

January 1st, 2021– December 31st, 2021

Annual Report

2021



Urban Renewal Agency

2021 ANNUAL REPORT

REXBURG URBAN RENEWAL AGENCY

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 expenditures for the Rexburg Urban Renewal Agency exceed \$250,000 so a complete audit of its financial statements is made each fiscal year.

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. At the time of this report, the board members are Richard Horner (Chairman), Douglas Hancey (Vice-Chairman), Randall Porter (Secretary), Robert Chambers, Traci Peterson, Bill Riggins, and Tisha Flora.

The Rexburg Urban Renewal Area includes five separate districts. They are described as:

- District 1: Formed in 1991, known as the North Highway (2nd East) District and 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.
- District 2: 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.
- District 3: 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.
- District 4: Formed in 2007, known as the University Boulevard – South 12th West District. It includes an area generally bounded by South 12 West.

- District 5: 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.
- District 6: Formed in 2020, known as the North Central District. This district was organized primarily to assist with the improvement of roads, sidewalks and property development.

PURPOSE AND GOALS

The purpose and goals of the Urban Renewal effort have included:

- 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.

URBAN RENEWAL EFFORTS AND IMPROVEMENTS OF 2021

The Rexburg Urban Renewal Agency held nine meetings throughout 2021. The Agency discussed and approved projects and improvements to the Urban Renewal areas; each district and its 2021 project involvement will be discussed in detail below. The audit in its entirety is included as an additional document as part of this report.

REXBURG URA FY 2020 ANNUAL REPORT

At the March 10th, 2021 meeting, Richard Horner read the public hearing script for the Annual Report. Krisi Staten reviewed the 2020 Annual Report which was sent to the board members before the meeting. Krisi Staten asked for any questions or comments on the report. Richard Horner requested comments from anyone else outside of the board. No other comments were made, and Richard Horner closed the Public Hearing. The 2020 Annual Report was approved with Resolution #2021-01.

REXBURG FY 2020 AUDIT

At the March 10th, 2021 meeting, Rudd & Company presented the 2020 audit. The audit came back with a clean, unmodified report meaning no deficiencies were found. The board voted to accept the audit.

BOARD MEMBER CHANGES

There were two board member change during the 2021 calendar year. At the March 10th, 2021 meeting Richard Horner resigned from the board and Doug Smith joined the board.

BUDGET FOR FY 2022

At the July 21st, 2021 meeting, a public hearing was held to approve the FY 2022 budget. No objections were given from the community or agency members on the budget, and the budget seen below was approved.

| | 2020 Actual | 2021 Budget | 2022 Budget |
|-------------------------|-------------|-------------|-------------|
| Revenue | | | |
| North Highway Taxes | \$804,470 | \$795,000 | \$822,800 |
| North Highway Other | - | \$130,000 | \$100,000 |
| Washington School Taxes | - | - | - |
| Washington School Other | - | \$281,700 | \$281,700 |
| Downtown Taxes | \$916,218 | \$830,000 | \$859,100 |
| Downtown Other | \$54,904 | \$1,084,300 | \$1,600,000 |
| University Blvd. Taxes | \$445,875 | \$415,000 | \$433,700 |
| University Blvd. Other | \$37,532 | \$1,614,800 | \$2,454,800 |
| North Interchange Taxes | \$304,691 | \$330,000 | \$341,600 |
| North Interchange Other | \$34,988 | \$778,600 | \$800,000 |
| North Central Taxes | - | - | \$150,000 |
| North Central Other | - | \$50,000 | - |
| Administrative Revenues | \$36,748 | \$126,600 | \$140,000 |
| <i>Total Income</i> | \$2,635,426 | \$6,435,700 | \$7,983,700 |
| Expense | | | |
| North Highway | \$470,232 | \$925,000 | \$922,800 |
| Washington School | - | \$281,700 | \$281,700 |
| Downtown | \$19,245 | \$1,914,000 | \$2,459,100 |
| University Blvd. | \$458,262 | \$2,029,800 | \$2,888,500 |
| North Interchange | \$1,107,461 | \$1,108,600 | \$1,141,600 |
| North Central | - | \$50,000 | \$150,000 |
| Administration | \$24,692 | \$126,600 | \$140,000 |
| <i>Total Expense</i> | \$2,079,892 | \$6,435,700 | \$7,983,700 |

NORTH HIGHWAY (2ND EAST) URBAN RENEWAL DISTRICT **IMPLEMENTED IN 1991, PROJECTED TERMINATION DATE DECEMBER 31, 2021**

The Rexburg Urban Renewal Agency undertook its first project in 1991 shortly following its formation. The Agency formed an urban renewal area of sixty-six acres surrounding a portion of the North Highway and funded public improvements including street and utility improvements on North Highway (2nd East) to support development including Albertsons store and an adjoining strip mall.

GROVER PROPERTY

At the May 26, 2021 meeting the agency agreed to enter into an exclusive negotiation contract with Jim Hirrlinger and Joe Allen to develop housing on the site.

WASHINGTON SCHOOL DISTRICT
(WASHINGTON SCHOOL AREA) MAIN STREET, 1ST WEST
IMPLEMENTED IN 1997, REVENUE ALLOCATION TERMINATION DATE JUNE 7, 2018

Following its success in spurring development using tax increment financing on the North Highway, the Rexburg Urban Renewal Agency formed a second Urban Renewal Area on 1st West and Main Streets and developed a public improvement project in support of commercial development on two blocks facing Main Street. This project was to improve the street and alleys, clear and remove deteriorated buildings, acquire land, improve utilities including water and sanitary sewer lines. To provide an environment for new and rehabilitated commercial facilities, eliminate unsafe conditions, and to otherwise prevent the extension of deterioration and reverse the deteriorating condition of the area.



