THE URBAN RENEWAL AGENCY BOARD OF THE CITY OF LEWISTON, IDAHO, met in a regular meeting Tuesday, March 12, 2024, at Lewiston City Hall. Chairperson Sheila Bond called the meeting to order at 12:00 p.m.

## I. CALL TO ORDER

*BOARD MEMBERS PRESENT:* Sheila Bond, Chairperson; Don Beck; Jim Kleeburg; A.L. "Butch" Alford; Tim Switzer; Joe Anderson; Jessica Klein, Council Alternate;

*BOARD MEMBERS EXCUSED*: Joe Gish, Vice Chairperson;

*STAFF MEMBERS PRESENT:* Shannon Grow, URA Director; Katie Hollingshead, Assistant URA Director; Aaron Butler, IT; Luke Antonich, City Engineer; Joe Kaufman, Engineering Supervisor

*OTHERS PRESENT:* Thad O'Sullivan, URA Legal Counsel; Dawn Aliverti, Presnell Gage, PLLC

## II. CITIZEN COMMENTS

None.

## III. CORRECTIONS OR ADDITIONS TO AGENDA

None.

## IV. PUBLIC HEARING – 2023 URA ANNUAL REPORT

Chair Bond opened the public hearing and asked if there were any Citizen Comments. There were none. Chair Bond closed the public hearing.

## V. ACTIVE AGENDA (ACTIVE ITEM)

### A. Approval of Minutes, February 13, 2024 – Action Item

### B. Approval of Invoices

1. City of Lewiston, Administrative Services 1st Half: $15,118.75
2. O'Sullivan Legal PLLC, Legal Services, February 2024: $397.50
3. ICRMP, 1st Half 23-24 Premium: $1,086.00

Board member's Alford and Switzer moved and seconded, respectively, to approve the minutes and invoices. Board member Anderson asked Director Grow if these were all expected expenses and Director Grow answered yes. Motion passed 6-0.

### C. Review of Financial Summary

Director Grow reviewed the February 2024 financial summary, the dollar amounts in each revenue allocation area (RAA) and the interest earned from the State Investment Pool Fund. Director Grow went over how the interest is distributed between each of the

RAA accounts. Board member Anderson commented that the board had not accounted for the additional interest revenue in the 2024 budget. Director Grow stated that was correct, the budget does not currently account for that interest income but the board will make a budget amendment at the end of the year to reflect the actual dollar amounts.

**D. Presentation of Annual Audit Fiscal Year 2023 by Presnell Gage, LLC**

Director Grow introduced Dawn Aliverti from Presnell Gage LLC. Mrs. Aliverti gave a brief professional background on herself and then reviewed the provided documents. Mrs. Aliverti reviewed the summary of annual audit (Appendix A) and then reviewed the year end 2023 financial statements (Appendix B). Mrs. Aliverti stated the the audit opinion is a “clean” opinion, meaning no concerns or deficiencies were identified.

Board member Alford asked if the bottom line was that it was a clean audit, and Mrs. Aliverti responded yes.

Board member Alford asked what the fee for the audit was. Director Grow stated she believed it was approximately $6300 but that an invoice should be included in the April invoices for approval. Mrs. Aliverti let the board know that in 2023, the City, the URA and the Employee Benefit Trust went out to bid for auditing services and that Presnell Gage LLC was awarded the contract. The fee is based on that awarded contract amount and the contract runs for five (5) years.

**E. Approval of Annual Audit Fiscal Year 2023**

Board member Switzer and Beck moved and seconded, respectively, to approve the annual audit for fiscal year 2023. Motion passed 6-0.

**F. Approval of Annual Report 2023**

Director Grow let the board know that she had made changes to the opening paragraph per board member Gish’s suggestions but that otherwise the Annual Report was the same as the draft version reviewed by the board at the February 13, 2024 meeting. Board members Switzer and Anderson moved and seconded, respectively, to approve the Annual Report 2023. Motion passed 6-0.

## VI. UNFINISHED AND NEW BUISNESS

**A. Main/East Main RAA #4 Future direction of Main/East Main RAA #4**

Director Grow reviewed the memo regarding the Main/East Main RAA from the meeting packet. She reviewed the three projects that had been identified in the plan and that one project had been completed and two projects remain. Director Grow reminded the board that they had discussed the Main/East Main RAA in 2023 and had asked to revisit the option to close the RAA or keep it open in March 2024, so it is now in front of the board again.

