



Post Falls Urban Renewal Agency  
August 15, 2024 Meeting  
9:00 am, Post Falls City Hall

1. Call to Order, Commissioner Roll Call and Pledge of Allegiance
2. Ceremonies, Appointments and Announcements
3. Conflict Disclosure
4. Consent Calendar **ACTION ITEMS**
  - a. Commission Minutes, July 18, 2024
  - b. Payables
  - c. Bank Activity Report
  - d. Financial Reports
  - e. FY 2024 Audit Engagement Letter
5. Committee Updates
  - a. Finance and Policy – Crosby
  - b. District Review - Coles
  - c. Communications, Property & Personnel - Hjeltness
6. Citizen Comments  
This section of the agenda is reserved for citizens wishing to address the Commission regarding an Agency related issue. Comments related to future public hearings should be held for that public hearing. Persons wishing to speak will have 5 minutes.
7. Public Hearing – FY 2025 Agency Annual Budget **ACTION ITEM**
8. Unfinished Business
  - a. Resolution 2024-01 Approving Fiscal Year 2025 Annual Budget **ACTION ITEM**
9. New Business
  - a. Approval of Semi-annual Proponent Reimbursements **ACTION ITEM**
10. Staff Report and Updates
11. Commissioner Comments
12. Chairman Comments
13. Adjournment

*Requests for accommodation of special needs to participate in the meeting should be addressed to the Office of the Executive Director, 201 E. 4th Avenue, Post Falls, Idaho 83854, or call (208) 777-8151.*

**Mission Statement: To encourage sound economic and community improvement that enhances the overall quality of life in Post Falls by: providing and improving infrastructure, attracting jobs, and enhancing citizen safety and health.**

## **POST FALLS URBAN RENEWAL MINUTES**

**July 18, 2024**

### CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Chairman Jamè Davis called the meeting to order at 9:00 a.m. Executive Director Joseph Johns called the roll. Present, in addition to Davis were Commissioners Christi Fleischman, Melissa Hjeltness, Pat Leffel, Len Crosby and Eric Clemensen. Commissioner Collin Coles was absent. Counselor Pete Bredeson was also present. Davis led the Pledge of Allegiance.

### CEREMONIES, APPOINTMENTS AND ANNOUNCEMENTS

None

### CONFLICT DISCLOSURE

None

### CONSENT CALENDAR

Johns introduced the Consent Calendar. Item A in the Consent Calendar is the Finance & Policy Committee Meeting Minutes, June 17, 2024

Item B is the District Review Committee Meeting Minutes, June 20, 2024

Item C is the Commission Meeting Minutes, June 20, 2024

Item D is the Commission Workshop Minutes, July 10, 2024

Item E is the payables for this month totaling \$7,204.43.

Item F is the Bank Activity Report which shows total funds in all accounts of \$2,696,883.88 and accrued interest for the month of \$6,354.13.

Item G is the Financial Reports as of June 30<sup>th</sup>.

Approval of the consent calendar will authorize a transfer of \$7,204.43 to the First Interstate Checking Account for the monthly payables and \$6,354.13 accrued interest to the General Fund.

Commissioner Crosby made a motion to approve the Consent Calendar as presented, seconded by Leffel. Roll Call Vote: Hjeltness – Aye; Fleischman – Aye; Leffel – Aye; Davis – Aye; Crosby – Aye; Clemensen – Aye. Motion carried.

### COMMITTEE UPDATES

Finance & Policy – Crosby: Held the Budget Workshop attended by the commission to discuss fiscal year 2024/2025 issues. Also discussed the financial issues pertaining to the Second Addendum to the OPA with A&A Construction in the Downtown District. Currently preparing for the publication of the budget and the public hearing scheduled for August.

District Review – Hjeltness: Nothing to report

Communication, Property and Personnel – Hjeltness: Nothing to report.

## CITIZEN COMMENTS

None

## UNFINISHED BUSINESS

Second Addendum to OPA, A&A Construction (Downtown District). The 2<sup>nd</sup> Addendum to the OPA with A&A Construction in the Downtown District provides updated engineer's estimates of cost for the Idaho/4<sup>th</sup> Ave roundabout project that also includes the public art component to be installed within the roundabout. The District Review committee reviewed the information on June 20<sup>th</sup> and recommended it be forwarded to the full commission for further discussion. The information was then discussed at our July 10<sup>th</sup> Commission Workshop and forwarded for consideration at the July meeting of the Commission.

