Financial Statements
September 30, 2024

Nampa Development Corporation

Nampa Development Corporation

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EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Board of Commissioners
Nampa Development Corporation, a discretely presented component unit of the City of Nampa, Idaho
City of Nampa, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Nampa Development Corporation (the Agency), a discretely presented component unit of the City of Nampa, 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 each major fund of the Agency, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and City of Nampa, 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.

Emphasis of a Matter

As discussed in Note 1, the financial statements of the Agency are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of the City of Nampa that is attributable to the transactions of the Agency. They do not purport to, and do not present fairly the financial position of the City of Nampa as of September 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions have not been modified with respect to this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
January 21, 2025

This discussion and analysis is provided by management in accordance with GASB requirements to assist the reader in identifying and reviewing key issues and financial activity for the fiscal year ending September 30, 2024. Since this discussion and analysis focuses on the current fiscal year's activities and is a summary analysis, the reader is encouraged to review the financial statements which follow this section to acquire the full information contained in this report.

FINANCIAL HIGHLIGHTS

Total assets increased from $25.0 million in fiscal year 2023 to $28.3 million in fiscal year 2024, primarily due to increases in the investments. Total liabilities decreased from $9.1 million in fiscal year 2023 to $6.7 million in fiscal year 2024, due to payments on the Series 2020A and 2020B Bonds.

Total net position increased by $4.2 million in fiscal year 2024 due to increases in investments and excess revenue over expenses.

Total fund balance equals $7.2 million, of which $4.6K is restricted for bond debt service and bond revenue allocation and $7.2 million is restricted for Urban Renewal projects.

BACKGROUND

The Nampa Development Corporation (NDC) is an Urban Renewal Agency (the Agency) of the City of Nampa organized on October 16, 2006, under the Idaho Urban Renewal Law, Chapter 20, and Title 50 of the Idaho Code. The Agency was established to oversee redevelopment efforts in deteriorated areas of the community. The Economic Development Redevelopment Plan adopted by the Agency on October 26, 2006, was established to revitalize downtown, develop the North Nampa industrial area and improve commercial arterials. Anticipated projects included a central library, North Nampa industrial infrastructure, a central police station, Nampa Caldwell Boulevard improvements, Franklin Boulevard right of way improvements, and freeway interchange improvements. The central police station has been completed and the library was completed in 2015. The Redevelopment Plan will be completed by December 31, 2030, at which time the Agency's assets will revert to City ownership.

In 2012, a new urban renewal district was created and the project plan for the Historic Mercy Hospital was adopted in 2013. This plan was established to preserve the architectural and historic assets of the community, and provide renewed investment in a neighborhood where an abandoned structure has become a nuisance. Anticipated projects include water line upgrades, streetscape and on-street parking improvements, and a historic facade restoration. The urban renewal district will remain in effect, and the project plan shall terminate no later than December 31, 2033.

REVENUES AND PROPERTY VALUES

Tax increment financing is the primary source of revenue for the Agency. The amount of revenue received from property taxes is determined by the value of taxable property in excess of the base year, multiplied by the current tax levy rates in effect from the various taxing districts within the Urban Renewal boundaries. If the market value of property increases, in part due to investments made by the Agency, the proceeds from the property tax may increase even with no increase in the tax levy rates. The setting of rates is the responsibility of local governmental entities within allowable limits of state law.

The overall assessed value of real and personal properties within the Urban Renewal boundaries has increased since the inception of the Agency. As of January 1, 2006, the base year, assessed values of taxable property within the Urban Renewal Revenue Allocation Area totaled $293,694,693. The 2022 tax year increment value was $728,984,297. That value increased in the 2023 tax year to $841,207,829. This represents a 2023 (fiscal year 2024) increase in increment value of $112,223,532 from 2022 (fiscal year 2023). The 2024 property tax year revenue available for FY 2025 is $6,944,012 with proposed net property tax revenue available for fiscal year 2025 of $6,936,173 after the Vallivue School District rebate. Taxing districts involved include: Vallivue School District #139, Nampa School District #131, Canyon County, Ambulance District, Pest Control, City of Nampa, Canyon Highway District #4, Nampa Fire District, College of Western Idaho, Canyon County Mosquito Abatement, and Nampa Highway District #1.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements focus both on the Agency as a whole (Agency-wide) and on the General Fund and the Historic Mercy Hospital District special revenue fund. Viewing governmental activity both as a whole and by individual major fund gives the reader a broader perspective, increases the Agency's accountability, and provides a fuller picture of the financial health and activities of the Agency.

