

**CITY OF BANDON
URBAN RENEWAL AGENCY**

COOS COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON

2020-2021 COUNCIL MEMBERS AND OFFICERS

CITY COUNCIL	TERM EXPIRES
Mary Schamehorn - Mayor	December 31, 2022
Peter Braun	December 31, 2022
Brian Vick	December 31, 2024
Chris Powell	December 31, 2022
Geri Procetto	December 31, 2024
Geoff Smith	December 31, 2024
Madeline Seymour – Council President	December 31, 2022

Council members receive mail at the address listed below.

OFFICIALS
Dan Chandler, City Manager
&
Paula Burris, Finance Director
PO Box 67
Bandon, Oregon 97411

**City of Bandon Urban Renewal Agency
Coos County, Oregon**

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Urban Renewal Agency of City of Bandon, Oregon

June 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Urban Renewal Agency of the City of Bandon, Oregon (Agency) presents this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. This Management's Discussion and Analysis is intended to be an easily readable analysis of the Agency's financial activities based on currently known facts, decisions and conditions. It focuses on current year activities and should be read in conjunction with the financial statements that follow. The report consists of Agency-wide statements, fund financial statements, notes to the basic financial statements and supplementary information.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements include three components: (1) Agency-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The focus is on both the Agency as a whole (Agency-wide) and the major individual funds. The dual perspectives allow the reader to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Agency's accountability.

Agency-wide financial statements. The Agency-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Agency's position and liabilities, with the difference between the two reported as net position (or deficit net position if liabilities exceed position). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will result in cash flows in a future fiscal period (e.g., uncollected property taxes). The statement of activities is focused on both the gross and net cost of various activities (including governmental and business-type activities). This is intended to summarize and simplify the reader's analysis of the revenues and costs of various Agency activities and the degree to which activities are subsidized by general revenues.

Both of the Agency-wide financial statements distinguish functions of the Agency that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Agency include debt service and various urban renewal projects. The Agency has no business-type activities.

The Agency-wide financial statements include the Urban Renewal District No. 1 and the Urban Renewal District No. 2.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are considered governmental funds.

Urban Renewal Agency of City of Bandon, Oregon

June 30, 2021

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Agency-wide financial statements. However, unlike the Agency-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Agency's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Agency-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Agency's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the two funds.

The Agency adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the two governmental funds as supplementary information. The governmental fund financial statements can be found in the basic financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the Agency-wide and fund financial statements.

Other required information. In addition to this discussion and analysis, this report also presents required supplementary information concerning budgetary comparison for the two funds of the Agency.

Agency-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Urban Renewal Agency, total assets exceeded liabilities and deferred inflows by \$779 thousand which, compared to the previous year's net position of \$325 thousand, represents an improvement of \$454 thousand. Property tax increment continues to increase as property values in the urban renewal plan areas continue to grow. Debt continues to be paid on schedule.

Urban Renewal Agency of City of Bandon, Oregon
June 30, 2021

The Statement of Net Position provides a focus on the assets and liabilities related to the Agency's governmental activities.

Net Position

Summarized Statement of Net Position

	<u>2021</u>	<u>2020</u>
ASSETS:		
Current and Other Assets	\$ 2,392,938	\$ 2,116,352
Capital Assets, net	374,033	339,822
Total Assets	<u>\$ 2,766,971</u>	<u>\$ 2,456,174</u>
LIABILITIES AND FUND BALANCES:		
Current liabilities	\$ 50,017	\$ 37,614
Long-term liabilities	1,902,103	2,053,997
Total Liabilities	1,952,120	2,091,611
Deferred Inflows	36,164	39,796
Total Net Position	<u>778,371</u>	<u>324,767</u>
Total Liabilities, deferred inflows, and fund balance	<u>\$ 2,766,971</u>	<u>\$ 2,456,174</u>

The Agency recognized a \$454 thousand increase in net position from the prior year, primarily attributable to increasing tax increment revenues, payments on long-term debt, and expenses lower than anticipated due to projects in the planning phase that are scheduled for FY 2021-22. The decrease in deficit balance can be mostly attributed to principal payments made on outstanding loans which reduced the total debt, and to various Urban Renewal capital projects worked on during the year.

Statement of Activities

The statement of activities focuses on the program costs and their matching resources. To the extent a program's costs are not recovered by grants and direct charges, the costs are paid from general taxes and other resources.

The Agency's activities are governmental activities. The majority of support for governmental activities comes from taxes.

