

LEBANON
URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
LEBANON, OREGON

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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MAYOR AND CITY COUNCIL

PAUL AZIZ	Chairman
MICHELLE STEINHEBEL	Member
WAYNE DYSKTRA	Member
GAMAEL NASSAR	Member
WAYNE RIESKAMP	Member
JEREMY SALVAGE	Member
KIM ULLFERS	Member

ADMINISTRATION

NANCY BREWER	City Manager
BRANDON NEISH	Finance Director
JENNIFER POFF	Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Agency Officials
Lebanon Urban Renewal Agency
Lebanon, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Lebanon Urban Renewal Agency (the "Agency"), a component unit of the City of Lebanon, Oregon (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Agency Officials
Lebanon Urban Renewal Agency
Lebanon, Oregon
Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Agency Officials
Lebanon Urban Renewal Agency
Lebanon, Oregon
Independent Auditor's Report

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other "Required Supplementary Information" as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 management's discussion and analysis 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 Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual, included in the requirement supplementary information, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basis 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 Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated July 28, 2022, on our considerations of the Agency's 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 provide an opinion on compliance.

Singer Lewak LLP

July 28, 2023

By:



Brad Bingenheimer, Partner

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022

The management of the Lebanon Urban Renewal Agency (Agency) a component unit of the City of Lebanon, Oregon presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the Agency for the fiscal year ended June 30, 2022. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2022 are as follows:

- The Agency is made up of five districts. These districts are Northwest Urban Renewal District, Cheadle Lake Urban Renewal District, North Gateway Urban Renewal District, Downtown Urban Renewal District, and Mill Race Urban Renewal District. Each district represents a different fund of the Agency.
- The Agency's total assets at June 30, 2022 were \$2,880,395, a decrease of \$622,802 from the prior year.
- The Agency's total liabilities at June 30, 2022 were \$12,019,920, a decrease of \$2,535,406 due to payments on long-term debt.
- The Agency's net position at June 30, 2022 was \$(9,139,525), an increase of \$1,912,604 from the prior year as reported on the Statement of Activities.
- At June 30, 2022, the Agency reported an ending fund balance of \$2,821,540, a decrease of \$576,477 from the prior year. The entire balance in the Cheadle Lake Urban Renewal District Fund is restricted for debt service while the rest remains assigned for urban renewal projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the Agency's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the Agency-wide statement of position presenting information that includes all the Agency's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2022

The second government-wide statement is the *Statement of Activities* which reports how the Agency's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the Agency's distinct activities or functions of the Agency that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues.

Fund Financial Statements

A fund is an accountability unit 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 laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the Agency's most significant funds rather than the Agency as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining and individual fund statements in a later section of this report. The Agency has five funds which are considered governmental type funds.

Governmental funds, focus on how money flows into and out of those funds; the balances left at year-end are available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the required supplementary information for each of the Agency's Funds. These schedules demonstrate compliance with the Agency's adopted and final revised budget.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the Agency as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The Agency's net position at fiscal year-end is \$(9,139,525). This is an increase of \$1,912,604 as reported on the Statement of Activities.

A condensed version of the Statement of Net Position as of June 30, 2022 is as follows:

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022

Condensed Statement of Net Position

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Assets		
Current and other assets	<u>\$ 2,880,395</u>	<u>\$ 3,503,197</u>
Total assets	<u>2,880,395</u>	<u>3,503,197</u>
Liabilities		
Current liabilities	79,820	104,272
Long-term liabilities	<u>11,940,100</u>	<u>14,451,054</u>
Total liabilities	<u>12,019,920</u>	<u>14,555,326</u>
Net Position		
Restricted	175,923	175,923
Unrestricted (deficit)	<u>(9,264,043)</u>	<u>(11,228,052)</u>
Total net position (deficit)	<u>\$ (9,088,120)</u>	<u>\$ (11,052,129)</u>

Current and other assets include cash and cash equivalents and property tax receivables. Current and other assets decreased by \$622,802 primarily due to a decrease in cash. The largest reductions in cash occurred in the Northwest Urban Renewal District Fund and the North Gateway Urban Renewal District Fund after debt payments in 2022 totaled \$2,643,667. For the latter fund, the sizable debt payments paid off the fund's debt obligations originally slated to run through February 2029. This is reflected in the decreased liabilities.

