



**\*MEETING NOTICE & AGENDA\***

**KUNA URBAN RENEWAL AGENCY**

**March 06, 2024**

**City Council Chambers/Virtual Meeting Via Zoom**

<https://us06web.zoom.us/j/86745588442>

**6:00 p.m.**

**751 W. 4<sup>th</sup> Street**

**Kuna, Idaho**

The meeting will be conducted through the use of a video conference call (zoom) and in person for Board Members, City Staff and Consultants. Persons who wish to provide comment on agenda items may do so by emailing Jessica Hall at [jhall@kunaid.gov](mailto:jhall@kunaid.gov) on or before March 06, 2024, at 12:00 p.m. Staff will be available in person at City Hall.

**AGENDA**

1. Call to Order / Roll Call
  - Seat 1: Dave Case
  - Seat 2: Vacant
  - Seat 3: Amber Bothwell
  - Seat 4: Greg McPherson
  - Seat 5: Tayler Tibbitts
2. **Action Item:** Adoption of the Agenda
3. **Action Item:** Consent Agenda
  - a. **Expenses**
    - i. Approval of Paid Invoices - Report
  - b. **Minutes and Reports**
    - i. Approval of February 7, 2024 Meeting Minutes
4. **Action Item:** 2024 Kuna Urban Renewal Officer Elections
  - a. Chair
  - b. Vice-chair
  - c. Secretary
  - d. Treasurer

5. **Action Item:** Consideration of public comment on 2023 Annual Report of the Kuna Urban Renewal Agency.
  
6. **Action Item:** Consideration to Approve RESOLUTION NO. URA 02-2024

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF KUNA, IDAHO, A/K/A THE KUNA URBAN RENEWAL AGENCY, TO BE TERMED THE "ANNUAL REPORT RESOLUTION," APPROVING THE ANNUAL REPORT OF THE URBAN RENEWAL AGENCY, FOR CALENDAR YEAR 2023; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT WITH THE CITY AND IDAHO STATE CONTROLLER; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE ANNUAL REPORT; AUTHORIZING THE CHAIR, VICE-CHAIR, OR AGENCY ADMINISTRATOR TO FILE SAID REPORT; AND PROVIDING AN EFFECTIVE DATE.

7. **Discussion Item:** Presentation of the FY 2023 Audit
  
8. **Action Item:** Approval of the FY 2023 Audit
  
9. **Board Questions or Concerns**
  
10. **Action Item: Executive Session:** Executive Session under Idaho Code Section 74-206(1)(c) to acquire an interest in real property not owned by a public agency.
  
11. **Adjourn**

Kuna Urban Renewal Agency  
Accounts Payable Approval

Vendor	Description	Invoice Date	Invoice Number	Amount
Idaho Press Tribune	Legal Notice 2023 URA Report	2/16/2024	42447	47.74
Bailey and Company	Audit Fees Fiscal 2023	2/26/2024	107445	5,950.00
Total Invoices for Approval				<u>5,997.74</u>



**KUNA URBAN RENEWAL AGENCY**  
**February 7, 2024**  
**City Council Chambers/Virtual Meeting Via Zoom**  
6:00 p.m.  
751 W. 4<sup>th</sup> Street  
Kuna, Idaho

The meeting will be conducted through the use of a video conference call (zoom) and in person for Board Members, City Staff and Consultants. Persons who wish to provide comment on agenda items may do so by emailing Zulema Montenegro at [zmontenegro@kunaid.gov](mailto:zmontenegro@kunaid.gov) on or before February 7, 2024, at 12:00 p.m. City staff will be available in person at City Hall.

**MINUTES**

1. Call to Order / Roll Call

*(Timestamp 06:00)*

Seat 1: Dave Case  
-Present  
Seat 2: Vacant  
Seat 3: Amber Bothwell  
-Present  
Seat 4: Greg McPherson  
-Absent  
Seat 5: Tayler Tibbitts  
-Via Zoom

Staff present: Morgan Treasure, Jared Empey, Zulema Montenegro, Meghan Conrad

2. **Action Item:** Adoption of the Agenda

*(Timestamp 00:06:01)*

**Motion by Commissioner Bothwell to approve and adopt agenda as published.  
Seconded by Commissioner Tibbitts. Motion carried 3-0-0.**

3. **Action Item:** Consent Agenda

**a. Expenses**

- Approval of Paid Invoices - Report

**b. Minutes and Reports**

- Approval of November 01, 2023, Meeting Minutes

*(Timestamp 00:06:01)*

**Motion by Commissioner Bothwell to approve the consent agenda and approve the minutes from November 01, 2023. Seconded by Commissioner Tibbitts. Motion carried 3-0-0.**

- 4. Action Item:** Consideration to Approve Draft Annual Report, Set Meeting Date to Take Comments from the Public on March 6, 2024, and publish Notice of the Meeting.