Board member Anderson asked is Clearwater Paper was using the existing water line that had been identified in the plan for an upsize.

Engineering Supervisor, Joe Kaufman addressed the Board. He stated that Clearwater Paper utilize surface water and have some private wells, they are not connected to the water line identified in the Main/East Main plan.

Chair Bond asked about the project cost of the water line being $1.8 million and wanted to know if that was design and build or just the design work. Director Grow answered that estimate is for design and build. Chair Bond asked what surrounding development would benefit from the water line project identified in the plan. Director Grow stated that surrounding property owners include the Nez Perce County road shop, Coleman Oil Company and some vacant parcels. She stated that while the water line project is identified in the city's Capital Improvement Project list, it is a low ranking project.

Board members Anderson and Beck moved and seconded, respectively, to close the Main/East Main Revenue Allocation Area #4.

Board member Alford asked if Councilor Kleeburg had any insight to what the City's priority for the water line project might be. Board member Switzer followed that question by asking if Councilor Kleeburg thought there might be an opportunity for a cost sharing partnership on the project between the URA and the City. Councilor Kleeburg stated he didn't think the City would be interested in a cost share but he couldn't speak for the whole Council. Board member Anderson stated that he traveled the area in which the water line project would be frequently and didn't see it as the area where increased development would be happening.

Chair Bond called for the vote. Motion passed 6-0.

**B. Downtown RAA #7:**

Director Grow let the Board know that the City had made an offer on the Twin City Foods property and the offer was not accepted. The City will not be making any further offers on the Twin City Foods property. Director Grow reminded the Board that the Downtown RAA #7 is still fairly new and has not accumulated much increment funds yet. The City is moving forward with the Main Street rebuild and there might be an opportunity for the URA to partner or participate with the City in that project as there are several items identified in the Downtown plan that are also identified in the Main Street rebuild project.

Board member Anderson asked if there were any grants that could be applied for, for the stairs off of New 6$^{th}$ and the blighted area around St. Joe's. Director Grow stated not that she was aware of.

Board member Switzer asked if the City has any ideas on what the City would like to see the URA use the funds in the Downtown RAA #7 for. Director Grow stated the Main Street rebuild project is the highest priority in that RAA for the City. The intention is that the City will be pursuing a bond to take on debt to fund that project.

Board member Alford asked what the time frame was to seek approval from voters on a bond. City Engineer Luke Antonich stated that the proposed schedule was for a bond election in May of 2025.

**C. East Orchards Sewer RAA #5:**

Director Grow reminded the Board that Ryan Rehder from Merrick had attended the February meeting to talk about next steps now that Segments 1, 17, 18, and 19 were designed. Director Grow reviewed the financials for East Orchards Sewer RAA #5 of how much money is currently in the bank and what the expected expenses are for the remainder of the year and what the remaining increment expected for this year is. There will be approximately $1 million available at the end of this fiscal year. Director Grow reviewed what each of the segments was estimated to cost and the total amount is approximately $1.3 million to do segments 17, 18 and 19 all together. Director Grow reviewed some options available to the Board; including waiting till 2025 before going out to bid on the construction, asking for bids for 2 sections with the 3rd section being an alternate option, or to approach the City and see if they have funds and the capacity to partner on the project.

Chair Bond asked if it was known how long the construction of each of the segments takes. Engineering Supervisor Kaufman stated that it has been identified that there is quite a bit of rock in this area and so an accurate time estimate is difficult to make. Kaufman also let the Board know that a letter of interest had been submitted to DEQ for additional funding that could potentially be used towards the East Orchards Sewer project. A decision should be made in May regarding that funding. Director Grow stated that the Board could discuss East Orchards Sewer RAA #5 at the June meeting and make decisions with that additional information about whether or not additional funding will be available. Kaufman also let the Board know that the Rock Boring study that had been approved by the Board would begin in April.

**D. Bryden RAA #6:**

Director Grow stated that the City is gearing up to do right-of-way acquisition in the next phase of the project. The federal funds that will help to pay for this project are slow to accumulate.

