



# Annual Report

& Financial Statements for Fiscal Year 2015



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# 2015 Annual Report



## *2015 ANNUAL REPORT FOR THE MOSCOW URBAN RENEWAL AGENCY*

The Mission of the Agency (Agency) is to promote and support projects that achieve sustainable economic growth, vitality, and which enhance the community.

Per Idaho Code §50-2006(c), urban renewal agencies are to provide an annual report by March 31 of each year to the jurisdiction's governing body. For the Agency that is the Moscow City Council. This report is submitted in fulfillment of that requirement and to provide information to the public. The report will be available from March 3 through March 25, 2016, for inspection during business hours in the office of the City Clerk or on the Urban Renewal Agency's website at [www.moscowura.com](http://www.moscowura.com).

As required by Idaho Code §50-2006(c), the Agency will consider for approval the draft annual report of the Agency's 2015 activities at their meeting on March 3, 2016. Written comments are welcomed and may be submitted to the Agency in advance of the meeting. Comments and responses from that period will be included in the final version of this report.

**The comment period will remain open from March 3, 2016 to March 25, 2016.**

### *FOR MORE INFORMATION...*

As required by Idaho Code §50-2011(f), the annual report identifies the real property held by the Agency and sets forth the reasons such property remains unsold and indicates the Agency's plans for disposition of the real property, if necessary. If you have any questions or to submit comments, please contact:

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### *Understanding URAs*

Urban renewal and revenue allocation financing are the most significant tools available to Idaho communities for attracting and retaining businesses, generating economic development, promoting job creation and encouraging development of deteriorating and underutilized areas. The State of Idaho provides limited options for cities and counties to use in financing site preparation, infrastructure and other needed incentives necessary to attract and retain businesses. Revenue allocation financing allows communities to make a site ready for development, including extending water, sewer, streets and other improvements that reduce the cost to businesses of relocating or expanding.

Urban renewal and revenue allocation financing is particularly important because of the competitive nature of economic development, where Idaho communities face competition from communities in other states or countries where incentives such as tax abatements, local revenue sharing, and incentives for recruitment often exist. Many Idaho cities (some with more than one project area), have chosen these tools to revitalize their city. The positive impacts of urban renewal can be seen across the state of Idaho.





## *CONTENTS*

Moscow Urban Renewal Agency Profile .....	3
Agency Board of Commissioners .....	5
The Districts of the Agency.....	8
Alturas Technology Park Urban Renewal District .....	9
Legacy Crossing Urban Renewal District .....	11
EPA Brownfields Coalition Assessment & Cleanup Grant .....	14
Inventory of MURA Owned Properties .....	15
Public Comments & Response .....	16
Legal Notice .....	17
Financial Statements.....	18



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### *MOSCOW URBAN RENEWAL AGENCY PROFILE*

The Agency was organized by the Moscow City Council in 1995 pursuant to resolution 95-08 in accordance with Idaho Urban Renewal Law, Ch. 20, Title 50, Idaho Code (the "Law") and the Local Economic Development Act, Ch. 29, Title 50, Idaho Code (the "Act"). The Agency acts as an arm of the Idaho State government, entirely separate and distinct from the City of Moscow as provided in Idaho Code Section 50-2006.

The purpose of the Agency is to undertake urban renewal projects in areas designated by the City of Moscow to be deteriorating, and to undertake this rehabilitation, conservation, redevelopment or a combination thereof in the interest of the public health, safety, morals or welfare of the residents of the City of Moscow.

The Agency is comprised of seven Commissioners appointed by the Mayor and confirmed by the City Council, with terms as specified by the Mayor as authorized by Moscow City Council Resolution 2008-17. Membership is constituted as follows: Two (2) members of the Moscow City Council; one (1) member of the Latah County Commission; and, four (4) members from the citizenry at large. Terms are staggered in such a fashion that no more than three (3) expire in any given year. The Board of Commissioners elects the Chairman, Vice-Chairman and Secretary from the ranks of the Commission, the Treasurer office may be filled by Commissioners or by staff appointments made by the Commission.

The Chairperson is the Chief presiding officer of the Agency. The Chair executes all deeds, bonds, contracts and other legal documents authorized by the Commission. Some of the Chair's duties may be delegated by the Board of Commission to the Agency's Executive Director who oversees the day-to-day operations of the Agency and carries out the policies of the Board.



