KUNA URBAN
RENEWAL AGENCY

Audited Financial Statements and
Required Supplementary Information

For the Year Ended September 30, 2024

Table of Contents

	Page
Independent Auditor's Report	2
FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet – Governmental Funds	7
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	10
Notes to Financial Statements	11
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary (GAAP Basis) Comparison Schedule:	
West District	17
East District	18
Note to Required Supplementary Information	19
INTERNAL CONTROL AND COMPLIANCE REPORT	
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*	20

Bailey & Company Chtd.
Certified Public Accountants

Weston Flamm, CPA
Cassie Zattiero, CPA

812-B 12th Ave. South
P.O. Box 876
Nampa, ID 83653-0876
208 466-2493
FAX 208 467-2000
www.BaileyCPAs.com

Independent Auditor's Report

To the Board of Commissioners
Kuna Urban Renewal Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the fund information of Kuna Urban Renewal Agency (the Agency), a component unit of City of Kuna, 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 and the fund information of Kuna Urban Renewal Agency as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Agency 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2025, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Bailey & Co.

Nampa, Idaho
February 25, 2025

Kuna Urban Renewal Agency
Statement of Net Position
September 30, 2024

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 949,668
Receivables, Net:	
Property Taxes	577,075
Interest	3,058
Total Current Assets	1,529,801
Noncurrent Assets:	
Capital Assets:	
Intangibles, Net	201,680
Total Assets	1,731,481
Deferred Outflows	0
Liabilities	
Current Liabilities:	
Accounts Payable	25
Deferred Inflows	
Property Tax Revenue	573,108
Net Position	
Net Investment in Capital Assets	201,680
Restricted	956,668
Total Net Position	$ 1,158,348

The accompanying notes are an integral part of the financial statements

Kuna Urban Renewal Agency
Statement of Activities
For the Year Ended September 30, 2024

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position - Governmental Activities
Governmental Activities					
General Government	$ 23,440	$ 0	$ 0	$ 0	$ (23,440)
Total Governmental Activities	$ 23,440	$ 0	$ 0	$ 0	(23,440)
General Revenues:					
Property Taxes					484,397
Interest Earnings					24,225
Total General Revenues					508,622
Change in Net Position					485,182
Net Position, Beginning					673,166
Net Position, Ending					$ 1,158,348

The accompanying notes are an integral part of the financial statements

Kuna Urban Renewal Agency
Balance Sheet -
Governmental Funds
September 30, 2024

	West District	East District	Total
Assets			
Cash and Cash Equivalents	$ 941,440	$ 8,228	$ 949,668
Receivables, Net:			
Property Taxes	512,943	64,132	577,075
Interest	3,058	0	3,058
Total Assets	1,457,441	72,360	1,529,801
Deferred Outflows	0	0	0
Total Assets and Deferred Outflows	$ 1,457,441	$ 72,360	$ 1,529,801
Liabilities			
Accounts Payable	$ 25	$ 0	$ 25
Deferred Inflows			
Unavailable Property Tax Revenue	512,352	64,132	576,484
Fund Balances			
Restricted	945,064	8,228	953,292
Total Liabilities, Deferred Inflows, and Fund Balances	$ 1,457,441	$ 72,360	$ 1,529,801

The accompanying notes are an integral
part of the financial statements

Kuna Urban Renewal Agency
Reconciliation of the Balance Sheet of the Governmental
Funds to the Statement of Net Position
September 30, 2024

Total Fund Balances - Governmental Funds		$ 953,292
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:		
Construction in Progress	$ 0	
Intangibles, Net of $33,459 Accumulated Depreciation	201,680	
		201,680
Some of the property taxes receivable are not available to pay for current period expenditures and are, therefore, considered unavailable in the funds. However, in the government-wide statements, only the portion of the receivable that is for future periods is reported as deferred inflows.		3,376
Total Net Position - Governmental Activities		$ 1,158,348

The accompanying notes are an integral
part of the financial statements

Kuna Urban Renewal Agency
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2024