**E. Board Member Comments -**

Chair Bond asked if there was any updated from the Wallowa Property folks and Director Grow stated that they have been in talks with the City regarding the water lines but the ball is really in their court at this point.

Board member Beck thanked Director Grow for always being very well prepared and for providing so much information to the board. He also thanked Assistant Director Hollingshead for being so thorough with the meeting minutes.

**F. Staff Comments**

Director Grow said that she would be working on the closing of Main/East Main and would be bringing information back to the board as she worked through that process.

**VII. ADJOURN (ACTION ITEM)**

There being no further business, Board members Alford and Anderson moved and seconded, respectively, to adjourn. The motion carried 6-0 and the Urban Renewal Agency Board adjourned at approximately 1:07 p.m.

RESPECTFULLY SUBMITTED,
Katie Hollingshead
KATIE HOLLINGSHEAD
RECORDING SECRETARY

ATTEST:
Sheila Bond
URBAN RENEWAL AGENCY CHAIR

Approved this 9 day of April, 2024.

Presnell Gage, PLLC
ACCOUNTING AND CONSULTING

**URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON**
**BOARD OF COMMISSIONERS MEETING – March 12, 2024**
**PRESENTATION OF ANNUAL AUDIT**

## I. INTRODUCTION

The Urban Renewal Agency (URA) of the City of Lewiston is a component-unit of the City of Lewiston, Idaho, and has been included in the Government-Wide financial statements of the City.

## II. INDEPENDENT AUDIT

Presnell Gage, PLLC, is responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America. Under these standards, it is the objective of our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatements. We have completed our audit in accordance with our plan and have rendered our opinion thereon.

- An audit should confirm to the Commissioners what you have seen throughout the year regarding the URA's finances.
- An audit provides some feedback on the quality of the URA's accounting records.
- An audit provides some assurance that the URA is complying with certain laws and regulations regarding finances.

## III. AUDITOR'S REPORTS

Audit Opinion – Financial statements (page 3) – "Do the URA's financial statements accurately reflect the Agency's revenue, expenditures, and the resulting financial position as of September 30, 2023"? We have issued an unmodified "clean" opinion.

Audit Opinion – Government Auditing Standards (page 19) – "Does the URA have accounting procedures in place to account for all funds"? No concerns addressed in the report.

## IV. FINANCIAL STATEMENTS

*Assets and Liabilities (page 7)*

The assets and liabilities identified on the statement of net assets revolve around:

a) Cash in the bank of $2,823,563 ($2,195,044 is current and $628,519 is restricted)
   - The cash balance of $2,195,044 included funds held for –
     - Main East Main project ($563,967),
     - East Orchard Sewer ($693,957),
     - Bryden Avenue ($850,584),
     - Downtown/Normal Hill ($86,536).

- The bond proceeds held in investments for bond reserves or project expense.
    - ➢ $628,519 East Orchard Sewer project

b) Bonds payable of $1,187,534 ($115,223 current and $1,072,311 long-term) – pages 14-15 details

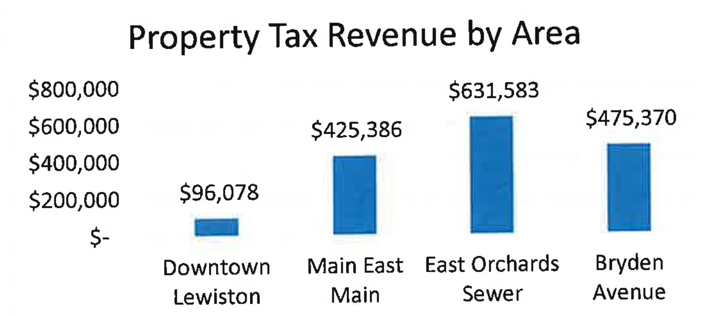
    a. East Orchard Sewer project – $1,980,000 original loan balance
        - ❖ 2023 principal and interest payment - $148,985 ($105,946 principal)
        - ❖ Additional payment of $200,000 made during the year