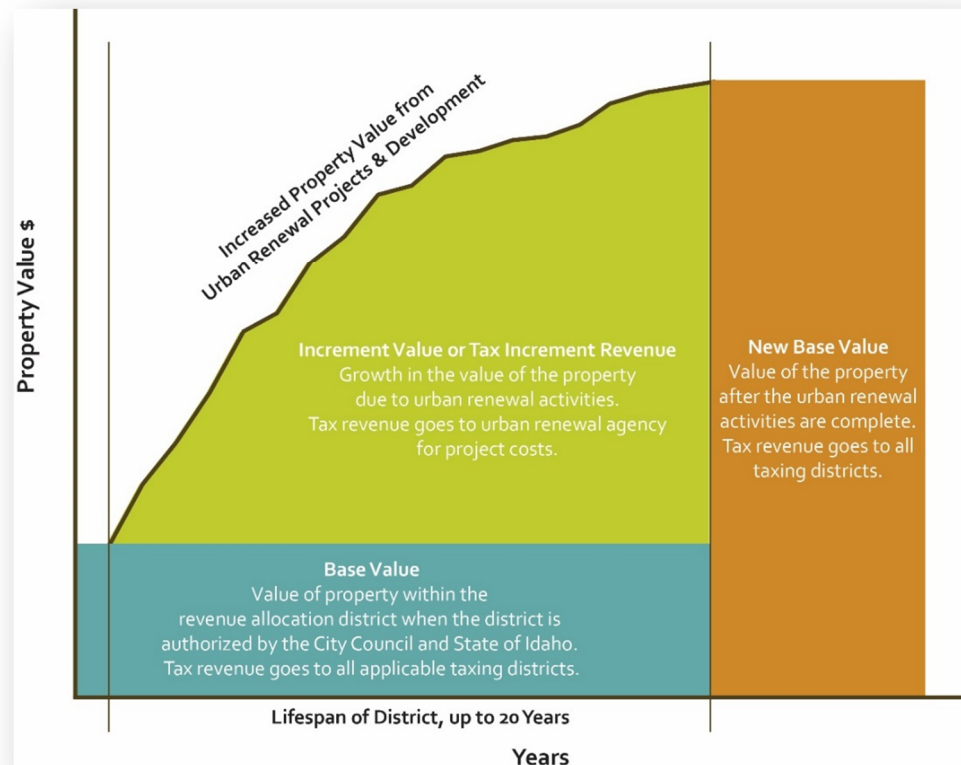
*Comtech EF Data Corporation*

The City of Moscow is responsible for defining the geographic boundaries and legal creation of all urban renewal districts within the city. The Alturas Technology Park District was created in 1995 and the Legacy Crossing District was created in 2008. The Agency works with the City of Moscow and the private sector to remedy blight and to facilitate economic development within these two districts. The Agency's activities within these districts are directed by specific urban renewal plans adopted by the Moscow City Council. The Agency provides funding for these efforts through the use of tax incremental financing.

As illustrated in the graphic on this page, when the city establishes a tax increment financing district, the value on the property in the district is set as of the date the district is created. The property tax revenue collected on this base value goes to the various taxing entities providing services to that property. Any increase in value over the base is called the increment value and the tax revenue generated from the increment value is transferred to the Agency.

These tax increment revenues are used by the Agency to pay for public improvements and other revitalization activities in that district. When the district closes (now up to 20 years) the increment value is added back to the base value on the tax rolls. This helps diversify and strengthen the economic bases of both the city and the county.

Though urban renewal is a separate item on property tax statements, local property owners pay the same amount of tax whether or not an urban renewal district is established in their area.



### *AGENCY BOARD OF COMMISSIONERS*

The Agency is comprised of seven Commissioners appointed by the Mayor, and confirmed by the City Council, with terms specified by the Mayor, as authorized by Moscow City Council Resolution 2008-17. Officers of the agency consist of a Chairperson, Vice Chairperson, Secretary and Treasurer. Formal policy decisions are made by the Agency Board of Commissioners.



### **2015 MURA Board** *(pictured from left to right)*

John McCabe, Past Chair (resigned from the Board in July of 2015 due to relocation)

Steve McGeehan, Chair

Brandy Sullivan, Vice Chair

Art Bettge, Secretary

Steve Drown, Commissioner

Dave McGraw, Commissioner

John Weber, Commissioner

Ron Smith, Commissioner

### *SIGNIFICANT AGENCY ACHIEVEMENTS FOR 2015*

The Agency was active during 2015 with a number of activities including the environmental remediation and future development planning of the Agency's 6<sup>th</sup> and Jackson property began, closure of the Alturas District occurred, the Agency administrative structure was streamline and private development activity increased with the improving national, state and local economy. Below are a few selected Agency achievements from 2015:

- **Environmental Remediation of 6<sup>th</sup> and Jackson Site:** The Agency's 6<sup>th</sup> and Jackson property underwent extensive environmental assessment and cleanup planning in 2011 and 2012. After the development of a preliminary cleanup plan in 2012, additional contaminants of concern were identify and additional testing and cleanup plan development was required. In 2015 the Agency completed the revised Assessment of Brownfield Cleanup Alternatives (ABCA) and cleanup work plan, selected a cleanup contractor and completed the soil removal and groundwater treatment system installation. This is an important milestone toward future redevelopment of this important property.
- **Selection of future developer for 6<sup>th</sup> and Jackson Site:** In November of 2014 the Agency published a request for proposals for the development of the 6<sup>th</sup> and Jackson property. The Agency sought proposals from interested developers with a vision for a mixed use development that would create energy and excitement in Legacy Crossing. Respondent Sangria Downtown LLC was selected as the successful party with a proposal to build a new 18,000 square foot development on the site that will include the Sangria Grille Restaurant, and additional commercial space and 18 residential units.
- **Closure of the Alturas Technology Park Urban Renewal District:** In 2015 the Agency made the last bond payment related to the construction of the Alturas Technology Park. With the Agency's debt obligations paid and the interest of closing the Revenue Allocation Area as soon as possible, the Agency moved quickly to close the District a year ahead of schedule. The Agency prepared the closure plan and passed a resolution recommending the closure of the District to the City Council on July 22, 2015. Following the Agency's recommendation, the City Council passed Ordinance 2015-15 on September 8, 2015, terminating the revenue allocation area and returning over \$20 million of assessed valuation to the taxing districts ahead of schedule.

