



Post Falls Urban Renewal Agency
August 17, 2023 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 20, 2023
 - b. Payables
 - c. Bank Activity Report
 - d. Financial Reports
 - e. FY 2023 Audit Engagement Letter
5. Committee Updates
 - a. Finance and Policy – Crosby
 - b. District Review - Coles
 - c. Communications, Property & Personnel - Davis
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 2024 Agency Annual Budget **ACTION ITEM**
8. Unfinished Business
 - a. Resolution 2023-04 Approving Fiscal Year 2024 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 20, 2023

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Chairman Jerry Baltzell called the meeting to order at 9:00 a.m. Executive Director Joseph Johns called the roll. Present, in addition to Baltzell were Commissioners Melissa Hjeltness, Christi Fleischman, Len Crosby, Eric Clemensen and Jame' Davis. Commissioner Collin Coles was absent with prior notification. Also present was Counselor Pete Bredeson. Baltzell 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 14, 2023

Item B is the Commission Meeting Minutes, June 15, 2023

Item C is the Commission Workshop Minutes, July 11, 2023

Item D is the payables for this month totaling \$ 6,490.46

Item F is the Bank Activity Report which shows total funds in all accounts of \$ 3,078,972.72 and accrued interest for the month of \$ 7,554.56.

Item G is the financial reports as of June 30th.

Approval of the consent calendar will authorize a transfer of \$6,490.46 to the First Interstate Checking Account for the monthly payables and \$7,554.56 accrued interest to the General Fund.

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

COMMITTEE UPDATES

Finance & Policy – Crosby – Reviewed the proposed FY2024 Budget and participated in the budget workshop. June Financials were reviewed. A formal presentation of the FY2024 Budget will be made in August.

District Review – Davis – Nothing to report.

Communication, Property and Personnel – Davis – Nothing to report.

CITIZEN COMMENTS

None

UNFINISHED BUSINESS

Resolution 2023-03 – Downtown District Plan Amendment Ordinance Recommendation. Johns stated Resolution 2023-03 is a recommendation from the Agency to the City Council regarding a proposed city ordinance to amend the Downtown District Plan based on several technical or ministerial changes to the plan. At the July 11th Commission Workshop, it was decided to have counselor Bredeson draft this resolution for consideration by the Commission. Baltzell asked for a motion to approve Resolution 2023-03. Commissioner Davis made the motion, seconded by Crosby. All in favor by voice vote. Motion carried.

NEW BUSINESS

None

STAFF REPORT

Johns reported on progress being made to organize a local Urban Renewal Agency gathering to discuss various topics pertaining to the subject of urban renewal. The special committee (*Crosby, Fleischman, Coles*) is scheduled to meet at 9 a.m. on July 26, 2023.

A meeting to review the initial Downtown District reimbursement request submittal is scheduled for August 10, 2023, at 9a.m. Those expected to attend include representatives from A&A Construction, City of Post Falls Engineering Division, the Agency and the Agency's consulting engineers.

COMMISSIONER COMMENT

None

CHAIRMAN COMMENT

Chairman Baltzell expressed his appreciation for the work carried out by the members of the Commission, city staff, the agency's staff and legal counselor.

ADJOURNMENT

Baltzell asked for a motion to adjourn. Commissioner Crosby made the motion, seconded by Hjeltness. All in favor by voice vote. Meeting was adjourned at 9:12 a.m.

Respectfully submitted,

Joseph Johns, Executive Director

Jerry Baltzell, Chairman

11:58 AM

08/14/23

**Post Falls Urban Renewal Agency - In-House
Unpaid Bills Detail
As of August 17, 2023**

Type	Date	Num	Due Date	Aging	Open Balance
Bredeson Law Group					
Bill	08/12/2023	1115	09/11/2023		125.00
Total Bredeson Law Group					125.00
Canon Solutions America, Inc.					
Bill	08/01/2023	6005116232	08/31/2023		38.19
Total Canon Solutions America, Inc.					38.19
Joseph Johns					
Bill	08/12/2023	Jul2023	08/27/2023		14.00
Total Joseph Johns					14.00
Mastercard					
Bill	08/01/2023	4518-Jul2023	08/31/2023		210.00
Total Mastercard					210.00
TOTAL					387.19

PAYROLL 5,406.76

5,793.95

Bank Activity Report

July 2023

Cash Section

Checking: First Interstate

Beginning Balance		\$	10,768.70
Deposits	\$	1,863,260.37	
Withdrawals	\$	(1,863,249.39)	
Ending Balance		\$	10,779.68
Outstanding Checks	\$	(1,222.16)	
Account Balance		\$	9,557.52