MAP OF WASHINGTON SCHOOL URBAN RENEWAL AREA (GRAY)

WASHINGTON SCHOOL DISTRICT TERMINATION OF REVENUE

This district was set to end in 2017. In the 2018 Rexburg Urban Renewal Agency Annual Report it was stated that the Washington School District was terminated; however, only the revenue was terminated. At the June 7, 2018 meeting, Resolution #2018-02 was passed by the Rexburg Urban Renewal Agency which officially terminated the revenue of the district but left the district as active.

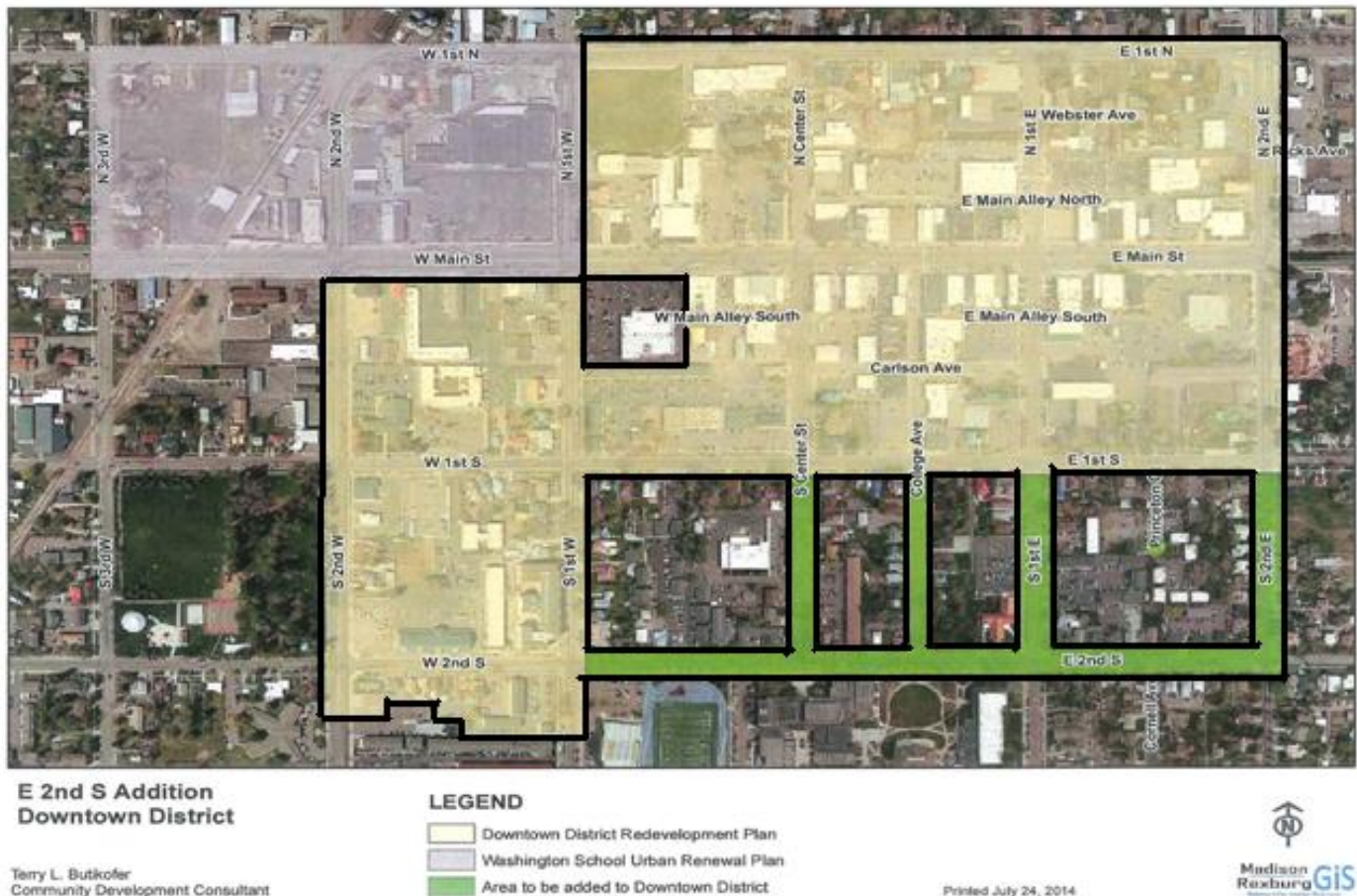
PROPERTY ON THE CORNER OF 2ND WEST AND 1ST NORTH

At the April 21, 2021 meeting Bron Leathan and Skylar Jenks presented their latest proposal which included 26 to 30 two story townhomes. They requested a six month extension to their contract to give them time to negotiate with a builder and secure building permits. The board approved the extension. At the May 26, 2021 the board was notified that Leatham and Jenks were pulling out of the agreement due to the fact that they can not get the project to pencil out.

DOWNTOWN DISTRICT

IMPLEMENTATION DATE 2003, PROJECTED TERMINATION DATE DECEMBER 31ST, 2027

The 2003 Downtown District was put in place to combat problems of physical deterioration and economic underdevelopment in the seven-block area, to make public improvements, and create public facilities. Key elements of the plan include initiating simultaneous projects designed to revitalize the project area, secure certain public open space in critical areas, develop new mixed-use development projects, pursue development across all land-use sectors, and develop parking facilities. In 2014 the Agency extended the Downtown district one block further from 1st South to 2nd South. (Indicated in green on the map below.)