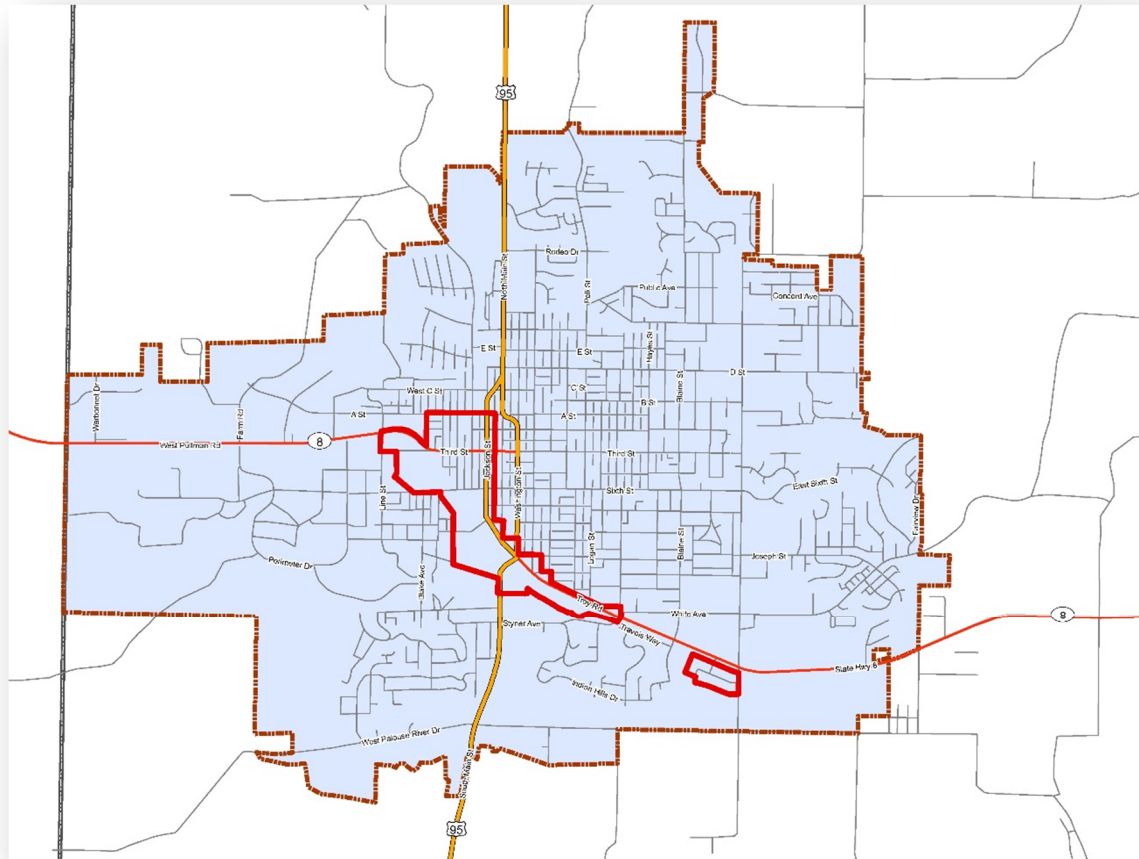
- **Transition of Agency Administration:** In anticipation of reduced revenues in light of the Alturas District closure and in the effort of streamlining Agency operations and realignment of resources, the administrative functions of the Agency were reassigned to the City Community Development Department. The Community Development Director was appointed as Agency Executive Director and Anne Peterson assumed the role as clerk. This transition has gained operational efficiencies and better aligned the activities of the Agency with the City's existing land use and development planning.



### *THE DISTRICTS OF THE AGENCY*

The Agency operates in two urban renewal districts: The Alturas Technology Park and Legacy Crossing. The smaller Alturas Technology Park District is located in the southeastern area of the City along State Highway 8, while the larger Legacy Crossing District is located just west of downtown near the University of Idaho Campus.

Applying a variety of redevelopment strategies to improve economic conditions and enhance the quality of life across the city, the Agency's catalog of projects demonstrates that there is no one-size-fits-all solution for community redevelopment. When taken as a whole, this diversity of efforts translates into a cohesive framework, serving critical community, business, and economic development needs.