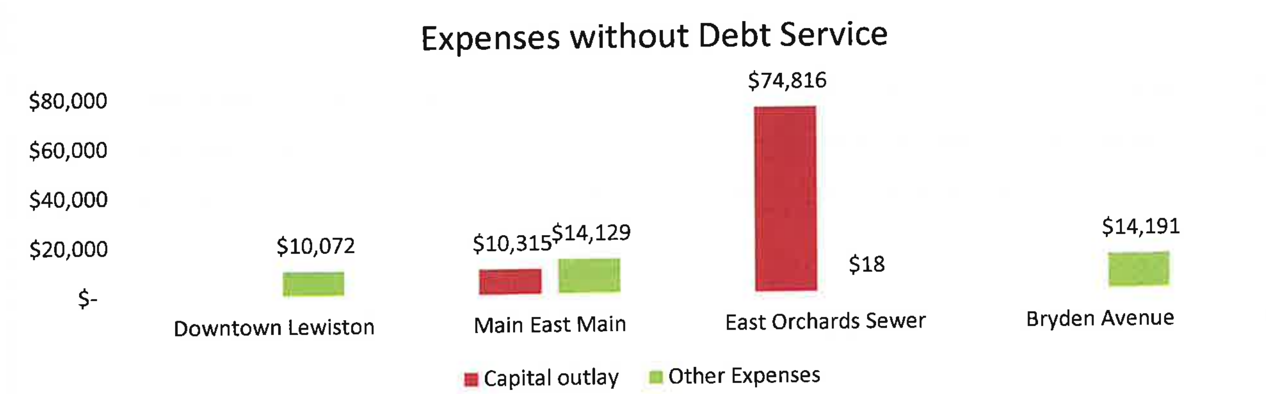
*Revenues and Expenses (page 8)*

a) The URA reported a change in net assets (income) of $1,476,740 for the year ended September 30, 2023.

b) The current revenue sources are property taxes received and investment interest.

c) The expenses are reported in three categories: East Orchards, Main East Main, Bryden Avenue, Downtown/Normal Hill (page 21).




*Balance Sheet – Governmental Funds (page 9)*

a) Presentation is based on fund accounting. The difference between this balance sheet and the statement of net assets on page 7 was the bond payable balance.

*Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (page 10)*

a) Presentation is based on fund accounting. The difference between this statement and the statement of activities on page 8 was the principle portion of the debt payment.

*Revenues and Expenditures by Allocation Area (page 21)*

a) Current year revenue and expenditures related to each open allocation area.

## V. COMMUNICATION OF AUDIT AND INTERNAL CONTROL RELATED MATTERS

Auditors do not have a responsibility to specifically identify control deficiencies, but only to report as they become aware of them during the course of required audit procedures.

a) Auditors are required to communicate, in writing, to management and those charged with governance typically in the form of a finding within the audit reports certain control deficiencies they have identified during the course of the audit, which in the auditor's judgment, are significant deficiencies or material weaknesses--none were reported for the year ended September 30, 2023.
b) Auditors may communicate other weaknesses, inefficiencies, or opportunities for improvement in operations that they have observed that are not required to be included in the report (sometimes called "management points") in a written format or management letter. This is at the judgment of the auditor--no items were identified to be reported/communicated in this written format for the year ended September 30, 2023.
c) Auditors may elect to communicate less serious deficiencies or other inconsequential audit findings orally--no items were identified to be reported/communicated orally for the year ended September 30, 2023.

## VI. OTHER REQUIRED COMMUNICATION

a) Audit adjustments were necessary to ensure the financial statement was presented appropriately for GASB requirements.
b) No disagreements with management/staff or difficulties were encountered in performing our audit.
c) We are not aware of any fraud or illegal acts.

**THANK YOU TO THE BOARD OF COMMISSIONERS AND CITY OF LEWISTON STAFF.**

# URBAN RENEWAL AGENCY
# OF THE CITY OF LEWISTON

FINANCIAL STATEMENTS

Year Ended September 30, 2023

## URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

TABLE OF CONTENTS

# INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Urban Renewal Agency of the City of Lewiston
Lewiston, Idaho

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the governmental activities and the major fund of the Urban Renewal Agency of the City of Lewiston, a component-unit of the City of Lewiston, Idaho, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Urban Renewal Agency of the City of Lewiston as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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


Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

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 Urban Renewal Agency of the City of Lewiston'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 Urban Renewal Agency of the City of Lewiston'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 Urban Renewal Agency of the City of Lewiston's ability to continue as a going concern for a reasonable period of time.