MAP OF DOWNTOWN URBAN RENEWAL DISTRICT (YELLOW AND GREEN)

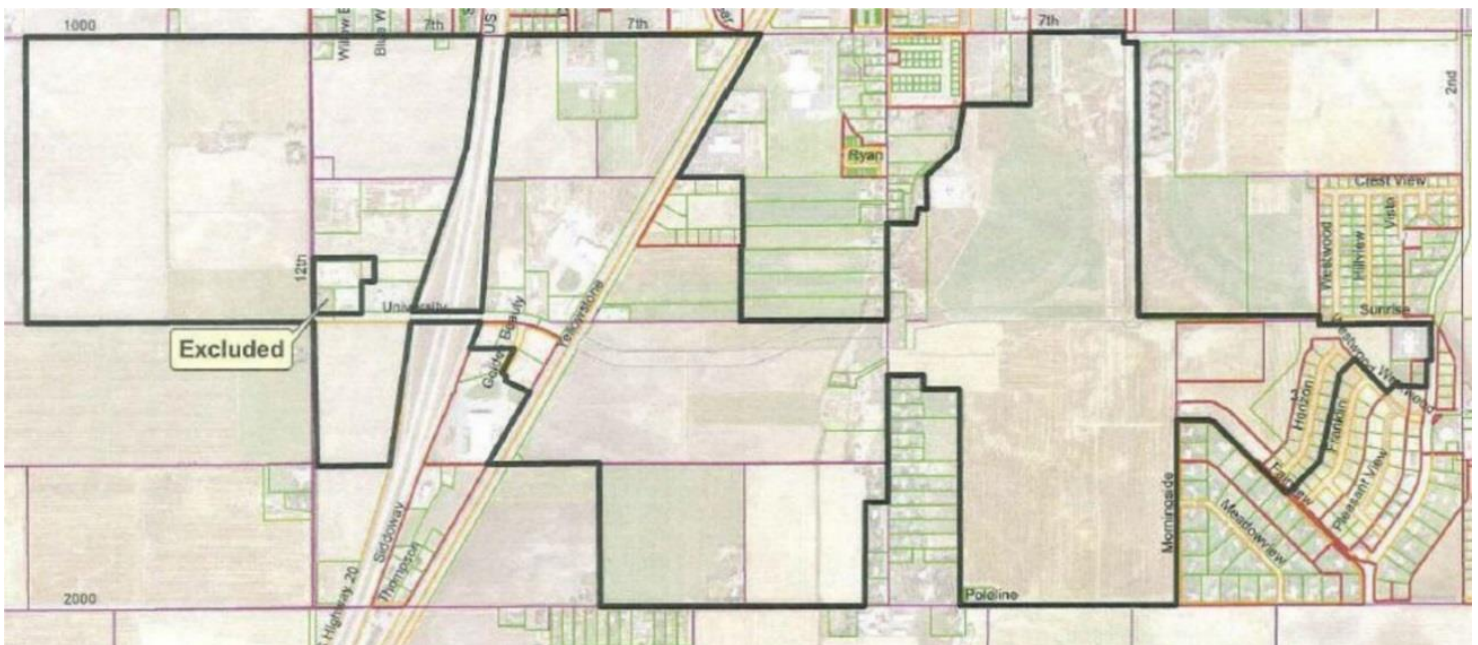
COLLEGE AVENUE PROJECT: PARKING GARAGE AND LAND ACQUISITION

The agency issued a RFP for a URA Consultant to look at the downtown district as a whole and specifically a mixed use parking garage. The agency received one proposal, from Clear Water Financial. The agency voted to retain Clear Water Financial. At the June 24, 2021 the agency voted to have Clear Water Financial perform a market analysis on the downtown area. At the November 17, 2021 meeting the agency reviewed in detail the downtown market analysis. At the December 15, 2021 meeting the agency approved the market analysis and voted to have Clear Water Financial begin negotiations to secure two additional parcels for this project.

UNIVERSITY BOULEVARD DISTRICT

IMPLEMENTATION DATE 2007, PROJECTED TERMINATION DATE DECEMBER 31, 2031

The University Boulevard-South 12th West project area was developed in 2007 to address the need for economic and cultural growth of the area. The University Boulevard District plan allows for major street improvements to provide an improved environment for new and rehabilitated residential, retail, lodging, commercial, and industrial facilities. Allowing the elimination of unsafe conditions and prevent the extension of deterioration and reverse the deteriorating action of the area.