Davis asked for a motion. Commissioner Crosby made a motion to approve the Second Addendum to the OPA with A&A Construction, seconded by Fleischman. Roll Call Vote: Hjeltness – Aye; Fleischman – Aye; Leffel – Aye; Davis – Aye; Crosby – Aye; Clemensen – Aye. Motion carried.

## NEW BUSINESS

None

## STAFF REPORT

Johns met with representatives of the Millworx Project in the Downtown District on Thursday, July 11<sup>th</sup>, to update them on the Commission's approval of revisions to Agency Policy #7 that include the minor project concept. The Agency will continue to provide tax increment-based reimbursement for the approved projects in the development as originally set forth in the OPA.

Bob Seale, Director of Community Development, reported on attending the Associated Cities of Idaho Conference in Boise and participating in a presentation titled, "Public/Private Partnership Leading to Economic Success in The New Downtown Post Falls Urban Renewal District". The presentation was well attended and received positive feedback from those attending.

## COMMISSIONER COMMENTS

None

## CHAIRMAN COMMENT

None

## ADJOURNMENT

Davis asked for a motion to adjourn. Commissioner Leffel made the motion, seconded by Crosby. All in favor by voice vote. Meeting was adjourned at 9:10 am.

Respectfully submitted,

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Joseph Johns, Executive Director

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Christi Fleischman, Vice-Chair

# Post Falls Urban Renewal Agency - In-House Unpaid Bills Detail As of August 15, 2024

Type	Date	Num	Due Date	Aging	Open Balance
<b>Bredeson Law Group</b>					
Bill	08/09/2024	1203	09/08/2024		50.00
Total Bredeson Law Group					50.00
<b>Canon Solutions America, Inc.</b>					
Bill	08/01/2024	6008881591	08/31/2024		11.49
Total Canon Solutions America, Inc.					11.49
<b>Mastercard</b>					
Bill	08/01/2024	4518-July2024	08/31/2024		164.75
Total Mastercard					164.75
<b>TOTAL</b>					<b>226.24</b>

Payroll 6,412.98

6,639.22

# Bank Activity Report

## July 2024

### Cash Section

#### Checking: First Interstate

Beginning Balance		\$	10,794.10
Deposits	\$	478,488.13	
Withdrawals	\$	(478,539.13)	
Ending Balance		\$	10,743.10
Outstanding Checks	\$	(1,280.98)	
Account Balance		\$	9,462.12

#### Idaho Central CU - Savings

Beginning Balance		\$	25.00
Interest			
Ending Balance		\$	25.00

### Investment Section

#### LGIP General Fund 1829

Beginning Balance		\$	1,200,009.87
Contributions	\$	11,496.79	
Withdrawals	\$	(7,204.43)	
Ending Balance		\$	1,204,302.23
Outstanding Transfer			
Account Balance		\$	1,204,302.23

#### LGIP Capital Improvements 1910

Beginning Balance		\$	1,487,388.68
Contributions	\$	477,636.04	
Withdrawals	\$	(6,354.13)	
Ending Balance		\$	1,958,670.59
Outstanding Transfer			
Account Balance		\$	1,958,670.59

Total Funds All Accounts:

**\$ 3,172,459.94**

July

	Interest
State Pool - LGIP 1910	\$ 6,957.95
<b>Total</b>	<b><u>\$ 6,957.95</u></b>