### ALTURAS TECHNOLOGY PARK URBAN RENEWAL DISTRICT

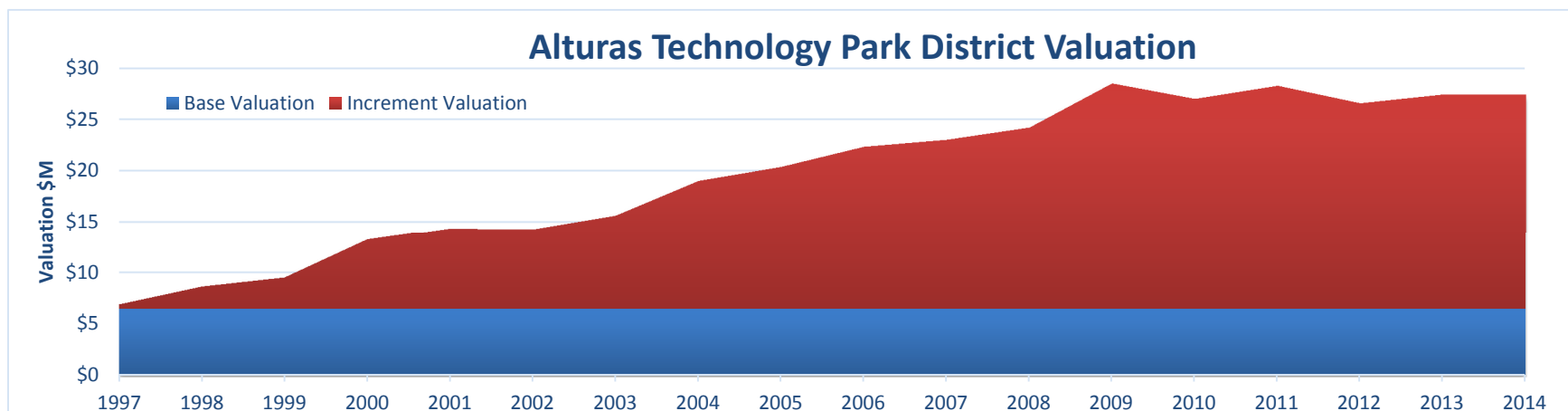
The Alturas Technology Park is the Agency's first District and is currently home to many of Moscow's premier high-tech companies, including Comtech EF Data Corporation, Alturas Analytics, Inc., Anatek Labs, Inc., and BioTracking, LLC. The majority of these firms are linked to outside/non-local markets and are considered primary industries. Wealth enters the local economy principally by way of these industry types.

Established in 1996, the assessed value of property within the revenue allocation area was approximately \$6.4 million. Improvements and developments made as a result of the Alturas Research and Technology Park Urban Renewal Plan have assisted in increasing property values dramatically and today the same area is valued at more than \$22 million.

The export industries within the Alturas Technology Park have a profound economic impact on the Moscow economy. In the past year these companies had a total payroll of over \$6 million and paid an average wage of over \$50,000, which is significantly higher than the city's median household income of \$35,389. During that period, the park contributed an estimated adjusted impact of \$26.7M to the local community.

#### Alturas Fast Facts

- Established: 1996
- 34 Acres - Revenue Allocation Area
- 13.5 Acres – Project Area
- Base Value: \$6.48 Million
- 2015 Value: \$27.4 Million
- Closure Date: 2015



The Agency has six (6) lots left for sale within the Alturas Technology Park. The lots range in size from 28,370/SF to 38,885/SF and were last appraised at \$2.34/SF (Fair Market Value). As noted later in this report, the Agency continued to market the remaining six lots in Alturas and has engaged Palouse Commercial Real Estate to provide marketing and real estate brokerage services.

On July 22, 2015, the Agency passed Resolution 2015-02 recommending termination of the Alturas Technology Park revenue allocation area to the Moscow City Council. Following this recommendation, the City Council passed Ordinance 2015-15 terminating the Alturas revenue allocation area. Therefore the Agency will not receive any future tax increment revenues beyond the 2015 fiscal year. The Agency was pleased to be able to close the revenue allocation area a year ahead of the schedule and allow the tax revenues to return to the taxing districts as soon as possible.



### LEGACY CROSSING URBAN RENEWAL DISTRICT

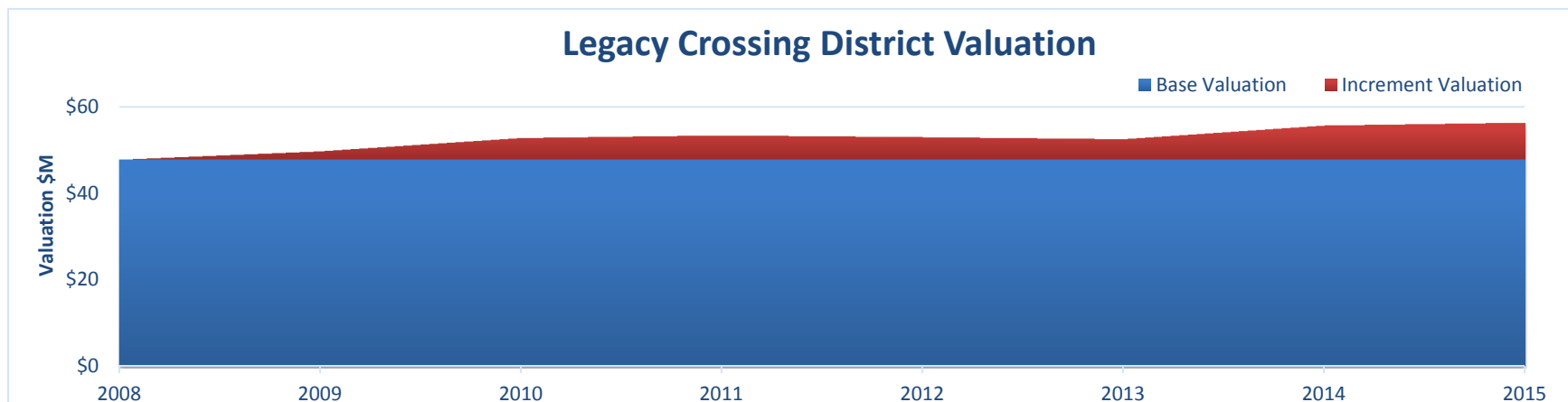
The Legacy Crossing District was created in June of 2008 and is the Agency's second urban renewal district. The Legacy Crossing District covers approximately 163 acres and includes a majority of the blighted and underutilized properties located between Moscow's historic downtown and the University of Idaho.