The Agency's basic financial statements are composed of three parts: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to more closely parallel the reporting used in private-sector businesses, in that all governmental activities are reported using the same basis of accounting (accrual), and that the statements include a total column to provide information on the Agency as a whole. These statements should better answer the question, "As a whole, is the Agency financially better off or worse off than it was a year ago?"

The Statement of Net Position provides information on all of the Agency's assets and deferred outflows of resources, minus liabilities and deferred inflows of resources, with the difference between them reported as net position (this report includes all current and historical assets). Historical trending of the Agency's net position can provide a useful indicator as to whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities provides information showing changes made to the Agency's net position during fiscal year 2024. Financial activity shown on this statement is reported on an accrual basis (at the time the underlying event causing the change occurs, rather than at the time the cash flows happen). Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to keep track of specific revenues and expenditures related to certain activities or objectives. The Agency maintains two governmental funds at this time: the General fund and the Historic Mercy Hospital District fund.

Governmental funds use *modified accrual accounting,* which measures current economic resources and focuses on changes to the current financial resources. This information can be useful in evaluating a government's short-term financial needs.

The Agency does not have any Proprietary or Fiduciary Funds.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the information provided in the Agency-wide and fund financial statements. The notes to financial statements start on page 15.

Agency-Wide Financial Analysis
The following Table I reflects fiscal year 2023 and fiscal year 2024 Statements of Net Position.

Net position over time can serve as a useful indicator of changes in an entity's financial position. Net position increased by $4.2 million during fiscal year 2024, largely due to an increase in assets from investments. The long-term plan for the Agency is to ultimately transfer the ownership and corresponding asset value to the City of Nampa, with the exception of the portion that is owned by the private developer, once the bonds are paid in full.

Table I
Statements of Net Position
September 30, 2023 and 2024

	Fiscal Year 2023	Fiscal Year 2024
Current and other assets	$ 10,735,261	$ 14,509,178
Capital assets	14,250,955	13,795,212
Total assets	24,986,216	28,304,390
Deferred outflows of resources		
Deferred loss on refunding	645,137	432,440
Current liabilities	25,279	399,833
Noncurrent liabilities	9,097,469	6,292,255
Total liabilities	9,122,748	6,692,088
Deferred inflows of resources	5,491,145	6,783,662
Net position		
Net investment in capital assets	11,396,858	11,874,796
Unrestricted	(379,398)	3,386,284
Total net position	$ 11,017,460	$ 15,261,080

The Statements of Activities (Table II) provides a summary of the Agency's operation for the fiscal years ended September 30, 2024 and 2023. Prior year data is presented for comparison purposes.

Table II
Statements of Activities
For years ended September 30, 2023 and 2024

	Fiscal Year 2023	Fiscal Year 2024
Revenues		
Program revenues		
Rents and charges for services	$ 26,020	$ 1,830
General revenues		
Property taxes	4,902,330	5,949,480
Interest income	259,946	340,027
Miscellaneous	14,989	20,570
Total revenues	5,203,285	6,311,907
Expenses		
Urban renewal	4,337,917	1,626,994
Interest expense	520,846	441,293
Total expenses	4,858,763	2,068,287
Change in Net Position	344,522	4,243,620
Net Position, Beginning of Year	10,672,938	11,017,460
Net Position, End of Year	$ 11,017,460	$ 15,261,080

Financial Analysis of Statement of Activities and the Agency's Funds
As of the fiscal year end, the Agency's ending combined fund balance is $7.2 million, an increase of $2.2 million from the previous year. The fund balance increase is primarily due to an increase in the amount of funds invested and interest earnings in the LGIP investment pool in the current fiscal year.

