JEROME URBAN RENEWAL AGENCY

A COMPONENT UNIT OF THE CITY OF JEROME, IDAHO

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	12
Statement of Revenue, Expenditures and Changes in Fund Balance	13
Notes to Financial Statements	14-22
Required Supplementary Information:	
Budgetary Comparison Schedules	23-25
Notes to Required Supplementary Information	26
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*	27-28

WORKMAN & COMPANY | Office of Accounting

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

INDEPENDENT AUDITOR'S REPORT

April 15, 2025

To the Board of Commissioners
Jerome Urban Renewal Agency
Jerome, Idaho

Opinions

We have audited the accompanying financial statements of the governmental activities of the Jerome Urban Renewal Agency, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Jerome Urban Renewal 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, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Jerome Urban Renewal Agency, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows 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. 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 Jerome 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jerome 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 Responsibility

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 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 aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 Jerome 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 Jerome 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 planning 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 the budgetary comparison information on pages 4–9 and 23–25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2025, on our consideration of the Jerome 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 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 City's internal control over financial reporting and compliance.

.

Workman & Company

Certified Public Accountants
Twin Falls, Idaho

I. Background.

The City of Jerome Urban Renewal Agency offers readers an overview of its financial activities in a narrative form called the "Management's Discussion and Analysis." This report highlights the general fiscal health of the Agency, outlines key financial decisions that were initiated by the Agency's leadership and identifies future financial priorities and activities. In order to fully understand the financial statements included in the Agency's Audit, residents should first read the Management's Discussion and Analysis document. It is our goal that through its reading, our citizens will be better informed and involved.

II. Understanding this Report.

This Management's Discussion and Analysis report is broken into three major components that include Government-wide financial statements which provide information for the Agency as a whole; fund financial statements which provide detailed information for the Agency's significant funds; and notes to the financial statements which provide additional information that is essential to understanding the government-wide and fund statements. This report covers the Fiscal Year that began on October 1, 2023 and ended on September 30, 2024. It provides financial comparisons and analyzes financial trends, designed to provide the reader with better understanding of the Agency's overall financial health.

The Agency's financial statements are broken into two categories: Government-Wide Financial Statements and Fund Financial Statements.

a. *Government-Wide Financial Statements*. Government-wide financial statements, presented on pages 10-11 of the financial statements, are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the City of Jerome Urban Renewal Agency's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. In other words, it will help to show the solvency of the Agency.

The statement of activities presents information showing how the government's net position and liabilities changed during the most recent fiscal year. All changes in net position are reported as they occur, regardless of the timing of related cash flows. This is accrual accounting and thus, revenues and expenditures are reported in this statement for some items that might not reflect actual cash flows until future fiscal periods.

The government-wide financial statements include all of the Agency's services, which are primarily supported by property taxes (tax increment revenue) and interest income. The Agency has no business-type activities.

The governmental activities of the City of Jerome Urban Renewal Agency include general government administration and operations.

b. *Fund Financial Statements*. A fund is a grouping of related accounts that is used to maintain control over resources that have been separated for specific activities or objectives.

(1) Government Funds. Government funds are used to account for essentially the same activities as previously identified under governmental activities in the government-wide financial statement. However, unlike the government-wide financial statements, governmental fund financial statements, presented on pages 12-13 of the financial statements, focus on near-term inflows and outflows of Agency liquid resources as well as balances of liquid resources at the end of the fiscal year. Such information is helpful when determining the Agency's near-term financing requirements and health.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for both as readers may better understand the long-term impact of the government's near-term financing decisions.

The City of Jerome Urban Renewal Agency currently maintains three (3) governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for these major funds.

The Agency adopts an annual budget. Budgetary comparison statements for all 3 fund areas are found on Pages 23 to 25. Revenues exceeded expenditures by $199,045 for Area 3 and by $34,598 for Area 4. Area 5 had expenditures and other uses exceed revenues and other sources by $1,516,839.

If the reader comes upon "Notes to the Financial Statements" or "Other Information," these sections are to provide additional narrative and required supplementary information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

III. Health of the Agency – Financial Statements Overview

a. *Government-Wide Financial Analysis*. One important question to ask about the Agency's finances is, "Is the Agency better or worse off as a result of the previous year's activities?" The information in the government-wide financial statement helps answer this question because it captures all agency assets and liabilities using the accrual basis of accounting. In this way, all of the Agency's financial transactions both in revenues and expenditures are captured for the long-term and the near-term and one can see the true financial health of the Agency.

