

2025 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 2025 Calendar Year, the Agency held ten meetings.

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

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: 2024 ANNUAL REPORT

At the March 19th, 2025, meeting, Chairman William Riggins opened a public hearing for the 2024 Annual Report. Administrator Leslie Giles gave an overview of the 2024 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 2024 Annual Report was approved by Resolution #2025-01.

SECTION THREE: FY 2024 AUDIT AND FINANCIAL STATEMENTS

At the March 19th, 2025, meeting, Rudd & Company presented the 2024 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, 2024, and not the end of the calendar year.)*

SECTION FIVE: BUDGET FOR FY 2026

At the July 16, 2025, meeting, a public hearing was held to adopt the FY 2026 budget. No objections were given by the public nor agency members. The budget was passed by Resolution #2025-02. The budget can be found in Attachment B of this Report.

SECTION SIX: ACTIVE DISTRICTS

DOWNTOWN DISTRICT

Implementation: 2003

Projected Termination: December 31st, 2027

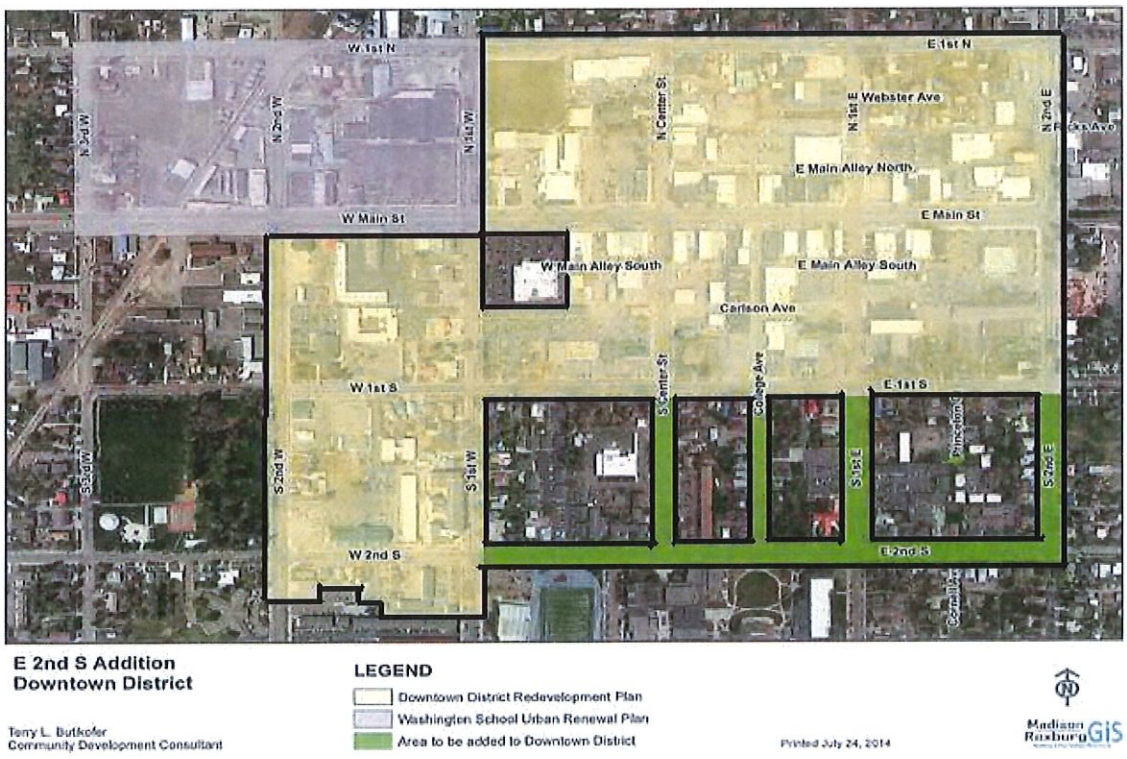
Location: Blocks between and around 2nd West, 2nd East, and 1st North, 2nd South

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 August 20th, 2025, Alpha Development terminated the contract with RURA to develop the 3 sites of 2.8 acres of property in the Downtown District into mixed uses for working, living, shopping, and parking. A new RFP was developed and sent.

A land exchange contract between RURA and Viking Villa was approved on October 16th and finalized through recording on November 7th, 2024. RURA Downtown District paid $106,800 to Viking Villa/MC Jensen & Associates.



