore carried at amortized costs and are recorded as cash, investments, and cash equivalents in the statement of net position.

Property Taxes Receivable

Property taxes are recognized as revenue when the amount of taxes levied is measurable, and proceeds are available to finance current period expenditures.

Available tax proceeds include property tax receivables expected to be collected within 60 days after year end. Property taxes attach as liens on properties on January 1 and are levied in September of each year. Tax notices are sent to taxpayers during November, with tax payments scheduled to be collected on or before December 20. Taxpayers may pay all or one half of their tax liability on or before December 20, and if one half of the amount is paid, they may pay the remaining balance by the following June 20. Since the Agency is on a September 30 fiscal year-end, property taxes levied during September for the succeeding year's collection are recorded as unavailable revenue at the Agency's year-end and recognized as revenue in the following fiscal year. Canyon County bills and collects taxes for the Agency.

Capital Assets

Capital assets consist of land and at times, construction in process. Capital assets are defined by the Agency as assets with an initial, individual cost of more than $20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at their estimated acquisition value. These assets are reported in the government-wide column of the financial statements but are not reported in the general fund column of the financial statements. The Agency does not hold any capital assets that are depreciated. The agency does not have any lease agreements or subscription based information technology agreements.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and the fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future periods, so will not be recognized as an inflow of resources (revenue) until that time. The Agency only has two types of items that qualify for reporting in this category relating to property taxes.

The government-wide column and general fund column of the financial statements both report the unavailable property tax revenue as a deferred inflow of resources. The balance of the deferred inflows of resources as of September 30, 2024, will be recognized as a revenue and increase in net position at the start of the next fiscal year. This treatment is a result of the property tax calendar in the State of Idaho.

The final item reported as deferred inflow of resources arises only under a modified accrual basis of accounting. The general fund column of the financial statements report unavailable revenues from delinquent property taxes not collected within 60 days after year-end as these amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Risk Management

The Agency is exposed to various risks of loss related to theft of, damage to, or destruction of assets. The Agency participates in a public entity risk pool, Idaho Counties Risk Management Pool (ICRMP), for property and liability insurance. The Agency's exposure to loss from its participation in ICRMP is limited to the extent of the deductible only.

Budgets

In accordance with Title 50, Chapter 20 of the Idaho State Code, the Agency is required to prepare, approve and adopt an annual budget for filing with the local governing body, for informational purposes. A budget means an annual estimate of revenues and expenses for the following fiscal year of the agency.

Note 2 - Explanation of Differences Between the Governmental Funds Balance Sheet and the Statement of Net Position

"Total fund balances" of the Agency's governmental fund differs from "net position" of the governmental activities reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

The main components of the differences are described below.

Fund balance – general fund	$ 4,439,929
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	866,452
Some of the property taxes receivable are not available to pay for current-period expenditures and therefore are deferred in the funds.	87,393
Net position of governmental activities	$ 5,393,774

Note 3 - Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for governmental funds differs from the "change in net position" for governmental activities reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resource focus of the governmental funds. The effect of the differences is illustrated below.

Net change in fund balances – total governmental funds	$ (3,456,996)
In the statement of activities, the gain (loss) on the sale of land is reported, whereas in the governmental funds, the proceeds from sale decrease financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the land held for development sold.	(2,115,845)
Some property tax revenue in the statement of activities that does not provide current financial resources is not reported as revenues in the funds.	(139,155)
Change in net position	$ (5,711,997)

Note 4 - Cash and Cash Equivalents

	Cost	Fair Value
Cash - unrestricted	$ 4,454,902	$ 4,454,902
Total cash equivalents - unrestricted	$ 4,454,902	$ 4,454,902
Investments-unrestricted Local Government Investment Pool	$ 818,056	$ 821,083
Total investments - unrestricted	$ 818,056	$ 821,083

Investment Types That Are Authorized for The Agency by The Idaho Code and The Agency's Investment Policy Are as Follows:

1. Local and State Agency Bonds
2. U. S. Agency Bonds
3. U. S. Agency Securities
4. Certificates of Deposit

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the Agency manages its exposure to interest rate risk is by purchasing a combination of long and short-term investments. The Agency keeps funds needed for operations in short-term liquid investments while maintaining a stable longer-term investment portfolio with duration matched to expected completion of capital projects. When selecting longer-term maturities, the Agency's policy requires investments which provide for the stability of income and reasonable liquidity. The Local Government Investment Pool weighted average maturity as of September 30, 2024 was 84 days. The Agency does not have any investments subject to interest rate risk at September 30, 2024.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All other investments of the Agency are not rated and the Agency does not have a restrictive policy regarding rated investments.

Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total entity's investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The Agency has no policy limiting on the amount it may invest in any one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Agency does not have a policy for custodial credit risk outside of the deposit and investment agreements.

The bank ledger balance for unrestricted cash deposits at September 30, 2024, is $5,275,985. This ledger balance includes $250,000 of deposits insured by FDIC and $5,025,984 uninsured and uncollateralized.

The Agency minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be identified as to Caldwell Urban Renewal Agency ownership and be held in the Agency's name.

The LGIP is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

Note 5 - Fund Equity

In the government-wide column of the financial statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.

- Restricted net position – Consists of net position with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. Restricted net position in the Agency is restricted pursuant to bonds issued to finance, in part, a variety of public and private infrastructure improvements which will improve existing conditions in the project area.

- Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- Nonspendable fund balance — amounts that are not in nonspendable form (such as inventory or long-term notes receivable) or are required to be maintained intact.

- Restricted fund balance — amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

- Committed fund balance — amounts constrained to specific purposes by the Agency itself, using its highest level of decision-making authority (i.e., Board of Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the Agency takes the same highest level action to remove or change the constraint.

- Assigned fund balance — amounts the Agency intends to use for a specific purpose. Intent can be expressed by the Agency Commissioners or by an official or body to which the Agency Commissioners delegate the authority.

- Unassigned fund balance — amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Agency's Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of a resolution or motion. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners has provided otherwise in its commitment or assignment actions.

Note 6 - Capital Assets

Changes in capital assets are as follows:

	October 01, 2023	Additions	Deletions	September 30, 2024
Governmental activities				
Capital assets, not depreciated				
Land	$ 2,982,297	$ -	$ (2,115,845)	$ 866,452
Total capital assets, not depreciated	$ 2,982,297	$ -	$ (2,115,845)	$ 866,452

Note 7 - Related Party Transactions

During 2024, the Agency reimbursed the City in the amount of $2,510,203 for expenditures paid on its behalf on various projects (Ustick Road Widening, Indiana/Ustick Round About, Florida/Ustick Round About and the 21st Avenue Parking lot). Additionally, the Agency issued monthly payments to the City for the Caldwell Economic Development funding in the amount of $226,800 and paid the City $8,400 for Accounting Services.

Required Supplementary Information
September 30, 2024

Urban Renewal Agency of the City of Caldwell, Idaho

Urban Renewal Agency of the City of Caldwell, Idaho

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund

Year Ended September 30, 2024

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Property taxes	$ 85,000	$ 85,000	$ 256,652	$ 171,652
Interest	84,000	84,000	157,085	73,085
Unrealized gain	-	-	2,018	2,018
Miscellaneous	-	-	1	1
Total revenues	169,000	169,000	415,756	246,756
Expenditures				
Current				
Urban Renewal Agency	391,274	5,628,621	3,872,754	1,755,867
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	391,274	5,628,621	3,872,754	1,755,867
Excess of Revenues Over Expenditures	(222,274)	(5,459,621)	(3,456,998)	2,002,623
Other Financing Sources				
Proceeds from sale of land	-	-	2	2
Total other financing sources	-	-	2	2
Net Change in Fund Balances	$ (222,274)	$ (5,459,621)	(3,456,996)	$ 2,002,625
Fund Balance, Beginning of Year			7,896,925	
Fund Balance, End of Year			$ 4,439,929	

Note 1- Budgets and Budgetary Accounting

In accordance with Title 50, Chapter 20 of the Idaho State Code, the Agency is required to prepare, approve and adopt an annual budget for filing with the local governing body, for informational purposes. A budget means an annual estimate of revenues and expenses for the following fiscal year of the Agency.

The Agency follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Board of Commissioners prepares a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public workshops are conducted in Council Chambers located at Caldwell Police Department to obtain taxpayer comments.
- The budget is passed by resolution no later than the first Tuesday of each fiscal year.

Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end. Revisions that alter the total expenditure appropriation must be approved by the Board of Commissioners.

Other Supplementary Information
September 30, 2024

Urban Renewal Agency of the City of Caldwell, Idaho

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 Caldwell, Idaho
Caldwell, Idaho

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund of Urban Renewal Agency of the City of Caldwell, Idaho (the Agency), 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 and have issued our report thereon dated January 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Boise, Idaho
January 27, 2025