*(Timestamp 00:06:02)*

*Morgan Treasure, Agency Administrator*

*Gave a brief overview regarding the 2023 Annual Report, reporting that the beginning of the year was spent at the statehouse focusing on House bill 328 which changed the outlook for the East Kuna plan. Update on the pedestrian crossing project that was presented to the agency ended up getting fully funded by grants.*

**Motion by Commissioner Bothwell to approve Draft Annual Report, Set Meeting Date to Take Comments from the Public on March 6, 2024, and publish Notice of the Meeting. Seconded by Commissioner Tibbitts. Motion carried 3-0-0.**

- 5. Action Item:** Consideration to approve RESOLUTION NO. URA 01-2024

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF KUNA, IDAHO, AMENDING THE AGENCY BYLAWS TO PROVIDE THAT OFFICER ELECTIONS SHALL OCCUR AT THE REGULAR BOARD MEETING HELD IN MARCH; AND PROVIDING AN EFFECTIVE DATE.

*(Timestamp 00:06:06)*

*Meghan Conrad, Elam and Burke*

*Explained that the resolution is a bylaw cleanup. In order to have another cycle of elections during a regular meeting, officers' elections will occur in March instead of April. The seats would include a chair and vice chair.*

**Motion by Commissioner Bothwell to approve RESOLUTION NO. URA 01-2024 A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF KUNA, IDAHO, AMENDING THE AGENCY BYLAWS TO PROVIDE THAT OFFICER ELECTIONS SHALL OCCUR AT THE REGULAR BOARD MEETING HELD IN MARCH; AND PROVIDING AN EFFECTIVE DATE. Seconded by Commissioner Tibbitts. Motion carried 3-0-0.**

- 6. Discussion Item:** Quarterly Financial Report – Jared Empey, Agency Treasurer

*(Timestamp 00:06:09)*

*Jared Empey, Agency Treasurer*

*Explained the revenue that is coming in for the West and East districts and how expenses have been minimal. Stated that the agency is building up reserves to start some projects and funding some new construction.*

7. **Discussion Item:** Legislative Update – Morgan Treasure, Agency Administrator  
(Timestamp 00:06:12)

*Morgan Treasure, Agency Administrator*

*Gave an update about legislation currently being discussed regarding urban renewal only being allowed in existing blighted areas. There has been an alternative proposed that looks like a CID which removes the incentive.*

*Meghan Conrad, Elam and Burke*

*Gave further details about a draft bill that still has opportunities to change. Expects the hearing to be as early as next week. Explained the two components of the bill and how the amendments to the URA statue are put in the same bill as its proposed replacement. Stated that the LIDD, Local Infrastructure Development District is intended to be a replacement tool for “greenfield development”. Described several challenges and limitations that create a lack of stability in this continuing to be a viable tool to support local government efforts in economic development and downtown revitalization.*

8. **Board Questions, Concerns and Announcements:**  
(Timestamp 00:06:25)

**Motion by Commissioner Bothwell to adjourn meeting. Seconded by Commissioner Tibbitts. Motion carried 3-0-0.**

**9. Adjourn**

**6:25 PM**

APPROVED:

By \_\_\_\_\_  
Chair of the Board

ATTEST:

By \_\_\_\_\_  
Secretary

*Minutes prepared by Zulema Montenegro, Executive Assistant to the Development Director*



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02/13/24	21880

## LEGAL NOTICE PUBLIC NOTICE

Under the Idaho Urban Renewal Law, Chapter 20, Title 50, Idaho Code, an urban renewal agency is required to file with the local governing body and the Idaho State Controller, on or before March 31 of each year, a report of its activities for the preceding calendar year, which shall include certain financial data and audit reports set forth in Idaho Code Sections 67-1075 and 67-1076. Pursuant to Idaho Code Section 50-2006(5)(c), the Agency is required to hold a public meeting to report on the findings in the annual report and to take public comment prior to filing the report with the City and the Idaho State Controller.

A copy of the DRAFT 2023 Annual Report is available at the Kuna City Clerk's office, 751 W. 4th Street, Kuna Idaho, or on the Agency's website at: <http://kunacity.id.gov/518/Kuna-Urban-Renewal-Agency>. Written public comment may be submitted PRIOR TO 2:00 p.m. on MARCH 6, 2024, to Kuna Urban Renewal Agency, Attn: Morgan Treasure, Agency Administrator, City of Kuna, 751 W. 4th Street, Kuna, ID 83634, [mtreasure@kuna.id.gov](mailto:mtreasure@kuna.id.gov). Public comment will also be taken at the Kuna Urban Renewal Agency's regular meeting on Wednesday March 6, 2023, at 6:00 p.m. at the Kuna City Council Chambers, 751 W. 4th Street, Kuna, Idaho.