Map of the Downtown District (Yellow and Green Parcels)

On October 15, 2025, after months of negotiation, RURA, the City of Rexburg, and Madison County entered into a purchase agreement for 5.72 acres at 30 N. 1st W. Urban Renewal agreed to purchase 4.18 acres (Parcel 2 and 3 in exhibit below) from the School District and plan to keep approximately 1 acre (Parcel 2) for public parking and sell off the remaining acreage (Parcel 3) on the main street side of the parcel to be redeveloped. The City of Rexburg and Madison County agreed to purchase 1.54 acres (Parcel 1) on the North side of the parcel along 1st North. Earnest money was provided by the RURA, the City of Rexburg, and Madison County to secure the sale. The sale is under contract to be completed April 30, 2026.

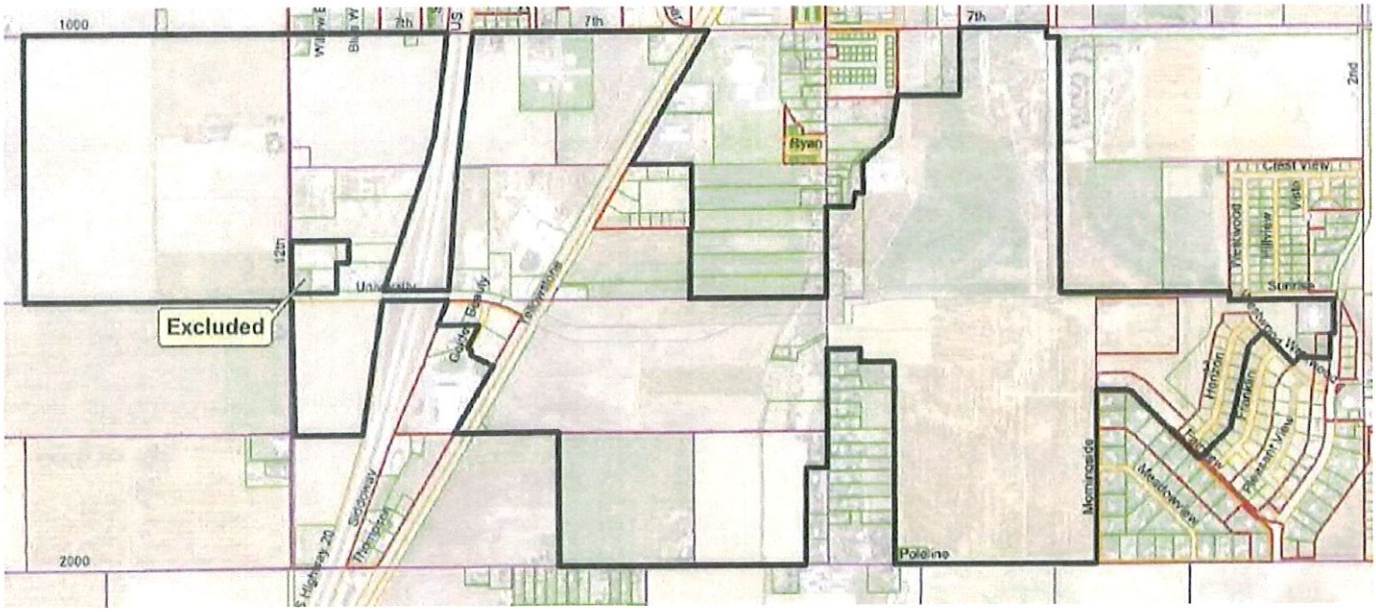
UNIVERSITY BOULEVARD DISTRICT

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.



Map of the University Boulevard District

University Boulevard

In May of 2025, RURA agreed to reimburse the City of Rexburg for the purchase of 5 acres of land from Brigham Young University Idaho (BYUi) in the amount of $200,000. The sale was recorded in October of 2025. RURA is working with the City of Rexburg, who own 3.8 adjacent acres, to build a park on the land.

