

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

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020



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, 2020

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URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

AGENCY BOARD MEMBERS AS OF JUNE 30, 2020

<u>NAME</u>	<u>TERM EXPIRES</u>
Joe Benetti, Mayor	November, 2020
Lucinda DiNovo	November, 2020
Drew Farmer, Vice-Chair	November, 2020
Stephanie Kilmer, Chair	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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October 5, 2020

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, 2020 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, 2020, 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.

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 5, 2020 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, 2020. 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, 2020 by \$13,992,587 (net position).
- The Agency's total net position increased by \$1,380,588 or 10.95% when compared to the financial statements at June 30, 2019. 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, 2020, the Agency's governmental activities reported a combined ending fund balance of \$6,630,348, an increase of \$1,507,317 from the prior year.
- At the end of the current fiscal year, unrestricted net position was \$6,136,119, approximately 43.85% of total net position.
- On the government-wide financial statement, the Agency's total cash and investments of \$6,581,711 at June 30, 2020 may be used to meet the Agency's ongoing obligations to citizens and creditors.
- The Agency's total outstanding long-term debt increased by \$2,272,684 or 192.04%, due to additional amounts drawn on the Downtown Area 2019A bond series of \$627,461 used for various projects in the downtown area, initial issuance and draw amounts of the Empire Area bond series 2019A of \$1,902,337 used for capital street improvement projects in the Empire area, and initial issuance and draw amounts of the Downtown Area bond series 2020A of \$91,650 used for capital street improvement projects in the downtown area, as well as bond repayments totaling \$463,300.

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, 2020.

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 \$13,992,587 at close of this fiscal year.

The largest portion of the Agency's net position, \$7,030,968, 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 50.25% of the total net position.

Table 1
Statement of Net Position

	Governmental Activities	
	2019	2020
Current assets	\$ 5,499,999	\$ 7,002,072
Capital assets, net of depreciation	8,365,280	10,487,115
Total Assets	<u>13,865,279</u>	<u>17,489,187</u>
Other liabilities	69,816	40,452
Long term debt	1,183,464	3,456,148
Total Liabilities	<u>1,253,280</u>	<u>3,496,600</u>
Net Position:		
Net investment in capital assets	7,707,516	7,030,968
Restricted	295,500	825,500
Unrestricted	4,608,983	6,136,119
Total Net Position	<u>\$ 12,611,999</u>	<u>\$ 13,992,587</u>

At fiscal year end the Agency's *unrestricted* balance was 43.85% of total net position or \$6,136,119. 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	
	2019	2020
Revenues		
Function Revenues		
Capital Grants & Contributions	\$ 47,979	\$ 13,021
General Revenues		
Taxes	1,976,247	2,356,658
Investment Earnings	106,085	123,410
Loan Revenue	-	200,000
Miscellaneous	37,842	31,457
Total Revenues	<u>2,168,153</u>	<u>2,724,546</u>
Expenses		
Program Expenses		
Public Works	934,516	1,102,155
Loss on Forgiveness of Debt	-	180,000
Interest on Long Term Debt	17,007	61,803
Total Expenses	<u>951,523</u>	<u>1,343,958</u>
Increase in Net Position	1,216,630	1,380,588
Beginning Net Position	11,315,369	12,611,999
Prior Period Adjustment	80,000	-
Ending Net Position	<u>\$ 12,611,999</u>	<u>\$ 13,992,587</u>

The Agency's net position increased \$1,380,588 during the fiscal year ended June 30, 2020, 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 additional property tax collections and final close-out draw of the Empire 2018A bond proceeds.

