HAYDEN URBAN RENEWAL AGENCY

FOR THE YEAR ENDED
SEPTEMBER 30, 2024

FINANCIAL AUDIT REPORTS AND STATEMENTS

Prepared by

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITORS' REPORT

ALPINE SUMMIT CPAs

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Hayden Urban Renewal Agency
Hayden, Idaho

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hayden Urban Renewal Agency, a component unit of the City of Hayden, 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 each major fund of the Hayden Urban Renewal 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 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 or 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility 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, evidencing 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 noted 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.

Management has omitted the Management's Discussion and Analysis (MD&A) 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 June 5, 2025, on our consideration of the Hayden Urban Renewal Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hayden Urban Renewal 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 Hayden Urban Renewal Agency's internal control over financial reporting and compliance.

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
June 5, 2025

BASIC FINANCIAL STATEMENTS

HAYDEN URBAN RENEWAL AGENCY
Statement of Net Position – Governmental Activities
September 30, 2024

ASSETS	
Cash and cash equivalents	$ 2,940,654
Property tax receivable	25,210
Prepaid expenses	2,642
Land	1,425,273
Capital assets, net of accumulated depreciation	167,659
Total assets	4,561,438
LIABILITIES	
Accounts payable and accrued expenses	101,210
Due to other governments	-
Total liabilities	101,210
NET POSITION	
Net investment in capital assets	1,592,932
Unrestricted	2,867,296
Total Net Position	$ 4,460,228

See accompanying notes and independent auditors report

HAYDEN URBAN RENEWAL AGENCY
Statement of Activities – Governmental Activities
For the Year Ended September 30, 2024

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues: Charges for Services	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	$ 107,640	$ -	$ -	$ -	$ (107,640)
Redevelopment projects	2,634,938	-	-	-	(2,634,938)
Tax increment rebate	82,408	-	-	-	(82,408)
	$ 2,824,986	$ -	$ -	$ -	$ (2,824,986)
General revenues:					
Property tax increment revenue					1,090,350
Interest income					221,169
Other income					20,090
Gain on sale of capital assets					3,944
Total general revenues					1,335,553
Change in Net Position					(1,489,433)
Net position - October 1, 2023					5,949,661
Net position - September 30, 2024					$ 4,460,228

See accompanying notes and independent auditors report

HAYDEN URBAN RENEWAL AGENCY
Balance Sheet – General Fund
September 30, 2024

ASSETS		
Cash and cash equivalents	$	2,940,654
Taxes receivable		25,210
Prepaid expenses		2,642
Total assets	$	2,968,506
LIABILITIES		
Accounts payable	$	101,210
Due to other governments		-
Total liabilities		101,210
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes		16,248
FUND BALANCES		
Assigned - Arts		4,192
Non-spendable		2,642
Unassigned		2,844,214
Total fund balances		2,851,048
Total liabilities, deferred inflows of resources and fund balances	$	2,968,506

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total fund balances at September 30, 2024 - Governmental Fund	$	2,851,048
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		1,592,932
Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore, are not reported in the funds:		
Deferred inflows of resources - unavailable property taxes		16,248
Net position of governmental activities at September 30, 2024	$	4,460,228

See accompanying notes and independent auditors report

HAYDEN URBAN RENEWAL AGENCY
Statement of Revenues, Expenditures and Changes In Fund Balances – General Fund
For the Year Ended September 30, 2024

REVENUES	
Property taxes	$ 1,090,598
Interest income	221,169
Other income	20,090
Total revenues	1,331,857
EXPENDITURES	
General government	102,709
Redevelopment projects	2,634,938
Tax increment rebate	82,408
Capital assets	881,310
Total expenditures	3,701,365
EXCESS OF REVENUES OVER EXPENDITURES	(2,369,508)
OTHER FINANCING SOURCES (USES)	
Proceeds from the sale of capital assets	3,944
Net Change in Fund Balance	(2,365,564)
Fund Balance - October 1	5,216,612
Fund Balance - September 30	$ 2,851,048

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - total governmental funds	$ (2,365,564)
Governmental funds report capital outlays as expenditures. However the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as deprecation expense.	
Capital outlay	881,310
Depreciation expense	(4,931)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Difference between revenue earned on property taxes on modified accrual basis versus revenue on property taxes on accrual basis	(248)
Change in net position of governmental activities	$ (1,489,433)

See accompanying notes and independent auditors report

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hayden Urban Renewal Agency (the "Agency") is an urban renewal agency created by and existing under the Idaho Urban Renewal Law of 1965, as amended, and is an independent public body.