General Fund Budgetary Highlights
Actual to budget comparisons are found in the required supplementary information. A draft budget was created as shown under "Original" in "Schedule of Revenues, Expenditures, and Changed in Fund Balances – Budget and Actual – General Fund". The advertised, published and adopted final budget numbers are shown under "Final" within the same schedule. The actual total expenditures came in approximately $5.4M less than budgeted.

Capital Assets
There were no capital purchases in fiscal year 2024. The total net capital assets at the end of fiscal year 2024 was $13,795,212. See Note 4 for additional information.

Debt Administration
During fiscal year 2024, the Agency made principal payments on the 2020A and 2020B bonds of $2.8 million. The remaining balances as of September 30, 2024 are, $3,959,129 due on the 2020A bonds, and $2,333,126 due on the 2020B Revenue Bonds. See Note 6 for additional information.

FISCAL YEAR 2024 ACTIVITIES
Projects in progress in fiscal year 2024 are:

- Continued to work in partnership with Downtown Business Association and the Idaho Main Street Program and with National Main Street Program.
- Continued to work with several potential projects looking to locate with the Urban Renewal Boundaries: Some within the Downtown Historic District and some within the North Nampa Industrial Area.
- Construction continued on the water and sewer lines in North Nampa on Ustick Road.

BOARD OF COMMISSIONERS

Director:	Term Expiration:
Randy Haverfield	9/30/2028
Darl Bruner	9/30/2027
Claudia Dina	9/30/2028
Dale Reynolds	9/30/2025
Wendy Rhodes, Chair	9/30/2029
Adam Hutchings	9/30/2026
Jeff Cornilles	9/30/2026

REQUEST FOR INFORMATION
This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Agency's finances. If you have any questions about this report or need any additional information, contact the Department of Finance, City of Nampa, 411 3rd Street South, Nampa, ID 83651, or call (208) 468-5737

Nampa Development Corporation
Statement of Net Position
September 30, 2024

Assets	
Cash and cash equivalents	$ 547,939
Restricted cash and cash equivalents	4,580
Investments	6,703,029
Receivables	
Property taxes	6,896,010
Accounts receivable	1,026
Interest receivable	28,427
Prepaids	3,167
Land held for sale	325,000
Capital assets	
Building and improvements	18,033,083
Equipment	429,168
Land	5,250
Less accumulated depreciation	(4,672,289)
Total assets	28,304,390
Deferred Outflows of Resources	
Deferred Loss on Refunding	432,440
Liabilities	
Accounts payable	386,408
Accrued interest	13,425
Noncurrent liabilities	
Due within one year	2,502,477
Due in more than one year	3,789,778
Total liabilities	6,692,088
Deferred Inflows of Resources	
Unavailable - Property Taxes	6,783,662
Net Position	
Net investment in capital assets	11,874,796
Unrestricted	3,386,284
Total net position	$ 15,261,080

Nampa Development Corporation
Statement of Activities
Year Ended September 30, 2024

Functions	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: Total Governmental Activities
Governmental activities					
Urban renewal	$ 1,626,994	$ 1,830	$ -	$ -	$ (1,625,164)
Interest on long-term liabilities	441,293	-	-	-	(441,293)
Total governmental activities	$ 2,068,287	$ 1,830	$ -	$ -	(2,066,457)
General Revenues					
Property taxes					5,949,480
Earnings on investments					340,027
Miscellaneous					20,570
Total general revenues					6,310,077
Change in Net Position					4,243,620
Net Position, Beginning of Year					11,017,460
Net Position, End of Year					$ 15,261,080

