POST FALLS
URBAN RENEWAL AGENCY

FINANCIAL AUDIT REPORTS AND STATEMENTS

FOR THE YEAR ENDED
September 30, 2024

Prepared by

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Post Falls Urban Renewal Agency
Post Falls, 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 Post Falls Urban Renewal Agency, component unit of the City of Post Falls, 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 Post Falls Urban Renewal Agency as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Post Falls Urban Renewal 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 Post Falls Urban Renewal 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 Post Falls Urban Renewal Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of Agency's share of net pension liability, the schedule of Agency's contributions, and the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2025, on our consideration of Post Falls Urban Renewal Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Post Falls Urban Renewal Agency's internal control over financial reporting and compliance.

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
January 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

POST FALLS URBAN RENEWAL AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

This section of the Post Falls Urban Renewal Agency's financial report offers readers an overview and analysis of the Agency's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the Agency's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total fund balance for the Agency was $3,004,296, see page 8 for breakdown
- The Agency's total net position was $2,965,382.

OVERVIEW OF FINANCIAL STATEMENTS

The Agency's annual report has four parts: this letter providing management's discussion and analysis (pages 4 to 10); the audited government-wide financial statements (pages 11 to 12); the audited fund financial statements (pages 13 to 16); and the auditor's notes and required supplemental information (pages 17-35).

Government - Wide Financial Statements

The Agency's required format of government-wide financial statements provides the reader with a broad overview of the Post Falls Urban Renewal Agency's finances, using accounting methods similar to those used by private-sector businesses.

The Statement of Net Position presents all of the Agency's assets and liabilities, with the difference between the two reported as net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., property tax increment payments to be received in future periods).

The Post Falls Urban Renewal Agency's net position totals $2,965,382 on September 30, 2024. The increase of $514,062 in the Agency's net position is due primarily to property tax revenues exceeding proponent payments.

Post Falls Urban Renewal Agency's main assets include (99%) cash and short-term investments in the State Investment Pool.

Below is a comparative summary of Post Falls Urban Renewal Agency's statement of net position:

Statement of Net Position

	2024	2023
ASSETS		
Cash and Investments	$2,965,486	$2,467,738
Other Assets	44,483	33,339
Total Assets	3,009,969	2,501,077
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	12,018	22,815
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	3,021,987	2,523,892
LIABILITIES		
Other Liabilities	5,673	15,451
Net Pension Liability	43,477	50,638
Total Liabilities	49,150	66,089
DEFERRED INFLOWS OF RESOURCES		
Pension plan	7,455	6,483
NET POSITION		
Unrestricted	2,965,382	2,451,320
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	$3,021,987	$2,523,892

In FY 2024, Agency revenues were to be used to initiate reimbursement of the proponent/developer obligation in the Downtown district, approved in February 2024.

In FY 2024, two of the Agency's three districts continued to experience ongoing construction and expansion of public improvements. In some instances, the costs of these improvements are still being reviewed and analyzed by the Agency. Such costs have been neither finalized nor approved by the Agency and, therefore, any additional proponent obligations had not yet been finalized by the end of fiscal year 2024. The Agency also anticipates receiving sufficient funds within future years from incremental property taxes generated by new commercial and industrial development in its districts, to repay all of its existing liabilities and continue its operations. Proponent obligation reimbursement is subject to the creation of new tax increment within each district from new business growth.

The Statement of Changes in Net Position presents information showing how the Agency's net position changed during the most recent fiscal year; however, it is only one indicator of the Agency's financial position. To assess the overall health of the Agency, one needs to consider additional factors, such as changes in the property tax base from new developments being added to the tax rolls, plans for future development within the urban renewal districts created by the Post Falls City Council and administered by the Agency, the state of the area's economy, national economic trends and other factors.