Oregon Revised Statutes (ORS) chapter 457 gives cities the authority to activate urban renewal districts with the power to propose and act on plans and projects to address "blight." Tax increment financing is used to fund these projects by earmarking property tax revenue from increases in assessed property value within an urban renewal area which is then used to pay down debt incurred to pay for the projects. This is the case for the Agency resulting in the deficit net position as total liabilities exceed total assets.

Changes in net position - The Agency's total revenues for the fiscal year ended June 30, 2022 were \$2,454,199. The total cost of all programs and services was \$541,595. The following table shows a comparative analysis of government-wide revenues, expenses and changes in net position.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022

Condensed Statement of Changes in Net Position

	<u>Governmental Activities</u>	
	<u>2021-22</u>	<u>2020-21</u>
Revenues		
Property taxes	\$ 2,431,074	\$ 2,362,355
Interest	23,125	37,316
Total Revenues	<u>2,454,199</u>	<u>2,399,671</u>
Program Expenses		
Urban Renewal Projects	30,083	394,225
Interest on Long-Term Debt	460,107	532,423
Total Expenses	<u>490,190</u>	<u>926,648</u>
Transfers	<u>-</u>	<u>1,108,568</u>
Change in Net Position	<u>\$ 1,964,009</u>	<u>\$ 2,581,591</u>

Property taxes increased nearly 3.0% over the prior fiscal year, in-line with the allowable assessed value increase outlined in Oregon's constitution while interest revenue fell during the 2022 fiscal year due to the decrease in the Agency's cash. In expenses, spending in the Agency declined as projects were delayed and spending on the Mill Race Urban Renewal District was still low as the district entered its first year. Finally, transfers in decreased in 2022 as a transfer in 2021 from the City to cover projects not originally allowable under the Northwest Urban Renewal Plan did not subsequently occur.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Agency's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Agency's net resources available for spending at the end of the fiscal year.

Governmental Funds

As the Agency completed the year, its governmental funds reported a combined fund balance of \$2,821,540, a decrease of \$576,477. The fund balance constitutes restricted amounts for debt service with the rest being assigned.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022

Budgetary Highlights

Northwest Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$1,203,000. Actual resources of \$993,809 were available, \$209,191 less than budgeted. Budgeted revenue in the intergovernmental line was not received during the fiscal year as the City decided during the fiscal year that the revenue was not needed to cover over-expended maximum indebtedness from prior fiscal years. Northwest Urban Renewal District Fund expenditures budget was in-line with its actual expenditures for the year.

Cheadle Lake Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$451,000. Actual resources of \$480,701 were available, \$29,701 more than budgeted. Cheadle Lake Urban Renewal District Fund expenditures budget was underspent by \$237,853. Budgeted funds in contract services were unspent during the fiscal year after planned projects did not move forward into the planning and development process.

North Gateway Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$975,000. Actual resources of \$928,722 were available, \$46,278 less than budgeted. North Gateway Urban Renewal District Fund expenditures budget was underspent by \$432,661. SDC and administrative reimbursement expenditures had been budgeted for the 2022 fiscal year but were not spent after planned projects were delayed resulting in the significant expenditure savings.

Downtown Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$20,120. Actual resources of \$35,112 were available, \$14,992 more than budgeted. Downtown Urban Renewal District Fund expenditures budget was underspent by \$32,600.

Mill Race Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$100,000. Actual resources of \$62,180 were available, \$37,820 less than budgeted. Mill Race Urban Renewal District Fund expenditures budget was underspent by \$48,595. Fiscal year 2022 represented the first year of the district and the budget was developed with the best estimates. However, slower than planned development in the district resulted in smaller payouts on an economic development agreement, the primary cost in the Mill Race Urban Renewal District Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Agency does not have any capital assets or infrastructure due to all capital outlay expenditures being reported as part of the City of Lebanon's capitalized assets.