Urban Renewal Agency of City of Bandon, Oregon
June 30, 2021

Summarized Statement of Activities

	<u>2021</u>	<u>2020</u>	<u>Change (\$)</u>	<u>Change (%)</u>
REVENUES:				
Tax revenues	\$ 529,394	\$ 646,273	\$ (116,879)	-18%
Payments in lieu of taxes	6,644	9,017	(2,373)	-26%
Other revenues	15,177	34,059	(18,882)	-55%
	<u>551,215</u>	<u>689,349</u>	<u>(138,134)</u>	<u>-20%</u>
EXPENDITURES:				
General government	30,320	64,002	(33,689)	-53%
Interest expense	66,975	68,651	(1,676)	-2%
	<u>97,295</u>	<u>132,653</u>	<u>(35,365)</u>	<u>-27%</u>
Sale of Property	<u>-</u>	<u>(359,617)</u>	<u>359,617</u>	<u>100%</u>
Change in Net Position	453,920	197,079	256,848	130%
Net Position - Beginning	324,451	(489,409)	814,176	-166%
Cumulative effect of change in accounting principle	-	(10,780)	10,780	100%
Prior Period Adjustment	-	627,877	(627,877)	100%
Net Position - Ending	<u>\$ 778,371</u>	<u>\$ 324,451</u>	<u>\$ 453,927</u>	<u>140%</u>

Financial Analysis of the Agency's Funds

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund Financial Statements

Following the Agency-wide financial statements is a section containing fund financial statements. The Agency presents its two funds as major funds. For each fund, a Budgetary comparison statement is presented.

Budgetary Highlights

No changes were made to the adopted budget during the year. Actual revenues of the Urban Renewal District No. 1 were more than budgeted by \$173 thousand due to the receipt of greater than anticipated property tax increment revenues that increased the beginning balance. Both districts reported expenditures that were substantially less than budgeted as capital projects in development were scheduled for FY 2021-22.

Capital Assets and Administration

The Agency has limited capital assets due to the nature of an urban renewal agency. Assets currently held by the agency include land and other property for which future urban renewal projects are planned.

The Agency has one bonded debt for \$1,850,000, of which \$1,465,000 remains. In 2005, the Agency assumed the debt for the Oregon Economic Development Department, which was re-funded in 2018. A

Urban Renewal Agency of City of Bandon, Oregon

June 30, 2021

principal balance of \$395 thousand remains.

For more detailed information on the Agency's capital assets and debt, refer to the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The combined fiscal year 2021-22 Urban Renewal Budget for District No. 1 and District No. 2 is \$2,373,519.

The urban renewal budget for district No. 1 is \$1,528,052 and includes Materials and Services expenditures of \$55,000, including Legal, Consulting, Audit, Accounting, and Administrative Service costs. The Capital portion of the budget is \$1,078,109 which includes \$50,000 for the Façade/Sign Loan Program and \$1,028,109 for other Capital projects. The total Debt Service budget is \$394,943, including \$194,943 for debt service principal and interest payments, and \$200,000 for Bond Reserve (additional principal and interest), which serves as a reserve for subsequent fiscal year.

The urban renewal budget for district No. 2 is \$845,467 and includes Materials and Services expenditures of \$21,960, including Consulting, Audit, Accounting, and Administrative Services, and other Miscellaneous expenditures. The Capital portion of the proposed budget is \$764,682, which is intended to address Capital projects within the UR District. The total Debt Service budget is \$58,825, which includes \$28,825 for loan principal and interest payments, and \$30,000 in Bond Reserve (additional principal and interest), which serves as a reserve for subsequent fiscal year loan payments.

For purposes of property tax revenue projections, it was assumed that assessed values and the resulting ad valorem property tax share would experience minimal growth for fiscal year 2020-21 revenues. Since the local option street tax will continue to be imposed this year, the urban renewal special levy will not be imposed.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Dan Chandler
Urban Renewal Manager
City of Bandon
PO Box 67
Bandon, OR 97411



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December 9, 2021

INDEPENDENT AUDITORS' REPORT

To the City Council
Bandon Urban Renewal Agency
Coos County, Oregon

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the City of Bandon Urban Renewal Agency (the Agency), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the basic 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 City of Bandon Urban Renewal Agency as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

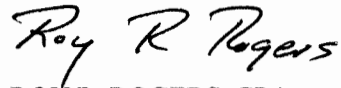
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The listing of council members containing their term expiration dates has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 9, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, flowing style.