By definition, reurbanization involves redeveloping already urbanized areas, which decreases pressure for development of greenfield sites outside the City. Reurbanization provides an opportunity to learn from mistakes of the past and to create high-quality, livable urban environments while building at a human scale. Reurbanization can ensure a range of places where new kinds of businesses can locate and promote diversity of housing types and choice. Finally, reurbanization can support community building and social integration.

The opening of the Intermodal Transit Center, the reconstruction of College Street and the placement of the new bike/pedestrian bridge have provided a huge boost in capital and have jump-started the process of reurbanization. This is evidenced by EMSI's move into a newly remodeled building within the district, as well as by the construction of a new Jimmy John's restaurant and plans by several other property owners to build or renovate existing buildings within the District.

#### Legacy Crossing Fast Facts

- Established: 2008
- 162 Acres
- Base Value: \$47.76 Million
- 2015 Value: \$56.31 Million
- Closure Date: 2032





In 2010, the Agency purchased a property with the District located at the southwestern corner of the intersection of 6<sup>th</sup> and Jackson streets. The property was purchased to enhance opportunities to connect downtown Moscow to the University of Idaho campus. The Agency and the City of Moscow understood that the property was the keystone to connectivity between the University and downtown and to the development of Hello Walk.

The property was the site of a former agricultural business and the Agency immediately began to clear the site, removing structures and debris. The site was then evaluated through the EPA Brownfields Assessment Coalition grant. Certain pollutants were discovered during Phase I and Phase II environmental assessments. The Assessment grant is also being used to develop a plan for site remediation to a level which is acceptable to the EPA and Idaho Department of Environmental Quality (DEQ).

The Agency applied for and was successful in obtaining an EPA cleanup grant in the amount of \$115,317. The EPA cleanup grant will be utilized to conduct the actual remediation and monitoring of the property, which will allow for its re-use. Less than \$5,000 of the grant funds were expended in 2014, but it is expected that the cleanup will occur in 2015 into early 2016, with potential monitoring into 2016.

In November 2014, the Agency issued a Request for Proposals (RFP) for the redevelopment of the property seeking developers who are willing to develop this lot for purposes and uses in conformance with the Legacy Crossing District Plan, Urban Mixed Commercial Zone, Legacy Crossing District Overlay District and Legacy Crossing District Overlay District Design Guidelines. The Agency envisions urban development of an esthetically pleasing and efficient mixed-use project that complements



downtown and create energy and excitement and activate this key location.

Sangria Downtown LLC was selected as the successful respondent and in April of 2015 the Agency entered into an Exclusive Negotiation Agreement (ENA) with the selected respondent. The ENA guides discussions regarding development nature and form, agency project assistance, and conditions and obligations of disposition. The goal of the ENA is to provide a process for negotiating a Disposition and Development Agreement (DDA) to formally document terms of transaction and responsibilities of the parties.

The proposal from Sangria Downtown LLC included a two-story mixed-use development that is proposed to house the Sangria Grill restaurant along with a second commercial space on the ground floor with 18 apartments located on the second floor. Sangria Downtown LLC is currently finalizing their development plans with construction expected to begin in the fall of 2016.





### EPA BROWNFIELDS COALITION ASSESSMENT & CLEANUP GRANT

Creating the opportunity for economic revitalization through Brownfield redevelopment is a primary goal of the Agency.

The United States Environmental Protection Agency (EPA) defines brownfields as, “real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.” These problem properties are not uncommon. According to the General Accounting Office (GAO), there are close to 450,000 brownfields in the United States.

In 2010, the Agency partnered with the City of Moscow and Latah County and was awarded an EPA Brownfields Assessment Coalition Grant totaling \$475,000.

The grant allows for environmental assessments and cleanup planning for sites located primarily within the Legacy Crossing District. The Agency’s Executive Director and City’s Environmental Compliance Officer jointly manage the EPA Brownfield Coalition Grant and partner with Alisa Anderson, City of Moscow Grants Manager, in administering the grant.

For the public/private sectors, brownfield redevelopment can mean new business opportunities, the potential for profit on unused or under-utilized properties, increased environmental stewardship, and access to untapped markets.

### Moscow Brownfields Assessment Project Final Report



#### WELCOME & INTRODUCTION

Welcome to tonight's final project report for the Greater Moscow Coalition Brownfields Assessment Project. In 2010, the U.S. Environmental Protection Agency (EPA) awarded a grant in the amount of \$475,000 to the City of Moscow (as the lead agency) to conduct environmental assessments and cleanup planning for brownfield sites in and around the Moscow area. This project is near completion and tonight's open house meeting is intended to share the outcomes of the project.