NORTH INTERCHANGE DISTRICT

Implementation: 2015

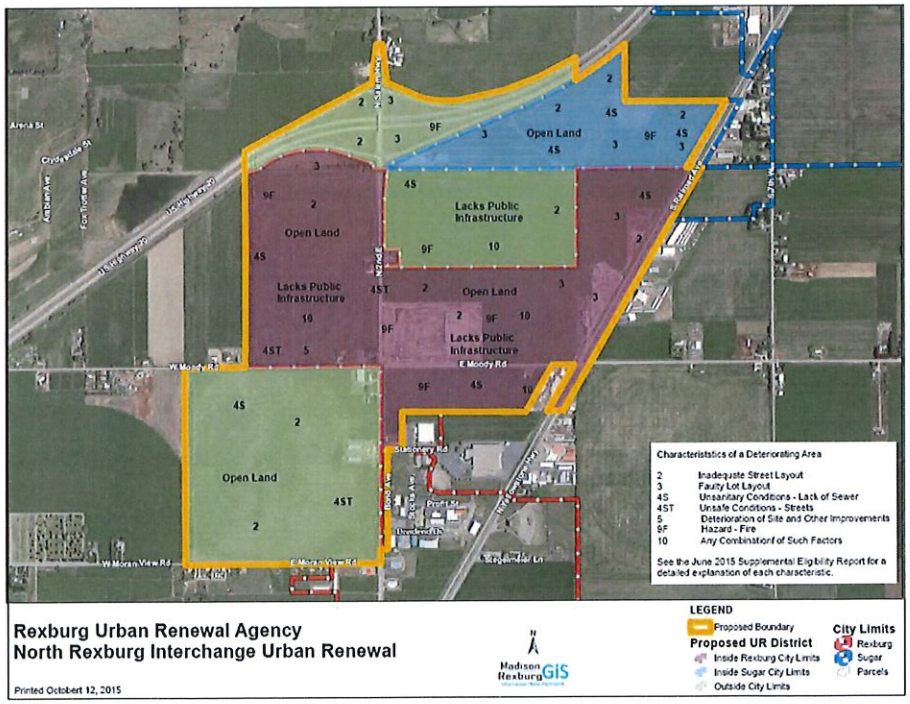
Projected Termination: December 31, 2035

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 continued. RURA reimbursed the City of Rexburg $20,144.73, which was 35% of current expenses related to the new sewer line from 2nd East/Moody Road back to the Wastewater Plant.



Map of the North Interchange District

NORTH CENTRAL DISTRICT

Implementation: 2020

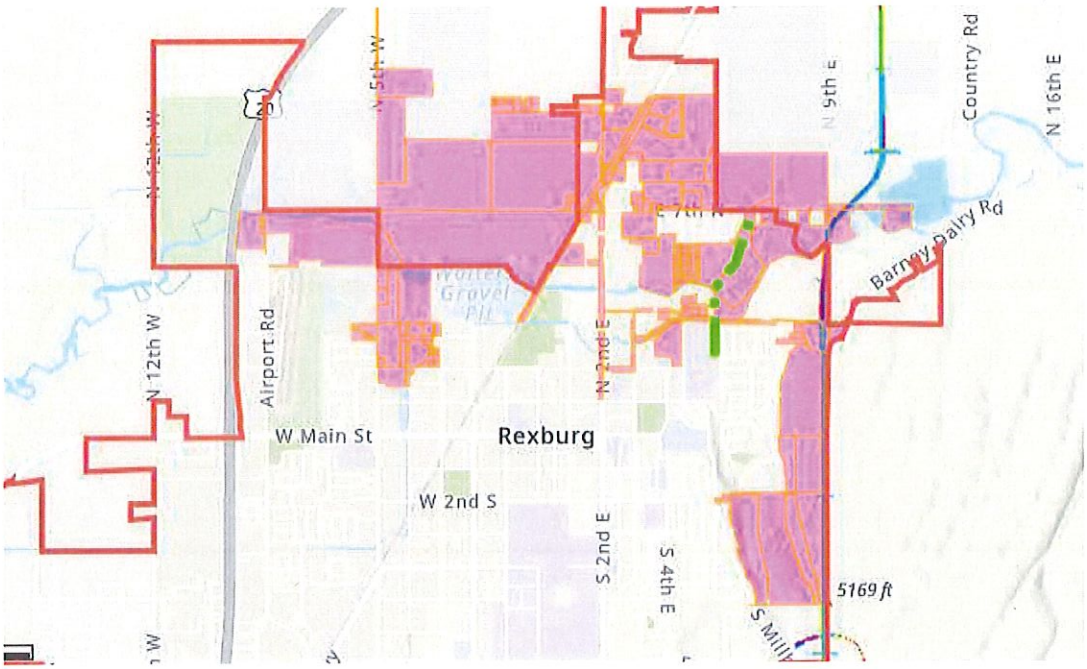
Projected Termination: December 31, 2040

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.