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

**CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON**

Basic Financial Statements

**CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
STATEMENT OF NET POSITION**

June 30, 2021

ASSETS:

Cash and cash equivalents	\$ 2,341,964
Property tax receivable	50,974
Capital assets, not depreciable	247,424
Depreciable capital assets, net of accumulated depreciation	126,609
Total Assets	<u>2,766,971</u>

LIABILITIES:

Current liabilities	
Accounts payable	18,786
Accrued interest payable	31,231
Non-current liabilities	
Amount due within one year	157,902
Amount due after one year	<u>1,744,201</u>
Total Liabilities	<u>1,952,120</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflow - deferred charge on refunding	<u>36,480</u>
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NET POSITION:

Net Investment in Capital Assets	374,033
Restricted for Capital Projects	<u>404,338</u>
Total Net Position	<u>\$ 778,371</u>

See accompanying notes to the basic financial statements.

CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

FUNCTIONS	DISBURSEMENTS	PROGRAM RECEIPTS		NET RECEIPTS (DISBURSEMENTS) AND CHANGES IN CASH BASIS NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
General government	\$ 30,320	-	-	(30,320)
Interest expense	66,975	-	-	(66,975)
Total government activities	\$ 97,295	-	-	(97,295)
General Revenues				
Property Tax Revenues:				
Urban Renewal District No 1				
				356,097
Urban Renewal District No 2				
				173,297
Payments in lieu of taxes				
				6,644
Interest earnings				
				15,177
Total General Revenues				
				551,215
Changes in Net Position				
				453,920
Net Position - Beginning				
				324,451
Net Position - Ending				
				\$ 778,371

See accompanying notes to the basic financial statements.

CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	URBAN RENEWAL DISTRICT NO.1	URBAN RENEWAL DISTRICT NO.2	TOTAL
ASSETS:			
Cash and Cash Equivalents	\$ 1,468,130	\$ 873,834	\$ 2,341,964
Property Tax Receivable	35,100	15,874	50,974
Total Assets	\$ 1,503,230	\$ 889,708	\$ 2,392,938
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 888	\$ 17,898	\$ 18,786
Total Liabilities	888	17,898	18,786
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	29,459	13,145	42,604
Fund Balances:			
Restricted for Capital Projects	1,472,883	858,665	2,331,548
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 1,503,230	\$ 889,708	\$ 2,392,938

See accompanying notes to the basic financial statements.

**CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2021**

Total Fund Balances - Governmental Fund \$ 2,331,548

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in the governmental fund. The Statement of Net Position includes those capital assets among the assets of the District as a whole.

Capital Assets	\$ 385,139	
Accumulated Depreciation	<u>(11,106)</u>	
Net Capital Assets		<u>374,033</u>

Certain delinquent property taxes not collected for several months after year end are not considered available revenue and are deferred in the governmental funds.		<u>42,604</u>
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Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

Loans Payable	(437,103)	
Bonds payable	(1,465,000)	
Deferred Gain on Refunding	(36,480)	
Accrued Interest Payable	<u>(31,231)</u>	
		<u>(1,969,814)</u>

Net Position		<u><u>\$ 778,371</u></u>
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See accompanying notes to the basic financial statements.

CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2021

	URBAN RENEWAL DISTRICT NO.1	URBAN RENEWAL DISTRICT NO.2	TOTAL
REVENUES			
Taxes	\$ 360,960	\$ 174,475	\$ 535,435
Interest	8,890	6,287	15,177
Payments in lieu of taxes	5,789	855	6,644
Total Revenues	<u>375,639</u>	<u>181,617</u>	<u>557,256</u>
EXPENDITURES			
Materials and Services	23,320	6,529	29,849
Capital Outlay	9,596	25,086	34,682
Debt Service	<u>194,942</u>	<u>28,826</u>	<u>223,768</u>
Total Expenditures	<u>227,858</u>	<u>60,441</u>	<u>288,299</u>
NET CHANGE IN FUND BALANCE	147,781	121,176	268,957
FUND BALANCE, beginning of year	<u>1,325,102</u>	<u>737,489</u>	<u>2,062,591</u>
FUND BALANCE, end of year	<u>\$ 1,472,883</u>	<u>\$ 858,665</u>	<u>\$ 2,331,548</u>

See accompanying notes to the basic financial statements.

CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2021

Total Net Change in Fund Balance - Governmental Fund \$ 268,957

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Property Taxes (6,041)

Capital asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Asset Additions	\$ 40,121	
Depreciation Expense	(5,910)	
		34,211

Long-term debt proceeds are reported as other financial sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, the Statement of Net Position.