FUND FINANCIAL STATEMENT ANALYSIS

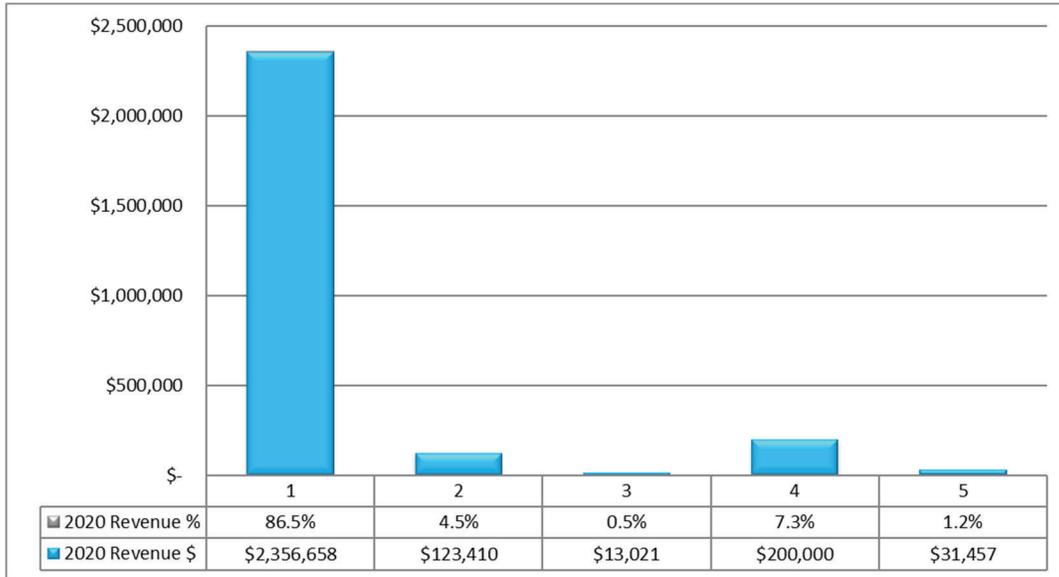
Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which are on full accrual basis, governmental fund financial statements focus on near-term inflows 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	
	2019	2020
Major Funds		
Downtown Special Revenue	\$ 681,648	\$ 408,501
Empire Special Revenue	260,979	300,989
Downtown Capital Projects	2,330,540	2,856,263
Empire Capital Projects	1,059,402	1,733,006
Total Major Funds	<u>4,334,569</u>	<u>5,298,759</u>
Non Major Funds		
Downtown Program	31,521	32,595
Empire Program	463,441	473,494
Downtown Bond	-	-
Empire Bond	2,000	2,000
Downtown Bond Reserve	150,000	390,000
Empire Bond Reserve	143,500	433,500
Total Non Major Funds	<u>788,462</u>	<u>1,331,589</u>
Total Fund Balance	<u><u>\$5,123,031</u></u>	<u><u>\$6,630,348</u></u>

**Revenues by Source - Governmental Activities
Fiscal Year Ended June 30, 2020**



As shown above, tax-increment funding (TIF) proceeds are the largest source of revenue for the Agency’s governmental activities, comprising of 86.5% 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	1,684,180
2016	911,097	659,067	1,570,165
2017	792,093	660,701	1,452,794
2018	1,185,532	733,680	1,919,212
2019	1,203,264	764,709	1,967,973
2020	1,542,556	808,833	2,351,389
	<u>7,657,317</u>	<u>4,946,254</u>	<u>12,603,571</u>

Capital Assets. The Agency’s capital assets for the fiscal year ended June 30, 2020 totaled \$10,487,115, net of accumulated depreciation. This represents an increase from the prior fiscal year of 25.36% or \$2,121,834. Major additions to capital assets during the fiscal year included the following:

Downtown District

- Coos Bay Village infrastructure project (CIP).
- 4th Street Capital Improvement and Pedestrian Safety project (CIP)

Empire District

- Continued improvements to the Newmark Seawall.
- Capital Street and ADA Ramp Improvements project.

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

Table 5
Capital Assets (net of depreciation)

	Governmental Activities	
	2019	2020
Construction in Progress	\$ 520,002	628,654
Land and Improvements, net	2,240,695	2,415,806
Building and Improvements, net	4,108,217	3,982,732
Machinery and Equipment, net	-	40,728
Infrastructure, net	1,496,368	3,419,195
	<u>\$8,365,281</u>	<u>\$ 10,487,115</u>

Long-term Liabilities. The Agency's total outstanding long-term debt increased by \$2,272,684 or 192.04%, due to additional amounts drawn on the Downtown Area 2019A bond series of \$627,461 used for various projects in the downtown area, initial issuance and draw amounts of the Empire Area bond series 2019A of \$1,902,337 used for capital street improvement projects in the Empire area, and initial issuance and draw amounts of the Downtown Area bond series 2020A of \$91,650 used for capital street improvement projects in the downtown area, as well as bond repayments totaling \$463,300.

BUDGETARY HIGHLIGHTS

During the fiscal year 2020 budget process, the Budget Committee, along with the Agency Board elected to impose a "Special Levy Option" for the Downtown Area 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 2020 totaled \$419,625. The Downtown District tax revenues for the year were budgeted at \$1,261,535 with actual receipts totaling \$1,542,556 (122.28% of budget), which included the special levy option. The Empire District tax revenues for the year were budgeted at \$787,953,204 with actual receipts totaling \$808,833 (102.65% of budget).

