

City of Bend Urban Renewal Notice

The Urban Renewal Agency of the City of Bend, Oregon (BURA), has prepared the annual urban renewal financial report and an analysis of the impact of carrying out the urban renewal plans on the tax collections for other taxing districts that levy taxes within the urban renewal area. The information contained in the statement is on file with the City and the Agency and is available to all interested persons at 710 NW Wall St, Bend, OR 97703. The Statement is summarized here and reproduced in part in compliance with ORS 457.460.

Summary of Urban Renewal Revenues & Expenditures		
	FY 2018-19 Actual	FY 2019-21 Budget
Revenue		
Urban Renewal general fund	\$ 20,497	\$ 6,100
Juniper Ridge URA capital projects	55,966	-
Juniper Ridge URA debt service	1,269,988	2,105,300
Murphy Crossing URA capital projects	4,303	23,800
Murphy Crossing URA debt service	660,777	515,100
Total	\$ 2,011,531	\$ 2,650,300
Expenditure		
Urban Renewal general fund	\$ 149,131	\$ 1,044,094
Juniper Ridge URA capital projects	166,128	181,900
Juniper Ridge URA debt service	670,324	4,245,416
Murphy Crossing URA capital projects	179,500	62,908
Murphy Crossing URA debt service	420,682	1,023,650
Total	\$ 1,585,765	\$ 6,557,968

Impact on Overlapping Taxing Districts of Property Tax Levied by Urban Renewal Districts for Fiscal Year 2018-19:

Juniper Ridge Urban Renewal								Percent of
					BURA Excess	Division	Taxes	Taxes
		Total	Permanent	Billing	Assessed	of Tax	Levied	Allocated
	District #	Assessed Value	Rate	Rate	Value Used	Imposed (1)	on TAV (1)	to BURA
Taxing District								
Deschutes County	001	\$ 24,215,311,698	\$ 1.2783	\$ 1.2183	\$ 100,156,214	\$ 120,881	\$ 29,877,971	0.40%
County Library	011	24,215,311,698	0.5500	0.5500	100,156,214	53,986	13,362,162	0.40%
Countywide Law Enforcement	020	24,215,311,698	1.2500	1.0800	100,156,214	107,972	26,234,444	0.41%
County Extension/4H	090	24,215,311,698	0.0224	0.0224	100,156,214	1,173	546,138	0.21%
City of Bend	101	11,599,906,280	2.8035	2.8035	100,156,214	280,491	32,635,918	0.86%
911	093	24,215,311,698	0.1618	0.3618	100,156,214	35,208	8,789,642	0.40%
Bend Metro Park & Recreation	301	12,158,903,142	1.4610	1.4610	25,599,198	37,317	17,837,076	0.21%
School District #1	601	17,367,209,529	4.7641	4.7641	100,156,214	476,484	82,483,828	0.58%
High Desert ESD	651	24,215,311,698	0.0964	0.0964	100,156,214	9,389	2,327,797	0.40%
COCC	670	24,215,311,698	0.6204	0.6204	100,156,214	61,027	14,973,267	0.41%

(1) After truncation gain/loss and compression

Murphy Crossing Urban Renewal								
					BURA Excess	Division	Taxes	Percent of
		Total	Permanent	Billing	Assessed	of Tax	Levied	Taxes
	District #	Assessed Value	Rate	Rate	Value Used	Imposed (1)	on TAV (1)	Allocated
								to BURA
<u>Taxing District</u>								
Deschutes County	001	\$ 24,215,311,698	\$ 1.2783	\$ 1.2183	\$ 35,990,273	\$ 43,423	\$ 29,877,971	0.15%
County Library	011	24,215,311,698	0.5500	0.5500	35,990,273	18,778	13,362,162	0.14%
Countywide Law Enforcement	020	24,215,311,698	1.2500	1.0800	35,990,273	38,729	26,234,444	0.15%
County Extension/4H	090	24,215,311,698	0.0224	0.0224	35,990,273	-	546,138	0.00%
City of Bend	101	11,599,906,280	2.8035	2.8035	35,990,273	99,756	32,635,918	0.31%
911	093	24,215,311,698	0.1618	0.3618	35,990,273	12,910	8,789,642	0.15%
Bend Metro Park & Recreation	301	12,158,903,142	1.4610	1.4610	35,990,273	52,476	17,837,076	0.29%
School District #1	601	17,367,209,529	4.7641	4.7641	35,990,273	171,346	82,483,828	0.21%
High Desert ESD	651	24,215,311,698	0.0964	0.0964	35,990,273	2,347	2,327,797	0.10%
COCC	670	24,215,311,698	0.6204	0.6204	35,990,273	22,298	14,973,267	0.15%
(1) After truncation gain/loss and compression								