Long-Term Debt

At June 30, 2022 the Agency had total long-term debt outstanding of \$11,940,100. This was a reduction of \$2,510,955 from the prior year. Additional information on the Agency's long-term debt can be found in the Notes to the Basic Financial Statements.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the Agency. The following were determinations used to develop the 2022-23 budget:

- The URD's budget for the fiscal year ending June 30, 2023 totaled \$3,740,361. There are \$1,743,403 in resources that are not appropriated and will be used in future years.
- The Agency continues to set aside funds for future debt payments.
- The Northwest URD will underfund taxes for 2022-23 by approximately \$2,700,000 to allow the property taxes to be distributed to other taxing districts in the area.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Lebanon Urban Renewal Agency's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lebanon. The office is located inside City Hall at 925 S. Main Street, Lebanon, Oregon 97355.

BASIC FINANCIAL
STATEMENTS

Government -Wide
Financial Statements

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities
<u>ASSETS:</u>	
Current Assets:	
Cash and Investments	\$ 2,597,571
Restricted cash	178,670
Property taxes receivable	104,154
Total assets	2,880,395
<u>LIABILITIES:</u>	
Current liabilities:	
Interest payable	79,820
Noncurrent liabilities:	
Portion due within one year:	
Loans & notes payable	423,466
Bonds payable	1,037,074
Portion due after one year:	
Loans & notes payable	4,524,187
Bonds payable	5,955,373
Total liabilities	12,019,920
<u>NET POSITION:</u>	
Restricted:	
Debt service	175,923
Unrestricted (deficit)	(9,264,043)
Total net position (deficit)	\$ (9,088,120)

The accompanying notes are an integral part of these financial statements.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

Functions / Programs	Expenses
<u>GOVERNMENTAL ACTIVITIES:</u>	
Urban Renewal Projects	\$ 81,488
Interest and Fees on Long-Term Debt	460,107
Total Expenses	541,595
<u>GENERAL REVENUES:</u>	
Property Taxes, Levied for Debt Service	2,431,074
Interest and Investment Earnings	23,125
Total General Revenues	2,454,199
Change in Net Position	1,912,604
Net Position (deficit), July 1, 2021	(11,052,129)
Net Position (deficit), June 30, 2022	\$ (9,139,525)

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2022

	Northwest Urban Renewal District Fund	Cheadle Lake Urban Renewal District Fund	North Gateway Urban Renewal District Fund	Downtown Urban Renewal District Fund	Mill Race Urban Renewal District Fund	Total Governmental Funds
<u>ASSETS:</u>						
Cash and investments	\$ 2,061,800	\$ 86,848	\$ 392,332	\$ 46,840	\$ 9,751	\$ 2,597,571
Restricted cash - debt service	-	178,670	-	-	-	178,670
Property taxes receivable	48,197	17,990	36,006	747	1,214	104,154
Total assets	<u>\$ 2,109,997</u>	<u>\$ 283,508</u>	<u>\$ 428,338</u>	<u>\$ 47,587</u>	<u>\$ 10,965</u>	<u>\$ 2,880,395</u>
<u>DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</u>						
Deferred Inflows of Resources:						
Unavailable property tax revenue	\$ 29,683	\$ 9,433	\$ 19,337	\$ 212	\$ 190	\$ 58,855
Total Deferred Inflows of Resources	<u>29,683</u>	<u>9,433</u>	<u>19,337</u>	<u>212</u>	<u>190</u>	<u>58,855</u>
FUND BALANCES:						
Restricted for:						
Debt service	-	175,923	-	-	-	175,923
Assigned	2,080,314	98,152	409,001	47,375	62,180	2,697,022
Total Fund Balances	<u>2,080,314</u>	<u>274,075</u>	<u>409,001</u>	<u>47,375</u>	<u>62,180</u>	<u>2,872,945</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,109,997</u>	<u>\$ 283,508</u>	<u>\$ 428,338</u>	<u>\$ 47,587</u>	<u>\$ 62,370</u>	<u>\$ 2,931,800</u>

The accompanying notes are an integral part of these financial statements.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

**RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2022

Total Fund Balances - Governmental Funds **\$ 2,821,540**

**Amounts reported for governmental activities in the
Statement of Net Position are different because:**

Property taxes receivables not collected within 60 days of the
current period ending date are deferred in the governmental funds. 58,855