February 16, 2024  
480807

1 KUNA, CITY OF  
 P.O. BOX 13  
 KUNA, ID 83634

AD #	DESCRIPTION	START	STOP	TIMES	AMOUNT
480807	ANNUAL REPORT FILING	02/16/24	02/16/24	2	\$47.74

### Payments:

Date	Method	Card Type	Last 4 Digits	Check	Amount
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Discount:	<b>\$0.00</b>	Gross:	<b>\$47.74</b>
Surcharge:	<b>\$0.00</b>	Paid Amount:	<b>\$0.00</b>
Credits:	<b>\$0.00</b>		

**Amount Due: \$47.74**

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RESOLUTION NO. URA 02-2024

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF KUNA, IDAHO, A/KA THE KUNA URBAN RENEWAL AGENCY:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF KUNA, IDAHO, A/K/A THE KUNA URBAN RENEWAL AGENCY, TO BE TERMED THE “ANNUAL REPORT RESOLUTION,” APPROVING THE ANNUAL REPORT OF THE URBAN RENEWAL AGENCY, FOR CALENDAR YEAR 2023; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT WITH THE CITY AND IDAHO STATE CONTROLLER; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE ANNUAL REPORT; AUTHORIZING THE CHAIR, VICE-CHAIR, OR AGENCY ADMINISTRATOR TO FILE SAID REPORT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of the City of Kuna, Idaho, also known as the Kuna Urban Renewal Agency, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (hereinafter the “Law”) and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (hereinafter the “Act”), a duly created and functioning urban renewal agency for Kuna, Idaho, hereinafter referred to as the “Agency.”

WHEREAS, the City Council (the “City Council”) of the City of Kuna, Idaho (the “City”), on November 17, 2020, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Kuna West Urban Renewal Project (the “Plan”);

WHEREAS, following said public hearing the City Council adopted its Ordinance No. 2020-32 on November 27, 2020, approving the Plan, establishing the Kuna West revenue allocation area and making certain findings;

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Kuna East Urban Renewal Project (the “Kuna East Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2022-34 on November 1, 2022, approving the Kuna East Plan, establishing the Kuna East revenue allocation area and making certain findings;

WHEREAS, pursuant to Idaho Code Section 50-2006(5)(c), the Agency is required to prepare an annual report and file the annual report with the City and the Idaho State Controller, on or before March 31 of each year;

WHEREAS, pursuant to Idaho Code Section 50-2006(5)(c), the Agency Administrator prepared the annual report of the Agency's activities for calendar year 2023, a copy of which report is attached hereto as Exhibit A and incorporated herein by reference;

WHEREAS, the Agency Board of Commissioners (the "Agency Board") reviewed and tentatively approved the draft annual report at the February 7, 2024, Agency Board meeting and directed that the report be made available and notice of availability be posted;

WHEREAS, the Agency Administrator took steps to provide a copy of the report for public review and comment;

WHEREAS, on March 6, 2024, pursuant to Idaho Code Section 50-2006(5)(c), the Agency held an open public meeting, properly noticed, to report these findings in the annual report and to take comments from the public at Kuna City Council Chambers, 751 W. 4<sup>th</sup> Street, Kuna, Idaho, on the proposed annual report.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF KUNA, IDAHO, A/K/A THE KUNA URBAN RENEWAL AGENCY, AS FOLLOWS:**

Section 1: That the above statements are true and correct.

Section 2. That the annual report attached hereto as "**EXHIBIT A**" and the notice of filing the annual report attached hereto as "**EXHIBIT B**" are hereby approved and adopted by the Agency Board.

Section 3: That the Board Chair, Vice-Chair, or Agency Administrator shall submit said annual report to the City Clerk of the City of Kuna, Idaho, and the Idaho State Controller on or before March 31, 2024.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

**PASSED AND ADOPTED** by the Urban Renewal Agency of the City of Kuna, Idaho, also known as the Kuna Urban Renewal Agency, on March 6, 2024. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on March 6, 2024.

APPROVED:

By \_\_\_\_\_  
Chair of the Board

ATTEST:

By \_\_\_\_\_  
Secretary



P.O. BOX 13  
KUNA ID 83634  
(208) 922-5546  
[www.KunaCity.id.gov](http://www.KunaCity.id.gov)

**Mayor**  
Joe Stear

### City Council

**Members**  
John Laraway  
Chris Bruce  
Matt Biggs Greg  
McPherson

### Urban Renewal Agency

#### Commissioners

Dave Case  
Rocco D’Orazio  
Winston Inouye  
Greg McPherson  
Tayler Tibbits

### Urban Renewal Administrator

Morgan Treasure  
[mtreasure@kunaid.gov](mailto:mtreasure@kunaid.gov)  
(208) 559-5926

# 2023 Annual Report

## Kuna Urban Renewal Agency

Under the Idaho Urban Renewal Law, Chapter 20, Title 50, Idaho Code, an urban renewal agency is required to file with the local governing body and the Idaho State Controller, on or before March 31 of each year, a report of its activities for the preceding calendar year, which shall include certain financial data and audit reports set forth in Idaho Code Section 67-1075 and 67-1076. An urban renewal agency’s fiscal year commences October 1 and ends September 30. Consequently, any formal financial statement would be limited to a report through the end of the Agency’s fiscal year. Pursuant to Idaho Code § 67-450B, an urban renewal agency is required to prepare certain audited financial statements as described in that section depending on the agency’s overall expenditures. Agencies with expenditures that do not exceed \$150,000 have no audit requirements. As the Agency’s expenditures did not exceed the statutory threshold, the Agency did not proceed with an audit of its financial statements for the fiscal year ending September 30, 2021.

