

An aerial photograph of a road construction site. In the foreground, a roundabout is under construction with a circular concrete curb and a blue-painted inner lane. A straight road intersects the roundabout. The road surface is dark asphalt with white dashed lines. Yellow and orange construction markings are visible. The surrounding area is dry, sandy soil with some sparse vegetation. In the background, there are more construction materials and equipment.

CHUBBUCK

DEVELOPMENT AUTHORITY

2022 ANNUAL REPORT

AGENCY CHARTER AND STATUTORY COMPLIANCE

The Chubbuck Development Authority (CDA) was officially created on April 14, 1992, by Resolution No. 4-92 of the Chubbuck City Council. Its purpose is to eliminate slum and blight and deteriorated or deteriorating conditions within the City of Chubbuck. This report is in accordance with Idaho Code Section 50-2006(c) which states that:

An agency authorized to transact business and exercise powers under this chapter shall file, with the local governing body, on or before March 31 of each year a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such calendar year. The agency shall be required to hold a public meeting to report these findings and take comments from the public. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality and that the report is available for inspection during business hours in the office of the city clerk or county recorder and in the office of the agency.

By virtue of certain amendments to the Idaho Urban Renewal Law adopted in 2002, the fiscal year of an urban renewal agency has been established as October 1 through September 30. Consequently, any formal financial statement is limited to a report through the end of the CDA's fiscal year.

ACKNOWLEDGEMENTS

To fulfill its purpose the CDA works with many other agencies, state and local elected officials, real estate developers, jurisdictions including the County, City of Chubbuck, and the state and private and nonprofit organizations and is grateful for the support and efforts of each. The CDA is grateful for the support from the taxing districts affected by the CDA's urban renewal areas as all seek to preserve the tax base in these areas in attempt to minimize property tax rates for the community as a whole. Finally, and most of all, the CDA appreciates those businesses and property owners who strive to grow their businesses, maintain their properties, and promote development in the City of Chubbuck since without them, efforts of the Chubbuck Development Authority would be greatly minimized.

ORGANIZATION

The Chubbuck Development Authority consists of seven (7) commissioner seats, with seats being filled with appointments to varying terms by the Chubbuck City Council. Commissioners and Staff are:

<u>Name</u>	<u>Term Expiration Date</u>
Annette Baumeister, Chairwoman	October 2024
Rick Keller, Vice-Chair	October 2026
Jeff Hough	October 2026
Dan Heiner	October 2024
Krystal Denney	October 2023
<i>Vacant</i>	<i>October 2021</i>
<i>Vacant</i>	<i>October 2022</i>

Also serving with the Authority are:

- ❑ Devin Hillam, Executive Director
- ❑ TJ Budge, Racine Olson, CDA Legal Counsel
- ❑ Jordan & Company, Bookkeeper as of June '22
- ❑ Richard Morgan, Treasurer through June '22
- ❑ Joey Bowers, Clerk & Secretary

RESOLUTIONS

The Chubbuck Development Authority passed the following resolutions in Calendar Year 2021:

Resolutions 2022-01 passed on January 18, 2022 authorizing the Chair and Executive Director to authorize payment of claims that are ministerial or administrative in nature.

Resolution 2022-02 passed on January 18, 2022 adopting an every other month meeting schedule.

Resolution 2022-03 passed on August 16, 2022 adopting the fiscal year 2023 budget.

Resolution 2022-04 passed on August 16, 2022 adopting the preliminary termination budget for the Chubbuck Downtown Improvement District urban renewal area.

FINANCIAL INFORMATION PER I.C. 67-1072(2)(B),(C)

In accordance with Idaho Code section 67-1076(2)(b),(c), the following are included as attachments to this report:

1. FY2022 Budget
2. FY2021 Audit

URBAN RENEWAL DISTRICTS

Chubbuck Urban Renewal District (est. 1992)

The Authority's Urban Renewal Plan was adopted by the Chubbuck City Council via Ordinance Number 385 on October 27, 1992. In May of 2021, the CDA and City Council executed an agreement for the administration of the Plan until it sunsets at the end of 2023. The agreement established roles for each entity and approved and possible projects. The First Amendment to the plan was passed by City Council as Ordinance 758 on August 3rd, 2016. The effect of this amendment was to remove certain parcels from the plan to allow those areas to be included in the Pine Ridge Plan. In calendar 2022, the district received approximately \$2,527,740.92 in tax increment revenues.

Although not impacting this urban renewal district since it is terminating in 2023, in 2022, Pocatello-Chubbuck School District #25 purchased the former Allstate property located at 4200 Hawthorne Road to house career technical programs. The building will be a great investment for educational capacities for industries locally but the purchase will have a negative impact on taxing entities since the property formerly has property tax costs of between \$153,417 and \$261,176 in recent years. The building has an assessed value of just over \$12.5 million.

2022 Urban Renewal Projects

Projects and payments undertaken in calendar year 2022 projects by the Chubbuck Development Authority Board are follows.

1. The CDA paid the final development contractual obligations to Allstate Insurance. Allstate met the criteria for employment which allowed full compensation of \$18,236. The agreement was established to recruit the

company to locate in Chubbuck and was successful with creating new jobs at livable wages during the terms of the business's lease in Chubbuck. Although the business vacated the site in 2022 in favor of work-for-home employees, like many call centers, a significant number of Bannock County employees remained on the company's payroll.