## Post Falls Urban Renewal Agency - In-House

08/07/24

## Balance Sheet

Accrual Basis

As of July 31, 2024

	Jul 31, 24
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
First Interstate Bank- Checking	9,462.12
LGIP1829-General Fund	1,204,302.23
LGIP1910-Capital Improvements	1,958,670.59
Savings - Idaho Central CU	25.00
<b>Total Checking/Savings</b>	3,172,459.94
<b>Other Current Assets</b>	
Accounts Receivable - Taxes	7,075.00
FMV - State Investment Pool	4,184.00
Interest Receivable	15,308.00
Prepaid Insurance	3,544.00
63410 · Lease Interest	310.00
63420 · Lease Principal	7,680.00
<b>Total Other Current Assets</b>	38,101.00
<b>Total Current Assets</b>	3,210,560.94
<b>TOTAL ASSETS</b>	<b>3,210,560.94</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
Accrued Vacation Payable	2,000.26
Deferred Increment Revenue	5,780.00
<b>24000 · Payroll Liabilities</b>	
ID- Unemployment Payable	13.39
24000 · Payroll Liabilities - Other	3,105.59
<b>Total 24000 · Payroll Liabilities</b>	3,118.98
<b>Total Other Current Liabilities</b>	10,899.24
<b>Total Current Liabilities</b>	10,899.24
<b>Total Liabilities</b>	10,899.24
<b>Equity</b>	
Committed Fund Balance	1,349,484.00
Nonspendable Fund Balance	3,544.00
32000 · Unrestricted Net Assets	1,135,228.88
Net Income	711,404.82
<b>Total Equity</b>	3,199,661.70
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,210,560.94</b>

Post Falls Urban Renewal Agency - In-House

Profit & Loss

July 2024

	Jul 24	Oct '23 - Jul 24
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Downtown District	220,323.22	600,429.49
Interest	11,498.58	120,307.39
Pleasant View District	5,141.68	11,030.05
Post Falls Technology District	245,817.01	886,278.39
<b>Total Income</b>	<b>482,780.49</b>	<b>1,618,045.32</b>
<b>Gross Profit</b>	<b>482,780.49</b>	<b>1,618,045.32</b>
<b>Expense</b>		
Audit	0.00	10,290.00
Bank Charges	0.00	17.00
Computer Software	0.00	1,255.21
Contingency	0.00	300.00
District Payments	0.00	812,256.58
Engineering Services	0.00	4,000.00
Meetings	0.00	120.31
Office Equipment	0.00	1,513.67
Voided Check	0.00	0.00
Website Design, Hosting & Maint	0.00	349.95
62140 · Legal Fees	825.00	5,325.00
62150 · Other Contract Services	0.00	845.00
62890 · Rent	0.00	7,990.00
65020 · Postage, Mailing Service	0.00	66.00
65030 · Printing and Copying	3.70	167.07
65040 · Office Supplies	0.00	152.34
65050 · Telephone, Telecommunications	0.00	346.56
65110 · Advertising & Legal Notices	0.00	57.58
65120 · Insurance	0.00	183.00
65150 · Dues & Memberships	0.00	300.00
66000 · Payroll Expenses	6,607.76	61,105.23
<b>Total Expense</b>	<b>7,436.46</b>	<b>906,640.50</b>
<b>Net Ordinary Income</b>	<b>475,344.03</b>	<b>711,404.82</b>
<b>Net Income</b>	<b>475,344.03</b>	<b>711,404.82</b>



## Fund Reconciliation:

7/31/2024

**QB**

First Interstate - Checking	<b>GF</b>	\$	9,462.12	
LGIP - 1829	<b>GF</b>	\$	1,204,302.23	
LGIP - 1910	<b>CIP</b>	\$	1,958,670.59	
Savings - Idaho Central CU	<b>GF</b>	\$	25.00	
<b>Total</b>				<b>\$ 3,172,459.94</b>

**FUNDS**

General Fund	<b>GF</b>	\$	1,213,789.35	
Capital Improvement Fund	<b>CIP</b>	\$	1,958,670.59	
<b>Total</b>				<b>\$ 3,172,459.94</b>

## C.I. Fund Allocation:

Pleasant View	\$	(37,689.68)
Downtown	\$	249,592.23
PF Technology	\$	1,746,768.04
	\$	1,958,670.59

Post Falls Urban Renewal Agency

Increment Received District Obligation Balance

	<u>Pleasant View</u>	<u>Downtown</u>	<u>PF Tech Dist.</u>	<u>Total</u>
<i>Termination Date</i>	<i>2041</i>	<i>2041</i>	<i>2038</i>	
Sep-23	-	1,652.55	-	1,652.55
Oct-23	-	832.79	354.87	1,187.66
Nov-23	-	106.66	-	106.66
Dec-23	-	9,148.03	23,423.07	32,571.10
Jan-24	5,559.09	278,640.66	487,534.42	771,734.17
<i>Reimbursement</i> Feb-24	329.28	62,109.12	63,860.59	126,298.99
Mar-24	-	2,060.98	-	2,060.98
Apr-24	-	1,920.72	5,841.98	7,762.70
May-24	-	16,801.47	43,379.51	60,180.98
Jun-24	-	8,485.84	16,066.94	24,552.78
Jul-24	5,141.68	220,323.22	245,817.01	471,281.91
Aug-24				-
Sep-24				-
<b>Total YTD</b>	<b>11,030.05</b>	<b>602,082.04</b>	<b>886,278.39</b>	<b>1,499,390.48</b>
Approved Obligation	-	6,035,511.02	-	6,035,511.02
Obligation Balance @ 6/30/24	-	5,223,254.44	-	5,223,254.44
Carry over @ 6/30/24	(42,831.36)	29,269.01	1,500,951.03	1,487,388.68