The budgetary process, which the Agency completed on August 14, 2022, resulted in a budget approval for Fiscal Year 2023. A copy of the approved budget is attached as **Exhibit 1** to this report. Under reporting requirements set forth in Idaho Code § 67-1076, the Agency must submit certain information to the State Controller’s Office by December 1 each year. The Agency timely submitted the required information by December 1, 2023. The Agency is also required to submit certain information to the Idaho State Tax Commission for the urban renewal registry pursuant to Idaho Code Section 50-2913. The Agency has submitted the required information.

The Kuna City Council formally approved the Urban Renewal Plan for the Kuna West Urban Renewal Project on November 17, 2020, through Ordinance No. 2020-32. The ordinance became effective upon publication on November 25, 2020. Since that approval, the Urban Renewal Agency of the City of Kuna (Agency) has commenced with the implementation of the Kuna West Plan.

The Kuna City Council formally approved the Urban Renewal Plan for the Kuna East Urban Renewal Project on November 1, 2022, through Ordinance No. 2022-34. The ordinance became effective upon publication on November 23, 2022. Since that approval, the Agency has commenced with the implementation of the Kuna East Plan.

### **AGENCY ACTIVITY**

Agency activity in 2023 was primarily focused on legislative activity related to HB 46, HB159 and HB 328. Ultimately, HB 328 was passed, which will prevent increment from data center projects who choose to receive the state sales tax incentive for their business category from being included in revenue allocation budgets like Kuna East District. Due to this change and a design pivot made by the Meta project, projects which would have occurred in 2023 have been delayed and will most likely be brought forward in the 2024 project year.

In September of 2023, Commissioner Amber Bothwell was appointed to fill Commissioner Winston Inouye’s seat, as he moved out of Ada County and no longer met the residency requirement for service.

Commissioner Rocco D’Orazio resigned in October of 2023 . Due to an unusually large volume of commission/committee vacancies city-wide, that role is anticipated to be filled in Mid- February 2024.



# 2023 Annual Report

## Kuna Urban Renewal Agency (Continued)

### **2023 Projects**

The agency reviewed a pedestrian safety project in 2023 for consideration of funding, but an additional grant award ended up covering the entire cost of the project. The agency will continue to evaluate projects as they come forward in partnership with the city and private investors.

### **FY 2023 Revenues**

The Agency received its second year of revenue allocation proceeds in the Kuna West District.

### **FY2023 OPERATING EXPENSES**

The Agency's expenses in 2023 were primarily related to the general business of the Agency.

### **ASSETS**

The agency's assets are comprised solely of cash accounts and property taxes receivable. The major portions of property taxes are received twice per year (end of March and August) with smaller amounts of delinquent taxes received during the year.

### **LIABILITIES AND DEBT**

The balance of the Agency's liabilities consists only of current accounts payable.

### **SIGNIFICANT CHANGES IN AGENCY'S FINANCIAL POSITION**

There were no significant changes in the Agency's financial position in FY2023, recognizing the limited revenue allocation proceeds generated by the Kuna West District.

The Agency will work closely with public entities, including the City of Kuna, and private developers, to develop and fund projects that are of benefit to the public. The Agency will work to consider how best to leverage Agency funds for projects in both the West and East Districts.

Greg McPherson  
Chair  
Kuna Urban Renewal Agency

[www.KunaCity.id.gov](http://www.KunaCity.id.gov)

### **Mayor**

Joe Stear

### **City Council**

#### **Members**

John Laraway

Chris Bruce

Warren Christensen

Greg McPherson

### **Urban Renewal Agency**

#### **Commissioners**

Dave Case

Amber Bothwell

Greg McPherson

Taylor Tibbits

### **Urban Renewal Administrator**

Morgan Treasure

[mtreasure@kunaid.gov](mailto:mtreasure@kunaid.gov)

(208) 559-5926

Exhibit 1  
 FY2023 Kuna Urban Renewal Agency Budget

	<b>FY2024 BUDGET</b>	<b>FY2023 BUDGET</b>	<b>FY2023 ACTUAL</b>
<b>CAPITAL PROJECTS REVENUE</b>			
Property Tax Revenue	400,170	158,495	325,698.80
Property Tax Interest/Penalties	150	0	0
Grant from City	0	0	0
Carryover	400,000	122,132	144,131.76
<b>TOTAL REVENUE</b>	<b>280,627</b>	<b>37,420</b>	<b>126,796</b>
<b>CAPITAL PROJECTS EXPENDITURES</b>			
Capital Improvements and Reimbursements	300,000	50,000	0
Contingency	471,320	213,127	0
Contract Services	4,000	0	0
Professional Services	15,000	12,000	12,456.50
General and Admin	10,000	5,500	624.98
<b>TOTAL EXPENDITURES</b>	<b>280,627</b>	<b>37,420</b>	<b>4,664</b>
<b>GRAND TOTAL NET</b>	<b>0</b>	<b>0</b>	<b>122,132</b>

## Exhibit B

### **PUBLIC NOTICE**

As required by Idaho Code Section 50-2006(5)(c), the Urban Renewal Agency of the City of Kuna, Idaho has filed a report of its 2023 activities with the office of the Kuna City Clerk and the Idaho State Controller. The report is available for inspection during business hours in the office of the Kuna City Clerk, 751 W. 4<sup>th</sup> Street, Kuna, ID 83634. The report is also available on the Agency's website at: <http://kunacity.id.gov/518/Kuna-Urban-Renewal-Agency>.