For the City of Jerome Urban Renewal Agency for the Fiscal Year 2024, changes in governmental assets and liabilities were as follows:

Table 3.1 Net Position

	Governmental Activities FY 2023	Governmental Activities FY 2024	Total FY 2023	Total FY 2024
Current Assets				
Cash and Investments	$739,989	$1,468,578	$739,989	$1,468,578
Restricted Assets	$9,629,325	$8,112,914	$9,629,325	$8,112,914
Non Current Assets	$1,198,525	$2,140,308	$1,198,525	$2,140,308
Total Assets	$11,567,839	$11,721,800	$11,567,839	$11,721,800
Current Liabilities				
Payables and Deposits	$288,022	$783,213	$288,022	$783,213
Current Portion LTD	$135,326	$87,595	$135,326	$87,595
Non-Current Liabilities	$8,300,016	$8,212,421	$8,300,016	$8,212,421
Total Liabilities	$8,723,364	$9,083,229	$8,723,364	$9,083,229
Net Position:				
Invested in Capital Assets	$1,198,525	$2,140,308	$1,198,525	$2,140,308
Restricted	$9,629,325	$8,112,914	$9,629,325	$8,112,914
Unrestricted	($7,983,375)	($7,614,651)	($7,983,375)	($7,614,651)
Total Net Position:	$2,844,475	$2,638,571	$2,844,475	$2,638,571

As indicated in Table 3.1, for the year ended September 30, 2024, cash and investments made up 13% of the Agency assets. In the past all purchased assets were donated to the City of Jerome. However, in recent years the Agency has purchased property with the intent to improve the land to be more appealing to developers and will eventually sell it to a private party. Also, the Agency purchased and is developing property into a sports and recreational park. The asset will be held until completed and then donated to the Jerome Recreational District. At the end of the fiscal year, the Agency is able to report a positive net position of $2,638,571.

When looking at the Agency's net position, the other area to look at is the restricted and unrestricted totals. The $8,112,914 designated as restricted funds represent amounts that are subject to external restrictions on how they may be used. These assets are related to debt service required for the issuance of revenue related debt, the bond proceeds restricted for infrastructure construction projects in Area 3 and Area 5, and ARPA grant funds from the City of Jerome restricted for the Southside Park project in Area 5.

Table 3.2 Change in Net Position				
	Governmental Activities FY 2023	Governmental Activities FY 2024	Total FY 2023	Total FY 2024
Revenues				
Program Revenues:				
Capital grants and contributions	$2,238,908	$140,954	$2,238,908	$140,954
General Revenues:				
Property Taxes	$546,075	$608,893	$546,075	$608,893
Investment Earnings	$430,642	$551,157	$430,642	$551,157
Total Revenues	$3,215,625	$1,301,004	$3,215,625	$1,301,004
Expenses				
Urban Renewal Projects:				
Downtown Area 3	$0	$12,967	$0	$12,967
Area 4	$0	$0	$0	$0
Area 5	$968,893	$1,001,814	$968,893	$1,001,814
Cash to County for Area 2 closure	$42,093	$0	$42,093	$0
Support Services	$108,128	$93,414	$108,128	$93,414
Interest on long-term liabilities	$399,220	$398,713	$399,220	$398,713
Total Expenses	$1,518,334	$1,506,908	$1,518,334	$1,506,908
Change in Net Position	$1,697,291	($205,904)	$1,697,291	($205,904)
Net Position - beginning as reported	$1,147,184	$2,844,475	$1,147,184	$2,844,475
Net Position - ending	$2,844,475	$2,638,571	$2,844,475	$2,638,571

Table 3.2, Change in Net Position, reflects the overall change in net position for the City of Jerome Urban Renewal Agency. For the fiscal year 2024, the Agency's total revenues were $1,301,004 while total expenses were $1,506,908. The Agency reports a decrease in net position of $205,904. A more detailed accounting of the fund activities can be found on page 13 of the audit.

b. *Fund Financial Analysis*. As noted earlier, the City of Jerome Urban Renewal Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

(1) Government Funds. The focus of the Agency's governmental fund reporting is to provide information on near-term inflows, outflows, and balances of spendable resources. Perhaps the key area to look at in government fund balance sheets is the final unrestricted fund balance as they indicate resources available for spending at the end of the fiscal year.

At the end of fiscal year 2024, the Agency reported a positive fund equity balance of $8,831,118 of which $718,204 is committed for spending by the Agency. The remainder of the fund balance of $8,112,914 is restricted to indicate that it is not available for new spending because it has already been reserved to pay for debt service and infrastructure construction projects.

In summary, the City of Jerome Urban Renewal Agency is financially healthy with a combined total of $8,831,118 in restricted and committed assets.

