

**POST FALLS URBAN RENEWAL
AGENCY**

**Financial Statements and
Accountants' Compilation Report**

March 31, 2009

POST FALLS URBAN RENEWAL AGENCY

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To the Board of Directors
Post Falls Urban Renewal Agency
Post Falls, Idaho

We have compiled the accompanying statement of net assets and balance sheet-governmental funds of Post Falls Urban Renewal Agency as of March 31, 2009, and the related statement of revenues, expenditures, and changes in fund balance for the six month period then ended, and statement of revenues, expenditures, and changes in fund balance-budget and actual for the six month period then ended, and the statement of revenues, expenditures, and changes in fund balance-budget and actual-year to date comparison-general fund for the six month period then ended, and the accompanying supplemental information provided, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Agency's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Post Falls Urban Renewal Agency.

Coeur d'Alene, Idaho
April 12, 2009

Post Falls Urban Renewal Agency

Statement of Net Assets

March 31, 2009

ASSETS

| | |
|---------------------------------|---------------------|
| Cash and cash equivalents | \$ 12,047 |
| Investments-CD's | 1,000,520 |
| Investments-State Pool-reserves | 3,478,591 |
| Interest receivable | 7,378 |
| Accounts receivable-taxes | <u>315,160</u> |
| Total assets | <u>\$ 4,813,696</u> |

LIABILITIES:

| | |
|--|------------------|
| Accounts payable | \$ 6,841 |
| Accrued interest payable | 2,820 |
| Note payable-Tullamore OPA | 2,724,027 |
| Note payable-City Center-Cent Trail | 20,000 |
| Note payable-Riverbend PH II OPA | 2,308,519 |
| Note Payable-Washington Trust-Center Point | <u>348,600</u> |
| Total liabilities | <u>5,401,146</u> |

NET ASSETS:

| | |
|------------------------|---------------------|
| Unrestricted (deficit) | <u>(587,450)</u> |
| Total net assets | <u>\$ (587,450)</u> |

INCLUDES AUDIT ADJUSTMENTS

See accompanying accountants' compilation report.

Post Falls Urban Renewal Agency
GOVERNMENTAL FUNDS
BALANCE SHEET
March 31, 2009

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total</u> |
|--|-------------------|----------------------------|-------------------------|-----------------------------|---------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 12,047 | \$ - | \$ - | \$ - | \$ 12,047 |
| Investments-CD's | | 1,000,520 | | | 1,000,520 |
| Investments-State Pool-reserves | 253,608 | 3,224,983 | | | 3,478,591 |
| Due from other funds | | 25,305 | | | 25,305 |
| Interest receivable | | 7,378 | | | 7,378 |
| Accounts receivable-taxes | | 315,160 | | | 315,160 |
| | <hr/> | | | | |
| Total assets | <u>\$ 265,655</u> | <u>\$ 4,573,346</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,839,001</u> |
| LIABILITIES AND FUND BALANCES: | | | | | |
| LIABILITIES: | | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ 25,305 | \$ 25,305 |
| Accounts payable | 6,841 | | | | 6,841 |
| Accrued interest payable | | | 2,820 | | 2,820 |
| Deferred tax revenue | | 267,240 | | | 267,240 |
| Note payable-Tullamore OPA | | | 2,724,027 | | 2,724,027 |
| Note payable-City Center-Cent Trail | | | 20,000 | | 20,000 |
| Note payable-Riverbend PH II OPA | | | 2,308,519 | | 2,308,519 |
| Note Payable-Washington Trust-Center Point | | | 348,600 | | 348,600 |
| | <hr/> | | | | |
| Total liabilities | <u>6,841</u> | <u>267,240</u> | <u>5,403,966</u> | <u>25,305</u> | <u>5,703,352</u> |
| FUND BALANCES: | | | | | |
| Reserved-capital projects | | | | (25,305) | (25,305) |
| Unreserved: | | | | | - |
| Undesignated | 258,814 | 4,306,106 | (5,403,966) | | (839,046) |
| | <u>258,814</u> | <u>4,306,106</u> | <u>(5,403,966)</u> | <u>(25,305)</u> | <u>(864,351)</u> |
| | <hr/> | | | | |
| Total liabilities and fund balances | <u>\$ 265,655</u> | <u>\$ 4,573,346</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,839,001</u> |