Table 6
Changes in Budget Appropriations

	Governmental Activities	
	Original	Final
Major Funds		
Downtown Special Revenue	\$ 1,866,535	\$ 1,948,182
Empire Special Revenue	1,042,953	1,053,932
Downtown Capital Projects	4,558,100	7,524,384
Empire Capital Projects	5,138,000	5,386,851
Total Major Funds	<u>12,605,588</u>	<u>15,913,349</u>
Non Major Funds		
Downtown Program	116,500	32,021
Empire Program	424,000	467,441
Downtown Bond	1,513,000	1,594,647
Empire Bond	742,000	752,079
Downtown Bond Reserve	240,000	240,000
Empire Bond Reserve	290,000	290,000
Total Non Major Funds	<u>3,325,500</u>	<u>3,376,188</u>
Total Fund Balance	<u>\$ 15,931,088</u>	<u>\$ 19,289,537</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 \$23,672,302 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 \$6,543,991 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 2020-21 assessed valuation was projected to increase for the Downtown District \$63,770,599 and the Empire District \$54,128,544.
- 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
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, 2020

ASSETS:	
Cash and Cash Equivalents	\$ 6,581,711
Taxes Receivable	182,511
Other Receivables	37,850
Long Term Note Receivable	200,000
Capital Assets Not Being Depreciated	2,532,882
Capital Assets, Net of Accumulated Depreciation	<u>7,954,233</u>
 Total Assets	 <u>17,489,187</u>
LIABILITIES:	
Accounts Payable	32,768
Interest Payable	7,684
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	138,579
Due in More Than One Year	
Bonds Payable	<u>3,317,569</u>
 Total Liabilities	 <u>3,496,600</u>
NET POSITION:	
Net Investment in Capital Assets	7,030,968
Restricted	825,500
Unrestricted	<u>6,136,119</u>
 Total Net Position	 <u>\$ 13,992,587</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, 2020

FUNCTIONS	EXPENSES	FUNCTION REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	
Public Works	\$ 1,102,155	\$ -	\$ 13,021	\$ (1,089,134)
Interest on Long-Term Debt	61,803	-	-	(61,803)
Total Governmental Activities	<u>\$ 1,163,958</u>	<u>\$ -</u>	<u>\$ 13,021</u>	<u>(1,150,937)</u>
General Revenues:				
				2,356,658
				Income Not Restricted to Specific Programs:
				Investment Earnings 123,410
				Miscellaneous 31,457
				Loan Revenue 200,000
				Loss on Forgiveness of Debt (180,000)
				<u>2,531,525</u>
				Change in Net Position 1,380,588
				Net Position - Beginning <u>12,611,999</u>
				Net Position - Ending <u>\$ 13,992,587</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, 2020

	<u>DOWNTOWN SPECIAL REVENUE</u>	<u>EMPIRE SPECIAL REVENUE</u>	<u>DOWNTOWN CAPITAL PROJECTS</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Cash and Investments	\$ 380,325	\$ 285,610	\$ 2,844,760
Accounts Receivable	-	-	37,850
Propety Taxes Receivables	<u>116,275</u>	<u>66,236</u>	<u>-</u>
Total Assets	<u>\$ 496,600</u>	<u>\$ 351,846</u>	<u>\$ 2,882,610</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:			
Liabilities:			
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,347</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>26,347</u>
Deferred Inflows of Resources:			
Unavailable Revenue-Property Taxes	<u>88,099</u>	<u>50,857</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>88,099</u>	<u>50,857</u>	<u>-</u>
Fund Balance:			
Restricted	-	-	-
Assigned	<u>408,501</u>	<u>300,989</u>	<u>2,856,263</u>
Total Fund Balance	<u>408,501</u>	<u>300,989</u>	<u>2,856,263</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 496,600</u>	<u>\$ 351,846</u>	<u>\$ 2,882,610</u>

See accompanying notes to basic financial statements.

<u>EMPIRE CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL GOVERNMENTAL</u>
\$ 1,739,427	\$ 1,331,589	\$ 6,581,711
-	-	37,850
<u>-</u>	<u>-</u>	<u>182,511</u>
<u>\$ 1,739,427</u>	<u>\$ 1,331,589</u>	<u>\$ 6,802,072</u>
<u>\$ 6,421</u>	<u>\$ -</u>	<u>\$ 32,768</u>
<u>6,421</u>	<u>-</u>	<u>32,768</u>
<u>-</u>	<u>-</u>	<u>138,956</u>
<u>-</u>	<u>-</u>	<u>138,956</u>
<u>-</u>	<u>825,500</u>	<u>825,500</u>
<u>1,733,006</u>	<u>506,089</u>	<u>5,804,848</u>
<u>1,733,006</u>	<u>1,331,589</u>	<u>6,630,348</u>
<u>\$ 1,739,427</u>	<u>\$ 1,331,589</u>	<u>\$ 6,802,072</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, 2020