IV. Capital Assets and Debt Management Administration

a. *Capital Assets*. Historically capital assets such as streets, street improvements, water, sewer, and other capital improvements, which the Agency pays for, are donated to the City of Jerome, Idaho. Over past several years the Agency purchased real property and will not be donating it to the City. The purchased land in Area 3 will be held for resale at a later date while the land purchase in fiscal year 2022 is being developed as a park and be donated to the Jerome Recreation District of Jerome, Idaho.

   There were no major assets paid for by the Agency and donated to the City of Jerome or other entities in fiscal year 2024.

b. *Debt Management and Administration*. As of September 30, 2024, the Agency had total debt of $8,300,016. This amount reflects revenue bond debt and loan proceeds to pay the cost of acquisition and construction of various urban renewal projects.

The table of long-term debt is as follows:

Table 4.2 Long-Term Debt

	Balance 1-Oct-23	Additions	Payment Adjustments	Balance 30-Sep-24
Governmental Activities:				
Bonds Payable	$8,356,695	$0	($56,679)	$8,300,016
Commercial Creamery	$78,647	$0	($78,647)	$0
Total	$8,435,342	$0	($135,326)	$8,300,016

The City of Jerome Urban Renewal Agency pledges the incremental tax revenues and all funds in the bond fund and the debt service reserve fund for the payment of the bonds.

V. Fiscal Year 2025 Fiscal Priorities

In August of 2024, the City of Jerome Urban Renewal Agency Commissioners and City Staff developed the Fiscal Year 2025 spending priorities to help focus the efforts of the Agency's resources in the current fiscal year that began on October 1, 2024 and ends on September 30, 2025. Those priorities and their associated dollar amounts are as follows:

Table 5.1 2025 Fiscal Priorities

Item	Area	Projected Cost	Explanation
Infrastructure	Area 3	$4,162,325	Downtown revitilization project
Infrastructure	Area 4	$145,727	Projects to be determined
Infrastructure	Area 5	$2,667,000	South Side Park & Gravity sewerline (Nez Perce to H) projects miscellaneous projects to be determined
Total Projects		**$6,975,052**	

As an urban renewal agency operating in the State of Idaho, the Agency's revenue flexibility is quite limited, but conversely, quite stable. Property tax resources flow to the agency through the tax increment process of "revenue allocation" as it is termed in Idaho law.

The City of Jerome Urban Renewal Agency currently has three active revenue allocation areas. Area 3 is called the "Downtown Improvement Project Area. As well as Area 4 and Area 5 that have not yet been assigned project names.

Previously the Agency had two other revenue allocation areas. The South Lincoln Project Area was terminated September 30, 2014 and the Southeast Industrial Project Area, commonly known as Area 2, was terminated September 30, 2022.

Conclusion. This financial report is designed to provide a general overview of the City of Jerome Urban Renewal Agency's finances for all those with an interest in the government's finances and activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mike Williams, Executive Director, 152 East Avenue A, Jerome, Idaho 83338.



Mike Williams
Executive Director
City of Jerome Urban Renewal Agency

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

	Governmental Activities
ASSETS:	
Cash and Investments	$ 1,468,578
Restricted assets:	
Cash and investments	8,112,914
Capital assets:	
Land and construction in progress	2,140,308
Total Assets	11,721,800
LIABILITIES:	
Accounts payable - trade and other accrued liabilities	735,374
Refundable Deposits	15,000
Interest payable	32,839
Long-term liabilities:	
Current portion	87,595
Noncurrent portion	8,212,421
Total Liabilities	9,083,229
NET POSITION	
Net investment in capital assets	2,140,308
Restricted for debt repayment and construction projects	8,112,914
Unrestricted	(7,614,651)
Total Net Position	$ 2,638,571

The accompanying notes are an integral part of the financial statements

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

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
Urban renewal projects	$ 1,014,781	$ -	$ -	$ 140,954	$ (873,827)
Support services	93,414	-	-	-	(93,414)
Interest on long-term liabilities & obligations	398,713	-	-	-	(398,713)
Total governmental activities	$ 1,506,908	$ -	$ -	$ 140,954	(1,365,954)
General Revenues:					
Property taxes					608,893
Unrestricted investment earnings					551,157
Refunds and reimbursements					-
Total general revenues					1,160,050
Change in net position					(205,904)
Net position beginning of year					2,844,475
Net position-ending					$ 2,638,571