	West District	East District	Total
Revenues			
Property Taxes	$ 474,630	$ 9,364	$ 483,994
Interest Earnings	24,225	0	24,225
Total Revenues	498,855	9,364	508,219
Expenditures			
Current:			
General Government:			
Administrative	1,207	541	1,748
Legal and Professional	9,340	595	9,935
Total Expenditures	10,547	1,136	11,683
Net Change in Fund Balances	488,308	8,228	496,536
Fund Balances - Beginning	456,756	0	456,756
Fund Balances - Ending	$ 945,064	$ 8,228	$ 953,292

The accompanying notes are an integral
part of the financial statements

Kuna Urban Renewal Agency
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2024

Total Net Change in Fund Balances - Governmental Funds		$ 496,536
Amounts reported for governmental activities in the statement of activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. In the current period these amounts are:		
Capital Outlay	$ 0	
Depreciation Expense	(11,757)	
		(11,757)
Some of the property tax revenues are not available to pay for current period expenditures and are, therefore, considered unavailable in the funds. However, in the government-wide statements, only the portion of the revenue that is for future periods is reported as deferred inflows. This accounts for the change in these unavailable revenues.		403
Change in Net Position of Governmental Activities		$ 485,182

The accompanying notes are an integral
part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Kuna Urban Renewal Agency (the Agency) is a separate and distinct legal entity of City of Kuna, Idaho (the City) created by and existing under the Idaho Urban Renewal Law of 1965, as amended. The Commissioners for the Agency were appointed by the City Council. The Agency funds infrastructure that supports redevelopment, development of bare undeveloped land, and brownfield development (industrial).

For financial reporting purposes, in conformity with governmental accounting standards, the Agency is included as a discretely presented component unit in the City's financial statements. The Agency provides urban renewal services to the City and its citizens. These statements present only the funds of the Agency and are not intended to present the financial position and results of operations of the City in conformity with generally accepted accounting principles.

The financial statements of the Agency 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 Agency's accounting policies are described below.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report financial information about the Agency as a whole, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The Agency's activities only consist of governmental activities, which are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses of the general government related to the administration and support of the Agency's programs, such as personnel and accounting (but not interest on long-term debt), are allocated to programs based on their percentage of total expenses.
- Program revenues include (a) charges paid by the recipients of goods or services offered by a program or function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The government-wide financial statements are 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 intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The fund financial statements provide information about the Agency's funds, which consists of only governmental funds. The Agency reports the following major governmental funds:

- *West District fund.* This fund accounts for general and administrative activities of the Agency and the urban renewal activities that occur in the western revenue allocation area of the Agency.
- *East District fund*. This fund accounts for urban renewal activities that occur in the eastern revenue allocation area of the Agency.

The governmental fund financial statements are 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.

For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are made.

Property Taxes

The Agency has no direct taxing power. When the Agency was reinstated in 2020, this established the base year for property values. The property taxes the Agency receives in years after the base year are calculated on the increase in property values subsequent to the base year. This is known as tax increment revenue. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 and July 1.

The Agency receives tax revenue from Ada County. The County is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the Agency as of September 30, 2024, are considered by the Agency as a receivable. Taxes not collected within 60 days after September 30, 2024, are not considered available for use by the Agency and are recorded as deferred inflows in the fund financial statements. The tax charges for the current year are intended to finance operations in the next year, so the current tax charges are also a deferred inflow in the government-wide financial statements.

Risk Management

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

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received. Intra-entity assets contributed are reported at their carrying value.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Nondepreciable Assets	$5,000	N/A	N/A
Buildings and Improvements	$5,000	Straight-Line	5 - 75 Years
Equipment and Vehicles	$5,000	Straight-Line	5 - 20 Years
Intangibles	$5,000	Straight-Line	3 - 20 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Cash Equivalents and Investments

All amounts included in cash and investment accounts are considered cash equivalents, as even the long-term investments can be converted to cash without significant penalty within a one-to-two-week timeframe. The Agency's cash and investments are pooled, so each fund has equity in the pooled amount.

Idaho Code authorizes the Agency to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements. Investments are stated at fair value as determined by the fair value hierarchy, except non-participating contracts, money market investments, and participating interest-earning contracts with a remaining maturity of one year or less. These are carried at amortized cost.