Payment on Loan Principle	51,894	
Payment on Bond Principle	100,000	
Deferred Gain on Refunding	3,316	
Change in interest payable	1,583	
		156,793

Change in Net Position of Governmental Activities \$ 453,920

See accompanying notes to the basic financial statements.

**CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON**

Notes to the Basic Financial Statements

City of Bandon Urban Renewal Agency

Coos County, Oregon

Notes to the Basic Financial Statements

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Urban Renewal Agency of the City of Bandon, Oregon (the Agency) was created by adoption of Ordinance 1911 by the City of Bandon, Oregon (the City), on August 5, 1986. The Agency is organized under general laws pertaining to urban renewal agencies in the state of Oregon. The Agency was formed primarily to carry out the terms of the urban renewal plan, which designates the Woolen Mill, Old Town and South Jetty areas of the City to be blighted and deteriorated and in need of redevelopment and rehabilitation. During the year ended June 30, 1991, the urban renewal plan was amended to include a new area known as the Coquille Point Urban Renewal Area. The governing body is comprised of the Mayor and the City Council of the City of Bandon.

Blended component unit – The Urban Renewal Agency of the City of Bandon, Oregon (Agency), was created by adoption of City Ordinance 1191 on August 5, 1986. The Agency is organized under general laws pertaining to urban renewal agencies in the state of Oregon. The City is not responsible for deficits nor entitled to surpluses of the Agency, the Agency Board designates management, budgeting authority lies solely with the Agency Board, the Agency is responsible for fiscal management and determination of revenue sources and the City is not legally or morally obligated for the Agency's debts. In this situation, the preceding factors are conclusive in contrast with the following factor which may indicate inclusion: the Agency Board is appointed by and made up of the same members as the Common Council of the City. However, legally the two boards are distinct and conduct all business as such. Based on standards set forth in GASB Statement 61, the Agency is considered to be a "component unit" of the City because the City appoints the board members of the Agency. Accordingly, the financial statements of the Agency are included in the City's basic financial statements as capital project funds using the "blended" method of presentation.

Although a component unit of the City, the Agency exists and operates separately from the City. Accordingly, the Agency's financial statements will also be included in the financial statements of the City.

The Agency has no potential component units.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements of the Agency have been prepared in conformity with U.S. GAAP as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Agency's financial operations are presented at both the agency-wide and fund financial levels. All activities of the Agency are categorized as governmental activities.

**City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements**

1. Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Agency as a whole. The focus is on its financial sustainability. As such, the reporting presents the change in the aggregate financial position of the Agency, resulting from the activities of the fiscal period. Interfund activity such as loans and transfers are eliminated to avoid “doubling up” revenues and expenses.

The Government-wide financial statements are prepared using the economic resources measurement focus. An economic resource focus concentrates on an entity or fund’s net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows. This differs from the fund financial statements, which therefore include a reconciliation with brief explanations to better identify the relationship between the agency-wide statements and the statements for the agency funds.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Agency’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Agency.

The Agency applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Governmental Fund Financial Statements

Fund financial statements report detailed information about the Agency. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The accounts of the Agency are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Funds are classified and summarized as governmental, proprietary, and fiduciary activities. Currently, the Agency has only governmental fund types.

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

1. Summary of Significant Accounting Policies (continued)

The Agency maintains two individual governmental funds, Urban Renewal District No. 1 and Urban Renewal District No. 2.

All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for the governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Governmental funds are used to account for the Agency's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available").

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and claims of judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, interest and charges for services are susceptible to accrual if collected within one (1) month of fiscal year end. Other receipts become measurable and available when cash is received by the Agency and are recognized as revenue at that time.

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Agency; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt or earlier if the susceptible to accrual criteria are met.

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and cash equivalents – The Agency's cash and cash equivalents include cash on hand, demand deposits, and investments in the Oregon State Treasury Local Government Investment Pool (LGIP).

The Agency maintains merged bank accounts and investments for its funds in a central pool of cash and investments that are commingled with the City of Bandon. The investment policy of the Agency is to invest in LGIP and interest-bearing demand deposits with local banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments authorized for municipal corporations. The Agency allocates earnings on investments to each fund based on average monthly cash balances throughout the year. For purposes of the statement of cash flows, the Agency considers all highly liquid investments (including restricted assets) purchased with a maturity of three months or less to be cash equivalents.

Investments are stated at amortized cost, which equals market value.

