March 11, 2025

THE URBAN RENEWAL AGENCY BOARD OF THE CITY OF LEWISTON, IDAHO, met in a regular meeting Tuesday, March 11, 2025, 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; Tim Switzer, Vice Chair; Jim Kleeburg (at 12:04 pm); A.L. "Butch" Alford; Doug Havens;

BOARD MEMBERS EXCUSED: Joe Anderson;

STAFF MEMBERS PRESENT: Katie Hollingshead, URA Director; Luke Antonich, City Engineer; Dustin Johnson, Public Works Director;

OTHERS PRESENT: Thad O'Sullivan, URA Legal Counsel (via Zoom); Dawn Aliverti, Presnell Gage, PLLC;

II. CITIZEN COMMENTS

None.

III. PUBLIC HEARING ANNUAL REPORT

Chair Bond opened the public hearing and asked if there was any comments that had been sent in. Director Hollingshead stated that there was not. Chair Bond asked if there were any comments from the audience. There were not. Chair Bond closed the public hearing.

IV. ACTIVE AGENDA (ACTION ITEM)

A. Approval of Minutes, February 11, 2025 – Action Item

B. Approval of Minutes, February 25, 2025 - Action Item

Chair Bond said that she would combine both sets of minutes together and asked if the board had any questions or changes. There were none. Board member Kleeburg and Vice Chair Switzer moved and seconded, respectively, to approve the minutes of both February 11 and February 25 as written. Motion carried 5-0.

C. Approval of Invoices – Action Item

1. O'Sullivan Legal PLLC, Legal Services, February 2025 $649.00
2. City of Lewiston, Administrative Services, October 2024 -March 2025 $15,177.75
3. Idaho Counties Risk Management Program, Annual Insurance Premium, 2nd half $1,306.00

Board member Alford and Vice Chair Switzer moved and seconded respectively to approve the three (3) invoices presented. Motion carried 5-0.

D. Review of Financial Summary – Information Item

Director Hollingshead stated the February financial summary had not been completed and would be on the April agenda for review.

E. Presentation of Annual Audit FY2024 by Presnell Gage LLC - Presentation

Director Hollingshead introduced Dawn Aliverti from Presnell Gage, LLC to present the annual audit.

Ms. Aliverti handed out the final audit and a presentation summary. Ms. Aliverti reviewed that the annual audit is really just a recap of the fiscal year activities and that the information provided should not be of a surprise to the board as they should be reviewing said financial information each month.

Ms. Aliverti reviewed the information contained in the report (final report attached to these minutes); including assets, liabilities and revenues. Ms. Aliverti stated that the audit opinion was an unmodified "clean" opinion and that no concerns were addressed in the report.

Chair Bond asked if the board had any questions for Ms. Aliverti and there were none.

F. Approval of Annual Audit FY2024 – Action Item

Vice Chair Switzer and board member Havens moved and seconded, respectively, to approve the 2024 annual report as presented. Motion carried 5-0.

G. Adoption of Annual Report 2024 – Action Item

Director Hollingshead pointed out the corrections and additions she had made based on board member comments from the last meeting and asked if there were any questions on the report. There were none. Board member Alford and Vice Chair Switzer moved and seconded, respectively, to approved the 2024 Annual Report. Motion carried 5-0.

H. Bryden Avenue Revenue Allocation Area Update

Director Hollingshead stated that she had reached out to Public Works Director, Dustin Johnson and Lewiston Orchards Irrigation District Manager, Barney Metz regarding the status of the Bryden Avenue project. Director Hollingshead summarized the two emails she had received, stating that the City, the Local Highway Technical Assistance Council and the DEA are scoping and will negotiate a supplemental agreement to finalize the environmental document, complete the right-of-way package, and analyze the feasibility of a three-lane roadway with roundabouts. Best estimate is that the supplemental agreement will go in front of City Council for approval in April 2025. Once the agreement is executed, DEA will complete their work within 6 months. The Local Highway Technical Assistance Council does not currently have a Professional Land Surveyor, so the review of the right-of-way package will be assigned to the City Surveyor to review and approve. Best estimates on the survey work is 6 months. With the approved environmental document and right-of-way package the project can begin acquiring right-of-way. Right-of-way acquisition is in the State Transportation Improvement Program but does not have a funding year.

Additionally, the Lewiston Orchards Irrigation District stated that they do not have immediate plans for waterline replacements in Bryden Ave but that if circumstances arose with funding on behalf of the City moving forward, LOID would consider reprioritizing their next 5 to 10 year construction cycle to make it integrate with our partners as seamlessly as possible.

Director Hollingshead stated that Director Johnson was also in the audience if the board had further questions for him.

V. UNFINISHED AND NEW BUSINESS

A. Board Member Comments

None.

B. Staff Comments

Director Hollingshead said that she would send out the February financial summary once she had received it and it would show a transfer of fund to the state investment pool. The board will review the financial statement at it's April meeting. Director Hollingshead asked if any board members would be unable to attend the April 8th, 2025 meeting. All board members present plan on attending.