2. The CDA paid the final outstanding obligation of \$14,896.03. Patriot Square obligations were tied to the redevelopment of a blighted sight into a new commercial area on Chubbuck Road and reimbursement is provided as increment is generated on the property.
3. The CDA paid \$49,329.66 to identify and abate asbestos, to demolish and remove dilapidated buildings and trees, and to backfill properties located in the Chubbuck Village area, the new planned downtown area in the city of Chubbuck. Much of the work was completed by City staff at no cost to the CDA for staff time.
4. The CDA paid \$200,000 for streetscape infrastructure costs associated with the Arbor Court owner participation agreement at 244 E. Chubbuck Road. Without city-adopted specific standards for the downtown area near city hall and to encourage the residential buildings to be more architecturally fitting with the downtown vision, the CDA agreed to fund streetscape improvements on Burley Drive that match the improvements at the City Hall site along the same frontage.
5. The CDA paid \$3,662 for costs associated with the downtown streets and pad project. The project is critical to redeveloping the identified urban core of the city and to addressing blight, extending needed infrastructure, and redeveloping underdeveloped properties. It is expected that this will be the final cost associated with the project.
6. The CDA paid approximately \$1,984,108.66 towards costs associated with the New Day Parkway expansion project from Whitaker Road to Industry Way. Due to early winter weather, the project is incomplete and will be completed in calendar year 2023.
7. The CDA paid approximately \$1,881,855.30 towards costs associated with the Chubbuck-Philbin intersection improvement project that resulted in a high-volume roundabout that will serve city and county residents and visitors for decades to come. Although currently constructed as a single lane improvement, the intersection's curbs and sidewalks were placed so that another lane can be added when warranted in the future without unnecessary costs to relocated concrete improvements.

Properties in the District Owned by the CDA

In 2018-2019, the CDA purchased several properties deemed blighted and in need of redevelopment under the urban renewal plan in order to redevelop the properties in the newly identified downtown or city center of the city of Chubbuck. The CDA intends to dispose of the properties within 3 years of completing rehabilitation in accordance with the Idaho Urban Renewal Law. As planned, in Spring 2022 the City adopted a downtown plan and associated zoning code for the downtown area, named Chubbuck Village, and the CDA commenced with the disposal process for all properties as required by Idaho law. No complete responses were received, however, and the CDA decided to wait until calendar year 2023 to attempt again to dispose of the properties with adjusted response standards in hopes of gaining more developer interest. Prior to requesting proposals in 2022, the CDA demolished deteriorated and blighted structures on the properties, including abatement of asbestos, leaving just one structure standing that the CDA will seek for the future developer to demolish and remove.

Properties owned by the CDA include:

- 339 E Chubbuck Rd
- Chubbuck City Hall Subdivision Lots (unaddressed):
 - Block 3 Lot 1
 - Block 3 Lot 3
 - Block 1 Lot 1
- 211 E Linden
- 208 Evans
- 206 Evans
- 162 Evans
- 152 Evans
- 140 Evans

Future Needs/Plans

Moving into calendar year 2023, the CDA will terminate this district in careful coordination with its legal counsel, the State Tax Commission, and Bannock County in accordance with requirements of Idaho Code. Prior to terminating the district, the CDA and the City will continue to coordinate to finish the City's portion of the New Day Parkway expansion project, will coordinate to complete a project to renovate a deteriorated bridge over a canal on Hawthorne Road located between Canal and Homestead streets, will coordinate to renovate deteriorated and nonfunctional stormwater improvements on Hawthorne Road and Eagle Drive, and if any monies remain at the end of the district's life, will coordinate to fund pedestrian safety improvements. The CDA will review additional funding requests related to the Arbor Court owner participate agreement and repay its obligation related to the Knudsen/Yellowstone Commons project agreement if receipts for work are submitted for review as required by the agreement.

Pine Ridge Urban Renewal Plan (est. 2016)

The Pine Ridge Urban Renewal Plan was adopted by the Chubbuck City Council via Ordinance Number 759 on August 3, 2016. The future revenue and expenditures of the Pine Ridge Urban Renewal Plan will be administered by CDA under an owner participation agreement and annual activities are included in this report.

2016 to 2036 Projects; Revenue Allocation Bond (2020)

The approved Pine Ridge plan establishes what improvement projects are eligible for CDA participation. The Plan also predicts tax increment revenue generated by Plan improvements. Under the 2016 agreement, CDA and the City of Chubbuck agreed to reimburse Pine Ridge ownership 100% of increment revenue less administrative cost which shall not exceed \$15,000.

In October 2020 however, the CDA closed on a revenue allocation bond in the amount of \$1,940,000 at a discount of \$50,000 at the request of the Pine Ridge Mall Developer. The bond carries an interest rate of 6.750% and a maturity date of November 1, 2037. The bond is being used to provide monies to reimburse the developer for already completed eligible costs and thereby provide more capital for further investment in the development in the Pine Ridge Mall urban renewal area. Whereas prior to the bond sale, 100% of the increment revenues less administrative costs were owed to the developer for eligible improvements, now 100% of the increment excluding the CDA's administrative costs is dedicated to the bond commitment until repaid. Due to the additional administrative staff time with the bond proceeds, the developer agreed to a \$20,000 administrative fee in 2020 and the \$20,000 administrative fee was transferred to the CDA General Fund in 2022.