Madison County Fairgrounds

In March of 2025, RURA requested and paid $21,000 for an appraisal to be done on the 23.95 acre tract of land known as Madison County Fairgrounds located at 250 N. 5th W. The appraisal was completed by CBRE Valuation & Advisory Services.



Map of the North Central District (Pink Parcels)

APPENDIX A

FISCAL YEAR 2024 FINANCIAL AUDIT

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

Financial Statements
and
Independent Auditors' Report

September 30, 2024

REXBURG URBAN RENEWAL AGENCY
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September 30, 2024

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RUDD&COMPANY PLLC

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Rexburg Urban Renewal Agency
Rexburg, Idaho

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rexburg Urban Renewal Agency (the "Agency"), a component unit of the City of Rexburg, Idaho, as of and for the year ended September 30, 2024, 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 governmental activities and each major fund of the Agency as of September 30, 2024, 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, including any currently known information that may raise substantial doubt shortly thereafter.

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

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 13, 2025, 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.

Rudd & Company

Rexburg, Idaho
March 13, 2025

REXBURG URBAN RENEWAL AGENCY
Statement of Net Position
September 30, 2024

	Governmental Activities
Assets	
Current Assets	
Cash and investments	$ 8,564,634
Accounts receivable	$ 13,255
Total Current Assets	8,577,889
Noncurrent Assets	
Land	1,986,562
Total Noncurrent Assets	1,986,562
Total Assets	$ 10,564,451
Liabilities	
Current Liabilities	
Accounts payable	$ 691,247
Current portion of bond payable	191,802
Total Current Liabilities	883,049
Noncurrent Liabilities	
Bond payable, net of current portion	2,431,603
Total Noncurrent Liabilities	
Total Liabilities	3,314,652
Net Position	
Invested in capital assets	1,986,562
Restricted	5,189,761
Unrestricted	73,476
Total Net Position	7,249,799
Total Liabilities and Net Position	$ 10,564,451

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

REXBURG URBAN RENEWAL AGENCY
Statement of Activities
For the Year Ended September 30, 2024

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	$ 171,730	$ -	$ -	$ -	$ (171,730)
Project costs	651,516	-	-	-	(651,516)
Bond interest	85,554	-	-	-	(85,554)
Total Governmental Activities	$ 908,800	$ -	$ -	$ -	$ (908,800)
General revenues					
Property taxes					$ 2,270,628
Other revenues					18,531
Unrealized gain					122,574
Interest on investments					282,982
					2,694,715
Change in net position					1,785,915
Net position - beginning					5,463,884
Net position - ending					$ 7,249,799

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, 2024

	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	$ 4,776,023	$ 927,899	$ 1,037,020	$ 278,897	$ 1,470,438	$ 74,357	$ 8,564,634
Accounts receivable	13,255	-	-	-	-	-	13,255
Total Assets	$ 4,789,278	$ 927,899	$ 1,037,020	$ 278,897	$ 1,470,438	$ 74,357	$ 8,577,889
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 36,400	$ 498,121	$ 153,395	$ -	$ -	$ 881	$ 688,797
Rental deposits	2,450	-	-	-	-	-	2,450
Total Liabilities	38,850	498,121	153,395	-	-	881	691,247
Fund Balances							
Unassigned	-	-	-	-	-	73,476	73,476
Restricted	4,750,428	429,778	883,625	278,897	1,470,438	-	7,813,166
Total Fund Balances	4,750,428	429,778	883,625	278,897	1,470,438	73,476	7,886,642
Total Liabilities and Fund Balances	$ 4,789,278	$ 927,899	$ 1,037,020	$ 278,897	$ 1,470,438	$ 74,357	$ 8,577,889

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.	(2,623,405)
Net postition of governmental activities	$ 7,249,799

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

REXBURG URBAN RENEWAL AGENCY
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2024