Idaho Central CU - Savings

Beginning Balance		\$	25.00
Interest			
Ending Balance		\$	25.00

Investment Section

LGIP General Fund 1829

Beginning Balance		\$	1,081,525.48
Contributions	\$	11,854.29	
Withdrawals	\$	(6,490.46)	
Ending Balance		\$	1,086,889.31
Outstanding Transfer			
Account Balance		\$	1,086,889.31

LGIP Capital Improvements 1910

Beginning Balance		\$	1,987,877.94
Contributions	\$	1,864,311.25	
Withdrawals	\$	(7,554.56)	
Ending Balance		\$	3,844,634.63
Outstanding Transfer			
Account Balance		\$	3,844,634.63

Total Funds All Accounts:

\$ 4,941,106.46

July

	Interest
State Pool - LGIP 1910	\$ 10,088.31
Total	<u>\$ 10,088.31</u>

Post Falls Urban Renewal Agency - In-House

Balance Sheet

As of July 31, 2023

Jul 31, 23

ASSETS	
Current Assets	
Checking/Savings	
First Interstate Bank- Checking	9,557.52
LGIP1829-General Fund	1,086,889.31
LGIP1910-Capital Improvements	3,844,634.63
Savings - Idaho Central CU	25.00
Total Checking/Savings	4,941,106.46
Other Current Assets	
Accounts Receivable - Taxes	168,713.00
FMV - State Investment Pool	-7,967.00
Interest Receivable	7,700.00
Prepaid Insurance	2,641.00
Total Other Current Assets	171,087.00
Total Current Assets	5,112,193.46
TOTAL ASSETS	5,112,193.46
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Vacation Payable	3,237.47
Deferred Increment Revenue	168,792.00
Payroll Liabilities	
ID- Unemployment Payable	9.40
Payroll Liabilities - Other	1,748.59
Total Payroll Liabilities	1,757.99
Total Other Current Liabilities	173,787.46
Total Current Liabilities	173,787.46
Total Liabilities	173,787.46
Equity	
Assigned Fund Balance	2,630,810.00
Committed Fund Balance	374,525.00
Fund Balance - General Fund	-89,609.00
Nonspendable Fund Balance	2,641.00
Restricted Fund Balance	236,901.00
Unrestricted Net Assets	-1,123,811.22
Net Income	2,906,949.22
Total Equity	4,938,406.00
TOTAL LIABILITIES & EQUITY	5,112,193.46

Post Falls Urban Renewal Agency - In-House

Profit & Loss

July 2023

08/08/23

Accrual Basis

	Jul 23	Oct '22 - Jul 23
Ordinary Income/Expense		
Income		
Pleasant View District	499.66	1,280.27
Downtown District	177,894.28	509,327.01
Interest	11,867.51	106,151.23
Center Point District	176,002.05	619,274.10
East Post Falls District	1,300,104.24	3,640,168.03
Post Falls Technology District	202,256.46	516,020.59
Total Income	1,868,624.20	5,392,221.23
Gross Profit	1,868,624.20	5,392,221.23
Expense		
Advertising & Legal Notices	0.00	254.17
Audit	0.00	8,750.00
Bank Charges	0.00	17.00
Computer Repair & Maintenance	0.00	285.42
Computer Software	0.00	779.00
District Payments	0.00	2,390,562.63
Dues & Memberships	0.00	800.00
Engineering Services	0.00	6,400.00
Insurance	0.00	199.00
Legal Fees	1,025.00	8,775.00
Meetings	0.00	115.20
Office Supplies	0.00	318.38
Payroll Expenses	5,450.77	56,136.36
Postage, Mailing Service	0.00	74.52
Printing and Copying	10.11	147.79
Rent	0.00	7,990.00
Telephone, Telecommunications	14.00	738.54
Website Design, Hosting & Maint	0.00	2,929.00
Total Expense	6,499.88	2,485,272.01
Net Ordinary Income	1,862,124.32	2,906,949.22
Net Income	1,862,124.32	2,906,949.22

Fund Reconciliation:

7/31/2023

QB

First Interstate - Checking	GF	\$	9,557.52	
LGIP - 1829	GF	\$	1,086,889.31	
LGIP - 1910	CIP	\$	3,844,634.63	
Savings - Idaho Central CU	GF	\$	25.00	
Total				\$ 4,941,106.46

FUNDS

General Fund	GF	\$	1,096,471.83	
Capital Improvement Fund	CIP	\$	3,844,634.63	
Total				\$ 4,941,106.46

C.I. Fund Allocation:

Pleasant View	\$	(23,719.73)
Downtown	\$	484,327.01
PF Technology	\$	885,333.85
CP-The Pointe	\$	212,653.18
CP-Pointe Apartments	\$	168,260.65
EPF-Tullamore	\$	614,011.51
EPF-Tullamore Commons II	\$	6,491.62
EPF-S/Ctr	\$	1,497,276.54
	\$	<u>3,844,634.63</u>