The accompanying notes are an integral part of the financial statements

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

	Downtown Improvements Project Area 3	Area 4	Area 5	Total Governmental
ASSETS:				
Pooled cash and investments	$ 281,791	$ 133,134	$ 1,053,653	$ 1,468,578
Restricted Cash:				
Construction funds	4,172,755	-	3,495,971	7,668,726
Debt service reserve funds	214,705	-	229,483	444,188
TOTAL ASSETS	$ 4,669,251	$ 133,134	$ 4,779,107	$ 9,581,492
LIABILITIES:				
Accounts payable - trade	$ 18,408	$ 309	$ 716,657	$ 735,374
Refundable deposits	15,000	-	-	15,000
TOTAL LIABILITIES	33,408	309	716,657	750,374
FUND BALANCES:				
Restricted for debt repayment	214,705	-	229,483	444,188
Restricted for infrastructure construction	4,172,755	-	3,495,971	7,668,726
Committed	248,383	132,825	336,996	718,204
TOTAL FUND BALANCES	4,635,843	132,825	4,062,450	8,831,118
TOTAL LIABILITIES AND FUND BALANCES	$ 4,669,251	$ 133,134	$ 4,779,107	$ 9,581,492
Reconciliation to the Statement of Net Position:				
Total fund equity				$ 8,831,118
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				2,140,308
Payables expected to be paid in the next year but not soon enough use the current period's revenues are not included in the funds				(32,839)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds				(8,087,711)
Deferred premiums and related amortization are recognized in full in the year incurred and are not capitalized and amortized in the funds				(212,305)
Total Net Position				$ 2,638,571

The accompanying notes are an integral part of the financial statements

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

	Downtown Improvements Project Area 3	Area 4	Area 5	Total Governmental
REVENUE:				
Property Taxes	$ 331,493	$ 33,616	$ 243,784	$ 608,893
Interest Earned	246,869	4,859	299,429	551,157
Other	-	-	-	-
	578,362	38,475	543,213	1,160,050
EXPENDITURES:				
Current:				
Office supplies and postage	36	-	36	72
Operating supplies	65	7	14	86
Professional services	26,200	1,834	14,383	42,417
Advertising and publishing	483	36	346	865
Insurance and bonds	2,680	101	960	3,741
Dues and subscriptions	594	63	594	1,251
Administration expense	7,026	586	10,051	17,663
Economic development support	11,875	1,250	11,875	25,000
Other purchased services	221	-	-	221
Miscellaneous expense	998	-	1,100	2,098
Capital Outlay:				
Urban Renewal Projects	12,967	-	1,943,597	1,956,564
Debt service	316,172	-	218,050	534,222
	379,317	3,877	2,201,006	2,584,200
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	199,045	34,598	(1,657,793)	(1,424,150)
OTHER FINANCING SOURCES (USES)				
Capital Contributions	-	-	140,954	140,954
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	199,045	34,598	(1,516,839)	(1,283,196)
FUND BALANCE SEPTEMBER 30, 2023	4,436,798	98,227	5,579,289	10,114,314
FUND BALANCE SEPTEMBER 30, 2024	$ 4,635,843	$ 132,825	$ 4,062,450	$ 8,831,118

Reconciliation to the Statement of Activities:	
Total net change in fund balances	$ (1,283,196)
Repayment of note principal is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position	137,972
Governmental funds report the acquistion or construction of capital assets as expenditures, but the payment increases capital assets in the Statement of Net Assets	941,783
Amortization of deferred charges and debt discounts are recognized in the Statement of Activities, but not in the Fund Financial Statements	(2,463)
Change in Net Position	$ (205,904)

The accompanying notes are an integral part of the financial statements

Note 1 - Summary of Significant Accounting Policies

A) *Basis of Presentation*

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

B) *Financial Reporting Entity*

The Jerome Urban Renewal Agency (Agency) was organized in 1994 under the Idaho Urban Renewal Law of 1965. The Agency is governed by a five-person Board of Commissioners appointed by the Mayor of the City of Jerome with the advice and consent of the City Council.

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

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

For financial reporting purposes, in conformity with governmental accounting standards, the Agency is included as a component unit of the City of Jerome, 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 Jerome, Idaho in conformity with generally accepted accounting principles.

C) *Government-Wide and Fund Financial Statements*

The Agency's financial statements include the activities of the Agency. The Agency's *government-wide financial statements* provide both short-term and long-term information about the Agency's overall financial status. *Fund financial statements* focus on the individual activities of the Agency, reporting the Agency's operations in more detail than the government-wide financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business. The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the Agency accompanied by a total column. Fiduciary activities of the Agency are not included in these statements. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting.

The Statement of Net Position presents information on all of the Agency's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, with the difference between the two presented as net position (deficit). Net position is divided into three components:

a. Invested in capital assets, net of related debt - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
b. Restricted net position - consists of balances that are restricted by the Agency's creditors (for example, through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the Agency).
c. Unrestricted - all other balances are reported in this category.

