

**2012 ANNUAL REPORT  
EAGLE URBAN RENEWAL AGENCY**

**General Statement.**

Pursuant to Idaho Code Section 50-2006 the Eagle Urban Renewal Agency ("EURA" or "Agency") is required to file with the local governing body, the City of Eagle, on or before March 31 of each year an annual report of its activities for the preceding calendar year. This report is to include a complete financial statement setting forth the assets, liabilities, income and operating expense at the end of the calendar year. The Eagle Urban renewal Agency directed that an audit be conducted of the agency's financial statements for fiscal year 2011-2012 which runs from October 1, 2011 through September 30, 2012. The Board reviewed and approved the audit. The audit was performed by Folke CPA's, P.C. It was a clean audit and the auditor found no irregularities in the financial statements. A copy of the approved audit is attached to this report as Exhibit 1. The Agency also directed that an annual year-end financial statement be generated for the calendar year 2012. This is not an audited statement but rather compiled from the bookkeeping records of the Agency. Copies of the calendar year-end statements are attached to this Report as Exhibit 2.

The City of Eagle formally approved the Downtown and East Eagle Urban Renewal Plan ("Plan") on December 11, 2007 via Eagle City Ordinance No. 592. The ordinance became effective on publication on December 24, 2007. Since that approval the EURA has commenced and worked on the implementation of the approved Plan.

**Agency Board Members, Officers, Consultants and Support Staff.**

The Eagle City Council initially established in Resolution No. 11-01 that the number of agency board members was seven. For the month of January and a portion of the month of February the Agency Board members consisted of Doug Racine, Jason Haas, Mike Huffaker, Walt Lundgren, Scott Nordstrom, Nathan Paddock and Jack Zastrow. Officers were Doug Racine, Chairman; Scott Nordstrom, Vice-Chairman; and Jason Haas, Secretary/Treasurer. On February 14, 2012, the Eagle City Council adopted Ordinance No. 669 terminating the appointment of the Eagle Urban Renewal Agency Board of Commissioners and appointing a five-member Board of Commissioners consisting of the Mayor of the City of Eagle and four (4) Eagle City Council Members. The new Agency Board Members appointed consistent with City Ordinance No. 669 were Jim Reynolds, Norm Semanko, John Grasser, Mark Butler and Mary Defayette. During the first part of 2012 Ryan Armbruster of the law firm of Elam and Burke served as legal counsel to the Board. Harlan Mann, a community development consultant, served as a consultant to the Board. Sherry Atwell served as the administrative assistant to the Board.

At its board meeting on February 27, 2012, the Board elected Jim Reynolds as Chairman, Mark Butler as Vice-Chairman, and Mary Defayette as Treasurer. The Board determined it would open the legal counsel position and issue a request for proposals. The Board determined they would retain Harlan Mann on an as-needed basis.

At the May 2, 2012 board meeting the Commissioners accepted the resignation of Sherry Atwell as Board administrative assistant and retained and elected Lindsey Pretty Weasel to serve as the Board Secretary and custodian of the records.

The Board previously issued requests for Proposals for on-call engineers and landscape architects. The board interviewed the firms that submitted proposals. The Board approved Forsgren Associates, Inc., KM Engineering, LLP and the Land Group, Inc. to be on the list of on-call engineering firms. The Board approved The Land Group, Inc. and South Landscape Architecture, P.C. to be on the list of on-call landscape architects.

At its meeting on June 5, 2012 the Board selected the law Firm of Borton-Lakey to serve as legal counsel to the Board. The Board interviewed architects that submitted proposals to be available as on-call engineers for the EURA. The Board approved ALCollaborative, BRS Architects; Designs West Architects, P.A. and Johnson Architects, PC to be on the list of on-call architects for the EURA.

The Board approved the appointments of Cheryl Bloom, Jean Cariaga, Jane Kramer, Bob Nahas, Dave Roylance, John Bennett and Ron Marshall to the Eagle Urban Renewal Agency Working Group.