Post Falls Urban Renewal Agency
Increment Received District Obligation Balance

Termination Date	Pleasant View	Downtown	PF Tech Dist.	Center Point The Pointe	Pointe Apartments	East Post Falls			Total
	2041	2041	2038	2022	2022	South/Central 2022	North-Tullamore 2022	Commons II 2022	
Sep-22	-	-	87.07	0.36	-	3,203.86	-	-	3,291.29
Oct-22	-	-	-	-	-	1,670.80	549.56	-	2,220.36
Nov-22	-	-	79.41	-	-	3,561.96	550.82	-	4,192.19
Dec-22	-	7,936.00	4,775.52	-	-	28,389.86	9,101.45	-	50,202.83
Jan-23	639.74	278,484.56	273,838.46	353,812.39	17,189.64	1,280,490.94	698,342.33	6,491.63	2,909,289.69
Reimbursement 'Feb-23	0.41	11,565.49	4,773.79	18,429.52	-	87,110.07	3,139.05	-	125,018.33
Mar-23	-	1,941.58	2,455.02	452.18	-	10,587.39	4,920.58	-	20,356.75
Apr-23	-	3,768.00	2,519.48	-	-	19,601.10	9.49	-	25,898.07
May-23	-	12,495.35	21,564.88	3,443.01	-	26,336.83	3,828.43	-	67,668.50
Jun-23	140.46	15,241.75	8,531.36	49,945.31	-	141,821.37	13,560.13	-	229,240.38
Jul-23	499.66	177,894.28	202,256.46	158,812.68	17,189.37	701,919.74	591,692.88	6,491.62	1,856,756.69
Aug-23									-
Sep-23									-
Total YTD	1,280.27	509,327.01	520,881.45	584,895.45	34,379.01	2,304,693.92	1,325,694.72	12,983.25	5,294,135.08
Approved Obligation	-	-	-	9,950,790.49	-	26,287,917.00	8,889,015.07	325,000.00	45,452,722.56
Obligation Balance @ 3/31/23	-	-	-	658,149.97	-	-	1,155,276.14	125,720.45	1,939,146.56
Carry over @ 3/31/23	(24,359.85)	274,927.63	650,461.67	452.18	151,071.28	607,597.50	4,920.58	-	1,665,070.99

AUDIT ENGAGEMENT LETTER

August 2, 2023

Board of Commissioners and Management
Post Falls Urban Renewal Agency
201 East 4th 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, 2023.

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, 2023. 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 internal control relevant to the audit, 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*.

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.
- We will assist with property tax adjustments based on information provided by Kootenai County and by you.
- Preparation of 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.

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 and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). 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.

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 Anderson Bros. 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 Anderson Bros. 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 \$10,000. 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,



Anderson Bros. CPAs

RESPONSE:

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

Governance signature: _____

Title: _____

Date: _____

Management signature: _____

Title: _____

Date: _____

2024 PROPOSED OPERATING BUDGET - POST FALLS URBAN RENEWAL				
URBAN RENEWAL - GENERAL FUND:				
		Actual	Approved	Proposed
		FY 2022	Budget	Budget
			FY 2023	FY 2024
REVENUES:				
	Tax Increment			
	Expo District	\$ 690,683	\$ -	\$ -
	Center Point District	\$ 801,866	\$ 642,970	\$ -
	East Post Falls District	\$ 4,034,314	\$ 3,821,196	\$ -
	Post Falls Technology District	\$ 229,885	\$ 494,460	\$ 864,374
	Downtown District	\$ -	\$ 562,734	\$ 652,518
	Pleasant View District	\$ -	\$ 2,597	\$ 11,777
	Other Income	\$ 132,086	\$ -	\$ -
	General Fund Transfer	\$ -	\$ -	\$ 56,259
	Interest Income	\$ 24,112	\$ 6,000	\$ 39,000
	TOTAL REVENUES:	\$ 5,912,947	\$ 5,529,957	\$ 1,623,928
	Carryover (East Post Falls)	\$ 1,903,887	\$ 1,832,998	\$ -
	Carryover (Center Point)	\$ 163,840	\$ 781,823	\$ -
	Carryover (Post Falls Technology)	\$ 159,576	\$ 362,943	\$ 860,333
	Carryover (Downtown)	\$ -	\$ -	\$ 459,327
	Carryover (Pleasant View)	\$ -	\$ -	\$ -
	TOTAL FUNDS AVAILABLE	\$ 8,140,249	\$ 8,507,721	\$ 2,943,588
EXPENDITURES:				
	Proponent Reimbursement			
	Expo District	\$ 679,567	\$ -	\$ -
	Center Point District	\$ -	\$ 1,374,793	\$ -
	East Post Falls District	\$ 2,841,751	\$ 5,554,107	\$ -
	Post Falls Technology District	\$ -	\$ 832,403	\$ 1,699,707
	Downtown District	\$ -	\$ 537,734	\$ 1,086,845
	Pleasant View District	\$ -	\$ 2,597	\$ 11,777
	Designated Funds (East Post Falls)	\$ 1,889,065	\$ -	\$ -
	Designated Funds (Center Point)	\$ 915,705	\$ -	\$ -
	Debt Repayment	\$ 1,160,645	\$ -	\$ -
	Interest Expense	\$ 11,262	\$ -	\$ -
	Sub-Total Proponent	\$ 7,497,994	\$ 8,301,634	\$ 2,798,329
	Agency Operating Expenses			
	1 Audit	\$ 7,475	\$ 7,700	\$ 8,750
	2 Legal Advertising	\$ 604	\$ 900	\$ 900
	3 Employee Wages	\$ 68,642	\$ 54,599	\$ 57,330
	4 FICA	\$ 5,251	\$ 4,177	\$ 4,386
	5 SUTA	\$ 125	\$ 113	\$ 120
	6 PERSI	\$ 7,995	\$ 6,519	\$ 6,408
	7 Health Benefit	\$ -	\$ -	\$ 8,400
	8 Engineering Services	\$ 3,200	\$ 9,600	\$ 9,600
	9 Contract Legal Services	\$ 13,850	\$ 25,000	\$ 25,000
	10 Other Contract Services	\$ 55	\$ 1,100	\$ 1,000
	11 Insurance	\$ 3,257	\$ 3,257	\$ 3,713
	12 Marketing and Education Materials	\$ -	\$ -	\$ -
	13 Dues and Memberships	\$ 800	\$ 800	\$ 800
	14 Computer Repair and Maintenance	\$ 148	\$ 585	\$ 585
	15 Computer Software	\$ 573	\$ 623	\$ 829
	16 Office Equipment	\$ -	\$ -	\$ 1,900
	17 Office Supplies	\$ 479	\$ 375	\$ 375
	18 Postage & Shipping	\$ 58	\$ 60	\$ 63
	19 Printing & Copying	\$ 169	\$ 300	\$ 300
	20 Rent - Space & Equipment	\$ 7,990	\$ 7,990	\$ 7,990
	21 Telephone and Internet	\$ 331	\$ 850	\$ 320
	22 Meetings	\$ 51	\$ 240	\$ 240
	23 Website Design, Hosting and Maint.	\$ 159	\$ 1,250	\$ 1,250
	24 Contingency	\$ 3,000	\$ 5,000	\$ 5,000
	25 General Fund Carryover	\$ -	\$ 75,048	\$ -
	Sub-Total Agency	\$ 124,212	\$ 206,087	\$ 145,259
	Total Expenditures	\$ 7,622,206	\$ 8,507,721	\$ 2,943,588

Resolution No. 2023 – 4

A RESOLUTION OF THE POST FALLS URBAN RENEWAL AGENCY, MAKING FINDINGS CONCERNING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024, 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, 2023 to September 30, 2024, 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, 2023 to September 30, 2024, 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, 2023 to September 30, 2024, 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, 2023.

PASSED by the Post Falls Urban Renewal Agency Commission at its regularly scheduled meeting on August 17, 2023.

Jerry Baltzell, Chairman

	Actual FY 2022	Budget FY 2023	Budget FY 2024
REVENUES:			
Tax Increment			
Expo District	\$ 690,683	\$ -	\$ -
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Other Income	\$ 132,086	\$ -	\$ -
Transfer from General Fund	\$ -	\$ -	\$ 56,259
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Total Expenditures	\$ 7,622,206	\$ 8,507,720	\$ 2,943,588

Semi-Annual Reimbursement Amounts for August 17, 2023

<u>District</u>	<u>Proponent</u>	<u>August 2023 Reimbursement</u>	<u>Remaining Obligation</u>
Center Point	Pointe Partners, LLC	\$ 387,194.70	CLOSED
EPF-Tullamore	Copper Basin Const.	\$ 614,011.51	CLOSED
EPF-Tullamore Commons II	Whitewater Creek	\$ 6,491.62	CLOSED
	Total	\$ 1,007,697.83	
			<u>Current Fund Balance</u>
Post Falls Technology	BGI, Inc	\$ 860,489.65	
Downtown	City of Post Falls	\$ 459,766.77	
Pleasant View	City of Post Falls	\$ (48,719.73)	
EPF-S/C (CLOSED)	City of Post Falls	* Rebate to TDs 9/2023	\$ 1,498,467.54