JEROME COUNTY URBAN RENEWAL AGENCY

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

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August 14, 2025

Independent Auditors' Report

Board of Commissioners
Jerome County Urban Renewal Agency
Jerome, Idaho 83338

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Jerome County 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 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 major funds of the 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 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 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 and the Notes to Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted a 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 required to be 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 August 14, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Rexroat, Harberd & Assoc., P.A.

JEROME COUNTY URBAN RENEWAL AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

ASSETS:	
Cash in bank	$ 191,789
Total assets	191,789
LIABILITIES:	
Accounts payable - trade	7,180
Accrued interest payable	289,043
Long-term liabiliites:	
Current portion	5,026
Noncurrent portion	4,347,564
Total liabilities	4,648,813
NET POSITION:	
Restricted	-
Unrestricted	(4,457,024)
Total net position	$ (4,457,024)

The accompanying notes are an integral part of the financial statements

JEROME COUNTY URBAN RENEWAL AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Functions/Programs				
Urban renewal projects	$ 2,580,220	$ -	$ -	$ (2,580,220)
Interest on long-term debt	190,364	-	-	(190,364)
Total governmental activities	$ 2,770,584	$ -	$ -	(2,770,584)
General Revenues:				
Property taxes				288,772
Other income				-
Total general revenues and special items				288,772
Change in net position				(2,481,812)
Net position at October 1, 2023				(1,975,212)
Net position at September 30, 2024				$ (4,457,024)

The accompanying notes are an integral part of the financial statements

JEROME COUNTY URBAN RENEWAL AGENCY
BALANCE SHEET-GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

ASSETS:	Crossroads Area 1	Northbridge Junction S Area 2	Crossroads Point Phase 2 Area 3	Northbridge Junction N Area 4	Total
Cash in bank	$ 51,327	$ -	$ 134,563	$ 5,899	$ 191,789
Receivable from Areas 2 and 4	23,797	-	-	-	23,797
TOTAL ASSETS	$ 75,124	$ -	$ 134,563	$ 5,899	$ 215,586
LIABILITIES:					
Accounts payable - trade	$ 1,281	$ -	$ -	$ 5,899	$ 7,180
Payable to Area 1	-	15,366	-	8,431	23,797
TOTAL LIABILITIES	1,281	15,366	-	14,330	30,977
FUND BALANCES:					
Restricted	-	-	-	-	-
Committed	73,843	(15,366)	134,563	(8,431)	184,609
TOTAL FUND BALANCES	73,843	(15,366)	134,563	(8,431)	184,609
TOTAL LIABILITIES AND FUND BALANCES	$ 75,124	$ -	$ 134,563	$ 5,899	$ 215,586

Reconciliation to the Statement of Net Position:	
Total Fund Balances - Governmental Funds	$ 184,609
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable	(289,043)
Note payable - ABC Agra LLC	(1,778,736)
Note payable - Jerome County, Idaho	(30,658)
Payable to Developer	(2,543,196)
Total Net Position - Governmental Activities	$ (4,457,024)

The accompanying notes are an integral part of the financial statements

JEROME COUNTY URBAN RENEWAL AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Crossroads Area 1	Northbridge Junction S Area 2	Crossroads Point Phase 2 Area 3	Northbridge Junction N Area 4	Total
REVENUE:					
Tax increment revenue	$ 127,899	$ 50,984	$ 109,889	$ -	$ 288,772
Other	-	-	-	-	-
Total revenue	127,899	50,984	109,889	-	288,772
EXPENDITURES:					
Current:					
Audit	3,900	-	-	-	3,900
Legal	2,633	1,725	-	5,875	10,233
Consultant fees	-	678	-	5,689	6,367
Administrative services	9,842	-	-	-	9,842
Dues	450	-	-	-	450
Publication	1,429	-	-	-	1,429
Liability insurance	2,032	-	-	-	2,032
Office/miscellaneous expense	29	-	-	-	29
Debt service	102,390	38,242	-	-	140,632
Total expenditures	122,705	40,645	-	11,564	174,914
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	5,194	10,339	109,889	(11,564)	113,858
OTHER FINANCING SOURCES (USES)					
Developer loan proceeds	-	-	-	4,000	4,000
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,194	10,339	109,889	(7,564)	117,858
FUND BALANCE OCTOBER 1, 2023	68,649	(25,705)	24,674	(867)	66,751
FUND BALANCE SEPTEMBER 30, 2024	$ 73,843	$ (15,366)	$ 134,563	$ (8,431)	$ 184,609