(Includes audit adjustments from fy 9-30-07)

Post Falls Urban Renewal Agency

Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual
For the month ended March 31, 2009

| | March | | |
|--|---------------------|-------------|----------------------------|
| | Actual | Budget | Favorable (Unfavorable) |
| REVENUES: | | | |
| Property taxes | \$ 69,880 | \$ - | \$ 69,880 |
| Interest income | 3,705 | 5,378 | (1,673) |
| Miscellaneous income | - | - | - |
| Administration fees | 11,500 | 9,917 | 1,583 |
| Total Revenues | 85,085 | 15,295 | 69,790 |
| EXPENDITURES: | | | |
| Administration fees | - | - | - |
| Contract employee | 5,666 | 7,692 | 2,026 |
| Contract accounting services | 525 | 583 | 58 |
| City services | - | - | - |
| Professional fees | - | 1,500 | 1,500 |
| Contract legal | 526 | 1,500 | 974 |
| Advertising and legal notices | - | 21 | 21 |
| Dues and memberships | 143 | 33 | (110) |
| Travel and meetings | 58 | 167 | 109 |
| Marketing and promotion | - | 42 | 42 |
| Meals and entertainment | - | - | - |
| Insurance | - | 208 | 208 |
| Moving expense | - | 165 | 165 |
| Equipment rent | 117 | - | (117) |
| Office furniture | - | - | - |
| Office supplies | - | 42 | 42 |
| Publications and books | - | 13 | 13 |
| Postage | 7 | 50 | 43 |
| Printing | 81 | 83 | 2 |
| Rent | 430 | 833 | 403 |
| Repair and maintenance | - | 21 | 21 |
| Mileage reimbursement | - | 33 | 33 |
| Telephone and voicemail | 191 | 142 | (49) |
| Website design and maintenance | 280 | 83 | (197) |
| Audit fee | - | 417 | 417 |
| Contingency for miscellaneous | - | 1,667 | 1,667 |
| Special Revenue: | | | |
| Proponent payments | 718,762 | - | (718,762) |
| Capital outlay: | | | |
| Capital projects-proponents | - | - | - |
| Debt service: | | | |
| Principal payments-proponents | (357) | - | 357 |
| Principal payments-financial institution | - | - | - |
| Interest expense-proponents | - | - | - |
| Interest expense-financial institution | - | - | - |
| Total Expenditures | 726,429 | 15,295 | (711,134) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (641,344) | - | (641,344) |
| OTHER FINANCING SOURCES (USES): | | | |
| Borrowed funds | - | - | - |
| Transfers in (out) | - | - | - |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | (641,344) | \$ - | \$ (641,344) |
| FUND BALANCE, BEGINNING OF PERIOD | (223,007) | | |
| FUND BALANCE, END OF PERIOD | \$ (864,351) | | |

##-AJE TO AGREE TO AUDIT

Post Falls Urban Renewal Agency

Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual-Year to date Comparison
For the Six-Month Period Ended March 31, 2009