Below is a comparative summary of Post Falls Urban Renewal Agency's statement of activities:

Changes in Net Position

	2024	2023
Revenues		
Property Taxes, levied for general purposes	$1,532,631	$5,138,707
Interest and Investment Earning	146,802	160,405
Penalties and Late Fees	-	218
Other Income	75,000	166,000
Total Revenues	1,754,433	5,465,330
Expenses		
Tax Increment Expenses	1,123,691	5,067,502
General Government	105,588	105,281
Pension Plan Expense (Income)	11,092	12,300
Total Expenditures	1,240,371	5,185,083
Change in Net Position	514,062	280,247
Net Position - October 1,	2,451,320	2,171,073
Net Position - September 30,	$2,965,382	$2,451,320

Government Activity Analysis

The majority of the revenue received by the Post Falls Urban Renewal Agency results from incremental increases in property values in its renewal districts resulting from new commercial and industrial development stimulated by public improvements and the extension of public utilities. The expenses of the Agency consist primarily of reimbursement of capital improvements consistent with the plan of development for each of its districts and the expenses associated with the operation and administration of the Agency.

The Agency adopts an annual budget for its administrative operations. The annual budget is reviewed at a public meeting after being published for citizen comment, and, upon approval by the Commissioners of the Agency, is forwarded to the Post Falls City Council.

Fund Financial Statements

Fund financial statements indicate related accounts grouped to maintain control over resources that have been segregated for specific activities or objectives. The Post Falls Urban Renewal Agency, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful to the reader in evaluating the Agency's near-term financing requirements.

Because the focus of Agency funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the Agency 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 Agency's near-term financing decisions. Both the Agency's balance sheet and its statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between Agency funds and activities.

For cash management purposes the Post Falls Urban Renewal Agency maintains a deposit account at First Interstate Bank and the State of Idaho Local Government Investment Pool (LGIP), together with a savings account at ICCU. These accounts are as follows:

First Interstate Bank	LGIP	ICCU
Checking Account (ACH)	General Fund (ACH)	Savings Account
	Capital Improvements (ACH)	

All funds received for deposit, primarily Tax Increment checks, are deposited to a First Interstate Bank checking account, as that is an Automated Clearing House (ACH) account which is used to transfer funds to and receive monies from the LGIP General Fund and/or the LGIP Capital Improvements Fund (ACH) accounts. Funds retained in the LGIP General Fund represent the Agency's annual operating budget funds. The balance carried in the First Interstate Bank checking account also maintains the Agency operating budget balance. The LGIP Capital Improvements funds are used for proponent and project reimbursement typically on a semi-annual basis.

In order to attain a higher earnings rate, the Agency continues to monitor CD rates vs. the LGIP rate. At September 30, 2024 the LGIP rate was 5.16%, which is higher than what most financial institutions offered at that time. All Certificates of Deposit, when acquired by the Agency, are kept within the FDIC insurance limit of $250,000.

From a financial reporting standpoint, the Agency revenues and expenditures are disclosed as one fund as follows:

	2024	2023
Revenues		
Property Taxes	$1,538,411	$5,301,719
Administrative Charges to Districts	75,000	166,000
Other Revenues	146,802	160,623
Total Revenues	1,760,213	5,628,342
Expenditures		
Tax Increment Expenses	1,123,691	5,067,502
General Government	104,503	104,035
Debt Service - Principal	7,833	7,680
Debt Service - Interest	157	310
Total Expenditures	1,236,184	5,179,527
Excess (Deficiency) of Revenues Over Expenditures Expenditures	524,029	448,815
Fund Balance - October 1,	2,480,267	2,031,452
Fund Balance - September 30,	$3,004,296	$2,480,267

The notes to the financial statements provide additional information essential to a full understanding of the data provided in the agency-wide and fund financial statements. Notes to the financial statements may be found on pages 17 to 29 of this report.

Financial Analysis of the Agency's Funds

As noted earlier, the Post Falls Urban Renewal Agency uses fund accounting to demonstrate and ensure compliance with finance related legal requirements.

Governmental Funds. The focus of the Post Falls Urban Renewal Agency governmental funds section is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements.