Receivables and payables – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables". All other outstanding balances between funds are reported as "due to/from other funds."

Other receivables including property taxes, accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in Paragraph B above. An allowance for bad debt is not carried in the governmental funds because the Agency has determined that any uncollectible amount would be immaterial to the financial statements.

Capital assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The Agency maintains a capitalization threshold of \$5,000 and a useful life of over one year. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Furnishings and equipment	5–7 years
Infrastructure	10–60 years
Land improvements	5–100 years
Buildings	30–100 years
Other	5–100 years

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

1. Summary of Significant Accounting Policies (continued)

Deferred outflows/inflows of resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. There are no deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has property taxes and charge on refunding that fit into this classification.

Long-term obligations – The Agency reports long-term debt on the statement of net position. These obligations will be met using receipts from property tax and other special levies.

For governmental fund types, bond premiums and discounts are recognized during the current period. Bond proceeds are reported as another financing source net of the applicable premium or discount. Bonds payable are reported net of the applicable bond premium or discount, if any.

Use of estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fund balance – In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - non-spendable, restricted, committed, assigned and unassigned.

Non-spendable – Includes amounts not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes amounts that are restricted by external creditors, granters or contributors, or restricted by enabling legislation.

Committed – Includes amounts that have been committed by resolution by the City Council which is the Agency's "highest level of decision-making authority." Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes amounts assigned for specific purposes by council action who authorizes, by resolution, the City Manager to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose.

Unassigned – This is the residual classification used for those balances not assigned to another category. Only the general fund may have an unassigned balance.

There are no non-spendable, committed, assigned, or unassigned balances as of June 30, 2021.

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

1. Summary of Significant Accounting Policies (continued)

Use of restricted resources – When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the Agency's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Net position – Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or law or regulations of other governments. For specific details see the statement of net position.

2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. GAAP for all governmental funds. All annual appropriations lapse at fiscal year-end.

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. For all funds, materials and services, capital outlay, debt service, transfers and contingency are the levels of control.

Original appropriations may be changed through resolutions by transferring amounts between appropriations in the same fund or by transferring from an appropriation in the general fund to an appropriation category in another fund. A supplemental budget is required if appropriations are expected to exceed authorized appropriation amounts. Budget amounts are as originally adopted, or as amended by the City Council. Expenditures were within authorized appropriations levels for the year ended June 30, 2021.

Management may reassign resources within functions without seeking approval of the City Council.

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

3. Cash and Investments

The cash management policies are governed by State statutes. Statutes authorize investing in bankers acceptances, commercial paper, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities and the Oregon State Treasurer's Local Government Investment Pool.

The Agency's cash is pooled with the City of Bandon. Please refer to the City's basic financial statements, issued under separate cover, for additional information pertaining to the nature and collateralization of the City's cash and investments.

Deposits – The GASB has adopted U.S. GAAP, which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the Agency at June 30, 2021. If bank deposits at year end are not entirely insured or collateralized with securities held by the Agency or by its agent in the Agency's name, the Agency must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. Any deposits with financial institutions will be covered up to \$250,000 by Federal Depository Insurance, and the remaining deposited at an approved depository as prescribed by the Oregon State Treasurer.

The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Effective July 1, 2008, state statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295 .001 to 295 .108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may now be on deposit at any one bank depository and its branches, a sum in excess of the amount insured by Federal Deposit Insurance Corporation. For the Fiscal Year ended June 30, 2021, the total carrying amount of the City's deposits, as pooled with the Agency, in various financial institutions was \$949,312 and the bank balance was \$1,129,718. All deposits are held in the name of the City. Of the bank balance, the entire amount was covered by federal depository insurance or collateralized.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. As of June 30, 2021, none of the Agency's bank balances were exposed to credit risk.

Investments – The Agency has invested funds in the State Treasurer's Oregon Short-Term Fund LGIP during Fiscal Year 2021. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294 .895). LGIP is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the City's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 194.180. These funds are held in the City of Bandon's name and are not subject to collateralization requirements or ORS 295 .015. Investments are stated at cost, which approximates fair value.

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

3. Cash and Investments (continued)

Credit risk – State statutes authorize the Agency to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's investment pool, among others. The Agency has no formal investment policy that further restricts its investment choices.

Concentration of credit risk – The Agency is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent 5.00% or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The Agency has no such investments.