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

Fund Balances	\$ 6,630,348
<p>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.</p>	
Net Capital Assets	10,487,115
<p>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.</p>	
Long-term debt	(3,456,148)
Interest Payable	(7,684)
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are considered unavailable in the funds.</p>	
Long Term Note Receivable	200,000
Unavailable Property Taxes	<u>138,956</u>
Total Net Position	<u>\$ 13,992,587</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, 2020

	<u>DOWNTOWN SPECIAL REVENUE</u>	<u>EMPIRE SPECIAL REVENUE</u>	<u>DOWNTOWN CAPITAL PROJECTS</u>
REVENUES:			
Taxes	\$ 1,542,556	\$ 808,833	\$ -
Interest on Investments	18,194	9,810	56,701
Grants	-	-	13,021
Total Revenues	<u>1,560,750</u>	<u>818,643</u>	<u>69,722</u>
EXPENDITURES:			
Current:			
Material and Services	-	-	717,937
Capital Outlay	-	-	268,541
Debt Service	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>986,478</u>
Excess of Revenues, Over (Under) Expenditures	1,560,750	818,643	(916,756)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	-	-	112,731
Du Jour Financing	-	-	1,298,291
Insurance Proceeds	-	-	31,457
Transfers In	-	-	-
Transfers Out	(1,833,897)	(778,633)	-
Total Other Financing Sources (Uses)	<u>(1,833,897)</u>	<u>(778,633)</u>	<u>1,442,479</u>
Net Change in Fund Balance	(273,147)	40,010	525,723
Beginning Fund Balance	<u>681,648</u>	<u>260,979</u>	<u>2,330,540</u>
Ending Fund Balance	<u>\$ 408,501</u>	<u>\$ 300,989</u>	<u>\$ 2,856,263</u>

See accompanying notes to basic financial statements.

<u>EMPIRE CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL GOVERNMENTAL</u>
\$ -	\$ -	\$ 2,351,389
27,578	11,127	123,410
-	-	13,021
<u>27,578</u>	<u>11,127</u>	<u>2,487,820</u>
280,668	-	998,605
1,955,567	-	2,224,108
-	525,103	525,103
<u>2,236,235</u>	<u>525,103</u>	<u>3,747,816</u>
(2,208,657)	(513,976)	(1,259,996)
2,623,253	-	2,735,984
259,008	(1,557,427)	(128)
-	-	31,457
-	2,612,530	2,612,530
-	-	(2,612,530)
<u>2,882,261</u>	<u>1,055,103</u>	<u>2,767,313</u>
673,604	541,127	1,507,317
<u>1,059,402</u>	<u>790,462</u>	<u>5,123,031</u>
<u>\$ 1,733,006</u>	<u>\$ 1,331,589</u>	<u>\$ 6,630,348</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, 2020

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 \$ 1,507,317

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	\$	2,331,298	
Depreciation Expense		(209,463)	
Net Adjustment			2,121,835

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		463,300	
Interest payable		(1,149)	
Debt Issuance		(2,735,984)	

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

Loss on Forgiveness of Debt		(180,000)	
Long Term Note Receivable		200,000	
Property Taxes		5,269	
Change in Net Position			\$ 1,380,588

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 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

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.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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. 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.

J. 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.

K. 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.

L. 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.

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.

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. 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.

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.

N. 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, 2020.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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, 2020 consisted of:

Pooled Cash	<u>\$ 6,581,711</u>
Total	<u>\$ 6,581,711</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, 2020, none of the bank balance was exposed to custodial credit risk because it was either insured or collateralized.

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

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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, 2020, 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.

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.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Description	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not depreciated				
Land and improvements	\$ 1,697,889	\$ 206,340	\$ -	\$ 1,904,229
Construction in Progress	520,001	400,434	(291,781)	628,654
Total Capital assets not depreciated	2,217,890	606,774	(291,781)	2,532,883
Other capital assets at historical cost				
Land and Improvements	638,673	-	-	638,673
Buildings and improvements	4,988,105	-	-	4,988,105
Machinery and equipment	45,978	40,929	-	86,907
Infrastructure	1,564,857	1,975,376	-	3,540,233
Total other capital assets at historical cost	7,237,613	2,016,305	-	9,253,918
Less Accumulated Depreciation				
Land and Improvements	(95,867)	(31,229)	-	(127,096)
Buildings and improvements	(879,890)	(125,483)	-	(1,005,373)
Machinery and equipment	(45,977)	(202)	-	(46,179)
Infrastructure	(68,489)	(52,549)	-	(121,038)
Total accumulated depreciation	(1,090,223)	(209,463)	-	(1,299,686)
Other capital assets, net	6,147,390	1,806,842	-	7,954,232
Governmental activities capital assets, net	<u>\$ 8,365,280</u>	<u>\$ 2,413,616</u>	<u>\$ (291,781)</u>	<u>\$ 10,487,115</u>

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

Public Works	<u>\$ 209,463</u>
Total depreciation for governmental activities	<u><u>\$ 209,463</u></u>

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.