	General	Historic Mercy Hospital District	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 538,932	$ 9,007	$ 547,939
Cash and cash equivalents - restricted	4,580	-	4,580
Investments	6,703,029	-	6,703,029
Taxes receivable - current	6,755,164	28,498	6,783,662
Taxes receivable - delinquent	112,348	-	112,348
Accounts receivable	1,026	-	1,026
Interest receivable	28,427	-	28,427
Assets held for sale	325,000	-	325,000
Prepaid items	3,167	-	3,167
	$ 14,471,673	$ 37,505	$ 14,509,178
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts payable	$ 386,308	$ 100	$ 386,408
Total liabilities	386,308	100	386,408
Deferred Inflows of Resources			
Unavailable - property taxes	6,865,860	28,498	6,894,358
Total deferred inflows of resources	6,865,860	28,498	6,894,358
Fund Balance			
Nonspendable	3,167	-	3,167
Restricted for			
Bond debt service	1,905	-	1,905
Bond revenue allocation	2,675	-	2,675
Urban renewal	7,211,758	8,907	7,220,665
Total fund balance	7,219,505	8,907	7,228,412
	$ 14,471,673	$ 37,505	$ 14,509,178

Total fund balances for governmental funds	$ 7,228,412
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental funds totaling $18,467,501 are not financial resources and therefore, are not reported in the funds, including accumulated depreciation of $4,672,289.	13,795,212
Some of the Agency's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.	110,696
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(13,425)
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year-end are:	
Bonds payable	(6,292,255)
Deferred loss on debt refunding is not a financial resource but reported as a deferred outflow on the Statement of Net Position:	
Deferred loss on debt refunding of 2010 and 2013 bonds	432,440
Total net position of governmental activities	$ 15,261,080

Nampa Development Corporation

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended September 30, 2024

	General	Historic Mercy Hospital District	Total Governmental Funds
Revenues			
Property taxes	$ 5,998,736	$ 31,104	$ 6,029,840
Rents and charges for services	1,830	-	1,830
Interest	340,027	-	340,027
Miscellaneous	20,570	-	20,570
Total revenues	6,361,163	31,104	6,392,267
Expenditures			
Current			
Urban renewal	1,137,512	30,489	1,168,001
Debt service			
Principal	2,805,214	-	2,805,214
Interest	234,614	-	234,614
Fees	3,250	-	3,250
Total expenditures	4,180,590	30,489	4,211,079
Net Change in Fund Balance	2,180,573	615	2,181,188
Fund Balances, Beginning of Year	5,038,932	8,292	5,047,224
Fund Balances, End of Year	$ 7,219,505	$ 8,907	$ 7,228,412

Net change in fund balances-total governmental funds		$ 2,181,188
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an individual cost that meet the capitalization threshold are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The Agency had depreciation of $455,743 in the current period. This is the amount by which depreciation exceeded capital outlays during the fiscal year:		
Depreciation expense	(455,743)	
		(455,743)
The government funds report the proceeds of long-term debt as financing sources, while repayment of the principal of long-term debt is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. Bond premiums increase financial resources, but are reported as part of long-term liabilities and amortized into interest expense in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:		
Repayment of bond principal	2,805,214	
Change in accrued interest	6,018	
		2,811,232
In the statement of activities the loss on refunding is amortized over the life of the bonds.		(212,697)
Because some property taxes will not be collected for several months after the Agency's fiscal year end they are not considered available revenues in the governmental funds, but are instead counted as unearned and unavailable tax revenues. They are, however, recorded as revenues in the statement of activities.		(80,360)
Changes in net position of governmental activities		$ 4,243,620

Note 1 - Summary of Significant Accounting Policies

The Nampa Development Corporation, an Urban Renewal Agency (the Agency) of the City of Nampa (the City), was organized on October 16, 2006, under the Idaho Urban Renewal Law, Chapter 20, and Title 50 of the Idaho Code. The Agency was established to oversee redevelopment efforts in deteriorated areas of the community. The Economic Development Redevelopment Plan adopted by the Agency on October 26, 2006, was established to revitalize downtown, develop the North Nampa industrial area and improve commercial arterials. Anticipated projects include a central library, North Nampa industrial infrastructure, a central police station, Nampa Caldwell Boulevard improvements, Franklin Boulevard right of way improvements, and freeway interchange improvements. The Redevelopment Plan will be completed by December 31, 2030, at which time the Agency's assets will revert to City ownership. Under governmental accounting principles, the Agency is considered a discretely presented component unit of the City.