BEND URBAN RENEWAL AGENCY
A COMPONENT UNIT OF THE CITY OF BEND, OREGON

Annual Financial Report
Fiscal Year Ended June 30, 2019

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CITY OF BEND

**BEND URBAN RENEWAL AGENCY
A COMPONENT UNIT OF THE
CITY OF BEND, OREGON**

Annual Financial Report
Fiscal Year Ended June 30, 2019

Prepared by the City of Bend Finance Department
Sharon Wojda, Chief Financial Officer

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BEND URBAN RENEWAL AGENCY
A COMPONENT UNIT OF THE CITY OF BEND, OREGON
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**BEND URBAN RENEWAL AGENCY
A COMPONENT UNIT OF THE CITY OF BEND, OREGON**

Principal Officials

Board Officials as of June 30, 2019

Chair

Justin Livingston

Board Members

Term Expiration

Bruce Abernethy	December 2020
Barb Campbell	December 2022
Gena Goodman-Campbell	December 2022
Bill Moseley	December 2020
Chris Piper	December 2020
Sally Russell	December 2022

Mailing Address:

Bend City Hall
710 NW Wall Street
Bend, OR 97703

Report of Independent Auditors

Board of Directors
Bend Urban Renewal Agency (A Component of the City of Bend, Oregon)
Bend, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bend Urban Renewal Agency (A Component of the City of Bend, Oregon) (the Agency), as of and for the year ended June 30, 2019 and the related notes to the basic financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information, such as Management's Discussion and Analysis on pages 5 to 11 and the Budgetary Comparison Schedule for the Urban Renewal General Fund on page 30 as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary schedule described above 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 budgetary schedule 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 budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

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

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 27, 2019 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Auditing Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 27, 2019, on our consideration 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 to provide an opinion on compliance.



James C. Lanzarotta, Partner for
Moss Adams, LLP
Eugene, Oregon
December 27, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

This Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the Bend Urban Renewal Agency (BURA) for the fiscal year ended June 30, 2019. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- BURA's assets totaled \$8.6 million at June 30, 2019 and consisted mainly of restricted cash and investments of \$5.6 million and capital assets of \$2.9 million.
- BURA's liabilities totaled \$6.0 million at June 30, 2019 and consisted primarily of debt that was issued to finance Juniper Ridge development and Murphy Crossing improvements and other infrastructure that has since been contributed to the City of Bend.
- Net position was \$2.7 million at June 30, 2019, an increase of \$1.3 million from the previous year.
- Revenues for the fiscal year ended June 30, 2019 totaled \$1.6 million and consisted mainly of property taxes.

THE FINANCIAL STATEMENTS

BURA's basic financial statements and other required supplementary information are presented using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34. The basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

The basic financial statements present financial information about BURA as a whole and about its activities. Following the basic financial statements is the required supplementary information which provides a budgetary comparison for BURA's General Fund. Finally, completing the document is a series of other financial and statistical schedules, and the report of the independent certified public accountants, as required by statute.

Government-wide Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities and are designed to present the financial picture of BURA in a manner similar to a private-sector business, i.e. from the economic resources measurement focus using the accrual basis of accounting.

The Statement of Net Position includes all assets of BURA (including infrastructure) as well as all liabilities (including long-term debt). Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, which is one way to measure BURA's financial health, or financial position. Over time, increases or decreases in BURA's net position may be an indicator of whether its financial health is improving or deteriorating.

The Statement of Activities reports all revenues when earned and expenses when incurred regardless of the timing of related cash flows. The focus of the Statement of Activities is to present the major program costs and match major resources with each. To the extent a program's cost is not recovered by grants and direct charges, it is paid from general taxes and other general resources. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fiscal Year Ended June 30, 2019

Fund Financial Statements

Following the government-wide statements are the fund financial statements. Funds are used to segregate resources for specific activities or objectives. BURA has five (5) governmental funds, all of which are reported as major funds: Urban Renewal General Fund, Murphy Crossing Urban Renewal Debt Service Fund, Juniper Ridge Urban Renewal Debt Service Fund, Murphy Crossing Urban Renewal Construction Fund, and Juniper Ridge Urban Renewal Construction Fund.