The accompanying financial statements include all aspects controlled by the Board of Commissioners of Hayden Urban Renewal Agency. The Agency is included in the City of Hayden, Idaho financial reporting. 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 of Hayden, Idaho in conformity with generally accepted accounting principles (GAAP).

Under the Idaho Code, in May 2006 the Hayden City Council passed an ordinance that created the Hayden Urban Renewal Agency. The Agency was established to promote urban development and improvement in and around the City of Hayden. The Agency is governed by a board of seven commissioners. Under the Idaho Code, the Agency has the authority to issue bonds. Any bonds issued by the Agency are payable solely from the revenues attributable to tax increment financing. Any bonds issued are not a debt of the City. Hayden City Council is not responsible for approving the Agency budget or funding any annual deficits. The Agency controls disbursements independent of City Council.

The accounting methods and procedures adopted by Hayden Urban Renewal Agency conform to generally accepted accounting principles as applied to governmental entities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Agency's basic financial statements.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The most significant of the Agency's accounting policies are described below.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The Agency uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Agency functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Agency has the following fund type:

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the Agency's major governmental fund:

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund is available for any purpose provided it is expended or transferred according to the laws of the state of Idaho.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. When applicable, the fair value of donated assets used during the year is reported in the operating statement as an expense with a like amount reported as donated assets revenue.

Cash and Investments

In the governmental funds, cash received by the Agency is pooled for investment purposes and is presented as “cash and cash equivalents” on the financial statements. For presentation in the financial statements, cash and cash equivalents include cash on hand, amounts due from banks, and investments with an original maturity of three months or less at the time they are purchased by the Agency. Investments with an initial maturity of more than three months are reported as investments.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance for uncollectibles for property taxes was -0- at September 30, 2024.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses
Prepaid items for the Agency consist primarily of insurance premiums paid in advance.

Capital Assets
General capital assets usually result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Agency maintains a capitalization threshold of $2,500 on capital assets with estimated useful lives of more than one year. Improvements and interest incurred during the construction of capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and Improvements	40 years
Equipment Furniture	5 years

Accrued Liabilities and Long-term Obligations
All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

However, claims and judgments and the non-current portion of capital leases, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has one type of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, unavailable revenue, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Flow Assumptions

Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Classifications of fund balance are hierarchical and are based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the Agency to classify and report amounts in the appropriate fund balance classifications. The Agency's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned.

Fund balances of the governmental funds are classified as follows in the fund financial statements:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by the Board of Commissioners by ordinance or resolution.

Assigned—Amounts that are designated by the Board of Commissioners for a specific purpose but are not spendable until a budget ordinance is passed by the Board of Commissioners.

Unassigned—All amounts not included in other spendable classifications.

Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property Tax Revenues
Property taxes are levied by taxing agencies each November on the assessed value listed as of the previous December tax rolls. Assessed values are an approximation of market value. Assessed values are established by the County Assessor. Property tax payments are due in one-half installments every December and June. The County Treasurer remits the appropriate collected taxes to the Agency on a monthly basis.

Property taxes are recognized when measurable and available to finance current expenditures. The criterion of available has been defined as having been received within 60 days after year-end. Any portion of taxes receivable not meeting this criterion are recorded in the deferred inflows of resources – unavailable revenue account and will be recognized as revenue when measurable and available.

NOTE 2 – CASH AND INVESTMENTS

General
State statutes authorize the Agency's investments and deposits. The Agency is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial Credit Risk
Custodial credit risk is the risk that, in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency does not have a deposit policy for custodial credit risk as it deposits funds in financial institutions that are members of the U.S. Federal Deposit Insurance Corporation (FDIC) and has never experienced such a loss. As of September 30, 2024, the Agency's deposits were exposed to custodial credit risk as follows:

Deposits without exposure to custodial credit risk:		
Amount insured by FDIC or other agencies	$	255,000
Deposits with exposure to custodial credit risk:		
Amount uninsured		8,372
Amount collateralized with securities held in trust, but not in the Agency's name		2,677,682
Total bank balance (deposits)	$	2,941,054

Fair value
The Agency's investments in 2a-7-like pools are valued based upon the value of pool shares. The Agency invests in one 2a-7-like pool, the Idaho State Investment Pool. The advisory board of the Idaho State Investment Pool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act. The State Investment Pool is duly chartered and administered by the State Treasurer's office and consists of US Treasury bills and notes, collateralized certificates of deposit and repurchase agreements. The pool does not include any involuntary participants.