MAP OF THE UNIVERSITY BOULEVARD DISTRICT

NORTH INTERCHANGE DISTRICT

IMPLEMENTATION DATE 2015, PROJECTED TERMINATION DATE DECEMBER 31, 2035

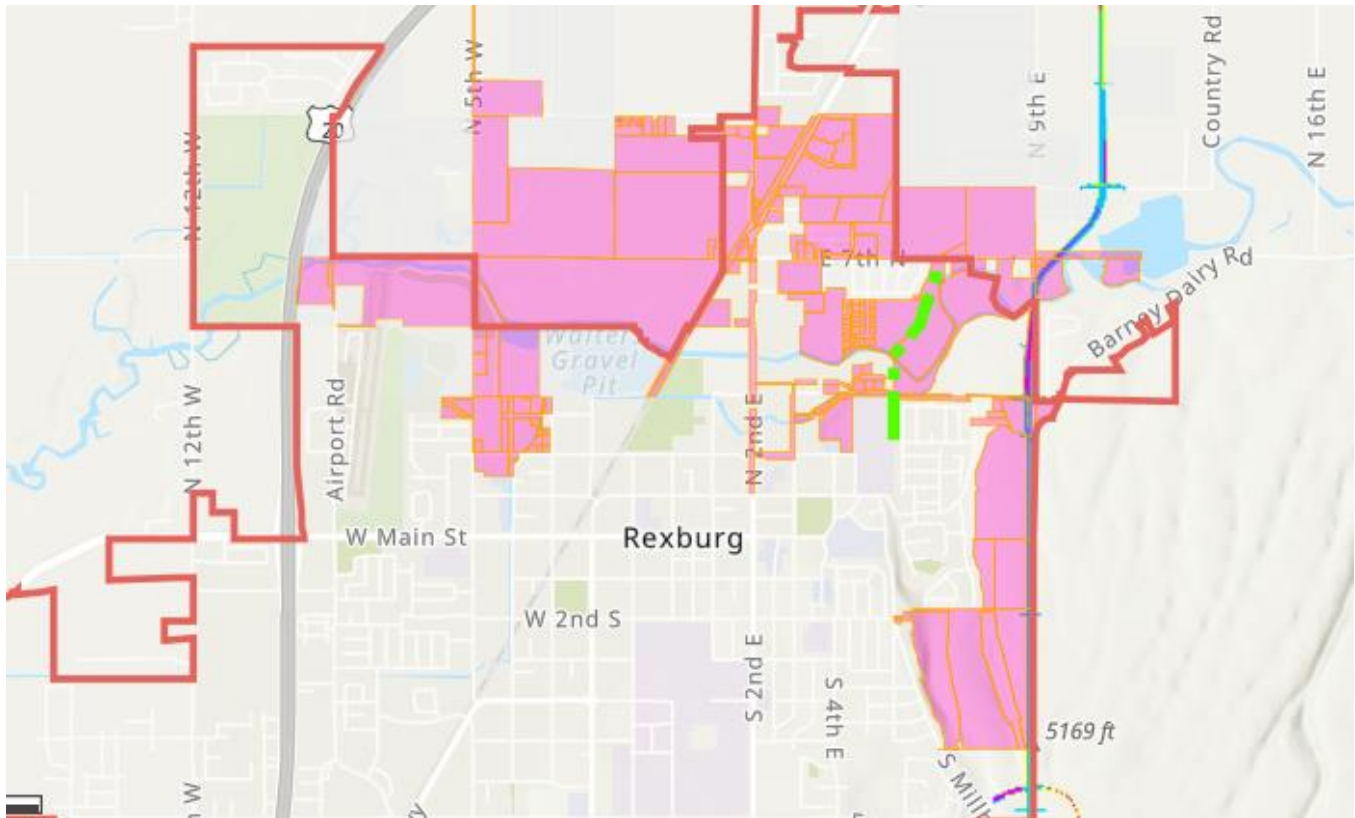
The project area of the North Interchange District consists of 679 acres, including parcels currently located within City limits, and outside the City limits within the boundaries of Madison County and Sugar City. The parcels located in Madison County and Sugar City will be governed by an intergovernmental agreement. The primary purpose of the District is for street and utility improvements to provide an improved environment for new retail, residential and commercial

BOND REFINANCING

NORTH CENTRAL DISTRICT

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 prevent 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.



NORTH CENTRAL RENEWAL DISTRICT MAP (pink parcels)

At the July 9th, 2020 meeting Chairman Richard Horner presented to the board the eligibility report for the North Central District. The eligibility report was motioned and approved by the board along with Resolution 2020-03. The eligibility report was sent to the City of Rexburg for approval and creation of the new district and a financial plan would be made for the new district.

At the September 25th, 2020 meeting the board looked through the map of the district and the district plan. This district would include projects such as the 7th N 5th W sewer line, purchase of the fair grounds to allow the fair grounds to be moved, and other projects as seen in the public improvements list with estimated costs seen in the exhibits in Resolution 2020-05. A motion to accept the plan was made and unanimously approved.

FINANCIAL STATEMENTS

The Rexburg Urban Renewal Agency is required to provide a complete financial statement setting forth its assets, liabilities, income, and operating expenses. The financial statements can be found in the 2021 professional audit which is included as part 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, 2021, and not the end of the calendar year.

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

Financial Statements
and
Required Supplementary Information
with
Independent Auditors' Report

September 30, 2021

REXBURG URBAN RENEWAL AGENCY

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September 30, 2021

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RUDD & COMPANY^{INC.}

certified public accountants | business consultants

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Rexburg Urban Renewal Agency
Rexburg, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the government 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, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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 Rexburg Urban Renewal Agency, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

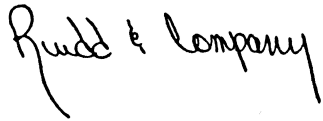
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information 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 required 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 other reporting required by *Government Auditing Standards*, we have also issued our report dated February 16, 2022, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

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

Rexburg, Idaho
February 16, 2022

REXBURG URBAN RENEWAL AGENCY
Statement of Net Position
September 30, 2021

| | Governmental Activities |
|---|------------------------------------|
| Assets | |
| Cash and investments | \$ 8,034,889 |
| Receivables | 272,754 |
| Net property, plant and equipment | <u>3,317,850</u> |
| Total Assets | <u>11,625,493</u> |
| Liabilities | |
| Short-term liabilities | |
| Accounts payable | 1,181,683 |
| Long-term liabilities | |
| Due within one year | 625,328 |
| Due after one year | <u>2,991,409</u> |
| Total Long-term Liabilities | 3,616,737 |
| Total Liabilities | <u>4,798,420</u> |
| Net Position | |
| Invested in capital assets, net of related debt | 3,317,850 |
| Restricted | <u>3,509,223</u> |
| Total Net Position | <u>\$ 6,827,073</u> |

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

REXBURG URBAN RENEWAL AGENCY
Statement of Activities
Year Ended September 30, 2021

| Functions/Programs | Expenses | Charges for services | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets |
|--------------------------------|-----------------|-----------------------------|---|---|--|
| | | | Operating grants and contributions | Capital grants and contributions | Total Governmental activities |
| Governmental Activities | | | | | |
| Administrative | \$ 98,267 | \$ - | \$ - | \$ - | \$ (98,267) |
| Construction | 1,176,292 | - | - | - | (1,176,292) |
| Bond interest | 102,175 | - | - | - | (102,175) |
| Bond refunding costs | 29,820 | | | | (29,820) |
| Total Governmental Activities | 1,406,554 | - | - | - | (1,406,554) |
| | | | | | |
| General revenues | | | | | |
| Property taxes | | | | | 2,329,866 |
| Other revenues | | | | | 595,308 |
| Unrealized gain (loss) | | | | | (2,095) |
| Interest on investments | | | | | 17,820 |
| | | | | | 2,940,899 |
| Change in net assets | | | | | 1,534,345 |
| Net position beginning of year | | | | | 5,292,728 |
| Net position end of year | | | | | \$ 6,827,073 |