#### SITE MAP



#### WHAT IS A BROWNFIELD?

- A brownfield is a site that has been contaminated, or is perceived to have contamination within the soil, groundwater or surface water from abandoned pipes, storage tanks or industrial structures.
- Contaminates may inhibit redevelopment opportunities for a site and can range in size from a single lot to a multi-acre post-industrial site.
- Brownfield sites include agricultural/industrial sites, gas stations and fueling facilities, abandoned buildings, oil and gas sites, lumber mills, rail yards, landfills, and dry cleaners.
- Brownfield sites can be assets to a community by providing opportunities for economic development and transformation into unique community spaces often located in high-value areas such as central business districts or waterfronts.

#### WHAT IS AN ENVIRONMENTAL ASSESSMENT?

##### Phase I and II Environmental Assessments:

- Phase I Environmental Assessments provide true value of property for real estate and business transactions and assure there is no soil or groundwater contamination from a previous use or neighboring site that may be impacting the property's value or limiting its future use.
- Phase II Environmental Assessments are conducted on sites where a Recognized Environmental Condition is found during a Phase I Assessment.
- The Phase II assessment is only as strict as the sampling of soil and/or groundwater. In order to determine if there is contamination, if contamination levels exceed human health risk standards, a further site characterization is required to establish the vertical and lateral extent of a contamination plume.

##### Analysis of Brownfield Cleanup Alternatives (ABCA):

- An ABCA assesses the best alternative to mitigate human health risks for a site that is determined to have contaminants that exceed human health standards, while considering the intended future use of the property.

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### *INVENTORY OF MURA OWNED PROPERTIES*

District	Property Address	Parcel Number	SF /Acres	Planned Reuse
Alturas	1362 Alturas Drive	RPM00270010020	29,412/SF	Fee Simple Sale
Alturas	1412 Alturas Drive	RPM00270010030	28,370/SF	Fee Simple Sale
Alturas	1425 Alturas Drive	RPM00270020040	38,885/SF	Fee Simple Sale
Alturas	1383 Alturas Drive	RPM00270020030	36,997/SF	Fee Simple Sale
Alturas	1345 Alturas Drive	RPM00270020020	34,531/SF	Fee Simple Sale
Alturas	1293 Alturas Drive	RPM00270020010	35,029/SF	Fee Simple Sale
Legacy	Lot located at the southwestern corner of the intersection of 6 <sup>th</sup> and Jackson streets	RPM00000180025	0.87 Acres	Public pathway, public plaza, and future fee simple sale

As noted above, the Agency owns six (6) lots within the Alturas Technology Park District and one (1) lot within the Legacy Crossing District.

## Public Comments & Response

FOR THE HEARING RECORD:  
URA ANNUAL REPORT  
3 MARCH 2016

I'm not a numbers person but I can see the results of all your work, and it is extremely beneficial to the city.

This is a well-put-together report, with a snazzy look that serves as a marketing tool as well as informs the citizens. The URA is admirably meeting its mission. \* I'll mention a few key factors as I see it.

- 1) Reclaiming some of these properties for development — be that business, apartments, or a park — wouldn't happen if the URA wasn't partnering and facilitating that through Brownfield clean-ups. Incidentally, I took the Brownfield tour a couple years ago and have been following their progress.
- 2) Another significant effort is how the URA is facilitating the Sangria development in their partnership with New Markets. I was here for New Markets' presentation to the URA and I was here when Sangria enthusiastically presented to you their expanded plan through that New Markets partnership.
- 3) The URA has worked with ESM and others to enhance the 6th Street corridor within the center of downtown to be more functional and inviting and to blend into the Legacy Crossing District as we progress toward that major city development.

These are the kind of things a URA is positioned to see a project through, from the point of inception to problem solving to the realization of actual smart growth, city identity, and social benefits.

I think what the URA is doing and has presented in its Annual Report has unquestionable value and integrity that does indeed \* "achieve sustainable economic growth, vitality, and community enhancement."

Well done. This citizen thanks you — the Board, <sup>staff</sup> <sup>contributors</sup>, and all involved — for your vision and dedication.

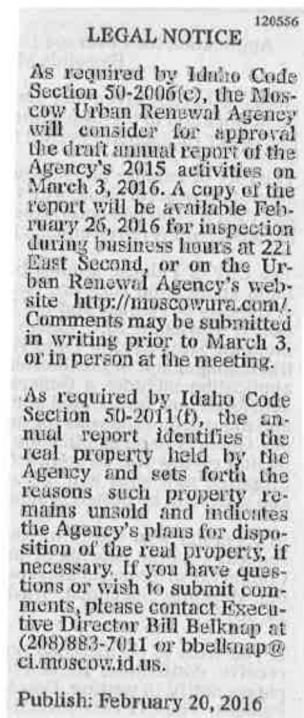
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↑  
the many staff contributors

