

**URBAN RENEWAL AGENCY OF THE
CITY OF COOS BAY
COOS COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019



**12700 SW 72nd Ave.
Tigard, OR 97223**

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

(A Component Unit of the City of Coos Bay)

COOS COUNTY, OREGON

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

AGENCY BOARD MEMBERS AS OF JUNE 30, 2019

<u>NAME</u>	<u>TERM EXPIRES</u>
Joe Benetti, Mayor	November, 2020
Lucinda DiNovo	November, 2020
Drew Farmer	November, 2020
Stephanie Kilmer	November, 2020
Phil Marler	November, 2022
Carmen Matthews	November, 2022
Rob Miles	November, 2022

Board Members receive mail at the address listed below.

ADMINISTRATION
Rodger Craddock, Agency Manager

BOARD ADDRESS
Urban Renewal Agency of the City of Coos Bay
500 Central Avenue
Coos Bay, OR 97420

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

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PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

October 17, 2019

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Urban Renewal Agency of the City of Coos Bay
Coos County, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Coos Bay, a component unit of the City of Coos Bay, as of and for the year ended June 30, 2019 and the related notes to the 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Coos Bay, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The City adopted the provisions of GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental 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 information 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 financial statements or to the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, 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.

The listing of board members containing their term expiration dates, located before the table of contents, 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 October 17, 2019 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.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (unaudited)

As management of Urban Renewal Agency of the City of Coos Bay (Agency) which has two separate districts, Downtown and Empire, we offer the following narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2019. Readers are encouraged to consider this overview and analysis in combination with the basic financial statements and accompanying notes to the financial statements.

The Agency is considered a blended component unit of the City of Coos Bay and maintains a separate legal status from the City.

FINANCIAL HIGHLIGHTS

- The assets of the Agency exceed the liabilities for the current fiscal year ended June 30, 2019 by \$12,611,999 (net position).
- The Agency's total net position increased by \$1,296,630 or 11.46% when compared to the financial statements at June 30, 2018. The increase in net position is primarily attributable to an increase in cash and cash equivalents as a result of the Downtown Urban Renewal Area bond proceeds received but unspent by the end of the fiscal year.
- As of June 30, 2019 the Agency's governmental activities reported a combined ending fund balance of \$5,123,031, an increase of \$1,664,283 from the prior year.
- At the end of the current fiscal year, unrestricted net position was \$4,608,983, approximately 36.54% of total net position.
- On the government-wide financial statement, the Agency's total cash and investments of \$5,106,393 at June 30, 2019 may be used to meet the Agency's ongoing obligations to citizens and creditors.
- The Agency's total outstanding long-term debt increased by \$499,464 or 73.02%, due to additional amounts drawn on the Empire Area bond series 2018A of \$30,084 for the Newmark Seawall improvements and \$606,380 initial issuance of the Downtown Area bond series 2019A used for various capital projects in the Downtown Area, primarily for infrastructure improvements as part of the Coos Bay Village project.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The basic financial statements are comprised of the following components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements.

Government-wide Financial Statements. These statements are designed to provide readers with a broad overview of the Agency finances, in a manner similar to private-sector business. Summarized versions of these statements are included in this MD&A.

The *Statement of Net Position*, presents information on all of the Agency's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the components as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the Agency's financial position.

The *Statement of Activities*, presents information showing how the Agency net position changed during the 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. This is the accrual basis of accounting. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both the statement of net position and the statement of activities divide the functions of the Agency that are primarily supported by tax-increment debt proceeds (in lieu of tax-increment revenue) and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The Agency's government-wide financial statements only reveal governmental activities.

Fund Financial Statements. A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal activities. The Agency uses only one fund type; all funds are categorized as governmental funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

The following tables, graphs, and analysis discuss the financial position and changes to the financial position for the Agency as a whole, as of and for the year ended June 30, 2019.

Net Position. As previously noted, net position may serve over time as a useful indicator of a government's financial position. The Agency's net position, the amount by which assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources, was \$12,611,999 at close of this fiscal year.

The largest portion of the Agency's net position, \$7,707,516, reflects its net investment in capital assets. The Agency's asset category, investment in capital assets net of related debt, was used to acquire assets. This represents investment in land, infrastructure, and construction in progress, less accumulated depreciation and debt used to purchase these capital assets and 61.11% of the total net position.

Table 1
Statement of Net Position

	Governmental Activities	
	2018	2019
Current assets	\$ 3,877,905	\$ 5,499,999
Capital assets, net of depreciation	8,175,492	8,365,280
Total Assets	<u>12,053,397</u>	<u>13,865,279</u>
Other liabilities	191,028	69,816
Long term debt	547,000	1,183,464
Total Liabilities	<u>738,028</u>	<u>1,253,280</u>
Net Position:		
Net investment in capital assets	7,491,492	7,707,516
Restricted	-	295,500
Unrestricted	3,823,877	4,608,983
Total Net Position	<u>\$11,315,369</u>	<u>\$12,611,999</u>

At fiscal year end the Agency's *unrestricted* balance was 36.54% of total net position or \$4,608,983. The *unrestricted* balance may be used to meet current and ongoing obligations. The *restricted* portion of net position represents resources subject to external restrictions on how they may be used. Such restrictions may include debt service payments, other capital projects, and required reserves. At the end of the fiscal year, the Agency reported positive or no balance in all three categories of net position.

Table 2
Statement of Activities (Changes in Net Position)

	Governmental Activities	
	2018	2019
Revenues		
Function Revenues		
Capital Grants & Contributions	\$ -	\$ 47,979
General Revenues		
Taxes	1,919,212	1,976,247
Investment Earnings	58,361	106,085
Intergovernmental	-	-
Miscellaneous	25,967	37,842
Total Revenues	<u>2,003,540</u>	<u>2,168,153</u>
Expenses		
Program Expenses		
Public Works	1,122,551	934,516
Interest on Long Term Debt	6,582	17,007
Total Expenses	<u>1,129,133</u>	<u>951,523</u>
Increase in Net Position	874,407	1,216,630
Beginning Net Position	10,440,962	11,315,369
Prior Period Adjustment	-	80,000
Ending Net Position	<u>\$11,315,369</u>	<u>\$12,611,999</u>

The Agency's net position increased \$1,296,630 during the fiscal year ended June 30, 2019, the degree to which revenues exceeded ongoing expenses. The increase was primarily attributable to an increase in cash and cash equivalents as a result of the Downtown Urban Renewal Area bond proceeds received but unspent by the end of the fiscal year.