### **Agency Activities.**

The Board discussed various options and actions regarding the Tri-City/4 Corners improvements during the past year. The Board accepted Joel Grounds as a pro-bono assistant to the EURA for the four corners intersection improvements. The Board will be assisting with the landscaping maintenance costs for the Beautification Eagle Project located at Eagle Road and State Street.

The Board changed their regular meetings to the first Tuesday of each month at 6:00 p.m. The Board modified their Bylaws to reflect the new regular meeting day and time.

The Board made a concerted effort to increase the transparency of the EURA's activities and improve the public's access to information about the EURA this past year. They discussed several options including putting more information on the website. The Board adopted a transparency resolution (Resolution 12-004) which required that more information be included on the website, including financial information, minutes, agendas, contracts and other financial

operating documents. The Board maintained active communication with their Working Group and regularly discussed of the Group's efforts to gather information and public input.

The new Board emphasized the construction of public infrastructure and improvements within the District during 2012. The Board negotiated infrastructure improvement reimbursement agreements with several developers and landowners. The Board entered into an infrastructure reimbursement agreement with Gloria Maheux and Bob Bruce for improvements to First Street and State Street corner improvements. The Board entered into a reimbursement agreement with Jeff and Linda Crouch for reimbursement of Streetscape improvements related to the construction of the Fusions mixed use building. The Board approved the initial estimates for reimbursement of right of way improvements related to Virtual IT's development at 120 N. First Street. The Board met with Kendra Kenyon and Rem Fox regarding the EEZ Street Initiative and development of a business accelerator in the Urban Renewal District. The Board met with Tom Manshreck of Thomas Development regarding potential cooperation with EURA regarding future development of affordable and market rate housing.

#### **Revenues.**

The only source of revenues for the EURA is revenue allocation funds (tax increment revenue) generated within the revenue allocation area and certain initial funds that were advanced by the City of Eagle. The Agency received net revenue allocation funds in 2012 of \$208,024.

#### **Expenditures.**

The agency will continue to look for opportunities to leverage its funding sources and work with developers, property owners and public entities to locate and consider redevelopment opportunities and assist with funding projects that positively impact the urban renewal area in accordance with the EURA Plan.

#### **Operating Expenses.**

The attached financial statements show the agency's expenses. The EURA, as required by Idaho code, approved its FY 2013-2014 budget. A copy of the budget resolution is attached to this annual report as Exhibit 3.

#### **Assets.**

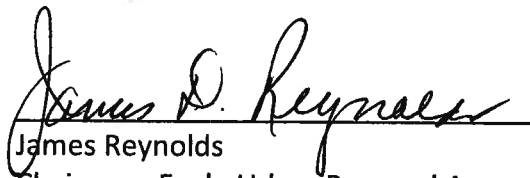
The EURA's assets are comprised solely of cash accounts and property taxes receivable. The major portion of Agency's property tax revenues are received twice per year at the end of January and end of July. Smaller amounts of delinquent taxes are received during the course of the year.

**Liabilities and Debt.**

The EURA's liabilities consist only of current accounts payable and deferred revenue. The Agency's only long-term debt in the past was the obligation to repay the City for funds initially advanced to the Agency which was paid off last fiscal year.

**Significant Changes in EURA's Financial Position.**

Excepting repayment of the City's advance, the Agency has and continues to operate in a pay-as-you-go environment, committing only those funds to projects that can be funded out of current funds or projected tax increment revenues in a given fiscal year along with any accrued account balance from previous years.