Fund Balance Reporting in Governmental Funds

The Agency uses the restricted fund balance category in the governmental fund balance sheet. Restricted fund balances are defined as balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.

The remaining fund balance classifications (nonspendable, committed, assigned, and unassigned) were not applicable for the current fiscal year. However, if there had been committed funds, these amounts would have been decided by the Board of Commissioners, the Agency's highest level of decision making authority, through a resolution. The Board of Commissioners would also have the authority to assign funds or authorize another official to do so.

When both restricted and unrestricted resources are available for use, it is the Agency's intent to use restricted amounts first, followed by committed, assigned, then unassigned amounts. The majority of the Agency's resources come from property taxes that are restricted for urban renewal projects and related operations, as defined by Idaho Statute.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

The majority of the Agency's bank balances are held within the City of Kuna, Idaho's pooled accounts. As of September 30, 2024, the carrying amount of the Agency's share of the deposits was $202,671 and the Agency's share of the respective bank balances totaled $202,754. $202,040 of the Agency's share of the bank balances were insured or collateralized.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2024, $714 of the Agency's share of deposits were not covered by the NCUA, FDIC, or by collateral held by the Agency's agent or pledging financial institution's trust department or agent in the name of the Agency, and thus were exposed to custodial credit risk.

The Agency does not have a formal policy limiting its exposure to custodial credit risk. However, the Agency uses the following procedures to mitigate the bank default risk of loss associated with the Agency's demand deposits which exceed the FDIC/NCUA insurance coverage limit of $250,000 per financial institution:

- Partner with large federally chartered banks with solid histories and strong credit worthiness ratings;
- Subscribe to and monitor online rating agency reports regularly as provided by the "Big Three" rating agencies (Standard & Poor's, Moody's, Fitch Group);
- Monitor online FDIC/NCUA information regarding financial institutions which have been on watch lists and/or which have failed recent stress tests;
- Monitor bank-specific online rating agency reports (Bauer Financial, Inc.; IDC Financial Publishing, Inc.; Veribanc) for bank rating information. The aforementioned entities offer very specific in-depth information for a fee, and also offer free high-level data.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the Agency's policy to prioritize safety of the funds, then probable income to be derived from an investment, and then liquidity of an investment. Investments must meet the following criteria:

- Non-state and non-municipal short-term investments shall have a minimum rating of Prime-1 (P-1) or equivalent.
- Non-state and non-municipal long-term investments shall have a minimum rating of "A" or higher or equivalent by two nationally recognized statistical rating organizations of the Securities and Exchange Commission (SEC).
- State and municipal entity short-term investments shall have a minimum rating of P-1, MIG 1, or VMIG 1, or equivalent.
- State and municipal entity long-term investments shall have a minimum rating of "A."
- Investments in State of Idaho run funds, e.g. the Local Government Investment Pool (LGIP), or the State of Idaho requires no credit rating.
- Investments in the U.S. government or federal agency securities or securities guaranteed by either the U.S. government or a federal agency (excluding government sponsored enterprises) require no credit rating.

2. CASH AND INVESTMENTS (continued)

Interest Rate Risk

The Agency does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The Agency (via funds pooled with the City of Kuna, Idaho) holds funds with Time Value Investments, which are measured at amortized cost or fair value depending on the nature and maturities of these investments. The Agency also holds funds with the Idaho State Treasurer. Funds held at the Idaho State Treasurer are in the Local Government Investment Pool (the pool). The pool is not rated and is not registered with the Securities and Exchange Commission or any other regulatory body. The pool is valued using the Net Asset Value (NAV) per share method. Investments using the NAV per share method do not have readily obtainable fair values and are, instead, valued based on the Agency's pro-rata share of the pool's net position. The Agency values these investments based on information provided by the State of Idaho Treasurer's Office. The State Treasurer does not provide any legally binding guarantee to support the value of the shares to participants. Participants have overnight availability to their funds up to $10 million. Withdrawals of more than $10 million require three business days' notification.