NOTE 2 – CASH AND INVESTMENTS (CONCLUDED)

Fair value

The balances that the Agency has in the State Investment Pool are carried at its fair market value of $2,677,862. The Agency's portion of the State Investment Pool had an unrealized gain of $6,944 at September 30, 2024, which has been recorded and recognized in the financial statements.

The Agency considers funds held in the State Investment Pool to be cash equivalents, as the Agency is able to liquidate their account at any time.

Credit risk

The Idaho State Investment Pool does not have an established credit rating but invests in entities with a minimum credit rating of "A" as stipulated by Idaho code. The Agency does not have a formal policy for credit risk. Financial information on the investment pool can be obtained by contacting the Idaho State Treasurer.

NOTE 3 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2023:

	Balance 9/30/2023	Increases	Decreases	Balance 9/30/2024
Capital assets, not being depreciated				
Land	$ 543,963	$ 881,310	$ -	$ 1,425,273
Capital assets, being depreciated				
Buildings and improvements	197,245	-	-	197,245
Less accumulated depreciation	24,655	4,931	-	29,586
Total capital assets being depreciated, net	172,590	(4,931)	-	167,659
Total capital assets, net	$ 716,553	$ 876,379	$ -	$ 1,592,932

Depreciation expense of $4,931 for the year ended September 30, 2024, was charged the general government function.

NOTE 4 – TRANSACTIONS WITH PRIMARY GOVERNMENT

Effective August of the fiscal year ending September 30, 2017, the Agency has a contract with the City of Hayden whereby amounts paid to the City of Hayden would be based on actual hours worked by support staff. In total, the amounts paid to the City of Hayden for administrative services totaled $4,942 for the fiscal year ending September 30, 2024, included in general government expenditures.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Rock Properties is a subdivision that created 19 commercial lots. The OPA was approved January 2022 for reimbursement of up to $1,685,000 for Warren Street and Lancaster Road frontage improvements, as well as, other public infrastructure paid through 75% of the HURA tax increment collected on the subject property. HURA received final costs, and the promissory note was executed in September 2022. The first reimbursement of increment was paid to Rock Properties in FY24 because the Hayden Village OPA was paid in full. The payment to Rock Properties in FY24 was $5,184.31.

Marketplace at Miles OPA was approved August 2022 for reimbursement of up to $40,000 for demolition of existing building at the intersection of Miles Avenue and Government Way paid through 75% of the HURA tax increment collected on the subject property. HURA received final costs, and the promissory note was executed in May 2024. The first increment reimbursement payment of $618 was paid in FY24.

Chubbs, LLC OPA was approved in September 2020 for removal of blighted structures and Hayden Avenue frontage improvements paid through 75% of the HURA tax increment collected on the subject property. The promissory note was executed in February 2023. The HURA obligation for this OPA is $80,955.95. The payment to Chubbs, LLC in FY24 was $14,284.

On December 14, 2016, a limited Recourse Promissory Note was entered into between the Agency and Hayden Village, LLC, an Idaho limited liability company, and New Frontiers Investments, LLC in the amount of $411,875 at 0.00% simple interest per annum. The note is scheduled to be paid in semi-annual payments at 75% of the tax revenue allocation proceeds from the private development known as the New Frontiers Property. Payments will continue until paid in full or by December 31, 2030. On December 10, 2018, the Limited Recourse Promissory Note was amended by an Allonge to the Limited Recourse Promissory Note via Resolution 18-03 which increased the principal amount owed on the Note to $500,978 with all other provisions set forth in the Note remaining in full force and effect. Subsequently, Hayden Village, LLC assigned their rights of the note to Todd and Zetta Stam on August 1, 2019. On March 22, 2021, New Frontiers Investments, LLC assigned their rights of the note to Todd and Zetta Stam.