If you have any questions please contact Agency Administrator, Morgan Treasure (208) 559-5926 or at [mtreasure@kunaid.gov](mailto:mtreasure@kunaid.gov).

Published: March \_\_, 2024.

**KUNA URBAN  
RENEWAL AGENCY**

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Audited Financial Statements and  
Required Supplementary Information

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For the Year Ended September 30, 2023

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Certified Public Accountants

Weston Flamm, CPA  
Cassie Zattiero, CPA

812-B 12<sup>th</sup> Ave. South  
P.O. Box 876  
Nampa, ID 83653-0876  
208 466-2493  
FAX 208 467-2000  
www.BaileyCPAs.com

## Independent Auditor’s Report

To the Board of Commissioners  
Kuna Urban Renewal Agency

### Report on the Audit of the Financial Statements

#### **Opinions**

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

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

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of 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.

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 Agency’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor’s 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the 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 as listed in the table of contents 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.

The Agency 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024, on our consideration of the Agency's internal control over financial reporting and 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 Agency'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 Agency's internal control over financial reporting and compliance.

*Bailey & Co.*

Nampa, Idaho  
February 21, 2024

**Kuna Urban Renewal Agency**  
Statement of Net Position  
September 30, 2023

	Governmental Activities
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 456,418
Property Tax Receivable, Net	481,064
Total Current Assets	937,482
Noncurrent Assets:	
Capital Assets:	
Intangibles, Net	213,437
Total Assets	1,150,919
<b>Deferred Outflows</b>	0
<b>Liabilities</b>	0
<b>Deferred Inflows</b>	
Property Tax Revenue	477,753
<b>Net Position</b>	
Net Investment in Capital Assets	213,437
Restricted	459,729
Total Net Position	\$ 673,166

The accompanying notes are an integral  
part of the financial statements

**Kuna Urban Renewal Agency**  
Statement of Activities  
For the Year Ended September 30, 2023

		Program Revenues				Net (Expense) Revenue and Changes in Net Position - Governmental Activities
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities						
General Government	\$ 23,629	\$ 0	\$ 0	\$ 21,416		\$ (2,213)
Total Governmental Activities	\$ 23,629	\$ 0	\$ 0	\$ 21,416		(2,213)
General Revenues:						
						327,518
						5
						327,523
						325,310
						347,856
						\$ 673,166

The accompanying notes are an integral  
part of the financial statements

**Kuna Urban Renewal Agency**  
Balance Sheet -  
Governmental Funds  
September 30, 2023

	West District	East District	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 456,418	\$ 0	\$ 456,418
Property Tax Receivable, Net	471,704	9,360	481,064
Total Assets	928,122	9,360	937,482
<b>Deferred Outflows</b>			
	0	0	0
Total Assets and Deferred Outflows	\$ 928,122	\$ 9,360	\$ 937,482
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
<b>Deferred Inflows</b>			
Unavailable Property Tax Revenue	471,366	9,360	480,726
<b>Fund Balances</b>			
Restricted	456,756	0	456,756
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 928,122	\$ 9,360	\$ 937,482

The accompanying notes are an integral  
part of the financial statements

**Kuna Urban Renewal Agency**  
 Reconciliation of the Balance Sheet of the Governmental  
 Funds to the Statement of Net Position  
 September 30, 2023

Total Fund Balances - Governmental Funds	\$	456,756
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Amounts reported for governmental activities in the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:

Construction in Progress	\$	0	
Intangibles, Net of \$21,702 Accumulated Depreciation		213,437	
			213,437

Some of the property taxes receivable are not available to pay for current period expenditures and are, therefore, considered unavailable in the funds. However, in the government-wide statements, only the portion of the receivable that is for future periods is reported as deferred inflows.