Current fund balances are allocated as follows:

Non-spendable (Prepaid Expenses)	$ 4,243
Committed (Technology, Downtown, Pleasant View)	1,689,204
Unassigned (Operating budget and Discretionary)	1,310,849
	$ 3,004,296

At the end of fiscal year September 30, 2024, the Agency reported combined ending fund balances of $3,004,296 an increase of $524,029 over the prior.

General Fund Budgetary Highlights

The general fund is used to fund the annual expenses of operating the Agency and administering the urban renewal districts for which it is responsible.

The total operating expenses for the fiscal year were $112,493, which equates to $32,766 under the fiscal year ending September 30, 2024 budget of $145,259.

CAPITAL ASSETS AND DEBT ADMINISTRATION

During the fiscal year 2024, the Agency had no additions to capital assets.

Long-term Debt

At the end of September 30, 2024 the Post Falls Urban Renewal Agency had no outstanding debt.

ECONOMIC FACTORS AND CONDITIONS CONSIDERATION

- In-migration of new employers: Post Falls continues to be an increasingly attractive location for employers seeking to relocate from other areas and entrepreneurs seeking to start new businesses. The favorable business climate and the financial stability of the State of Idaho continues to attract in-migration from other states. This trend is expected to continue however the State will need to continue to focus on education, workforce training and infrastructure to support growth.

- Expansion of revenue from incremental property taxes resulting from new industrial and commercial development in renewal districts: Tax increment resulting from those investments in several Urban Renewal districts is expanding as new buildings are being built.

- Continued improvement in Agency policies and procedures: The Agency continues to refine its policies and to add specificity to developer agreements which have resulted in smoother negotiations of capital project financial reimbursements. Agency Commissioners continue to closely examine actual benefits received from planned and approved infrastructure improvement expenses which the Agency is asked to reimburse, and are continuing to hold the Agency's developer partners and the Agency to a high standard of accountability for results against the goals envisioned in each district Plan

- Strengthening of internal controls: The Agency has adopted comprehensive policies governing conflict of interest, investment of revenues, and aggressive management of cash flow. It continues to improve the transparency of its operations and the manner and clarity of the monthly and annual reports it provides to the public regarding its activities.

- Annual administrative fee: Annual administrative fees are assessed against each of the operating urban renewal districts and are used to fund the operations of the Urban Renewal Commission. These fees have been set at $25,000 per District per year, which continues the Commissions realistic approach to limiting the administrative burden in each of its Districts.

- Annual administrative fee (continued): Administrative fees are transferred to the General Fund which is used for the Agency's operational expenses. The Commission prides itself on its operational efficiency. The closure of multiple Urban Renewal Districts has reduced funding generated from administrative fees. The General Fund has a sufficient balance to offset this reduction in income for many years and sustain operations at current levels. As fee income is reduced due to the closing of urban renewal districts, the Commission plans to draw down on the General Fund, as needed, to fund operating expenses. The impact of decreased fee income on the General Fund balance in FY 2024 was minimized by increased interest income from the State of Idaho Local Government Investment Pool (LGIP) accounts. The Commission has reviewed the long-term sustainability of its operations and is confident that funding available from its administrative fees and its General Fund will be sufficient to meet all of its operating expenses for the remaining term of its existing urban renewal districts.

All of these factors were considered in preparing the Post Falls Urban Renewal Agency's budget for the 2024 fiscal year. In the FY 2017 budget, the Agency was able to allocate $32,610 back to the general fund and an additional $29,502 in FY 2018, $6,465 in FY 2019, $21,181 in FY2020, $65,890 in FY2021, $79,187 in FY2022, and $75,048 in FY 2023. Beginning in FY 2024 the Agency transferred $37,493 from the General Fund to meet its general operating expenses as a result of decreased Administrative Fee funding due to district closures, as expected.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Post Falls Urban Renewal Agency to facilitate financial transparency to the community. Questions concerning the information provided in this report, or requests for additional financial information, should be addressed to the Post Falls Urban Renewal Agency, 201 E 4th Ave, Post Falls, ID 83854-7518. The office telephone number is 208-777-8151. The Agency office is located on the second floor of the Post Falls Chamber of Commerce building at 201 E. 4th Ave.