FUND FINANCIAL STATEMENT ANALYSIS

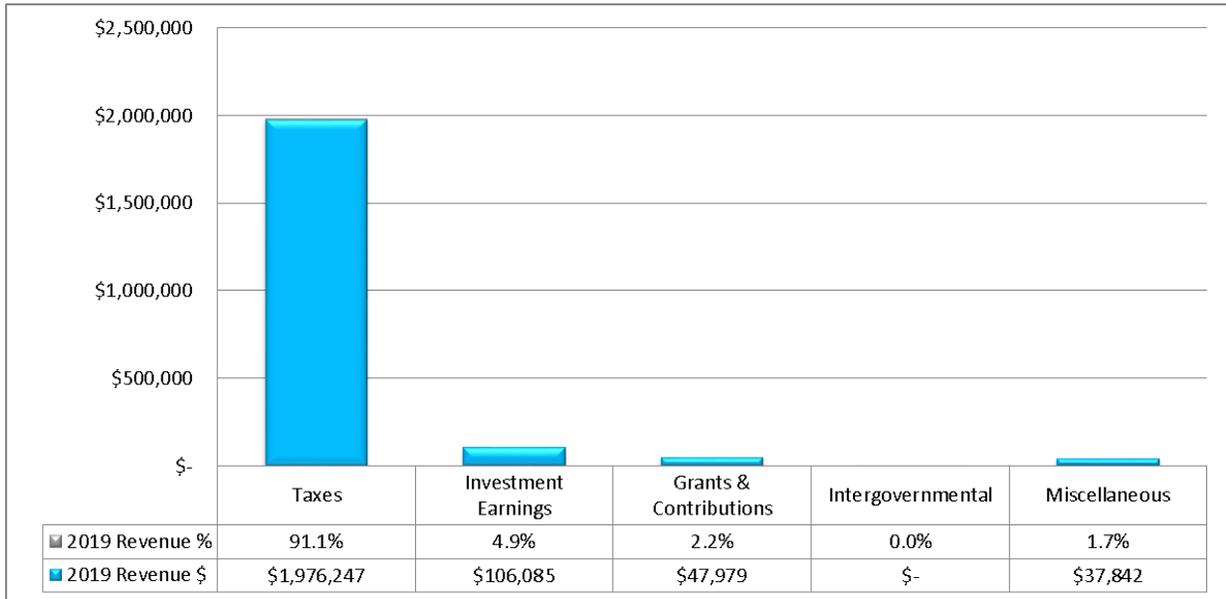
Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which are on full accrual basis, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year, which is the modified accrual basis of accounting. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to the governmental activities portion of the government-wide financial statements.

The accounting for each of the two districts is organized into five basic funds: Special Revenue, Program, Bond, Bond Reserve, and Capital Project. The difference in the measurement focus of the governmental fund financial statements and the government-wide financial statements calls for reconciliations between the two types of statements to fully explain the specific differences. These reconciliations between governmental funds to governmental activities illuminate the long-term impact of the Agency's short-term financial decisions. Such information may be useful in assessing a government's near-term financing requirements.

Table 3
Changes in Fund Balance

	Governmental Activities	
	2018	2019
Major Funds		
Downtown Special Revenue	\$ 418,378	\$ 681,648
Empire Special Revenue	372,447	260,979
Empire Bond	-	2,000
Downtown Capital Projects	1,429,541	2,330,540
Empire Capital Projects	760,582	1,059,402
Total Major Funds	<u>2,980,948</u>	<u>4,334,569</u>
Non Major Funds		
Downtown Program	22,837	31,521
Empire Program	454,963	463,441
Downtown Bond	-	-
Downtown Bond Reserve	-	150,000
Empire Bond Reserve	-	143,500
Total Non Major Funds	<u>477,800</u>	<u>788,462</u>
Total Fund Balance	<u>\$ 3,458,748</u>	<u>\$ 5,123,031</u>

**Revenues by Source - Governmental Activities
Fiscal Year Ended June 30, 2019**



As shown above, tax-increment funding (TIF) proceeds are the largest source of revenue for the Agency's governmental activities, comprising of 91.1% of the total.

**Table 4
Summarized History of TIF Proceeds
Received for Fiscal Years Ended June 30**

Year	Downtown Area	Empire Area	Total
2014	1,011,295	646,564	1,657,859
2015	1,011,480	672,699	1,684,179
2016	911,097	659,067	1,570,164
2017	792,093	660,701	1,452,794
2018	1,185,532	733,680	1,919,212
2019	1,203,262	764,709	1,967,971
	<u>6,114,759</u>	<u>4,137,420</u>	<u>10,252,179</u>

Capital Assets. The Agency's capital assets for the fiscal year ended June 30, 2019 totaled \$8,365,281, net of accumulated depreciation. This represents an increase from the prior fiscal year of 2.32% or \$189,787. Major additions to capital assets during the fiscal year included the following:

Downtown District

- Coos Bay Village infrastructure project.

Empire District

- Continued improvements to the Newmark Seawall.

The following table provides a listing of the capital assets, net of accumulated depreciation.

Table 5
Capital Assets (net of depreciation)

	Governmental Activities	
	2018	2019
Construction in Progress	\$ 484,502	520,002
Land and Improvements, net	1,921,431	2,240,695
Building and Improvements, net	4,234,071	4,108,217
Machinery and Equipment, net	-	-
Infrastructure, net	1,535,489	1,496,368
	<u>\$ 8,175,494</u>	<u>\$ 8,365,281</u>

Long-term Liabilities. The Agency's total outstanding long-term debt increased by \$636,464 or 73.02%, due to additional amounts drawn on the Empire Area bond series 2018A of \$30,084 for the Newmark Avenue seawall improvements and \$606,380 initial issuance of the Downtown Area bond series 2019A used for various capital projects in the Downtown Area, primarily for infrastructure improvements as part of the Coos Bay Village project.

