

City of Wilsonville, Oregon

Urban Renewal Agency

(a component unit of the City of Wilsonville, Oregon)

Annual Financial Report

for the Fiscal Year Ended June 30, 2021



URBAN RENEWAL AGENCY

OF THE

CITY OF WILSONVILLE

(A component unit of the City of Wilsonville, Oregon)

**ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(A component unit of the City of Wilsonville, Oregon)

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING JUNE 30, 2021

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URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(A component unit of the City of Wilsonville, Oregon)

Governing Body Under ORS 457

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Julie Fitzgerald	Agency Chair	December 31, 2024
Kristin Akervall	Member	December 31, 2024
Joann Linville	Member	December 31, 2024
Charlotte Lehan	Member	December 31, 2022
Ben West	Member	December 31, 2022

Principal Officials

Bryan Cosgrove	Executive Director
Barbara Jacobson	City Attorney
Keith Katko	City Finance Director
Kimberly Veliz	City Recorder

Mailing Address

29799 SW Town Center Loop, East
Wilsonville, OR 97070-0220

www.ci.wilsonville.or.us

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INDEPENDENT AUDITOR'S REPORT

Agency Officials
Urban Renewal Agency of the City of Wilsonville
City of Wilsonville, 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 Urban Renewal Agency of the City of Wilsonville, a component unit of the City of Wilsonville, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Wilsonville'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 Urban Renewal Agency of the City of Wilsonville, as of June 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Urban Renewal Agency of the City of Wilsonville, 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 Financial Statements

Urban Renewal Agency of the City of Wilsonville's 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, 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 Urban Renewal Agency of the City of Wilsonville'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.

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 Urban Renewal Agency of the City of Wilsonville'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 Urban Renewal Agency of the City of Wilsonville'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis as listed under 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, as listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Urban Renewal Agency of the City of Wilsonville's basic financial statements. The accompanying supplementary data, as listed in the table of contents including the budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

supplementary information, as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 28, 2021, on our consideration of the Urban Renewal Agency of the City of Wilsonville’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 to provide an opinion on compliance.



For Merina+Co
Tualatin, Oregon
December 28, 2021

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URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE
(a component of the City of Wilsonville, Oregon)
Management's Discussion and Analysis
For the Year Ended June 30, 2021

As management of the City of Wilsonville's Urban Renewal Agency (the "Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. The focus is on current year activities and should be read in conjunction with the financial statements that follow.

REPORT LAYOUT

The report consists of agency-wide statements, fund financial statements, notes to the statements, and supplementary information. The agency-wide statements include the Statement of Net Position and the Statement of Activities.

Statement of Net Position – The Statement of Net Position provides a focus on the unrestricted assets related to the Agency's governmental activities. This statement reflects capital assets including infrastructure and long-term liabilities for the Agency.

Statement of Activities – The Statement of Activities focuses on the program costs and their matching resources. General taxes are the primary resource for funding urban renewal programs. This Statement provides information on the changes to net position.

Fund Statements – Following the agency-wide statements is a section containing fund financial statements. The Agency presents each of its seven funds as major funds.

Notes and Supplementary Information – The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. For each fund a Budgetary Comparison Schedule is presented.

AGENCY AS A WHOLE

Statements of Net Position

TABLE 1
NET POSITION AT JUNE 30, 2021 AND 2020
(in thousands)

	Governmental Activities	
	2021	2020
Assets:		
Cash and investments	\$ 38,373	\$ 38,234
Other assets	425	390
Capital assets	17,398	12,974
Total assets	56,196	51,599
Liabilities:		
Other liabilities	99	833
Long-term debt	27,549	29,978
Total liabilities	27,648	30,811
Net position:		
Net investment in capital assets	(9,708)	(14,519)
Restricted for debt service	28,116	22,514
Unrestricted (deficit)	10,140	12,792
Total net position	\$ 28,548	\$ 20,788

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE
(a component of the City of Wilsonville, Oregon)
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Highlights of Net Position

- Capital assets increased \$4.4 million. The increase was due primarily to the increase in construction on the East-West Connector project as well as the Garden Acres Road project. The change in capital assets is also reflected in the change of net investment in capital assets.
- Long-term debt decreased \$2.4 million. The increase was due to the regularly scheduled repayment of debt in accordance with the established bond amortization schedules.

Statements of Activities

TABLE 2
FOR FISCAL YEARS ENDING JUNE 30, 2021 AND 2020
(in thousands)

	Governmental Activities	
	2021	2020
General revenues		
Taxes	\$ 9,386	\$ 9,429
Intergovernmental	-	200
Interest	434	832
Other	155	152
Total revenues	<u>9,976</u>	<u>10,614</u>
Expenses		
Community development	840	1,260
Interest on debt	1,132	1,238
Total expenses	<u>1,972</u>	<u>2,498</u>
Revenues over expenses	8,004	8,116
Transfer of assets		
to primary government	(243)	(5,564)
Change in net position	7,761	2,552
Beginning net position (deficit)	20,788	18,236
Ending net position (deficit)	<u>\$ 28,548</u>	<u>\$ 20,788</u>

Highlights of Activities

- Tax increment revenue totaled \$9.4 million and is restricted to repayment of debt. This revenue has decreased 0.5% from the prior year.
- There were \$0.2 million in transfers of completed urban renewal improvement projects to the City.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE
(a component of the City of Wilsonville, Oregon)
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Budgetary Highlights

The Agency's adopted budget was amended two times during the fiscal year. The first amendment increased the Year 2000 Plan Capital Projects Fund budget by \$1,955,473 with \$1,935,473 for capital outlay and \$20,000 for materials and services costs related to the 5th Street to Kinsman Extension project. The first amendment also increased the budget of the Coffee Creek Capital Projects Fund by \$158,737 to recognize additional funding available for the Garden Acres Road project. The second amendment increased the materials and services in both the West Side Program Income Fund and the Year 2000 Program Income Fund by \$40,000 each. This amendment was approved to provide funding for the Restaurant Relief Program.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

The West Side Plan Debt Service Fund ending fund balance increased by \$2.5 million to \$16 million at year end. Revenues are primarily from property taxes and expenditures consist of debt service (principal and interest) payments.

The West Side Plan Capital Projects Fund ending fund balance decreased by \$0.3 million to \$0.3 million at year end. There are no significant revenue resources for this fund and expenditures primarily consist of materials and services and capital outlay designed to consume this fund balance.

The West Side Plan Program Income Fund ending fund balance remained consistent with \$0.2 million at year end. There are no significant revenue resources for this fund and expenditures primarily consist of materials and services and capital outlay designed to consume this fund balance.