In 2012, a new urban renewal district was created and the project plan for the Historic Mercy Hospital was adopted in 2013. This plan was established to preserve the architectural and historic assets of the community, and provide renewed investment in a neighborhood where an abandoned structure has become a nuisance. Anticipated projects include water line upgrades, streetscape and on-street parking improvements, and a historic facade restoration. The urban renewal district will remain in effect, and the project plan shall terminate no later than December 31, 2033.

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

Financial Reporting Entity

For financial reporting purposes, the Agency is included as a discretely presented component unit in the City of Nampa, Idaho'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 of Nampa, Idaho in conformity with generally accepted accounting principles.

Government-Wide and Fund Financial Statements

The *government-wide financial statements* (the statement of net position and the statement of activities) display information about the Agency as a whole. These statements include all financial activities of the Agency. 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 clearly identifiable with a specific function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line item. Program revenues include 1) fees and charges paid by customers and other recipients of goods or services offered by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the Agency's general fund. The emphasis of fund financial statements is on major governmental funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 at the time liabilities are incurred, regardless of the timing of the related cash flows. Revenue from property taxes is recognized in the fiscal year for which taxes are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The Agency considers property taxes available if they are collected within 30 days after year end. A 90 day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Accounting

The Agency reports the following major governmental funds:

- **General Fund** – the Agency's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Historic Mercy Hospital District-**The Agency's special revenue fund is used to account for all financial resources of the Mercy Hospital District.

Cash and Cash Equivalents

The Agency considers all highly liquid investments, with a maturity of three months or less when purchased to be cash equivalents. Certain cash accounts are restricted through bond agreements in order to comply with reserve and debt service requirements.

Investments

State statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, commercial paper, corporate bonds, repurchase agreements, City coupons and local improvement district bonds. The Agency is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP).

Investments are stated at fair value as determined by quoted market prices.

Property Taxes

In accordance with Idaho law, property taxes are levied in September for each calendar year. Levies are made on or before the second Monday of September. One-half of the real property taxes are due on or before the 20th of December. The remaining one-half is due on or before June 20th of the following year. The Agency has no direct taxing power. The amount of revenue received from property taxes is determined by the amount of taxable property value and by the aggregate tax rate that the taxing entities within the Revenue Allocation Area set. The Agency receives the taxes collected on the increased valuation of property in the Revenue Allocation Area since January 1, 2006. There is a legal obligation to rebate back to the Vallivue School District a portion of the levy on a semi-annual basis.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The Agency has one item that qualifies for report in this category. The deferred loss on refunding reported in the government-wide statement of net position results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the life of the refunded debt. In addition to liabilities, the statement of net position and the fund balance sheet will report a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future periods, so will not be recognized as an inflow of resources (revenue) until that time. The Agency has only one type that qualifies for reporting in this category relating to property taxes. The government-wide statement of net position reports the unavailable property tax revenue as a deferred inflow of resources. The balance of the deferred inflow of resources as of September 30, 2024, will be recognized as a revenue and increase in net position at the start of the next fiscal year. This treatment is a result of the property tax calendar in the State of Idaho. The final item reported as deferred inflow of resources arises when property taxes receivables are not available to pay current year liabilities. Accordingly, the item, unavailable property tax revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) if purchased or constructed. Assets with an individual cost of more than $40,000 for equipment and $50,000 for buildings and improvements and $75,000 for infrastructure are capitalized. Donated fixed assets are recorded at their estimated acquisition value at the date of donation. Depreciation is provided on the straight-line basis over their estimated lives. Buildings and improvements are depreciated over 40 years and equipment is depreciated over 5 to 10 years. Interest incurred during construction is not capitalized on general fixed assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Risk Management

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

Revenue Allocation Bonds

Nampa Development Corporation Revenue Allocation Bonds, Series 2020A, were issued to refund the 2010 Series Bonds in an effort to reduce interest payments in the future. Principal and interest on the bonds are payable solely from future tax revenues of the Agency.