	2,973
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Total Net Position - Governmental Activities	\$	673,166
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The accompanying notes are an integral  
 part of the financial statements

**Kuna Urban Renewal Agency**  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances -  
Governmental Funds  
For the Year Ended September 30, 2023

	West District	East District	Total
<b>Revenues</b>			
Property Taxes	\$ 325,699	\$ 0	\$ 325,699
Interest Earnings	5	0	5
Grants and Contributions	0	21,416	21,416
<b>Total Revenues</b>	<b>325,704</b>	<b>21,416</b>	<b>347,120</b>
<b>Expenditures</b>			
Current:			
General Government:			
Administrative	625	0	625
Legal and Professional	12,457	0	12,457
Capital Outlay	0	21,416	21,416
<b>Total Expenditures</b>	<b>13,082</b>	<b>21,416</b>	<b>34,498</b>
Net Change in Fund Balances	312,622	0	312,622
Fund Balances - Beginning	144,134	0	144,134
Fund Balances - Ending	<b>\$ 456,756</b>	<b>\$ 0</b>	<b>\$ 456,756</b>

The accompanying notes are an integral  
part of the financial statements

**Kuna Urban Renewal Agency**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of the Governmental Funds  
 to the Statement of Activities  
 For the Year Ended September 30, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	312,622
--	----	---------

Amounts reported for governmental activities in the statement of activities are different because of the following:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. In the current period these amounts are:

Capital Outlay	\$	21,416	
Depreciation Expense		<u>(10,547)</u>	
			10,869

Some of the property tax revenues are not available to pay for current period expenditures and are, therefore, considered unavailable in the funds. However, in the government-wide statements, only the portion of the revenue that is for future periods is reported as deferred inflows. This accounts for the change in these unavailable revenues.

		<u>1,819</u>
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Change in Net Position of Governmental Activities	\$	<u><u>325,310</u></u>
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The accompanying notes are an integral  
 part of the financial statements

**Kuna Urban Renewal Agency**  
Notes to Financial Statements  
For the Year Ended September 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Kuna Urban Renewal Agency (the Agency) is a separate and distinct legal entity of City of Kuna, Idaho (the City) created by and existing under the Idaho Urban Renewal Law of 1965, as amended. The Commissioners for the Agency were appointed by the City Council. The Agency funds infrastructure that supports redevelopment, development of bare undeveloped land, and brownfield development (industrial).

For financial reporting purposes, in conformity with governmental accounting standards, the Agency is included as a discretely presented component unit in the City's financial statements. The Agency provides urban renewal services to the City and its citizens. These statements present only the funds of the Agency and are not intended to present the financial position and results of operations of the City in conformity with generally accepted accounting principles.

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) 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. During the current year, the Agency was required to adopt GASBS No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASBS No. 96, *Subscription-Based Information Technology Arrangements*. Neither standard had any effect on the Agency. The more significant of the Agency's accounting policies are described below.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report financial information about the Agency as a whole, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The Agency's activities only consist of governmental activities, which are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses of the general government related to the administration and support of the Agency's programs, such as personnel and accounting (but not interest on long-term debt), are allocated to programs based on their percentage of total expenses.
- Program revenues include (a) charges paid by the recipients of goods or services offered by a program or function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Kuna Urban Renewal Agency**  
Notes to Financial Statements  
For the Year Ended September 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The fund financial statements provide information about the Agency's funds, which consists of only governmental funds. The Agency reports the following major governmental funds:

- *West District fund.* This fund accounts for general and administrative activities of the Agency and the urban renewal activities that occur in the western boundaries of the Agency.
- *East District fund.* This fund accounts for urban renewal activities that occur in the eastern boundaries of the Agency.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are made.

Property Taxes

The Agency has no direct taxing power. When the Agency was reinstated in 2020, this established the base year for property values. The property taxes the Agency receives in years after the base year are calculated on the increase in property values subsequent to the base year. This is known as tax increment revenue. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 and July 1.

The Agency receives tax revenue from Ada County. The County is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the Agency as at September 30, 2023, are considered by the Agency as a receivable. Taxes not collected within 60 days after September 30, 2023, are not considered available for use by the Agency and are recorded as deferred inflows in the fund financial statements. The tax charges for the current year are intended to finance operations in the next year, so the current tax charges are also a deferred inflow in the government-wide financial statements.

Risk Management

As a component unit of City of Kuna, Idaho, the Agency is exposed to various risks of loss related to theft of, damage to, or destruction of assets. The City and the Agency participate in a public entity risk pool, Idaho Counties Risk Management Pool (ICRMP), for property and liability insurance. The City's and the Agency's exposure to loss from their participation in ICRMP is limited to the extent of their deductible only.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received. Intra-entity assets contributed are reported at their carrying value.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below:

**Kuna Urban Renewal Agency**  
Notes to Financial Statements  
For the Year Ended September 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Nondepreciable Assets	\$5,000	N/A	N/A
Buildings and Improvements	\$5,000	Straight-Line	5 - 75 Years
Equipment and Vehicles	\$5,000	Straight-Line	5 - 20 Years
Intangibles	\$5,000	Straight-Line	3 - 20 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Cash Equivalents and Investments

All amounts included in cash and investment accounts are considered cash equivalents. The Agency's cash and investments are pooled, so each fund has equity in the pooled amount.

Idaho Code authorizes the Agency to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements. Investments are stated at fair value as determined by the fair value hierarchy, except non-participating contracts, money market investments, and participating interest-earning contracts with a remaining maturity of one year or less. These are carried at amortized cost.

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide statement of net position and in the governmental fund balance sheet.