Interest rate risk – The Agency has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

As of June 30, 2021, the Agency had the following investment:

<u>Investment Type</u>	<u>Maturity</u>	<u>Percentage of Portfolio</u>	<u>Fair Value</u>
Local Government Investment Pool	1 day	100%	\$ 2,341,964

A reconciliation of cash and cash equivalents as shown on the statement of net position and balance sheet follows:

Local Government Investment Pool	<u>2,341,964</u>
 BALANCE SHEET	
Urban Renewal District No.1	\$ 1,468,130
Urban Renewal District No.2	<u>873,834</u>
Total	<u><u>\$ 2,341,964</u></u>

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

4. Accounts Receivable

Receivables

Non-current property taxes and special assessments receivable are treated as deferred inflows of resources as unavailable revenue in the governmental funds. Accounts receivables are considered to be fully collectible. Accordingly, no provision for estimated uncollectible balances has been established for those accounts.

Property taxes – The Agency receives a tax increment under Section 1c, Article XI of the Oregon Constitution, and ORS Chapter 457. It states that the portion of the taxes representing the levy against the increase, if any, in true cash value of property located in the urban renewal area shall, after collection by the tax collector, be paid into a special fund of the Agency and shall be used to pay the principal and interest on indebtedness incurred by the Agency to finance or refinance the implementation of the urban renewal plan.

All non-current property taxes receivable is treated as deferred inflows of resources as unavailable revenue. Other accounts and intergovernmental receivables are considered to be fully collectible. Accordingly, no provision for estimated uncollectible balances has been established.

5. Interfund Receivables and Payables

Outstanding balances between funds may result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. There are no interfund receivable (payable) balances as of June 30, 2021.

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

6. Capital Assets

Capital asset activity for the Agency for the fiscal year ended June 30, 2021, was as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Capital assets not being depreciated				
Land & Land Improvements	\$ 228,867	\$	\$	\$ 228,867
Construction in Progress	-	18,557	-	18,557
Total capital assets not being depreciated	<u>228,867</u>	<u>18,557</u>	<u>-</u>	<u>247,424</u>
Capital assets being depreciated				
Land & Land Improvements	-	21,564	-	21,564
Street	116,151	-	-	116,151
Less accumulated depreciation	<u>(5,196)</u>	<u>(5,910)</u>	<u>-</u>	<u>(11,106)</u>
Total capital assets being depreciated, net	<u>110,955</u>	<u>(5,910)</u>	<u>-</u>	<u>126,609</u>
Total Capital Assets, Net	<u>\$ 339,822</u>			<u>\$ 374,033</u>

7. Long-term obligations

General obligation bonds – The Agency issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. All general obligation bonds have been reclassified into one general obligation fund that is reported in governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Agency.

Revenue bonds – The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service.

Summary of long-term obligations

The following is a summary of changes in long-term obligations during the Fiscal Year ended June 30, 2021:

	<u>June 30,</u> <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2021</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable					
2012 General obligation bonds	\$ 1,565,000	\$ -	\$ (100,000)	\$ 1,465,000	\$ 100,000
Loans payable					
2018 OECD loan	420,015	-	(24,906)	395,109	30,112
2012 Wedbush locap loan	68,982	-	(26,988)	41,994	27,790
Total loans payable	<u>488,997</u>	<u>-</u>	<u>(51,894)</u>	<u>437,103</u>	<u>57,902</u>
Total long-term liabilities	<u>\$ 2,053,997</u>	<u>\$ -</u>	<u>\$ (151,894)</u>	<u>\$ 1,902,103</u>	<u>\$ 157,902</u>

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

7. Long-term Obligations (Continued)

Bonds Payable

2012 General Obligation Bond – On August 15, 2012, the City entered into an agreement with Wedbush Securities Inc. for the issuance of general obligation bonds in the amount of \$2,200,000. Interest is computed bi-annually at 2.00% to 4.00%. This debt can be prepaid after August 1, 2022, without penalty. Scheduled payment dates are February 1 and August 1, each year through Fiscal Year 2032-33. Annual debt requirements are shown below:

2012 General Obligation Bonds

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 100,000	\$ 46,531	\$ 146,531
2023	105,000	42,431	147,431
2024	110,000	38,681	148,681
2025	115,000	35,306	150,306
2026	115,000	31,856	146,856
2027-2031	635,000	101,925	736,925
2032-2033	285,000	9,703	294,703
	<u>\$ 1,465,000</u>	<u>\$ 306,433</u>	<u>\$ 1,771,433</u>