	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	$ 804,545	$ 380,091	$ 233,627	$ -	$ 852,365	$ -	$ 2,270,628
Other revenue	14,574	-	-	-	-	3,957	18,531
Unrealized gain	37,725	31,923	29,281	-	23,645	-	122,574
Interest income	158,956	47,917	42,496	1,677	31,075	861	282,982
Total Revenues	1,015,800	459,931	305,404	1,677	907,085	4,818	2,694,715
Expenditures							
Administrative	140,502	2,491	767	-	-	27,970	171,730
Construction	-	498,122	153,394	-	-	-	651,516
Bond principal	-	-	-	187,525	-	-	187,525
Interest	-	-	-	84,576	-	-	84,576
Total Expenditures	140,502	500,613	154,161	272,101	-	27,970	1,095,347
Excess (Deficiency) of Revenues over Expenditures	875,298	(40,682)	151,243	(270,424)	907,085	(23,152)	1,599,368
Revenues over (under) expenditures	875,298	(40,682)	151,243	(270,424)	907,085	(23,152)	1,599,368
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	875,298	(40,682)	(120,858)	1,677	907,085	(23,152)	1,599,368
Fund Balance October 1, 2023	3,875,130	470,460	1,004,483	277,220	563,353	96,628	6,287,274
Fund Balance September 30, 2024	$ 4,750,428	$ 429,778	$ 883,625	$ 278,897	$ 1,470,438	$ 73,476	$ 7,886,642

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

REXBURG URBAN RENEWAL AGENCY
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds	$ 1,599,368
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	187,525
Change in net position of governmental activities	$ 1,786,893

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. None of the budgets for the special revenue funds were amended during the year. The Agency adopted a combined budget for the North Interchange Debt Service Reserve Fund and the North Interchange Fund for the fiscal year. 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.

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.

1. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1, defined as observable inputs such as quoted market prices in active markets;
- Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Although the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

Investment in State Investment Pools

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.

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.

1. Summary of Significant Accounting Policies (continued)

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:

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 (admin) fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

1. Summary of Significant Accounting Policies (continued)

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.

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 13, 2025, the date the report was available to be issued.

2. Cash and Investments

Deposits

At September 30, 2024, the carrying amount of the Agency's deposits was $366,438 and the respective bank balances totaled $366,439.

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, 2024, $28,897 of the Agency's total deposits 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, 2024, all of the Agency's investments totaling $8,198,196 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.

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	$ 688,103	8.39%
United States Treasury	Treasury Notes	$ 1,266,410	15.45%

2. Cash and Investments (continued)

Investments

The Agency's investments at September 30, 2024, are summarized below:

	WAM (Years)	S&P Rating	Fair Value	Investment Maturities: Less than 1	1-5	6-10
State Diversified Bond Fund	2.67	N/A	$ 111,844	$ 52,455	$ 46,415	$ 12,974
State Investment Pool	0.023	N/A	3,739,956	3,683,857	56,099	-
Time Value Investments						
Money Market		N/A	123,862	123,862	-	-
CD's	1.23	N/A	4,222,534	1,975,337	2,247,197	-
Total Investments			$ 8,198,196	$ 5,835,511	$ 2,349,711	$ 12,974

The Agency's investment fair market value measurements are as follows at September 30, 2024:

	Fair Value Measurement Classification: Level 1	Level 2	Level 3	Total
State Diversified Bond Fund	$ -	$111,844	$ -	$ 111,844
State Investment Pool	-	3,739,956	-	3,739,956
Time Value Investments	123,862	4,222,534	-	4,346,396
Total Investments	$ 123,862	$ 8,074,334	$ -	$ 8,198,196

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, 2024:

	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, 2024 Balance
North Interchange Revenue Allocation District Restated Revenue Allocation Bonds Series 2021, Dated July 1, 2021 (Original amount - $3,500,000)	3.05%	2025-2036	$ 2,623,405
Total			$ 2,623,405

Governmental long-term liability activity for the year ended September 30, 2024, 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)	$ 2,809,952	$ (186,547)	$ 2,623,405	$ 191,802
Total	$ 2,809,952	$ (186,547)	$ 2,623,405	$ 191,802

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
2025	$ 191,802	$ 80,299	$ 272,101
2026	198,446	73,654	272,100
2027	204,630	67,470	272,100
2028	210,833	61,268	272,101
2029	217,577	54,523	272,100
2030-2033	1,193,812	166,691	1,360,503
2034-2038	406,305	12,943	419,248
	$ 2,623,405	$ 516,848	$ 3,140,253