Reconciliation to the Statement of Activities:	
Total net changes in fund balances - governmental funds	$ 117,858
Current year interest payable not paid within 60 days after year end is not included in the funds	(94,175)
Payments advanced by a developer are treated as revenue in the governmental funds, but are treated as a long-term liability in the Statement of Net Assets	(4,000)
Agency funded improvements paid directly by a developer which will be reimbursed by the Agency are not reported in the governmental funds but are reported as a long-term liability in the Statement of Net Assets	(2,545,938)
Repayment of note principal is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets	44,443
	$ (2,481,812)

The accompanying notes are an integral part of the financial statements

JEROME COUNTY URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

A) Basis of Presentation

The financial statements of Jerome County Urban Renewal Agency (Agency) are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. GASB is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments through its pronouncements.

B) Financial Reporting Entity

The Agency was organized in October 2008 under the Idaho Urban Renewal Law of 1965. The Agency is governed by a three to nine person Board of Commissioners appointed by the Jerome County Commissioners.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no entities which would be component units of the Agency.

C) Government-Wide and Fund Financial Statements

The Agency's financial statements include the activities of the Agency. The Agency's *government-wide financial statements* provide both short-term and long-term information about the Agency's overall financial status. *Fund financial statements* focus on the individual activities of Agency government, reporting the Agency's operations in more detail than the government-wide 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. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting.

The *statement of net position* presents information on all of the Agency's assets and liabilities, with the difference between the two presented as net position. Net position is reported as one of three categories: invested in capital assets, net of related debt; restricted; or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

The *statement of activities* presents information showing how the net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event that gives 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 (e.g., uncollected taxes and earned but unused vacation leave).

Amounts reported as program revenues on the government-wide financial statements include (a) charges for services - amounts received from customers or applicants who purchase, use or directly benefit from the goods, services or privileges provided by the Agency, (b) program-specific operating grants and contributions, and (c) program-specific capital grants and contributions. General revenues consist of taxes and all other revenues that do not meet the definition of program revenues. Special items are significant transactions or events within the control of management that are either unusual in nature or infrequent in occurrence.

Fund financial statements. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency has only governmental funds and has no fiduciary or proprietary funds.

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 use a current financial resources measurement focus and the modified accrual basis of accounting, focusing on the near-term inflows and outflows of spendable resources, and balances of spendable resources available at fiscal year end. Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-wide financial statements. The Agency has presented all major funds that met those qualifications. In addition, the Agency has presented certain funds as major funds because the Agency believes the financial position and activities of these funds are significant to the Agency as a whole. The Agency has the following major governmental funds:

- Crossroads Area 1 – a special revenue fund used to account for and report property taxes (tax increment revenue) restricted or committed for the operation and maintenance of the Crossroads revenue allocation area.

- Northbridge Junction S Area 2 – a special revenue fund used to account for and report property taxes (tax increment revenue) restricted or committed for the operation and maintenance of the Northbridge Junction S revenue allocation area.

- Crossroads Point Phase 2 Area 3 – a special revenue fund used to account for and report property taxes (tax increment revenue) restricted or committed for the operation and maintenance of the Crossroads Point Phase 2 revenue allocation area.

- Northbridge Junction N Area 4 – a special revenue fund used to account for and report property taxes (tax increment revenue) restricted or committed for the operation and maintenance of the Northbridge Junction N revenue allocation area.

Under 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 are generally recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

D) Assets, Liabilities, and Net Position/Equity

1. Inventories

   The Agency does not capitalize and reflect as inventory, expendable supplies on hand at fiscal year end. Materials and supplies are recorded as expenses of the period.

2. Encumbrances

   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 funds. 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.

3. Long-term Debt Obligations

In the government-wide financial statements long-term debt is reported as a liability. Issuance costs are deferred and amortized using the effective interest rate method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and other financing uses, respectively.