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

7. Long-term Obligations (Continued)

Direct Borrowing

2005 OECDL Loan (Refunded 2018) – On July 15, 2005, the City entered into an agreement with the Oregon Economic Development Department to borrow \$985,000 to finance improvements to Fillmore Avenue. In April 2018, the note was refunded in the amount of \$530,685 with a revised loan agreement to finance \$484,257 resulting in a gain \$46,428 which is reported as deferred inflow and will be amortized over the remaining life of the loan. The Agency has agreed to make the annual debt service payments, but the City retains ultimate responsibility. There are no reserve requirements. This debt may be paid prior to maturity without penalty. Interest is computed semi-annually on the outstanding balance at 4.00%. Principal and interest payments are required in December of each year through December 2, 2031. Annual debt requirements are shown below:

2018 OECDL Loan - Fillmore Avenue URA

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 30,112	\$ 19,300	\$ 49,412
2023	30,329	17,833	48,162
2024	30,556	16,356	46,912
2025	30,795	14,867	45,662
2026	36,048	13,364	49,412
2027-2031	194,449	39,861	234,310
2032-2033	42,820	2,092	44,912
	<u>\$ 395,109</u>	<u>\$ 123,673</u>	<u>\$ 518,782</u>

2012 Wedbush Refinancing of LoCap Loan – On November 28, 2012, the City entered into an agreement for a \$248,000 loan with Wedbush Bank to refinance their loan from 2008 to finance improvements to the community building. The Agency has agreed to make the annual debt service payments, but the City retains ultimate responsibility. There are no reserve requirements. This debt may be paid prior to maturity without penalty. Interest is computed semi-annually on the outstanding balance at a rate of 2.95% until maturity on December 1, 2022. Annual debt requirements are shown below:

2012 WedBush Refinancing of LoCap Loan

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 27,790	\$ 1,035	\$ 28,825
2023	14,204	210	14,414
	<u>\$ 41,994</u>	<u>\$ 1,245</u>	<u>\$ 43,239</u>

The City has no other significant default or termination clauses contained in the note payable loan agreements or for any of the above mentioned bonds under GASB 88.

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

8. Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Agency carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year, and the Agency has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years.

9. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. The City intends to measure these investments at book value, as the LGIP's fair value approximates its amortized cost basis.

LGIP measured at the net asset value (NAV) are readily available to spend when needed. The balance in this pool is expected to stay fairly static as the interest rate in the pool is desirable. The risk associated with the LGIP is very low. The Agency only invests in the LGIP. The NAV of the Agency's investments as of June 30, 2021, was \$2,341,964.

10. Tax Abatements

As of June 30, 2021, the Agency potentially had tax abatements through various State allowed programs that impacted levied taxes and would require disclosure under GASB 77. Based on the information available from the County as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2021, is deemed immaterial.

City of Bandon Urban Renewal Agency
Coos County, Oregon
Notes to the Basic Financial Statements

11. Commitments and Contingencies

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. However, the ultimate impact on the Agency's finances is not determinable.

Required Supplementary Information

CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
URBAN RENEWAL DISTRICT NO.1 FUND
- ACTUAL AND BUDGET -
For the Year Ended June 30, 2021

REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET FAVORABLE (UNFAVORABLE)
Taxes				
Property taxes - current year	\$ 469,201	\$ 469,201	\$ 336,254	\$ (132,947)
Previously levied taxes	17,000	17,000	24,706	7,706
Interest	17,000	17,000	8,890	(8,110)
Payments in lieu of taxes	-	-	5,789	5,789
Total Revenues	<u>503,201</u>	<u>503,201</u>	<u>375,639</u>	<u>(127,562)</u>
EXPENDITURES:				
Materials and Services	55,000	55,000 (1)	23,320	31,680
Capital outlay	1,078,109	1,078,109 (1)	9,596	1,068,513
Debt service	394,943	394,943 (1)	194,942	200,001
Total Expenditures	<u>1,528,052</u>	<u>1,528,052</u>	<u>227,858</u>	<u>1,300,194</u>
Excess of Revenues Over (Under) Expenditures	(1,024,851)	(1,024,851)	147,781	1,172,632
OTHER FINANCING SOURCES (USES)				
Proceeds From Sale of Capital Assets	85,000	85,000	-	(85,000)
Net Change in Fund Balance	(939,851)	(939,851)	147,781	1,087,632
Beginning Fund Balance	<u>1,024,851</u>	<u>1,024,851</u>	<u>1,325,102</u>	<u>300,251</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,472,883</u>	<u>\$ 1,472,883</u>