The Year 2000 Plan Debt Service Fund ending fund balance increased by \$3.6 million to \$11.3 million at year end. Revenues are primarily from property taxes and expenditures consist of debt service (principal and interest) payments.

The Year 2000 Plan Capital Projects Fund ending fund balance decreased by \$2.4 million to \$8.8 million at year end. Expenditures primarily consist of materials and services and capital outlay designed to consume this fund balance.

The Year 2000 Plan Program Income Fund ending fund balance increased by \$0.1 million to \$1.0 million at year end. Revenues are primarily from property taxes and expenditures consist of debt service (principal and interest) payments.

The Coffee Creek Debt Service Fund ending fund balance decreased by \$0.5 million to \$0.0 million at year end. Revenues are primarily from property taxes, there were no expenditures in the current year.

The Coffee Creek Capital Projects Fund ending fund balance decreased by \$2.0 million to \$0.4 million at year end. There are no significant revenue resources for this fund and expenditures primarily consist of materials and services and capital outlay designed to consume this fund balance.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE
(a component of the City of Wilsonville, Oregon)
Management's Discussion and Analysis
For the Year Ended June 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021 the Agency had invested \$17.4 million in capital assets as reflected in the following table.

TABLE 3
CAPITAL ASSETS AT JUNE 30, 2021 AND 2020
(in thousands)

	Governmental Activities	
	2021	2020
Land	\$ 7,163	\$ 7,163
Buildings & improvements	875	928
Construction in progress	9,360	4,883
Total	\$ 17,398	\$ 12,974

As of June 30, 2021, land held includes possible future park and recreation sites. The Year 2000 Plan District includes property acquired in a prior year from the Wesleyan Church and property north of City Hall which is held for future development. The West Side District includes property acquired in the Villebois area. The increase in construction in progress is predominately related to improvements on projects including the East-West Connector project as well as the Garden Acres Road project. Generally, at the completion of a project the capital assets are transferred to the City at cost. Additional information about the Agency's capital assets and depreciation can be found beginning on page 32 in the Notes to the Basic Financial Statements.

Debt Outstanding

As of year-end, the Agency had \$27.5 million in debt outstanding, \$2.4 million less than the prior year. Of the outstanding debt, \$3.5 million is from the Coffee Creek District, \$4.4 million is from the Year 2000 Plan District, and the remaining \$19.7 million is from the West Side District. Additional information about the Agency's debt and amortization terms can be found beginning on page 32 of the Notes to the Basic Financial Statements.

TABLE 4
DEBT OUTSTANDING AT JUNE 30, 2021 AND 2020
(in thousands)

	Governmental Activities	
	2021	2020
Coffee Creek District:		
Series 2019 Bonds	\$ 3,501	\$ 3,663
Year 2000 Plan District:		
Series 2010 Bonds	4,395	4,785
West Side District:		
Series 2009 Bonds	4,980	5,505
Series 2011 Credit Facility	3,025	3,260
Series 2012 Credit Facility	5,035	5,410
Series 2013 Credit Facility	4,780	5,095
Series 2015 A- Taxable	1,832	2,261
	\$ 27,549	\$ 29,978

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE
(a component of the City of Wilsonville, Oregon)
Management’s Discussion and Analysis
For the Year Ended June 30, 2021

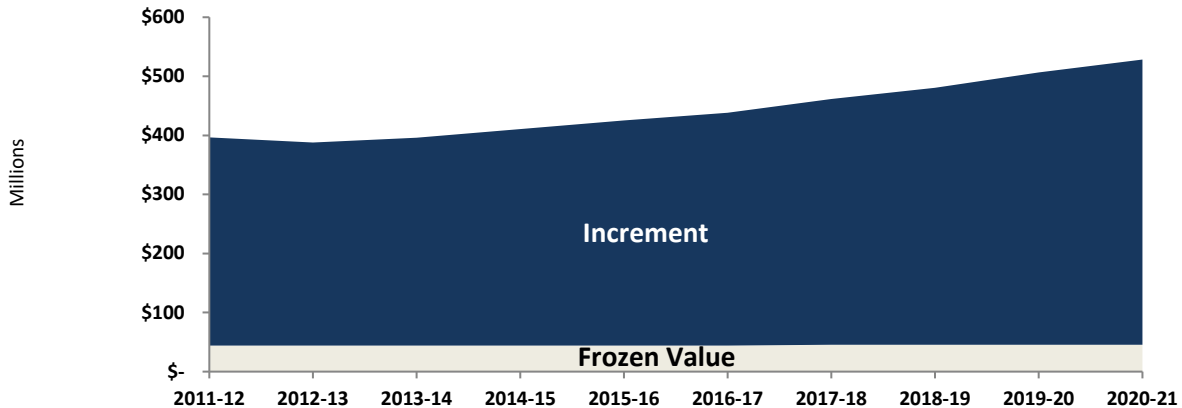
ECONOMIC FACTORS

The Urban Renewal Agency continues to be an important partner in economic development within the City of Wilsonville, providing necessary infrastructure improvements to support continued growth and quality of service to those within the Agency’s boundaries. Increasing property values within the boundaries of the Agency translate into increasing tax increment revenue available. That tax increment revenue is then used to pay debt service on bonds issued to fund projects and improvements. The following tables illustrate the growth of assessed values within the Agency’s three established districts.

Year 2000 Plan District

For many years the Year 2000 Plan District has enjoyed a continuous growth in its incremental value. In 2004-05 the Board approved the removal of certain taxable properties from the District. Since then other removals have occurred, each reduction with the intent to limit tax increment revenues to approximately \$4 million per year. Beginning in fiscal year 2010-11 the Agency chose to under levy to achieve the \$4 million level. This level is sufficient to cover debt service requirements for existing and planned future debt.