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 17 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Urban Renewal Agency of the City of Lewiston's basic financial statements. The accompanying schedule of revenues, expenditures, and changes in fund balances – governmental funds is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2024, on our consideration of the Urban Renewal Agency of the City of Lewiston's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Urban Renewal Agency of the City of Lewiston's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Urban Renewal Agency of the City of Lewiston's internal control over financial reporting and compliance.

Presnell Gage, PLLC

March 5, 2024
Lewiston, Idaho

## URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

STATEMENT OF NET POSITION
September 30, 2023

| | Governmental Activities |
|---|---|
| **ASSETS** | |
| **CURRENT ASSETS** | |
| Cash | $ 2,195,044 |
| Property tax receivable | 3,569 |
| Total current assets | 2,198,613 |
| **NONCURRENT ASSETS** | |
| Restricted cash | 628,519 |
| Total noncurrent assets | 628,519 |
| Total assets | 2,827,132 |
| **LIABILITIES** | |
| **CURRENT LIABILITIES** | |
| Accounts payable | 21,252 |
| Current portion of bonds payable | 115,223 |
| Total current liabilities | 136,475 |
| **LONG-TERM OBLIGATIONS** | |
| Bonds payable, net of current portion | 1,072,311 |
| Total liabilities | 1,208,786 |
| **NET POSITION** | |
| Restricted | 628,519 |
| Unrestricted | 989,827 |
| Total net position | $ 1,618,346 |

See accompanying notes

## URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

### STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

| | Net Revenue (Expense) and Changes in Net Position |
|---|---|
| GOVERNMENTAL ACTIVITIES - EXPENSES | |
| Downtown Lewiston - legal and other expenses | $ 10,072 |
| Bryden - legal and other expenses | 14,191 |
| East Orchards - project expenses | 74,816 |
| East Orchards - legal and other expenses | 18 |
| East Main - project expenses | 10,315 |
| East Main - legal and other expenses | 14,129 |
| Financing expenses | 43,004 |
| Total governmental activities - expenses | 166,545 |
| GENERAL REVENUES | |
| Property taxes for general purposes | 1,628,417 |
| Investment interest | 14,868 |
| Total general revenues | 1,643,285 |
| Change in net position | 1,476,740 |
| NET POSITION, beginning of year | 141,606 |
| NET POSITION, end of year | $ 1,618,346 |

See accompanying notes

## URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

### BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2023

| | General Fund |
|---|---|
| ASSETS | |
| Cash | $ 2,195,044 |
| Reserved Cash | 628,519 |
| Property tax receivable | 3,569 |
| TOTAL ASSETS | $ 2,827,132 |
| LIABILITIES AND FUND BALANCES | |
| Accounts payable | $ 21,252 |
| Fund Balances | |
| Restricted | 628,519 |
| Assigned | 2,177,361 |
| Total fund balances | 2,805,880 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 2,827,132 |

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

| | |
|---|---|
| **Total fund balances - Governmental Funds** | $ 2,805,880 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Long-term liabilities, consisting of bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds | (1,187,534) |
| **Total net position - Governmental Activities** | $ 1,618,346 |

See accompanying notes

## URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended September 30, 2023

| | Revenue Allocation |
|---|---|
| REVENUES | |
| Property taxes | $ 1,628,417 |
| Investment interest | 14,868 |
| Total revenues | 1,643,285 |
| EXPENDITURES | |
| Debt service | 348,950 |
| Improvements | 85,131 |
| Other expenses | 38,410 |
| Total expenditures | 472,491 |
| NET CHANGE IN FUND BALANCES | 1,170,794 |
| FUND BALANCES, beginning of year | 1,635,086 |
| FUND BALANCES, end of year | $ 2,805,880 |

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

| | |
|---|---|
| **Net change in fund balances** | $ 1,170,794 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | |
| Repayment of the principal of long-term debt | 305,946 |
| **Change in net position - Governmental Activities** | $ 1,476,740 |

## 1. SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity.*** The Urban Renewal Agency of the City of Lewiston (the Agency), was organized on October 18, 1999, under the Idaho Urban Renewal Law, Chapter 20, Title 50 of the *Idaho Code*. The Agency was established to promote economic development, create jobs, and improve the tax base through rehabilitation, conservation, redevelopment, or any combination as necessary in the interest of the public welfare of the residents of the City of Lewiston.