James Reynolds  
Chairman, Eagle Urban Renewal Agency  
March 5, 2012

**Exhibit 1**

**EAGLE URBAN RENEWAL AGENCY**

**RESOLUTION NO. 12-003**

BY THE BOARD OF COMMISSIONERS OF THE EAGLE URBAN RENEWAL AGENCY OF EAGLE, IDAHO, A/K/A EURA:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE EAGLE URBAN RENEWAL AGENCY OF EAGLE, IDAHO, TO BE TERMED THE "ANNUAL APPROPRIATION RESOLUTION," APPROPRIATING SUMS OF MONEY AUTHORIZED BY LAW AND DEEMED NECESSARY TO DEFRAY ALL EXPENSES AND LIABILITY OF THE URBAN RENEWAL AGENCY, FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2012, AND ENDING SEPTEMBER 30, 2013, FOR ALL GENERAL, SPECIAL AND CORPORATE PURPOSES; DIRECTING THE CHAIRMAN OR ADMINISTRATOR TO SUBMIT THE RESOLUTION AND BUDGET TO THE CITY OF EAGLE AND ANY OTHER ENTITY ENTITLED TO A COPY OF THE RESOLUTION AND BUDGET; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Eagle Urban Renewal Agency of the City of Eagle, Idaho, an independent public body corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, a duly created and functioning urban renewal agency of the City of Eagle, Idaho, hereinafter referred to as the "EURA."

WHEREAS, the EURA, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code title 50, chapter 20, as amended and supplemented, and the Local Economic Development Act of 1988, being Idaho Code, Title 50, Chapter 29; as amended and supplemented (collectively the "Act");

WHEREAS, the EURA was established by Resolution No. 06-50 of the City Council of the City of Eagle, Idaho (hereinafter the "City Council"), adopted October 10, 2006;

WHEREAS, the City Council of the City of Eagle, Idaho (the "City"), on December 11, 2007, after notice duly published, conducted a public hearing on the Eagle Revitalization Plan (the "Revitalization Plan");

RESOLUTION NO. 12-003 (Budget Adoption) - Page 1

WHEREAS, following said public hearing the City adopted its Ordinance No. 592 on December 11, 2007, approving the Revitalization Plan and making certain findings;

WHEREAS, pursuant to Idaho Code §50-2006, §50-2903(5) and §50-1002, EURA staff has prepared a budget and the EURA has tentatively approved estimated revenues and expenditures for the fiscal year commencing October 1, 2012, and ending September 30, 2013, by virtue of its action at the Agency's Board meeting of August 7, 2012;

WHEREAS, Agency has previously published notice of a public hearing to be conducted on August 23, 2012, at 6:00 p.m., at the Eagle City Hall, 660 E. Civic Ln., Eagle, Idaho, 83616 pursuant to Notice of Hearing published August 13th and 20th, 2012, a copy of which is attached hereto and incorporated herein as Exhibit A;

WHEREAS, on August 23<sup>rd</sup>, 2012, pursuant to §50-1002, Idaho Code, the Agency held a public hearing at the Eagle City Hall, 660 E. Civic Ln., Eagle, Idaho on the proposed budget and considered public comment, along with Board input, on services, expenditures, and revenues planned for Fiscal Year 2012-2013;

WHEREAS, pursuant to §50-2006, Idaho Code, the Agency is required to pass an annual appropriation resolution and submit the resolution to the City of Eagle, Idaho on or before September 1, 2012.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE EAGLE URBAN RENEWAL AGENCY OF EAGLE, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the sums of money, or as much thereof as may be authorized by law, needed, or deemed necessary to defray all expenses and liabilities of the Agency, as set forth in *Exhibit A*, which is annexed hereto and by reference made of a part of this Resolution which was published on August 13<sup>th</sup>, 2012 and August 20<sup>th</sup>, 2012. Those sums of money are hereby appropriated for the general, special and corporate purposes and objectives of the Agency for the fiscal year commencing October 1, 2012, and ending September 30, 2013.

Section 3: That the Chairman or Administrator shall submit the Resolution and Budget to the City of Eagle on or before September 1, 2012, and submit this Resolution and Budget to any other entity entitled to a copy of the Resolution and Budget.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of the City of Eagle,

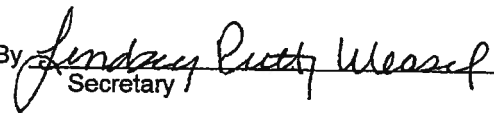
RESOLUTION NO. 12-003 (Budget Adoption) - Page 2

Idaho, on August 23rd, 2012. Signed by the Chairman of the Board of Commissioners,  
and attested by the Secretary to the Board of Commissioners, on August 23, 2012.

APPROVED:

By   
Chairman of the Board.