As of September 30, 2024, the Agency's investments had the following maturities:

			Maturity in Years	
Investment	Rating	Level 2	Less than 1	1 - 5
US Treasury Bonds	Aaa	$ 14,707	$ 6,559	$ 8,148
Money Market Mutual Funds	Aaa	5	5	0
External Investment Pool	Not Rated	N/A	732,285	0
		$ 14,712	$ 738,849	$ 8,148

At year-end, cash and cash equivalents were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash and Cash Equivalents	$ 202,671
Investments Categorized as Cash Equivalents	746,997
	$ 949,668

3. RELATED PARTY TRANSACTIONS

The Agency is a component unit of City of Kuna, Idaho. The capital assets constructed from the Agency's activities are contributed to the City. In the current year, there were no capital assets constructed or contributed to the City. The City did charge the Agency $794 for the use of its personnel and facilities. There were no balances due to or from the City as of September 30, 2024.

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

Governmental Activities:	10/1/2023	Restate-ment	Additions	Disposals	09/30/2024
Capital Assets Not Being Depreciated:					
Construction in Progress	$ 0	$ 0	$ 0	$ 0	$ 0
Total Nondepreciable Assets	0	0	0	0	0
Capital Assets Being Depreciated:					
Intangibles	235,139	0	0	0	235,139
Total Depreciable Assets	235,139	0	0	0	235,139
Less: Accumulated Depreciation					
Intangibles	21,702	0	11,757	0	33,459
Total Accumulated Depreciation	21,702	0	11,757	0	33,459
Net Depreciable Assets	213,437	0	(11,757)	0	201,680
Capital Assets - Net	$ 213,437	$ 0	$ (11,757)	$ 0	$ 201,680

Depreciation expense for governmental activities was charged to the functions of the Agency as follows:

General Government	$ 11,757

REQUIRED SUPPLEMENTARY INFORMATION

Kuna Urban Renewal Agency
Budgetary (GAAP Basis) Comparison Schedule
West District
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 400,320	$ 400,320	$ 474,630	$ 74,310
Interest Earnings	0	0	24,225	24,225
Total Revenues	400,320	400,320	498,855	98,535
Expenditures				
Current:				
General Government:				
Administrative	14,000	14,000	1,207	12,793
Legal and Professional	15,000	15,000	9,340	5,660
Capital Outlay	300,000	300,000	0	300,000
Contingency	471,320	471,320	0	471,320
Total Expenditures	800,320	800,320	10,547	789,773
Net Change in Fund Balances	(400,000)	(400,000)	488,308	888,308
Fund Balances - Beginning	400,000	400,000	456,756	56,756
Fund Balances - Ending	$ 0	$ 0	$ 945,064	$ 945,064

Kuna Urban Renewal Agency
Budgetary (GAAP Basis) Comparison Schedule
East District
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 75,100	$ 75,100	$ 9,364	$ (65,736)
Expenditures				
Current:				
General Government:				
Administrative	14,000	14,000	541	13,459
Legal and Professional	10,000	10,000	595	9,405
Contingency	51,100	51,100	0	51,100
Total Expenditures	75,100	75,100	1,136	73,964
Net Change in Fund Balances	0	0	8,228	8,228
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	$ 0	$ 0	$ 8,228	$ 8,228

Kuna, Idaho Urban Renewal Agency
Notes to Required Supplementary Information
For the Year Ended September 30, 2024

1. BUDGETS AND BUDGETARY ACCOUNTING

A. The Agency is required by Idaho State Code to adopt an annual appropriated budget and must be provided to the City of Kuna, Idaho by September 1 of each year.

B. Prior to September 1, the budget is legally enacted through passage at a board meeting.

C. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

D. Formal budgetary integration is employed as a management control device during the year.

INTERNAL CONTROL AND COMPLIANCE REPORT

Bailey & Company Chtd.
Certified Public Accountants

Weston Flamm, CPA
Cassie Zattiero, CPA

812-B 12th Ave. South
P.O. Box 876
Nampa, ID 83653-0876
208 466-2493
FAX 208 467-2000
www.BaileyCPAs.com

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
Kuna Urban Renewal Agency

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 and the fund information of Kuna Urban Renewal Agency (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 February 25, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kuna 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 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.

Bailey & Co.

Nampa, Idaho
February 25, 2025