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

REXBURG URBAN RENEWAL AGENCY

Governmental Fund Types - Balance Sheet and Reconciliation to the Statement of Net Position Year Ended September 30, 2021

| | North Highway Fund | Washington School Fund | Downtown Fund | University Boulevard Fund | North Interchange Fund | North Interchange Debt Service Reserve Fund | North Central Fund | Admin Fund | Total |
|--|--------------------------|------------------------------|------------------|---------------------------------|------------------------------|--|--------------------------|---------------|---------------|
| Assets | | | | | | | | | |
| Cash and investments | \$ 348,076 | \$ 31,389 | \$ 1,961,189 | \$ 2,969,271 | \$ 2,404,221 | \$ 275,254 | \$ - | \$ 45,489 | \$ 8,034,889 |
| Receivables | 63,814 | - | 114,705 | 34,819 | 59,416 | - | - | - | 272,754 |
| Property | 341,512 | 989,776 | 1,986,562 | - | - | - | - | - | 3,317,850 |
| Due from other funds | - | - | - | - | - | - | - | 38,124 | 38,124 |
| Total Assets | \$ 753,402 | \$ 1,021,165 | \$ 4,062,456 | \$ 3,004,090 | \$ 2,463,637 | \$ 275,254 | \$ - | \$ 83,613 | \$ 11,663,617 |
| Liabilities | | | | | | | | | |
| Accounts payable | \$ 142,333 | \$ 1,000 | \$ 3,600 | \$ 138,646 | \$ 894,746 | \$ - | \$ - | \$ 1,358 | \$ 1,181,683 |
| Due to other funds | - | - | - | - | - | - | 38,124 | - | 38,124 |
| Total Liabilities | 142,333 | 1,000 | 3,600 | 138,646 | 894,746 | - | 38,124 | 1,358 | 1,219,807 |
| Fund Balances | | | | | | | | | |
| Restricted | 611,069 | 1,020,165 | 4,058,856 | 2,865,444 | 1,568,891 | 275,254 | - | - | 10,399,679 |
| Unassigned | - | - | - | - | - | - | (38,124) | 82,255 | 44,131 |
| Total Fund Balances | 611,069 | 1,020,165 | 4,058,856 | 2,865,444 | 1,568,891 | 275,254 | (38,124) | 82,255 | 10,443,810 |
| Total Liabilities and Fund Balances | \$ 753,402 | \$ 1,021,165 | \$ 4,062,456 | \$ 3,004,090 | \$ 2,463,637 | \$ 275,254 | \$ - | \$ 83,613 | \$ 11,663,617 |
| Total Governmental Funds | | | | | | | | | 10,443,810 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds | | | | | | | | | |
| Bonds payable | | | | | | | | | 3,616,737 |
| Net position of governmental activities | | | | | | | | | 6,827,073 |

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

REXBURG URBAN RENEWAL AGENCY

Governmental Fund Types - Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended September 30, 2021

| | North Highway Fund | Washington School Fund | Downtown Fund | University Boulevard Fund | North Interchange Fund | North Interchange Debt Service Reserve Fund | North Central Fund | Admin Fund | Total |
|---------------------------------------|--------------------------|------------------------------|------------------|---------------------------------|------------------------------|--|--------------------------|---------------|--------------|
| Revenues | | | | | | | | | |
| Property taxes | \$ 685,287 | \$ - | \$ 768,376 | \$ 392,035 | \$ 484,168 | \$ - | \$ - | \$ - | \$ 2,329,866 |
| Other revenue | 139,480 | - | 209,293 | 77,292 | 131,894 | - | - | 37,349 | 595,308 |
| Unrealized gain (loss) | - | - | - | (2,095) | - | - | - | - | (2,095) |
| Interest income | 318 | - | 1,388 | 8,009 | 6,117 | 879 | - | 1,109 | 17,820 |
| Total Revenues | 825,085 | - | 979,057 | 475,241 | 622,179 | 879 | - | 38,458 | 2,940,899 |
| Expenditures | | | | | | | | | |
| Administrative | 3,589 | - | 18,512 | 2,773 | 20,176 | - | 38,124 | 15,093 | 98,267 |
| Construction | 142,334 | - | - | - | 894,662 | - | - | - | 1,036,996 |
| Land purchase | 650 | - | - | 138,645 | - | - | - | - | 139,295 |
| Bond principal | 438,894 | - | - | - | 154,446 | 52,221 | - | - | 645,561 |
| Interest | 22,075 | - | - | - | 80,100 | - | - | - | 102,175 |
| Bond Costs | - | - | - | - | 2,320 | 27,500 | - | - | 29,820 |
| Total Expenditures | 607,542 | - | 18,512 | 141,418 | 1,151,704 | 79,721 | 38,124 | 15,093 | 2,052,114 |
| Excess (Deficiency) of | | | | | | | | | |
| Revenues over Expenditures | 217,543 | - | 960,545 | 333,823 | (529,525) | (78,842) | (38,124) | 23,365 | 888,785 |
| Other Financing Sources (Uses) | | | | | | | | | |
| Proceeds from refinance of bond | - | - | - | - | 3,257,800 | - | - | - | 3,257,800 |
| Pay off of refunded bond | - | - | - | - | (3,257,800) | - | - | - | (3,257,800) |
| Total Other Financing Sources | - | - | - | - | - | - | - | - | - |
| Net Change in | | | | | | | | | |
| Fund Balances | 217,543 | - | 960,545 | 333,823 | (529,525) | (78,842) | (38,124) | 23,365 | 888,785 |
| Fund Balance | | | | | | | | | |
| October 1, 2020 | 393,526 | 1,020,165 | 3,098,311 | 2,531,621 | 2,098,416 | 354,096 | - | 58,890 | 9,555,025 |
| Fund Balance | | | | | | | | | |
| September 30, 2021 | \$ 611,069 | \$ 1,020,165 | \$ 4,058,856 | \$ 2,865,444 | \$ 1,568,891 | \$ 275,254 | \$ (38,124) | \$ 82,255 | \$10,443,810 |