### *Legal Notice*



### FINANCIAL STATEMENTS

#### Trends in the Urban Renewal Agency's Net Position

	2015	2014	2013
Cash and investments	\$ 1,398,714	\$ 1,098,035	\$ 834,771
Accounts receivable	4,513	111	89
Land held for sale	531,256	531,256	531,256
Land	510,316	505,803	505,803
Capital assets	432,729	491,218	549,706
Total assets	<u>2,877,528</u>	<u>2,626,423</u>	<u>2,421,625</u>
Total liabilities	<u>515,189</u>	<u>648,362</u>	<u>652,902</u>
Net position			
Invested in capital assets, net of related debt	588,357	508,385	447,909
Restricted debt service	44,312	159,483	150,057
Unrestricted	<u>1,729,670</u>	<u>1,310,193</u>	<u>1,170,757</u>
Total net position	<u>2,362,339</u>	<u>1,978,061</u>	<u>1,768,723</u>
Total liabilities and net position	<u>\$ 2,877,528</u>	<u>\$ 2,626,423</u>	<u>\$ 2,421,625</u>

### Trends in the Urban Renewal Agency's Changes in Net Position

	2015	2014	2013
General revenues:			
Property tax	\$ 586,757	\$ 510,514	\$ 491,641
Other revenues:			
Investment income (losses)	4,964	3,744	(848)
Grants and contributions	4,513	3,560	
Total revenues	596,234	517,818	490,793
Expenditures:			
Project administration	129,091	105,244	110,218
Depreciation	58,489	58,488	57,164
Interest	24,376	30,211	34,902
Total expenditures	211,956	193,943	202,284
Increase in net position	\$ 384,278	\$ 323,875	\$ 288,509
Net position, October 1	\$ 1,978,061	\$ 1,768,723	\$ 1,500,809
Prior period adjustment	0	(114,537)	(20,595)
Net position, September 30	2,362,339	1,978,061	1,768,723

### Trends in the Urban Renewal Agency's Balance Sheet

	2015	2014	2013
Cash and investments	\$ 1,398,714	\$ 1,098,035	\$ 834,771
Accounts receivable	4,513	111	89
Land held for sale	531,256	531,256	531,256
Total assets	1,934,483	1,629,402	1,366,116
Total liabilities	5,652	877	990
Fund balance			
Nonspendable	531,256	531,256	531,256
Restricted	44,312	159,483	150,057
Assigned	1,302,302	891,082	638,114
Unassigned	50,961	46,704	45,699
Total fund balance	1,928,831	1,628,525	1,365,126
Total liabilities and fund balance	\$ 1,934,483	\$ 1,629,402	\$ 1,366,116

STATEMENT OF NET POSITION  
September 30, 2015

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 1,398,714
Accounts receivable	4,513
Land held for sale	531,256
Capital assets	
Land	510,316
Infrastructure, net of accumulated depreciation of \$753,478	432,729
Total assets	<u>2,877,528</u>
<b>LIABILITIES</b>	
Accounts payable	652
Deposit payable	5,000
Series 2010 Bond - due within one year	25,000
Latah County payback agreement - due within one year	2,000
Series 2010 Bond - due after one year	374,000
Latah County payback agreement - due after one year	108,537
Total liabilities	<u>515,189</u>
<b>NET POSITION</b>	
Net investment in capital assets	588,357
Restricted	
Debt service	44,312
Unrestricted	<u>1,729,670</u>
Total net position	<u>\$ 2,362,339</u>



BALANCE SHEET - GOVERNMENTAL FUNDS  
September 30, 2015

	General	Alturas Technology Park District	Legacy Crossing District	Total
<b>ASSETS</b>				
Cash and investments	\$ 51,129	\$ 935,765	\$ 411,820	\$ 1,398,714
Accounts receivable			4,513	4,513
Land held for sale		531,256		531,256
<b>Total assets</b>	<b>\$ 51,129</b>	<b>\$ 1,467,021</b>	<b>\$ 416,333</b>	<b>\$ 1,934,483</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 168	\$ 484		\$ 652
Deposit payable			\$ 5,000	5,000
<b>Total liabilities</b>	<b>168</b>	<b>484</b>	<b>5,000</b>	<b>5,652</b>
<b>Fund Balance</b>				
Nonspendable		531,256		531,256
Restricted for debt service			44,312	44,312
Assigned		935,281	367,021	1,302,302
Unassigned	50,961			50,961
<b>Total fund balance</b>	<b>50,961</b>	<b>1,466,537</b>	<b>411,333</b>	<b>1,928,831</b>
<b>Total liabilities and fund balance</b>	<b>\$ 51,129</b>	<b>\$ 1,467,021</b>	<b>\$ 416,333</b>	<b>\$ 1,934,483</b>

RECONCILIATION OF THE STATEMENT OF NET POSITION TO THE BALANCE SHEET

<b>Total fund balance - Governmental Funds</b>	<b>\$ 1,928,831</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are financial resources and, therefore, are not reported in the funds	943,045
Long-term liabilities, consisting of bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	(509,537)
<b>Total net position - Governmental Activities</b>	<b>\$ 2,362,339</b>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended September 30, 2015