BUDGETARY HIGHLIGHTS

During the fiscal year 2019 budget process, the Budget Committee along with the Agency Board elected to impose a "Special Levy Option" for the Downtown District only. The special levy option was limited to 28% or \$0.30 per \$1,000 assessed valuation. The additional resources collected through the special levy option were dedicated for street improvements. Taxes collected from the special levy in fiscal year ended 2019 totaled \$301,079. The Downtown District tax revenues for the year were budgeted at \$1,237,719 with actual receipts totaling \$1,203,263 (97.22% of budget), which included the special levy option. The Empire District tax revenues for the year were budgeted at \$755,204 with actual receipts totaling \$764,709 (101.26% of budget).

Table 5
Changes in Budget Appropriations

	Governmental Activities	
	Original	Final
Major Funds		
Downtown Special Revenue	\$ 1,589,719	\$ 1,589,719
Empire Special Revenue	1,110,000	1,110,000
Empire Bond	960,000	960,000
Downtown Capital Projects	4,502,900	4,502,900
Empire Capital Projects	3,316,000	3,316,000
Total Major Funds	<u>11,478,619</u>	<u>11,478,619</u>
Non Major Funds		
Downtown Program	22,650	22,650
Empire Program	572,000	572,000
Downtown Bond	1,325,000	1,325,000
Downtown Bond Reserve	150,000	150,000
Empire Bond Reserve	150,000	150,000
Total Non Major Funds	<u>2,219,650</u>	<u>2,219,650</u>
Total Fund Balance	<u>\$ 13,698,269</u>	<u>\$ 13,698,269</u>

ECONOMIC FACTORS

- The Downtown Urban Renewal District was formed in 1988 and is 1,298.3 acres in size. Total maximum indebtedness is \$45,055,764 of which \$28,370,593 capacity to incur remained as of current fiscal year end.
- The Empire Urban Renewal District was formed in 1995 and is 271.3 acres in size. Total maximum indebtedness is \$18,890,011 of which \$6,802,999 capacity to incur remained as of current fiscal year end.
- Both districts will appropriate funds for du jour financing in anticipation of available tax-increment funding and will continue to review district goals and update plans to prioritize future capital projects.
- The fiscal year 2019-20 assessed valuation was projected to increase for the Downtown District \$61,913,203 and the Empire District \$52,551,984.
- Negotiations with the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, a federally-recognized Indian tribe, for an agreement for disposition of property for development of the Hollering Place in the Empire District continues.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the Agency's finances and to demonstrate the Agency's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Coos Bay Finance Director at 500 Central Avenue, Coos Bay, Oregon, 97420. Financial Statements for the Agency and the City of Coos Bay are available online at <http://coosbay.org/departments/finance>.

Nichole Rutherford

Nichole Rutherford
City of Coos Bay
Finance Director

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2019

ASSETS:

Cash and Cash Equivalents	\$ 5,106,393
Taxes Receivable	165,912
Note Receivable	180,000
Other Receivables	47,694
Capital Assets Not Being Depreciated	2,217,891
Capital Assets, Net of Accumulated Depreciation	<u>6,147,389</u>
 Total Assets	 <u>13,865,279</u>

LIABILITIES:

Accounts Payable	63,281
Interest Payable	6,535
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	-
Due in More Than One Year	
Bonds Payable	<u>1,183,464</u>
 Total Liabilities	 <u>1,253,280</u>

NET POSITION:

Net Investment in Capital Assets	7,707,516
Restricted	295,500
Unrestricted	<u>4,608,983</u>
 Total Net Position	 <u>\$ 12,611,999</u>

See accompanying notes to basic financial statements.

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

FUNCTIONS	EXPENSES	FUNCTION REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN
		CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	
Public Works	\$ 934,516	\$ -	\$ 47,979	\$ (886,537)
Interest on Long-Term Debt	17,007	-	-	(17,007)
Total Governmental Activities	<u>\$ 951,523</u>	<u>\$ -</u>	<u>\$ 47,979</u>	<u>(903,544)</u>
General Revenues:				
Property Taxes				1,976,247
Income Not Restricted to Specific Programs:				
Investment Earnings				106,085
Miscellaneous				<u>37,842</u>
Total General Revenues				<u>2,120,174</u>
Changes in Net Position				1,216,630
Net Position - Beginning				11,315,369
Prior Period Adjustment				<u>80,000</u>
Net Position - Ending				<u>\$ 12,611,999</u>

See accompanying notes to basic financial statements.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2019

	<u>DOWNTOWN SPECIAL REVENUE</u>	<u>EMPIRE SPECIAL REVENUE</u>	<u>DOWNTOWN CAPITAL PROJECTS</u>	<u>EMPIRE BOND</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Assets:				
Cash and Investments	\$ 661,787	\$ 248,615	\$ 2,341,656	\$ 2,000
Accounts Receivable	-	-	47,694	-
Property Taxes Receivables	<u>102,235</u>	<u>63,677</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 764,022</u>	<u>\$ 312,292</u>	<u>\$ 2,389,350</u>	<u>\$ 2,000</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:				
Liabilities:				
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,810</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>58,810</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable Revenue-Property Taxes	<u>82,374</u>	<u>51,313</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>82,374</u>	<u>51,313</u>	<u>-</u>	<u>-</u>
Fund Balance:				
Restricted	-	-	-	2,000
Assigned	<u>681,648</u>	<u>260,979</u>	<u>2,330,540</u>	<u>-</u>
Total Fund Balance	<u>681,648</u>	<u>260,979</u>	<u>2,330,540</u>	<u>2,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 764,022</u>	<u>\$ 312,292</u>	<u>\$ 2,389,350</u>	<u>\$ 2,000</u>

See accompanying notes to basic financial statements.

<u>EMPIRE CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL GOVERNMENTAL</u>
\$ 1,063,873	\$ 788,462	\$ 5,106,393
-	-	47,694
<u>-</u>	<u>-</u>	<u>165,912</u>
<u>\$ 1,063,873</u>	<u>\$ 788,462</u>	<u>\$ 5,319,999</u>
<u>\$ 4,471</u>	<u>\$ -</u>	<u>\$ 63,281</u>
<u>4,471</u>	<u>-</u>	<u>63,281</u>
<u>-</u>	<u>-</u>	<u>133,687</u>
<u>-</u>	<u>-</u>	<u>133,687</u>
<u>-</u>	<u>293,500</u>	<u>295,500</u>
<u>1,059,402</u>	<u>494,962</u>	<u>4,827,531</u>
<u>1,059,402</u>	<u>788,462</u>	<u>5,123,031</u>
<u>\$ 1,063,873</u>	<u>\$ 788,462</u>	<u>\$ 5,319,999</u>

See accompanying notes to basic financial statements.