Interest payable that is not recognized in the governmental fund is
accrued in the Statement of Net Position. (79,820)

Long-term liabilities, including notes payable, bonds payable and net bond premiums,
are not due and payable in the current period and therefore are not reported
in the governmental funds. (11,940,100)

Net Position of Governmental Activities **\$ (9,139,525)**

The accompanying notes are an integral part of these financial statements.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**
GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2022

	Northwest Urban Renewal District Fund	Cheadle Lake Urban Renewal District Fund	North Gateway Urban Renewal District Fund	Downtown Urban Renewal District Fund	Mill Race Urban Renewal District Fund	Total Governmental Funds
<u>REVENUES:</u>						
Property taxes	\$ 976,113	\$ 479,414	\$ 925,189	\$ 34,801	\$ 61,882	\$ 2,477,399
Interest	17,696	1,287	3,533	311	298	23,125
Total Revenues	993,809	480,701	928,722	35,112	62,180	2,500,524
<u>EXPENDITURES:</u>						
Current:						
Urban Renewal Projects	-	11,761	18,061	261	-	30,083
Debt Service	1,503,744	351,846	1,139,923	-	-	2,995,513
Total Expenditures	1,503,744	363,607	1,157,984	261	-	3,025,596
Net Change in Fund Balances	(509,935)	117,094	(229,262)	34,851	62,180	(525,072)
Fund Balances - June 30, 2021	2,590,249	156,981	638,263	12,524	-	3,398,017
Fund Balances - June 30, 2022	\$ 2,080,314	\$ 274,075	\$ 409,001	\$ 47,375	\$ 62,180	\$ 2,872,945

The accompanying notes are an integral part of these financial statements.

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

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

For The Fiscal Year Ended June 30, 2022

Net changes in fund balances - total governmental funds **\$ (576,477)**

**Amounts reported for governmental activities in the Statement
of Activities are different because:**

Some revenues will not be collected for several months after the Agency's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.

The changes in amounts deferred are as follows:

Property Taxes (46,325)

Additions to certain liabilities are reported as an expense in the Statement of Activities.

Amortization of Debt Premium 45,595

Expense accruals in the governmental funds do not include all accrued interest expense payable.

The change in payables from prior to current year is reconciled here: 24,452

Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position.

Retirement of debt principal is as follows:

General Obligations Bonds 1,010,000

Notes Payable 1,455,359

Changes in net position of governmental activities **\$ 1,912,604**

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The Lebanon Urban Renewal Agency of the City of Lebanon, Oregon (Agency) was established in 1978. The purpose of the Agency is to provide for the development of infrastructure to serve a blighted area of Lebanon. The Agency is organized under general laws pertaining to urban renewal agencies in the State of Oregon. The governing body is comprised of the Mayor and the Councilors of the City of Lebanon.

The Agency is a separate legal entity, governed by the City of Lebanon. The City Council has the ability to impose its will over the Agency as determined on the basis of budget adoption, taxing authority and funding for the Agency. Therefore, under the criteria set by the Governmental Accounting Standards Board, the Agency is considered a component unit of the City of Lebanon and the Agency's financial activities are included as a blended component unit in the basic financial statements of the City of Lebanon as special revenue funds.

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

The Agency has no potential component units.

Basis of Presentation

The financial statements of the Lebanon Urban Renewal Agency (Agency) of the City of Lebanon have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Basic financial statements are presented at both the government-wide and fund financial level. The Agency's activities are governmental and are normally supported by taxes and intergovernmental revenues.

Government-wide financial statements display information about the reporting government as a whole. The effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Agency 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.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, and fiduciary. Currently the Agency has only governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

The financial transactions of the Agency are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Agency has elected to report each as a major fund in order to assist in compiling a complete and accurate picture of the financial position of the Agency.

Measurement Focus/Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Agency receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the Agency funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Agency's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Agency considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Similar to the way revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long-term portions of debt must be included.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Agency's practice to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The Agency has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the Agency to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The Agency's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The Agency's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the Agency's value in the pool shares.

In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury which administers the LGIP. The LGIP is an open-ended, non-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that, by law, is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer.