	General	Alturas Technology Park District	Legacy Crossing District	Total
<b>REVENUES</b>				
Property taxes		\$ 407,516	\$ 179,241	\$ 586,757
Grants and contributions			4,513	4,513
Investment income/losses	\$ 4,257		707	4,964
Total revenues	4,257	407,516	184,461	596,234
<b>EXPENDITURES</b>				
Current				
Legal and professional fees	58,748	5,037	9,367	73,152
Insurance	1,492			1,492
Advertising	557	712	198	1,467
Management services	30,000			30,000
Repairs and maintenance		14,969		14,969
Land incentive agreement			5,423	5,423
Other administration expenses	566		2,022	2,588
Debt Service				
Principal retirement		109,948	28,000	137,948
Interest		4,890	19,486	24,376
Capital outlay				
Land			4,513	4,513
Total expenditures	91,363	135,556	69,009	295,928
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(87,106)	271,960	115,452	300,306
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers	91,363	(91,363)		0
Total other financing sources (uses)	91,363	(91,363)	0	0
Net change in fund balances	4,257	180,597	115,452	300,306
FUND BALANCES AT BEGINNING OF YEAR	46,704	1,285,940	295,881	1,628,525
FUND BALANCES AT END OF YEAR	\$ 50,961	\$ 1,466,537	\$ 411,333	\$ 1,928,831

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Net change in fund balances - Governmental Funds \$ 300,306

Amounts reported for governmental activities in the statement of activities are different because:  
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

This is the capital outlay for the current period.	4,513
This is the amount of depreciation taken during the current period.	(58,489)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Principal payments made on long-term debt	137,948
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Change in net position - Governmental Activities \$ 384,278

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS  
GENERAL FUND  
Year Ended September 30, 2015

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment income/losses	\$ 1,000	\$ 4,257	\$ 3,257
Total revenues	<u>1,000</u>	<u>4,257</u>	<u>3,257</u>
<b>EXPENDITURES</b>			
Current			
Legal and professional fees	63,120	58,748	4,372
Insurance	1,540	1,492	48
Advertising	1,000	557	443
Management services	30,000	30,000	0
Other administration expenses	3,000	566	2,434
Total expenditures	<u>98,660</u>	<u>91,363</u>	<u>7,297</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(97,660)</u>	<u>(87,106)</u>	<u>10,554</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers	<u>98,660</u>	<u>91,363</u>	<u>(7,297)</u>
Total other financing sources (uses)	<u>98,660</u>	<u>91,363</u>	<u>(7,297)</u>
Net change in fund balances	1,000	4,257	3,257
FUND BALANCES BEGINNING OF YEAR	<u>(1,000)</u>	<u>46,704</u>	<u>47,704</u>
FUND BALANCES END OF YEAR	<u>\$ 0</u>	<u>\$ 50,961</u>	<u>\$ 50,961</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS  
ALTURAS TECHNOLOGY PARK DISTRICT FUND  
Year Ended September 30, 2015

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 394,000	\$ 407,516	\$ 13,516
Total revenues	<u>394,000</u>	<u>407,516</u>	<u>13,516</u>
<b>EXPENDITURES</b>			
Current			
Legal and professional fees	63,000	5,037	57,963
Advertising	10,000	712	9,288
Repairs and maintenance	10,750	14,969	(4,219)
Other administration expenses	2,000		2,000
Debt Service			
Principal retirement	109,950	109,948	2
Interest	5,225	4,890	335
Capital outlay			
Improvements	40,000		40,000
Contingency	157,380		157,380
Total expenditures	<u>398,305</u>	<u>135,556</u>	<u>262,749</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,305)</u>	<u>271,960</u>	<u>276,265</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale	157,380		(157,380)
Operating transfers	(98,660)	(91,363)	7,297
Total other financing sources (uses)	<u>58,720</u>	<u>(91,363)</u>	<u>(150,083)</u>
Net change in fund balances	54,415	180,597	126,182
FUND BALANCES BEGINNING OF YEAR	<u>(54,415)</u>	<u>1,285,940</u>	<u>1,340,355</u>
FUND BALANCES END OF YEAR	<u>\$ 0</u>	<u>\$ 1,466,537</u>	<u>\$ 1,466,537</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS  
LEGACY CROSSING DISTRICT FUND  
Year Ended September 30, 2015

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 100,000	\$ 179,241	\$ 79,241
Grants and contributions	111,757	4,513	(107,244)
Investment income/losses		707	707
Total revenues	<u>211,757</u>	<u>184,461</u>	<u>(27,296)</u>
<b>EXPENDITURES</b>			
Current			
Legal and professional fees	54,250	9,367	44,883
Advertising	3,000	198	2,802
Repairs and maintenance	1,925		1,925
Land incentive agreement	9,000	5,423	3,577
Other administration expenses	2,700	2,022	678
Debt service			
Principal retirement	425,000	28,000	397,000
Interest	19,490	19,486	4
Capital outlay			
Land		4,513	(4,513)
Improvements	143,457		143,457
Contingency	16,500		16,500
Total expenditures	<u>675,322</u>	<u>69,009</u>	<u>606,313</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(463,565)</u>	<u>115,452</u>	<u>579,017</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale	467,965		(467,965)
Total other financing sources (uses)	<u>467,965</u>	<u>0</u>	<u>(467,965)</u>
Net change in fund balances	4,400	115,452	111,052
FUND BALANCES BEGINNING OF YEAR	<u>(4,400)</u>	<u>295,881</u>	<u>300,281</u>
FUND BALANCES END OF YEAR	<u>\$ 0</u>	<u>\$ 411,333</u>	<u>\$ 411,333</u>