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION

June 30, 2019

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Fund Balances	\$	5,123,031
The cost of governmental capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the Agency as a whole.		
Net Capital Assets		8,365,280
Long-term liabilities applicable to the Agency's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.		
Long-term debt		(1,183,464)
Interest Payable		(6,535)
Other long-term assets are not available to pay for current-period expenditures and therefore are considered unavailable in the funds.		
Long term Intergovernmental Note Receivable		180,000
Unavailable Property Taxes		<u>133,687</u>
Total Net Position	\$	<u><u>12,611,999</u></u>

See accompanying notes to basic financial statements.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2019

	<u>DOWNTOWN SPECIAL REVENUE</u>	<u>EMPIRE SPECIAL REVENUE</u>	<u>DOWNTOWN CAPITAL PROJECTS</u>	<u>EMPIRE BOND</u>
REVENUES:				
Taxes	\$ 1,203,262	\$ 764,709	\$ -	\$ -
Interest on Investments	18,574	11,378	41,260	-
Grants	-	-	47,979	-
Seismic Project Loan - City of Coos Bay	-	-	62,400	-
Miscellaneous	-	-	16,442	-
Total Revenues	<u>1,221,836</u>	<u>776,087</u>	<u>168,081</u>	<u>-</u>
EXPENDITURES:				
Current:				
Material and Services	-	-	451,440	-
Capital Outlay	-	-	322,860	-
Debt Service	-	-	-	154,007
Total Expenditures	<u>-</u>	<u>-</u>	<u>774,300</u>	<u>154,007</u>
Excess of Revenues, Over (Under)				
Expenditures	1,221,836	776,087	(606,219)	(154,007)
OTHER FINANCING SOURCES (USES):				
Property Sales	-	-	92,338	-
Bond Proceeds	-	-	606,380	-
Du Jour Financing	-	-	808,500	(588,048)
Transfers In	-	-	-	744,055
Transfers Out	(958,566)	(887,555)	-	-
Total Other Financing Sources (Uses)	<u>(958,566)</u>	<u>(887,555)</u>	<u>1,507,218</u>	<u>156,007</u>
Net Change in Fund Balance	263,270	(111,468)	900,999	2,000
Beginning Fund Balance	<u>418,378</u>	<u>372,447</u>	<u>1,429,541</u>	<u>-</u>
Ending Fund Balance	<u>\$ 681,648</u>	<u>\$ 260,979</u>	<u>\$ 2,330,540</u>	<u>\$ 2,000</u>

See accompanying notes to basic financial statements.

<u>EMPIRE CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL GOVERNMENTAL</u>
\$ -	\$ -	\$ 1,967,971
21,298	13,575	106,085
-	-	47,979
-	-	62,400
-	-	16,442
<u>21,298</u>	<u>13,575</u>	<u>2,200,877</u>
305,313	3,075	759,828
35,249	-	358,109
-	-	154,007
<u>340,562</u>	<u>3,075</u>	<u>1,271,944</u>
(319,264)	10,500	928,933
-	6,662	99,000
30,084	-	636,464
588,000	(808,566)	(114)
-	1,102,066	1,846,121
-	-	(1,846,121)
<u>618,084</u>	<u>300,162</u>	<u>735,350</u>
298,820	310,662	1,664,283
<u>760,582</u>	<u>477,800</u>	<u>3,458,748</u>
<u>\$ 1,059,402</u>	<u>\$ 788,462</u>	<u>\$ 5,123,031</u>

See accompanying notes to basic financial statements.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures \$ 1,664,283

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 amount by which capital outlays exceeded depreciation in the current period.

Capital Asset Additions, Net	\$	385,994	
Depreciation Expense		(196,206)	
Gain/Loss on Disposal of Asset		(80,000)	
Net Adjustment		109,788	109,788

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances between years.

Long term debt principal payments		137,000	
Interest payable		(6,253)	
Debt Issuance		(636,464)	

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Revenue on long term receivable		(60,000)	
Property Taxes		8,276	
Change in Net Position		1,216,630	\$ 1,216,630

See accompanying notes to basic financial statements.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Urban Renewal Agency of Coos Bay, Oregon (Agency) financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The Urban Renewal Agency of the City of Coos Bay (Agency) was formed December 1966, under the provisions of the Oregon Revised Statutes (ORS) and operates under a Board-Manager form of government providing specific projects located in the Urban Renewal District.

The Agency is a municipal corporation governed by an appointed seven-member board. Generally accepted accounting principles in the United States of America require that these basic financial statements present the Agency and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement No. 61, are separate organizations that are included in the reporting entity because of the significance of their operational or financial relationships with the Agency. All significant activities and organizations with which the Agency exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units. The Agency is a blended component unit of the City of Coos Bay because the Coos Bay City Council exercises oversight authority over the Agency as demonstrated by the designation of the Agency's Board Members and economic dependency.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide statements report information irrespective of fund activity, and the fund financial statements report information using the funds. The government-wide statements focus on sustainability as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities. These statements were prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. General receipts are from property and related taxes, and interest. All disbursements are categorized either as program disbursements or interest on long-term debt.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. There is no program revenue. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION (CONTINUED)

FUND FINANCIAL STATEMENTS

The accounts 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. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments are recorded only when payment is due. Property taxes and other revenue associated with the current fiscal period are all considered to be susceptible to accrual if collected within 60 days of fiscal year end.

Financial operations are accounted for in the following major governmental funds:

DOWNTOWN SPECIAL REVENUE

This fund is used to account for the Downtown Area of the urban renewal area. Property tax increment revenues and earnings on investments are the main sources of receipts, some of which is transferred to the Downtown Debt Service Fund for bonded debt retirement.

EMPIRE SPECIAL REVENUE

This fund is used to account for the Empire Area of the urban renewal area. Property tax increment revenues and earnings on investments are the main sources of receipts, some of which is transferred to the Empire Debt Service Fund for bonded debt retirement.