VI. ADJOURN (ACTION ITEM)

There being no further business, Vice Chair Switzer and Board member Havens moved and seconded, respectively, to adjourn. The motion carried 5-0 and the Urban Renewal Agency Board adjourned at approximately 12:35 p.m.

RESPECTFULLY SUBMITTED,	ATTEST:
Katie Hollingshead	Shely Bond
KATIE HOLLINGSHEAD, RECORDING SECRETARY	URBAN RENEWAL AGENCY CHAIR

Approved this 8 day of April, 2025

URBAN RENEWAL AGENCY
OF THE CITY OF LEWISTON

FINANCIAL STATEMENTS

Year Ended September 30, 2024

URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

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Presnell Gage, PLLC
ACCOUNTING AND CONSULTING

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, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Urban Renewal Agency of the City of Lewiston as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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: 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541

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 16 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 balance – 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 schedule of revenues, expenditures, and changes in fund balance – governmental funds 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 February 12, 2025, 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

February 12, 2025
Lewiston, Idaho

URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash	$ 872,789
Investments	2,090,001
Property tax receivable	2,526
Total current assets	2,965,316
NONCURRENT ASSETS	
Restricted cash	628,519
Total noncurrent assets	628,519
Total assets	3,593,835
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	102,107
Current portion of bonds payable	118,495
Total current liabilities	220,602
LONG-TERM OBLIGATIONS	
Bonds payable, net of current portion	954,190
Total liabilities	1,174,792
NET POSITION	
Restricted	628,519
Unrestricted	1,790,524
Total net position	$ 2,419,043

URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

	Net Revenue (Expense) and Changes in Net Position
GOVERNMENTAL ACTIVITIES - EXPENSES	
Downtown Lewiston - legal and other expenses	$ 11,420
Bryden - legal and other expenses	11,421
East Orchards - legal and other expenses	135,228
East Main - legal and other expenses	10,948
East Main - property tax rebates	1,130,000
Financing expenses	34,101
Total governmental activities - expenses	1,333,118
GENERAL REVENUES	
Property taxes for general purposes	2,036,855
Investment interest	96,960
Total general revenues	2,133,815
Change in net position	800,697
NET POSITION, beginning of year	1,618,346
NET POSITION, end of year	$ 2,419,043

URBAN RENEWAL AGENCY OF THE CITY OF LEWISTON

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	General Fund
ASSETS	
Cash	$ 872,789
Investments	2,090,001
Reserved Cash	628,519
Property tax receivable	2,526
TOTAL ASSETS	$ 3,593,835
LIABILITIES AND FUND BALANCES	
Accounts payable	$ 102,107
Fund Balances	
Restricted	628,519
Assigned	2,863,209
Total fund balances	3,491,728
TOTAL LIABILITIES AND FUND BALANCES	$ 3,593,835

RECONCILIATION OF THE STATEMENT OF NET POSITION TO THE BALANCE SHEET - GOVERNMENTAL FUNDS	
Total fund balances - Governmental Funds	$ 3,491,728
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	(1,072,685)
Total net position - Governmental Activities	$ 2,419,043

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, 2024

	Revenue Allocation
REVENUES	
Property taxes	$ 2,036,855
Investment interest	96,960
Total revenues	2,133,815
EXPENDITURES	
Debt service	148,950
Property tax rebate	1,130,000
Other expenses	169,017
Total expenditures	1,447,967
NET CHANGE IN FUND BALANCES	685,848
FUND BALANCES, beginning of year	2,805,880
FUND BALANCES, end of year	$ 3,491,728

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

Net change in fund balances	$ 685,848
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	114,849
Change in net position - Governmental Activities	$ 800,697

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, 2024, within the allocation areas:

Main East Main – The board voted in March 2024 to close the Main East Main #4 RAA. A public hearing was held at the May 14, 2024 URA meeting regarding the budget amendment to terminate the Main East Main #4 RAA and adopted Resolution 2024-1 regarding the termination. Lewiston City Council approved Resolution 2024-1 at its June 10, 2024 meeting. Rebates to the taxing entities were made in August, September and November totaling $1,134,893.30

East Orchards Sewer – Construction on phase 1 of this project began in April 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. In 2023, the design of segments 1, 17, 18, and 19 were completed. In 2024, the design of segment 7 was completed and a rock boring study on all remaining segments was completed.