The Pine Ridge plan generated \$296,221.74 in tax increment revenues and interest earnings during calendar year 2022. During 2022, the new Olive Garden building received a Certificate of Occupancy and had an expected January 2023 opening date. Olive Garden's estimated cost of construction on the building permit exceeded \$2.5 million, a welcome improvement compared with the aged structure that had sat vacant from some time and that demolished on the site. In 2022, the relocated C-A-L Ranch opened to the public. The community has expressed a desire for an Olive Garden for several years and the CDA is very pleased to see it locate within the district.

Moving into 2023, the CDA will continue to pay its bond obligations as required. The CDA is optimistic about the continued development in this district and looks forward to the year to come.

Northside Crossing Urban Renewal Plan (est. 2020)

The Northside Crossing Urban Renewal Plan was adopted by the Chubbuck City Council via Ordinance Number 819 on November 4, 2020 and was accepted by the State Tax Commission on December 7, 2020. The future revenue and expenditures of the Northside Crossing Urban Renewal Plan will be administered by CDA under the terms of the Plan and through further owner participation agreements. In 2021, the CDA and developer executed an owner participation agreement establishing qualified reimbursement terms and processes. Several improvements that were approved as part of the Plan have already been completed and development progress in the district is occurring rapidly.

In calendar year 2022, the CDA received approximately \$148,695.37 and the CDA did not receive any reimbursement requests from the developer of the project.

Harvest Springs Urban Renewal Plan (est. 2021)

The Harvest Springs Urban Renewal Plan was adopted by the Chubbuck City Council via Ordinance Number 840 on November 3, 2021 and was accepted by the State Tax Commission on November 18, 2021. The future revenue and expenditures of the Harvest Springs Urban Renewal Plan will be administered by CDA under the terms of the Plan and through further owner participation agreements. In 2022, an owner participation agreement was formalized to agree to qualified reimbursement terms with the Developer. Several improvements that were approved as part of the Plan have already been completed and development progress in the district is occurring rapidly with some certificates of occupancy having been issued.

In calendar year 2022 for Tax Year 2021, the CDA did not receive any revenues nor did the CDA receive any reimbursement requests from the developer of the project.

CONCLUSION

The Chubbuck Development authority (CDA) continues to fulfill its charter and through its projects in the urban renewal districts has successful thus far in eliminating slum and blight and is optimistic that this ability will carry on into the future for decades to come to enhance the properties in the city of Chubbuck for the benefit of the area's businesses, residents, and visitors. The CDA is in a fiscally sound position to continue improving the area in coordination with project developers and the City.

Attachment A:
Fiscal Year 2022 Budget

LEGAL NOTICE
Notice of Public Hearing
Urban Renewal Agency of the City of Chubbuck, Idaho
a/k/a Chubbuck Development Authority
Proposed Budget for Fiscal Year 2022

A public hearing for consideration of the proposed Urban Renewal Agency Project budget for the fiscal year that begins October 1, 2021, and ends September 30, 2022, will be held in Council Chambers, located at 290 E Linden St, Chubbuck, Idaho, on August 17, 2021, at 5:00p.m., pursuant to Idaho Code §§ 50-2006(d), 50-2903(5) and 50-1002. Written or oral comments about the proposed budget are welcome. Written comment may be submitted prior to the meeting to: Chubbuck Development Authority, c/o Devin Hiram, PO Box 5604 or 290 E Linden St, Chubbuck, Idaho 83202.

The Agency budget funds the programs, services, and capital projects that the Agency Board and the City Council have determined to be important to meet the Agency's strategic goals as described in the adopted urban renewal plans.

This public hearing on the proposed budget is required for formal adoption of the FY 2022 budget. The proposed expenditures and revenues for FY 2022 have been tentatively approved by the Chubbuck Urban Renewal Agency Board of Commissioners on July 20, 2021.

The City Hall is accessible to persons with disabilities.

	FY2020 Budget	FY2021 Budget	FY2022 Proposed
Revenue			
Increment			
Chubbuck Improvement Plan	2,525,000	2,575,000	2,980,000
Pine Ridge Mall	175,000	175,000	175,000
Northside Crossing			90,000
Other	50,000	50,000	55,000
Total Revenue	<u>2,750,000</u>	<u>2,800,000</u>	<u>3,300,000</u>
Expenditures			
Admin & Prof Services	275,000	300,000	95,500
Dues & Subscriptions		5,000	4,600
Other	2,750	3,000	3,000
Capital Outlays	<u>2,472,250</u>	<u>2,492,000</u>	<u>3,196,900</u>
Total Expenditures	<u>2,750,000</u>	<u>2,800,000</u>	<u>3,300,000</u>

Publish: August 1th and 15th, 2021.



The urban renewal agency in the City of Chubbuck, Idaho

Located at Chubbuck City Hall
290 East Linden Ave.
Chubbuck, ID 83202
208.237.2400

Minutes of the Chubbuck Development Authority meeting held at Chubbuck City Hall Council Chambers, 5160 Yellowstone Avenue on August 17, 2021 at 5:30 pm.

Chairwoman Annette Baumeister, Commission Members: Rick Keller, Jeff Hough, Dan Heiner, Krystal Harmon, Executive Director; Devin Hillam, Attorney; TJ Budge, City Treasurer; Rich Morgan, and City Clerk; Joey Bowers.

Chairwoman Baumeister called the meeting to order at 5:30 pm.

APPROVAL OF MINUTES FOR July 20, 2021.

Baumeister entertained a motion to approve the minutes as emailed. Heiner moved the minutes of July 20, 2021 be approved as emailed; Harmon seconded. All voted to approve.

PUBLIC HEARING

1. A public hearing to consider the proposed Fiscal Year 2022 Agency Budget as published.

City Treasurer Rich Morgan presented the proposed budget for FY22 to the Board.
The proposed budget was set at 3.3 million dollars.

Chairwoman Baumeister opened the public hearing. There being no comment, Chairwoman Baumeister closed the public hearing.

GENERAL BUSINESS

1. Board will consider and adopt the Fiscal Year 2022 Agency Budget.

Keller motioned to adopt the FY22 budget as presented, Harmon seconded.

Roll call vote: Hough, Yes; Harmon, Yes; Keller, Yes; Baumeister, Yes; Heiner, Yes; Motion carried

2. Board will review financial report as provided by the Treasurer.

City Treasurer Rich Morgan presented a monthly financial report to the Board.

Attachment B:
Fiscal Year 2021 Audit



January 14, 2022

Board of Commissioners
Chubbuck Development Authority
PO Box 5604
Chubbuck, Idaho 83202

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chubbuck Development Authority for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), 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 October 6, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Chubbuck Development Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by Chubbuck Development Authority 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 authority had no estimates reported during the year.

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 Misstatement

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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 January 14, 2022.

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 Chubbuck Development Authority'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 Chubbuck Development Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

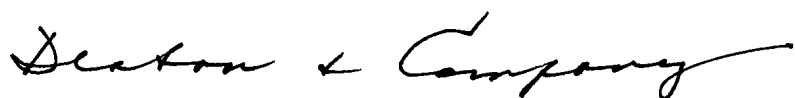
Other Matters

We applied certain limited procedures to the schedules of budget and actual, which are 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 Board of Commissioners and management of Chubbuck Development Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Deaton & Company". The signature is written in a cursive, flowing style.

Pocatello, ID



The urban renewal agency for the City of Chubbuck, Idaho

CHUBBUCK DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF CHUBBUCK, IDAHO
AUDITED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2021
WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2020

**CHUBBUCK DEVELOPMENT AUTHORITY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Chubbuck Development Authority
Chubbuck, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Chubbuck Development Authority, a component unit of the City of Chubbuck, Idaho, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of the Chubbuck Development Authority, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

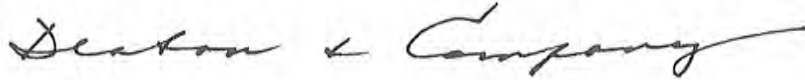
Accounting principles generally accepted in the United States of America require that the management discussion and analysis and budgetary comparison information on pages 6 - 9 and 20 - 22, respectively, be presented to supplement the basic financial statements. Such information, although not a part 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. 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.

Other Information

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Authority's basic financial statements for the year ended September 30, 2020, which are shown as summarized comparative totals and not as fully disclosed comparative financials with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chubbuck Development Authority's basic financial statements as a whole. The summarized comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 14, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Chubbuck Development Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Seaton & Company". The signature is written in dark ink and is positioned above the printed text of the address and date.

Chubbuck, Idaho
January 14, 2022

CHUBBUCK DEVELOPMENT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2021
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2020

	Governmental Activities	
	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,740,773	\$ 2,721,042
Accounts receivable	-	70,000
Prepaid expense	2,975	-
Reimbursement receivable	-	1,222
Property tax receivable	11,451	16,452
Restricted cash	352,980	-
	<u>3,108,179</u>	<u>2,808,716</u>
Noncurrent assets		
Non-depreciable capital assets	<u>1,622,524</u>	<u>1,622,524</u>
	<u>1,622,524</u>	<u>1,622,524</u>
	4,730,703	4,431,240
LIABILITIES		
Current liabilities		
Accounts payable	179,929	88,403
Disbursements in excess of cash	-	2,729
Current portion of long-term debt	235,616	150,000
Current portion of bond payable	206,000	-
	<u>621,545</u>	<u>241,132</u>
Noncurrent liabilities		
Note payable	-	221,233
Bond payable	<u>1,656,500</u>	<u>-</u>
	<u>1,656,500</u>	<u>221,233</u>
	2,278,045	462,365
NET POSITION		
Restricted for districts	2,653,778	2,416,951
Unrestricted	<u>(201,120)</u>	<u>1,551,924</u>
	<u>\$ 2,452,658</u>	<u>\$ 3,968,875</u>

The accompanying notes are an integral part of these financial statements

CHUBBUCK DEVELOPMENT AUTHORITY
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Governmental Activities	
	2021	2020
EXPENSES		
General government	30,914	6,348
Chubbuck Urban Renewal District	2,716,894	899,258
Pine Ridge Mall Urban Renewal District	1,960,574	47,247
	<u>4,708,382</u>	<u>952,853</u>
REVENUES		
Charges for services	-	70,000
	<u>-</u>	<u>70,000</u>
NET (EXPENSES)/REVENUE	(4,708,382)	(882,853)
GENERAL REVENUE		
Property taxes	2,952,591	2,707,024
Interest	12,709	18,912
Grant revenue	173,623	-
Other	53,242	275
	<u>3,192,165</u>	<u>2,726,211</u>
CHANGE IN NET POSITION	(1,516,217)	1,843,358
BEGINNING NET POSITION	<u>3,968,875</u>	<u>2,125,517</u>
ENDING NET POSITION	<u>\$ 2,452,658</u>	<u>\$ 3,968,875</u>

The accompanying notes are an integral part of these financial statements

**CHUBBUCK DEVELOPMENT AUTHORITY
BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2020**

	General Fund	Chubbuck Urban Renewal District Fund	Nonmajor Pine Ridge Mall Urban Renewal District Fund	2021	2020
ASSETS					
Cash and cash equivalents	\$ 33,663	\$ 2,677,378	\$ 29,732	\$ 2,740,773	\$ 2,721,042
Accounts receivable	-	-	-	-	70,000
Prepaid expense	2,975	-	-	2,975	-
Reimbursement receivable	-	-	-	-	1,222
Property tax receivable	-	11,451	-	11,451	16,452
Restricted cash	-	-	352,980	352,980	-
	<u>\$ 36,638</u>	<u>\$ 2,688,829</u>	<u>\$ 382,712</u>	<u>\$ 3,108,179</u>	<u>\$ 2,808,716</u>
LIABILITIES					
Accounts payable	\$ 1,500	\$ 178,429	\$ -	\$ 179,929	\$ 88,403
Excess cash disbursements	-	-	-	-	2,729
Deferred tax revenues	-	11,334	-	11,334	6,862
	<u>1,500</u>	<u>189,763</u>	<u>-</u>	<u>191,263</u>	<u>97,994</u>
FUND BALANCES					
Restricted	-	2,271,066	382,712	\$ 2,653,778	\$ 2,416,951
Committed	-	228,000	-	228,000	228,000
Unassigned	35,138	-	-	35,138	65,771
	<u>35,138</u>	<u>2,499,066</u>	<u>382,712</u>	<u>2,916,916</u>	<u>2,710,722</u>
	<u>\$ 36,638</u>	<u>\$ 2,688,829</u>	<u>\$ 382,712</u>		

Amounts reported for governmental activities in the statements of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$0.	1,622,524	1,622,524
Certain receivables are not current resources and are reported as deferred revenues in the governmental funds	11,334	6,862
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Note payable	(235,616)	(371,233)
Bond payable	(1,862,500)	-
Net Position of Governmental Activities	<u>\$ 2,452,658</u>	<u>\$ 3,968,875</u>

The accompanying notes are an integral part of these financial statements

CHUBBUCK DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Chubbuck Urban Renewal District Fund	Nonmajor Pine Ridge Mall Urban Renewal District Fund	2021	2020
REVENUES					
Property taxes	\$ -	\$ 2,683,738	\$ 264,381	\$ 2,948,119	\$ 2,721,704
Interest revenue	86	12,501	122	12,709	18,912
Grant revenue	-	152,890	20,733	173,623	-
Other revenue	195	-	-	195	275
Service and contract revenue	-	53,048	-	53,048	70,000
	<u>281</u>	<u>2,902,177</u>	<u>285,236</u>	<u>3,187,694</u>	<u>2,810,891</u>
EXPENDITURES					
Administration	70	4,070	20	4,160	74,135
Construction	-	2,169,018	-	2,169,018	624,349
Grants	-	228,000	-	228,000	228,000
Professional services	26,244	14,493	-	40,737	3,998
Other expenses	4,600	286,930	1,780,021	2,071,551	7,988
Debt services					
Principal	-	135,617	30,000	165,617	300,000
Interest and fiscal charges	-	14,383	178,034	192,417	-
Capital outlays	-	-	-	-	362,203
	<u>30,914</u>	<u>2,852,511</u>	<u>1,988,075</u>	<u>4,871,500</u>	<u>1,600,673</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(30,633)</u>	<u>49,666</u>	<u>(1,702,839)</u>	<u>(1,683,806)</u>	<u>1,210,218</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from debt	-	-	1,890,000	1,890,000	-
	<u>-</u>	<u>-</u>	<u>1,890,000</u>	<u>1,890,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(30,633)</u>	<u>49,666</u>	<u>187,161</u>	<u>206,194</u>	<u>1,210,218</u>
BEGINNING FUND BALANCE	<u>65,771</u>	<u>2,449,400</u>	<u>195,551</u>	<u>2,710,722</u>	<u>1,500,504</u>
ENDING FUND BALANCE	<u>\$ 35,138</u>	<u>\$ 2,499,066</u>	<u>\$ 382,712</u>	<u>\$ 2,916,916</u>	<u>\$ 2,710,722</u>
Net change in fund balances-total governmental funds				\$ 206,194	\$ 1,210,218
Amounts reported for governmental activities in the statements of activities are different because:					
Governmental funds only report taxes received within sixty days as current fund revenues. All taxes receivable are treated as revenues in the statement of activities.					
				4,472	(14,680)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is depreciated over their estimated useful lives:					
Capital asset purchases				-	362,203
Governmental funds report principal repayment on debt as an expenditure and debt issuance as an other financing source. Long-term notes provide current financial resources to the governmental funds, but issuing debt increases long term liabilities in the Statement of Net Position. The discount on the long-term debt is an other financial resource in the government fund but decreases the net liability in the Statement of Net Position:					
Principal repayment on debt				165,617	285,617
Long term debt proceeds				(1,890,000)	-
Long term debt discount				(2,500)	-
Change in Net Position of Governmental Activities				<u>\$ (1,516,217)</u>	<u>\$ 1,843,358</u>

The accompanying notes are an integral part of these financial statements

**CHUBBUCK DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - Summary of Significant Accounting Policies

A. Reporting entity

The Idaho Urban Renewal Law of 1965 authorized the Mayor, with advice and consent of the City Council, to appoint a board of commissioners for an urban renewal agency to function within the municipality of Chubbuck, provided that the Council has first passed a resolution finding that one or more such areas are necessary, and that there is a need for an urban renewal agency to function in the City.

Chubbuck's urban renewal agency, Chubbuck Development Authority (CDA), was found necessary by resolution in 1992 and the board members were appointed thereafter. Unlike other advisory boards to the City Council, state law declares this agency to be "an independent public body corporate and politic" and gives it a wide range of authority to effectuate urban renewal.

Under generally accepted accounting principles, as adopted by the Governmental Accounting Standards Board, the CDA is included in the Annual Financial Statements of the City of Chubbuck as a discretely presented component

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements.

The fund financial statements provide information about the Authority's funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The Authority reports the following major funds:

The General Fund is the Authority's primary operating fund. It accounts for all financial resources, except those accounted for in another fund.

The Chubbuck Tax Increment Financing (TIF) District Fund (Chubbuck District), a special revenue fund, accounts for the Authority's operations within the revenue allocation area of that district. The Chubbuck District was established in 1992 and has a termination date in the year 2022.

The Pine Ridge Tax Increment Financing District (TIF) District Fund (Pine Ridge District), a special revenue fund, accounts for the Authority's operations within the revenue allocation area of that district. The Pine Ridge District was established in 2016 and has a termination date in the year 2036, except for revenues which may be received in 2037.

The revenue generated in the districts' fund are restricted to be used for the district and within the TIF district boundaries.

C. Measurement focus, basis of accounting, and financial statement presentation

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 levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

CHUBBUCK DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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 payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the authority.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets, liabilities, and net position or fund balance

1. Deposits and investments

Unrestricted cash balances from all funds are combined and invested in investments authorized under Idaho State Code. Earnings from these investments are credited to the funds based on the monthly balance of cash in each fund. Cash includes cash on hand, deposits and other investments which are immediately convertible to cash or have a maturity of less than 90 days.

CDA is authorized under State Code to invest in obligations of the U.S. Treasury, U.S. Government backed institutions, commercial paper, and repurchase agreements. CDA's policy is to restrict investment to highly liquid money market accounts.

2. Receivables and payables

Property taxes receivable are recorded when certified by the State Tax Commission in October of each year. Taxes not received within sixty days of year-end are deferred. The taxing authorities within each tax increment financing district levy property taxes by the third Monday of September on a market value basis. These taxes are billed to the taxpayers in November and are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year. Property taxes are assessed and collected for the Authority by Bannock County.

3. Restricted assets

It is the Authorities policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

4. Capital Assets

The Authority has purchased land properties within the Chubbuck TIF District as capital assets. The land is to be developed by the authority, sold to a third party for further development, or donated. It is the policy of the Authority to capitalize assets that are expected to last longer than one year and cost exceeds \$5,000.

5. Compensated Absences

The Authority has no liability for compensated absences.

6. Fund Balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable items- This category includes a portion of net resources that cannot be spent because of their form or because they must be maintained intact. This includes inventories and prepaid items.

**CHUBBUCK DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

D. *Assets, liabilities, and net position or fund balance (continued)*

6. *Fund Balance (continued)*

Restricted items - This category includes resources where limitations are imposed by external entities, such as grantors and creditors, or to comply with laws and regulations of governments.

Committed items - This category includes amounts that can only be used for the specific purposes determined by a formal action of the Authority's highest level of decision-making for the Authority. Commitments may be changed or lifted only by the Board taking the same formal action that imposed the constraint originally.

Assigned items - Assigned items represent the Authority's intent to use certain resources for specific purposes. The Board may establish the intended use of these funds for a designated purpose.

Unassigned items - Represents the remainder of the Authority's equity in governmental fund-type balances in excess of the aforementioned classifications.

NOTE 2 - Reconciliation of Government-wide and Fund Financial Statements

A. *Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.*

The governmental fund balance sheet includes the reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of the reconciliation explains that "Certain receivables are not current resources and are reported as deferred revenues in the governmental funds". The detail of this difference is as follows:

Deferred Property Taxes	\$ 11,334
Capital assets are made up of the following non-depreciable assets:	
Land	\$ 1,622,524
In 2020, the Authority purchased land using a non-interest bearing note of \$700,000. The implied interest rate of 3.25% was calculated to be \$43,150.	
Long-term Note Payable	\$ 250,000
Long-term Note Discount	(14,383)
	<u>\$ 235,617</u>
On October 15, 2020, the Authority approved the issuance of a bond in the amount of \$1,940,000 at a discount of \$50,000. The bond carries an interest rate at 6.750%.	
Long-term Bond Payable	\$ 1,910,000
Long-term Bond Discount	(47,500)
	<u>\$ 1,862,500</u>

**CHUBBUCK DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - Stewardship, Compliance and Accountability

A. Budgetary information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

The Board of the Chubbuck Development Authority does not and is not required to hold public meeting in conjunction with adoption of its annual budget. The City Council approved the 2020 budget and previous fiscal years. The Authority approved the 2021 budget and will approve future budgets. The new budget is submitted to the board at its meeting in October as part of the cash report presented by the Treasurer. This is when the budget is approved. Budgets may be amended by the same procedure used to adopt the budget.

NOTE 4 - Detailed Notes on All Funds

A. Deposits and investments

Cash and cash equivalents at yearend consist of the following:

	Bank	Book
Deposits		
Cash in bank	\$ 2,740,793	\$ 2,740,773
Escrow	352,980	352,980
Outstanding checks	(20)	-
	<u>\$ 3,093,753</u>	<u>\$ 3,093,753</u>

The Authority has no investments.

Deposits - Custodial Credit Risk for deposits is the risk that, in the event of bank (financial institute) failure, the government's deposits may not be returned to it.

Deposits and Investment transactions are subject to risks.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the value of an investment. This risk is null since the Authority has no investments.

Credit Risk is the risk that an issuer or a counter party to an investment will not fulfill its obligations.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Because the Authority has all trust deposits held within one trust department and invested in the same fund a concentration risk exists. Deposits are held in an institution covered by collateralized accounts or federal depository insurance up to \$250,000. The Authority's concentration credit risk was \$0.

B. Changes in Capital Assets

A summary of capital assets at year end is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land	\$ 1,651,291	\$ -	\$ 14,383	\$ 1,636,908
	<u>\$ 1,651,291</u>	<u>\$ -</u>	<u>\$ 14,383</u>	<u>\$ 1,636,908</u>

CHUBBUCK DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - Detailed Notes on All Funds (Continued)

C. Receivables

1. Property Taxes

Property tax revenues are recognized and accrued when billed by Bannock County. CDA's property taxes, levied by the third Monday of September on a market value basis, are billed to the taxpayers in November. Half of the real, personal and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Other property taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year. Property taxes are assessed and collected for CDA by Bannock County.

2. Property Tax Receivable and Deferred Property Taxes

At yearend, property tax receivable and deferred tax revenues consisted of the following:

	Receivables	Deferred Tax
General fund	\$ -	\$ -
Chubbuck Urban Renewal District Fund	11,451	11,334
Pine Ridge Mall Urban Renewal District Fund	-	-
	<u>\$ 11,451</u>	<u>\$ 11,334</u>

D. Long-term Debt

In 2020, CDA has issued a note to provide funds for purchase of land in the Chubbuck District. The note shall provide \$700,000 towards the purchase price and be paid in annual installments of not less than \$150,000. The note is non-interest bearing but has an implied rate of 3.25%. The final payment is due December 31, 2022 when the entire remaining balance shall be due in full.

	Face Value	Discount	Book Value
Current portion	\$ 250,000	\$ 14,384	\$ 235,616
Noncurrent portion	-	-	-
	<u>\$ 250,000</u>	<u>\$ 14,384</u>	<u>\$ 235,616</u>

	Beginning Balance	Additions	Reductions	Ending Balance
Long-term note payable	\$ 400,000	\$ -	\$ (150,000)	\$ 250,000
Long-term debt implied interest	(28,767)	-	14,383	(14,384)
	<u>\$ 371,233</u>	<u>\$ -</u>	<u>\$ (135,617)</u>	<u>\$ 235,616</u>

On October 15, 2020, the Authority approved the issuance of a bond in the amount of \$1,940,000 at a discount of \$50,000. The bond carries an interest rate at 6.750% and a maturity date of November 1, 2037. The bond is being used to provide monies to reimburse the developer of the Pine Ridge Mall for eligible costs and thereby provide more capital for further development in the Pine Ridge Mall Project Area. The Pine Ridge Mall Project is within the Pine Ridge Tax Increment Financing District (TIF) District. The bond will be payable from and secured by the revenues generated from the TIF District tax increments.

	Face Value	Discount	Book Value
Current portion	\$ 206,000	\$ 2,500	\$ 203,500
Noncurrent portion	1,704,000	45,000	1,659,000
	<u>\$ 1,910,000</u>	<u>\$ 47,500</u>	<u>\$ 1,862,500</u>

	Beginning Balance	Additions	Reductions	Ending Balance
Long-term bond payable	\$ 1,940,000	\$ -	\$ (30,000)	\$ 1,910,000
Long-term debt interest	(50,000)	-	2,500	(47,500)
	<u>\$ 1,890,000</u>	<u>\$ -</u>	<u>\$ (27,500)</u>	<u>\$ 1,862,500</u>

**CHUBBUCK DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - Other Information

A. Contingent liabilities

The majority of the revenue collected by CDA is derived from tax increment financing. Tax increment financing is a method of segregating a portion of the property taxes paid on properties within an urban renewal district to fund improvements for which the district was formed. This is accomplished by freezing the market value of property within the district.

A contingent liability exists when the market value increase in the district is not large enough to fund any debt incurred by the district to finance the improvements within the district.

B. Committed Funds

The Authority has committed to pay for the portion of the Northwest Sewer Interceptor project lying inside the Chubbuck Urban Renewal District boundary. That portion has been calculated at \$2,287,000. This total is to be paid in an annual payment of \$228,000 to Chubbuck Impact Area Waste Water Collection Authority, which began in FY 2013.

C. Subsequent events

Subsequent events were evaluated up to January 14, 2022, the date the financial statements were available to be issued.

The Authority will implement a new Tax Increment Financing (TIF) district for fiscal year 2022 and fiscal year 2023. The TIF district for 2022 will be titled as the Northside Crossing Urban Renewal District. The TIF district for 2023 will be titled as the Harvest Springs Urban Renewal District.

D. Tax abatement

During the year the Authority was not subject to any tax abatements.

REQUIRED SUPPLEMENTARY INFORMATION

CHUBBUCK DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original Budget Amounts	Amended Budget Amounts	Actual Amounts	Variance
REVENUES				
Interest revenue	\$ -	\$ -	\$ 86	\$ 86
Other revenue	-	-	195	195
Service and contract revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>281</u>	<u>281</u>
EXPENDITURES				
Administration	-	-	70	(70)
Professional services	-	-	26,244	(26,244)
Other expenses	-	-	4,600	(4,600)
	<u>-</u>	<u>-</u>	<u>30,914</u>	<u>(30,914)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(30,633)</u>	<u>\$ (30,633)</u>
BEGINNING FUND BALANCE			<u>65,771</u>	
ENDING FUND BALANCE			<u>\$ 35,138</u>	

CHUBBUCK DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CHUBBUCK URBAN RENEWAL DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original Budget Amounts	Amended Budget Amounts	Actual Amounts	Variance
REVENUES				
Property taxes	\$ 2,625,000	\$ 2,625,000	\$ 2,683,738	\$ 58,738
Interest revenue	-	-	12,501	12,501
Grant revenue	-	-	152,890	152,890
Service and contract revenue	-	-	53,048	53,048
	<u>2,625,000</u>	<u>2,625,000</u>	<u>2,902,177</u>	<u>277,177</u>
EXPENDITURES				
Administration	-	-	4,070	(4,070)
Construction	1,972,785	1,972,785	2,169,018	(196,233)
Grants	-	-	228,000	(228,000)
Professional services	35,000	35,000	14,493	20,507
Other expenses	467,215	467,215	286,930	180,285
Debt services	150,000	150,000	150,000	-
	<u>2,625,000</u>	<u>2,625,000</u>	<u>2,852,511</u>	<u>(227,511)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	49,666	<u>\$ 49,666</u>
BEGINNING FUND BALANCE			<u>2,449,400</u>	
ENDING FUND BALANCE			<u>\$ 2,499,066</u>	

CHUBBUCK DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PINE RIDGE MALL URBAN RENEWAL DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original Budget Amounts	Amended Budget Amounts	Actual Amounts	Variance
REVENUES				
Property taxes	\$ 175,000	\$ 175,000	\$ 264,381	\$ 89,381
Interest revenue	-	-	122	122
Grant revenue	-	-	20,733	20,733
	<u>175,000</u>	<u>175,000</u>	<u>285,236</u>	<u>110,236</u>
EXPENDITURES				
Administration	20,000	20,000	20	19,980
Other expenses	155,000	155,000	1,780,021	(1,625,021)
Debt services				
Principal	-	-	30,000	(30,000)
Interest and fiscal charges	-	-	178,034	(178,034)
	<u>175,000</u>	<u>175,000</u>	<u>1,988,075</u>	<u>(1,813,075)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(1,702,839)</u>	<u>(1,702,839)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt	-	-	1,890,000	1,890,000
	<u>-</u>	<u>-</u>	<u>1,890,000</u>	<u>1,890,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>187,161</u>	<u>\$ 187,161</u>
BEGINNING FUND BALANCE			<u>195,551</u>	
ENDING FUND BALANCE			<u>\$ 382,712</u>	

CHUBBUCK DEVELOPMENT AUTHORITY

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 - BUDGETARY INFORMATION

GENERAL FUND

The Authority did not budget sufficient amounts for the following expenditures:

- Administration and other expenses
- Professional services

The Authority used available fund balance to cover the budget deficit.

CHUBBUCK URBAN RENEWAL DISTRICT FUND

The Authority did not budget sufficient amounts for the following expenditures:

- Administration and other expenses
- Construction

The under-budgeted expenditures were paid using revenues in excess of budget and unspent revenues from other expenses.

PINE RIDGE MALL URBAN RENEWAL DISTRICT FUND

The Authority did not budget sufficient amounts for the following expenditures:

- Other expenses
- Debt service
- Principle and interest expense

The under-budgeted expenditures were paid using revenues and proceeds from debt in other financing sources in excess of budget and unspent revenues from administration expenses.

NOTE 2 - LEGAL ADOPTION OF BUDGET

The Authority is required by State law to adopt annual budgets on all governmental funds that cover a period from October 1, through September 30. The City Council approved the Fiscal Year End 2020 budget and previous fiscal years. The Authority approved the Fiscal Year End 2021 budget and will approve future budgets.



**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
Chubbuck Development Authority
Chubbuck, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Chubbuck Development Authority, as of and for the years ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Chubbuck Development Authority's basic financial statements, and have issued our report thereon dated January 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Chubbuck Development Authority's internal control over financial reporting (internal control) to determine the 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 Chubbuck Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Chubbuck Development Authority'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chubbuck Development Authority's financial statements are free of 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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Seaton & Company". The signature is written in dark ink and has a fluid, connected style.

Chubbuck, Idaho
January 14, 2022