BASIC FINANCIAL STATEMENTS

POST FALLS URBAN RENEWAL AGENCY
Statement of Net Position
September 30, 2024

ASSETS	
Cash and Cash Equivalents	$ 9,497
Equity in State Treasurer Investment Pool	2,955,989
Interest Receivable	12,534
Property Taxes Receivable	27,706
Prepaid Insurance	4,243
Total Assets	3,009,969
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	12,018
Total Deferred Outflows of Resources	12,018
LIABILITIES	
Payroll liabilities	5,673
Net Pension Liability	43,477
Total Liabilities	49,150
DEFERRED INFLOWS OF RESOURCES	
Pension plan	7,455
Total Deferred Inflows of Resources	7,455
NET POSITION	
Unrestricted	2,965,382
Total Net Position	$ 2,965,382

See accompanying notes to financial statements and independent auditors report

POST FALLS URBAN RENEWAL AGENCY
Statement of Activities
Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants & Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Tax Increment Expense	$ 1,123,691	$ 75,000	$ -	$ -	$ (1,048,691)
General Government	105,588	-	-	-	(105,588)
Pension Plan Expense/(Revenue)	11,092	-	-	-	(11,092)
Total Governmental Activities	$ 1,240,371	$ 75,000	$ -	$ -	(1,165,371)
			General Revenues:		
			Property Taxes		1,532,631
			Penalties and Late Fees		-
			Interest/Investment Income		146,802
			Total general revenues		1,679,433
			Change in Net Position		514,062
			Net position-beginning		2,451,320
			Net position-ending		$ 2,965,382

See accompanying notes to financial statements and independent auditors report

POST FALLS URBAN RENEWAL AGENCY
Balance Sheet
Governmental Fund
September 30, 2024

ASSETS		
Cash and Cash Equivalents	$	9,497
Equity in State Treasurer Investment Pool		2,955,989
Interest Receivable		12,534
Property Tax Receivable		27,706
Prepaid Insurance		4,243
Total Assets	$	3,009,969
LIABILITIES		
Payroll Liabilities		5,673
Total Liabilities		5,673
FUND BALANCES (DEFICITS)		
Non-spendable:		
Prepaid Expenses		4,243
Committed:		
Technology District		1,724,073
Downtown		27,821
Pleasant View		(62,690)
Assigned		-
Unassigned:		1,310,849
Total Fund Equity		3,004,296
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$	3,009,969

See accompanying notes to financial statements and independent auditors report

POST FALLS URBAN RENEWAL AGENCY
Reconciliation of the Balance Sheet
to the Statement of Net Position
September 30, 2024

Total fund balances at September 30, 2024 - Governmental Funds		$ 3,004,296
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
Cost of capital assets at September 30, 2024	1,714	
Less: Accumulated depreciation as of September 30, 2024	(1,714)	-
Right-to-use assets at September 30, 2024	66,521	
Less: Accumulated amortization as of September 30, 2024	(66,521)	-
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore, are not reported in the funds:		
Deferred outflows of resources-pension plan		12,018
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Elimination of unavailable revenue - property taxes		-
Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore, are not reported in the funds:		
Deferred inflows of resources-pension plan		(7,455)
Some assets and liabilities are not available, due or payable in the current period and therefore, are not reported in the funds. Those assets/liabilities consist of:		
Net pension asset (liability)	(43,477)	
Lease liability	-	(43,477)
Net position of governmental activities at September 30, 2024		$ 2,965,382

See accompanying notes to financial statements and independent auditors report

POST FALLS URBAN RENEWAL AGENCY
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
Year Ended September 30, 2024

Revenues		
Property Taxes	$	1,538,411
Penalties and Late Fees		-
Interest and Investment Earning		146,802
Administrative Charges to Districts		75,000
Total Revenues		1,760,213
Expenditures		
Tax Increment Expenses		1,123,691
General Government		104,503
Debt Service:		
Principal		7,833
Interest		157
Total Expenditures		1,236,184
Excess (Deficiency) of Revenues Over Expenditures		524,029
Fund Balance - October 1,		2,480,267
Fund Balance - September 30,	$	3,004,296