The governmental funds' statements emphasize available financial resources rather than net position. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The following reconciliations are provided to facilitate a comparison between governmental funds as reported in the fund financial statements and governmental activities as reported in the government-wide financial statements:

- A reconciliation of the fund balance reported in the governmental funds Balance Sheet to the net position reported on the government-wide Statement of Net Position, and
- A reconciliation of the change in fund balances reported in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances to the change in net position reported in the government-wide Statement of Activities.

Notes to the Basic Financial Statements

The notes provide information that is essential for a full understanding of the data presented in the government-wide and fund financial statements (the basic financial statements). Information such as significant accounting policies and detail of certain assets and liabilities are included in the notes which should be read in conjunction with the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fiscal Year Ended June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section discusses and analyzes significant changes from the prior year.

Statement of Net Position

BURA's net position (assets minus liabilities) totaled \$2.7 million at June 30, 2019 which is an increase of \$1.3 million from the previous year's net position. A condensed version of the Statement of Net Position as of June 30, 2019 and 2018 follows:

Net Position as of June 30 (in thousands)

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Restricted cash and investments	\$ 5,601	\$ 5,176	\$ 425
Current and other assets	40	37	3
Capital assets, net	2,930	2,982	(52)
Total Assets	<u>8,571</u>	<u>8,195</u>	<u>376</u>
Deferred outflows of resources	<u>61</u>	<u>68</u>	<u>(7)</u>
Long-term debt	5,956	6,902	(946)
Line of credit	-	-	-
Other liabilities	25	24	1
Total Liabilities	<u>5,981</u>	<u>6,926</u>	<u>(945)</u>
Net investment in capital assets	902	777	125
Restricted for Urban Renewal	466	770	(304)
Restricted for debt service	-	2,194	(2,194)
Unrestricted (deficit)	1,284	(2,404)	3,688
Total Net Position	<u>\$ 2,652</u>	<u>\$ 1,337</u>	<u>\$ 1,315</u>

Restricted cash and investments increased \$.4 million primarily due to receipt of property tax receipts being in excess of current debt service requirements. Total liabilities decreased by \$.9 million due to the pay down of long-term debts according to terms. Capital assets increased \$.09 million for construction in progress on projects in the Murphy Crossing Urban Renewal Area.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fiscal Year Ended June 30, 2019

Statement of Activities

BURA's Statement of Activities for fiscal years ended June 30, 2019 and 2018 follows:

Change in Net Position for the Year Ended June 30

(in thousands)

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Revenues			
General revenues:			
Property taxes	\$ 1,601	\$ 1,347	\$ 254
Investment income	234	19	215
Loss on disposition of capital assets	(140)	-	140
Transfers	(61)	1,797	(1,858)
Total Revenues	<u>1,634</u>	<u>3,163</u>	<u>(1,529)</u>
Expenses			
Urban renewal	176	108	68
Interest on long-term obligations	143	151	(8)
Total Expenses	<u>319</u>	<u>259</u>	<u>60</u>
Change in net position	1,315	2,904	(1,589)
Net Position (deficit), beginning	1,337	(1,567)	2,904
Net Position (deficit), ending	<u>\$ 2,652</u>	<u>\$ 1,337</u>	<u>\$ 1,315</u>

BURA receives tax increment revenues and investment income. Revenues and expenditures were consistent with prior year activity, except for a one time transfer of sale proceeds in 2018 of \$1.8 million.

CAPITAL ASSETS

As of June 30, 2019 BURA had invested \$2.9 million in capital assets, net of depreciation as reflected in the following table.

Capital Assets as of June 30 (in thousands)

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Buildings and improvements	\$ 20	\$ 23	\$ (3)
Infrastructure	89	-	89
Construction in progress	2,821	2,960	(139)
Total Capital Assets, net	<u>\$ 2,930</u>	<u>\$ 2,983</u>	<u>\$ (53)</u>

Please refer to Note 3 of the basic financial statements for further detailed information on BURA's capital assets.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Fiscal Year Ended June 30, 2019

DEBT ADMINISTRATION

At June 30, 2019, the Agency had \$5.9 million in debt, consisting of Full Faith and Credit Obligations of \$2.2 million, a tax-increment note of \$1.7 million used to finance improvements and development in the Juniper Ridge Renewal Area, and a tax-increment note of \$2.0 million used to finance improvements in the Murphy Crossing Urban Renewal Area.

Please refer to Note 4 of the basic financial statements for further detailed information on long-term debt.