Empire Banner Bank Bond 2018:

\$1,435,000 of the urban renewal serial bond was issued on June 26, 2018 of which \$1,435,000 was drawn down as of 6/30/2020, 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%. 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 of the debt service payments are as follows:

Fiscal Year	Issue of June 26, 2018		
	Principal	Interest	Total
2020-2021	\$ 138,579	\$ 32,632	\$ 171,211
2021-2022	140,637	28,485	169,122
2022-2023	142,726	24,277	167,003
2023-2024	144,845	20,007	164,852
2024-2025	146,996	15,673	162,669
2025-2030	454,216	20,368	474,584
Total	<u>\$ 1,168,000</u>	<u>\$ 141,442</u>	<u>\$ 1,309,442</u>

Downtown Banner Bank Bond 2019:

\$3,300,000 of the urban renewal serial bond was issued on April 16, 2019 of which \$627,461 was drawn down as of 6/30/2020, 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%. During the fiscal year a payment of \$280,000 was made leaving the ending balance of \$347,461. 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 and are all considered due in more than one year.

Empire Banner Bank Bond 2019

\$2,855,000 of the urban renewal serial bond was issued on August 6, 2019 of which \$1,902,337 was drawn down as of 6/30/2020, which are payable from the tax increment revenues from the Downtown Urban Renewal Area. The fixed interest rate over a 10 year period is 2.46%. During the fiscal year a payment of \$53,300 was made leaving an ending balance of \$1,849,037. Upon the occurrence and continuance of any Event of Default hereunder the Owners offer percent or more of the principal amount of affected Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Master Bond Declaration or in aid of the exercise of any power granted in this Master Bond Declaration or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by this Master Bond Declaration or by law. However the Bonds shall not be subject to acceleration; and, neither the City nor the Agency shall be required to pay any amounts to Owners (other than Tax Increment Revenues, and amounts in the Tax Increment Fund) because of an Event of Default. The future requirements for amortization will be finalized and reported when the drawdown is completed and all are considered due in more than one year.

URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY

COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEBT (Continued)

Downtown Opus Bank Bond 2020:

\$3,400,000 of the urban renewal serial bond was issued on March 31, 2020 of which \$91,650 was drawn down as of 6/30/2020, which are payable from the tax increment revenues from the Downtown Urban Renewal Area. The fixed interest rate over a 10 year period is 2.28%. If an Event of Default occurs, the Bank may exercise any remedy available at law or inequity and as set forth in the Declaration. However, the Series 2020A Bond shall not be subject to acceleration. Additionally, upon the occurrence and continuance of an Event of Default, at its election the Bank may increase the interest rate applicable to the Outstanding Balance by three percent (3.00%) until such time as the Event of Default is remedied. The right of the Bank under this paragraph shall not be subject to any waiver of rights and remedies. The future requirements for amortization will be finalized and reported when the drawdown is completed and all are considered due in more than one year.

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>7/1/2019</u>			<u>6/30/2020</u>
Empire (6/26/18)	\$ 577,084	\$ 720,916	\$ (130,000)	\$ 1,168,000
Downtown (4/16/19)	606,380	21,081	(280,000)	347,461
Empire (8/06/2019)	-	1,902,337	(53,300)	1,849,037
Downtown (3/31/2020)	-	91,650	-	91,650
Total	<u>\$ 1,183,464</u>	<u>\$ 2,735,985</u>	<u>\$ (463,300)</u>	<u>\$ 3,456,148</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. TRANSFERS

The composition of interfund transfers as of June 30, 2020, 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	\$ 1,833,897
Empire Special Revenue	<u>778,633</u>
Total	<u>\$ 2,612,530</u>
<u>Transfers In</u>	
Other Governmental Funds	\$ 2,612,530
Total	<u>\$ 2,612,530</u>

8. INTERGOVERNMENTAL LOAN RECEIVABLE

A \$600,000 intergovernmental loan was made July of 2011 to the City of Coos Bay. The loan was receivable over 10 years beginning in 2012 at an interest rate of 1.0%. The remaining balance of \$180,000 was forgiven in the current year.

9. LONG TERM NOTE RECEIVABLE

A \$200,000 loan was entered into for the Building Restoration and Renovation of a Coos Bay property. Interest payments are due quarterly at 5%. The payment schedule is as follows:

Year	Principal	Interest	Total
2021	<u>\$ 200,000</u>	<u>\$ 11,260</u>	<u>\$ 211,260</u>

10. 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.