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

REXBURG URBAN RENEWAL AGENCY
Reconciliation of the Governmental Funds
Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities
Year Ended September 30, 2021

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds | \$ 888,785 |
| 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 net assets | <u>645,560</u> |
| Change in net assets of governmental activities | <u>\$ 1,534,345</u> |

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

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

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, 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 accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for the state and local governments through its pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, which do not conflict with or contradict GASB pronouncements. 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 either governmental or business type. The Agency's activities and 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 consists of the University Boulevard Fund, the North Highway Fund, the Washington School Fund, the Downtown Fund, the Yellowstone Trejo Fund and the North Interchange Fund used to account for the property taxes received by the Agency and to disburse payments on the obligations of the Agency.

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

1. Summary of Significant Accounting Policies (continued)

- The Debt Service Reserve Fund is used to account for the funds placed in reserve to make payments of long-term debt.

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 Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. The budgets were not amended during the year. The Agency did not adopt budgets for the North Exchange Fund nor the Debt Service Reserve Fund during the fiscal year.

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 principle offices in Idaho. State statutes authorize the Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

1. Summary of Significant Accounting Policies (continued)

The Agency has elected to deposit cash in excess of immediate needs into the State of Idaho Local Government Investment Pool (LGIP). The LGIP 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 LGIP is managed by the State of Idaho Treasurer's office. An annual audit of LGIP is conducted by the State Legislative Auditors Office. The Legislative Auditor of the State of Idaho has full access to the records of the LGIP. 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. This pooling is intended to improve administrative efficiency and increase investment yield.

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

Revenues and Property Taxes

Substantially all governmental fund revenues come from property taxes. Property taxes are billed and collected within the same period in which the taxes are levied. The Agency does not levy property taxes.

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.

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

1. Summary of Significant Accounting Policies (continued)

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 assets are available.

Capital Assets

Capital assets such as streets, street improvements, water, sewer and other capital improvements, which the Agency pays for, are donated to the City of Rexburg, Idaho.

Insurance

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

Deferred Outflows/Inflows of Resources

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

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

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 facility effective cash planning and control.

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

2. Cash and Investments

Deposits

At September 30, 2021, the carrying amount of the Agency's deposits was \$1,184,297 and the respective bank balances totaled \$1,184,297. Of the bank balances, \$500,000 was insured or collateralized with pooled securities held by the pledging financial institutions in the name of the Agency.

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, 2021, \$684,297 of the Agency's total deposits of \$1,184,297 were not covered by the Federal deposit insurance or the Securities Investor Protection Corporation, and thus were exposed to custodial credit risk.

Investments

As of September 30, 2021, the Agency had the following investments:

| | WAM Years | S&P Rating | Investment Maturities (in Years) | | | | |
|-----------------------------|--------------|---------------|----------------------------------|---------------------|-------------------|------------------|--------------|
| | | | Fair Value | Less than 1 | 1-5 | 6-10 | More than 10 |
| State Investment Pool | 3.070 | N/A | \$ 6,743,125 | \$ 6,509,890 | \$ 233,235 | \$ - | \$ - |
| State Diversified Bond Fund | 0.485 | N/A | 107,467 | 31,245 | 56,371 | 19,851 | - |
| | | | <u>\$ 6,850,592</u> | <u>\$ 6,541,135</u> | <u>\$ 289,606</u> | <u>\$ 19,851</u> | <u>\$ -</u> |

Custodial Credit Risk Investments

As of September 30, 2021, the Agency's investments were covered by collateral held by the pledging financial institution's trust department or agent in the name of the Agency, and thus had no investments that were exposed to custodial credit risk.

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. The state investment pool is a short-term investment fund in which participants have overnight availability to their funds.

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

2. Cash and Investments (continued)

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 statute that outlines qualifying investment options.

Summarized cash balances:

| | |
|-----------------------------|---------------------|
| Beehive Cash | \$ 909,043 |
| DL Evans Reserve | 275,254 |
| State Investment Pool | 6,743,125 |
| State Diversified Bond Fund | <u>107,467</u> |
| Total Cash and Investments | <u>\$ 8,034,889</u> |

3. Fair Value Measurements

The Agency has implemented GASB No. 72, *Fair Value Measurement and Application*.

This guidance requires government entities to measure investments and certain other items at fair value. The objective is to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This guidance clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Under this guidance, fair value measurements are not adjusted for transaction costs. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

GASB No. 72 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The following summarizes the fair value hierarchy:

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

3. Fair Value Measurements

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market.

Level 2 Inputs – Inputs other than the quoted process in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

GASB No. 72 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs.

Level 3 was determined by original purchase price as the land had recently been purchased.