The Agency uses the restricted fund balance categories in the governmental fund balance sheet. Restricted fund balances are defined as balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.

The remaining fund balance classifications (nonspendable, committed, assigned, and unassigned) were not applicable for the current fiscal year. However, if there had been committed funds, these amounts would have been decided by the Board of Commissioners, the Agency's highest level of decision making authority, through a resolution. The Board of Commissioners would also have the authority to assign funds or authorize another official to do so.

When both restricted and unrestricted resources are available for use, it is the Agency's intent to use restricted amounts first, followed by committed, assigned, then unassigned amounts. The majority of the Agency's resources come from property taxes that are restricted for urban renewal projects and related operations, as defined by Idaho Statute.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the

**Kuna Urban Renewal Agency**  
Notes to Financial Statements  
For the Year Ended September 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

The majority of the Agency's bank balances are held within the City of Kuna, Idaho's pooled accounts. As of September 30, 2023, the carrying amount of the Agency's share of the deposits was \$171,620 and the Agency's share of the respective bank balances totaled \$177,247. \$169,679 of the Agency's share of the bank balances were insured or collateralized.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2023, \$7,568 of the Agency's share of deposits were not covered by the NCUA, FDIC, or by collateral held by the Agency's agent or pledging financial institution's trust department or agent in the name of the Agency, and thus were exposed to custodial credit risk.

The Agency does not have a formal policy limiting its exposure to custodial credit risk. However, the Agency uses the following procedures to mitigate the bank default risk of loss associated with the Agency's demand deposits which exceed the FDIC/NCUA insurance coverage limit of \$250,000 per financial institution:

- Partner with large federally chartered banks with solid histories and strong credit worthiness ratings;
- Subscribe to and monitor online rating agency reports regularly as provided by the "Big Three" rating agencies (Standard & Poor's, Moody's, Fitch Group);
- Monitor online FDIC/NCUA information regarding financial institutions which have been on watch lists and/or which have failed recent stress tests;
- Monitor bank-specific online rating agency reports (Bauer Financial, Inc.; IDC Financial Publishing, Inc.; Veribanc) for bank rating information. The aforementioned entities offer very specific in-depth information for a fee, and also offer free high-level data.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the Agency's policy to prioritize safety of the funds, then probable income to be derived from an investment, and then liquidity of an investment. Investments must meet the following criteria:

- Non-state and non-municipal short-term investments shall have a minimum rating of Prime-1 (P-1) or equivalent.
- Non-state and non-municipal long-term investments shall have a minimum rating of "A" or higher or equivalent by two nationally recognized statistical rating organizations of the Securities and Exchange Commission (SEC).
- State and municipal entity short-term investments shall have a minimum rating of P-1, MIG 1, or VMIG 1, or equivalent.
- State and municipal entity long-term investments shall have a minimum rating of "A."

**Kuna Urban Renewal Agency**  
Notes to Financial Statements  
For the Year Ended September 30, 2023

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2. CASH AND INVESTMENTS (continued)

- Investments in State of Idaho run funds, e.g. the Local Government Investment Pool (LGIP), or the State of Idaho requires no credit rating.
- Investments in the U.S. government or federal agency securities or securities guaranteed by either the U.S. government or a federal agency (excluding government sponsored enterprises) require no credit rating.

Interest Rate Risk

The Agency does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The Agency (via funds pooled with the City of Kuna, Idaho) holds funds with Ameriprise Financial, all of which are measured at amortized cost due to the nature and maturities of these investments. The Agency also holds funds with the Idaho State Treasurer. Funds held at the Idaho State Treasurer are in the Local Government Investment Pool (the pool). The pool is not rated and is not registered with the Securities and Exchange Commission or any other regulatory body. The pool is valued using the Net Asset Value (NAV) per share method. Investments using the NAV per share method do not have readily obtainable fair values and are, instead, valued based on the Agency's pro-rata share of the pool's net position. The Agency values these investments based on information provided by the State of Idaho Treasurer's Office. The State Treasurer does not provide any legally binding guarantee to support the value of the shares to participants. Participants have overnight availability to their funds up to \$10 million. Withdrawals of more than \$10 million require three business days' notification.

As of September 30, 2023, the Agency's investments had the following maturities:

Investment	Rating	Maturity in Years	
		Less than 1	1 - 5
US Treasury Bonds	AAA	\$ 144,903	\$ 0
Money Market Mutual Funds	Aaa-mf	927	0
External Investment Pool	Not Rated	138,968	0
		\$ 284,798	\$ 0

At year-end, cash and cash equivalents were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash and Cash Equivalents	\$ 171,620
Investments Categorized as Cash Equivalents	284,798
	\$ 456,418

**Kuna Urban Renewal Agency**  
Notes to Financial Statements  
For the Year Ended September 30, 2023

3. RELATED PARTY TRANSACTIONS

The Agency is a component unit of City of Kuna, Idaho. The capital assets constructed from the Agency's activities are contributed to the City. In the current year, there were no capital assets constructed or contributed to the City. However, the City paid for, and contributed to the Agency, additional formation costs, which have been treated as an intangible capital asset in the Agency's government-wide statements. Those costs totaled \$21,416 in the current year. There were no balances due to or from the City as of September 30, 2023.