Property Taxes

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February, and May. Real property taxes become delinquent if not paid by May 15. Uncollected property taxes are reported in the government-wide statement of net position and governmental funds balance sheet as receivables.

Deferred Inflows of Resources:

In the governmental funds, property taxes which have not been collected within sixty days subsequent to year-end are not considered measurable and available and are therefore not recognized as revenue, but rather as deferred inflows of resources.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Capital Assets

All capital assets which include property and infrastructure assets (e.g. roads, bridges, sidewalks, etc.) become City of Lebanon (primary government) capital assets and therefore are not reported on the Agency's Statement of Net Position.

Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Loans and bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance and Net Position

Government-Wide Statements Net position represents the difference between assets and liabilities. Net position is displayed in two components:

1. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
2. Unrestricted net position - All other net position that do not meet the definition of "restricted".

The Agency's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The Agency did not have any non-spendable resources.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Agency has restricted funds for debt service.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

- **Committed**: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the Agency Board, and does not lapse at year-end. The Agency does not have committed resources.

- **Assigned**: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Agency Board or through the Agency Board delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds.

- **Unassigned**: This classification includes negative fund balances of governmental funds.

The Agency's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

New accounting standard implemented

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). The statement establishes accounting and financial reporting standards for leases by lessees and lessors. The statement requires lessees to report a "right to use" asset and a lease liability and requires lessors to report a lease receivable and a deferred outflow, for leases with a term of more than one year. The Agency implemented the provisions of GASB 87 as of July 1, 2021. There was no impact on the Agency's financial statements as a result of implementation of this standard.

CASH AND CASH EQUIVALENTS:

The Agency's cash and cash equivalents at June 30, 2022 are as follows:

Deposits with financial institutions	\$ 178,670
Oregon State Treasurer's Local Government Investment Pool (LGIP)	<u>2,597,571</u>
Total cash and cash equivalents	<u><u>\$ 2,776,241</u></u>

The Agency maintains a pool of cash and cash equivalents that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalents is allocated to participating funds based on their combined cash and cash equivalent balances.

For discussion of deposit and investment policies and other related information, see Cash and Cash Equivalents note under the Summary of Significant Accounting Policies.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

CASH AND CASH EQUIVALENTS (CONT):

Deposits

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency's deposits with financial institutions up to \$250,000 each for the aggregate of all noninterest-bearing accounts and the aggregate of all interest-bearing accounts at each institution.

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failed or a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the Agency's deposits. As of June 30, 2022, none of the Agency's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Credit Risk – Oregon statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Concentration of Credit Risk – The Agency's policy for investing in individual issuers varies depending on the type of investments. U.S. Treasury and agency securities do not have restrictions regarding concentration with any one issuer.

Custodial Credit Risk – Investments – This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy that limits the amount of investments that can be held by counterparties.

LONG-TERM LIABILITIES:

Descriptions of the Agency's long-term liabilities is disclosed below. In addition, the table below presents current year changes in the long-term liabilities and the current portions due for each issue.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

LONG-TERM LIABILITIES (CONT):

Governmental Activities

Northwest URD - May 13, 2005, the City entered into a loan agreement with Business Oregon (IFA) for the Northwest Urban Renewal District. The original balance of the loan is \$3,699,984 with an interest rate between 4.0 - 4.375%. On April 10, 2018, a reduction of the loan amount set forth in the agreement occurred in exchange for a higher nominal interest rate, less certain issuance costs. This was done through Oregon Bond Bank Revenue Bonds, 2018. B05003. The loan is scheduled to mature during the 2032 fiscal year.

North Gateway URD - January 1, 2011, the City entered a Note Payable agreement with Samaritan Health Services for the N Gateway URD. The original balance of the loan is \$2,283,572 and was satisfied during the 2021-22 fiscal year. The loan carries an interest rate of 5.0% that was changed by the lender to 4.25% during the 2017-18 fiscal year.