NOTE 6 – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Agency contracts with an insurance company for property insurance (including boiler and machinery) and general liability insurance.

An outside insurance company protects professional liability with a $2,000,000 liability and a $3,000,000 umbrella. Errors and omissions liability has a $2,000,000 liability with $2,000,000 in the aggregate annually per insured. Additionally, crime, boiler and machinery insurance is maintained. Automobile liability has a $2,000,000 single limit of liability.

NOTE 7 – REDEVELOPMENT PROJECTS

Expenditures for redevelopment projects for Hayden Urban Renewal Agency for the fiscal year ended September 30, 2024, related to projects on Ramsey Road, Hayden City Hall as well as improvements at Croffoot Park.

NOTE 8 – ASSIGNED FUND BALANCE

At one time, the HURA board had a dedicated fund for "arts." Since 2016, the board has not contributed to that fund but continues to spend it down. Though listed as an eligible expense, it is not a requirement of the HURA plan to have dedicated arts expenditures. As of September 30, 2024, there was $4,192 remaining in the dedicated fund.

Annual Tax Collections September 30,	
2006	$ -
2007	153,577
2008	250,908
2009	346,358
2010	405,605
2011	446,359
2012	523,924
2013	544,305
2014	538,076
2015	522,933
2016	522,935
	$4,254,980
5% of annual tax collections	212,749
Less utilizations	(208,557)
Balance September 30, 2024	4,192

Utilizations September 30,	
2006	-
2007	-
2008	3,360
2009	-
2010	6,175
2011	428
2012	6,456
2013	5,431
2014	-
2015	77,733
2016	68,350
2017	13,000
2018	-
2019	406
2020	-
2021	2,100
2022	5,590
2023	-
2024	19,528
	208,557

See independent auditors report

REQUIRED SUPPLEMENTARY INFORMATION

HAYDEN URBAN RENEWAL AGENCY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2024

	Final Budgeted Amounts *	Actual Amounts	Variance With Final Budget
REVENUES			
Property taxes	$ 939,000	$ 1,090,598	$ 151,598
Interest income	40,000	221,169	181,169
Other income	18,040	20,090	2,050
Total revenues	997,040	1,331,857	334,817
EXPENDITURES			
General government	162,232	102,709	59,523
Redevelopment projects	1,805,000	2,634,938	(829,938)
Tax increment rebate	125,000	82,408	42,592
Public art	5,000	-	5,000
Capital assets	2,760,000	881,310	1,878,690
Total expenditures	4,857,232	3,701,365	1,155,867
EXCESS OF REVENUES OVER EXPENDITURES	(3,860,192)	(2,369,508)	1,490,684
OTHER FINANCING SOURCES (USES)			
Proceeds from the sale of capital assets	-	3,944	3,944
Net Change in Fund Balances	(3,860,192)	(2,365,564)	1,494,628
Fund Balances - Beginning	4,573,656	5,216,612	642,956
Fund Balances - Ending	$ 713,464	$ 2,851,048	$ 2,137,584

* Budget was not amended

See accompanying notes and independent auditors report

HAYDEN URBAN RENEWAL AGENCY
Notes to Budget and Actual Schedule
For the Year Ended September 30, 2024

NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund.

This is in conformance with Idaho State Statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation. The budget was amended in the current fiscal year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

a) The Agency publishes a proposed budget for public review.

b) Public hearings are set to obtain taxpayer comments.

c) Prior to October 1, the budget is adopted by resolution of the Board of Commissioners and published.

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

The Agency properly prepared and published its budget for the year, as required by US generally accepted accounting principles and Idaho Code 33-2713A. The budget is adopted on a modified accrual basis, consistent with the fund financial statements.

REPORT REQUIRED BY GAO

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Hayden Urban Renewal Agency
Hayden, ID 83835

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 major fund of Hayden Urban Renewal Agency, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Hayden Urban Renewal Agency's basic financial statements and have issued our report thereon dated June 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hayden Urban Renewal 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 Hayden Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Hayden Urban Renewal Agency's internal control.

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

Our consideration of internal control 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 Hayden 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.

Purpose of this Report

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

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
June 5, 2025