See accompanying notes to financial statements and independent auditors report

POST FALLS URBAN RENEWAL AGENCY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
Year Ended September 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - total governmental funds	$	524,029
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes		(5,780)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Amortization of right-to-use assets		(7,412)
The issuance of long-term debt (e.g., bonds, leased) provides current financial resources to governmental funds, while the repayment of the principal of ling-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal Payments - Leases		7,833
The net pension effect related to the pension expense recognized for the year.		
PERSI contributions		6,484
Defined benefit plan expense		(11,092)
Change in net position of governmental activities	$	514,062

See accompanying notes to financial statements and independent auditors report

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Post Falls Urban Renewal Agency (the "Agency") have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

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

The accompanying financial statements include all aspects controlled by the Board of Commissioners of Post Falls Urban Renewal Agency. The Agency is included in the City of Post Falls, Idaho financial reporting based on certain criteria in GASB Statement No. 14. 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 Post Falls, Idaho in conformity with GAAP.

Under the Idaho Code, in May 1991, the Post Falls City Council passed an ordinance that created the Post Falls Urban Renewal Agency. The Agency was established to promote urban development and improvement in and around the City of Post Falls. The Agency is governed by a board of seven commissioners. Under the Idaho Code, the Agency has the authority to issue bonds. Any bonds issued by the Agency are payable solely from the revenues attributable to tax increment financing. Any bonds issued are not a debt of the City. Post Falls City Council is not responsible for approving the Agency budget or funding any annual deficits. The Agency controls disbursements independent of City Council.

The Board of Commissioners is the decision-making authority that determines by formal vote whether funds are to be restricted, committed, or assigned and only the Board can determine any change in fund status by the same type of formal vote.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. The accounts of the Agency are organized on the basis of only one governmental fund. The general fund is the only fund used by the Agency. The Agency does not have any business-type activities. Therefore, both the government-wide and the fund financial level consist of only the Agency's general fund.

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. The fund financial statements consist of the Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. A reconciliation between the government-wide financial statements and the fund financial statements is also presented.

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 when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, expenditures related to debt service, are recorded when payment is due. Expenditure recognition occurs in the accounting period in which the liability is incurred if measurable. Principal and interest on general long-term debt are recognized as fund liabilities when due, or when amounts have been accumulated (if appropriate) in a debt service fund for payments to be made in the following year.

Property taxes, interest income, and various other revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

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

Receivables
All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Allowance for uncollectible property taxes was -$0- at September 30, 2024. When an urban renewal district closes, any uncollected taxes as of the date of closure related to those districts are no longer received by the Agency.

Prepaid Expenses
Prepaid expenses consist of prepaid insurance.

Capital Assets
Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using a straight-line depreciation method over a five to seven year life.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Agency has one item, pension plan, which is reported in the government-wide statement of net position and qualifies for reporting in this category at this time.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has two items that qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The other item, pension plan, is reported in the government-wide statement of net position. These amounts are deferred and recognized as inflows of resources in the period that the amounts becomes available.

Compensated Absences

The Agency has a policy for vacation pay. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Agency will compensate the employees for the benefits through paid time off or some other means. The Agency records a liability for accumulated unused vacation time when earned for all employees who qualify. These benefits fall on the employee's anniversary date of hire at the following rates:

Years Employed	Full-time Hours per Month	Part-time Rate per Hour
0 - 5	5	.0385
5 +	7.5	.0577

Upon termination of employment from the Agency, employees will be compensated for unused vacation leave at the rate of one paid day for each day of current accrued vacation leave subject to a maximum accumulation of 120 hours at the end of each fiscal year. The liability for accumulated vacation was $2,437 at September 30, 2024 for governmental fund types, which represents normal accumulations, is recorded on the government-wide statement of net position.

Accumulated sick leave lapses when employees leave the employ of the government and, upon separation from service, no monetary obligation exists.