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 City entered into a final design contract for Bryden Avenue from 4th St to 7th St. in December 2021. The URA will continue to provide local match throughout construction. Evaluation of underground utilities will commence during reconstruction of Bryden Avenue. The URA plans to split the costs for water and sewer improvements with Lewiston Orchards Irrigation District (LOID) and Lewiston Orchards Sewer District (LOSD). On November 8, 2022, the URA approved and signed a reimbursement agreement with LOID for up to 50% of the costs associated with water line improvements. Design continued to progress and the City held a public hearing on January 17, 2023 to gather input on the design. In 2024, a Community Impact Assessment Technical Report was prepared and submitted for review, leading to approval for proceeding with an environmental document under a Categorical Exclusion (CE) determination. The City, State, and Consultant are beginning negotiations to finalize the environmental document, complete the right-of-way package, and assess the feasibility of a three-lane roadway with roundabouts.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Downtown/Normal Hill Tax Revenue Allocation Area – The Downtown/Normal Hill plan was established in 2021. Projects in this plan include improving waterlines, developing a pedestrian connection between Downtown and Normal Hill, wayfinding, road improvements, and parking lots, ADA accessibility, wastewater improvements, and removal of blight. This newly formed district will need to accrue increment for a few years prior to contracting for any major projects.

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)

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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024. 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 has an Agreement for Services with the City of Lewiston, Idaho for administrative support services. These services are provided by City staff and payment is based on the agreement.

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, 2024, the carrying amount and bank balance of the Agency's cash deposits was $1,501,308 and $1,633,190, 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 $1,133,190 at September 30, 2024.

At September 30, 2024, the Agency's investments in the Idaho State Treasurer's Local Government Investment Pool, measured at fair value, was $2,090,001. All of which, was not covered by federal depository insurance.

The state investment pool is considered as cash on the financial statements.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will reduce the value of the Agency's investments. The Agency does not have a policy regarding interest rate risk.

3. CASH AND INVESTMENTS (CONTINUED)

Custodial Risk. Custodial risk is the risk that, in the event of the failure of the investment custodian, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian. The Agency owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and the Pool diversifies investments to minimize credit risk to any individual government. As of September 30, 2024, the Agency's investment in the Idaho State Treasurer's Local Government Investment Pool has not been issued an external credit quality rating.

Concentration of Credit Risk. The Agency has no policy on the amount they may invest in any one issuer.

Fair Value. Investments are measured on a recurring basis within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Agency’s investment in the Idaho State Treasurer's Local Government Investment Pool is measured with Level 2 inputs, which is the same inputs as the pool uses for its underlying investments.

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.

Year Ending September 30	Principal	Interest	Totals
2025	$ 118,495	$ 30,454	$ 148,949
2026	121,861	27,088	148,949
2027	125,321	23,628	148,949
2028	110,084	38,865	148,949
2029	116,139	32,810	148,949
2030	122,526	26,423	148,949
2031	129,265	19,684	148,949
2032	136,375	12,585	148,960
2033	92,619	5,085	97,704
Totals	$ 1,072,685	$ 216,622	$ 1,289,307

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.

The following is a summary of debt transactions of the Agency for the fiscal year ended September 30, 2024:

	10/1/2023	Additions	Reductions	9/30/2024	Due Within One Year
Bonds payable					
East Orchards	$ 1,187,534		$ (114,849)	$ 1,072,685	$ 118,495
	$ 1,187,534	$ 0	$ (114,849)	$ 1,072,685	$ 118,495

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 February 12, 2025, 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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	$ 1,590,000	$ 1,590,000	$ 2,036,855	$ 446,855
Investment interest	9,500	9,500	96,960	87,460
Total revenues	1,599,500	1,599,500	2,133,815	534,315
EXPENDITURES				
Debt service	148,950	672,367	148,950	523,417
Capital outlay				
Land and improvements			43,094	(43,094)
Property tax rebate			1,130,000	(1,130,000)
Other expenses	769,800	769,800	125,923	643,877
Total expenditures	918,750	1,442,167	1,447,967	(5,800)
NET CHANGE IN FUND BALANCES	680,750	157,333	685,848	528,515
FUND BALANCES, beginning of year	1,644,656	1,644,656	2,805,880	1,161,224
FUND BALANCES, end of year	$ 2,325,406	$ 1,801,989	$ 3,491,728	$ 1,689,739

SUPPLEMENTARY INFORMATION

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, 2024, 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 February 12, 2025.

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: 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541

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

February 12, 2025
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, 2024

	Downtown Lewiston	Main East Main	East Orchards Sewer	Bryden Avenue	Total
REVENUES					
Property taxes	$ 254,556	$ 553,348	$ 684,464	$ 544,487	$ 2,036,855
Investment interest	8,702	26,339	14,791	47,128	96,960
Total revenues	$ 263,258	579,687	699,255	591,615	2,133,815
EXPENDITURES					
Debt service					
Principal retirement			114,849		114,849
Interest			34,101		34,101
Capital outlay					
Improvements			43,094		43,094
Property tax rebate		1,130,000			1,130,000
Other expenses	11,420	10,948	92,134	11,421	125,923
Total expenditures	11,420	1,140,948	284,178	11,421	1,447,967
NET CHANGE IN FUND BALANCES	251,838	(561,261)	415,077	580,194	685,848
FUND BALANCES, beginning of year	86,526	566,155	1,302,623	850,576	2,805,880
FUND BALANCES, end of year	$ 338,364	$ 4,894	$ 1,717,700	$ 1,430,770	$ 3,491,728

See accompanying notes