Nampa Development Corporation Revenue Allocation Bonds, Series 2020B, were issued to refund the 2013 Series Bonds in an effort to reduce interest payments in the future. Principal and interest on the bonds are payable solely from future tax revenues of the Agency.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the Agency at the fund level.

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 reported amounts of revenues, expenditures and expenses during the reported period. The actual results could differ from those estimates.

Net Position

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

Restricted net position consists of net position with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. The Agency has no restricted net position at September 30, 2024.

Unrestricted net position all other assets that do not meet the definition or “restricted” or “net investment in capital assets.”

Fund Accounting

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as prepaid accounts) or are required to be maintained intact.

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

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

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

- Unassigned fund balance – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Board of Commissioners adopted a Fund Balance Policy that recommends a spending order of restricted, committed, assigned and then unassigned unless the Board approves otherwise.

Note 2 - Cash and Cash Equivalents

At September 30, 2024, the book balance of the Agency's deposits was $547,684. The Agency's deposits consisted of cash in a local area bank. Restricted cash equivalents consisted of $2,675 held by Zions Bank in a revenue allocation fund, and $1,905 held by Zions Bank in debt reserve funds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Agency does not have a policy addressing interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency does not have a policy addressing credit risk. As of September 30, 2024, the Agency is not invested in any assets that are subject to credit risk.

Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. GASB has adopted a principal that governments should provide note disclosure when five percent of the total investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The Agency does not have a policy addressing the limitations on the amount that can be invested in any one issuer.

Custodial Credit Risk

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

The bank ledger balance for cash deposits at September 30, 2024, consists of an interest-bearing checking accounts balance of $571,206. The interest-bearing checking account balance is covered by FDIC insurance up to $250,000. The restricted cash equivalents consisted of $2,675 held by Zions Bank in a revenue allocation fund, and $1,905 held by Zions Bank in debt reserve funds. The debt reserve funds are covered by FDIC insurance. The cash deposits and restricted cash equivalents of $321,206 are not collateralized or insured.

Note 3 - Investments

Investment in State Investment Pools

The Agency is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP). The LGIP is regulated by State of Idaho code under the oversight of the Treasurer of the State of Idaho. The fair value of the Agency's investment in the pools is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair market value provided by the fund for the entire portfolio. The LGIP is unrated.

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

The LGIP investment pool is valued using NAV per share method. Investments valued using NAV per share 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 the information provided by the State of Idaho Treasurer's Office. The Local Government Investment Pool weighted average maturity as of September 30, 2024 was 84 days. The following table presents the unfunded commitments, redemption frequency and the redemption notice period for the Agency's investments measured at NAV:

	Investments Measured at NAV			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Local Government Investment Pool	$ 6,703,029	None	Next business day	3 days; over $10,000,000

Note 4 - Capital Assets

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

	Beginning Balance	Increases	Reclassifciatons	Ending Balance
Governmental activities				
Capital assets, non-depreciable				
Land	$ 5,250	$ -	$ -	$ 5,250
Capital assets, depreciable				
Buildings and improvements	18,033,083	-	-	18,033,083
Equipment	429,168	-	-	429,168
Total capital assets	18,467,501	-	-	18,467,501
Accumulated Depreciation				
Buildings and improvements	(3,832,030)	(450,827)	-	(4,282,857)
Equipment	(384,516)	(4,916)	-	(389,432)
Total accumulated depreciation	(4,216,546)	(455,743)	-	(4,672,289)
Governmental activities capital assets, net	$ 14,250,955	$ (455,743)	$ -	$ 13,795,212

Depreciation expense of $455,743 is allocated to the Urban Renewal expenses in the Statement of Activities.