Fair value assets measured on a recurring basis at September 30, 2021 are as follows:

| | Fair Value | Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|-----------------------------|----------------------|--|---|--|
| State Investment Pool | \$ 6,743,125 | \$ 6,743,125 | \$ - | \$ - |
| State Diversified Bond Fund | 107,467 | 107,467 | - | - |
| Land | 3,317,850 | - | - | 3,317,850 |
| Total | <u>\$ 10,660,562</u> | <u>\$ 6,850,592</u> | <u>\$ -</u> | <u>\$ 3,317,850</u> |

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

4. Long-term Liabilities

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

| <u>Description</u> | <u>Interest Rate</u> | <u>Fiscal Years</u> | <u>September 30, 2020</u> <u>Balance</u> |
|---|----------------------|---------------------|---|
| North Highway Revenue Allocation District | 4.06% | 2022 | \$ 449,797 |
| Revenue Allocation Bonds | to 4.47% | | |
| Series 2010 Dated June 2, 2010 | | | |
| (Original amount - \$4,656,000) | | | |
| North Interchange Revenue Allocation District | | | |
| Restated Revenue Allocation Bonds | 3.05% | 2022-2036 | 3,166,940 |
| Series 2021, Dated July 1, 2021 | | | |
| (Original amount - \$3,500,000) | | | |
| | | | <u>\$ 3,616,737</u> |

On July 1, 2021 The District refinanced its North Interchange Revenue Allocation Revenue Allocation Bonds with a new average interest rate of 3.05%. The amount refinanced was \$3,257,800 which had an original interest rate of 3.32%. The cost to refinance the bonds was \$27,500 and the Agency was required to prepay \$52,221 in principal totaling \$79,721 which was paid out of the debt service reserve fund.

The Agency paid off the revenue allocation (tax increment) bond, Series 2010, in the principle amount of \$2,754,000 on November 11, 2016. They Agency funded the payoff by entering into revenue allocation (tax increment) refunding bond, Series 2016 in the amount of \$2,553,070. The notes mature on September 1, 2022, and the interest rate averages 2.45%. The current portion of principal is \$599,769 and the long-term portion is \$888,691. The refunding was defeasement and reissuance of bonds but there was no monetary increase or decrease for the Agency at the time of refinance. See below for summary of the transaction that took place:

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

4. Long-term Liabilities (continued)

Governmental long-term liability activity for the year ended September 30, 2021, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Current Portion</u> |
|--|------------------------------|---------------------|-----------------------|---------------------------|----------------------------|
| Revenue allocation tax increment series 2010 | \$ 888,691 | \$ - | \$ (438,894) | \$ 449,797 | \$ 449,797 |
| Restated revenue allocation tax increment bond series 2021 | <u>3,373,606</u> | <u>3,257,800</u> | <u>(3,464,466)</u> | <u>3,166,940</u> | <u>175,531</u> |
| Total | <u>\$ 4,262,297</u> | <u>\$ 3,257,800</u> | <u>\$ (3,903,360)</u> | <u>\$ 3,616,737</u> | <u>\$ 625,328</u> |

Scheduled principal repayments on long-term obligations for the remaining life of the bond are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2022 | 625,328 | 107,742 | 733,070 |
| 2023 | 181,001 | 91,099 | 272,100 |
| 2024 | 186,400 | 85,701 | 272,101 |
| 2025 | 192,450 | 79,650 | 272,100 |
| 2026 | 198,448 | 73,653 | 272,101 |
| 2027 | 204,632 | 67,469 | 272,101 |
| 2028-2032 | 1,122,585 | 237,918 | 1,360,503 |
| 2033-2036 | <u>905,893</u> | <u>58,552</u> | <u>964,445</u> |
| | <u>\$ 3,616,737</u> | <u>\$ 801,784</u> | <u>\$ 4,418,521</u> |

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

5. Subsequent Events

In preparing these financial statements, the management of the Rexburg Urban Renewal Agency has evaluated events and transactions for potential recognition and disclosure through February 16, 2022, the date of the financial statements were available to be issued.

6. Implications of COVID-19

During the COVID-19 pandemic, the Agency has worked to continue to operate as normal as possible, though some activities have been limited. As the situation continues to evolve, the Agency is closely monitoring the impact of COVID-19 pandemic on all aspects of its services. The Agency's operations are heavily dependent on tax levy funds collected by the local government, which disbursement of such funds have not been greatly effected. The Agency believes the ultimate impact of the COVID-19 pandemic on its operating results, cash flows and financial condition is likely to be determined by factors which are uncertain, unpredictable and outside of its control. The situation surrounding COVID-19 remains fluid, and if disruption do arise, they could materially adversely impact the Agency's operations.

7. Other Fund Disclosures

The North Interchange Fund expenditures exceeded their budget by \$43,104. There was also no budget adopted for the new North Central Fund which had a fund deficit of \$38,124. There is a due to and due from between the Admin Fund and the North Central Fund of \$38,124 which is from the later being newly formed and expected to be paid back within the next year.

8. Fund Balances

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

Details of constraints on fund balances of governmental funds are on the following page:

REXBURG URBAN RENEWAL AGENCY
Notes to Financial Statements
September 30, 2021

8. Fund Balances (continued)

| | North Highway Fund | Washington School Fund | Downtown Fund | University Boulevard Fund | North Interchange Fund | North Interchange Debt Service Reserve Fund | North Central Fund | Admin Fund | Total Governmental Funds |
|---------------------------|--------------------------|------------------------------|---------------------|---------------------------------|------------------------------|---|--------------------------|------------------|--------------------------------|
| Fund Balances: | | | | | | | | | |
| Restricted for: | | | | | | | | | |
| University Boulevard area | | | | | | | | | |
| capital improvements | \$ - | \$ - | \$ - | \$ 2,865,444 | \$ - | \$ - | \$ - | \$ - | \$ 2,865,444 |
| North Highway area | | | | | | | | | |
| capital improvements | 611,069 | - | - | - | 1,568,891 | - | - | - | 2,179,960 |
| Washington School area | | | | | | | | | |
| capital improvements | - | 1,020,165 | - | - | - | - | - | - | 1,020,165 |
| Downtown area capital | | | | | | | | | |
| improvements | - | - | 4,058,856 | - | - | - | - | - | 4,058,856 |
| North Interchange area | | | | | | | | | |
| capital improvements | - | - | - | - | - | 275,254 | - | - | 275,254 |
| | 611,069 | 1,020,165 | 4,058,856 | 2,865,444 | 1,568,891 | 275,254 | - | - | 10,399,679 |
| Unassigned | - | - | - | - | - | - | (38,124) | 82,255 | 44,131 |
| | <u>\$ 611,069</u> | <u>\$ 1,020,165</u> | <u>\$ 4,058,856</u> | <u>\$ 2,865,444</u> | <u>\$ 1,568,891</u> | <u>\$ 275,254</u> | <u>\$ (38,124)</u> | <u>\$ 82,255</u> | <u>\$ 10,443,810</u> |