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, 2024, are as follows:

	Restricted for Area Capital Improvements	Restricted for Debt Service Reserve Fund	Total Restricted	Unassigned	Total Fund Balances
Downtown	$ 4,750,428	$ -	$ 4,750,428	$ -	$ 4,750,428
University Boulevard	429,778	-	429,778	-	429,778
North Interchange	883,625	-	883,625	-	883,625
North Central	1,470,438	-	1,470,438	-	1,470,438
Debt Service	-	278,897	278,897	-	278,897
Administration	-	-	-	73,476	73,476
	$ 7,534,269	$ 278,897	$ 7,813,166	$ 73,476	$ 7,886,642

Required Supplementary Information

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
Downtown Fund
For the Year Ended September 30, 2024

	Original and Final Budget Amount	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues			
Property taxes	$ 890,000	$ 804,545	$ (85,455)
Other revenue	25,000	14,574	(10,426)
Unrealized gain	11,000	37,725	26,725
Interest income	135,000	158,956	23,956
Total Revenues	1,061,000	1,015,800	(45,200)
Expenditures			
Administrative	71,500	140,502	(69,002)
Construction	1,800,000	-	1,800,000
Total Expenditures	1,871,500	140,502	1,730,998
Net Change in Fund Balance	(810,500)	875,298	1,685,798
Fund balance - beginning	3,875,130	3,875,130	-
Fund balance - ending	$ 3,064,630	$ 4,750,428	$ 1,685,798

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
University Boulevard Fund
For the Year Ended September 30, 2024

	Original and Final Budget Amount	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues			
Property taxes	$ 500,000	$ 380,091	$ (119,909)
Unrealized gain	-	31,923	31,923
Interest income	50,000	47,917	(2,083)
Total Revenues	550,000	459,931	(90,069)
Expenditures			
Administrative	4,500	2,491	2,009
Construction	900,000	498,122	401,878
Total Expenditures	904,500	500,613	403,887
Net Change in Fund Balance	(354,500)	(40,682)	313,818
Fund balance - beginning	470,460	470,460	-
Fund balance - ending	$ 115,960	$ 429,778	$ 313,818

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
Combined North Interchange & North Interchange Debt Service Reserve Funds
For the Year Ended September 30, 2024

	Original and Final Budget Amount	Actual Amounts (Budgetary Basis)*	Variance with Final Budget Positive (Negative)
Revenues			
Property taxes	$ 254,000	$ 233,627	$ (20,373)
Unrealized gain	11,500	29,281	17,781
Interest income	55,800	44,173	(11,627)
Total Revenues	321,300	307,081	(14,219)
Expenditures			
Administrative	7,700	767	6,933
Construction	1,331,600	153,394	1,178,206
Bond principal	186,400	187,525	(1,125)
Interest	85,700	84,576	1,124
Total Expenditures	1,611,400	426,262	1,185,138
Net Change in Fund Balance	(1,290,100)	(119,181)	1,170,919
Fund balance - beginning	1,281,703	1,281,703	-
Fund balance - ending	$ (8,397)	$ 1,162,522	$ 1,170,919

* The Agency budgets both North Interchange Fund and and the related Debt Service in the same Fund. They are presented together for budgetary comparison purposes

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
North Central Fund
For the Year Ended September 30, 2024

	Original and Final Budget Amount	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues			
Property taxes	$ 675,000	$ 852,365	$ 177,365
Unrealized gain	-	23,645	23,645
Interest income	18,000	31,075	13,075
Total Revenues	693,000	907,085	214,085
Expenditures			
Administrative	60,000	-	60,000
Construction	500,000	-	500,000
Contingency	133,000	-	133,000
Total Expenditures	693,000	-	693,000
Net Change in Fund Balance	-	907,085	907,085
Fund balance - beginning	563,353	563,353	-
Fund balance - ending	$ 563,353	$ 1,470,438	$ 907,085

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
Administration Fund
For the Year Ended September 30, 2024

	Original and Final Budget Amount	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues			
Other revenue	$ 20,200	$ 3,957	$ (16,243)
Interest income	9,000	861	(8,139)
Total Revenues	29,200	4,818	(24,382)
Expenditures			
Administrative	18,200	27,970	(9,770)
Contingency	13,500	-	13,500
Total Expenditures	31,700	27,970	3,730
Net Change in Fund Balance	(2,500)	(23,152)	(20,652)
Fund balance - beginning	96,628	96,628	-
Fund balance - ending	$ 94,128	$ 73,476	$ (20,652)

See Independent Auditor's 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, 2024, 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 13, 2025.