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

<u>Governmental Activities:</u>	<u>10/1/2022</u>	<u>Restate- ment</u>	<u>Additions</u>	<u>Disposals</u>	<u>09/30/2023</u>
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 86,283	\$ (86,283)	\$ 0	\$ 0	\$ 0
Total Nondepreciable Assets	<u>86,283</u>	<u>(86,283)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Assets Being Depreciated:					
Intangibles	<u>127,440</u>	<u>86,283</u>	<u>21,416</u>	<u>0</u>	<u>235,139</u>
Total Depreciable Assets	<u>127,440</u>	<u>86,283</u>	<u>21,416</u>	<u>0</u>	<u>235,139</u>
Less: Accumulated Depreciation					
Intangibles	<u>11,155</u>	<u>0</u>	<u>10,547</u>	<u>0</u>	<u>21,702</u>
Total Accumulated Depreciation	<u>11,155</u>	<u>0</u>	<u>10,547</u>	<u>0</u>	<u>21,702</u>
Net Depreciable Assets	<u>116,285</u>	<u>86,283</u>	<u>10,869</u>	<u>0</u>	<u>213,437</u>
Capital Assets - Net	<u>\$ 202,568</u>	<u>\$ 0</u>	<u>\$ 10,869</u>	<u>\$ 0</u>	<u>\$ 213,437</u>

Depreciation expense for governmental activities was charged to the functions of the Agency as follows:

General Government	<u>\$ 10,547</u>
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***REQUIRED SUPPLEMENTARY INFORMATION***

**Kuna Urban Renewal Agency**  
 Budgetary (GAAP Basis) Comparison Schedule  
 West District  
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 158,495	\$ 158,495	\$ 325,699	\$ 167,204
Interest Earnings	0	0	5	5
Total Revenues	<u>158,495</u>	<u>158,495</u>	<u>325,704</u>	<u>167,209</u>
<b>Expenditures</b>				
Current:				
General Government:				
Administrative	5,500	5,500	625	4,875
Legal and Professional	12,000	12,000	12,457	(457)
Capital Outlay	50,000	50,000	0	50,000
Contingency	213,127	213,127	0	213,127
Total Expenditures	<u>280,627</u>	<u>280,627</u>	<u>13,082</u>	<u>267,545</u>
Net Change in Fund Balances	(122,132)	(122,132)	312,622	434,754
Fund Balances - Beginning	122,132	122,132	144,134	22,002
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 456,756</u>	<u>\$ 456,756</u>

**Kuna Urban Renewal Agency**  
 Budgetary (GAAP Basis) Comparison Schedule  
 East District  
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Grants and Contributions	0	0	21,416	21,416
<b>Total Revenues</b>	<u>0</u>	<u>0</u>	<u>21,416</u>	<u>21,416</u>
<b>Expenditures</b>				
Capital Outlay	0	0	21,416	(21,416)
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>21,416</u>	<u>(21,416)</u>
 Net Change in Fund Balances	 0	 0	 0	 0
 Fund Balances - Beginning	 0	 0	 0	 0
<b>Fund Balances - Ending</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**Kuna, Idaho Urban Renewal Agency**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2023

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1. BUDGETS AND BUDGETARY ACCOUNTING

- A. The Agency is required by Idaho State Code to adopt an annual appropriated budget and must be provided to the City of Kuna, Idaho by September 1 of each year.
- B. Prior to September 1, the budget is legally enacted through passage at a board meeting.
- C. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- D. Formal budgetary integration is employed as a management control device during the year.

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Agency expended more than appropriated by \$21,416 in the East District fund for the year ended September 30, 2023.

***INTERNAL CONTROL AND COMPLIANCE REPORT***



Certified Public Accountants

Weston Flamm, CPA  
Cassie Zattiero, CPA

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**Independent Auditor’s Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards***

To the Board of Commissioners  
Kuna Urban Renewal Agency

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 fund information of Kuna Urban Renewal Agency (the Agency), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements, and have issued our report thereon dated February 21, 2024.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Kuna Urban Renewal Agency’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

*Bailey & Co.*

Nampa, Idaho  
February 21, 2024



Certified Public Accountants

Weston Flamm, CPA  
Cassie Zattiero, CPA

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February 21, 2024

To the Board of Commissioners  
Kuna Urban Renewal Agency

We have audited the financial statements of the governmental activities and the fund information of Kuna Urban Renewal Agency for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 29, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kuna Urban Renewal Agency are described in the notes to the financial statements. No new accounting policies were adopted that had any effect on the Agency and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting both the governmental activities and the fund financial statements was:

Management's estimate of the property tax receivable and related deferral is based on management's knowledge of the receivable and related deferral. We evaluated the key factors and assumptions used to develop the property tax receivable and related deferral in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 21, 2024.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the budgetary comparison schedule, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of Kuna Urban Renewal Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Bailey & Co.*