| | (1) | (2) | (3) | (4) | (5) |
|--|--------|--------------|----------------|---------|----------------|
| | | | Favorable | Annual | (4-2) |
| | Budget | Actual | (Unfavorable) | Budget | Variance |
| REVENUES: | | | | | |
| Property taxes | \$ - | \$ 1,941,935 | \$ 1,941,935 | \$ - | \$ 1,941,935 |
| Interest income | 32,267 | 38,099 | 5,832 | 64,535 | (26,436) |
| Miscellaneous income | - | - | - | - | - |
| Administration fees | 59,500 | 11,500 | (48,000) | 119,000 | (107,500) |
| Total Revenues | 91,767 | 1,991,534 | 1,899,767 | 183,535 | 1,807,999 |
| EXPENDITURES: | | | | | |
| Administration fees | - | - | - | - | - |
| Contract employee | 46,150 | 28,545 | 17,605 | 92,300 | 63,755 |
| Contract accounting services | 3,500 | 3,150 | 350 | 7,000 | 3,850 |
| City services | - | - | - | 0 | - |
| Professional fees | 9,000 | 4,712 | 4,288 | 18,000 | 13,288 |
| Contract legal | 9,000 | 18,903 | (9,903) | 18,000 | (903) |
| Advertising and legal notices | 250 | 61 | 189 | 500 | 439 |
| Dues and memberships | 200 | 286 | (86) | 400 | 114 |
| Travel and meetings | 1,000 | 58 | 942 | 2,000 | 1,942 |
| Marketing and promotion | 125 | - | 125 | 250 | 250 |
| Meals and entertainment | - | - | - | - | - |
| Insurance | 1,250 | - | 1,250 | 2,500 | 2,500 |
| Moving expense | 992 | - | 992 | 1,985 | 1,985 |
| Equipment rent | - | 513 | (513) | - | (513) |
| Office furniture | - | - | - | - | - |
| Office supplies | 250 | 928 | (678) | 500 | (428) |
| Postage | 300 | 310 | (10) | 600 | 290 |
| Printing | 500 | 186 | 314 | 1,000 | 814 |
| Rent | 5,000 | 2,520 | 2,480 | 10,000 | 7,480 |
| Repair and maintenance | 125 | 80 | 45 | 250 | 170 |
| Mileage reimbursement | 200 | - | 200 | 400 | 400 |
| Telephone and voicemail | 850 | 855 | (5) | 1,700 | 845 |
| Website design and maintenance | 500 | 355 | 145 | 1,000 | 645 |
| Publications and book | 75 | 485 | (410) | 150 | (335) |
| Audit fee | 2,500 | 4,800 | (2,300) | 5,000 | 200 |
| Contingency for miscellaneous | 10,000 | - | 10,000 | 20,000 | 20,000 |
| Special Revenue: | | | | | |
| Proponent payments' | - | 1,049,048 | (1,049,048) | - | (1,049,048) |
| Capital outlay: | | | | | |
| Capital projects-proponents | - | 5,272,027 | (5,272,027) | - | (5,272,027) |
| Debt service: | | | | | |
| Principal payments-proponents | - | 96,761 | (96,761) | - | (96,761) |
| Principal payments-financial institution | - | 24,900 | (24,900) | - | (24,900) |
| Interest expense-proponents | - | - | - | - | - |
| Interest expense-financial institution | - | 8,277 | (8,277) | - | (8,277) |
| Total Expenditures | 91,767 | 6,517,760 | (6,425,993) | 183,535 | (6,334,225) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | (4,526,226) | (4,526,226) | - | (4,526,226) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Borrowed funds | - | - | - | - | - |
| Transfers in (out) | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | \$ - | (4,526,226) | \$ (4,526,226) | \$ - | \$ (4,526,226) |
| FUND BALANCE, BEGINNING OF PERIOD | | 3,661,875 | | | |
| FUND BALANCE, END OF PERIOD | | \$ (864,351) | | | |