DOWNTOWN CAPITAL PROJECTS

This fund is used to account for capital projects within the Downtown Area and is financed by proceeds from the issuance of the Downtown Urban Renewal Bonds.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION (CONTINUED)

EMPIRE BOND

This fund is used to account for debt service issued and du jour financing.

EMPIRE CAPITAL PROJECTS

This fund is used to account for capital projects within the Empire Area financed by proceeds from the issuance of the Empire Urban Renewal Bonds.

Additionally, there are five non-major funds within the government fund type.

C. BUDGETS

A budget is prepared for each governmental fund type in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in early spring with a public hearing being held approximately three weeks later. The budget may be amended prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30.

The expenditure budgets are appropriated at the following levels:

LEVEL OF CONTROL

Materials and Services
Capital Outlay
Debt Service
Operating Contingency
Transfers

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BUDGETS (CONTINUED)

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists that was not known at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original and final budget amounts. Expenditures in all funds were within authorized appropriations.

D. CASH AND INVESTMENTS

Cash and cash equivalents

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Inputs and Methodologies and Hierarchy

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 up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. PROPERTY TAXES AND PROPERTY TAXES RECEIVABLE

Property taxes receivable is recorded in the government-wide financial statements to indicate the amount of uncollected taxes that can be expected to be received in the future. Such taxes are offset by a liability to indicate that these amounts have been recorded as receipts. Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Taxes are billed and collected by Coos County and remittance is made at periodic intervals.

F. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. These can include the amounts of assets, liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expense/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

G. RECEIVABLES AND PAYABLES

Activity between funds that are representative of lending and borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to / from other funds." Receivables from federal and state grants, and state, county and local shared revenue are recorded as revenue in all funds as earned. The receivables for state, county and local shared revenue are recorded in accounts receivable. Uncollected property taxes are shown in the government-wide balance sheet. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Investment earnings (e.g., accrued interest receivable) are recorded as revenue in all fund types as earned on investments.

H. CAPITAL ASSETS

Capital assets are recorded at the original or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are charged to expenditures as purchased in the governmental funds, and capitalized and depreciated in the government-wide financial statements. Capital assets are defined as assets with an initial cost of more than \$10,000 and an estimated life equal to or greater than one year.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. CAPITAL ASSETS (CONTINUED)

Interest incurred during construction, and maintenance and repairs that do not add to the value of the asset or materially extend assets' lives, are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Building and Improvements	10 – 50 years
Improvements Other Than Buildings	10 – 50 years
Machinery and Equipment	5 – 20 years
Infrastructure	20 – 40 years

J. DEFERRED INFLOWS/OUTFLOWS 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.

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 government has only one type of item unavailable revenues from two property tax levies. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. LONG-TERM OBLIGATIONS

Long-term obligations are reported in the government-wide financial statements as liabilities. The governmental individual fund financial statements do not report long-term obligations because they do not require the use of current financial resources.

L. DU JOUR FINANCING

The Agency has entered into intergovernmental agreements with the City of Coos Bay for the purposes of providing short term financing for certain capital projects. The loans are repaid with tax increment revenue.

M. NET POSITION

Net position comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position are classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. NET POSITION (CONTINUED)

Restricted – consists of external constraints by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of remaining that are not included in the other categories previously mentioned.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

N. FUND BALANCE

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement was to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The City Manager and the Finance Director were granted authority by the Board of Directors.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. SUPPLY INVENTORY (CONTINUED)

The following order of spending is used regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. SUPPLY INVENTORY

Purchased inventories are stated at cost (first-in, first-out method). On a generally accepted accounting principles (GAAP) basis, inventory items are charged to expenditures at the time of withdrawal from inventory (consumption method). On a budgetary basis, the cost of inventory items is recognized as an expenditure when purchased (purchase method). Management believes there were no material inventories on hand at June 30, 2019.

2. CASH AND INVESTMENTS

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

DEPOSITS

The cash is pooled with the City of Coos Bay. 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.

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 the Federal Deposit Insurance Corporation.

Cash at June 30, 2019 consisted of:

Pooled Cash	<u>\$ 5,106,393</u>
Total	<u>\$ 5,106,393</u>

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of bank failure, the deposits may not be returned. There is no deposit policy for custodial risk. As of June 30, 2019, none of the bank balance was exposed to custodial credit risk because it was either insured or collateralized.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

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, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an 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. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond 18 months.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration Risk

Concentration risk is the risk of loss due to a large portion of investments with a single issuer. At June 30, 2019, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

3. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. PROPERTY TAX LIMITATIONS (CONTINUED)

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions.

The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

4. CAPITAL ASSETS

<u>Description</u>	<u>Beginning Balance</u>	<u>Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not depreciated					
Land and improvements	\$ 1,697,889	\$ 80,000	\$ -	\$ (80,000)	\$ 1,697,889
Construction in Progress	484,502	-	387,202	(351,703)	520,001
Total Capital assets not depreciated	2,182,391	80,000	387,202	(431,703)	2,217,890
Other capital assets at historical cost					
Land and Improvements	288,178	-	350,495	-	638,673
Buildings and improvements	4,988,105	-	-	-	4,988,105
Machinery and equipment	45,978	-	-	-	45,978
Infrastructure	1,564,857	-	-	-	1,564,857
Total other capital assets at historical cost	6,887,118	-	350,495	-	7,237,613
Less Accumulated Depreciation					
Land and Improvements	(64,637)	-	(31,230)	-	(95,867)
Buildings and improvements	(754,035)	-	(125,855)	-	(879,890)
Machinery and equipment	(45,977)	-	-	-	(45,977)
Infrastructure	(29,368)	-	(39,121)	-	(68,489)
Total accumulated depreciation	(894,017)	-	(196,206)	-	(1,090,223)
Other capital assets, net	5,993,101	-	154,289	-	6,147,390
Governmental activities capital assets, net	<u>\$ 8,175,492</u>	<u>\$ 80,000</u>	<u>\$ 541,491</u>	<u>\$ (431,703)</u>	<u>\$ 8,365,280</u>

Depreciation expense for governmental activities is charged to function as follows:

Public Works	<u>\$ 196,206</u>
Total depreciation for governmental activities	<u>\$ 196,206</u>

Adjustment

There was an adjustment to beginning capital assets in the amount of \$80,000 to reflect an adjustment to land. The North Bayshore Lot was purchased 11/18/1998, but was not recorded on the asset schedule.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEBT

All of the long term obligations are associated with governmental activities. All are considered direct placements.