Note 5 - Unavailable Revenues

Revenues are considered unavailable in accordance with the modified accrual basis of accounting for the governmental fund financial statements. The following revenues are measurable but do not represent available expendable resources for the governmental fund financial statements for the fiscal year ended September 30, 2024:

Property taxes	$ 6,894,358

Note 6 - Changes in Long-Term Liabilities

Long-term debt outstanding as of September 30, 2024, consisted of the following:

Bond Payables

$10,122,098 Series 2020A Revenue Allocation Bonds Payable due in annual installments of $169,351 to $2,102,000 through 2028; interest at 2.43% due semi-annually. Bonds are secured by the revenue allocation funds.	$ 3,959,129
$10,945,931 Series 2020B Revenue Allocation Bonds Payable due in annual installments of $840,036 to $2,400,000 through 2026; interest at 2.82% due semi-annually. Bonds are secured by the revenue allocation funds.	2,333,126
	$ 6,292,255

The following is a summary of long-term liability activity of the Agency for the fiscal year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 9,097,469	$ -	$ (2,805,214)	$ 6,292,255	$ 2,502,477
Long-term liabilities	$ 9,097,469	$ -	$ (2,805,214)	$ 6,292,255	$ 2,502,477

The Agency has pledged a portion of future tax increment revenues to repay $10,122,098 in revenue allocation bonds (2020A) used to refund the 2010 Series Bonds and reduce future interest payments, and $10,945,931 in revenue allocation bonds (2020B) used to refund the 2013 Series Bonds and reduce future interest payments. The bonds are payable solely from incremental tax revenues and net parking revenues generated from the Library Square Project. Incremental tax revenues were projected to produce 125 percent of the debt service requirements over the life of the bonds. Total principal remaining on the bonds is $6,292,255 payable through September 2028. For the current year, pledged revenues amounted to $5,998,736. $2,805,214 of principal was paid and $234,614 of interest was paid on bonds payable outstanding during the year.

The annual requirements to amortize all debt outstanding at September 30, 2024, are as follows:

Years Ending September 30,	Governmental Activities Principal	Interest
2025	$ 2,502,477	$ 162,001
2026	241,149	92,092
2027	1,445,684	86,232
2028	2,102,945	51,102
	$ 6,292,255	$ 391,427

On February 28, 2020, the Agency refunded the 2010 and 2013 Series Bonds through the issuance of 2020A and the 2020B Series Bonds totaling $21,068,030 through an advanced refunding. The outstanding balance of the defeased debt is $8,750,000.

Note 7 - Commitments

During fiscal year 2019, the Agency entered into an agreement with a builder to reimburse certain expenses for infrastructure related to the redevelopment and renewal of the Karcher Mall that will expire December 31, 2025. This agreement was determined to be in the best interest of the City of Nampa and the Agency determine certain revenue allocation funds could be contributed to the project. The agreement specified that the Agency would reimburse the builder for up to $1,500,000. Work related to the development began during December of 2019 as the project is in the developmental stage. As of the end of fiscal year 2024, no reimbursements have been paid.

During fiscal year 2021, the Agency entered into an agreement with a developer to pay certain expenses for the construction of utility extensions, specifically including the water lines and wastewater as well as the sewer trunk line from Northside Boulevard to Ustick Road and to the Project Area. The amended agreement in 2022 specified the Agency would pay the Developer up to $13,436,062 to benefit said development utilizing revenue allocation funds. As of the end of fiscal year 2024, $3,000,000 has been paid to the Developer as agreed upon in the project agreement for the completion of the infrastructure work with a remaining reimbursement commitment of $10,436,062.