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.

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 13, 2025

APPENDIX B

FY 2025/2026 BUDGET

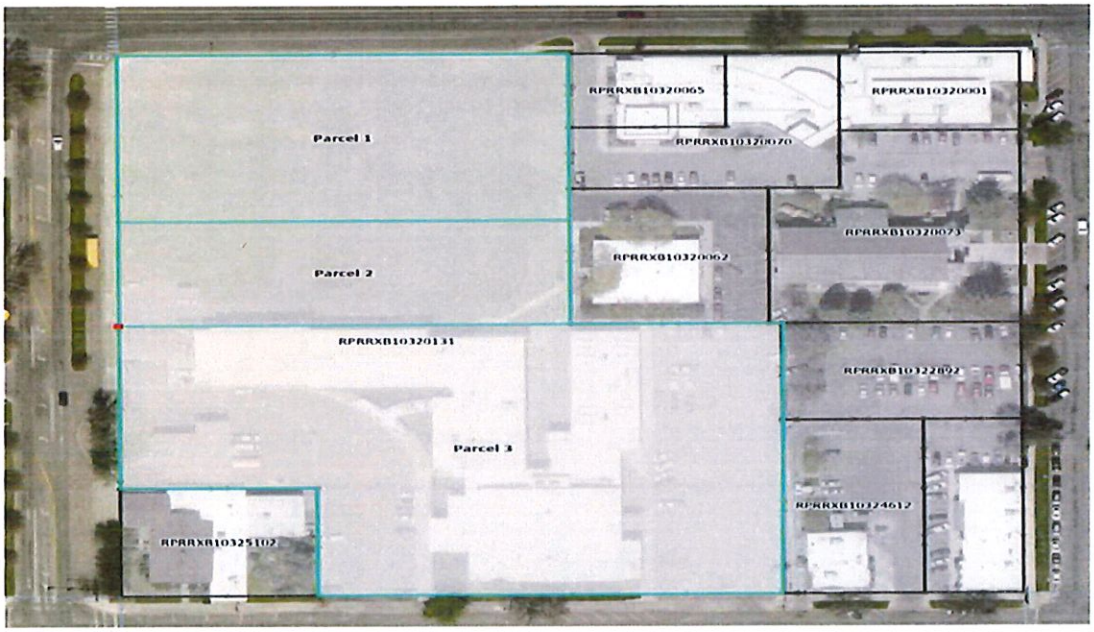
Exhibit A

Rexburg Urban Renewal Agency

	2024 Actual	2025 Budget	2026 Budget
Revenue			
Downtown Taxes	$ 804,545	$ 900,000	$ 920,000
Downtown Other	$ 211,256	$ 2,155,000	$ 5,807,700
University Blvd. Taxes	$ 380,091	$ 490,000	$ 525,000
University Blvd. Other	$ 79,839	$ 35,000	$ 562,200
North Interchange Taxes	$ 233,627	$ 285,000	$ 321,000
North Interchange Other	$ 73,454	$ 1,018,300	$ 1,671,200
North Central Taxes	$ 852,365	$ 900,000	$ 950,000
North Central Other	$ 54,720	$ 1,347,900	$ 1,964,500
Administrative Revenues	$ 4,818	$ 39,400	$ 61,600
Total Income	$ 2,694,715	$ 7,170,600	$ 12,783,200
Expense			
Downtown	$ 140,503	$ 3,055,000	$ 6,727,700
University Blvd.	$ 500,612	$ 525,000	$ 1,087,200
North Interchange	$ 426,262	$ 1,303,300	$ 1,992,200
North Central	$ -	$ 2,247,900	$ 2,914,500
Administration	$ 27,968	$ 39,400	$ 61,600
Total Expense	$ 1,095,345	$ 7,170,600	$ 12,783,200
	$ 1,599,370	$ -	$ -

APPENDIX C

Map of Land Purchase in Downtown District



APPENDIX D

Map of Land Purchase in University Boulevard District