(1) Appropriation Level

**CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
URBAN RENEWAL DISTRICT NO.2 FUND
- ACTUAL AND BUDGET -
For the Year Ended June 30, 2021**

REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET FAVORABLE (UNFAVORABLE)
Taxes				
Property taxes - current year	\$ 163,291	\$ 163,291	\$ 162,531	\$ (760)
Previously levied taxes	9,000	9,000	11,944	2,944
Interest	12,200	12,200	6,287	(5,913)
Payments in lieu of taxes	-	-	855	855
Total Revenues	<u>184,491</u>	<u>184,491</u>	<u>181,617</u>	<u>(2,874)</u>
EXPENDITURES:				
Materials and Services	21,960	21,960 (1)	6,529	15,431
Capital outlay	764,682	764,682 (1)	25,086	739,596
Debt service	<u>58,825</u>	<u>58,825 (1)</u>	<u>28,826</u>	<u>29,999</u>
Total Expenditures	<u>845,467</u>	<u>845,467</u>	<u>60,441</u>	<u>785,026</u>
Net Change in Fund Balance	(660,976)	(660,976)	121,176	782,152
Beginning Fund Balance	<u>660,976</u>	<u>660,976</u>	<u>737,489</u>	<u>76,513</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 858,665</u>	<u>\$ 858,665</u>

(1) Appropriation Level

Supplementary Information

CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2021

URBAN RENEWAL DISTRICT NO.1

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
Current:						
2020-21	\$ 366,047	\$ (9,364)	\$ (2,919)	\$ 226	\$ 341,343	\$ 12,647
Prior Years						
2019-20	23,027	(34)	(2,101)	568	5,480	9,492
2018-19	7,163	(6)	(879)	599	2,887	3,771
2017-18	4,794	-	(906)	838	2,645	1,823
2016-17	2,373	-	-	-	1,224	1,020
Prior	3,146	-	-	(388)	863	1,438
Total	<u>\$ 406,550</u>	<u>\$ (9,404)</u>	<u>\$ (6,805)</u>	<u>\$ 1,843</u>	<u>\$ 354,442</u>	<u>\$ 30,191</u>

RECONCILIATION TO STATEMENT OF ACTIVITIES

Cash Collections by County Treasurer Above	354,442
Changes in Deferred Tax Revenue	(4,863)
Other Taxes/adjustments	6,518
Total Revenue	<u>\$ 356,097</u>

RECONCILIATION TO BALANCE SHEET

Uncollected balance at 6/30/21	30,191
July and August turnover included as receivables by city, but not county	4,909
Total Property Tax Receivable	<u>\$ 35,100</u>

**CITY OF BANDON URBAN RENEWAL AGENCY
COOS COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2021**

URBAN RENEWAL DISTRICT NO.2

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
Current:						
2020-21	\$ 176,932	\$ (4,526)	\$ (1,411)	\$ 109	\$ 164,991	\$ 6,113
Prior Years						
2019-20	\$ 7,986	\$ (17)	\$ (1,026)	\$ 277	\$ 2,677	\$ 4,637
2018-19	3,645	(3)	(427)	291	1,403	1,833
2017-18	2,421	-	(438)	405	1,278	881
2016-17	1,485	-	-	-	615	513
Prior	1,880	-	-	(195)	435	724
Total	<u>\$ 194,349</u>	<u>\$ (4,546)</u>	<u>\$ (3,302)</u>	<u>\$ 887</u>	<u>\$ 171,399</u>	<u>\$ 14,701</u>

RECONCILIATION TO STATEMENT OF ACTIVITIES

Cash Collections by County Treasurer Above	171,399
Changes in Deferred Tax Revenue	(1,178)
Other Taxes/Adjustments	2,191
Payments in Lieu of Tax	885
Total Revenue	<u>\$ 173,297</u>

RECONCILIATION TO BALANCE SHEET

Uncollected balance at 6/30/21	14,701
July and August turnover included as receivables by city, but not county	1,173
Total Property Tax Receivable	<u>\$ 15,874</u>

**Independent Auditors' Report Required by Oregon
State Regulators**



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December 9, 2021

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Bandon Urban Renewal Agency as of and for the year ended June 30, 2021, and have issued our report thereon dated December 9, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of the basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

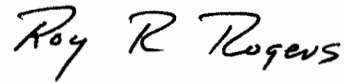
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources.**

In connection with our testing nothing came to our attention that caused us to believe the City of Bandon Urban Renewal Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

This report is intended solely for the information and use of the council members and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in cursive script that reads "Roy R. Rogers".

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.