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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, 2020

DOWNTOWN SPECIAL REVENUE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Property Taxes	\$ 1,261,535	\$ 1,261,535	\$ 1,542,556	\$ 281,021
Interest on Investments	5,000	5,000	18,194	13,194
Total Revenues	<u>1,266,535</u>	<u>1,266,535</u>	<u>1,560,750</u>	<u>294,215</u>
EXPENDITURES:				
Contingency	<u>113,535</u>	<u>113,535 (1)</u>	<u>-</u>	<u>113,535</u>
Total Expenditures	<u>113,535</u>	<u>113,535</u>	<u>-</u>	<u>113,535</u>
Excess of Revenues, Over (Under) Expenditures	1,153,000	1,153,000	1,560,750	407,750
Other Financing Sources (Uses):				
Transfers Out	<u>(1,753,000)</u>	<u>(1,834,647) (1)</u>	<u>(1,833,897)</u>	<u>750</u>
Total Other Financing Sources (Uses)	<u>(1,753,000)</u>	<u>(1,834,647)</u>	<u>(1,833,897)</u>	<u>750</u>
Net Change in Fund Balance	(600,000)	(681,647)	(273,147)	408,500
Beginning Fund Balance	<u>600,000</u>	<u>681,647</u>	<u>681,648</u>	<u>1</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,501</u>	<u>\$ 408,501</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, 2020

EMPIRE SPECIAL REVENUE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Property Taxes	\$ 787,953	\$ 787,953	\$ 808,833	\$ 20,880
Interest on Investments	<u>5,000</u>	<u>5,000</u>	<u>9,810</u>	<u>4,810</u>
Total Revenues	<u>792,953</u>	<u>792,953</u>	<u>818,643</u>	<u>25,690</u>
EXPENDITURES:				
Contingency	<u>10,953</u>	<u>10,953</u> (1)	<u>-</u>	<u>10,953</u>
Total Expenditures	<u>10,953</u>	<u>10,953</u>	<u>-</u>	<u>10,953</u>
Excess of Revenues Over, (Under) Expenditures	782,000	782,000	818,643	36,643
Other Financing Sources (Uses):				
Transfers Out	<u>(1,032,000)</u>	<u>(1,042,979)</u> (1)	<u>(778,633)</u>	<u>264,346</u>
Total Other Financing Sources (Uses)	<u>(1,032,000)</u>	<u>(1,042,979)</u>	<u>(778,633)</u>	<u>264,346</u>
Net Change in Fund Balance	(250,000)	(260,979)	40,010	300,989
Beginning Fund Balance	<u>250,000</u>	<u>260,979</u>	<u>260,979</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,989</u>	<u>\$ 300,989</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, 2020

DOWNTOWN CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Grants	\$ 200,000	\$ 563,912	\$ 13,021	\$ (550,891)
Revenue from Other Agencies	25,000	275,000	-	(275,000)
Interest on Investments	10,000	10,000	56,701	46,701
Miscellaneous	-	1,000	-	(1,000)
Total Revenues	235,000	849,912	69,722	(780,190)
EXPENDITURES:				
Materials and Services	725,334	1,482,803 (1)	717,937	764,866
Capital Outlay	3,782,766	5,991,581 (1)	268,541	5,723,040
Contingency	50,000	50,000 (1)	-	50,000
Total Expenditures	4,558,100	7,524,384	986,478	6,537,906
Excess of Revenues Over, (Under) Expenditures	(4,323,100)	(6,674,472)	(916,756)	5,757,716
Other Financing Sources (Uses):				
Bond Proceeds	-	2,993,620	112,731	(2,880,889)
Du Jour Financing	1,216,600	1,298,291	1,298,291	-
Insurance Proceeds	-	30,000	31,457	1,457
Transfer In	106,500	22,021	-	(22,021)
Total Other Financing Sources (Uses)	1,323,100	4,343,932	1,442,479	(2,901,453)
Net Change in Fund Balance	(3,000,000)	(2,330,540)	525,723	2,856,263
Beginning Fund Balance	3,000,000	2,330,540	2,330,540	-
Ending Fund Balance	\$ -	\$ -	\$ 2,856,263	\$ 2,856,263

(1) Appropriation Level

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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, 2020