## AUDIT ENGAGEMENT LETTER

June 28, 2024

Board of Commissioners and Management  
Post Falls Urban Renewal Agency  
201 East 4<sup>th</sup> Avenue, Suite 105  
Post Falls, Idaho 83854

Dear Board of Commissioners:

We are pleased to confirm our understanding of the services we are to provide Post Falls Urban Renewal Agency for the year ending September 30, 2024.

### Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the disclosures, which collectively comprise the basic financial statements of Post Falls Urban Renewal Agency as of and for the year ended September 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Post Falls Urban Renewal Agency's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Post Falls Urban Renewal Agency's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedule of Agency's Share of Net Pension Liability
- 3) Schedule of Agency's Contributions
- 4) Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – All Governmental Fund Types

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of Post Falls Urban Renewal Agency and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement. and they may bill you for responding to this inquiry.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

## **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other

noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Post Falls Urban Renewal Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken

to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Other Services**

We will also assist in providing the following nonaudit services during the audit of your financial statements based on information provided by you:

- We will prepare a draft of your financial statements and related notes in conformity with U.S. generally accepted accounting principles based on information provided by you.
- We will prepare a depreciation schedule based on the estimated useful lives that you have provided to us for your fund assets.
- We will assist with adjustments for GASB Statement No. 68 – Accounting and Financial Reporting for Pensions, based on information provided by PERSI and by you.
- We will assist with adjustments for GASB Statement No. 87 – Lease Accounting, based on information provided by you, as applicable.
- We will assist with adjustments for GASB Statement No. 96 – Subscription-based information technology arrangements, based on information provided by you, as applicable.
- We will assist with property tax adjustments based on information provided by Kootenai County and by you.
- We will propose adjusting journal entries for miscellaneous accruals, as necessary, based on information you provide.
- We will prepare the yearend payroll reports, W-2s and 1099s from information provided by you.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Alpine Summit CPAs and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Alpine Summit CPAs personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a regulator. If we are aware that a federal awarding agency or auditee

is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Toni Hackwith is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will not exceed \$12,500. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

**Reporting**

We will issue a written report upon completion of our audit of Post Falls Urban Renewal Agency's financial statements. Our report will be addressed to the Board of Commissioners of Post Falls Urban Renewal Agency. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Post Falls Urban Renewal Agency is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to Post Falls Urban Renewal Agency and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

*Alpine Summit CPAs*

Alpine Summit CPAs

RESPONSE:

This letter correctly sets forth the understanding of Post Falls Urban Renewal Agency.