ATTEST:

By   
Secretary

RESOLUTION NO. 12-003 (Budget Adoption) - Page 3



**Exhibit A**

**Eagle Urban Renewal Agency Adopted Budget FY 2012-2013**

	FY 2011	FY 2012	FY 2012	Proposed FY
	<u>Actual</u>	<u>Budget-Original</u>	<u>Actual to Date</u>	2013
<b>REVENUE</b>				<u>Budget</u>
Revenue - Taxes	\$183,848.00	\$185,931.00	\$129,291.00	\$170,000.00
Revenue - Carry Forward	\$130,231.00	\$174,324.00	\$189,131.48	\$137,000.00
<b>TOTAL REVENUE</b>	<b>\$314,079.00</b>	<b>\$360,255.00</b>	<b>\$318,422.48</b>	<b>\$307,000.00</b>
<b>EXPENDITURES</b>				
General	\$92,378.00	\$142,000.00	\$51,348.00	\$12,870.00
Debt	\$ 0.00	\$39,950.00	\$39,500.00	\$0.00
Projects/Reserves	\$173,950.00	\$132,718.00	\$57,282.00	\$244,230.00
School District #2	\$47,751.00	\$45,587.00	\$36,828.00	\$49,900.00
<b>TOTAL EXPENSES</b>	<b>\$314,079.00</b>	<b>\$360,255.00</b>	<b>\$184,958.00</b>	<b>\$307,000.00</b>



**Exhibit 2**

Eagle Urban Renewal Agency 2  
Profit & Loss  
January - December 2012

	<b>Total</b>
Income	
Eagle Urban Renewal	208,024.21
Total Income	\$208,024.21
Cost of Goods Sold	
School District Payment	58,284.33
Total Cost of Goods Sold	\$58,284.33
Gross Profit	\$149,739.88
Expenses	
Contract Labor	4,733.07
Dues & Subscriptions	333.72
Insurance	396.37
Insurance - Liability	935.00
Legal & Professional Fees	437.76
Accountant	4,096.00
Consultant	1,974.00
Engineering, Architect Fees	487.47
Legal Fees	32,124.91
Total Legal & Professional Fees	39,120.14
Meals and Entertainment	42.03
Office Expenses	1,439.81
Project Reimbursements	60,622.55
Total Expenses	\$107,622.69
Net Operating Income	\$42,117.19
Net Income	\$42,117.19

Eagle Urban Renewal Agency 2  
 Profit & Loss  
 January - December 2012

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Income	
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Gross Profit	\$149,739.88
Expenses	
Contract Labor	4,733.07
Dues & Subscriptions	333.72
Insurance	396.37
Insurance - Liability	935.00
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Total Legal & Professional Fees	39,120.14
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Net Operating Income	\$42,117.19
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**Exhibit 3**

**EAGLE URBAN RENEWAL AGENCY**

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2012**

**EAGLE URBAN RENEWAL AGENCY**  
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**Independent Auditor's Report**

Board of Commissioners  
Eagle Urban Renewal Agency

We have audited the accompanying financial statements of the governmental activities and each major fund of Eagle Urban Renewal Agency (the Agency), a component unit of the City of Eagle, as of and for the year ended September 30, 2012, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the Agency as of September 30, 2012 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

**Folke CPAs, P.C.**

December 17, 2012



**EAGLE URBAN RENEWAL AGENCY**

Statement of Net Assets

September 30, 2012

	<u>Governmental Activities</u>
<b>Assets</b>	
Current Assets	
Cash	\$185,566
Taxes Receivable	10,760
Total Current Assets	<u>196,326</u>
<b>Total Assets</b>	<u>\$196,326</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	\$3,322
Due to Joint School District No. 2	3,164
Total Current Liabilities	<u>6,486</u>
<b>Total Liabilities</b>	<u>6,486</u>
<b>Net Assets</b>	
Unrestricted	189,840
<b>Total Net Assets</b>	<u>189,840</u>
<b>Total Liabilities and Net Assets</b>	<u>\$196,326</u>

See Accompanying Notes

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**EAGLE URBAN RENEWAL AGENCY**