Accrued Liabilities and Long-term Obligations

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

In the fund financial statements, long-term debt is recognized as a liability of a governmental fund, when due, or when resources have been accumulated in the general fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is maintained separately and represents a reconciling item between the fund and agency-wide presentation.

Pensions
For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

Fund Balance Policies
Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitation on the use of resources through either a committed (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing Agency commission is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes that do not meet the criteria to be classified as committed. The commission may assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

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

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

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

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

Unassigned—All amounts not included in other spendable classifications.

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

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

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 – CASH AND INVESTMENTS

General
State statutes authorize the Agency's investments. The Post Falls Urban Renewal Agency is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

As of September 30, 2024, the Agency's deposits were exposed to custodial credit risk as follows:

Deposits without exposure to custodial credit risk:		
Amount insured by FDIC or other agencies	$	15,006
Deposits with exposure to custodial credit risk:		
Amount collateralized with securities held in trust, but not in the Agency's name -		2,955,989
Uninsured and uncollateralized		-
Total bank balance (deposits)	$	2,970,995
The carrying amount is displayed as follows in the financial statements:		
Statement of net position		
Cash and cash equivalents	$	9,497
Equity in the State Investment Pool		2,955,989
	$	2,965,486
Cash and Cash equivalents at September 30, 2024 consist of the following:		
Cash		
Deposits with financial institutions	$	9,497
Equity in State Investment Pool at September 30, 2024, consist of the following		
Cash equivalents		
Idaho State Investment pool deposits		2,955,989
	$	2,965,486

NOTE 2 – CASH AND INVESTMENTS (CONCLUDED)

State Investment Pool

Investments in 2a7-like pools are valued based upon the value of pool shares. The Agency invests in one 2a7-like pool, the Idaho State Investment Pool. The advisory board of the Idaho State Investment Pool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act. The State Investment Pool is duly chartered and administered by the State Treasurer's Office and consists of US Treasury bills and notes, collateralized certificates of deposit and repurchase agreements. GASB Statement No. 3 requires the Agency to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. The Pool has not been assigned a risk category since the Agency is not issued securities, but rather it owns an undivided beneficial interest in the assets of the Pool. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body nor are any balances insured by the Federal Deposit Insurance Corporation. Financial reports are available from the Idaho State Treasurer's Office upon request.

The balances above that the Agency has in the State Investment Pool are carried at amortized cost and calculated on a monthly basis. The Agency's portion of the State Investment Pool had an unrealized gain of $7,698 as of September 30, 2024.

State statutes authorize the Agency to invest in U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, government pools, and money market funds consisting of any of these securities listed. No unauthorized investment transactions were carried out by the Agency during the year.

GASB Statement No. 40 requires the Agency to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The short term investment pools are not evidenced by securities that exist in physical or book entry form and accordingly, are not categorized for credit risk.

NOTE 3 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Office Furniture	$ 1,714	$ -	$ -	$ 1,714
Less Accumulated Depreciation	(1,714)	-	-	(1,714)
Capital Assets, Net	$ -	$ -	$ -	$ -

Depreciation expense was $0 for the year ended September 30, 2024.

NOTE 4 – LONG-TERM OBLIGATIONS & COMMITMENTS

A&A Construction and Development, Inc (Downtown) – During the 2023 fiscal year, the Agency entered into an Owner Participation and Reimbursement Agreement (OPA) with A&A Construction and Development. Under this agreement, the Agency will reimburse the cost of infrastructure improvements made as part of the Millworx and North Mill One project area within the Downtown Urban Renewal District. The Agency is only obligated to reimburse A&A Construction and Development Inc. if tax increment revenues of the Agency are available. The Agency receives increment revenue and then deducts the amounts necessary to cover administrative costs, fund the district reserve, and pay any district debt. The amount remaining is the reimbursement. In fiscal year 2024 an Order of Approval for participant expenditures of $6,035,511 in qualifying costs was approved and $1,048,691 was reimbursed, resulting in a remaining obligation of $4,986,820

Beyond Green, Inc (Post Falls Technology) - During the 2019 fiscal year, the Agency entered into an Owner Participation and Reimbursement Agreement (OPA) with Beyond Green. Public infrastructure construction projects are in process. $1,724,073 is being held for future reimbursement of public infrastructure.