\_\_\_\_\_  
Governance Signature

\_\_\_\_\_  
Management Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

<b>2025 PROPOSED OPERATING BUDGET - POST FALLS URBAN RENEWAL</b>				
<b>URBAN RENEWAL - GENERAL FUND:</b>		<b>Actual</b>	<b>Approved</b>	<b>Proposed</b>
		<b>FY 2023</b>	<b>Budget</b>	<b>Budget</b>
			<b>FY 2024</b>	<b>FY 2025</b>
<b>REVENUES:</b>				
	Tax Increment			
	Center Point District	\$ 625,555	\$ -	\$ -
	East Post Falls District	\$ 3,641,359	\$ -	\$ -
	Post Falls Technology District	\$ 521,384	\$ 864,374	\$ 1,128,562
	Downtown District	\$ 512,359	\$ 652,518	\$ 750,361
	Pleasant View District	\$ 1,280	\$ 11,777	\$ 12,400
	Other Income	\$ 203,151	\$ -	\$ -
	General Fund Transfer	\$ -	\$ 56,259	\$ 34,386
	Interest Income	\$ 148,254	\$ 39,000	\$ 69,600
	<b>TOTAL REVENUES:</b>	<b>\$ 5,653,342</b>	<b>\$ 1,623,928</b>	<b>\$ 1,995,308</b>
	Carryover (East Post Falls)	\$ 1,889,065	\$ -	\$ -
	Carryover (Center Point)	\$ 915,705	\$ -	\$ -
	<b>Carryover (Post Falls Technology)</b>	<b>\$ 364,539</b>	<b>\$ 860,333</b>	<b>\$ 1,746,768</b>
	Carryover (Downtown)	\$ -	\$ 459,327	\$ -
	Carryover (Pleasant View)	\$ -	\$ -	\$ -
	<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 8,822,651</b>	<b>\$ 2,943,588</b>	<b>\$ 3,742,076</b>
<b>EXPENDITURES:</b>				
	Proponent Reimbursement			
	Center Point District	\$ 1,541,260	\$ -	\$ -
	East Post Falls District	\$ 1,886,774	\$ -	\$ -
	Post Falls Technology District	\$ -	\$ 1,699,707	\$ 2,850,330
	Downtown District	\$ -	\$ 1,086,845	\$ 725,361
	Pleasant View District	\$ -	\$ 11,777	\$ 12,400
	Designated Funds (East Post Falls)	\$ 3,718,650	\$ -	\$ -
	Designated Funds (Center Point)	\$ -	\$ -	\$ -
	Debt Repayment	\$ -	\$ -	\$ -
	Interest Expense	\$ -	\$ -	\$ -
	<b>Sub-Total Proponent</b>	<b>\$ 7,146,684</b>	<b>\$ 2,798,329</b>	<b>\$ 3,588,090</b>
	<b>Agency Operating Expenses</b>			
	1 Audit	\$ 8,750	\$ 8,750	\$ 12,500
	2 Legal Advertising	\$ 498	\$ 900	\$ 900
	3 Employee Wages	\$ 55,240	\$ 57,330	\$ 59,046
	4 FICA	\$ 4,360	\$ 4,386	\$ 4,517
	5 SUTA	\$ 100	\$ 120	\$ 166
	6 PERSI	\$ 6,984	\$ 6,408	\$ 7,062
	7 Health Benefit	\$ -	\$ 8,400	\$ 8,400
	8 Engineering Services	\$ 6,400	\$ 9,600	\$ 9,600
	9 Contract Legal Services	\$ 9,975	\$ 25,000	\$ 25,000
	10 Other Contract Services	\$ -	\$ 1,000	\$ 1,000
	11 Insurance	\$ 3,009	\$ 3,713	\$ 4,375
	12 Marketing and Education Materials	\$ -	\$ -	\$ 3,000
	13 Dues and Memberships	\$ 800	\$ 800	\$ 850
	14 Computer Repair and Maintenance	\$ 480	\$ 585	\$ 330
	15 Computer Software	\$ 779	\$ 829	\$ 1,272
	16 Office Equipment	\$ -	\$ 1,900	\$ 300
	17 Office Supplies	\$ 324	\$ 375	\$ 425
	18 Postage & Shipping	\$ 75	\$ 63	\$ 73
	19 Printing & Copying	\$ 252	\$ 300	\$ 300
	20 Rent - Space & Equipment	\$ 7,990	\$ 7,990	\$ 7,990
	21 Telephone and Internet	\$ 767	\$ 320	\$ 240
	22 Meetings	\$ 325	\$ 240	\$ 390
	23 Website Design, Hosting and Maint.	\$ 2,929	\$ 1,250	\$ 1,250
	24 Contingency	\$ -	\$ 5,000	\$ 5,000
	25 General Fund Carryover	\$ -	\$ -	\$ -
	<b>Sub-Total Agency</b>	<b>\$ 110,037</b>	<b>\$ 145,259</b>	<b>\$ 153,986</b>
	<b>Total Expenditures</b>	<b>\$ 7,256,721</b>	<b>\$ 2,943,588</b>	<b>\$ 3,742,076</b>



## Resolution No. 2024 – 1

A RESOLUTION OF THE POST FALLS URBAN RENEWAL AGENCY, MAKING FINDINGS CONCERNING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024 AND ENDING SEPTEMBER 30, 2025, AND ADOPTING SAID BUDGET.