\$1,435,000 of the urban renewal serial bond was issued on June 26, 2018 of which \$714,084 was drawn down as of 6/30/2019, which are payable from the tax increment revenues from the Empire Urban Renewal Area. The fixed interest rate over a 10 year period is 2.97%. During the fiscal year a payment of \$137,000 was made leaving an ending balance of \$577,084. In the event of default the Bank may exercise any remedy allowed by law and may increase the interest rate by 1.5%. The Bond shall not be subject to acceleration. The future requirements for amortization will be finalized and reported when the drawdown is completed.

\$3,300,000 of the urban renewal serial bond was issued on April 16, 2019 of which \$606,380 was drawn down as of 6/30/2019, which are payable from the tax increment revenues from the Downtown Urban Renewal Area. The fixed interest rate over a 10 year period is 2.86%. In the event of default the Bank may exercise any remedy allowed by law and the Bond shall not be subject to acceleration. The future requirements for amortization will be finalized and reported when the drawdown is completed.

The Downtown Bond and Empire Bond funds have been used to liquidate long-term obligations.

Changes in long-term obligations during the year are as follows:

	Balance	Additions	Reductions	Balance
<u>Direct Placements</u>	<u>7/1/2018</u>			<u>6/30/2019</u>
Empire (6/26/18)	\$ 684,000	\$ 30,084	\$ (137,000)	\$ 577,084
Downtown (4/19/19)	-	606,380	-	606,380
Total	<u>\$ 684,000</u>	<u>\$ 636,464</u>	<u>\$ (137,000)</u>	<u>\$ 1,183,464</u>

6. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. INTERNAL TRANSFERS

The composition of interfund transfers as of June 30, 2019, is as follows:

The internal transfers are budgeted and recorded to show legal and operational commitments between funds. The Special Revenue Funds transfers to the Bond Funds are for debt service payments.

<u>Transfers Out:</u>	
Downtown Special Revenue	\$ 958,566
Empire Special Revenue	887,555
Total	<u>\$ 1,846,121</u>
 <u>Transfers In</u>	
Empire Bond Fund	\$ 744,055
Other Governmental Funds	1,102,066
Total	<u>\$ 1,846,121</u>

8. INTERGOVERNMENTAL LOAN RECEIVABLE

A \$600,000 intergovernmental loan was made July of 2011 to the City of Coos Bay. The loan is receivable over 10 years beginning in 2012 at an interest rate of 1.0%. The future requirements for amortization of the loan receivable are as follows:

Financing	\$600,000	1.00%	
<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019-20	\$ 61,800	\$ 60,000	\$ 1,800
2020-21	61,200	60,000	1,200
2021-22	60,600	60,000	600
Total	<u>\$ 183,600</u>	<u>\$ 180,000</u>	<u>\$ 3,600</u>

9. FINANCIAL GUARANTEES

The Urban Renewal Bonds, (note 5), are guaranteed with the full faith and credit of the City of Coos Bay. No amounts have been paid on the bonds by the City of Coos Bay.

10. SUBSEQUENT EVENT

On August 6, 2019, the Agency issued a serial bond (Empire 2019A) in the amount of \$2,855,000 bearing 2.46% fixed interest, payable over ten years from tax increment revenues of the Empire Urban Renewal Area. As with the other bond issuances (Empire 2018A and Downtown 2019A), this bond allows for draw downs as expenses are incurred, with final draw down by November 15, 2020. The proceeds of this bond are to be used for capital road improvements in the Empire Urban Renewal Area. The initial debt service payment on these bonds is due on December 1, 2019, with December 1, 2028 as the maturity date. As of the date of the audit report, \$55,000 was drawn down which was used to pay required closing expenses of the bond.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. PRIOR PERIOD ADJUSTMENT

There is a prior period adjustment in the amount of \$80,000 to beginning capital assets and beginning net position to reflect and adjustment to Land. The North Bayshore Lot was purchased 11/18/1998, but was not recorded on the asset schedule.

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY
COOS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2019

DOWNTOWN SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property Taxes	\$ 1,237,719	\$ 1,237,719	\$ 1,203,262	\$ (34,457)
Interest on Investments	2,000	2,000	18,574	16,574
Total Revenues	<u>1,239,719</u>	<u>1,239,719</u>	<u>1,221,836</u>	<u>(17,883)</u>
EXPENDITURES:				
Contingency	114,719	114,719 (1)	-	114,719
Total Expenditures	<u>114,719</u>	<u>114,719</u>	<u>-</u>	<u>114,719</u>
Excess of Revenues, Over (Under) Expenditures	1,125,000	1,125,000	1,221,836	96,836
Other Financing Sources (Uses):				
Transfers Out	(1,475,000)	(1,475,000) (1)	(958,566)	516,434
Total Other Financing Sources (Uses)	<u>(1,475,000)</u>	<u>(1,475,000)</u>	<u>(958,566)</u>	<u>516,434</u>
Net Change in Fund Balance	(350,000)	(350,000)	263,270	613,270
Beginning Fund Balance	<u>350,000</u>	<u>350,000</u>	<u>418,378</u>	<u>68,378</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 681,648</u>	<u>\$ 681,648</u>

(1) Appropriation Level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

EMPIRE SPECIAL REVENUE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Property Taxes	\$ 755,204	\$ 755,204	\$ 764,709	\$ 9,505
Interest on Investments	4,000	4,000	11,378	7,378
Total Revenues	<u>759,204</u>	<u>759,204</u>	<u>776,087</u>	<u>16,883</u>
EXPENDITURES:				
Material and Services	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over, (Under) Expenditures	759,204	759,204	776,087	16,883
Other Financing Sources (Uses):				
Transfers Out	<u>(1,110,000)</u>	<u>(1,110,000) (1)</u>	<u>(887,555)</u>	<u>222,445</u>
Total Other Financing Sources (Uses)	<u>(1,110,000)</u>	<u>(1,110,000)</u>	<u>(887,555)</u>	<u>222,445</u>
Net Change in Fund Balance	(350,796)	(350,796)	(111,468)	239,328
Beginning Fund Balance	<u>350,796</u>	<u>350,796</u>	<u>372,447</u>	<u>21,651</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,979</u>	<u>\$ 260,979</u>