TABLE 5
YEAR 2000 PLAN ASSESSED VALUES
 (by component)

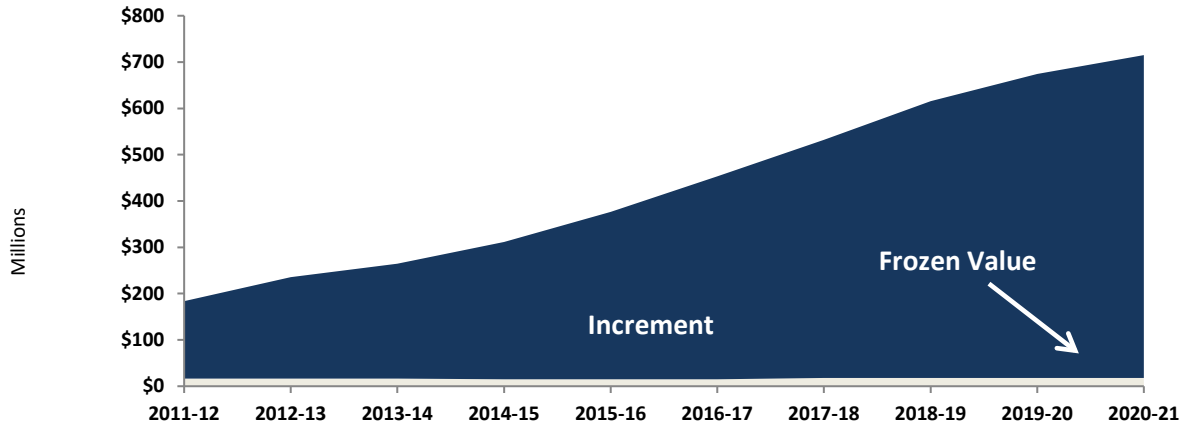


West Side District

In October 2003, the Urban Renewal Board created a new district known as the West Side Urban Renewal Area. As the graph illustrates, the District has experienced rapid growth in assessed value. The tax from the new growth is used to pay the debt service of the District. The increase in the frozen value in 2009-10 is due to the addition of approximately 60 acres to the District including the property on which a Fred Meyer development is located.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE
(a component of the City of Wilsonville, Oregon)
Management’s Discussion and Analysis
For the Year Ended June 30, 2021

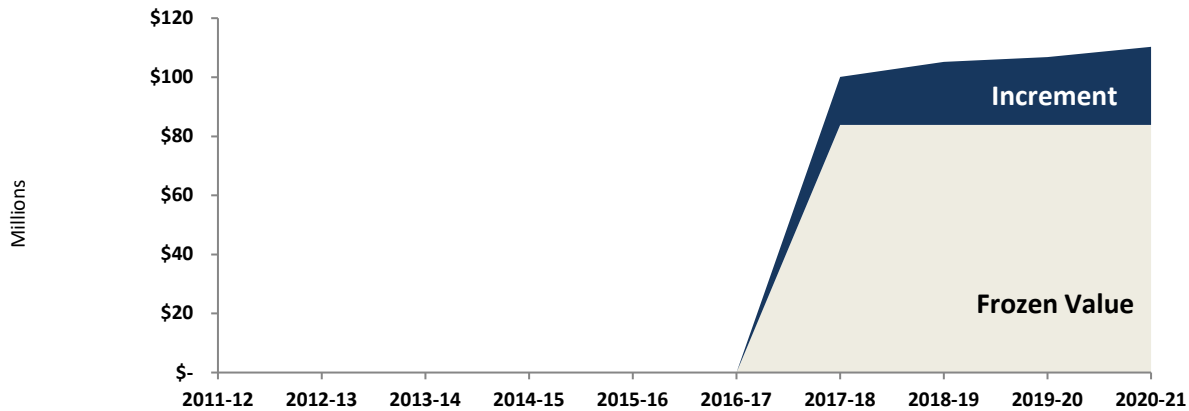
TABLE 6
WEST SIDE DISTRICT ASSESSED VALUES
(by component)



Coffee Creek District

In October 2016, the Urban Renewal Board created a new district known as the Coffee Creek Urban Renewal Area. This new district encompasses approximately 216 acres within the City’s municipal boundaries to foster economic development within this area, primarily focusing on light industrial opportunities.

TABLE 7
COFFEE CREEK DISTRICT ASSESSED VALUES
(by component)



FINANCIAL CONTACT

The Agency’s financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Agency’s finances and to demonstrate the Agency’s accountability. If you have questions about the report or need additional financial information, you should contact the Agency’s Finance Director at 29799 SW Town Center Loop E, Wilsonville, Oregon 97070 or via email to katko@ci.wilsonville.or.us. Financial information for current and prior years is also available at www.ci.wilsonville.or.us.

**BASIC
FINANCIAL
STATEMENTS**

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URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Statement of Net Position

June 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 10,630,483
Restricted cash and investments	27,742,376
Receivables	425,478
Capital assets:	
Land, non-depreciable assets, and construction in progress	16,522,779
Other capital assets, net of depreciation	875,097
Total assets	<u>56,196,213</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	15,298
Interest payable	83,894
Long-term debt due within one year	2,521,296
Noncurrent liabilities:	
Long-term debt due after one year	25,027,534
Total liabilities	<u>27,648,022</u>
NET POSITION	
Net investment in capital assets	(9,708,452)
Restricted for debt service	28,116,240
Unrestricted	10,140,403
Total net position	<u>\$ 28,548,191</u>

The notes to the financial statements are an integral part of this statement.

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URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Statement of Activities

For the year ended June 30, 2021

Functions/Programs	Direct Expenses	Net (Expense) Revenue and Change in Net Position
Governmental activities:		
Community development	\$ 840,344	\$ (840,344)
Interest on long-term debt	1,131,562	(1,131,562)
Total governmental activities	<u>1,971,906</u>	<u>(1,971,906)</u>
General revenues:		
Property taxes, levied for debt service		9,386,130
Investment revenue		434,366
Other revenue		155,053
Total general revenues		<u>9,975,549</u>
Transfer of capital assets to primary government		<u>(243,040)</u>
Total general revenues and transfers		<u>9,732,509</u>
Change in net position		7,760,603
Net position (deficit) - beginning		<u>20,787,588</u>
Net position (deficit) - ending		<u>\$ 28,548,191</u>

The notes to the financial statements are an integral part of this statement.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

**Balance Sheet
Governmental Funds**

June 30, 2021

	West Side Plan		
	Debt Service Fund	Capital Projects Fund	Program Income Fund
ASSETS			
Cash and investments	\$ -	\$ 272,327	\$ 136,637
Restricted cash and investments	16,439,229	-	-
Interest receivable	63,643	1,054	91
Accounts receivable	-	-	-
Taxes receivable	142,689	-	-
Total assets	<u>\$ 16,645,561</u>	<u>\$ 273,381</u>	<u>\$ 136,728</u>
LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>112,975</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	16,532,586	-	-
Assigned	-	273,381	136,728
Total fund balances	<u>16,532,586</u>	<u>273,381</u>	<u>136,728</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 16,645,561</u>	 <u>\$ 273,381</u>	 <u>\$ 136,728</u>