Note 8 - Related Party Transaction

During fiscal year 2024, the Agency paid the City for the Nampa Economic Development funding in the amount of $35,000 pursuant to a memorandum of understanding for use of City staff and $126,000 for the NDC portion of Economic Development staff at the city. The Agency also paid the City of Nampa $69,345 under a maintenance contract for the parking garage, $199,566 for consulting of downtown design work, which was outstanding as of year end, and $315,275 for utility infrastructure.

Note 9 - Subsequent Events

During fiscal year 2025, the Agency entered into agreement with FlashParking, Inc. for the purchase of equipment and new software (SAAS) for the downtown garage for a one-time amount of $150,374 and recurring monthly fee of $720.

Required Supplementary Information
September 30, 2024

Nampa Development Corporation

	Budgeted Amounts		Actual	Variance With Final
	Original	Final	Amounts	Budget
Revenues				
Property taxes	$ 5,614,996	$ 5,614,996	$ 5,998,736	$ 383,740
Rents and charges for services	17,000	17,000	1,830	(15,170)
Interest	192,000	192,000	340,027	148,027
Miscellaneous	-	-	20,570	20,570
Total revenues	5,823,996	5,823,996	6,361,163	537,167
Expenditures				
Current				
Urban renewal	1,348,450	1,348,450	1,037,824	310,626
Parking garage	263,145	263,145	99,688	163,457
Capital outlay	4,660,000	4,660,000	-	4,660,000
Debt service				
Principal	3,129,570	3,129,570	2,805,214	324,356
Interest	124,357	124,357	234,614	(110,257)
Debt issuance and cost	2,500	2,500	3,250	(750)
Total expenditures	9,528,022	9,528,022	4,180,590	5,347,432
Net Change in Fund Balance	$ (3,704,026)	$ (3,704,026)	2,180,573	$ 5,884,599
Fund Balances, Beginning of Year			5,038,932	
Fund Balances, End of Year			$ 7,219,505	

Nampa Development Corporation

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Historic Mercy Hospital District

Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	$ 35,511	$ 35,511	$ 31,104	$ (4,407)
Total revenues	35,511	35,511	31,104	(4,407)
Expenditures				
Current				
Urban renewal	35,511	35,511	30,489	5,022
Total expenditures	35,511	35,511	30,489	5,022
Net Change in Fund Balance	$ -	$ -	615	$ 615
Fund Balances, Beginning of Year			8,292	
Fund Balances, End of Year			$ 8,907	

Note 1 - Legal Compliance - Budget

The Nampa Development Corporation follows these procedures in establishing the budgetary data reflected in the financial statements:

1. An agency shall, by September 1 of each calendar year, adopt and publish, as described in Section 50-1002, Idaho Code, a budget for the next fiscal year. The Agency prepares a budget by estimating the probable amount of money necessary for all purposes for which an appropriation is to be made, including interest and principal due on the bonded debt, itemizing and classifying the proposed expenditures by department, fund, or service, as nearly as may be practicable, and specifying any fund balance accumulated under Section 50-1005A, Idaho Code. To support such proposed expenditures, the Agency shall prepare an estimate of the total revenue anticipated during the ensuing fiscal year for which a budget is being prepared, classifying such receipts by source as nearly as may be possible and practicable.

2. The proposed budget is published in the local newspaper.

3. A public hearing is conducted to obtain citizen comments.

4. The budget is formally adopted through approval by the Board of Commissioners and published in the local newspaper.

5. The Agency may amend its adopted budget using the same procedures as used for the adoption of the budget.

6. Management has the authority to amend budgets within individual funds without seeking approval of the governing body. The detail at which appropriations are legally adopted extends to the fund level.

7. Budgets for funds are adopted on a basis consistent with GAAP. The level of control (level at which expenditures may not exceed budget) is the fund.

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

Board of Commissioners
Nampa Development Corporation, a discretely presented component unit of the City of Nampa, Idaho
City of Nampa, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities and each major fund of the Nampa Development Corporation (the Agency), a discretely presented component unit of the City of Nampa, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Nampa Development Corporation's basic financial statements, and have issued our report thereon dated January 21, 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Boise, Idaho
January 21, 2025