4. Property Tax Revenues

Property taxes for each year are levied in September of that year with the first half of real property taxes and all personal property and mobile home taxes due on December 20th. Such taxes not paid on or before December 20th are considered to be delinquent. The second half of the real property taxes are due June 20th of the following year and are considered to be delinquent on June 21st. An initial late penalty of 2% of tax plus 1% per month interest charge is assessed on all delinquent taxes. A tax lien is filed for property whose taxes become three years delinquent. Taxes collected by the County are remitted to the Agency on a monthly basis.

Property taxes receivable for the current year, that are expected to be collected after the available period (usually 60 days), are recorded as unavailable revenue.

5. Interfund Activity

On fund financial statements, interfund transactions are reflected as either loans or transfers. Loans are reported as receivables and payables, as appropriate, and are subject to elimination upon consolidation and are referred to as either "due to/from other funds." Transfers between governmental funds are netted as part of the reconciliation to the government-wide presentation.

6. Fund Balance

In accordance with GASB Statement No. 54, fund balances are classified as follows:

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* - This classification includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the Agency's board. These amounts cannot be used for any other purpose unless the Agency's board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.
- *Assigned* - This classification includes amounts that are constrained by the Agency's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Agency's board.

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 or assigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds and then assigned funds, as needed, unless the Agency has provided otherwise in its commitment or assignment actions.

E) 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.

Note 2 - Deposits and Investments

Idaho State statute authorizes the Agency to invest in a number of types of investments, including obligations of the U.S. Treasury, the State of Idaho or county, city or other taxing agencies of the State of Idaho, commercial paper, corporate bonds, and repurchase agreements. Cash includes a checking account at a local bank.

The Agency does not have a custodial credit risk policy or a concentration of credit risk policy.

Deposits - For deposits, custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. At September 30, 2024, the carrying amount of the Agency's deposits with financial institutions (after considering outstanding and other reconciling items) was $191,789 and the bank balance was $194,141. The entire bank balance was covered by federal depository insurance.

Investments - The Agency had no investments at September 30, 2024.

Note 3 - Long-Term Liabilities

As of September 30, 2024, the Agency had incurred other obligations which were payable in future fiscal periods. These obligations are as follows:

Note payable to ABC Agra, LLC - The Agency borrowed $1,900,000 from ABC Agra, LLC on August 1, 2013, in order to make improvements to Crossroads Area 1. The interest rate is set at the Prime Rate plus 2% per annum and was 10.5% at September 30, 2024. Semi-annual payments of 75% of the tax revenue allocation proceeds received are required until the note is paid in full or until December 31, 2032, whichever occurs first. The principal balance as of September 30, 2024, was $1,778,736. Unpaid accrued interest due on the note at September 30, 2024, was $285,969.

No amount of the principal balance at year end was determined to be due within one year as the unpaid accrued interest balance for each year was in excess of the full amount of the estimated payment to be made in the subsequent year.

At September 30, 2024, the Agency was in compliance with the repayment terms of the promissory note which require semi-annual payments.

Payable to Jerome County - The Agency has an unsecured payable to Jerome County which was provided in order to pay for the costs of establishing the Agency. A repayment agreement was signed on March 27, 2023, calling for five annual payments of $8,100 beginning on or after September 30th each year with a final payment of $8,038. As the agreement calls for no interest rate, an unamortized discount of $11,678 was calculated using an effective interest rate of 10%. The principal balance as of September 30, 2024, is $40,438 less the unamortized discount of $9,780 for a total of $30,658.

Payable to Developer for Area 2 - The Agency received advances from a Developer which were provided in order to pay for the costs of establishing Area 2. The advances will be repaid out of Area 2 tax increment revenues when received for Area 2. The advances are not secured and do not carry an interest rate. No amount of the principal balance at year end was determined to be due within one year as there are no specific repayment terms. The principal balance as of September 30, 2024, is $2,539,196.

Payable to Developer for Area 4 - The Agency received advances from a Developer which were provided in order to pay for the costs of establishing Area 4. The advances will be repaid out of Area 4 tax increment revenues when received for Area 4. The advances are not secured and do not carry an interest rate. No amount of the principal balance at year end was determined to be due within one year as there are no specific repayment terms. The principal balance as of September 30, 2024, is $4,000.