The notes to the financial statements are an integral part of this statement.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Balance Sheet (continued)

Governmental Funds

June 30, 2021

Year 2000 Plan			Coffee Creek		Total Governmental Funds
Debt Service Fund	Capital Projects Fund	Program Income Fund	Debt Service Fund	Capital Projects Fund	
\$ -	\$ 8,829,484	\$ 951,240	\$ -	\$ 440,795	\$ 10,630,483
11,276,692	-	-	26,455	-	27,742,376
43,657	34,153	3,838	102	1,707	148,245
-	-	10,771	-	-	10,771
117,968	-	-	5,805	-	266,462
<u>\$ 11,438,317</u>	<u>\$ 8,863,637</u>	<u>\$ 965,849</u>	<u>\$ 32,362</u>	<u>\$ 442,502</u>	<u>\$ 38,798,337</u>
\$ -	\$ 14,678	\$ 620	\$ -	\$ -	\$ 15,298
94,147	-	-	3,786	-	210,908
11,344,170	-	-	28,576	-	27,905,332
-	8,848,959	965,229	-	442,502	10,666,799
<u>11,344,170</u>	<u>8,848,959</u>	<u>965,229</u>	<u>28,576</u>	<u>442,502</u>	<u>38,572,131</u>
<u>\$ 11,438,317</u>	<u>\$ 8,863,637</u>	<u>\$ 965,849</u>	<u>\$ 32,362</u>	<u>\$ 442,502</u>	<u>\$ 38,798,337</u>

The notes to the financial statements are an integral part of this statement.

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URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position**

June 30, 2021

Total fund balances - governmental funds	\$ 38,572,131
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	17,397,876
Deferred inflows of resources, including property taxes earned but unavailable, are reported in the funds	210,908
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds:	
Notes and bonds payable	(27,548,830)
Interest payable on long-term debt	(83,894)
Total Net Position	<u>\$ 28,548,191</u>

The notes to the financial statements are an integral part of this statement.

URBAN RENEWAL AGENCY OF WILSONVILLE
(a component unit of the City of Wilsonville, Oregon)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the year ended June 30, 2021

	West Side Plan		
	Debt Service Fund	Capital Projects Fund	Program Income Fund
REVENUES			
Taxes	\$ 5,027,171	\$ -	\$ -
Investment revenue	173,109	6,050	1,577
Other revenues	-	-	-
Total revenues	<u>5,200,280</u>	<u>6,050</u>	<u>1,577</u>
EXPENDITURES			
Current operating:			
Community development	-	290,729	40,000
Debt service:			
Principal	1,878,355	-	-
Interest	813,165	-	-
Capital outlay	-	-	-
Total expenditures	<u>2,691,520</u>	<u>290,729</u>	<u>40,000</u>
Excess (deficiency) of revenues over (under) expenditures	2,508,760	(284,679)	(38,423)
OTHER FINANCING SOURCES			
Issuance of debt	-	-	-
Net change in fund balance	2,508,760	(284,679)	(38,423)
Fund balances - beginning	<u>14,023,826</u>	<u>558,060</u>	<u>175,151</u>
Fund balances - ending	<u><u>\$ 16,532,586</u></u>	<u><u>\$ 273,381</u></u>	<u><u>\$ 136,728</u></u>

The notes to the financial statements are an integral part of this statement.

URBAN RENEWAL AGENCY OF WILSONVILLE
(a component unit of the City of Wilsonville, Oregon)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the year ended June 30, 2021

Year 2000 Plan			Coffee Creek		Total Governmental Funds
Debt Service Fund	Capital Projects Fund	Program Income Fund	Debt Service Fund	Capital Projects Fund	
\$ 4,041,175	\$ -	\$ -	\$ 324,542	\$ -	\$ 9,392,888
103,523	121,146	9,115	2,293	17,553	434,366
-	-	155,053	-	-	155,053
<u>4,144,698</u>	<u>121,146</u>	<u>164,168</u>	<u>326,835</u>	<u>17,553</u>	<u>9,982,307</u>
-	630,372	58,544	-	41,179	1,060,824
390,000	-	-	661,244	-	2,929,599
203,363	-	-	117,176	-	1,133,704
-	1,927,340	-	-	2,518,744	4,446,084
<u>593,363</u>	<u>2,557,712</u>	<u>58,544</u>	<u>778,420</u>	<u>2,559,923</u>	<u>9,570,211</u>
3,551,335	(2,436,566)	105,624	(451,585)	(2,542,370)	412,096
-	-	-	-	500,000	500,000
3,551,335	(2,436,566)	105,624	(451,585)	(2,042,370)	912,096
<u>7,792,835</u>	<u>11,285,525</u>	<u>859,605</u>	<u>480,161</u>	<u>2,484,872</u>	<u>37,660,035</u>
<u>\$ 11,344,170</u>	<u>\$ 8,848,959</u>	<u>\$ 965,229</u>	<u>\$ 28,576</u>	<u>\$ 442,502</u>	<u>\$ 38,572,131</u>

The notes to the financial statements are an integral part of this statement.

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URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE
(a component unit of the City of Wilsonville, Oregon)
**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds to the
Statement of Activities**
For the year ended June 30, 2021

Net change in fund balances - governmental funds	\$	912,096
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*Amounts reported for governmental activities in the
Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures
while governmental activities report additions to capital assets.

Expenditures for capital assets	\$	4,719,600	
Transfer of capital assets to the City		(243,040)	
Less current year depreciation		(53,036)	
		4,423,524	

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

Property taxes	(6,758)
----------------	---------

Repayment of bond principal is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the Statement of Net Position.

Bond and loan proceeds	(500,000)
Principal payments	2,429,599
Repayment of overnight loan from the City	500,000

Some expenses reported in the Statement of Activities
do not require the use of current financial resources
and therefore are not reported as expenditures in
governmental funds.

Accrued interest	2,142
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Change in Net Position	\$	7,760,603
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URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for the Urban Renewal Agency (the “Agency”) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The Agency

The Urban Renewal Agency, a component unit of the City of Wilsonville, Oregon, was organized on June 4, 1990 and commenced operations during Fiscal Year 1993 under the provisions of Oregon Revised Statutes, Chapter 457 (ORS 457), to provide for rehabilitation of blighted and deteriorated areas within the City’s designated urban renewal areas. As provided by ORS 457, the Wilsonville City Council comprises the Urban Renewal Agency’s Board. The principal funding source is from bond sales, which are repaid from tax increment revenues and interest earnings. Project management and administration are performed by City personnel.