WHEREAS the Post Falls Urban Renewal Agency is an Idaho urban renewal agency formed pursuant to Idaho Code § 50-2006, and

WHEREAS Idaho Code §§ 50-2006(d) and 50-2903(5) require that an Idaho urban renewal agency compile an annual budget estimating expenses and revenues for the following fiscal year of the agency for submission to the local governing body, and

WHEREAS Idaho Code § 50-2006(d) requires an Idaho urban renewal agency to have the same fiscal year as a municipality, and

WHEREAS Idaho Code § 50-1001 provides that the fiscal year for a municipality begins on the first day of October.

NOW THEREFORE, BE IT RESOLVED BY THE POST FALLS URBAN RENEWAL AGENCY AS FOLLOWS:

Section 1. That the Agency makes the following findings of fact:

- a. That the estimated revenues of the Agency for the period October 1, 2024 to September 30, 2025, are described in Exhibit A, attached hereto and incorporated by reference herein.
- b. That the estimated expenses of the Agency for the period October 1, 2024 to September 30, 2025, are described in Exhibit A, attached hereto and incorporated by reference herein.

Section 2. That the Agency does hereby adopt Exhibit A as its fiscal year budget for the period October 1, 2024 to September 30, 2025, and does hereby tender a copy of said budget to the Post Falls City Council. Pursuant to Idaho Code § 67-1076(2)(b)(i), the budget shall also be submitted to the Local Governing Entities Central Registry by December 1, 2024.

PASSED by the Post Falls Urban Renewal Agency Commission at its regularly scheduled meeting on August 15, 2024.

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Christi Fleischman, Vice-Chair

**2025 OPERATING BUDGET - POST FALLS URBAN RENEWAL AGENCY**

**Exhibit "A"**

	Actual FY 2023	Budget FY 2024	Budget FY 2025
<b>REVENUES:</b>			
Tax Increment			
Center Point District	\$ 625,555	\$ -	\$ -
East Post Falls District	\$ 3,641,359	\$ -	\$ -
Post Falls Technology District	\$ 521,384	\$ 864,374	\$ 1,128,562
Downtown District	\$ 512,359	\$ 652,518	\$ 750,361
Pleasant View District	\$ 1,280	\$ 11,777	\$ 12,400
Other Income	\$ 203,151	\$ -	\$ -
Transfer from General Fund	\$ -	\$ 56,259	\$ 34,386
Interest Income	\$ 148,254	\$ 39,000	\$ 69,600
<b>TOTAL REVENUES:</b>	<b>\$ 5,653,342</b>	<b>\$ 1,623,928</b>	<b>\$ 1,995,308</b>
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<b>TOTAL FUNDS</b>	<b>\$ 8,822,651</b>	<b>\$ 2,943,588</b>	<b>\$ 3,742,076</b>
<b>EXPENDITURES:</b>			
Proponent Reimbursement			
Center Point District	\$ 1,541,260	\$ -	\$ -
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Pleasant View District	\$ -	\$ 11,777	\$ 12,400
Designated Funds East Post Falls	\$ 3,718,650	\$ -	\$ -
Designated Funds Center Point	\$ -	\$ -	\$ -
Debt Repayment	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -
<b>Sub-Total Proponent</b>	<b>\$ 7,146,684</b>	<b>\$ 2,798,329</b>	<b>\$ 3,588,090</b>
<b>Agency Operating Expenses</b>			
Audit	\$ 8,750	\$ 8,750	\$ 12,500
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General Fund Carryover	\$ -	\$ -	\$ -
<b>Sub-Total Agency</b>	<b>\$ 110,037</b>	<b>\$ 145,259</b>	<b>\$ 153,986</b>
<b>Total Expenditures</b>	<b>\$ 7,256,721</b>	<b>\$ 2,943,588</b>	<b>\$ 3,742,076</b>

Semi-Annual Reimbursement Amounts for August 15, 2024

<u>District</u>	<u>Proponent/Developer</u>	<u>August 2024 Reimbursement</u>	<u>Remaining Obligation</u>
Downtown *	A&A Construction	\$ 236,434.71	\$ 4,986,819.73
	<b>Total</b>	<b>\$ 236,434.71</b>	

		<u>Current Fund Balance</u>
Post Falls Technology	BGI, Inc	\$ 1,723,152.47
Pleasant View **	City of Post Falls	\$ (62,689.68)

\* Subject to Order of Approval (Agenda Item 9.a., 8/15/2024)

\*\* Balance resulting from pending Annual Admin. Fees