Balance Sheet - Governmental Funds

September 30, 2012

Page 1 of 2

	<u>General Fund</u>
<b>Assets</b>	
Cash	\$185,566
Taxes Receivable	10,760
<b>Total Assets</b>	<u>\$196,326</u>
<b>Liabilities</b>	
Accounts Payable	\$3,322
Due to Joint School District No. 2	3,164
Deferred Revenue	7,228
<b>Total Liabilities</b>	<u>13,714</u>
<b>Fund Balances</b>	
Unassigned	182,612
<b>Total Fund Balances</b>	<u>182,612</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$196,326</u>

See Accompanying Notes

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**EAGLE URBAN RENEWAL AGENCY**  
Balance Sheet - Governmental Funds  
September 30, 2012

Page 2 of 2

**Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities**

**Total Governmental Fund Balances** \$182,612

Amounts reported for governmental activities in the statement of net assets are different because:

Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds. 7,228

**Net Assets of Governmental Activities** \$189,840

See Accompanying Notes

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**EAGLE URBAN RENEWAL AGENCY**

Page 1 of 2

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended September 30, 2012**

	<u>General Fund</u>
<b>Revenues</b>	
Property Taxes	\$206,851
<b>Total Revenues</b>	<u>206,851</u>
<b>Expenditures</b>	
Current Expenditures	
Administration	8,638
Contract & Agreements	46,504
Projects	60,623
Joint School District No. 2	57,937
<b>Total Expenditures</b>	<u>173,702</u>
<b>Net Change in Fund Balances</b>	33,149
<b>Fund Balances - Beginning</b>	<u>149,463</u>
<b>Fund Balances - Ending</b>	<u><u>\$182,612</u></u>

See Accompanying Notes

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EAGLE URBAN RENEWAL AGENCY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended September 30, 2012

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds to the  
Statement of Activities**

**Net Change in Fund Balances - Total Governmental Funds** \$33,149

Amounts reported for governmental activities in the statement of  
activities are different because:

Revenues in the statement of activities that do not provide current  
financial resources are deferred in the funds. (1,659)

**Change in Net Assets of Governmental Activities** \$31,490

See Accompanying Notes

**EAGLE URBAN RENEWAL AGENCY**  
Notes to Financial Statements

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** – The Eagle Urban Renewal Agency (the Agency) provides urban renewal services as authorized by Idaho Code. The Agency’s board of commissioners is appointed by the mayor and confirmed by the city council. As such, the Agency is defined as a component unit of the City of Eagle.

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to urban renewal agencies. The significant accounting policies of the Agency are described below.

**Basic Financial Statements - Government-Wide 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). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the Agency’s activities are categorized as governmental activities.

In the government-wide statement of net assets, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Agency’s net assets may be reported in three parts - invested in capital assets, net of related debt (when related debt exists), restricted net assets, and unrestricted net assets. The Agency first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Agency’s functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

As the Agency has only one function (providing urban renewal services) which is reported in one fund, all expenses are considered direct and, accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the Agency as an entity and the change in the Agency’s net assets resulting from the current year’s activities.

**Basic Financial Statements - Fund Financial Statements** – The financial transactions of the Agency are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

**EAGLE URBAN RENEWAL AGENCY**  
Notes to Financial Statements

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The emphasis in fund financial statements is on the major funds. Nonmajor funds by category, when present, are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures/expenses of the funds) for the determination of major funds. Major governmental funds of the Agency include:

*General Fund* – The general fund is the Agency’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**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.

Activities in the government-wide financial statements are presented on the accrual basis of accounting and are required to follow both governmental accounting standards board pronouncements and financial accounting standards board pronouncements issued through November 30, 1989. Revenues are recognized when earned and expenses are recognized when incurred.

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 (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

The Agency may report deferred revenue on its financial statements. For the fund financial statements, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the revenue is recognized. For both the government-wide and fund financial statements, certain grant revenues are only recognized to the extent they have been used for qualifying expenditures; any excess revenues are reported as deferred revenue.