The Agency is a legally separate entity governed by the Agency’s Board. 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 of the Governmental Accounting Standards Board, the Agency is considered a component unit of the City of Wilsonville and the Agency’s financial activities are included as a blended component unit in the basic financial statements of the City.

The Agency has no potential component units.

Basic Financial Statements

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

The agency-wide financial statements display information about the Urban Renewal Agency as a whole. The focus is on its sustainability. As such, the reporting presents the change in the aggregate financial position of the Agency, 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 Net Position demonstrates the Agency’s financial position by displaying the difference between its total assets and total liabilities. The net position is further subdivided into three categories: net investment in capital assets, restricted for debt service and unrestricted.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses and revenues are clearly identifiable with a specific function. All costs are supported by general revenues which include property taxes and interest earnings.

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 activities. Currently, the Agency has only governmental fund types.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

Basis of Presentation

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 balance, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

GAAP set 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. For purposes of presentation, each of the Agency's funds is presented as a major fund.

Debt Service Funds - Account for the accumulation of resources and payment of principal and interest on the Urban Renewal Bonds. The principal sources of revenue are tax increment revenues and interest earnings.

Capital Projects Funds - Account for the acquisition and development of capital assets. The principal revenue sources are bond proceeds and interest earnings.

Program Income Funds - Accounts for Urban Renewal projects funded from program income.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded, regardless of the measurement focus.

The *Agency-Wide Financial Statements* are presented on a *full accrual* basis of accounting with an *economic resource* measurement focus. An economic resource focus concentrates on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

The *Fund Financial Statements* are presented on a *modified accrual* basis of accounting with a *current financial resource* measurement focus. This measurement focus concentrates on the fund's resources available for spending in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual 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, the Agency considers revenues 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 full accrual accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the agency-wide statements, reconciliations are provided to explain the differences between the fund financial statements and the agency-wide statements.

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

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, short-term investments with original or remaining maturities of three months or less when purchased, and cash and investments in the investment pool maintained by the Agency. Investments are stated at the mark to market rate.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

Receivables and Payables

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15 and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. All property taxes receivable are due from property owners within the urban renewal area.

In the fund financial statements, property taxes receivable that have been collected within 60 days of fiscal year-end are considered measurable and available and are recognized as revenue. The remaining balance is recorded as a deferred inflow of resource as it is deemed unavailable to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the property. In the agency-wide financial statements, property taxes receivable is recognized as revenue when earned.

Capital Assets

Capital assets which include property and infrastructure (e.g. roads, pathways, street lights, parks, etc.) are reported in the agency-wide financial statements. Capital assets are defined by the Agency as assets with an initial individual cost of \$5,000 or more, and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value as of the date of donation. In the governmental fund statements, capital assets are charged to expenditures as purchased.

Generally, when construction projects are completed, the project's capital assets are transferred from the Agency to the City of Wilsonville at cost. Land and related improvements are transferred from the Agency to the City when the property has been developed and open for public use. Proceeds from the sale of capital assets held by the Agency are recognized as program income within the Agency. Once transferred to the City any subsequent sale is recognized and reported by the City.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position, and is provided on the straight-line basis over the following estimated useful lives:

ASSET	YEARS
Buildings and improvements	25-40
Improvements other than buildings	10-20
Infrastructure	20-40

One-half year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

Long-Term Debt

In the agency-wide financial statements, long-term debt is reported as a liability of the governmental activities in the Statement of Net Position. 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.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 net 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.

Net Position Flow Assumption

Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the agency-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These fund balances categories are:

- *Non-spendable*: Includes resources that are either in a non-spendable form or legally or contractually required to be maintained intact. Resources in non-spendable form include inventories, prepaids and deposits, and assets held for resale.
- *Restricted*: Includes resources that are restricted by external creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- *Committed*: Includes amounts that can only be used for the specific purposes determined by a resolution approved by the Agency governing body. Commitments may be established, modified, or rescinded only through an approved resolution by the Agency's governing body.
- *Assigned*: Represents amounts that reflect the Agency's intended use of resources. Authority to classify a portion of fund balance as assigned is explicitly granted to the Agency Board of Directors, City Manager, and the Finance Director as part of the yearly budget resolution passed and approved by the Urban Renewal Agency, Board of Directors.
- *Unassigned*: This classification is used to report any deficit fund balance amounts.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

Fund balance by classification for the year ended June 30, 2021 is as follows:

Fund balances	West Side Plan			Year 2000 Plan			Coffee Creek	
	Debt Service	Capital Projects	Program Income	Debt Service	Capital Projects	Program Income	Debt Service	Capital Projects
Restricted:								
Debt service	\$ 16,532,586	\$ -	\$ -	\$ 11,344,170	\$ -	\$ -	\$ 28,576	\$ -
Assigned:								
Capital projects	-	273,381	-	-	8,846,959	-	-	442,502
Other purposes	-	-	136,728	-	-	965,229	-	-
	<u>\$ 16,532,586</u>	<u>\$ 273,381</u>	<u>\$ 136,728</u>	<u>\$ 11,344,170</u>	<u>\$ 8,846,959</u>	<u>\$ 965,229</u>	<u>\$ 28,576</u>	<u>\$ 442,502</u>

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets for Agency funds are adopted in accordance with Oregon Revised Statutes (ORS 294 – Local Budget Law). The process under which the budget is adopted is described below.

Each May, the proposed budget is submitted to the Budget Committee (consisting of the Agency Board members and an equal number of appointed citizens). The Agency is required to budget all funds. The budget is prepared for each fund on the modified accrual basis of accounting in accordance with state budget laws. Estimated revenues and expenditures are budgeted for by fund, program and object. Information on the past two years’ actual revenues, expenditures, and ending fund balances, as well as current year estimates, are included in the budget document.

The Budget Committee conducts public hearings for the purpose of obtaining citizens’ comments, and then approves a budget and submits it to the Agency Board for final adoption. The approved expenditures for each fund may not be increased by more than 10% by the Board without additional public hearings and notice requirements. After the Board adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The Board legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The budgets are adopted and monitored at the program level with the exception of contingency, debt service and transfers out. The exceptions are adopted and monitored at the object group level. Appropriations lapse as of year-end.

The Board may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Additional resources that are unexpected may be added to the budget through the use of a supplemental budget, which requires publication in a local newspaper, a public hearing and approval by the Board. Expenditure appropriations may not be legally exceeded except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. During the fiscal year ended June 30, 2021, the Urban Renewal Agency Board approved two supplemental resolutions. The supplementals included increases to various capital projects and the related project management fees. Most of the additional increases to the budget were offset by a decrease in contingency.