The Agency's governing body consists of a seven-member board of commissioners made up of an elected official from the Lewiston City Council, the Nez Perce County Commission, and the Port of Lewiston, an official from Valley Vision, and three at-large members from the community. Furthermore, the Agency is considered to be a component-unit of the City of Lewiston, Idaho, due to the oversight authority of the City Council.

The City Council of the City of Lewiston, Idaho, approved revenue allocation areas, determining certain property to be a deteriorated or a deteriorating area and designated the areas as appropriate for an urban renewal project. The following is a description of the project activity through September 30, 2023, within the allocation areas:

**Main East Main Tax Revenue Allocation Area** – In the center of MEM is the largest intersection in the City--Highway 12 and 21st Street. In 2019, the Idaho Transportation Department funded a major reconfiguration of the intersection. The City of Lewiston and Urban Renewal Agency agreed to split the costs of needed water line repairs and stormwater upgrades. But because of timing, the City paid the entire local share upfront. The URA continued to reimburse the City for their costs. The URA made the final cost-share payment to the City in the amount of $10,315 in March 2023.

**East Orchards Sewer** – Construction on phase 1 of this project began in April of 2018. This included a 9,068 foot sewer trunk line extension, 2,020 feet of sewer service pipe and 66 sewer taps. This project was forecasted to provide existing and new homeowners access to a public wastewater system reducing the number of individual septic tanks, thus, increasing development density and reducing the nitrate/nutrient and fecal coliform/E Coli levels in both Lindsey Creek and Tammany Creek. During 2021, phase 2 was completed on Cedar Avenue east of 20th Street. With the assistance of a grant from the Department of Environmental Quality, an additional 13 septic systems on Cedar and along the primary trunk of East Orchards sewer were abandoned in favor of municipal sewer. During 2023, segment 7 was approved for full design and there was direction to pursue a rock boring study for the entire, undesigned segments throughout the District.

**Bryden Avenue** – Bryden Avenue is a project that was proposed in 2018 that has been brought forth for waterline replacements, fire hazards, declining property value, and dangerous traffic conditions. The project would provide a better layout for traffic, which includes adding turn pockets, room for islands to control turning movements, provide stormwater collection, have room for utility placement and maintenance, ADA accessibility, bicycle crossings, and provide sidewalks. The City has contracted an engineering firm to prepare construction documents for the reconstruction of Bryden Avenue from 4th Street to 7th Street, including making Bryden Avenue a 5-lane roadway, new or upgraded traffic signals at 5th Street, 7th Street, and re-configuration at 4th Street. In November 2022, the URA approved a reimbursement agreement with the Lewiston Orchards Irrigation District (LOID) for up to 50% of costs associated with water line improvements.

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Reporting Entity (Continued).***

**Downtown/Normal Hill Tax Revenue Allocation Area** – The Downtown/Normal Hill plan was established in 2021. Projects in this plan include improving waterlines, develop a pedestrian connection between Downtown and Normal Hill, wayfinding, road improvements, and parking lots, ADA accessibility, wastewater improvements, and removal of blight.

***Measurement Focus and Basis of Accounting.*** The financial statements of the Urban Renewal Agency of the City of Lewiston have been prepared in accordance with United States generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard–setting body for establishing governmental accounting and financial reporting principles. The Agency uses the following two bases of accounting in these financial statements:

**Economic Resources Measurement Focus and Accrual Basis of Accounting**
Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

**Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting**
Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Agency considers revenues as available if they are collected within 60 days after year-end.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

***Restricted Resources.*** Program expenses are allocated to restricted program revenue first and then to the next highest level of restricted net position/fund balances when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB #54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB #54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

**Nonspendable** Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

**Restricted** Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

**Committed** Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Restricted Resources (Continued).***

**Assigned** Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

**Unassigned** Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

***Agency-Wide Financial Statements.*** The statement of net position and the statement of activities display information about the overall Agency. Eliminations have been made to minimize the double-counting of internal activities. These statements reflect only governmental activities of the Agency since there are no "business-type activities" within the Agency. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the Agency's sole function of economic development within the Agency boundaries. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

***Fund Financial Statements.*** The fund financial statements provide information about the Agency's funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Governmental funds are reported using the current financial resource measurement focus and the modified accrual basis of accounting.