NOTE 5 – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Agency contracts with an insurance company, Idaho Counties Risk Management Program (ICRMP), for property insurance and general liability insurance.

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

The Agency's workman's compensation coverage is provided by the Idaho State Insurance Fund. During fiscal year 2023/24, the Agency contributed $183 for this insurance coverage.

NOTE 6 – PENSION PLAN

Plan Description

The Post Falls Urban Renewal Agency contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters.

As of June 30, 2024 the employee rate was 6.71% for general employees and 9.83% for police and firefighters. As of July 1, 2024, the employee rate increased to 7.18% for general employees and increased to 10.83% for police and firefighters.

The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters during the period July 1, 2023, through June 30, 2024. As of July 1, 2024 the employer rates for general employees increased to 11.96% and increased for police and firefighters to 14.65%.

The Agency’s contributions were $6,484 for the year ended September 30, 2024.

NOTE 6 – PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, the Agency reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on the Agency's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024 the Agency's proportion was 0.0011623%.

For the year ended September 30, 2024, the Agency recognized pension expense of $11,092. At September 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,922	$ -
Changes in assumptions or other inputs	1,722	-
Net difference between projected and actual earnings on pension plan investments	-	789
Change in the Agency's proportion and differences between the Agency's contributions and the Agency's proportionate contributions	1,697	6,666
Agency's contributions subsequent to the measurement date	1,677	-
Total	$ 12,018	$ 7,455

$1,677 reported as deferred outflows of resources related to pensions resulting from Agency's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2022, the beginning of the measurement period ended June 30, 2023 is 4.4 and 4.4 for the measurement period June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended September 30:	
2025	691
2026	6,214
2027	(2,775)
2028	(1,244)

NOTE 6 – PENSION PLAN (CONTINUED)

Actuarial Assumptions
Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return**	6.35%
Cost-of-living adjustments	1.00%

**net of pension plan investment expense*
***there is an additional component of assumed salary growth (on top of the 3.05%) that varies for each individual member based on years of service*

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The total pension liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System’s asset allocation. The assumptions and the System’s formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System’s assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

NOTE 6 – PENSION PLAN (CONCLUDED)

Capital Market Assumptions

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 6.35%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35%) or 1-percentage-point higher (7.35%) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Agency's proportionate share of the net pension liability (asset)	$ 82,621	$ 43,478	$ 11,507

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

NOTE 7 – LEASES

The Agency also leases its office space. The original lease began October 1, 2015, was renewed in September 2018, for three years before the term of the third addendum to lease agreement for 36 months, commencing on October 31, 2021 with annual payments of $7,990. Rent payments for the year ended September, 30, 2024, was $7,990.

At September 30, 2024, the Agency has recognized right-to-use assets of $66,521, with accumulated amortization of $66,521 and a lease liability of $0. During the fiscal year, the Agency recorded $7,412 in amortization expense for the right-to-use assets. The amortization expense is allocated to general government on the statement of activities. The Agency used an interest rate of 2% for the assets.

Net right-to-use assets are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right-to-use asset:				
Office space	$ 66,521		$ -	$ 66,521
Accumulated amortization	59,109	7,412	-	66,521
Net right-to-use assets	$ 7,412	$ 7,412	$ -	$ -

Changes in lease liability are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Lease liability	$ 7,833	$ -	$ 7,833	$ -

REQUIRED SUPPLEMENTARY INFORMATION

POST FALLS URBAN RENEWAL AGENCY
SCHEDULE OF AGENCY'S SHARE OF NET PENSION LIABILITY
PERSI - Base Plan
Last 10 - Fiscal Years *

