DOVER URBAN RENEWAL AGENCY

Dover, Idaho

Audited Financial Statements
For the Year Ended
September 30, 2024

DOVER URBAN RENEWAL AGENCY

Dover, Idaho

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FINANCIAL SECTION

HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Dover Urban Renewal Agency
Dover, Idaho 83825

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Dover Urban Renewal Agency, a component unit of City of Dover, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Dover Urban Renewal Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Dover Urban Renewal Agency, as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dover Urban Renewal Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dover Urban Renewal Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dover Urban Renewal Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dover Urban Renewal Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 22 through 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 12, 2025 on our consideration of Dover Urban Renewal 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 Dover Urban Renewal Agency's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
February 12, 2025

HAYDEN ROSS

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
Dover Urban Renewal Agency
Dover, Idaho 83825

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 governmental activities and each major fund of Dover Urban Renewal Agency, a component unit of City of Dover, Idaho, as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise Dover Urban Renewal Agency's basic financial statements, and have issued our report thereon dated February 12, 2025

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dover 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 Dover Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Dover 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 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dover 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 organization'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.

Hayden Ross, PLLC

Moscow, Idaho
February 12, 2025

FINANCIAL STATEMENTS

DOVER URBAN RENEWAL AGENCY
Dover, Idaho

STATEMENT OF NET POSITION
September 30, 2024

Assets		
Current assets:		
Cash and cash equivalents	756,740	
Property tax receivable	2,756	
Unbilled taxes receivable	1,833,572	
Cash and cash equivalents - restricted	870,848	
Total current assets		3,463,916
Total assets		3,463,916
Deferred Outflows of Resources		-
Liabilities		
Current liabilities:		
Accounts payable	734	
Accrued interest	73,766	
Current portion of bonds payable	439,575	
Total current liabilities		514,075
Noncurrent liabilities:		
Bonds payable, less current portion	2,712,344	
Note payable	734,686	
Total noncurrent liabilities		3,447,030
Total liabilities		3,961,105
Deferred Inflows of Resources		
Unavailable tax revenue		1,833,572
Net Position		
Restricted for debt service	873,604	
Unrestricted	(3,204,365)	
Total net position		$ (2,330,761)

DOVER URBAN RENEWAL AGENCY
Dover, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Revenue and Changes in Net Position: Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental activities:					
General government	1,008,748	-	-	-	(1,008,748)
Interest on long-term debt	178,442	-	-	-	(178,442)
Total governmental activities	$ 1,187,190	$ -	$ -	$ -	(1,187,190)
General Revenues					
Taxes					1,797,305
Interest earnings					54,065
Total general revenues					1,851,370
Change in net position					664,180
Net position - beginning					(2,994,941)
Net position - ending					$ (2,330,761)

DOVER URBAN RENEWAL AGENCY
Dover, Idaho

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2024

	General Fund	Debt Service Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and cash equivalents	756,740	-	756,740
Property tax receivable	-	2,756	2,756
Unbilled taxes receivable	-	1,833,572	1,833,572
Cash and cash equivalents - restricted	-	870,848	870,848
Total assets	756,740	2,707,176	3,463,916
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	$ 756,740	$ 2,707,176	$ 3,463,916
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	734	-	734
Deferred inflows of resources:			
Deferred revenue	-	2,756	2,756
Unavailable tax revenue	-	1,833,572	1,833,572
Total deferred inflows of resources	-	1,836,328	1,836,328
Fund balance:			
Restricted for debt service	-	870,848	870,848
Assigned	266,516	-	266,516
Unassigned	489,490	-	489,490
Total fund balance	756,006	870,848	1,626,854
Total liabilities, deferred inflows of resources and fund balance	$ 756,740	$ 2,707,176	$ 3,463,916

DOVER URBAN RENEWAL AGENCY
Dover, Idaho

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2024

Total Fund Balances - Governmental Funds	1,626,854
Amounts reported for governmental activities in the statement of net position are different because:	
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	2,756
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditures is reported when paid.	(73,766)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:	
Bonds payable	(3,151,919)
Note payable	(734,686)
Total Net Position - Governmental Activities	$ (2,330,761)

DOVER URBAN RENEWAL AGENCY

Dover, Idaho

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2024

	General Fund	Debt Service Fund	Total
REVENUES			
Property tax	-	1,795,236	1,795,236
Interest earnings	-	54,065	54,065
Total revenues	-	1,849,301	1,849,301
EXPENDITURES			
Operations:			
Advertising	277	-	277
Audit	7,150	-	7,150
Office expenses	288	-	288
Professional fees	20,528	-	20,528
Consulting and administrative expenses	3,895	-	3,895
Public improvements	944,438	-	944,438
Insurance	2,172	-	2,172
Local government rebate	30,000	-	30,000
Debt service:			
Principal	500,000	421,932	921,932
Interest expense	52,681	127,664	180,345
Total expenditures	1,561,429	549,596	2,111,025
Excess (deficiency) of revenues over (under) expenditures	(1,561,429)	1,299,705	(261,724)
Other financing sources (uses)			
Transfer in (out)	1,268,602	(1,268,602)	-
Net change in fund balance	(292,827)	31,103	(261,724)
Fund balance - beginning	1,048,833	839,745	1,888,578
Fund balance - ending	$ 756,006	$ 870,848	$ 1,626,854

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, 2024

Net change in fund balances - governmental funds	(261,724)
Amounts reported for governmental activities in the statement of activities are different because:	
Some property taxes will not be collected for several months after the Agency's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.	2,069
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditures is reported when due.	1,903
Repayment of the principal on general bonded indebtedness is an expenditure in the governmental funds but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
Loan	500,000
Revenue bonds	421,932
Total change in net position - governmental activities	$ 664,180

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE 1 Summary of Significant Accounting Policies

The financial statements of Dover Urban Renewal Agency (the "Agency") have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity

Dover Urban Renewal Agency is an urban renewal agency created by and existing under the Idaho Urban Renewal Law of 1965, as amended, and is an independent public body.

The accompanying financial statements include all aspects controlled by the Board of Commissioners of Dover Urban Renewal Agency. The Agency is included in the City of Dover, Idaho financial reporting. These statements present only the funds of the Agency and are not intended to present the financial position and results of operations of the City of Dover, Idaho in conformity with GAAP.

Under the Idaho Code, in April 2005, the Dover City Council passed an ordinance that created the Dover Urban Renewal Agency. The Agency was established to promote urban development and improvement in and around the City of Dover. Under the Idaho Code, the Agency has the authority to issue bonds. Any bonds issued by the Agency are payable solely from the revenues attributable to tax increment financing. Any bonds issues are not a debt of the City. Dover City Council is not responsible for approving the Agency budget to fund any annual deficits. The Agency controls disbursements independent of Dover City Council.

The Board of Commissioners is the decision-making authority that determines by formal vote whether funds are to be committed or assigned and only the Board can determine any change in fund status by the same type of formal vote.

Basis of Presentation, Fund Accounting

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. The Agency does not have any business-type activities.

NOTE 1 Summary of Significant Accounting Policies (Continued)

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. The fund financial statements consist of the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A reconciliation between the government-wide financial statements and the fund financial statements is also presented.

The financial transactions of the agency are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund balance, revenues, and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Agency and are considered major funds:

General Fund – This fund is established to account for resources devoted to financing the general services that the Agency performs for its patrons. This fund is charged with all costs of operating the Agency for which a separate fund has not been established.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, expenditures related to debt service, are recorded when payment is due. Expenditure recognition occurs in the accounting period in which the liability is incurred if measurable. Principal and interest on general long-term debt are recognized as fund liabilities when due, or when amounts have been accumulated (if appropriate) in a debt service fund for payments to be made in the following year.

Property taxes, interest income, and various other revenues 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 Agency.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents – In the governmental funds, cash received by the Agency is pooled for investment purposes and is presented as "Cash and Cash Equivalents" on the financial statements. For presentation in the financial statements, cash and cash equivalents include cash on hand, amounts due from banks, demand deposits, and cash with a fiscal agent.

Receivables – All trade and property tax receivables are shown net of an allowance for uncollectible. Allowance for uncollectible for property taxes is zero at September 30, 2024.

Capital Assets – The Agency has no capital assets of its own. All infrastructure and equipment purchases noted have been dedicated to the government agency that will use those assets in its work.

Short-Term Interfund Loans Receivables/Payables – During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables." Interfund balances have been eliminated, when applicable, on the statement of net position.

Accrued Liabilities and Long-Term Obligations – All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

In the fund financial statements, long-term debt is recognized as a liability of a governmental fund, when due, or when resources have been accumulated in the general fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is maintained separately and represents a reconciling item between the fund and government-wide presentation.

Deferred Outflows/Inflows of Resources – In addition to assets, the financial statements 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government does not have any items that qualify for reporting in this category.

In addition to liabilities, financial statements 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 (revenues) until that time. The government has

only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental fund reports unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumptions – Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions – Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Definitions, GASB 54 – The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Board of Commissioners. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes based on Board designation but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. The Agency applies committed resources, then assigned resources, then unassigned resources when an expense is incurred for purposes for which all fund balances classifications are available.

Restricted balances are as follows:

- **Debt Service –** These restricted funds are used to make the principal and interest payments for outstanding general obligation bonds.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Assigned balances, as approved by the Board of Commissioners, are as follows:

- **Flood Mitigation Project –** The Board of Commissioners has assigned $250,000 to the City of Dover for reimbursements related to the flood mitigation project through Resolution 2024-1.
- **Jaws-of-Life Rescue Tool –** The Board of Commissioners has assigned $16,516 to the City of Dover for reimbursements related to the Jaws-of-Life equipment through Resolution 2024-4.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosers. Accordingly, actual results could differ from those estimates.

Unavailable Tax Revenue – Unavailable property tax revenue in the debt service fund represents the property taxes levied for 2024 that is measurable but unavailable to the Agency, and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

Subsequent Events – Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred.

NOTE 2 Recently Adopted Accounting Guidance

For the year ended September 30, 2024, there was one new GASB statement that became effective. The adoption of the statement has the following effect for the Agency:

GASB Statement No. 100, Accounting Changes and Error Corrections – This statement delineates required note disclosures when there is a reported accounting change or correction of an error. This statement did not have an effect on the financial reporting of the Agency.

NOTE 3 Stewardship, Compliance, And Accountability

Budgetary Data

The Agency follows the procedures established by Idaho Code 50-1002, in establishing the budgetary data reflected in the financial statements. A summary of these procedures are as follows:

a) The Agency publishes a proposed budget for public review

b) Public hearings are set to obtain taxpayer comments

NOTE 3 Stewardship, Compliance, And Accountability

c) Prior to October 1, the budget is adopted by resolution of the Board of Commissioners and published.

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations in conformity with Idaho Statutes.

NOTE 4 Cash and Investments

Deposits

	Carrying Amount	Bank Balance
Cash in bank	1,627,588	1,659,632
Total	$ 1,627,588	$ 1,659,632

Deposits were with Banner Bank of which $250,000 of interest-bearing accounts and non-interest-bearing accounts were covered by Federal Deposit Insurance. The remaining balance of $1,159,632 is in excess of the FDIC insured limit and is uncollateralized and unsecured.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g., broker-dealer) to a transaction, the Agency will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Agency does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The Agency is not subject to credit risk as they have no investments. The Agency does not have a policy regarding credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the Agency is not subject to interest rate risk as they do not have any investments. The Agency does not have a policy regarding interest rate risk.

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when

NOTE 4 Cash and Investments (Continued)

concentration risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The Agency does not have a policy limiting the amount it may invest in any one issuer.

NOTE 5 Property Tax

The Agency's property tax is recognized as an asset at the time the Agency has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2024, the Agency has recognized the 2023 levy as revenue and the tax year 2024 levy as an asset.

Tax Year 2023 Levy (FY2024 Revenue)

The 2023 levy was based on property tax incremental value increases from the formation of the urban renewal agency. The property tax was levied in October 2023 and was due in two equal installments on December 20th and June 20th.

The total tax levy for the year was as follows:

	Amount
Property tax increment	1,762,594
Total	$ 1,762,594

Tax Year 2024 Levy (FY2024 Asset)

The property tax levy for 2024 has been recorded as an asset in the debt service fund in the amount of $1,833,572. This levy is for the FY2025 operations and has been presented as unavailable property tax revenue.

Deferred Revenue

To the extent property taxes are not collected within 60 days of the end of the accounting period, a deferred revenue amount has been recorded.

Total taxes receivable at September 30, 2024	2,756
Less: Taxes estimated to be collected by the County Treasurer by November 30, 2024	-
Deferred revenue	$ 2,756

NOTE 6 Long-Term Debt

Loan

On November 18, 2008, an agreement was signed between the City of Dover and Dover Urban Renewal Agency. The City of Dover loaned the Agency $1,174,095. The loan shall be immediately due and payable on the date of termination of the Amended Plan in 2030. The unpaid principal amount of the loan and any advances shall accrue interest at a variable rate equal to the monthly distribution yield of the Idaho State Treasurer's Local Government Investment Pool. The loan agreements specify that interest due annual upon receipt of written request for payment by the lender to the borrower. The City paid Dover Urban Renewal Agency another $60,591 in hookups per agreement as of March 31, 2016, increasing the note payable to $1,234,686 as of September 30, 2016. Beginning in March 2016, the City will not pay the agency for connection fees that were subject to the previous loan agreement.

Bonds

In June 2016, the Dover Urban Renewal Agency signed bond documents to refinance their Tax Revenue Allocation Refunding Bonds in the amounts of $4,760,459 (2016A Bond) and $1,354,729 (2016B Bond). The Series 2016A Bond is subject to an interest rate of 3.25% per annum through August 1, 2030. The Series 2016B Bond is subject to an interest rate of 4.85% per annum through August 1, 2030. Interest shall be computed on the basis of a year of 360 days and actual days elapsed. The 2016A Bond shall be payable in semi-annual payments, consisting of principal and accrued interest, commencing on February 1, 2018, continuing thereafter on the 1st day of each February and August until payment in full.

Payments made on February 1st and August 1st will be in the amount of $208,563 through August 1, 2030. The 2016B Bond shall be payable in semi-annual payments, consisting of principal and accrued interest, commencing on February 1, 2018, continuing thereafter on the 1st day of each February and August until payment in full. Payments made on February 1st and August 1st will be in the amount of $66,235 through August 1, 2030.

Bond covenants require a reserve account in the amount of the annual debt service on the bonds and a debt service account in the amount of the minimum amount to pay the next semiannual debt payment. All revenue allocation proceeds as received shall be deposited in the revenue account to replenish the reserve account or debt service in order to maintain required balances. Amounts available in the debt service account shall be applied to pay the semi-annual installments of principal and interest on the bond and to redeem principal of the bond. On any semi-annual payment date for the bond, if money in the debt service account is insufficient to make the payment of principal and interest due on such date, money shall be transferred from the reserve account to the debt service account to make up such deficiency. Revenue allocation proceeds shall thereafter be deposited into the reserve account until such account is restored to the necessary required amounts. Any remaining funds may be transferred into the general fund account if there is no deficiency in the bond reserve account and the agency has replenished the debt service account.

NOTE 6 Long-Term Debt (Continued)

Bond payable activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Issued	Payments	Ending Balance	Due within One Year
Series A Bond 2016	2,751,461	-	(328,888)	2,422,573	341,236
Series B Bond 2016	822,390	-	(93,044)	729,346	98,339
Total bond payable at September 30, 2024	$ 3,573,851	$ -	$ (421,932)	$ 3,151,919	$ 439,575

Bond payment requirements at September 30 will be as follows:

Bond Series 2016A

Year Ended 9/30/	Principal	Interest	Total
2025	341,236	75,889	417,125
2026	352,417	64,708	417,125
2027	363,963	53,162	417,125
2028	375,888	41,237	417,125
2029	388,204	28,921	417,125
2030	600,865	16,202	617,067
Totals	$2,422,573	$280,119	$2,702,692

Bond Series 2016B

Year Ended 9/30/	Principal	Interest	Total
2025	98,339	34,132	132,471
2026	103,167	29,304	132,471
2027	108,231	24,240	132,471
2028	113,544	18,927	132,471
2029	119,117	13,354	132,471
2030	186,948	7,506	194,454
Totals	$ 729,346	$127,463	$ 856,809

NOTE 6 Long-Term Debt (Continued)

Summary

Year Ended 9/30/	Principal	Interest	Total
2025	439,575	110,021	549,596
2026	455,584	94,012	549,596
2027	472,194	77,402	549,596
2028	489,432	60,164	549,596
2029	507,321	42,275	549,596
2030	787,813	23,708	811,521
Totals	$3,151,919	$407,582	$3,559,501

NOTE 7 Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Agency is protected from such losses by City of Dover's commercial insurance policy.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Variances Favorable (Unfavorable) Final to Actual
REVENUES	-	-	-	-	-
EXPENDITURES					
Operations:					
Advertising	-	-	277	(277)	(277)
Audit	7,000	7,000	7,150	(150)	(150)
Office expense	18,000	18,000	288	17,712	17,712
Professional fees	-	-	20,528	(20,528)	(20,528)
Consulting and administrative expenses	30,000	30,000	3,895	26,105	26,105
Public improvements	1,000,000	1,000,000	944,438	55,562	55,562
Insurance	-	-	2,172	(2,172)	(2,172)
Local government rebate	-	-	30,000	(30,000)	(30,000)
Debt service:					
Principal payment	500,000	500,000	500,000	-	-
Interest payment	25,000	25,000	52,681	(27,681)	(27,681)
Contingency reserve	272,000	272,000	-	272,000	272,000
Total expenditures	1,852,000	1,852,000	1,561,429	290,571	290,571
Excess (deficiency) of revenues over (under) expenditures	(1,852,000)	(1,852,000)	(1,561,429)	290,571	290,571
Other financing sources (uses)					
Transfer in	-	-	1,268,602	1,268,602	1,268,602
Net change in fund balance	$ (1,852,000)	$ (1,852,000)	(292,827)	$ 1,559,173	$ 1,559,173
Fund balance - beginning			1,048,833		
Fund balance - ending			$ 756,006		

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Variances Favorable (Unfavorable) Final to Actual
REVENUES					
Property tax	1,700,000	1,700,000	1,795,236	95,236	95,236
Interest earnings	2,000	2,000	54,065	52,065	52,065
Total revenues	1,702,000	1,702,000	1,849,301	147,301	147,301
EXPENDITURES					
Principal payments	425,000	425,000	421,932	3,068	3,068
Interest payments	125,000	125,000	127,664	(2,664)	(2,664)
Total expenditures	550,000	550,000	549,596	404	404
Excess (deficiency) of revenues over (under) expenditures	1,152,000	1,152,000	1,299,705	147,705	147,705
Other financing sources (uses)					
Transfer out	-	-	(1,268,602)	(1,268,602)	(1,268,602)
Net change in fund balance	$ 1,152,000	$ 1,152,000	31,103	$ (1,120,897)	$ (1,120,897)
Fund balance - beginning			839,745		
Fund balance - ending			$ 870,848		