***Basis of Presentation.*** The Agency uses the following governmental fund:

The general fund is used to account for all financial activities associated with the provision of services for the Agency. All revenues shall be deposited promptly upon receipt by the Agency into the general fund and shall be used for the following purposes:

- Pay the interest on the bonds.
- Pay the principal on the bonds.
- Fund the administration expenses.
- Fund Urban Renewal Plan and project areas outlined in the Plan.
- Any lawful purpose of the Agency.

***Use of Estimates.*** The Agency uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that the Agency uses.

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Budgets.*** As required by Idaho law, the Agency has adopted a budget, which is presented on the face of the financial statements.

***Deposits and Investments.*** Cash is invested by the Agency until it is needed for the purpose of maximizing investment earnings. The investments are reported at fair value at September 30, 2023. The fair value is combined with the checking account balance and is presented as cash and investments.

***Long-Term Obligations.*** Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for early payment 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.

***Personnel.*** The Agency employs no personnel and, thus, has no liability disclosures for pension costs, employee compensated absence, or payroll tax accruals. However; the Agency pays a $600 per month stipend for director services, and staff members from the City of Lewiston, Idaho, perform other operating functions that the Agency pays payroll costs of approximately $126 per month to the City.

## 2. PROPERTY TAXES

In accordance with Idaho law, property taxes are levied in November for each calendar year. One-half of the property taxes are due on or before December 20th, and the remaining one-half is due on or before June 20th of the following year. A lien is filed on property after three years from the date of delinquency.

The Agency has no direct taxing power. The amount of revenue received from property taxes is determined by the amount of taxable property value and by the aggregate tax rate that the taxing entities within the Revenue Allocation Area set. The Agency receives the taxes collected on the increased valuation of property in the Revenue Allocation Area.

## 3. CASH AND INVESTMENTS

At September 30, 2023, the carrying amount and bank balance of the Agency's cash deposits was $2,823,563 and $2,823,563, respectively. The Agency's deposits at year-end are covered by federal depository insurance for the first $250,000 per institution, $500,000 total, and are held in the Agency's name. The Agency's risk with respect to such uninsured deposits amounts to $1,886,426 at September 30, 2023.

## 4. LONG-TERM OBLIGATIONS

In 2019, the Agency issued TIF Revenue Allocation Bonds - Series 2017 in the original amount of $1,980,000 for the funding of the East Orchards Sewer Project. The debt is due in annual installments, with a variable interest rate from 2.84 to 5.50 percent payable in September of each year. Prior to September 2021 annual installments consisted of only interest. An additional $200,000 payment was made to reduce the bond principle in 2023.

## 4. LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Allocation Bonds are limited obligations of the Agency and are not general obligations of the Agency or the City of Lewiston, Idaho. These bonds and other issued debt and the related interest are payable solely from property tax revenues from the designated Revenue Allocation Area, reserve funds, and any unobligated funds of the Agency.

| Year Ending September 30 | Principal | Interest | Totals |
|---|---|---|---|
| 2024 | $ 33,726 | $ 115,223 | $ 148,949 |
| 2025 | 30,454 | 118,495 | 148,949 |
| 2026 | 27,088 | 121,861 | 148,949 |
| 2027 | 23,628 | 125,321 | 148,949 |
| 2028 | 38,865 | 110,084 | 148,949 |
| 2029 | 32,810 | 116,139 | 148,949 |
| 2030 | 26,423 | 122,526 | 148,949 |
| 2031 | 19,684 | 129,066 | 148,750 |
| 2032 | 12,585 | 136,365 | 148,950 |
| 2033 | 5,085 | 92,454 | 97,539 |
| Totals | $ 250,348 | $ 1,187,534 | $ 1,437,882 |