Northwest URD - July 31, 2013 the City issued Full Faith and Credit and Refunding Obligations Bonds to finance improvements to the City's water and transportation systems; and refund City's Wastewater Revenue Refunding Bonds, Series 2003 and a portion of Special Water Refunding Obligations, Series 2004. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$15,235,000 with an interest rate between 2.0% and 4.0%. The amounts for these bonds are divided by the City for Northwest URD, Water and Wastewater. The amount allocated for Northwest URD of the bonds was originally \$11,855,000. FFC 2013. The Bonds are set to mature during the 2028 fiscal year.

Cheadle Lake URD - May 18, 2017, the City entered into a loan agreement with Opus Bank (now Pacific Premier Bank) for Cheadle Lake URD. The original balance of the loan is \$4,232,723 and has a fixed annual interest rate of 2.88%. The loan requires a reserve account be established and funded until the reserve account accumulates \$175,923. The loan is scheduled to mature during the 2032 fiscal year.

	<u>6/30/2021</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2022</u> <u>Balance</u>	<u>Due within</u> <u>1 Year</u>
Governmental Activities					
Governmental Bonds					
NW URD LebanonFFC2013	\$ 7,805,000	\$ -	\$ 975,000	\$ 6,830,000	\$ 1,010,000
Total Governmental Bonds	7,805,000	-	975,000	6,830,000	1,010,000
Governmental Loans/Notes					
Cheadle Lake URD Opus Bank	3,277,241	-	257,462	3,019,779	264,876
NW URD B05003	1,879,792	-	134,047	1,745,745	140,069
N. Gateway URD Samaritan Health	1,098,851	-	1,098,851	-	-
Total Governmental Loans	6,255,884	-	1,490,360	4,765,524	404,945
Premium	390,171		45,595	344,576	45,595
Total Governmental Activities	<u>\$ 14,451,055</u>	<u>\$ -</u>	<u>\$ 2,510,955</u>	<u>\$ 11,940,100</u>	<u>\$ 1,460,540</u>

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

LONG-TERM LIABILITIES (CONT):

The debt service requirements on the above debt are as follows:

Governmental Bonds			Governmental Loans/Notes		
Due Fiscal Year			Due Fiscal Year		
<u>June 30</u>	Principal	Interest	<u>June 30</u>	Principal	Interest
2023	\$ 1,010,000	\$ 273,600	2023	\$ 404,945	\$ 172,295
2024	\$ 1,050,000	\$ 243,300	2024	\$ 418,638	\$ 157,851
2025	\$ 1,110,000	\$ 190,800	2025	\$ 432,611	\$ 142,879
2026	\$ 1,165,000	\$ 146,400	2026	\$ 446,877	\$ 127,363
2027	\$ 1,220,000	\$ 99,800	2027	\$ 466,429	\$ 111,311
2028	\$ 1,275,000	\$ 51,000	2028-2032	\$ 2,596,024	\$ 290,926
Total	<u>\$ 6,830,000</u>	<u>\$ 1,004,900</u>	Total	<u>\$ 4,765,524</u>	<u>\$ 1,002,625</u>

The Agency has no unused lines of credit.

The Agency has no assets that are specifically pledged as collateral for any of the debt.

RISK MANAGEMENT:

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

REQUIRED
SUPPLEMENTARY
INFORMATION

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

**Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual**

NORTHWEST URBAN RENEWAL DISTRICT FUND

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES:</u>				
Property Taxes	\$ 950,000	\$ 950,000	\$ 976,113	\$ 26,113
Intergovernmental	240,000	240,000	-	(240,000)
Interest	13,000	13,000	17,696	4,696
Total Revenues	<u>1,203,000</u>	<u>1,203,000</u>	<u>993,809</u>	<u>(209,191)</u>
<u>EXPENDITURES:</u>				
Non-Departmental:				
Debt Service	1,503,744	1,503,744	1,503,744	-
Total Expenditures	<u>1,503,744</u>	<u>1,503,744</u>	<u>1,503,744</u>	<u>-</u>
Net Change in Fund Balance	(300,744)	(300,744)	(509,935)	(209,191)
Beginning Fund Balance	2,590,783	2,590,783	2,590,249	(534)
ENDING FUND BALANCE	<u>\$ 2,290,039</u>	<u>\$ 2,290,039</u>	<u>\$ 2,080,314</u>	<u>\$ (209,725)</u>