The Statement of Activities presents information showing how the net position changed during the most recent year. All changes in net position are reported as soon as the underlying event gives rise to the change that occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Fund Financial Statements – The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use a current financial resources measurement focus and the modified accrual basis of accounting, focusing on the near-term inflows and outflows of spendable resources, and balances of spendable resources available at fiscal year-end.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter (usually 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes are susceptible to accrual. Other receipts become measurable and available when the cash is received by the government and are recognized as revenue at that time.

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

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Agency has presented all major funds that met those qualifications. In addition, the Agency has presented certain funds as major funds because the Agency believes the financial position and activities of these funds are significant to the Agency as a whole. The Agency reports the following major governmental funds:

a. Downtown Improvement Project Area – a special revenue fund used to account for and report property taxes (tax increment revenue) restricted or committed for the operation and maintenance of the Downtown Improvement Project revenue allocation area.
b. Area 4 – a special revenue fund used to account for and report property taxes (tax increment revenue) restricted or committed for the operation and maintenance of the Area 4 revenue allocation area.
c. Area 5 – a special revenue fund used to account for and report property taxes (tax increment revenue) restricted or committed for the operation and maintenance of the Area 5 revenue allocation area.

D) *Use of Restricted Funds*
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.

E) *Long-term Debt Obligations*
In the government-wide financial statements long-term debt and obligations are reported as a liability in the statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest rate method. Bond payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

F) *Property Tax Calendar*
Property taxes for each year are levied in September of that year with the first half of real property taxes and all personal property and mobile home taxes due on December 20th. Taxes not paid on or before December 20th are considered to be delinquent. The second half of the real property taxes is due June 20th of the following year and is considered to be delinquent on June 21st. An initial late penalty of 2% of tax plus 1% per month interest charge is assessed on all delinquent taxes. A tax lien is filed for property whose taxes become three years delinquent. Taxes collected by the County are remitted to the Agency on a monthly basis. Property tax revenue is recognized when it becomes available. Available means when due, or past due and receivable within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period, which period is not to exceed 60 days.

G) *Interfund Activity*
Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

H) *Capital Assets*
Capital assets, which includes only land, are reported in the government-wide financial statements. Assets are capitalized when they have a useful life in excess of one year and have a cost of $5,000 or more. Purchased or constructed capital assets are valued at cost or estimated historical cost if actual cost is unavailable. Donated assets are reported at fair value at the time received. There is no depreciation recorded for land.

I) *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

Cash balances of the Agency's funds are pooled for investment purposes. The individual funds' portions of the pool's cash and investments are reported as "pooled cash and investments." Investments are stated at fair value (quoted market price or the best available estimate). The Agency does not have a written investment policy.

For deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Agency does not have a deposit policy for custodial credit risk. At September 30, 2024, the carrying amount of the Agency's deposits with financial institutions (after considering outstanding and other reconciling items) was $202,249 and the bank balance was $202,249. All funds were insured or collateralized.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments that are in the possession of an outside party. The elected State Treasurer, following Idaho Code Section 67-2328, is authorized to sponsor an investment pool in which the Agency voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight is with the State Treasurer and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name and the fair value of the Agency's position in the external investment pool is the same as the value of the pool shares. The fund was assigned an AAAf fund credit quality rating and S1+ volatility rating by Standard & Poor's Rating Service in 2009. The Agency's investment in the State of Idaho Local Government Investment Pool as of September 30, 2024, was $8,935,055.

The Agency receives peak net cash inflows during the first quarter of the fiscal year. Cash and investments meeting the criteria as uninsured may, at times during the fiscal year, significantly exceed the uninsured balance at the September 30th fiscal year-end.

All of the Agency's restricted assets are reserved for debt repayment and construction projects.

Reconciliation of carrying amount to cash numbers on the financial statements:

Sources of cash:	
Deposits with financial institutions	$ 202,249
Local Government Investment Pool, at fair value	8,935,055
US Bank Debt Service Reserve Funds:	
Cash	22,387
Money Market Funds	421,801
	$ 9,581,492
Cash on financial statements:	
Pooled cash and investments	$ 1,468,578
Restricted assets	8,122,914
	$ 9,581,492

Note 3 – Capital Assets

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

Governmental activities:	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024
Land	$ 783,097	$ -	$ -	$ 783,097
Construction in progress	415,428	941,783	-	1,357,211
Net capital assets	$ 1,198,525	$ 941,783	$ -	$ 2,140,308

Note 4 – Changes in Long Term Liabilities

As of September 30, 2024, the Agency had incurred other obligations which were payable in future fiscal periods. Since payment of these obligations is outside of the Agency's current operating cycle, they did not require current appropriation and expenditure of governmental fund-type resources. These obligations are as follows:

Bonds Payable - Series 2022

The Agency issued a note to provide financing to pay the cost of construction of multiple Urban Renewal Projects. The notes consist of both Serial and Term bonds. The interest rate for the Serial bonds is 4% and the Term bonds interest rate is 5% for both Series A and B. The true interest cost rate is 4.5714% for Series A and 4.8291% for Series B with semi-annual interest payments due each March 1st and September 1st. In addition, annual principal payments of varying principal amounts are due each September 1st. Principal payments of $55,000 for Series A was paid on August 14, 2024. No principal payment was made for Series B. The principal balance as of September 30, 2024 is $8,090,000 plus amortized premium of $210,016 for a total of $8,300,016.

Miscellaneous Payable – Commercial Creamery Company of Idaho, Inc.

The Agency entered into a reimbursement participation agreement with Commercial Creamery on December 18, 2018. The Agency shall disburse a portion of the revenue allocation for actual eligible costs not to exceed $300,000. As the payable carries no interest rate, the unamortized discount was calculated using an effective interest rate of 5.5%. For the year ended September 30, 2024 cash payments of $82,972 less amortized discount of $4,325 for a total of $57,173 were made. Subsequent payments are required on or before March 1 and September 1 of each year through September 1, 2034 or at which time the maximum reimbursement has been distributed. As of September 30, 2024, this obligation is paid in full.

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

	Balance October 1, 2023	Additional Debt	Payments	Balance September 30, 2024	Amounts Due Within One Year
Bonds payable - Series 2022 (including amortized premium)	8,356,695	-	56,679	8,300,016	87,595
Commerical Creamery (net of amortized discount)	78,647	-	78,647	-	-
	8,435,342	-	135,326	8,300,016	87,595

As of September 30, 2024, debt service requirements to maturity for principal and interest, for general long-term debt obligations, are as follows:

Year Ended	Principal	Interest	Total
2025	$ 85,000	$ 394,050	$ 479,050
2026	140,000	390,650	530,650
2027	200,000	385,050	585,050
2028	270,000	377,050	647,050
2029	350,000	1,622,250	1,972,250
2030 - 2034	3,380,000	717,500	4,097,500
2035 - 2039	3,665,000	39,500	3,704,500
2040 - 2039	-	-	-
	8,090,000	$ 3,926,050	$ 12,016,050
Premium on bond less accumulated amortization	210,016		
	$ 8,300,016		

Note 5 - Risk
The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Commercial insurance is purchased to cover these risks.

Note 6 - Pledge for Payment of the Bonds
The Agency pledges the incremental tax revenues and all funds in the debt reserve fund and the debt service reserve fund for the payment of the bonds and the note.

Note 7 – Fund Balances
In accordance with GASB Statement No. 54, fund balances are classified as follows:

- *Nonspendable* – amounts that cannot be spent because they are in a nonspendable 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 constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- *Committed* – amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board of Commissioners is the highest level of decision-making authority for the Agency. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Commissioners.
- *Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent can be expressed by the Agency Commissioners or by an official or body to which the Agency delegates the authority.
- *Unassigned* – all other spendable amounts.

As required by GASB 54, the Agency's establishment, modification, and rescinding of a committed fund balance is decided upon by passage of an annual appropriations resolution by the Agency Commissioners, acting as the highest level of decision-making authority.

When expenditures are incurred for which both restricted and unrestricted fund balance are available, the Agency considers restricted to have been spent first. In the case of an expenditure being incurred for purposes for which amounts in any of the unrestricted fund balances could be used, the Agency does not have a formal policy, but defaults to the order as follows: first against committed, then assigned and finally unassigned fund balances as considered to have been spent.

As of September 30, 2024, fund balances are composed of the following:

Restricted Fund Blalances:	Downtown Improvement Area 3	Area 4	Area 5	Total
Debt payment from bond proceeds	$ 214,705	$ -	$ 229,483	$ 444,188
Restrict for infrastructure construction	4,172,755	-	3,495,971	7,668,726
Committed Fund Balances:				
Operations	248,382	132,826	336,996	718,204
Total Fund Balance	$ 4,635,842	$ 132,826	$ 4,062,450	$ 8,831,118

Note 8 – Grant revenue received from the City of Jerome

The City of Jerome received funds as a part of the American Rescue Plan Act (ARPA). A committee was formed to determine the best possible use of the funds in relation to the federal rules on how the funds could be spent. The committee recommended the City use some of the funds to support a green space and connectivity project that would serve disadvantaged parts of Jerome.