Excess of Expenditures Over Appropriations

There was one instance of expenditures exceeding appropriations in the amount of \$420 for debt service in the Coffee Creek Plan Debt Service Fund, for the fiscal year.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

3. DETAILED NOTES ON ALL FUNDS

Cash and Investments

Cash and investments are comprised of the following at June 30, 2021:

Deposits with financial institutions		\$	2,194,271
Investments:			
Commercial paper and corporate bonds	\$	12,194,026	
US Agency obligations		11,689,121	
Local government investment pool		<u>12,295,440</u>	
Total investments			<u>36,178,588</u>
Total pooled cash and investments		\$	<u><u>38,372,859</u></u>

Cash and investments are reflected on the balance sheet as follows:

Cash and investments	\$	10,630,483
Restricted cash and investments		<u>27,742,376</u>
	\$	<u><u>38,372,859</u></u>

The Agency participates in the State of Oregon Local Investment Pool (LGIP or Pool) which is an open-ended, no-load diversified portfolio created under ORS 294.805 to 294.895 and is not registered with the U.S. Securities and Exchange Commission as an investment company. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, like that of a prudent investor, exercising reasonable care, skill, and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Funds Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State’s Office audits the Pool annually. The Division’s report on the Pool may be obtained at the Oregon State Treasury, 350 Winter St. NE, Ste 100, Salem, OR 97310.

The Agency’s position in pool at June 30, 2021 is stated at cost which approximates fair value. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets. All investments are valued using quoted market prices (Level 1 inputs).

<u>Municipal and US Agency Corporations (Level 1)</u>	<u>Commercial Paper And Corporate Bonds (Level 2)</u>	<u>Local Government Investment Pool (Level 2)*</u>
\$ 11,689,121	\$ 12,194,026	\$ 12,295,440

Reference should be made to the City of Wilsonville’s Comprehensive Annual Financial Report for the year ended June 30, 2021 for further information on compliance with Oregon Revised Statutes relating to the collateralization of deposits and categorization of investments.

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

Credit Risk

As required by the Agency's investment policy, which adheres to the State of Oregon statutes, all investments were rated A1 through AAA by the Moody's Investor Services or Standard and Poor's reporting agencies. The State of Oregon Local Government Investment Pool is not rated.

At June 30, 2021, the Agency's investments were rated as follows:

	Commercial Paper and Corporate Bonds	Municipal and US Agency Corporations	Local Government Investment Pool
AAA	\$ -	\$ 7,441,408	\$ -
AA3	4,637,171	647,626	-
AA2	1,421,711	400,315	-
AA1	1,044,736	251,155	-
A3	252,301	-	-
A2	3,817,670	-	-
A1	1,020,437	-	-
A	-	-	-
Not Rated	-	2,948,618	12,295,440
	<u>\$ 12,194,026</u>	<u>\$ 11,689,121</u>	<u>\$ 12,295,440</u>

Concentration of Risk

The City's investment policy, as it relates to investing outside of the LGIP, does not allow for an investment in any single corporate entity and its affiliates or subsidiaries that is in excess of five percent of the City's total investments (ORS 294.035). Additionally, the policy requires the maximum investments in aggregate for all commercial paper and corporate bonds to be limited to 35% of the total investment portfolio.

Interest Rate Risk

The Agency's investment policy explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates. For commercial paper and corporate bonds, the maximum maturity is 18 months. The Agency intends to hold all investment until maturity.

Maturities of investments as of June 30, 2021 are as follows:

	Less than 6 Months	6-12 Months	12-18 Months	Total
Commercial Paper and Corporate Bonds	\$ 3,356,293	\$ 7,256,124	\$ 1,581,610	\$ 12,194,026
Municipal and US Agency Corporations	1,205,440	3,760,470	6,723,211	11,689,121
Local Government Investment Pool	12,295,440	-	-	12,295,440
	<u>\$ 16,857,173</u>	<u>\$ 11,016,594</u>	<u>\$ 8,304,821</u>	<u>\$ 36,178,588</u>

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

Capital Assets

Capital assets for urban renewal activities, net of depreciation, consist of the items listed below:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Depreciation</u>	<u>Transfers to City</u>	<u>Balance June 30, 2021</u>
Land	\$ 7,163,066	\$ -	\$ -	\$ -	\$ -	\$ 7,163,066
Building	928,133	-	-	(53,036)	-	875,097
Construction in progress	4,883,153	4,719,600	-	-	(243,040)	9,359,713
	<u>\$ 17,373,562</u>	<u>\$ 4,719,600</u>	<u>\$ -</u>	<u>\$ (53,036)</u>	<u>\$ (243,040)</u>	<u>\$ 17,397,876</u>

Debt

In the following paragraphs, long-term debt information is presented separately with respect to each debt obligation. The table below presents current year changes in those obligations, and the current portions due for each issue.

	<u>Balance July 1, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2021</u>	<u>Due In Subsequent Year</u>
Urban Renewal, Coffee Creek District					
Series 2019 Bonds	\$ 3,662,671	\$ -	\$ (161,244)	\$ 3,501,427	\$ 166,429
Urban Renewal, Year 2000 District					
Series 2010 Bonds	4,785,000	-	(390,000)	4,395,000	405,000
Urban Renewal, West Side District					
Series 2009 Bonds	5,505,000	-	(525,000)	4,980,000	550,000
Series 2011 Long-Term	3,260,000	-	(235,000)	3,025,000	245,000
Series 2012 Long-Term	5,410,000	-	(375,000)	5,035,000	385,000
Series 2013 Long-Term	5,095,000	-	(315,000)	4,780,000	330,000
Series 2015A- Taxable	2,260,758	-	(428,355)	1,832,403	439,867
	<u>\$ 29,978,429</u>	<u>\$ -</u>	<u>\$ (2,429,599)</u>	<u>\$ 27,548,830</u>	<u>\$ 2,521,296</u>

Urban Renewal Tax Increment

Coffee Creek District, Series 2019

In April 2019, the City issued Urban Renewal revenue bonds with an interest rate of 3.19% in the total amount of \$3,800,000. The final maturity will be in June 2029. The principal balance outstanding on the bonds at June 30, 2021 is \$3,501,427.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 166,429	\$ 110,379
2023	171,781	105,027
2024	177,304	99,504
2025	183,006	93,802
2026	188,890	87,918
2027-2029	2,614,017	226,526
	<u>\$ 3,501,427</u>	<u>\$ 723,156</u>

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

Year 2000 Plan District, Series 2010

In December 2010, the City issued Urban Renewal revenue bonds with an interest rate of 4.35% in the total amount of \$8,000,000. The final maturity will be in June 2025. The principal balance outstanding on the bonds at June 30, 2021 is \$4,395,000.