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

**Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual**

CHEADLE LAKE URBAN RENEWAL DISTRICT FUND

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES:</u>				
Property Taxes	\$ 450,000	\$ 450,000	\$ 479,414	\$ 29,414
Interest	1,000	1,000	1,287	287
Total Revenues	451,000	451,000	480,701	29,701
<u>EXPENDITURES:</u>				
Cheadle Lake Urban Renewal				
District Activities	249,668	249,668	11,761	237,907
Debt Service	351,900	351,900	351,846	54
Total Expenditures	601,568	601,568	363,607	237,853
Net Change in Fund Balance	(150,568)	(150,568)	117,094	267,662
Beginning Fund Balance	150,568	150,568	156,981	6,413
ENDING FUND BALANCE	\$ -	\$ -	\$ 274,075	\$ 274,075

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

**Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual**

NORTH GATEWAY URBAN RENEWAL DISTRICT FUND

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES:</u>				
Property Taxes	\$ 975,000	\$ 975,000	\$ 925,189	\$ (49,811)
Interest	-	-	3,533	3,533
Total Revenues	975,000	975,000	928,722	(46,278)
<u>EXPENDITURES:</u>				
North Gateway Urban Renewal				
District Activities	443,645	443,645	18,061	425,584
Debt Service	1,147,000	1,147,000	1,139,923	7,077
Total Expenditures	1,590,645	1,590,645	1,157,984	432,661
Net Change in Fund Balance	(615,645)	(615,645)	(229,262)	386,383
Beginning Fund Balance	615,645	615,645	638,263	22,618
ENDING FUND BALANCE	\$ -	\$ -	\$ 409,001	\$ 409,001

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

**Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual**

DOWNTOWN URBAN RENEWAL DISTRICT FUND

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES:</u>				
Property Taxes	\$ 20,100	\$ 20,100	\$ 34,801	\$ 14,701
Interest	20	20	311	291
Total Revenues	20,120	20,120	35,112	14,992
<u>EXPENDITURES:</u>				
Downtown Urban Renewal District Activities	32,861	32,861	261	32,600
Total Expenditures	32,861	32,861	261	32,600
Net Change in Fund Balance	(12,741)	(12,741)	34,851	47,592
Beginning Fund Balance	12,741	12,741	12,524	(217)
ENDING FUND BALANCE	\$ -	\$ -	\$ 47,375	\$ 47,375

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

**Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual**

MILL RACE URBAN RENEWAL DISTRICT FUND

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES:</u>				
Property Taxes	\$ 100,000	\$ 100,000	\$ 61,882	\$ (38,118)
Interest	-	-	298	298
Total Revenues	100,000	100,000	62,180	(37,820)
<u>EXPENDITURES:</u>				
Mill Race Urban Renewal District Activities	100,000	100,000	51,405	48,595
Total Expenditures	100,000	100,000	51,405	48,595
Net Change in Fund Balance	-	-	10,775	10,775
Beginning Fund Balance	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ 10,775	\$ 10,775

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2022

Budgeting

A budget is prepared for each District within the Agency in accordance with the modified accrual basis of accounting and legal requirements set forth in Oregon local budget law (ORS Chapter 294). The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, contingencies, and debt service by fund are the levels of control. The budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse on June 30. Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the Board. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the Board.

REPORTS ON LEGAL AND OTHER REGULATORY
REQUIREMENTS SECTION

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

To the Agency Officials
Lebanon Urban Renewal Agency
Lebanon, Oregon

We have audited the basic financial statements of the Lebanon Urban Renewal Agency (the "Agency"), a component unit of the City of Lebanon, Oregon (the "City"), as of and for the year ended June 30, 2022, and have issued our report thereon dated July 28, 2023. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 162-010-000 through 162-010-0320 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
- Programs funded from outside sources
- 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 Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

To the Agency Officials
Lebanon Urban Renewal Agency
Lebanon, Oregon
Independent Auditor's Report Required By
Oregon State Regulations

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Restriction of Use

This report is intended solely for the information and use of the Agency officials and management of Lebanon Urban Renewal Agency and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Singer Lewak LLP

July 28, 2023

By:



Brad Bingenheimer, Partner