Post Falls Urban Renewal Agency

**Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual-Year to date Comparison-General Fund
For the Six-Month Period Ended March 31, 2009**

| | (1) | (2) | (3) | (4) | (5) |
|--|---------------|-------------------|------------------------------------|--------------------------|---------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable)</u> | <u>Annual Budget</u> | <u>(4-2) Variance</u> |
| REVENUES: | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest income | 32,267 | 38,099 | 5,832 | 64,535 | (26,436) |
| Miscellaneous income | - | - | - | - | - |
| Administration fees | 59,500 | - | (59,500) | 119,000 | (119,000) |
| Total Revenues | <u>91,767</u> | <u>38,099</u> | <u>(53,668)</u> | <u>183,535</u> | <u>(145,436)</u> |
| EXPENDITURES: | | | | | |
| Administration fees | - | - | - | - | - |
| Contract employee | 46,150 | 28,545 | 17,605 | 92,300 | 63,755 |
| Contract accounting services | 3,500 | 3,150 | 350 | 7,000 | 3,850 |
| City services | - | - | - | - | - |
| Professional fees | 9,000 | 4,712 | 4,288 | 18,000 | 13,288 |
| Contract legal | 9,000 | 18,903 | (9,903) | 18,000 | (903) |
| Advertising and legal notices | 250 | 61 | 189 | 500 | 439 |
| Dues and memberships | 200 | 286 | (86) | 400 | 114 |
| Travel and meetings | 1,000 | 58 | 942 | 2,000 | 1,942 |
| Marketing and promotion | 125 | - | 125 | 250 | 250 |
| Meals and entertainment | - | - | - | - | - |
| Insurance | 1,250 | - | 1,250 | 2,500 | 2,500 |
| Moving expense | 992 | - | 992 | 1,985 | 1,985 |
| Equipment rent | - | 513 | (513) | - | (513) |
| Office furniture | - | - | - | - | - |
| Office supplies | 250 | 928 | (678) | 500 | (428) |
| Postage | 300 | 310 | (10) | 600 | 290 |
| Printing | 500 | 186 | 314 | 1,000 | 814 |
| Rent | 5,000 | 2,520 | 2,480 | 10,000 | 7,480 |
| Repair and maintenance | 125 | 80 | 45 | 250 | 170 |
| Mileage reimbursement | 200 | - | 200 | 400 | 400 |
| Telephone and voicemail | 850 | 855 | (5) | 1,700 | 845 |
| Website design and maintenance | 500 | 355 | 145 | 1,000 | 645 |
| Publications and book | 75 | 485 | (410) | 150 | (335) |
| Audit fee | 2,500 | 4,800 | (2,300) | 5,000 | 200 |
| Contingency for miscellaneous | 10,000 | - | 10,000 | 20,000 | 20,000 |
| Total Expenditures | <u>91,767</u> | <u>66,747</u> | <u>25,020</u> | <u>183,535</u> | <u>116,788</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>(28,648)</u> | <u>(28,648)</u> | <u>\$ -</u> | <u>\$ (28,648)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in (out) | - | - | - | - | - |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | <u>\$ -</u> | <u>(28,648)</u> | <u>\$ (28,648)</u> | | |
| FUND BALANCE, BEGINNING OF PERIOD | | <u>294,303</u> | | | |
| FUND BALANCE, END OF PERIOD | | <u>\$ 265,655</u> | | | |

See accompanying accountants' compilation report.

Post Falls Urban Renewal Agency
Schedule of Tax Increment by Special Revenue Fund
For the Six-Month Period Ended March 31, 2009