Year Ending		
June 30,	Principal	Interest
2022	\$ 405,000	\$ 186,788
2023	420,000	169,575
2024	440,000	151,725
2025	3,130,000	133,025
	<u>\$ 4,395,000</u>	<u>\$ 641,113</u>

West Side District-Series 2009

In February 2009, the City issued Urban Renewal revenue bonds for the Urban Renewal West Side District. The issue, in the amount of \$10,000,000, carries an interest rate of 4.9%. The final maturity will be December 2023. The balance outstanding as of June 30, 2021 is \$4,980,000.

Year Ending		
June 30,	Principal	Interest
2022	\$ 550,000	\$ 230,545
2023	575,000	202,983
2024	3,855,000	94,447
	<u>\$ 4,980,000</u>	<u>\$ 527,975</u>

West Side District-Series 2011

In June 2011, the Agency converted a short-term, interest only line of credit to long-term debt. The issue, in the amount of \$5,000,000, carries an interest rate of 4.65%. The final maturity will be June 2026. The balance outstanding at June 30, 2021 is \$3,025,000.

Year Ending		
June 30,	Principal	Interest
2022	\$ 245,000	\$ 133,100
2023	260,000	122,320
2024	270,000	110,880
2025	280,000	99,000
2026	1,970,000	86,680
	<u>\$ 3,025,000</u>	<u>\$ 551,980</u>

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

West Side District-Series 2012

In June 2012, the Agency converted a short-term, interest only line of credit to long-term debt. The issue, in the amount of \$8,000,000, carries an interest rate of 3.40%. The final maturity will be June 2027. The balance outstanding at June 30, 2021 is \$5,035,000.

Year Ending June 30,	Principal	Interest
2022	\$ 385,000	\$ 166,155
2023	400,000	153,450
2024	410,000	140,250
2025	425,000	126,720
2026	440,000	112,695
2027	2,975,000	98,175
	<u>\$ 5,035,000</u>	<u>\$ 797,445</u>

West Side District-Series 2013

In June 2013, the Agency converted a short-term, interest only line of credit to long-term debt. The issue, in the amount of \$7,000,000, carries an interest rate of 3.499%. The final maturity will be June 2028. The balance outstanding at June 30, 2021 is \$4,780,000.

Year Ending June 30,	Principal	Interest
2022	\$ 330,000	\$ 167,300
2023	340,000	155,750
2024	350,000	143,850
2025	365,000	131,600
2026	375,000	118,825
2027-2028	3,020,000	197,750
	<u>\$ 4,780,000</u>	<u>\$ 915,075</u>

West Side District-Series 2015 A

In July 2015, the City issued Urban Renewal revenue bonds for the Urban Renewal West Side District. The issue, in the amount of \$4,250,000, carries an interest rate of 2.63%. The final maturity will be June 2025. The balance outstanding at June 30, 2021 is \$1,832,403.

Year Ending June 30,	Principal	Interest
2022	\$ 439,867	\$ 44,475
2023	451,714	32,628
2024	463,828	20,515
2025	476,994	7,970
	<u>\$ 1,832,403</u>	<u>\$ 105,588</u>

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

(a component unit of the City of Wilsonville, Oregon)

Notes to the Basic Financial Statements

June 30, 2021

4. OTHER INFORMATION

Property Tax Limitation

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into those for the public school system and those for local government operations. The limitation specifies \$10 as the maximum allowable tax for each \$1,000 of property real market value imposed by local governments other than schools. Urban renewal debt is not exempted from the limitation and must be levied within the \$10 cap. Because overlapping local government rates have been less than \$10 this limitation has not adversely affected the Agency.

In May 1997, Oregon voters approved a property tax measure that rolled back assessed values to 90% of the 1995-96 amounts and limits future years' growth to 3% with exceptions for substantial improvements. The measure also created a fixed property tax rate for each government's operating levy. Additionally, the measure states that the Legislative Assembly shall enact laws that allow collection of ad valorem property taxes sufficient to pay indebtedness incurred to carry out urban renewal plans. These collections shall cease when the indebtedness is paid.

Encumbrance Accounting

All outstanding encumbrances lapse at year-end and are reappropriated as required to the subsequent year.

Tax Abatement

The Agency has authorized tax exempt status for five low income apartment complexes: Autumn Park Apartments, Charleston Apartments, Creekside Woods, Rain Garden Apartments and Wiedemann Apartments. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is being used for any purpose other than the provision of low income housing, or if the property is no longer eligible under the stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2021 the Agency's forgone property tax revenue is \$40,454.

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**SUPPLEMENTARY
DATA**

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CITY OF WILSONVILLE, OREGON
Urban Renewal - West Side Plan Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Taxes	\$ 5,084,500	\$ 5,084,500	\$ 5,027,171	\$ (57,329)
Investment revenue	115,000	115,000	173,109	58,109
Total revenues	<u>5,199,500</u>	<u>5,199,500</u>	<u>5,200,280</u>	<u>780</u>
EXPENDITURES				
Debt service:				
Principal	1,900,000	1,900,000	1,878,355	21,645
Interest	825,000	825,000	813,165	11,835
Contingency	<u>13,757,038</u>	<u>13,757,038</u>	-	<u>13,757,038</u>
Total expenditures	<u>16,482,038</u>	<u>16,482,038</u>	<u>2,691,520</u>	<u>13,790,518</u>
Net change in fund balances	(11,282,538)	(11,282,538)	2,508,760	13,791,298
Fund balances - beginning	<u>14,082,538</u>	<u>14,082,538</u>	<u>14,023,826</u>	<u>(58,712)</u>
Fund balances - ending	<u>\$ 2,800,000</u>	<u>\$ 2,800,000</u>	<u>\$ 16,532,586</u>	<u>\$ 13,732,586</u>

CITY OF WILSONVILLE, OREGON
Urban Renewal - West Side Plan Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment revenue	\$ 17,700	\$ 17,700	\$ 6,050	\$ (11,650)
EXPENDITURES				
Materials and services	1,000,970	1,000,970	854,124	146,846
Contingency	119,221	119,221	-	119,221
Total expenditures	<u>1,120,191</u>	<u>1,120,191</u>	<u>854,124</u>	<u>266,067</u>
Net change in fund balances	(1,102,491)	(1,102,491)	(848,074)	254,417
Fund balances - beginning	<u>1,102,491</u>	<u>1,102,491</u>	<u>1,121,455</u>	<u>18,964</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 273,381</u></u>	<u><u>\$ 273,381</u></u>

