

REXBURG
URBAN RENEWAL
AGENCY

2024 ANNUAL REPORT

Under the Idaho Urban Renewal Law, an urban renewal agency is required to file with the local governing body, on or before March 31st of each year, a report of its activities for the preceding calendar year, which shall include a complete financial statement setting forth its assets, liabilities, INCOME, and operating expense at the end of the calendar year. The fiscal year for municipalities and most other political subdivisions of the State of Idaho runs from October 1st through September 30th. Consequently, any formal financial statement would be limited to a report through the end of the entity's fiscal year. By statute, an urban renewal agency shall have the same fiscal year as a municipality and is subject to the same audit requirements as a municipality. Under Idaho Code Section 67-450B an urban renewal agency whose annual expenditures are between $100,000 and $250,000, may elect to have its financial status audited on a biennial basis. The annual expenditure for the Rexburg Urban Renewal Agency exceeds $250,000 so a complete audit of its financial statements is made each fiscal year.

SECTION ONE: REXBURG URBAN RENEWAL AGENCY PROFILE

The City of Rexburg began to explore the use of tax increment financing as an economic development tool in 1990. The Rexburg Urban Renewal Agency was formed on November 6th, 1991, as a seven-member commission that oversees and coordinates redevelopment efforts in Rexburg. They have engaged in strategic planning and have implemented urban renewal projects as they saw the need. In the 2024 Calendar Year, the Agency held thirteen meetings.

Board Members:
William Riggins (Chairman), Traci Peterson (Vice-Chairman), Randall Porter (Secretary), Robert Chambers, Tisha Flora, Dustin Parkinson, and JC Weber.

Rexburg Urban Renewal Agency's Six Districts:

1. North Highway District: Formed in 1991, the North Highway (2nd East) District included improving infrastructure in the North Highway Area to encourage commercial development in the area. This area was expanded in 1995 and again in 2001. The District was closed and terminated on September 30, 2022.

2. Washington School District: Formed in 1997, known as the Washington School District and included 1st North and Main Street. It is comprised of the area around the deteriorated Washington School Building. The revenue allocation for this district was terminated in 2018.

3. Downtown District: Formed in 2003, known as the Downtown District and included seven city blocks bordered by 2nd West, 2nd East, 1st North, and 1st South. In 2014, this district was extended one block further from 1st South to 2nd South. The area has a history of a slow-growing tax base primarily attributed to inadequate and deteriorating public improvements and other deteriorating factors.

4. University Boulevard: Formed in 2007, known as the University Boulevard – South 12th West District. It includes an area generally bounded by South 12 West.

5. North Interchange District: Formed in 2015, known as the North Interchange District. This district was organized primarily to assist with the improvement of roads, sidewalks and business development associated with the construction of a Super Walmart on North 2nd East.

6. North Central District: Formed in 2020, the North Central District was primarily organized to assist with improvements of roads, sidewalks, and property development.

Purpose and Goals:

- The elimination of environmental deficiencies in the project areas.
- The assembly of land into parcels suitable for modern, integrated development with pedestrian and vehicular traffic.
- The strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and benefiting the various taxing districts in which the Urban Renewal Area is located.

SECTION TWO: 2023 ANNUAL REPORT

At the March 20th, 2024, meeting, Chairman William Riggins opened a public hearing for the 2023 Annual Report. Scott Miller gave an overview of the 2023 Annual Report, which was sent to the Board Members and made available to the public, prior to the meeting. No comments were made by the public. Chairman Riggins closed the Public Hearing, and the 2023 Annual Report was approved by Resolution #2024-01.

SECTION THREE: FY 2023 AUDIT AND FINANCIAL STATEMENTS

At the March 20th, 2024, meeting, Rudd & Company presented the 2023 Fiscal Year Audit. The audit came back with a clean, unmodified report, meaning no deficiencies were found. The Board voted to accept the audit. The Audit contains a complete financial statement setting forth its assets, liabilities, income, and operating expenses. The Audit can be found in Attachment A of this Report. (*Please note that the audit only covers through the end of the fiscal year, meaning the assets, liabilities, income, and expenses are through September 30, 2023, and not the end of the calendar year.)*

SECTION FIVE: BUDGET FOR FY 2025

At the July 17, 2024, meeting, a public hearing was held to adopt the FY 2025 budget. No objections were given by the public nor agency members. The budget was passed by Resolution #2024-02. The budget can be found in Attachment B of this Report.

SECTION SIX: ACTIVE DISTRICTS

DOWNTOWN DISTRICT

Implementation: 2003

Projected Termination: December 31st, 2027

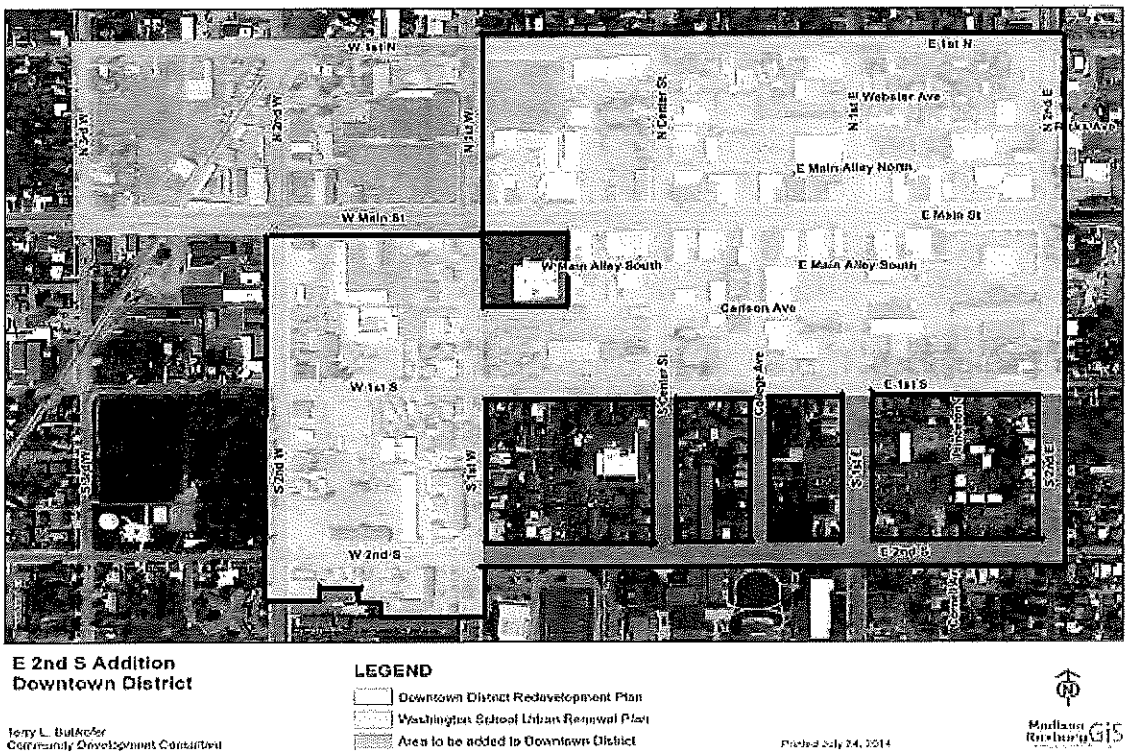
Location: Blocks between and around 2nd West, 2nd East, and 1st North, 2nd South

The Downtown District was created to combat problems of physical deterioration, economic underdevelopment, and to make public improvements by creating public facilities. Key elements of the plan include initiating simultaneous projects designed to revitalize the project area by securing public open space in critical areas, and

developing new mixed-use areas and parking facilities, while using all land-use sectors. In 2014 the Agency extended the Downtown district one block further from 1st South to 2nd South (Indicated in green on the map below.)

City Center Project

On March 6th, Alpha Development met all requirements of the Request for Proposal (RFP) and was accepted by board members to develop the 3 sites of 2.8 acres of property in the Downtown District into mixed uses for working, living, shopping, and parking. In preparation for the development of the parcels, a bid for demolition of the property located at 5654 College Avenue was accepted by the board on February 21st. A land exchange contract between RURA and Viking Villa was approved on October 16th and finalized through recording on November 7th, 2024.



Map of the Downtown District (Yellow and Green Parcels)

UNIVERSITY BOULEVARD DISTRICT

Implementation: 2007

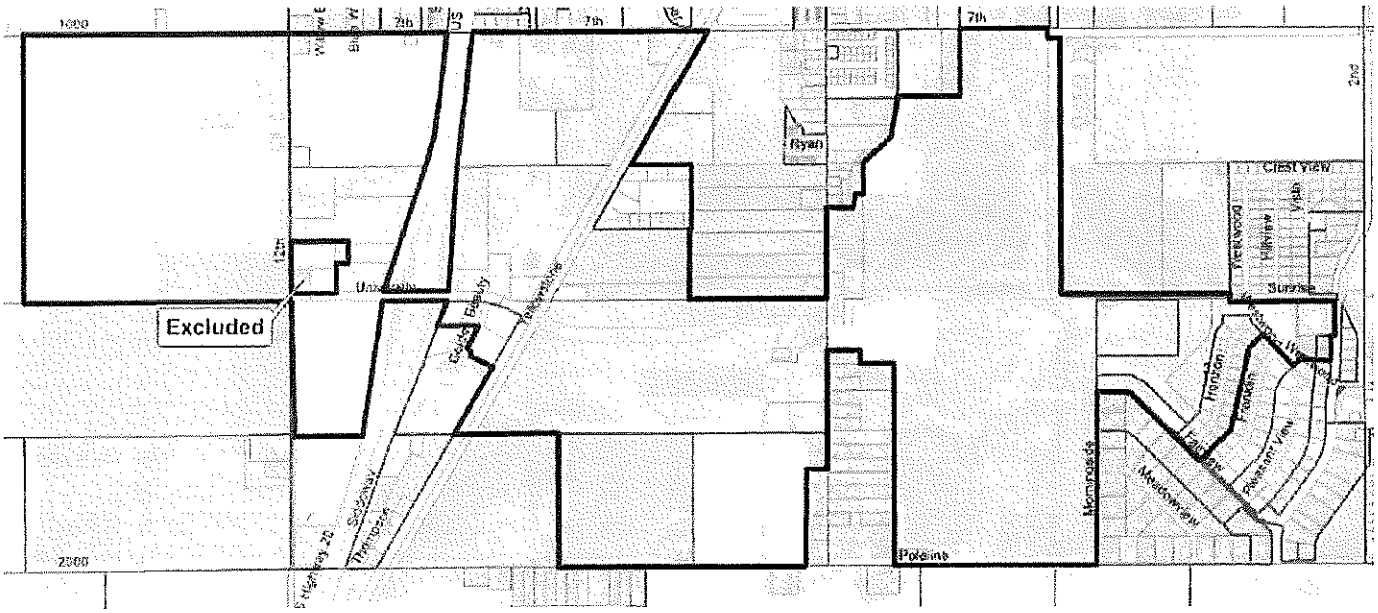
Projected Termination: December 31, 2031

Location: University Boulevard, South 12th West

The University Boulevard District was developed to address the need for economic and cultural growth in the area. The district's plan allows for major street improvements to provide an improved environment for new and rehabilitated residential, retail, lodging, commercial, and industrial facilities. It also allows for the elimination of unsafe conditions and prevention of the extension of and reversal of the deterioration in the area.

University Boulevard

In partnership with the City, the roundabout construction project at 7th South and a portion of the 7th S Railroad Crossing project was completed. The board finalized payment for the railroad crossing expansion, the roadabout, and the traffic signal on University Blvd and 12th West in the amount of $498,000.



Map of the University Boulevard District

NORTH INTERCHANGE DISTRICT

Implementation: 2015

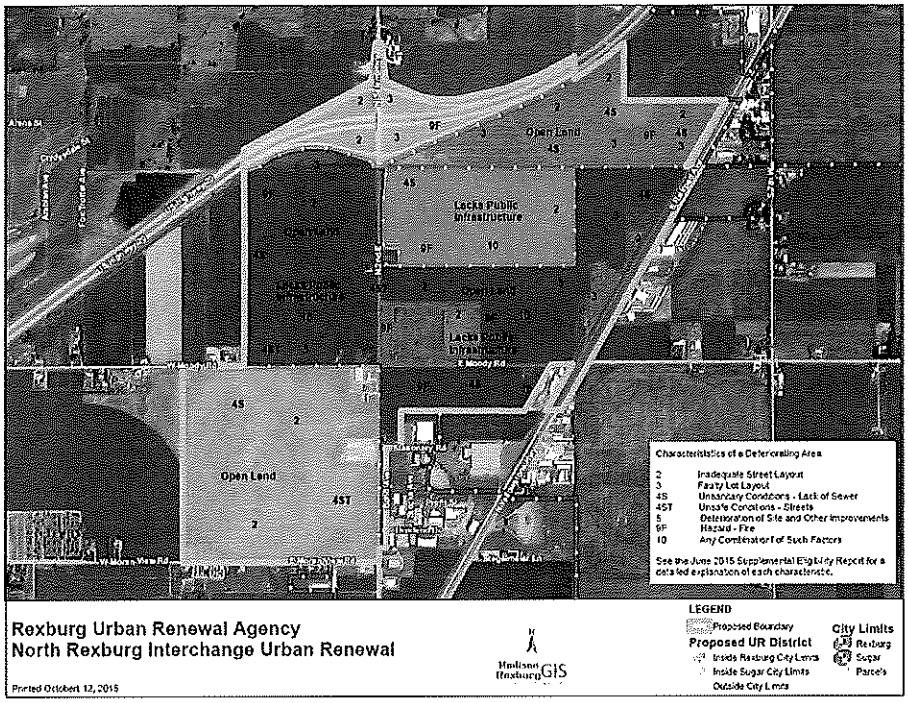
Projected Termination: December 31, 2035

Location: Areas North and West of North Yellowstone Highway

The North Interchange District consists of 679 acres located within Rexburg City limits, Sugar City limits, and Madison County boundaries. The parcels located in Madison County and Sugar City will be governed by an intergovernmental agreement. The goals of the District are street and utility improvements to provide an improved environment for new retail, residential and commercial facilities; public improvements or facilities; the elimination of unsafe conditions; and to otherwise prevent the extension of and reverse the deterioration of the area. Project improvements will also facilitate adequate vehicular and pedestrian circulation.

North 2nd East

The intersection reconstruction and rebuild of the canal on Moody Road at the instersection of 2nd East was completed. Tagg N' Go Car Wash was completed and the LDS Temple Construction began. RURA paid for a portion of the lift station for sewer for the Tagg N' Go Car Wash along with some other canal and street light improvements at the corner or 2nd East and Moody Road for a total amount of $55,400 as previously approved. The Board approved a contract with DEPATCO for $33,250 to fund a right turn lane on 2nd East on the NE corner of the Temple site to help with the flow of traffic.



Map of the North Interchange District

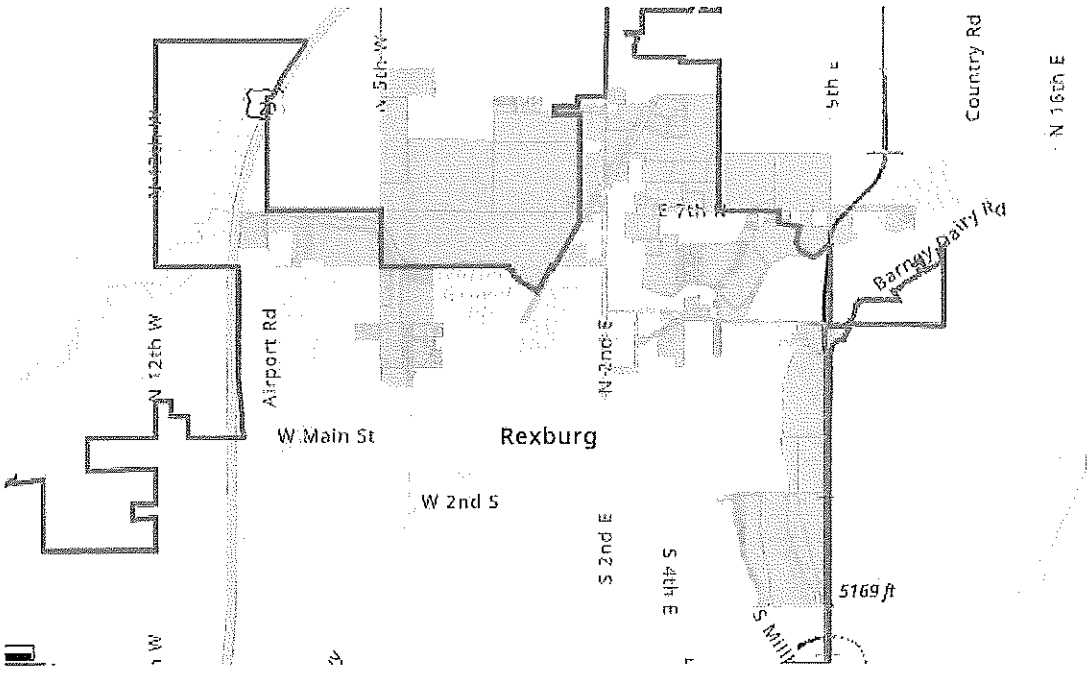
NORTH CENTRAL DISTRICT

Implementation: 2020

Projected Termination: December 31, 2040

Location: Areas outside of Developed Rexburg

The North Central District was developed in 2020 to address the need for economic and cultural growth of the area. The plan allows for major street improvements to provide an improved environment for new and rehabilitated residential, retail, recreation, commercial, and industrial facilities. Allowing the elimination of unsafe conditions and preventing the extension of deterioration and reverse the deteriorating action of the area. The parcels located in Madison County will be governed by an intergovernmental agreement.



Map of the North Central District (Pink Parcels)

APPENDIX A

FISCAL YEAR 2023 FINANCIAL AUDIT

REXBURG URBAN RENEWAL AGENCY
(A Component Unit of the City of Rexburg, Idaho)

Financial Statements
and
Required Supplementary Information
with
Independent Auditors' Report

September 30, 2023

REXBURG URBAN RENEWAL AGENCY
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September 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Rexburg Urban Renewal Agency
Rexburg, Idaho

Opinion

We have audited the accompanying financial statements of the Rexburg Urban Renewal Agency (the "Agency"), a component unit of the City of Rexburg, Idaho, and the associated funds, 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 financial position of the Agency as of September 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 controller 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 opinion.

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,

490 First American Circle | Rexburg, ID 83440 | bus: 208-356-3677 | fax: 208-356-3689 | www.ruddco.com

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 opinion. 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 *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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with *Government Auditing Standards*, we:

- Exercise professional judgement 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 judgement, 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

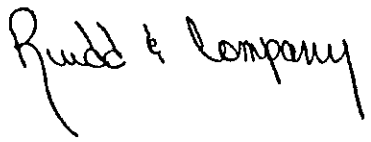
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to

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 only the budgetary comparison information of the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 March 20, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Rexburg, Idaho
March 20, 2024

REXBURG URBAN RENEWAL AGENCY
Statement of Net Position
September 30, 2023

	Governmental Activities
Assets	
Current Assets	
Cash and investments	$ 7,717,360
Total current assets	7,717,360
Noncurrent Assets	
Property, plant and equipment, net	1,986,562
Total noncurrent assets	1,986,562
Total Assets	$ 9,703,922
Liabilities	
Current Liabilities	
Accounts payable	$ 1,430,086
Current portion of bond payable	186,400
Total current liabilities	1,616,486
Noncurrent Liabilities	
Bond payable, net of current portion	2,623,552
Total noncurrent liabilities	
Total Liabilities	4,240,038
Net Position	
Unrestricted	96,628
Invested in capital assets	1,986,562
Restricted	3,380,694
Total Net Position	5,463,884
Total Liabilities and Net Position	$ 9,703,922

The Accompanying Notes are an Integral Part of the Financial Statements.

REXBURG URBAN RENEWAL AGENCY
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges Services	Program Revenues: Operating Grants And Contributions	Program Revenues: Capital Grants And Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities					
Administrative	$ 74,959	$ -	$ -	$ -	$ (74,959)
Project costs	2,767,582	-	-	-	(2,767,582)
Bond interest	90,388	-	-	-	(90,388)
Total Governmental Activities	$ 2,932,929	$ -	$ -	$ -	$ (2,932,929)
General revenues					
Property taxes					$ 2,049,242
Other revenues					43,438
Unrealized gain					14,296
Gain on sale of assets					33,369
Interest on investments					279,060
					2,419,405
Change in net position					(513,524)
Net position - beginning					5,977,408
Net position - ending					$ 5,463,884

The Accompanying Notes are an Integral Part of the Financial Statements.

REXBURG URBAN RENEWAL AGENCY
Governmental Funds - Balance Sheet and Reconciliation to the Statement of Net Position
September 30, 2023

	North Highway Fund	Downtown Fund	University Boulevard Fund	North Interchange Fund	North Interchange Debt Service Reserve Fund	North Central Fund	Administration Fund	Total Governmental Funds
Assets								
Cash and investments	$ -	$3,878,355	$1,738,801	$1,011,802	$ 277,220	$713,354	$ 97,828	$ 7,717,360
Total Assets	$ -	$3,878,355	$1,738,801	$1,011,802	$ 277,220	$713,354	$ 97,828	$ 7,717,360
Liabilities and Fund Balances								
Liabilities								
Accounts payable	$ -	$ 3,225	$1,268,341	$ 7,319	$ -	$150,001	$ 1,200	$ 1,430,086
Total Liabilities	-	3,225	1,268,341	7,319	-	150,001	1,200	1,430,086
Fund Balances								
Unassigned	-	-	-	-	-	-	96,628	96,628
Restricted	-	3,875,130	470,460	1,004,483	277,220	563,353	-	6,190,646
Total Fund Balances	-	3,875,130	470,460	1,004,483	277,220	563,353	96,628	6,287,274
Total Liabilities and Fund Balances	$ -	$3,878,355	$1,738,801	$1,011,802	$ 277,220	$713,354	$ 97,828	$ 7,717,360

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	
Cost of assets, net	1,986,562
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,809,952)
Net postition of governmental activities	$ 5,463,884

The Accompanying Notes are an Integral Part of the Financial Statements.

REXBURG URBAN RENEWAL AGENCY
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2023

	North Highway Fund	Downtown Fund	University Boulevard Fund	North Interchange Fund	North Interchange Debt Service Reserve Fund	North Central Fund	Administration Fund	Total Governmental Funds
Revenues								
Property taxes	$ -	$ 834,182	$ 408,994	$ 255,056	$ -	$ 551,010	$ -	$ 2,049,242
Other revenue	-	29,752	-	-	-	-	13,686	43,438
Unrealized gain	-	3,508	7,280	3,508	-	-	-	14,296
Gain on sale of asset	-	13,820	19,549	-	-	-	-	33,369
Interest income	3,648	124,231	81,111	49,756	1,365	12,274	6,675	279,060
Total Revenues	3,648	1,005,493	516,934	308,320	1,365	563,284	20,361	2,419,405
Expenditures								
Administrative	180	45,968	10,144	2,814	-	750	15,103	74,959
Construction	60,964	-	1,993,842	562,776	-	150,000	-	2,767,582
Interfund transfer	-	-	-	-	-	-	-	-
Bond principal	-	-	-	-	181,713	-	-	181,713
Interest	-	-	-	-	90,388	-	-	90,388
Total Expenditures	61,144	45,968	2,003,986	565,590	272,101	150,750	15,103	3,114,642
Revenues over (under) expenditures	(57,496)	959,525	(1,487,052)	(257,270)	(270,736)	412,534	5,258	(695,237)
Other Financing Sources (Uses)								
Operating transfers in	-	-	-	-	272,101	-	-	272,101
Operating transfers out	-	-	-	(272,101)	-	-	-	(272,101)
Total Other Financing Sources (Uses)	-	-	-	(272,101)	272,101	-	-	-
Net Changes in Fund Balances	(57,496)	959,525	(1,487,052)	(529,371)	1,365	412,534	5,258	(695,237)
Fund Balance October 1, 2022	57,496	2,915,605	1,957,512	1,533,854	275,855	150,819	91,370	6,982,511
Fund Balance September 30, 2023	$ -	$3,875,130	$ 470,460	$1,004,483	$ 277,220	$ 563,353	$ 96,628	$ 6,287,274

The Accompanying Notes are an Integral Part of the Financial Statements.

REXBURG URBAN RENEWAL AGENCY
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2023

Net change in fund balances - total governmental funds	$ (695,237)
Long-term debt payments are recorded as expenditures on the statements of revenues, expenditures and changes in fund balances, but not in the statement of activities	181,713
Change in net position of governmental activities	$ (513,524)

The Accompanying Notes are an Integral Part of the Financial Statements.

1. Summary of Significant Accounting Policies

The Reporting Entity

The Rexburg Urban Renewal Agency (the "Agency") was created for the purpose of making improvements to infrastructure in specific areas of the City. It derives its revenues from the incremental tax increase that all taxing districts forfeit from increase in value of the land and buildings in the new construction areas.

The Agency is a component unit, as defined by generally accepted accounting principles, of the City of Rexburg, Idaho (the "City"), because of its operational or financial relationship with the City. The City appoints the governing body of the Agency.

The Agency's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and finance reporting principles. The more significant accounting policies established in GAAP and used by the Agency are discussed below.

Government-Wide and Fund Financial Statements

The Agency's basic financial statements include both government-wide (reporting the Agency as a whole) and fund financial statements (reporting the Agency's major funds) in combined statements. Both the government-wide and fund financial statements categorize primary activities as governmental type. The Agency's general administrative services are classified as governmental activities. The Agency has no business-type activities.

The financial transactions of the Agency are reported in individual funds in the combined financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following governmental fund types are used by the Agency:

- The Special Revenue Funds consist of the North Highway Fund, the Downtown Fund, the University Boulevard Fund, the North Interchange Fund, and the North Central Fund used to account for the property taxes received by the Agency and to disburse payments on the obligations of the Agency.
- The North Interchange Debt Service Reserve Fund is used to account for the funds placed in reserve to make payments of long-term debt.
- The Administration Fund is used to account for the funds received and expended in support of the administrative needs of the Agency.

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual. Governmental activities in the combined government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual. The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on long-term debt, if any, is recognized when due.

Budget

Budgets for the Administration and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. The budgets for the North Highway and University Boulevard funds were amended during the year. The Agency did not adopt a budget for the North Interchange Debt Service Reserve Fund for the fiscal year, as it is not a special revenue or general fund. There are no differences between the budgeting and GAAP basis information.

Cash and Investments

Cash includes amounts in demand deposit accounts as well as short-term investments with a maturity date within three months of the date acquired by the Agency. Under state law, the Agency may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Idaho law and national banks having their principal offices in Idaho. State statutes authorize the Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

The Agency has elected to deposit cash in excess of immediate needs into the State of Idaho Local Government Investment Pool (LGIP), the State's Diversified Bond Fund (DBF), or investing with Time Value Investments (TVI). All other cash is deposited with local banks in checking or savings accounts. The Agency is a voluntary participant in the State of Idaho Local Government Investment Pool (LPIG). The LPIG is regulated by State of Idaho Code under the oversight of the Treasurer of the State of Idaho. The fair value of the Agency's investments in the pool is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair market value provided by the fund for the entire portfolio. The LGIP is not rated by a nationally recognized statistical rating organization.

1. Summary of Significant Accounting Policies (continued)

Cash and Investments (continued)

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The Agency does not have a policy for custodial credit risk outside of the deposit and investment agreements. The Agency is authorized to invest in the LGIP, DBF as well as obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments in the LGIP are stated at cost which approximates fair value. The bonds are stated at fair market value. Contractual provision requires that monies in the Debt Service Reserve Fund be invested in certain direct, guaranteed, or insured obligations of the United States of America.

Revenues and Property Taxes

Substantially all governmental fund revenues come from property taxes. Property taxes are billed and collected within the same period in which the taxes are levied. The Agency does not levy or collect property taxes. The county performs the levy and collection functions and remits those amounts to the Agency on a monthly basis.

In accordance with Idaho State law, property taxes are levied in September for each calendar year. All of the personal taxes and half of the real property taxes are due by December 20. The second half of the real property taxes is due by June 20. Property taxes attach as an enforceable lien as of January 1 of the following year. Notice of foreclosure is filed by the county clerk three years from the date of delinquency.

Expenditures

Expenditures are recognized when the related fund liability is incurred. Administrative expenses reflect amounts paid or payable to the City of Rexburg. The Agency's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of any depreciable assets is recorded using the straight-line method.

Fund Balance

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

1. Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, or laws, or regulations of other governments, or through constitutional provisions, or by enabling legislation.

Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

Net Position

Invested in capital assets – All capital assets (including restricted capital assets) net of accumulated depreciation and reduced by outstanding debt, if applicable, relating to the acquisition, construction, or improvement of these assets.

Restricted net position – Net assets on which limitations have been placed by creditors, grantors, contributors, laws, and regulations. Internal actions may lead to restricted net position in some cases, such as constitutional provisions or enabling legislation that is deemed to be legally enforceable.

Unrestricted net position – The unrestricted component of net position not included in the investment in capital assets category or the restricted net position category. Internal designations may not be shown in this statement.

Insurance

The Agency is exposed to certain risk of loss due to general liability, wrongful acts, faithful performance and crime. The Agency has elected to transfer these risks through the purchase of insurance from a commercial enterprise. There have been no claims on insurance coverage for the past three years.

Deferred Outflows/Inflows of Resources

In addition to assets the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1. Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Agency 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 reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Agency because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Subsequent Events

Subsequent events have been evaluated through March 20, 2024, the date the report was available to be issued.

2. Cash and Investments

Deposits

At September 30, 2023, the carrying amount of the Agency's deposits was $372,211 and the respective bank balances totaled $1,661,532.

Custodial Credit Risk, Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned. As of September 30, 2023, $1,161,532 of the Agency's total deposits of $1,661,532 were not covered by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation, and thus were exposed to custodial credit risk.

Custodial Credit Risk, Investments

As of September 30, 2023, all of the Agency's investments totaling $7,345,149 were not covered by federal depository insurance or by collateral held by the Agency's agent or pledging financial institutions trust department or agent in the name of the Agency.

Investment Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from changes in interest rates, the agency structures its portfolio so that securities mature to meet cash requirements for ongoing operations.

2. Cash and Investments (continued)

Investment Credit Risk

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 limit investments to the safest types and to diversify the Agency's investment portfolio so that potential losses on securities will be minimized. The Agency follows Idaho statue that outlines qualifying investment options.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the Agency's investment in a single issuer. No specific percentage identifies when concentration risk is present. The GASB has adopted a principle that governments should provide note disclosure when 5% of the entity's total investments are concentrated in any one issuer.

Investments in any issuer that represents 5% or more of total Agency investments are as follows:

Issuer	Investment Type	Reported Amount	Percentage
Federal Home Loan Bank	Agency	$ 1,346,319	18.33%
United States Treasury	Treasury Notes	$ 2,528,218	34.42%

Investments

The Agency's investments at September 30, 2023, are summarized below:

	WAM	S&P	Fair	Investment Maturities			
	Years	Rating	Value	Less than 1	1-5	6-10	10+
State Diversified Bond Fund	2.630	N/A	$ 104,038	$ 41,613	$ 49,600	$ 12,825	$ -
State Investment Pool	0.277	N/A	3,183,602	3,128,138	55,464	-	-
Time Value Investments	1.180	N/A					
Money market		N/A	151,288	151,288	-	-	-
CDs		N/A	1,945,041	-	1,945,041	-	-
U.S. Treasury Securities		Aaa	1,961,180	1,961,180	-	-	-
Total Investments			$ 7,345,149	$ 5,282,219	$ 2,050,105	$ 12,825	$ -

Fair value investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the Statement of Net Position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

2. Cash and Investments (continued)

Investment in State Investment Pools

The Agency is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP). The LGIP is regulated by State of Idaho code under the oversight of the Treasurer of the State of Idaho. The fair value of the Agency's investment in the pools is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair market value provided by the fund for the entire portfolio. The LGIP is unrated.

The Joint Powers Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool (the Pool) is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank. Even though the weighted average of the underlying investments in the Pool is greater than 90 days, the Agency can liquidate its deposits within a few days. An annual audit of the Joint Powers Investment Pool is conducted by the State Legislative Auditors Office or an Independent accounting firm. The Legislative Auditor of the State of Idaho has full access to the records of the Pool.

The Pool is required to report its investments at fair value because the weighted average maturity of the investments is greater than 90 days and thus, the Agency is required to report its deposits at fair value. However, the Agency has reported these deposits at cost plus accrued interest which approximates fair value.

The Agency's investment fair market value measurements are as follows at September 30, 2023:

	Fair Value Measurement Classification			
	Level 1	Level 2	Level 3	Total
State Diversified Bond Fund	$ -	$ 104,038	$ -	$ 104,038
State Investment Pool	-	3,183,602	-	3,183,602
Time Value Investments	4,057,509	-	-	4,057,509
Total Investments	$4,057,509	$ 3,287,640	$ -	$7,345,149

3. Capital Assets

The following table summarizes the changes in capital assets for the governmental activities. All capital assets are held for use in future projects. The Agency had land during the year ended September 30, 2023:

	Beginning	Additions	Deletions	Ending
Land	$ 1,986,562	$ -	$ -	$ 1,986,562
Total capital assets	$ 1,986,562	$ -	$ -	$ 1,986,562

4. Long-term Liabilities

The long-term debt of the agency is as follows:

Description	Interest Rate	Fiscal Years	September 30, 2023 Balance
North Interchange Revenue Allocation District Restated Revenue Allocation Bonds Series 2021, Dated July 1, 2021 (Original amount - $3,500,000)	3.05%	2024-2036	$ 2,809,952
Total			$ 2,809,952

Governmental long-term liability activity for the year ended September 30, 2023, is as follows:

	Beginning Balance	Reductions	Ending Balance	Current Portion
North Interchange Revenue Allocation District Restated Revenue Allocation Bonds Series 2021, Dated July 1, 2021 (Original amount - $3,500,000)	$ 2,991,665	$ (181,713)	$ 2,809,952	$ 186,400
Total	$ 2,991,665	$ (181,713)	$ 2,809,952	$ 186,400

4. Long-term Liabilities (continued)

The North Interchange Debt Service Fund is responsible for the payments of this bond. Scheduled principal repayments on long-term obligations for the remaining life of the bond are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	$ 186,400	$ 85,701	$ 272,101
2025	192,450	79,651	272,101
2026	198,448	73,653	272,101
2027	204,632	67,469	272,101
2028	210,834	61,267	272,101
2029-2033	1,157,742	202,761	1,360,503
2034-2036	659,902	32,443	692,345
	$ 2,810,408	$ 602,945	$ 3,413,353

5. Interfund Transfers

An interfund transfer occurred between the North Interchange Fund and the North Interchange Debt Service Reserve Fund (the "Reserve Fund"). Since the Reserve Fund is not a general revenue fund, the North Interchange fund transferred the amount of one bond payment, which is $272,101, to the Reserve Fund, in order to pay the annual installment of the bond.

6. Fund Balances

The Agency's fund balances by major purpose as of September 30, 2023, are as follows:

	Restricted for Area Capital Improvements	Restricted for Debt Service Reserve Fund	Total Restricted	Un-assigned	Total Fund Balances
Downtown	$ 3,875,130	$ -	$3,875,130	$ -	$3,875,130
University Boulevard	470,460	-	470,460	-	470,460
North Interchange	1,004,483	-	1,004,483	-	1,004,483
North Central	563,353	-	563,353	-	563,353
Debt Service	-	277,220	277,220	-	277,220
Administration	-	-	-	96,628	96,628
	$ 5,913,426	$ 277,220	$6,190,646	$ 96,628	$6,287,274

Required Supplementary Information

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
For the Year Ended September 30, 2023
North Highway Fund

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	$ -	$ -	$ 3,648	$ 3,648
Fund balance carryover	24,500	85,500	-	(85,500)
Total Revenues	24,500	85,500	3,648	(81,852)
Expenditures	24,500	85,500	61,144	24,356
Total Expenditures	24,500	85,500	61,144	24,356
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	-	-	(57,496)	(57,496)
Fund balance - beginning	57,496	57,496	57,496	-
Fund balance - ending	$ 57,496	$ 57,496	$ -	$ (57,496)

See Independent Auditors' Report

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
For the Year Ended September 30, 2023
Downtown Fund

	Original and Final Budget Amount	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues	$ 900,000	$ 1,005,493	$ 105,493
Fund balance carryover	2,985,300	-	(2,985,300)
Total Revenues	3,885,300	1,005,493	(2,879,807)
Expenditures	3,885,300	45,968	3,839,332
Total Expenditures	3,885,300	45,968	3,839,332
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	-	959,525	959,525
Fund balance - beginning	4,902,167	4,902,167	-
Fund balance - ending	$ 4,902,167	$ 5,861,692	$ 959,525

See Independent Auditors' Report

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
For the Year Ended September 30, 2023
University Boulevard Fund

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	$ 464,600	$ 1,378,800	$ 516,934	$ (861,866)
Fund balance carryover	936,400	936,400	-	(936,400)
Total Revenues	1,401,000	2,315,200	516,934	(1,798,266)
Expenditures	1,401,000	2,315,200	2,003,986	311,214
Total Expenditures	1,401,000	2,315,200	2,003,986	311,214
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	-	-	(1,487,052)	(1,487,052)
Fund balance - beginning	1,957,512	1,957,512	1,957,512	-
Fund balance - ending	$ 1,957,512	$ 1,957,512	$ 470,460	$ (1,487,052)

See Independent Auditors' Report

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
For the Year Ended September 30, 2023
North Interchange Fund

	Original and Final Budget Amount	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues	$ 330,000	$ 308,320	$ (21,680)
Fund balance carryover	1,767,300	-	(1,767,300)
Total Revenues	2,097,300	308,320	(1,788,980)
Expenditures	2,097,300	837,691	1,259,609
Total Expenditures	2,097,300	837,691	1,259,609
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	-	(529,371)	(529,371)
Fund balance - beginning	1,533,854	1,533,854	-
Fund balance - ending	$ 1,533,854	$ 1,004,483	$ (529,371)

See Independent Auditors' Report

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
For the Year Ended September 30, 2023
North Central Fund

	Original and Final Budget Amount	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues	$ 260,000	$ 563,284	$ 303,284
Total Revenues	260,000	563,284	303,284
Expenditures	260,000	150,750	109,250
Total Expenditures	260,000	150,750	109,250
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	-	412,534	412,534
Fund balance - beginning	150,819	150,819	-
Fund balance - ending	$ 150,819	$ 563,353	$ 412,534

See Independent Auditors' Report

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
For the Year Ended September 30, 2023
Administration Fund

	Original and Final Budget Amount	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues	$ 59,300	$ 20,361	$ (38,939)
Total Revenues	59,300	20,361	(38,939)
Expenditures	59,300	15,103	44,197
Total Expenditures	59,300	15,103	44,197
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	-	5,258	5,258
Fund balance - beginning	91,370	91,370	-
Fund balance - ending	$ 91,370	$ 96,628	$ 5,258

See Independent Auditors' Report

INDEPENDENT AUDITORS' 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 Trustees
Rexburg Urban Renewal Agency
Rexburg, 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 of Rexburg Urban Renewal Agency, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Rexburg Urban Renewal Agency's basic financial statements, and have issued our report thereon dated March 20, 2024.

Report on Internal Control Over Financial Reporting

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

IDAHO FALLS | REXBURG | DRIGGS | BOZEMAN | WEST YELLOWSTONE | HELENA

490 First American Circle | Rexburg, ID 83440 | bus: 208-356-3677 | fax: 208-356-3689 | www.ruddco.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rexburg 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 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.

Rudd & Company

Rexburg, Idaho
March 20, 2024

APPENDIX B

FY 2024/2025 BUDGET

Rexburg Urban Renewal Agency

	2023 Actual	2024 Budget	2025 Budget
Revenue			
North Highway Taxes		$ -	$ -
North Highway Other	$ 3,648	$ -	$ -
Downtown Taxes	$ 834,182	$ 890,000	$ 900,000
Downtown Other	$ 171,311	$ 981,500	$ 2,155,000
University Blvd. Taxes	$ 408,994	$ 500,000	$ 490,000
University Blvd. Other	$ 107,940	$ 404,500	$ 35,000
North Interchange Taxes	$ 255,056	$ 254,000	$ 285,000
North Interchange Other	$ 54,629	$ 1,357,400	$ 1,018,300
North Central Taxes	$ 551,010	$ 675,000	$ 900,000
North Central Other	$ 12,274	$ 18,000	$ 1,347,900
Administrative Revenues	$ 20,361	$ 31,700	$ 39,400
Total Income	$ 2,419,405	$ 5,112,100	$ 7,170,600
Expense			
North Highway	$ 61,144	$ -	
Downtown	$ 45,968	$ 1,871,500	$ 3,055,000
University Blvd.	$ 2,003,986	$ 904,500	$ 525,000
North Interchange	$ 837,691	$ 1,611,400	$ 1,303,300
North Central	$ 150,750	$ 693,000	$ 2,247,900
Administration	$ 15,103	$ 31,700	$ 39,400
Total Expense	$ 3,114,642	$ 5,112,100	$ 7,170,600
	$ (695,237)	$ -	$ -