(1) Appropriation Level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET

For the Year Ended June 30, 2019

DOWNTOWN CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Grants	\$ 75,000	\$ 75,000	\$ 47,979	\$ (27,021)
Interest on Investments	7,000	7,000	41,260	34,260
Seismic Project Loan - City of Coos Bay	62,400	62,400	62,400	-
Miscellaneous	-	-	16,442	16,442
Total Revenues	144,400	144,400	168,081	23,681
EXPENDITURES:				
Materials and Services	629,893	629,893 (1)	451,440	178,453
Capital Outlay	3,823,007	3,823,007 (1)	322,860	3,500,147
Contingency	50,000	50,000 (1)	-	50,000
Total Expenditures	4,502,900	4,502,900	774,300	3,728,600
Excess of Revenues Over, (Under) Expenditures	(4,358,500)	(4,358,500)	(606,219)	3,752,281
Other Financing Sources (Uses):				
Bond Proceeds	2,300,000	2,300,000	606,380	(1,693,620)
Du Jour Financing	808,500	808,500	808,500	-
Sale of Capital Asset	-	-	92,338	92,338
Total Other Financing Sources (Uses)	3,108,500	3,108,500	1,507,218	(1,601,282)
Net Change in Fund Balance	(1,250,000)	(1,250,000)	900,999	2,150,999
Beginning Fund Balance	1,250,000	1,250,000	1,429,541	179,541
Ending Fund Balance	\$ -	\$ -	\$ 2,330,540	\$ 2,330,540

(1) Appropriation Level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ACTUAL AND BUDGET

For the Year Ended June 30, 2019

	<u>EMPIRE BOND FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
EXPENDITURES:				
Debt Service:				
Principal	\$ 310,000	\$ 310,000	\$ 137,000	\$ 173,000
Interest	50,000	50,000	17,007	32,993
Total Expenditures	<u>360,000</u>	<u>360,000</u> (2)	<u>154,007</u>	<u>205,993</u>
Excess of Revenues Over, (Under) Expenditures	(360,000)	(360,000)	(154,007)	205,993
Other Financing Sources (Uses):				
Du Jour Financing	(600,000)	(600,000) (2)	(588,048)	11,952
Transfers In	<u>960,000</u>	<u>960,000</u>	<u>744,055</u>	<u>(215,945)</u>
Total Other Financing Sources (Uses)	<u>360,000</u>	<u>360,000</u>	<u>156,007</u>	<u>(203,993)</u>
Net Change in Fund Balance	-	-	2,000	2,000
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>

(2) - Total Equals Appropriation Level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ACTUAL AND BUDGET

For the Year Ended June 30, 2019

EMPIRE CAPITAL PROJECTS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Interest on Investments	\$ 3,000	\$ 3,000	\$ 21,298	\$ 18,298
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>21,298</u>	<u>18,298</u>
EXPENDITURES:				
Materials and Services	519,840	519,840 (1)	305,313	214,527
Capital Outlay	<u>2,671,160</u>	<u>2,671,160 (1)</u>	<u>35,249</u>	<u>2,635,911</u>
Total Expenditures	<u>3,191,000</u>	<u>3,191,000</u>	<u>340,562</u>	<u>2,850,438</u>
Excess of Revenues Over, (Under) Expenditures	(3,188,000)	(3,188,000)	(319,264)	2,868,736
Other Financing Sources (Uses):				
Bond Proceeds	2,400,000	2,400,000	30,084	(2,369,916)
Du Jour Financing	588,000	588,000	588,000	-
Transfers Out	<u>(125,000)</u>	<u>(125,000) (1)</u>	<u>-</u>	<u>125,000</u>
Total Other Financing Sources (Uses)	<u>2,863,000</u>	<u>2,863,000</u>	<u>618,084</u>	<u>(2,244,916)</u>
Net Change in Fund Balance	(325,000)	(325,000)	298,820	623,820
Beginning Fund Balance	<u>325,000</u>	<u>325,000</u>	<u>760,582</u>	<u>435,582</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,059,402</u>	<u>\$ 1,059,402</u>

(1) Appropriation Level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
June 30, 2019

	<u>SPECIAL REVENUE</u>		<u>DEBT SERVICE</u>
	<u>DOWNTOWN PROGRAM</u>	<u>EMPIRE PROGRAM</u>	<u>DOWNTOWN BOND</u>
ASSETS:			
Cash and Investments	\$ 31,521	\$ 463,441	\$ -
Total Assets	<u>\$ 31,521</u>	<u>\$ 463,441</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Restricted	-	-	-
Assigned	31,521	463,441	-
Total Fund Balance	<u>31,521</u>	<u>463,441</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 31,521</u>	<u>\$ 463,441</u>	<u>\$ -</u>

DEBT SERVICE

DOWNTOWN BOND RESERVE	EMPIRE BOND RESERVE	TOTAL NONMAJOR GOVERNMENTAL
\$ 150,000	\$ 143,500	\$ 788,462
\$ 150,000	\$ 143,500	\$ 788,462
\$ -	\$ -	\$ -
-	-	-
150,000	143,500	293,500
-	-	494,962
150,000	143,500	788,462
\$ 150,000	\$ 143,500	\$ 788,462

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2019

	SPECIAL REVENUE		DEBT SERVICE
	DOWNTOWN PROGRAM	EMPIRE PROGRAM	DOWNTOWN BOND
REVENUES:			
Interest on Investments	\$ 2,022	\$ 11,553	\$ -
Total Revenues	2,022	11,553	-
EXPENDITURES:			
Materials and Services	-	3,075	-
Total Expenditures	-	3,075	-
Excess of Revenues Over, (Under) Expenditures	2,022	8,478	-
Other Financing Sources, (Uses)			
Property Sales	6,662	-	-
Du Jour Financing	-	-	(808,566)
Transfers In	-	-	808,566
Total Other Financing Sources, (Uses)	6,662	-	-
Net Change in Fund Balance	8,684	8,478	-
Beginning Fund Balance	22,837	454,963	-
Ending Fund Balance	\$ 31,521	\$ 463,441	\$ -