CITY OF WILSONVILLE, OREGON
Urban Renewal - West Side Plan Program Income Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment revenue	\$ 1,800	\$ 1,800	\$ 1,577	\$ (223)
EXPENDITURES				
Materials and services	-	40,000	40,000	-
Contingency	185,247	145,247	-	145,247
Total expenditures	185,247	185,247	40,000	145,247
Net change in fund balances	(183,447)	(183,447)	(38,423)	145,024
Fund balances - beginning	183,447	183,447	175,151	(8,296)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,728</u>	<u>\$ 136,728</u>

CITY OF WILSONVILLE, OREGON
Urban Renewal - Year 2000 Plan Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,074,200	\$ 4,074,200	\$ 4,041,175	\$ (33,025)
Investment revenue	132,200	132,200	103,523	(28,677)
Total revenues	<u>4,206,400</u>	<u>4,206,400</u>	<u>4,144,698</u>	<u>(61,702)</u>
EXPENDITURES				
Debt service:				
Principal	392,500	392,500	390,000	2,500
Interest	205,000	205,000	203,363	1,637
Contingency	9,022,847	9,022,847	-	9,022,847
Total expenditures	<u>9,620,347</u>	<u>9,620,347</u>	<u>593,363</u>	<u>9,026,984</u>
Net change in fund balances	(5,413,947)	(5,413,947)	3,551,335	8,965,282
Fund balances - beginning	<u>7,913,947</u>	<u>7,913,947</u>	<u>7,792,835</u>	<u>(121,112)</u>
Fund balances - ending	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 11,344,170</u>	<u>\$ 8,844,170</u>

CITY OF WILSONVILLE, OREGON
Urban Renewal - Year 2000 Plan Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment revenue	\$ 89,600	\$ 89,600	\$ 121,146	\$ 31,546
EXPENDITURES				
Materials and services	611,260	631,260	630,372	888
Capital outlay	7,500,000	9,435,473	1,927,340	7,508,133
Contingency	1,192,353	1,192,353	-	1,192,353
Total expenditures	<u>9,303,613</u>	<u>11,259,086</u>	<u>2,557,712</u>	<u>8,701,374</u>
Net change in fund balances	(9,214,013)	(11,169,486)	(2,436,566)	8,732,920
Fund balances - beginning	<u>9,214,013</u>	<u>11,169,486</u>	<u>11,285,525</u>	<u>116,039</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,848,959</u>	<u>\$ 8,848,959</u>

CITY OF WILSONVILLE, OREGON
Urban Renewal - Year 2000 Plan Program Income Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 8,600	\$ 8,600	\$ 9,115	\$ 515
Other revenues	150,000	150,000	155,053	5,053
Total revenues	<u>158,600</u>	<u>158,600</u>	<u>164,168</u>	<u>5,568</u>
EXPENDITURES				
Materials and services	50,000	90,000	58,544	31,456
Contingency	983,666	943,666	-	943,666
Total expenditures	<u>1,033,666</u>	<u>1,033,666</u>	<u>58,544</u>	<u>975,122</u>
Net change in fund balances	(875,066)	(875,066)	105,624	980,690
Fund balances - beginning	<u>875,066</u>	<u>875,066</u>	<u>859,605</u>	<u>(15,461)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 965,229</u>	<u>\$ 965,229</u>

CITY OF WILSONVILLE, OREGON
Urban Renewal - Coffee Creek Plan Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 318,700	\$ 318,700	\$ 324,542	\$ 5,842
Investment revenue	7,400	7,400	2,293	(5,107)
Total revenues	<u>326,100</u>	<u>326,100</u>	<u>326,835</u>	<u>735</u>
EXPENDITURES				
Debt service:				
Principal	662,000	662,000	661,244	756
Interest	116,000	116,000	117,176	(1,176)
Contingency	39,492	39,492	-	39,492
Total expenditures	<u>817,492</u>	<u>817,492</u>	<u>778,420</u>	<u>39,072</u>
Net change in fund balances	(491,392)	(491,392)	(451,585)	39,807
Fund balances - beginning	<u>491,392</u>	<u>491,392</u>	<u>480,161</u>	<u>(11,231)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,576</u>	<u>\$ 28,576</u>

CITY OF WILSONVILLE, OREGON
Urban Renewal - Coffee Creek Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment revenue	\$ 17,900	\$ 17,900	\$ 17,553	\$ (347)
EXPENDITURES				
Materials and services	102,000	102,000	41,179	60,821
Capital outlay	2,500,000	2,658,737	2,518,744	139,993
Contingency	282,166	123,429	-	123,429
Total expenditures	<u>2,884,166</u>	<u>2,884,166</u>	<u>2,559,923</u>	<u>324,243</u>
Excess (deficiency) of revenues over (under) expenditures	(2,866,266)	(2,866,266)	(2,542,370)	323,896
OTHER FINANCING SOURCES (USES)				
Issuance of debt	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	(2,366,266)	(2,366,266)	(2,042,370)	323,896
Fund balances - beginning	<u>2,366,266</u>	<u>2,366,266</u>	<u>2,484,872</u>	<u>118,606</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 442,502</u></u>	<u><u>\$ 442,502</u></u>

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

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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OREGON STATE REGULATION**

Agency Officials
Urban Renewal Agency of the City of Wilsonville
City of Wilsonville, Oregon

We have audited the basic financial statements of the Urban Renewal Agency of the City of Wilsonville, a component unit of the City of Wilsonville, as of and for the year ended June 30, 2021 and have issued our report thereon dated December 28, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State.

Report on Compliance

As part of obtaining reasonable assurance about whether the Urban Renewal Agency of the City of Wilsonville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets. The Agency does not receive highway funds.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The Agency does not have any elected officials collecting or receiving money.

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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows.

Expenditures in the following funds exceeded appropriations for the year ended June 30, 2021:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
UR - Coffee Creek Plan Debt Service Fund	Debt service	\$ 420

Internal Control Over OAR 162-10-0230

In planning and performing our audit of the financial statements, we considered the Urban Renewal Agency of the City of Wilsonville’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Urban Renewal Agency of the City of Wilsonville’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Urban Renewal Agency of the City of Wilsonville’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co
Tualatin, Oregon
December 28, 2021