Long-term liability activity for the year ended September 30, 2024, were as follows:

Governmental Activities	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Amounts Due Within One Year
Note payable to ABC Agra, LLC	$1,778,736	$ ...	$ ...	$1,778,736	$ ...
Developer for Area 2	31,500	2,545,938	38,242	2,539,196	...
Developer for Area 4	...	4,000	...	4,000	...
Jerome County (net of unamortized discount)	36,859	...	6,201	30,658	5,026
	$1,847,095	$2,549,938	$ 44,443	$4,352,590	$ 5,026

As of September 30, 2024, debt service requirements to maturity for principal and interest for the amount due to Jerome County are as follows:

Year Ended	Principal	Interest	Total
2025	$ 5,026	$ 3,074	$ 8,100
2026	5,537	2,563	8,100
2027	6,090	2,010	8,100
2028	6,700	1,400	8,100
2029	7,305	733	8,038
	$ 30,658	$ 9,780	$ 40,438

Note 4 - Risk

The Agency is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to cover these risks.

Note 5 - Deficit Fund Balance

A deficit net position is reported at September 30, 2024, on the Statement of Net Position. A deficit fund balance is reported for Northbridge Junction S Area 2 and Northbridge Junction N Area 4 at September 30, 2024, on the Balance Sheet.

Note 6 - Inter-Fund Receivables, Payables and Transfers

At September 30, 2024, Crossroads Area 1 was owed $15,366 from Northbridge Junction S Area 2 and owed $8,431 from Northbridge Junction N Area 4. Of the total, none is expected to be repaid within one year following year end. The transfers were made to pay for legal and administrative expenses incurred by Crossroads Area 1 on behalf of Northbridge Junction S Area 2 and Northbridge Junction N Area 4.

Note 7 - Subsequent Events

Subsequent to year end, Crossroads Point Phase 2 Area 3 expects to finalize the actual costs for improvements at which time an Owner Participation Agreement (OPA) will be signed that will outline the terms of repayment. It is expected that 75% of the tax increment revenue will be paid out as part of the OPA. At September 30, 2024, 75% of the tax increment revenues collected that are expected to be paid out was $100,959.

JEROME COUNTY URBAN RENEWAL AGENCY
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
REVENUE:				
Tax increment revenue	$ 313,764	$ 313,764	$ 288,772	$ (24,992)
Other	-	-	-	-
Total revenue	313,764	313,764	288,772	(24,992)
EXPENDITURES:				
Audit	5,000	5,000	3,900	(1,100)
Legal	35,000	35,000	10,233	(24,767)
Consultant fees	8,550	8,550	6,367	(2,183)
Administrative services	10,200	10,200	9,842	(358)
Dues	450	450	450	-
Publication	3,000	3,000	1,429	(1,571)
Liability insurance	2,032	2,032	2,032	-
Office/miscellaneous expense	250	250	29	(221)
Contingency	100,103	100,103	-	(100,103)
Debt service	243,423	243,423	140,632	(102,791)
Total expenditures	408,008	408,008	174,914	(233,094)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(94,244)	(94,244)	113,858	208,102
OTHER FINANCING SOURCES (USES)				
Developer loan proceeds	25,000	25,000	4,000	(21,000)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (69,244)	$ (69,244)	$ 117,858	$ 187,102

JEROME COUNTY URBAN RENEWAL AGENCY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

NOTE 1 - BUDGETARY INFORMATION

A) Budgetary-GAAP Reporting Reconciliation

The accompanying Budgetary Comparison Schedule compares the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on the budgetary basis do not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP).

B) Budgetary Policies

The Agency prepares an annual budget of revenue and expenditures for the entire Agency and not by each Area prior to the beginning of the fiscal year. The budget is prepared on the modified accrual basis of accounting. Budget figures are based on prior levels of revenue and expenditures taking into account specific items which may be planned in advance by the Agency such as capital outlay expenditures. Any excess of budgeted expenditures over budgeted revenue are temporary situations and are budgeted so as to utilize cash balances in the individual fund.

C) Excess of Expenditures Over Appropriations

The Budgetary Comparison Schedule does not show an excess of expenditures over appropriations.

Rexroat, Harberd & Assoc., P.A.

Certified Public Accountants

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August 14, 2025

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Jerome County Urban Renewal Agency
Jerome, Idaho 83338

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 major funds of Jerome County 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 August 14, 2025.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

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