**Receivables** – Receivables are reported net of any estimated uncollectible amounts.

**Inventories** – Material supplies on hand at year end are stated at cost using the first-in, first-out method.

**Due to Joint School District No. 2** – Per Resolution 08-36, a portion of the taxes that the Agency collects are pass-through funds which the Agency remits to Joint School District No. 2.

Accordingly, a portion of the taxes receivable listed on the statement of net assets and balance sheet – governmental funds at year end is due to Joint School District No. 2.

**EAGLE URBAN RENEWAL AGENCY**  
Notes to Financial Statements

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**Net Assets** – Net assets is the difference between assets and liabilities. Net assets invested in capital assets - net of related debt, are capital assets net of accumulated depreciation and reduced by any outstanding debt related to the financing of those assets. Restricted net assets are net assets less related debt that are subject to constraints on their use by creditors, grantors, contributors, legislation, and other parties. All other net assets are reported as unrestricted.

**Fund Balance Classifications** – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that are not expected to be converted into cash. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Assigned fund balance classifications are not actively used by the entity. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the Agency first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the Agency first utilizes committed resources.

**Property Taxes** – The Agency receives a portion of the property taxes generated by the taxing entities within the Agency's taxing district. The taxes are collected by the respective county and then remitted back to the Agency. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20<sup>th</sup> and June 20<sup>th</sup>. A lien is filed on real property three years from the date of delinquency.

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

**Concentrations of Credit Risk** – The Agency maintains its cash at insured financial institutions. Balances generally do not exceed federally insured limits.

**Risk Management** – The Agency is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

**Subsequent Events** – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

**EAGLE URBAN RENEWAL AGENCY**  
Notes to Financial Statements

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**B. CASH**

Cash consists of the following at year end:

Cash - Deposits	\$185,566
<b>Total</b>	<u>\$185,566</u>

**Deposits** – At year end, the carrying amounts of the Agency's deposits were \$185,566 and the bank balances were \$185,566. The bank balances were insured.

**Investments** – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The Agency's investment policy complies with state statutes.

**C. DEFERRED REVENUE**

Deferred revenue consists of the following at year end:

<u>Description</u>	<u>Fund Financial Statements</u>
Delinquent Property Taxes	\$7,228
<b>Total</b>	<u>\$7,228</u>

**D. DUE TO THE CITY OF EAGLE**

The City of Eagle originally provided the Agency with \$129,950 of startup funds which the Agency has paid back over the course of several years. The Agency paid the final installment of \$39,950 to the City of Eagle in the 2011/12 fiscal year.



**EAGLE URBAN RENEWAL AGENCY**  
**Budgetary Comparison Schedule - General Fund**  
**Year Ended September 30, 2012**

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$185,931	\$185,931	\$206,851	\$20,920
<b>Total Revenues</b>	<u>185,931</u>	<u>185,931</u>	<u>206,851</u>	<u>20,920</u>
<b>Expenditures</b>				
Current Expenditures				
Administration	33,500	33,500	8,638	24,862
Contract & Agreements	108,500	108,500	46,504	61,996
Projects / Debt Repayment	172,668	172,668	60,623	112,045
Joint School District No. 2	45,587	45,587	57,937	(12,350)
<b>Total Expenditures</b>	<u>360,255</u>	<u>360,255</u>	<u>173,702</u>	<u>186,553 *</u>
<b>Net Change in Fund Balances</b>	(174,324)	(174,324)	33,149	207,473
<b>Fund Balances - Beginning</b>	<u>174,324</u>	<u>174,324</u>	<u>149,463</u>	<u>(24,861)</u>
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$182,612</u>	<u>\$182,612</u>

\*Total expenditures (over) under appropriations.

See Auditor's Report

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**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Board of Commissioners  
Eagle Urban Renewal Agency

We have audited the financial statements of the governmental activities and each major fund of Eagle Urban Renewal Agency (the Agency), a component unit of the City of Eagle, as of and for the year ended September 30, 2012, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 17, 2012. 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.

**Internal Control Over Financial Reporting**

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



**EAGLE URBAN RENEWAL AGENCY**  
Schedule of Findings and Responses  
Year Ended September 30, 2012

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**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Agency.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Agency were disclosed during the audit.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None.