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	\$ 5,000	\$ 5,000	\$ 27,578	\$ 22,578
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>27,578</u>	<u>22,578</u>
EXPENDITURES:				
Materials and Services	443,042	408,169 (1)	280,668	127,501
Capital Outlay	4,669,958	4,953,682 (1)	1,955,567	2,998,115
Contingency	25,000	25,000 (1)	-	25,000
Total Expenditures	<u>5,138,000</u>	<u>5,386,851</u>	<u>2,236,235</u>	<u>3,150,616</u>
Excess of Revenues Over, (Under) Expenditures	(5,133,000)	(5,381,851)	(2,208,657)	3,173,194
Other Financing Sources (Uses):				
Bond Proceeds	3,551,000	3,606,000	2,623,253	(982,747)
Du Jour Financing	248,000	259,008	259,008	-
Transfers In	414,000	457,441	-	(457,441)
Total Other Financing Sources (Uses)	<u>4,213,000</u>	<u>4,322,449</u>	<u>2,882,261</u>	<u>(1,440,188)</u>
Net Change in Fund Balance	(920,000)	(1,059,402)	673,604	1,733,006
Beginning Fund Balance	<u>920,000</u>	<u>1,059,402</u>	<u>1,059,402</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,733,006</u>	<u>\$ 1,733,006</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, 2020

	SPECIAL REVENUE		DEBT SERVICE
	DOWNTOWN PROGRAM	EMPIRE PROGRAM	DOWNTOWN BOND
ASSETS:			
Cash and Investments	\$ 32,595	\$ 473,494	\$ -
Total Assets	<u>\$ 32,595</u>	<u>\$ 473,494</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Restricted	-	-	-
Assigned	32,595	473,494	-
Total Fund Balance	<u>32,595</u>	<u>473,494</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 32,595</u>	<u>\$ 473,494</u>	<u>\$ -</u>

DEBT SERVICE

EMPIRE BOND	DOWNTOWN BOND RESERVE	EMPIRE BOND RESERVE	TOTAL NONMAJOR GOVERNMENTAL
\$ 2,000	\$ 390,000	\$ 433,500	\$ 1,331,589
<u>\$ 2,000</u>	<u>\$ 390,000</u>	<u>\$ 433,500</u>	<u>\$ 1,331,589</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
2,000	390,000	433,500	825,500
-	-	-	506,089
<u>2,000</u>	<u>390,000</u>	<u>433,500</u>	<u>1,331,589</u>
<u>\$ 2,000</u>	<u>\$ 390,000</u>	<u>\$ 433,500</u>	<u>\$ 1,331,589</u>

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, 2020

	SPECIAL REVENUE		DEBT SERVICE
	DOWNTOWN PROGRAM	EMPIRE PROGRAM	DOWNTOWN BOND
REVENUES:			
Interest on Investments	\$ 1,074	\$ 10,053	\$ -
Total Revenues	1,074	10,053	-
EXPENDITURES:			
Debt Service	-	-	295,499
Total Expenditures	-	-	295,499
Excess of Revenues Over, (Under) Expenditures	1,074	10,053	(295,499)
Other Financing Sources, (Uses)			
Du Jour Financing	-	-	(1,298,398)
Transfers In	-	-	1,593,897
Total Other Financing Sources, (Uses)	-	-	295,499
Net Change in Fund Balance	1,074	10,053	-
Beginning Fund Balance	31,521	463,441	-
Ending Fund Balance	\$ 32,595	\$ 473,494	\$ -

DEBT SERVICE

<u>EMPIRE BOND</u>	<u>DOWNTOWN BOND RESERVE</u>	<u>EMPIRE BOND RESERVE</u>	<u>TOTAL NONMAJOR GOVERNMENTAL</u>
\$ -	\$ -	\$ -	\$ 11,127
-	-	-	11,127
229,604	-	-	525,103
229,604	-	-	525,103
(229,604)	-	-	(513,976)
(259,029)	-	-	(1,557,427)
488,633	240,000	290,000	2,612,530
229,604	240,000	290,000	1,055,103
-	240,000	290,000	541,127
2,000	150,000	143,500	790,462
<u>\$ 2,000</u>	<u>\$ 390,000</u>	<u>\$ 433,500</u>	<u>\$ 1,331,589</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, 2020

DOWNTOWN PROGRAM FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Interest on Investments	\$ 500	\$ 500	\$ 1,074	\$ 574
Total Revenues	<u>500</u>	<u>500</u>	<u>1,074</u>	<u>574</u>
EXPENDITURES:				
Contingency	<u>10,000</u>	<u>10,000</u> (1)	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess of Revenues Over, -Under Expenditures	(9,500)	(9,500)	1,074	10,574
Other Financing Sources, (Uses)				
Transfers Out	<u>(106,500)</u>	<u>(22,021)</u> (1)	<u>-</u>	<u>22,021</u>
Total Other Financing Sources, (Uses)	<u>(106,500)</u>	<u>(22,021)</u>	<u>-</u>	<u>22,021</u>
Net Change in Fund Balance	(116,000)	(31,521)	1,074	32,595
Beginning Fund Balance	<u>116,000</u>	<u>31,521</u>	<u>31,521</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,595</u>	<u>\$ 32,595</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, 2020