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Agency's portion of the net pension liability	0.0011623%	0.0012689%	0.0016938%	0.0013542%	0.0013486%	0.0013350%	0.0015298%	0.0011755%	0.0036291%	0.0036032%
Agency's proportionate share of the net pension liability (asset)	$ 43,477	$ 50,638	$ 66,713	$ (1,070)	$ 31,316	$ 15,239	$ 22,565	$ 18,477	$ 73,567	$ 47,448
Agency's covered-employee payroll	$ 57,330	$ 54,600	$ 68,642	$ 51,149	$ 48,734	$ 45,734	$ 48,612	$ 39,445	$ 89,739	$ 101,295
Agency's proportional share of the net pension liability as a percentage of its covered-employee payroll	75.84%	92.74%	97.19%	-2.09%	64.26%	33.32%	46.42%	46.84%	81.98%	46.84%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Post Falls Urban Renewal Agency will present information for those to use for which information is available.

Data reported is measured as of June 30, 2024

SCHEDULE OF AGENCY'S CONTRIBUTIONS
PERSI - Base Plan
Last 10 - Fiscal Years *

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Statutorily required contribution	$ 7,560	$ 5,542	$ 7,843	$ 5,347	$ 5,291	$ 5,108	$ 5,941	$ 3,964	$ 10,788	$ 11,786
Contributions in relation to the statutorily required contribution	$ (6,444)	$ (6,520)	$ (8,069)	$ (6,107)	$ (5,808)	$ (5,208)	$ (5,647)	$ (4,189)	$ (12,180)	$ (11,575)
Contribution (deficiency) excess	$ (1,116)	$ 978	$ 226	$ (760)	$ (516)	$ (99)	$ 294	$ (225)	$ (1,392)	$ 211
Agency's covered-employee payroll	$ 57,330	$ 54,600	$ 68,642	$ 51,149	$ 48,734	$ 45,734	$ 48,612	$ 39,445	$ 89,739	$ 101,295
Contributions as a percentage of covered-employee payroll	11.24%	11.94%	11.76%	11.94%	11.92%	11.39%	11.62%	10.62%	13.57%	11.43%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Post Falls Urban Renewal Agency will present information for those to use for which information is available.

Data reported is measured as of June 30, 2024

See accompanying notes and independent auditors report

POST FALLS URBAN RENEWAL AGENCY
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Governmental Fund Types
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 1,528,669	$ 1,528,669	$ 1,538,411	$ 9,742
Penalties and Late Fees	-	-	-	-
Interest and Investment Earnings	39,000	39,000	146,802	107,802
Other Income	-	-	75,000	75,000
Total Revenues	1,567,669	1,567,669	1,760,213	192,544
Expenditures				
General Government	145,259	145,259	104,503	(40,756)
Tax Increment Expense	2,798,329	2,798,329	1,123,691	(1,674,638)
Debt Service:				
Principal	-	-	7,833	7,833
Interest	-	-	157	157
Total Expenditures	2,943,588	2,943,588	1,236,184	(1,707,404)
Excess (Deficiency) of Revenues Over Expenditures	(1,375,919)	(1,375,919)	524,029	1,899,948
Other Financing Sources (Uses)				
Other Financing Sources	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(1,375,919)	(1,375,919)	524,029	1,899,948
Fund Balance - Beginning	1,375,919	1,375,919	2,480,267	1,104,348
Fund Balance - Ending	$ -	$ -	$ 3,004,296	$ 3,004,296

See accompanying notes and independent auditors report

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

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

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

Reported budgeted amounts are as originally adopted or as amended by the Board. Professional management cannot legally amend appropriations within the budget without first seeking Board approval once the budget has been approved.

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

REPORT REQUIRED BY GAO

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
Post Falls Urban Renewal Agency
Post Falls, ID

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 each major fund of the Post Falls Urban Renewal Agency, a component unit of the City of Post Falls, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Post Falls Urban Renewal Agency's basic financial statements and have issued our report thereon dated January 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Post Falls Urban Renewal Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Post Falls Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Post Falls Urban Renewal Agency's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Post Falls Urban Renewal Agency's financial statements are free of 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.

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
January 30, 2025