Based on the recommendation of the committee, the City of Jerome council elected to award the Agency, as a subrecipient, all ARPA funds received by the City. In fiscal year 2023 the City awarded the Agency $2,238,908 and in fiscal year 2024 an additional $140,954. These funds are restricted and will be spent on the Southside Park project in Area 5.

Note 9 – Contingencies

The Agency utilizes reimbursement agreements to promote economic development within the Agency's defined areas. The Agency enters into these agreements with developers and businesses that have projects within its established Areas that include construction or improvement of public infrastructure or the desired remediation of property. Each agreement establishes a base assessed value of the parcels involved in the project, a maximum amount of eligible costs to be reimbursed, and sets forth the payment terms. The payment amount is 75% of the tax increment generated by the project. The Agency determines the annual payment amount once the developer or business provides the required proof of the new assessed value, property tax notices, and proof of payment of the taxes. Payments will be paid on the 1st of March and September each year until either the established reimbursement is paid in full or the Agency's project area is closed. These agreements also establish that the reimbursement payments are subordinate to any existing and future Agency obligations including but not limited to tax increment bonds.

As of September 30, 2024, the Agency has entered into three of these agreements. All related projects were completed prior to fiscal year end. However, none of the required documents to determine payment amount has been provided for the Agency to determine payment amounts or estimated life of the liabilities. The details of the agreements are as follows:

Jerome Pacific Associates:
The Agency and developer entered into the original capital reimbursement agreement on July 7, 2022. The project was the construction of affordable housing in Area 3 which also included certain public infrastructures adjacent to the project. The Agency agreed to reimbursement eligible costs up to $778,329. Completion of the project was in June of 2024. The developer demonstrated eligible costs incurred totaling $890,163. On July 31, 2024 the Agency and developer signed an amended agreement to increase the maximum reimbursement to the actual costs. The Agency expects to receive the required documentation to calculate the payment amount owed and issue the first payment no later than September 1, 2025. Payments continue until the eligible costs are paid in full or September 1, 2034, whichever comes first.

Nelson-Jameson, Inc.:
On November 3, 2022, the Agency passed Resolution 11-22 authorizing the reimbursement agreement between the Agency and the business Nelson-Jameson for site remediation costs in Area 4. The business completed the project in May of 2024. The Agency and business entered into the agreement on September 11, 2024. The Agency has agreed to reimburse Nelson-Jameson a maximum amount of $391,000. The Agency expects to receive the required documentation to calculate the payment amount owed and issue the first payment no later than September 1, 2025. The payments continue until the eligible costs are paid in full or September 1, 2034, whichever comes first.

Milk Specialties Company:
The Agency entered into a capital reimbursement agreement with the business Milk Specialties Company on May 23, 2023. The business redeveloped property and constructed a manufacturing facility in Area 5 and included site remediation costs the Agency believed benefited Area 5. Once all required documentation is provided to the Agency, a portion of the eligible costs not to exceed $606,712 with be reimbursed. The Agency expects to receive the required documentation to calculate the payment amount owed and issue the first payment no later than September 1, 2025. The payments continue until the eligible costs are paid in full or September 1, 2038, whichever comes first.

Note 10 – Subsequent Event

On December 5, 2024, the Agency passed Resolution 6-24 approving the real property exchange agreement between the Agency and the College of Southern Idaho (CSI) that was initially agreed upon in the Memorandum of Understanding (MOU) dated September 2, 2022 between the City, the Agency, and CSI. The MOU formalized the understanding that the City would relinquish ownership of approximately 4 acres of bare ground, referred to as Block 55, located on North Lincoln between 2nd Avenue West and 3rd Avenue West to the Agency. The Agency would then exchange this property for the CSI owned parcels located on the northwest corner of Main and Lincoln, referred to as 104 West Main Street. This property is located adjacent to two parcels already owned by the Agency. The Agency intends to market all three parcels for development while CSI is building a new facility on Block 55. The actual exchange occurred on January 27, 2025.