EMPIRE PROGRAM FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Interest on Investments	\$ 4,000	\$ 4,000	\$ 10,053	\$ 6,053
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>10,053</u>	<u>6,053</u>
EXPENDITURES:				
Contingency	10,000	10,000 (1)	-	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess of Revenues Over, (Under) Expenditures	(6,000)	(6,000)	10,053	16,053
Other Financing Sources (Uses):				
Transfers Out	(414,000)	(457,441) (1)	-	457,441
Total Other Financing Sources (Uses)	<u>(414,000)</u>	<u>(457,441)</u>	<u>-</u>	<u>414,000</u>
Net Change in Fund Balance	(420,000)	(463,441)	10,053	473,494
Beginning Fund Balance	<u>420,000</u>	<u>463,441</u>	<u>463,441</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,494</u>	<u>\$ 473,494</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, 2020

DOWNTOWN BOND FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
EXPENDITURES:				
Debt Service				
Principal	\$ 280,000	\$ 280,000	\$ 280,000	\$ -
Interest	16,000	16,000	15,499	501
Total Expenditures	<u>296,000</u>	<u>296,000</u> (2)	<u>295,499</u>	<u>501</u>
Excess of Revenues Over, (Under) Expenditures	(296,000)	(296,000)	(295,499)	501
Other Financing Sources (Uses):				
Du Jour Financing	(1,217,000)	(1,298,647) (2)	(1,298,398)	249
Transfers In	1,513,000	1,594,647	1,593,897	(750)
Total Other Financing Sources (Uses)	<u>296,000</u>	<u>296,000</u>	<u>295,499</u>	<u>(501)</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, 2020

	<u>EMPIRE BOND FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
Debt Service:				
Principal	\$ 355,000	\$ 355,000	\$ 183,300	\$ 171,700
Interest	138,900	138,900	46,304	92,596
Total Expenditures	<u>493,900</u>	<u>493,900</u> (2)	<u>229,604</u>	<u>264,296</u>
Excess of Revenues Over, (Under) Expenditures	(493,900)	(493,900)	(229,604)	264,296
Other Financing Sources (Uses):				
Du Jour Financing	(248,100)	(259,079) (2)	(259,029)	50
Transfers In	<u>742,000</u>	<u>752,979</u>	<u>488,633</u>	<u>(264,346)</u>
Total Other Financing Sources (Uses)	<u>493,900</u>	<u>493,900</u>	<u>229,604</u>	<u>(264,296)</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	2,000	2,000
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 BALANCES
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2020

DOWNTOWN BOND RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Interest on Investments	\$ 300	\$ 300	\$ -	\$ (300)
Total Revenues	<u>300</u>	<u>300</u>	<u>-</u>	<u>(300)</u>
EXPENDITURES:				
Contingency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over, (Under) Expenditures	300	300	-	(300)
Other Financing Sources (Uses):				
Transfers In	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Net Change in Fund Balance	240,300	240,300	240,000	(300)
Beginning Fund Balance	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Ending Fund Balance	<u>\$ 390,300</u>	<u>\$ 390,300</u>	<u>\$ 390,000</u>	<u>\$ (300)</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, 2020

EMPIRE BOND RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Interest on Investments	\$ 300	\$ 300	\$ -	\$ (300)
Total Revenues	<u>300</u>	<u>300</u>	<u>-</u>	<u>(300)</u>
EXPENDITURES:				
Contingency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over, (Under) Expenditures	300	300	-	(300)
Other Financing Sources (Uses):				
Transfers In	<u>290,000</u>	<u>290,000</u>	<u>290,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>290,000</u>	<u>290,000</u>	<u>290,000</u>	<u>-</u>
Net Change in Fund Balance	290,300	290,300	290,000	(300)
Beginning Fund Balance	<u>150,000</u>	<u>150,000</u>	<u>143,500</u>	<u>(6,500)</u>
Ending Fund Balance	<u>\$ 440,300</u>	<u>\$ 440,300</u>	<u>\$ 433,500</u>	<u>\$ (6,800)</u>

(1) - Appropriation Level

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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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October 5, 2020

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, 2020, and have issued our report thereon dated October 5, 2020. 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, except for the following:

- When testing appropriation transfers we noted 4 instances where the total appropriations for a particular fund were incorrect on the resolution. We also noted one instance where the total appropriations reference the wrong fund on the appropriation.

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
PAULY, ROGERS AND CO., P.C.