| | Center Point | | City Center | East Post Falls | | | Expo | Riverbend | West Seltice II | | General | Total |
|----------------------------------|---------------------|---------------|---------------------|---------------------|---------------|---------------|---------------------|---------------------|--------------------|---------------|---------------|-----------------------|
| | Greenstone | Stateline | | South | Central | North | | | Greenstone | ABC Berg | | |
| Tax increment-year-to-date | \$336,047 | \$0 | \$319,613 | \$799,022 | \$0 | \$0 | \$163,770 | \$260,793 | \$62,691 | \$0 | \$0 | \$1,941,936 |
| October 2008 | | | 41.04 | 1,343.89 | | | 0.00 | | | | | 1,384.93 |
| November 2008 | | | 25,642.11 | 36,115.12 | | | 0.00 | 0.00 | | | | 61,757.23 |
| December 2008 | 4,822.30 | | 11,817.05 | 18,862.54 | | | 9,009.98 | 3,938.13 | | | | 48,450.00 |
| January 2009 | 0.00 | | 0.00 | 0.00 | | | 0.00 | 0.00 | 0.00 | | | 0.00 |
| February 2009 | 331,224.36 | | 277,945.67 | 713,392.89 | | | 154,759.93 | 220,465.25 | 62,675.37 | | | 1,760,463.47 |
| March 2009 | 0.00 | | 4,167.10 | 29,307.89 | | | 0.00 | 36,389.71 | 15.18 | | | 69,879.88 |
| April 2009 | | | 0.00 | 0.00 | | | 0.00 | 0.00 | | | 0.00 | 0.00 |
| May 2009 | 0.00 | | 0.00 | 0.00 | | | 0.00 | 0.00 | | | 0.00 | 0.00 |
| June 2009 | 0.00 | | 0.00 | 0.00 | | | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 |
| July 2009 | 0.00 | | 0.00 | 0.00 | | | 0.00 | 0.00 | 0.00 | | | 0.00 |
| August 2009 | | | 0.00 | 0.00 | | | 0.00 | 0.00 | | | | 0.00 |
| September 2009 | 0.00 | | 0.00 | 0.00 | | | 0.00 | 0.00 | | | 0.00 | 0.00 |
| Total-fiscal year-to date | \$336,046.66 | \$0.00 | \$319,612.97 | \$799,022.33 | \$0.00 | \$0.00 | \$163,769.91 | \$260,793.09 | \$62,690.55 | \$0.00 | \$0.00 | \$1,941,935.51 |

See accompanying accountants' compilation report

#####

Legal expenses by District

For the Six-Month Period Ended March 31, 2009

| | <u>Center Point</u> | <u>City Center</u> | <u>East Post Falls</u> | <u>Expo</u> | <u>Riverbend</u> | <u>West Seltice II</u> | <u>General</u> | <u>Total</u> |
|------------|---------------------|------------------------|----------------------------|-------------|------------------|----------------------------|----------------|--------------|
| Legal fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$18,903 | \$18,903 |

See accompanying accountants' compilation report

**Post Falls Urban Renewal Agency
Schedule of Cash Balances
March 31, 2009**

| | General Fund | Special Revenue | Capital Projects | Debt Service Fund | Total |
|--|-------------------|---------------------|---------------------|-------------------------|---------------------|
| Beginning cash balances October 1, 2008 | \$ 282,282 | \$ 3,465,514 | \$ - | \$ - | \$ 3,747,796 |
| Admin fees income | 11,500 | 0 | | | 11,500 |
| Tax revenue | 0 | 1,941,935 | | | 1,941,935 |
| Interest income | 38,099 | | | | 38,099 |
| General and admin expenses | (66,765) | | | | (66,765) |
| Capital outlay | | | 0 | | 0 |
| Debt service payments-principal | | | | (121,661) | (121,661) |
| Debt service payments-interest | | | | (8,277) | (8,277) |
| Special Revenue: | | | | | |
| Proponent payments | | (1,049,048) | | | (1,049,048) |
| Transfers from Special Revenue Fund | 0 | 0 | 0 | | 0 |
| Transfers from Special Revenue Fund | 0 | (129,938) | 0 | 129,938 | 0 |
| Transfers from Special Revenue Fund | | | | | |
| Payment of accounts payable | (461) | | | | (461) |
| Receivable-overpayment to City of Post Falls | 0 | (1,960) | | | (1,960) |
| Noncash-reversal of accrual for occupancy tax | 0 | | | | |
| Admin fees expense | | 0 | | | 0 |
| Cash balances March 31, 2009 | \$ 264,655 | \$ 4,226,503 | \$ - | \$ - | \$ 4,491,158 |
| | | | | <u><u>4,226,503</u></u> | |