Required Supplementary Information

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule

North Highway Fund
Year Ended September 30, 2021

| | Original and Final Budget Amount | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenues | \$ 795,000 | \$ 825,086 | \$ 30,086 |
| Fund Balance Carryover | 130,000 | - | (130,000) |
| | <u>925,000</u> | <u>825,086</u> | <u>(99,914)</u> |
| Expenditures | 486,100 | 168,649 | 317,451 |
| Bond Principle Payments | 438,900 | 438,894 | 6 |
| Total | <u>925,000</u> | <u>607,543</u> | <u>317,457</u> |
| Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses | - | 217,543 | 217,543 |
| Fund Balance at Beginning of Year | <u>-</u> | <u>393,526</u> | <u>393,526</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ 611,069</u> | <u>\$ 611,069</u> |

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
Washington School Fund
Year Ended September 30, 2021

| | Original and Final Budget Amount | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenues | \$ - | \$ - | \$ - |
| Fund Balance Carryover | 281,700 | - | (281,700) |
| | <u>281,700</u> | <u>-</u> | <u>(281,700)</u> |
| Expenditures | - | - | - |
| Contingency | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Other Financing Sources(Uses) | | | |
| Transfers | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses | 281,700 | - | (281,700) |
| Fund Balance at Beginning of Year | <u>-</u> | <u>1,020,165</u> | <u>1,020,165</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ 1,020,165</u> | <u>\$ 1,020,165</u> |

See Independent Auditors' Report

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule

Downtown Fund

Year Ended September 30, 2021

| | Original and Final Budget Amount | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenues | \$ 830,000 | \$ 979,057 | \$ 149,057 |
| Fund Balance Carryover | 1,084,000 | - | (1,084,000) |
| | <u>1,914,000</u> | <u>979,057</u> | <u>(934,943)</u> |
| Expenditures | 1,914,000 | 18,512 | 1,895,488 |
| Contingency | - | - | - |
| | <u>1,914,000</u> | <u>18,512</u> | <u>1,895,488</u> |
| Other Financing Sources(Uses) | | | |
| Transfers | - | - | - |
| Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses | - | 960,545 | 960,545 |
| Fund Balance at Beginning of Year | - | 3,098,311 | 3,098,311 |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ 4,058,856</u> | <u>\$ 4,058,856</u> |

See Independent Auditors' Report

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule

University Boulevard Fund
Year Ended September 30, 2021

| | Original and Final Budget Amount | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenues | \$ 415,000 | \$ 475,241 | \$ 60,241 |
| Fund Balance Carryover | 1,614,800 | - | (1,614,800) |
| | <u>2,029,800</u> | <u>475,241</u> | <u>(1,554,559)</u> |
| Expenditures | 2,029,800 | 141,418 | 1,888,382 |
| Contingency | - | - | - |
| | <u>2,029,800</u> | <u>141,418</u> | <u>1,888,382</u> |
| Other Financing Sources(Uses) | | | |
| Transfers | - | - | - |
| Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses | - | 333,823 | 333,823 |
| | | - | - |
| Fund Balance at Beginning of Year | <u>-</u> | <u>2,531,621</u> | <u>2,531,621</u> |
| | | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ 2,865,444</u> | <u>\$ 2,865,444</u> |

See Independent Auditors' Report

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule

North Interchange Fund
Year Ended September 30, 2021

| | Original and Final Budget Amount | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Borrowings | \$ 330,000 | \$ 622,179 | \$ 292,179 |
| Fund Balance Carryover | 778,600 | - | (778,600) |
| | <u>1,108,600</u> | <u>622,179</u> | <u>(486,421)</u> |
| Expenditures | 1,108,600 | 1,151,704 | (43,104) |
| Contingency | - | - | - |
| | <u>1,108,600</u> | <u>1,151,704</u> | <u>(43,104)</u> |
| Other Financing Sources(Uses) | | | |
| Proceeds from refinance of bond | | 3,257,800 | (3,257,800) |
| Pay off of refunded bond | - | (3,257,800) | 3,257,800 |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses | - | (529,525) | (529,525) |
| Fund Balance at Beginning of Year | <u>-</u> | <u>2,098,416</u> | <u>2,098,416</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ 1,568,891</u> | <u>\$ 1,568,891</u> |

See Independent Auditors' Report

REXBURG URBAN RENEWAL AGENCY
Budgetary Comparison Schedule

Administration Expenses Fund
Year Ended September 30, 2021

| | Original and Final Budget Amount | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenues | \$ 126,600 | \$ 38,458 | \$ (88,142) |
| Fund Balance Carryover | - | - | - |
| | <u>126,600</u> | <u>38,458</u> | <u>(88,142)</u> |
| Expenditures | 126,600 | 15,093 | 111,507 |
| Contingency | - | - | - |
| | <u>126,600</u> | <u>15,093</u> | <u>111,507</u> |
| Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses | - | 23,365 | 23,365 |
| Fund Balance at Beginning of Year | <u>-</u> | <u>58,890</u> | <u>58,890</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ 82,255</u> | <u>\$ 82,255</u> |



RUDD & COMPANY^{PC}

certified public accountants | business consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
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, 2021, 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 February 16, 2022.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

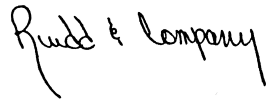
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Rexburg, Idaho
February 16, 2022