The following is a summary of debt transactions of the Agency for the fiscal year ended September 30, 2023:

| | 10/1/2022 | Additions | Reductions | 9/30/2023 | Due Within One Year |
|---|---|---|---|---|---|
| Bonds payable | | | | | |
| East Orchards | $ 1,493,480 | | $ (305,946) | $ 1,187,534 | $ 115,223 |
| | $ 1,493,480 | $ 0 | $ (305,946) | $ 1,187,534 | $ 115,223 |

## 5. FUND BALANCE RESERVES AND DESIGNATIONS

***Restricted Net Position.*** Restricted net position on the Government-wide statements represent amounts whose use are restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Net position is restricted for debt service by the bond holder on the outstanding bond.

***Restricted Fund Balance.*** The fund balance is restricted for debt repayment by the bond holder. The fund balance is reflected as a restricted portion of fund balance in the fund financial statements since the funds are not available for general expenditures.

***Assigned Fund Balance.*** The fund balance is assigned for assisting in the rehabilitation, conservation, redevelopment, or any combination of areas as necessary in the interest of the public welfare of the residents of the City of Lewiston.

## 6. SUBSEQUENT EVENT

Management has evaluated subsequent events through March 5, 2024, the date the financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION

**URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUNDS
Year Ended September 30, 2023

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **REVENUES** | | | | |
| Property taxes | $ 1,280,000 | $ 1,280,000 | $ 1,628,417 | $ 348,417 |
| Investment interest | 680 | 680 | 14,868 | 14,188 |
| Total revenues | 1,280,680 | 1,280,680 | 1,643,285 | 362,605 |
| **EXPENDITURES** | | | | |
| Debt service | 672,367 | 672,367 | 348,950 | 323,417 |
| Capital outlay | | | | |
| Land and improvements | 180,000 | 180,000 | 85,131 | 94,869 |
| Other expenses | 25,000 | 25,000 | 38,410 | (13,410) |
| Total expenditures | 877,367 | 877,367 | 472,491 | 404,876 |
| NET CHANGE IN FUND BALANCES | 403,313 | 403,313 | 1,170,794 | 767,481 |
| FUND BALANCES, beginning of year | 1,644,656 | 1,644,656 | 1,635,086 | (9,570) |
| FUND BALANCES, end of year | $ 2,047,969 | $ 2,047,969 | $ 2,805,880 | $ 757,911 |

See accompanying notes

SUPPLEMENTARY INFORMATION

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

## INDEPENDENT AUDITOR'S REPORT - *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Urban Renewal Agency of the City of Lewiston
Lewiston, 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 and the major fund of the Urban Renewal Agency of the City of Lewiston, a component-unit of the City of Lewiston, Idaho, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Lewiston's basic financial statements, and have issued our report thereon March 5, 2024.

### Report on Internal Control Over Financial Reporting

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



Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Presnell Gage, PLLC

March 5, 2024
Lewiston, Idaho

## URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended September 30, 2023

| | Downtown Lewiston | Main East Main | East Orchards Sewer | Bryden Avenue | Total |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property taxes | $ 96,078 | $ 425,386 | $ 631,583 | $ 475,370 | $ 1,628,417 |
| Investment interest | 523 | 3,971 | 4,011 | 6,363 | 14,868 |
| Total revenues | 96,601 | 429,357 | 635,594 | 481,733 | 1,643,285 |
| EXPENDITURES | | | | | |
| Debt service | | | | | |
| Principal retirement | | | 305,946 | | 305,946 |
| Interest | | | 43,004 | | 43,004 |
| Capital outlay | | | | | |
| Improvements | | 10,315 | 74,816 | | 85,131 |
| Other expenses | 10,072 | 14,129 | 18 | 14,191 | 38,410 |
| Total expenditures | 10,072 | 24,444 | 423,784 | 14,191 | 472,491 |
| NET CHANGE IN FUND BALANCES | 86,529 | 404,913 | 211,810 | 467,542 | 1,170,794 |
| FUND BALANCES, beginning of year | | 159,906 | 1,090,857 | 384,323 | 1,635,086 |
| FUND BALANCES, end of year | $ 86,529 | $ 564,819 | $ 1,302,667 | $ 851,865 | $ 2,805,880 |

See accompanying notes