JEROME URBAN RENEWAL AGENCY
BUDGETARY COMPARISON SCHEDULE
DOWNTOWN IMPROVEMENT AREA FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Over
REVENUE:	Original	Final	Actual	(Under)
Property Taxes	$ 327,115	$ 327,115	$ 331,493	$ 4,378
Interest Earned	32,562	32,562	246,869	214,307
Total Revenue	359,677	359,677	578,362	218,685
EXPENDITURES:				
Current:				
Office supplies and postage	24	24	36	12
Operating supplies	48	48	65	17
Professional services	24,393	24,393	26,200	1,807
Advertising and publishing	356	356	483	127
Insurance and bonds	974	974	2,680	1,706
Dues and subscriptions	2,185	2,185	594	(1,591)
Administration expense	9,020	9,020	7,026	(1,994)
Economic Development support	11,875	11,875	11,875	-
Other purchased services	595	595	221	(374)
Miscellaneous	25	25	998	973
Capital Outlay - Construction	4,187,809	4,187,809	12,967	(4,174,842)
Debt Service	293,200	293,200	316,172	22,972
Total expenditures	4,530,504	4,530,504	379,317	(4,151,187)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(4,170,827)	(4,170,827)	199,045	4,369,872
OTHER FINANCING SOURCES (USES)				
Capital Contributions	-	-	-	-
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$(4,170,827)	$ (4,170,827)	$ 199,045	$ 4,369,872

JEROME URBAN RENEWAL AGENCY
BUDGETARY COMPARISON SCHEDULE
AREA 4 FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Over
REVENUE:	Original	Final	Actual	(Under)
Property Taxes	$ 33,113	$ 33,113	$ 33,616	$ 503
Interest Earned	375	375	4,859	4,484
Total Revenue	33,488	33,488	38,475	4,987
EXPENDITURES:				
Current:				
Office supplies and postage	3	3	-	(3)
Operating supplies	5	5	7	2
Professional services	1,115	1,115	1,834	719
Advertising and publishing	38	38	36	(2)
Insurance and bonds	103	103	101	(2)
Dues and subscriptions	230	230	63	(167)
Administration expense	949	949	586	(363)
Economic Development support	1,250	1,250	1,250	-
Miscellaneous	25	25	-	(25)
Capital Outlay - Construction	140,592	140,592	-	(140,592)
Total expenditures	144,310	144,310	3,877	(140,433)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(110,822)	(110,822)	34,598	145,420
OTHER FINANCING SOURCES (USES)				
Capital Contributions	-	-	-	-
Total other financing sources(uses)	-	-	-	-
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (110,822)	$ (110,822)	$ 34,598	$ 145,420

JEROME URBAN RENEWAL AGENCY
BUDGETARY COMPARISON SCHEDULE
AREA 5 FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Over
REVENUE:	Original	Final	Actual	(Under)
Property Taxes	$ 247,173	$ 247,173	$ 243,784	$ (3,389)
Interest Earned	37,812	37,812	299,429	261,617
Total Revenue	284,985	284,985	543,213	258,228
EXPENDITURES:				
Current:				
Office supplies and postage	24	24	36	12
Operating supplies	48	48	14	(34)
Professional services	10,593	10,593	14,383	3,790
Advertising and publishing	356	356	346	(10)
Insurance and bonds	974	974	960	(14)
Dues and subscriptions	2,185	2,185	594	(1,591)
Administration expense	9,020	9,020	10,051	1,031
Economic Development support	11,875	11,875	11,875	-
Miscellaneous	1,042	1,042	1,100	58
Bond issuance costs	-	-	-	-
Capital Outlay - Construction	4,194,205	4,194,205	1,943,597	(2,250,608)
Debt Service	218,050	218,050	218,050	-
Total expenditures	4,448,372	4,448,372	2,201,006	(2,247,366)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(4,163,387)	(4,163,387)	(1,657,793)	2,505,594
OTHER FINANCING SOURCES (USES)				
Grant Income/Capital Contributions	-	-	140,954	140,954
Total other financing sources(uses)	-	-	140,954	140,954
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$(4,163,387)	$ (4,163,387)	$(1,516,839)	$ 2,646,548

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

NOTE 1 - BUDGETARY INFORMATION

A) Budgetary-GAAP Reporting Reconciliation

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

B) Budgetary Policies

Jerome Urban Renewal Agency prepares an annual budget of revenue and expenditures prior to the beginning of the fiscal year. The budget is prepared on the modified accrual basis of accounting. Budget figures are based on prior levels of revenue and expenditures taking into account specific items which may be planned in advance by the District such as capital outlay expenditures. Any excess of budgeted expenditures over budgeted revenue are temporary situations and are budgeted so as to utilize cash balances in the individual fund.

C) Excess of Expenditures Over Appropriations

The Budgetary Comparison Schedules show all less expenditures than appropriated in all three Areas.

WORKMAN & COMPANY | Office of Accounting

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

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*

April 15, 2025

To the Board of Commissioners
Jerome Urban Renewal Agency
Jerome, Idaho

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 of the Jerome Urban Renewal Agency, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Jerome Urban Renewal Agency's basic financial statements, and have issued our report thereon dated April 15, 2025.

Internal Control over Financial Reporting

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

Compliance and Other Matters

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

Purpose of this Report

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

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho