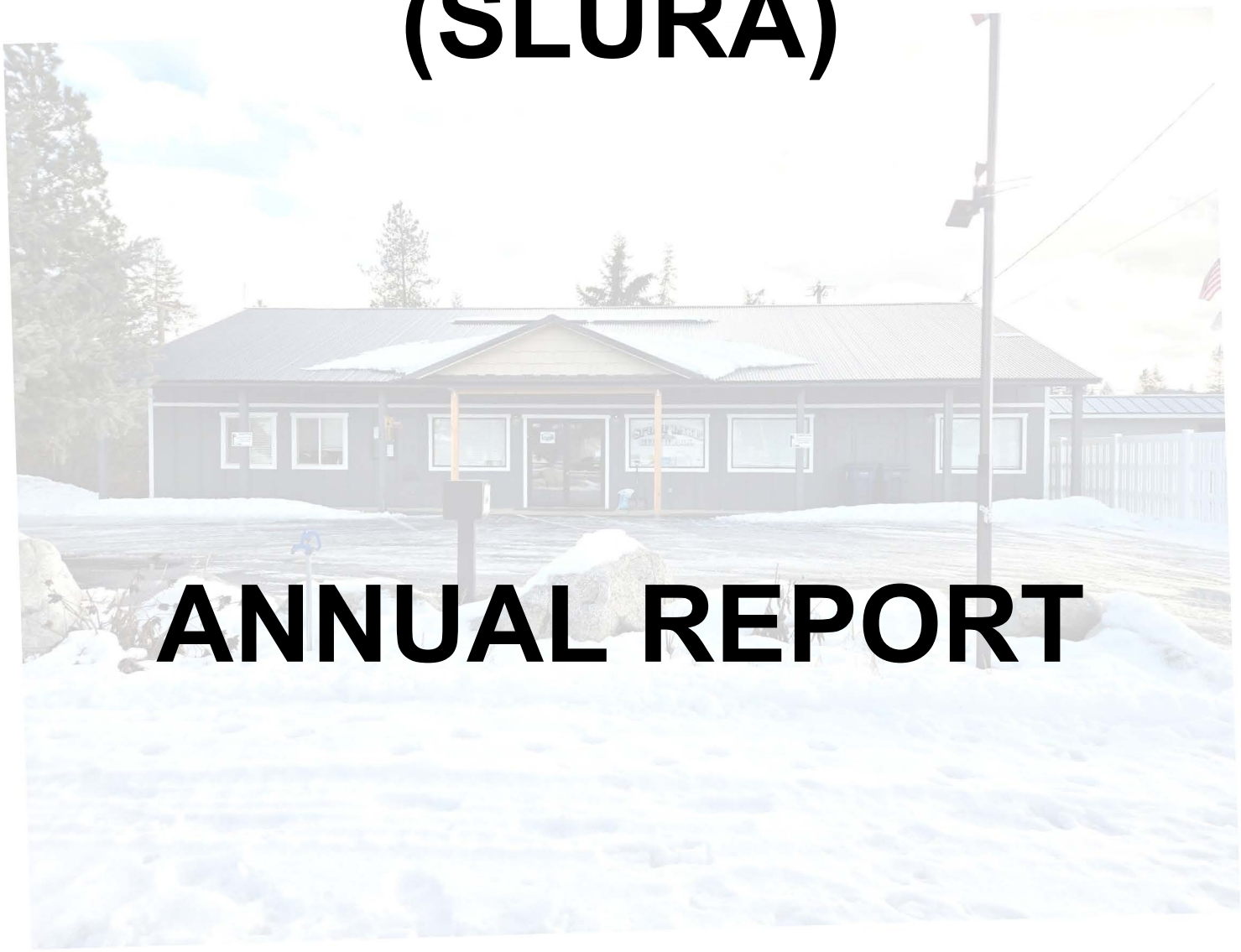
SPIRIT LAKE
URBAN RENEWAL AGENCY
(SLURA)



ANNUAL REPORT

For the Calendar Year Ending

December 31, 2024

COMMISSION MEMBERS:

Becky DeMers	Chairperson
_____	Vice-Chair

(Craig Richards served as VP 01.24 - 05.24)

Melissa Hallas	Treasurer
Marc Kroetch	Commissioner
Paul Sturm	Commissioner



STAFF MEMBERS:

Vicki Coombs	Office Assistant for SLURA / City of Spirit Lake
Taylor Lander	Deputy Clerk II / City of Spirit Lake

2024 Accomplishments:

- SL Historic Preservation Commission, 3/24, $ 6,450.00
  Spirit Lake Historical Preservation Commission –
  Completion of Architectural Plans for Woolen Brown Building.

- SL Parks & Recreation, 6/24, $ 15,000.00
  New Tables & Trash Bins

- SL Public Works, 6/24, $ 22,087.50
  Paving of Alleyway, Rhode Island & Massachusetts/4th & 5th Avenues.

- SL Public Works, 8/24, $ 1,200.00
  Spirit Lake Public Works – Striping at back of City Hall,
  Volunteer Park & Fireside Park.

- SL Public Works, 8/24, $ 8,450.00
  Striping at Maine Street Boat Launch

- SL Public Works, 8/24, $ 18,435.60
  Community Center, Top Seal Coat & City Hall Front Parking Lot.

- SL Public Works, 8/24, $ 17,588.85
  Repairs on Shed & Restroom Roof at Big Park

- Spirit Lake Public Works, 9/24
  City Hall Rood & Dormer Project $ 35,050.00

- SL Parks & Recreation, 9/24, $ 24,000.00
  New Bleachers for Volunteer Park

- SL Public Works, 10/24
  Paint for Big Park Restrooms & Shed $ 512.28

- SL Public Works, 10/24
  Additional Funds Needed, City Hall
  Roof & Dormer Project $ 6,520.00

TOTAL PROJECT DOLLARS $155,294.23

2024 Open Commitments:

SL Public Works, 11/23 **$ 650,000.00**

(This was a change of Commitment from $1,300,000.00 to $650,000.00 for Well #6. Well #7 & #8 will not be started until after 12/2025 and City/SLURA District realized that Wells #7 & #8 property was not in SLURA District and cannot be annexed in at this time).

Amount Paid to Date as of 2/10/25 $24,174.70

SL Historic Preservation Commission, 4/24
Northwest Vernacular Inc., Preservation Plan **$ 20,142.00**
Amount Paid to Date as of 2/10/25 $14,839.43

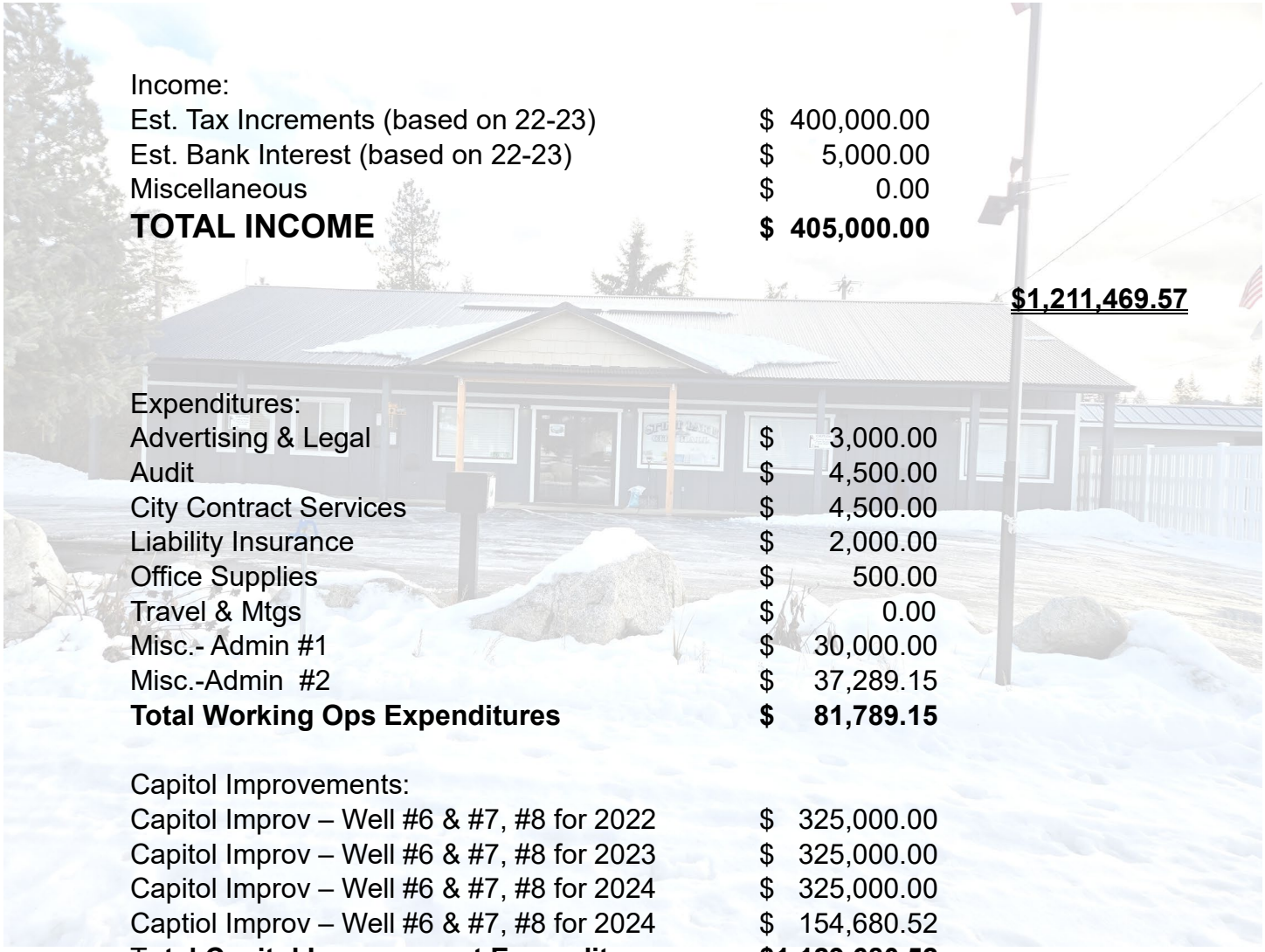
SL Public Works, 10/24
Cemetery Cremation Memorial Project **$ 35,502.00**

SL Public Works, 10/24
City Water System Improvement
For Fire Control-Mainline 14th Street **$ 531,900.00**
Amount Paid to Date as of 2/10/25 $4,884.55

TOTAL OPEN COMMITMENTS $1,237,544.00

SPIRIT LAKE URBAN RENEWAL AGENCY (SLURA)

FY 2023–2024 APPROVED BUDGET
(Approved 08.14.2023)

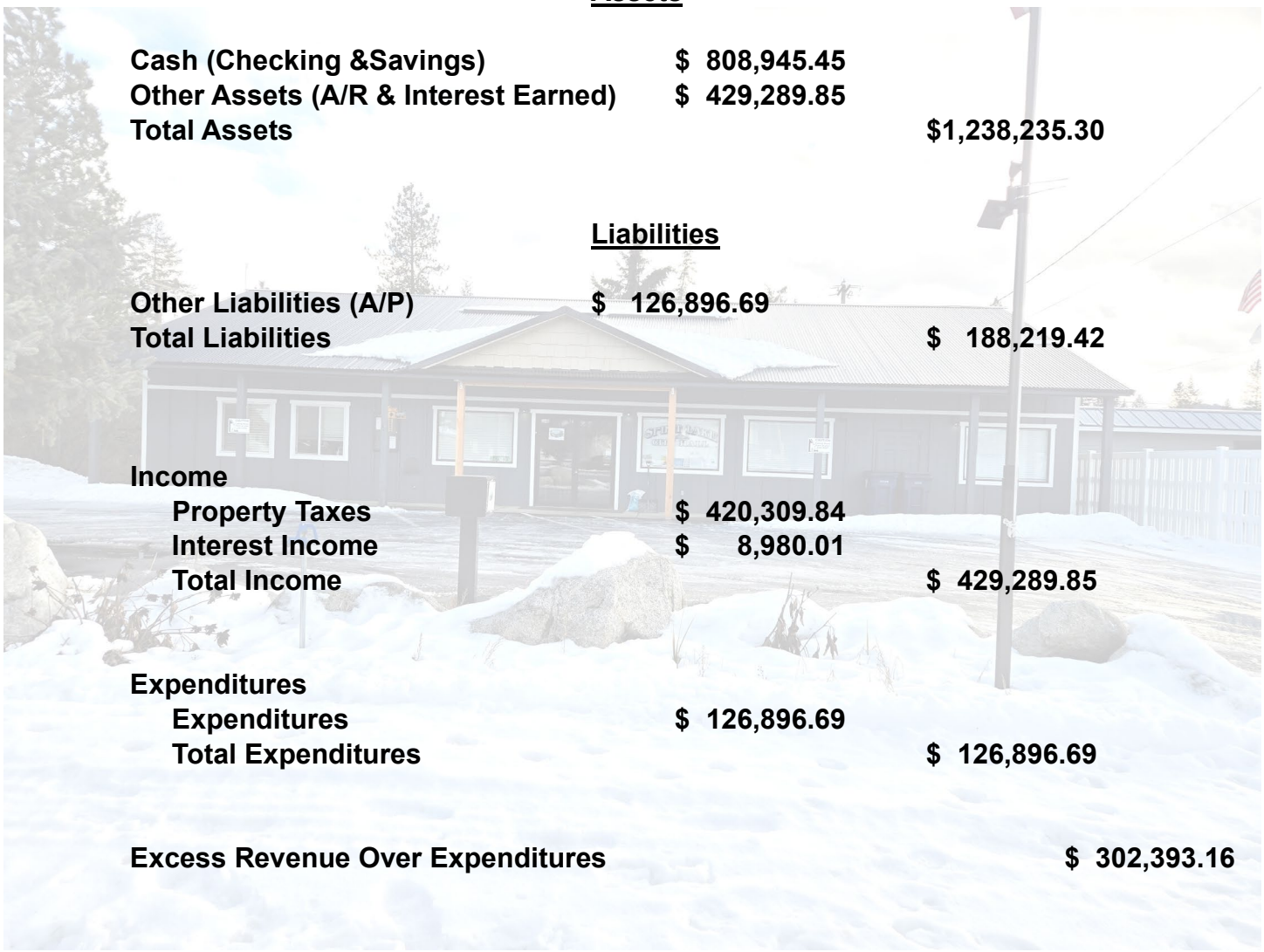


Beg. Fund Balance 10.01.2023 (est.)	$ 806,469.67	
Income:		
Est. Tax Increments (based on 22-23)	$ 400,000.00	
Est. Bank Interest (based on 22-23)	$ 5,000.00	
Miscellaneous	$ 0.00	
TOTAL INCOME	**$ 405,000.00**	
		$1,211,469.57
Expenditures:		
Advertising & Legal	$ 3,000.00	
Audit	$ 4,500.00	
City Contract Services	$ 4,500.00	
Liability Insurance	$ 2,000.00	
Office Supplies	$ 500.00	
Travel & Mtgs	$ 0.00	
Misc.- Admin #1	$ 30,000.00	
Misc.-Admin #2	$ 37,289.15	
Total Working Ops Expenditures	**$ 81,789.15**	
Capitol Improvements:		
Capitol Improv – Well #6 & #7, #8 for 2022	$ 325,000.00	
Capitol Improv – Well #6 & #7, #8 for 2023	$ 325,000.00	
Capitol Improv – Well #6 & #7, #8 for 2024	$ 325,000.00	
Captiol Improv – Well #6 & #7, #8 for 2024	$ 154,680.52	
T**otal Capitol Improvement Expenditures**	**$1,129,680.52**	
TOTAL EXPENDITURES	**$1,211,469.57**	**$1,211,469.57**

SPIRIT LAKE URBAN RENEWAL AGENCY (SLURA)

BALANCE SHEET

For Twelve Months of the FISCAL Year 2024
10/01/2023 – 09/30/2024 (Accural Method)
(Unaudited)



Assets

Cash (Checking &Savings)	$ 808,945.45	
Other Assets (A/R & Interest Earned)	$ 429,289.85	
Total Assets		$1,238,235.30

Liabilities

Other Liabilities (A/P)	$ 126,896.69	
Total Liabilities		$ 188,219.42

Income		
Property Taxes	$ 420,309.84	
Interest Income	$ 8,980.01	
Total Income		$ 429,289.85

Expenditures		
Expenditures	$ 126,896.69	
Total Expenditures		$ 126,896.69

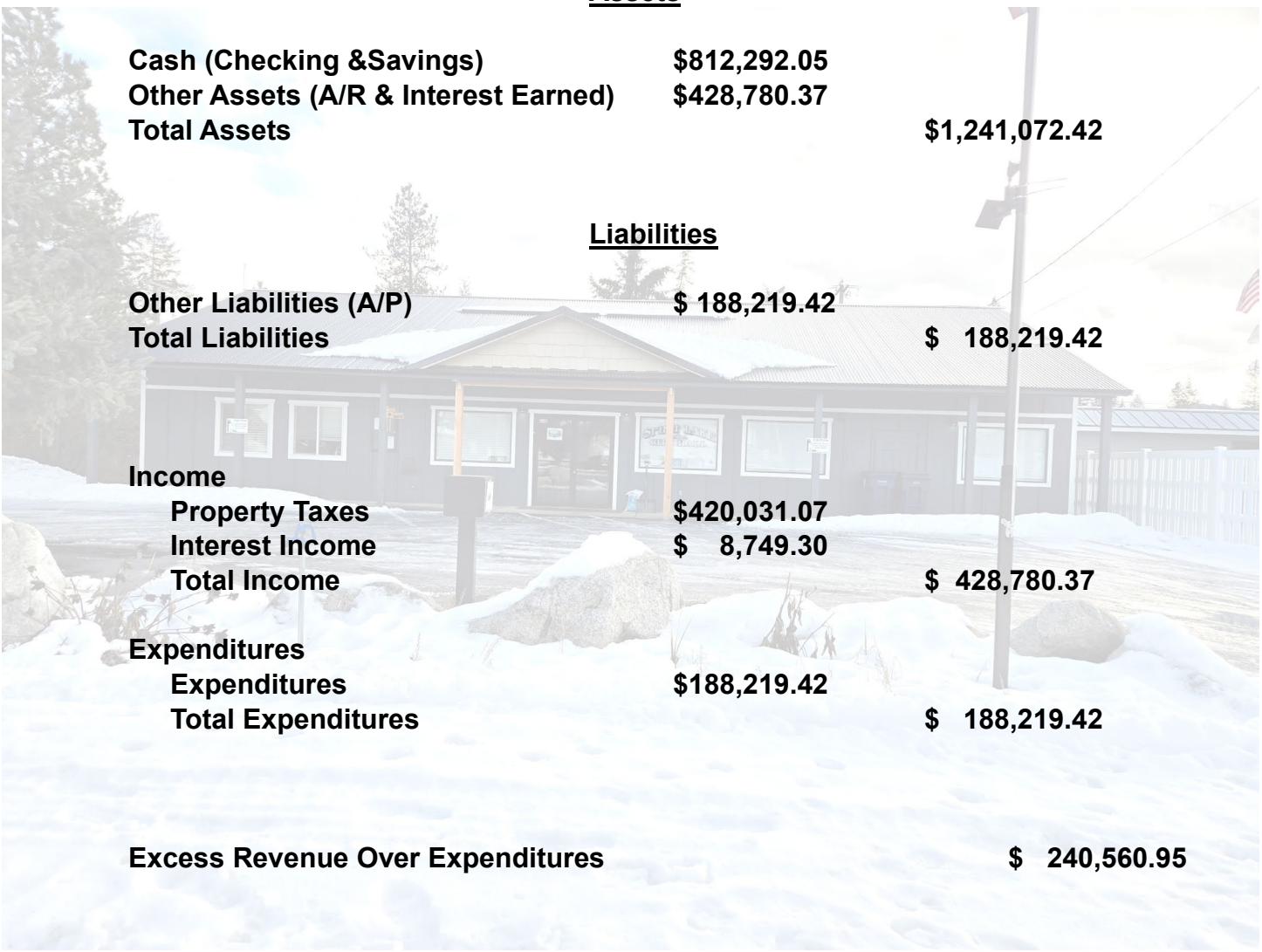
Excess Revenue Over Expenditures $ 302,393.16

Beg Fund Balance as of 01.01.2024	$1,113,815.08
Ending Fund Balance as of 12.31.2024	$1,057.553.52

SPIRIT LAKE URBAN RENEWAL AGENCY (SLURA)

BALANCE SHEET

For Twelve Months of the CALENDAR Year 2024
01/01/2024 – 12/31/2024 (Accural Method)
(Unaudited)



Assets

Cash (Checking &Savings)	$812,292.05	
Other Assets (A/R & Interest Earned)	$428,780.37	
Total Assets		$1,241,072.42

Liabilities

Other Liabilities (A/P)	$ 188,219.42	
Total Liabilities		$ 188,219.42

Income		
Property Taxes	$420,031.07	
Interest Income	$ 8,749.30	
Total Income		$ 428,780.37
Expenditures		
Expenditures	$188,219.42	
Total Expenditures		$ 188,219.42

Excess Revenue Over Expenditures **$ 240,560.95**

Beg Fund Balance as of 01.01.2024	$1,113.815.08
Ending Fund Balance as of 12.31.2024	$1,057.553.52

OVERALL ACCOMPLISHMENTS:

2023

New Commitment – SL Historic Preservation Committee
Woolen Brown Bldg – Demo Project
(Lathe & Plaster Work) $ 11,000.00

2022

New Water Tank – 2nd Installment $149,999.54
$500,000.00 Project Completed

2021

SL Public Works – Street Paving, 10th Avenue $ 31,500.00
SL Public Works - Water Tank #3 $350,000.46

2020

SL Public Workshop, Well #5 $ 78,264.00
SL Public Works – Street Paving, Maine Street $111,648.00

2019

SL Public Works – Street Paving $223,804.00
SL Public Works – New Well #5 $323,862.00
SL Fire Department – Brush Truck $ 38,500.00
SL Public Works – Cemetery Paving & Shed $ 26,056.00

2018

Police Department, Awning & Door $ 14,753.00
SL Parks & Recreation

Small Park Mural	$ 1,500.00
Police Department, Phone System	$ 10,354.00
SL Public Works, Lift Stations Auto Dialers, Generator & Fence	$ 8,120.00
SL Historic Preservation Committee	
Woolen Brown Bldg, Paul Matthews Architect	$ 4,000.00

2017

Fire Department, Water Tender #2	$ 35,000.00
SL Historic Preservation Committee	
Woolen Brown Bldg., Door & Sash	$ 6,219.00
SL Parks & Recreation	
Volunteer Park Improvements	$ 42,882.00

2016

SL Public Works, Crossing Lights	$ 10,000.00
SL Parks & Recreation	
Fireside Park Improvements	$ 38,824.00
Volunteer Park Improvements	$ 70,261.00

2015

Fire Department, Water Tender #1	$ 95,328.00
SL Parks & Recreation	
Fireside Park Improvements	$ 80,450.00

2014

SL Parks & Recreation	
Fireside Park Improvements	$ 59,158.00

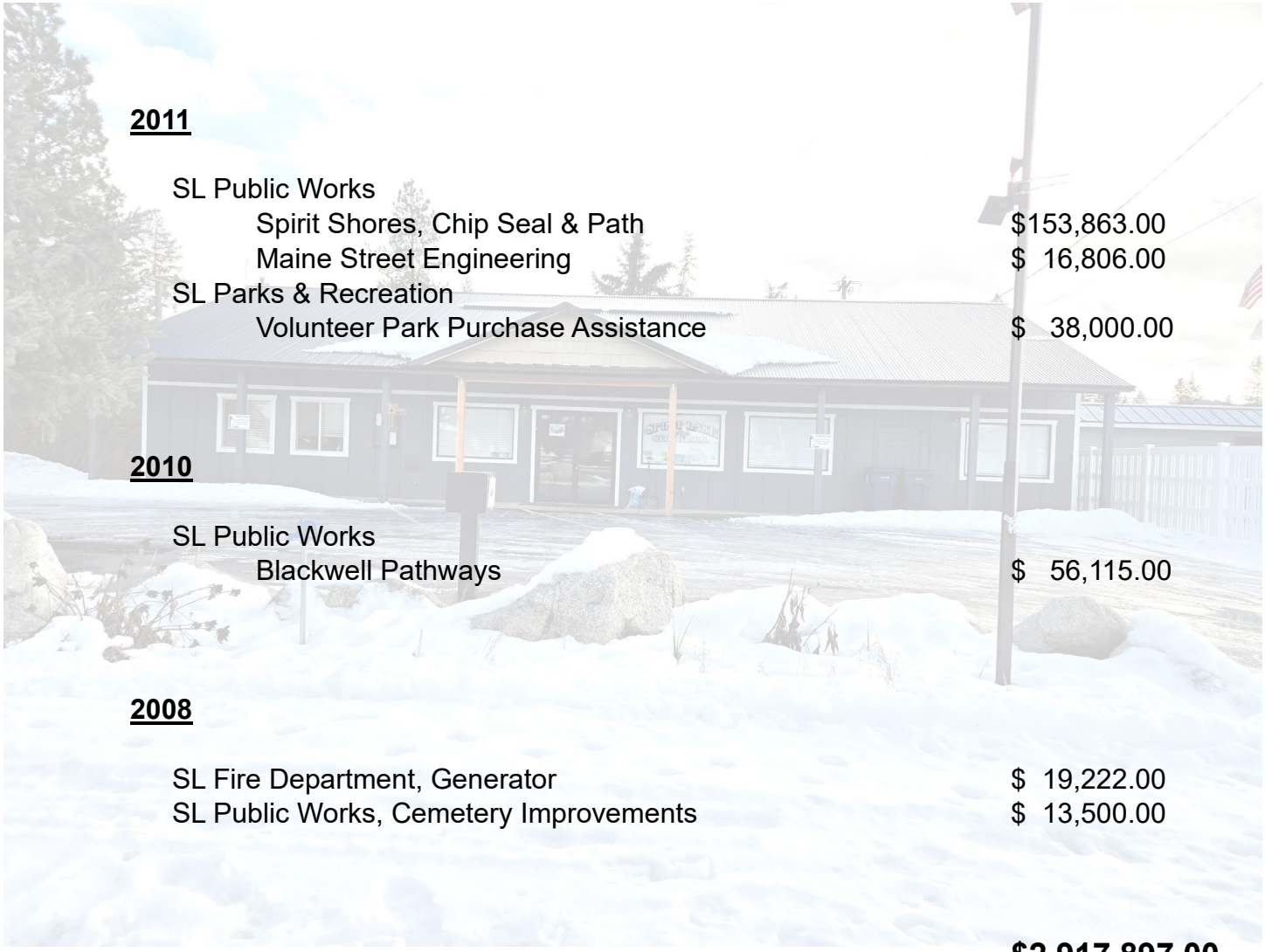
2013

SL Parks & Recreation	
Volunteer Park Improvements	$ 47,925.00
Fireside Park Purchase	$500,412.00

Maine Street Revitalization	$ 7,312.00

2012

SL Parks & Recreation	
Big City Park Lights	$ 4,899.00
Volunteer Park Improvements	$ 8,700.00
Maine Street Revitalization	$229,660.00



2011

SL Public Works	
Spirit Shores, Chip Seal & Path	$153,863.00
Maine Street Engineering	$ 16,806.00
SL Parks & Recreation	
Volunteer Park Purchase Assistance	$ 38,000.00

2010

SL Public Works	
Blackwell Pathways	$ 56,115.00

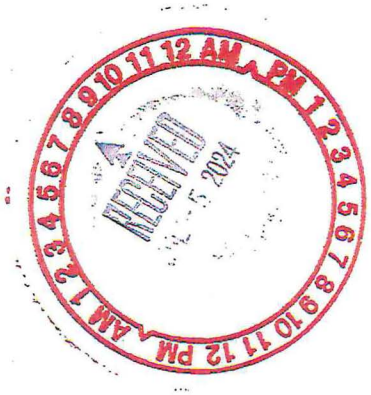
2008

SL Fire Department, Generator	$ 19,222.00
SL Public Works, Cemetery Improvements	$ 13,500.00

$2,917,897.00

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY



June 24, 2024

Spirit Lake Urban Renewal Agency
PO Box 309
Spirit Lake, ID 83869

Dear Board of Commissioners-

We have audited the financial statements of the governmental activities and each major fund of Spirit Lake Urban Renewal Agency for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 23, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Spirit Lake Urban Renewal Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements noted during the audit. We proposed three adjusting journal entries as a result of non-attest services, which management has approved and posted.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 24, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – All Governmental Fund Types, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

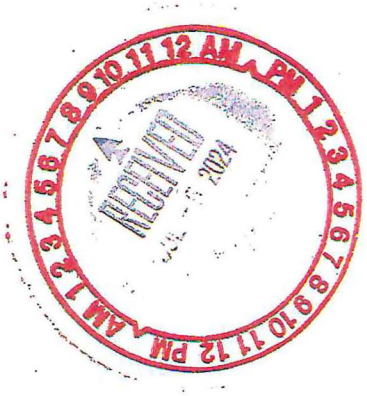
Restriction on Use

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

Very truly yours,

Alpine Summit CPAs

Alpine Summit, CPAs



SPIRIT LAKE URBAN RENEWAL AGENCY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
September 30, 2023

Prepared by

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITORS' REPORT

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

Office (208) 777-1099 Fax (202) 773-5108
1810 E. Schneidmiller Ave, Ste 310
Post Falls, ID 83854

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Spirit Lake Urban Renewal Agency
Spirit Lake, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Spirit Lake Urban Renewal Agency, component unit of the City of Spirit Lake, as of September 30, 2023, and for the year then ended and the related notes to the financial statements, which collectively comprise the Spirit Lake 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 the Spirit Lake Urban Renewal Agency, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Spirit Lake 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 these 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 Spirit Lake 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 the Spirit Lake 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 the Spirit Lake 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 budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, on our consideration of the Spirit Lake 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 Spirit Lake Urban Renewal 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 Spirit Lake Urban Renewal Agency's internal control over financial reporting and compliance.

Alpine Summit CPAs

Alpine Summit CPAs
June 24, 2024

BASIC FINANCIAL STATEMENTS

SPIRIT LAKE URBAN RENEWAL AGENCY
Statement of Net Position
September 30, 2023

ASSETS		
Cash and Cash Equivalents	$	808,945
Property Taxes Receivable		10,327
Prepaid expenses		1,000
Total Assets		820,272
LIABILITIES		
Accounts Payable		413
Total Liabilities		413
NET POSITION		
Unrestricted		819,859
Total Net Position	$	819,859

See accompanying notes to the financial statements
and auditors' report

SPIRIT LAKE URBAN RENEWAL AGENCY
Statement of Activities
Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants & Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
General Government	$ 7,094	$ -	$ -	$ -	$ (7,094)
Public Facilities and Infrastructure Improvements	11,000	-	-	-	(11,000)
Total Governmental Activities	$ 18,094	$ -	$ -	$ -	(18,094)
General Revenues:					
Property Taxes					418,035
Interest/Investment Income					4,592
Total general revenues and transfers					422,627
Change in Net Position					404,533
Net position-beginning					415,326
Net position-ending					$ 819,859

See accompanying notes to the financial statements
and auditors' report

SPIRIT LAKE URBAN RENEWAL AGENCY
Balance Sheet
Governmental Fund
September 30, 2023

ASSETS		
Cash and Cash Equivalents	$	808,945
Property Tax Receivable		10,327
Prepaid expenses		1,000
Total Assets	$	820,272
LIABILITIES		
Accounts Payable	$	413
Total Liabilities		413
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - property taxes		8,397
Total deferred inflows of resources		8,397
FUND BALANCE		
Non-spendable		1,000
Unassigned:		810,462
Total Fund Balance		811,462
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$	820,272

Reconciliation of the governmental funds balance sheet to the statement of net position:

Total fund balances at September 30, 2023 - Governmental Funds	$	811,462
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Elimination of unavailable revenue - property taxes		8,397
Net position of governmental activities at September 30, 2023	$	819,859

See accompanying notes to the financial statements
and auditors' report

SPIRIT LAKE URBAN RENEWAL AGENCY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
Year Ended September 30, 2023

Revenues		
Property Taxes	$	419,345
Interest and Investment Earning		4,592
Total Revenues		423,937
Expenditures		
General Government		7,094
Public Facilities and Infrastructure Improvements		11,000
Total Expenditures		18,094
Excess (Deficiency) of Revenues Over Expenditures		405,843
Fund Balance - October 1,		405,619
Fund Balance - September 30,	$	811,462

Reconciliation of the statement of revenue, expenditures and changes in fund balances of the governmental funds to the statement of activities:

Net Change in Fund Balances - total governmental funds	$	405,843
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,310)
Change in net position of governmental activities for the year ended September 30, 2023	$	404,533

See accompanying notes to the financial statements and auditors' report

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Spirit Lake 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. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

Spirit Lake 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 Spirit Lake Urban Renewal Agency. The Agency is included in the City of Spirit Lake, 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 Spirit Lake, Idaho in conformity with GAAP.

Under the Idaho Code, in December 2005, the Spirit Lake City Council passed an ordinance that created the Spirit Lake Urban Renewal Agency. The Agency was established to promote urban development and improvement in and around the City of Spirit Lake. 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 issued are not a debt of the City. Spirit Lake City Council is not responsible for approving the Agency budget or funding any annual deficits. The Agency controls disbursements independent of City Council.

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

Basic Financial Statements

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 accounts of the Agency are organized on the basis of only one governmental fund. The general fund is the only fund used by the Agency. The Agency does not have any business-type activities. Therefore, both the government-wide and the fund financial level consist of only the Agency's general fund.

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. Reconciliation between the government-wide financial statements and the fund financial statements is also presented.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)
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.

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 includes cash on hand, amounts due from banks, and cash with a fiscal agent.

Receivables
All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance for uncollectibles for property taxes was $-0- at September 30, 2023.

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

In addition to liabilities, the statement of net 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. The Agency has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources of specific purposes. The government itself can establish limitation on the use of resources through either a committed (committed fund balance) or an assignment (assigned fund balance).

Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by Board of Commissioner's resolution. This includes the budget reserve account.

Assigned—Amounts that are designated by the executive director for a specific purpose but are not spendable until a budget resolution is passed by the Board of Commissioners.

Unassigned—All amounts not included in other spendable classifications.

Restricted funds are used first as appropriate. Assigned Funds are utilized to the extent that expenditure authority has been budgeted by the Board of Commissioners or the Assignment has been changed by the Board of Commissioners. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order. The Agency reserves the right to selectively spend Unassigned resources.

Property Tax and Unavailable Property Tax Revenues

The Agency's property taxes are levied each November on the assessed value listed as of the previous December tax rolls. Assessed values are an approximation of market value. Assessed values are established by the County Assessor. Property tax payments are due in one-half installments every December and June. The County Treasurer remits the appropriate collected taxes to the Agency on a monthly basis.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax and Unavailable Property Tax Revenues (Continued)

Property taxes are recognized when measurable and available to finance current expenditures. The criterion of available has been defined as having been received within 60 days after year-end. Any portion of taxes receivable not meeting this criteria are recorded in the deferred inflows of resources for unavailable property taxes account and will be recognized as revenue when measurable and available.

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 disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

General

State statutes authorize the Agency's investments and deposits. The Agency is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial Credit Risk

Custodial credit risk that, in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency does not have a deposit policy for custodial credit risk as it deposits funds in financial institutions that are members of the U.S. Federal Deposit Insurance Corporation (FDIC) and has never experienced such a loss. As of September 30, 2023, the Agency's deposits were exposed to custodial credit risk as follows:

Deposits without exposure to custodial credit risk:	
Amount insured by FDIC or other agencies	$ 250,500
Deposits with exposure to custodial credit risk:	
Amount collateralized with securities held in trust, but not in Agency's name	-
Amounts uninsured and uncollateralized -exposed to custodial credit risk	558,445
Total bank balance (deposits)	$ 808,945

Statement of net position	
Cash and cash equivalents	$ 808,945

Cash and cash equivalents at September 30, 2023 consist of the following:	
Cash	
Deposits with financial institutions	$ 500
Cash equivalents	
Money market funds and savings	808,445
	$ 808,945

See independent auditors' report

NOTE 3 – 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 contracts with an insurance company, Idaho Counties Risk Management Program (ICRMP), for property insurance and general liability insurance.

REQUIRED SUPPLEMENTARY INFORMATION

SPIRIT LAKE URBAN RENEWAL AGENCY
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual – All Governmental Fund Types
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$340,798	$340,798	$419,345	$ 78,547
Interest and Investment Earnings	667	667	4,592	3,925
Total Revenues	341,465	341,465	423,937	82,472
Expenditures				
Public Facilities and Infrastructure Improvements	661,000	661,000	11,000	(650,000)
General Government	48,725	48,725	7,094	(41,631)
Total Expenditures	709,725	709,725	18,094	(691,631)
Excess (Deficiency) of Revenues Over Expenditures	(368,260)	(368,260)	405,843	774,103
Fund Balance - October 1,	368,260	368,260	405,619	37,359
Fund Balance - September 30,	$ -	$ -	$811,462	$ 811,462

See accompanying notes to the financial statements and independent auditors' report.

SPIRIT LAKE URBAN RENEWAL AGENCY
Notes to the Budget and Actual Schedule
Year Ended September 30, 2023

Budgetary information

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund.

This is in conformance with Idaho State Statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation.

Reported budgeted amounts are as originally adopted or as amended by the Board. Professional management cannot legally amend appropriations within the budget without first seeking Board approval once the budget has been approved. The Board properly approved the original budget and there were no amendments to the budget during the fiscal year 2023.

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 appropriation.

See accompanying notes to the financial statements and independent auditors' report.

REPORT REQUIRED BY GAO

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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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*

Board of Commissioners
Spirit Lake Urban Renewal Agency
Spirit Lake, ID

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, each major fund of the Spirit Lake Urban Renewal Agency, a component unit of the City of Spirit Lake, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Spirit Lake Urban Renewal Agency's basic financial statements, and have issued our report thereon dated June 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Spirit Lake 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 the Spirit Lake Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Spirit Lake 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 may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Spirit Lake Urban Renewal Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alpine Summit CPAs

Alpine Summit CPAs
June 24, 2024