<u>DEBT SERVICE</u>		
<u>DOWNTOWN BOND RESERVE</u>	<u>EMPIRE BOND RESERVE</u>	<u>TOTAL NONMAJOR GOVERNMENTAL</u>
\$ -	\$ -	\$ 13,575
-	-	13,575
-	-	3,075
-	-	3,075
-	-	10,500
-	-	6,662
-	-	(808,566)
150,000	143,500	1,102,066
150,000	143,500	300,162
150,000	143,500	310,662
-	-	477,800
<u>\$ 150,000</u>	<u>\$ 143,500</u>	<u>\$ 788,462</u>

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

DOWNTOWN PROGRAM FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Interest on Investments	\$ 200	\$ 200	\$ 2,022	\$ 1,822
Total Revenues	<u>200</u>	<u>200</u>	<u>2,022</u>	<u>1,822</u>
EXPENDITURES:				
Materials and Services	4,104	4,104 (1)	-	4,104
Capital Outlay	<u>18,546</u>	<u>18,546 (1)</u>	<u>-</u>	<u>18,546</u>
Total Expenditures	<u>22,650</u>	<u>22,650</u>	<u>-</u>	<u>22,650</u>
Excess of Revenues Over, -Under Expenditures	(22,450)	(22,450)	2,022	24,472
Other Financing Sources, (Uses)				
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>6,662</u>	<u>6,662</u>
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>6,662</u>	<u>6,662</u>
Net Change in Fund Balance	(22,450)	(22,450)	8,684	31,134
Beginning Fund Balance	<u>22,450</u>	<u>22,450</u>	<u>22,837</u>	<u>387</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 31,521</u></u>	<u><u>\$ 31,521</u></u>

(1) Appropriation Level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2019

EMPIRE PROGRAM FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Interest on Investments	\$ 2,000	\$ 2,000	\$ 11,553	\$ 9,553
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>11,553</u>	<u>9,553</u>
EXPENDITURES:				
Materials and Services	50,000	50,000 (1)	3,075	46,925
Capital Outlay	<u>522,000</u>	<u>522,000 (1)</u>	<u>-</u>	<u>522,000</u>
Total Expenditures	<u>572,000</u>	<u>572,000</u>	<u>3,075</u>	<u>568,925</u>
Excess of Revenues Over, (Under) Expenditures	(570,000)	(570,000)	8,478	578,478
Other Financing Sources (Uses):				
Transfers In	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
Total Other Financing Sources (Uses)	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
Net Change in Fund Balance	(445,000)	(445,000)	8,478	453,478
Beginning Fund Balance	<u>445,000</u>	<u>445,000</u>	<u>454,963</u>	<u>9,963</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,441</u>	<u>\$ 463,441</u>

(1) Appropriation Level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2019

DOWNTOWN BOND FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
EXPENDITURES:				
Debt Service				
Principal	\$ 400,000	\$ 400,000	\$ -	\$ 400,000
Interest	100,000	100,000	-	100,000
Total Expenditures	<u>500,000</u>	<u>500,000</u> (2)	<u>-</u>	<u>500,000</u>
Excess of Revenues Over, (Under) Expenditures	(500,000)	(500,000)	-	500,000
Other Financing Sources (Uses):				
Du Jour Financing	(825,000)	(825,000) (2)	(808,566)	16,434
Transfers In	1,325,000	1,325,000	808,566	(516,434)
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(2) The sum totals the appropriation level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ACTUAL AND BUDGET

For the Year Ended June 30, 2019

DOWNTOWN BOND RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
EXPENDITURES:				
Contingency	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess of Revenues Over, (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers In	150,000	150,000	150,000	-
Total Other Financing Sources (Uses)	150,000	150,000	150,000	-
Net Change in Fund Balance	150,000	150,000	150,000	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>

(1) - Appropriation Level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2019

EMPIRE BOND RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
EXPENDITURES:				
Contingency	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess of Revenues Over, (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers In	150,000	150,000	143,500	(6,500)
Total Other Financing Sources (Uses)	150,000	150,000	143,500	(6,500)
Net Change in Fund Balance	150,000	150,000	143,500	(6,500)
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 143,500</u>	<u>\$ (6,500)</u>

(1) - Appropriation Level

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2019

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/18	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/19
Current:						
2018-19	\$ 2,004,942	\$ 51,484	\$ (5,759)	\$ 1,124	\$ 1,871,476	\$ 77,347
Prior Years:						
2017-18	72,196	(1)	(2,813)	2,317	33,121	38,580
2016-17	34,994	-	(2,785)	2,376	13,100	21,485
2015-16	30,561	-	(4,664)	4,241	14,687	15,451
2014-15	11,149	-	(3,398)	2,977	7,987	2,741
2013-14 & Prior	9,415	-	418	4,033	3,558	10,308
Total Prior	158,315	(1)	(13,242)	15,944	72,453	88,565
Total	\$ 2,163,257	\$ 51,483	\$ (19,001)	\$ 17,068	\$ 1,943,929	\$ 165,912

BALANCE UNCOLLECTED OR UNSEGREGATED

Downtown Special Revenue Fund	\$ 102,235
Empire Special Revenue Fund	63,677
Total Balance Uncollected or Unsegregated - All Funds	\$ 165,912

RECONCILIATION TO REVENUE:

	DOWNTOWN SPECIAL REVENUE	EMPIRE SPECIAL REVENUE
Cash Collections by County Treasurer Above	\$ 1,183,255	\$ 760,674
Add Additional Tax Payments by County		
Accrual of Receivables:		
June 30, 2018	(20,221)	(14,237)
June 30, 2019	20,481	12,743
Taxes, (Adjustments) in Lieu	19,747	5,529
Total Revenue	\$ 1,203,262	\$ 764,709

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS

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PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

October 17, 2019

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Urban Renewal Agency of the City of Coos Bay as of and for the year ended June 30, 2019, and have issued our report thereon dated October 17, 2019. 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 Urban Renewal Agency of the City of Coos Bay's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-0000 through 162-10-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of 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).**

In connection with our testing nothing came to our attention that caused us to believe the Urban Renewal Agency of the City of Coos Bay 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 162-10-0000 through 162-10-0320 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 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 Board 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.

Tara M. Kamp, CPA

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.