ECONOMIC FACTORS

BURA uses tax increment financing districts which levy a property tax on the new growth (or incremental assessed value) within the district.

In December 2001, the Oregon Supreme Court issued its Shilo vs Multnomah County et al decision. The effect of this decision was that all revenues received by tax increment financing programs are considered “Other Government” revenues regardless of the levy origin and are subject to compression testing under Measure 5 at \$10 per \$1,000 of taxable assessed value. To date there is no material loss from compression to BURA’s tax increment financing revenues.

Murphy Crossing Urban Renewal Area

BURA is responsible for the development of the Murphy Crossing Urban Renewal Area which consists of approximately 230 acres along the Bend Parkway from Powers Road on the north to China Hat Road on the south. East of the Parkway, the area includes the south end of the Third Street corridor. West of the Parkway, the urban renewal area includes the Murphy Crossing Refinement Plan Area. The goals of the urban renewal area include transportation and public utility improvements, a park, enhanced environment for pedestrians and bicyclists, and mixed use land development.

The Murphy Crossing Urban Renewal Area’s tax assessed value and levy for the Murphy Crossing Area for this fiscal year and the prior three (3) years are as follows:

<u>(in thousands)</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Base assessed value	\$ 72,685	\$ 72,685	\$ 72,685	\$ 72,685
Incremental assessed value	18,924	19,734	29,427	35,990
Total assessed value	<u>\$ 91,609</u>	<u>\$ 92,419</u>	<u>\$ 102,112</u>	<u>\$ 108,675</u>
Tax Levy	<u>\$ 242</u>	<u>\$ 249</u>	<u>\$ 376</u>	<u>\$ 462</u>

For the fiscal year ended June 30, 2019, the special tax levy for the Murphy Crossing Urban Renewal Area was \$462,065.

The maximum amount of indebtedness that may be issued or incurred under the Murphy Crossing Urban Renewal Plan is \$52,600,000. Total debt issued to date is \$3,000,000 with \$2,029,303 outstanding at June 30, 2019. There is \$49,600,000 available to be issued.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Fiscal Year Ended June 30, 2019

Juniper Ridge Urban Renewal Area

BURA is responsible for development of the Juniper Ridge Urban Renewal Area (Juniper Ridge) which consists of 1,500 acres of undeveloped land of which 500 acres is within the Juniper Ridge Urban Renewal District. BURA’s primary goal for Juniper Ridge is to provide public utilities, improve traffic and transportation infrastructure, support the development of high quality employment uses, and preserve the area’s natural assets.

Juniper Ridge will be financed using a combination of revenue sources. These include:

- Tax increment revenues
- Advances, loans and grants from Federal, State or local governments or other public bodies
- Loans, grants, dedications and contributions from private developers

The Juniper Ridge Urban Renewal Area’s tax assessed value and levy for the Juniper Ridge Area for this fiscal year and the prior three (3) years are as follows:

<u>(in thousands)</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Base assessed value	\$ 13,753	\$ 13,753	\$ 13,753	\$ 13,753
Incremental assessed value	89,715	87,923	85,622	100,156
Total assessed value	<u>\$ 103,468</u>	<u>\$ 101,676</u>	<u>\$ 99,375</u>	<u>\$ 113,909</u>
Tax Levy	<u>\$ 1,056</u>	<u>\$ 1,027</u>	<u>\$ 1,007</u>	<u>\$ 1,184</u>

For the fiscal year ended June 30, 2019, the special tax levy for the Juniper Ridge Urban Renewal Area was \$1,183,929.

The maximum amount of indebtedness that may be issued or incurred under the Juniper Ridge Urban Renewal Plan is \$41,250,000. Total debt issued to date is \$9,859,048 with \$4,227,609 outstanding at June 30, 2019. There is \$31,390,952 available to be issued.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fiscal Year Ended June 30, 2019

NEXT YEAR'S BUDGET

Expenditures and other requirements budgeted for the revised FY 2019-21 biennium are as follows:

General Fund	\$ 659,100
Murphy Crossing Debt Service Fund	548,100
Juniper Ridge Debt Service Fund	1,478,200
Murphy Crossing Capital Projects Fund	61,200
Juniper Ridge Capital Projects Fund	1,542,100

The current biennium budget is intended to cover current administrative costs (including the feasibility studies funded from the City of Bend transfers as discussed in Note 5), debt service for existing debt, preliminary work on a new roundabout at Murphy and Parrell and general cleanup and mitigation costs at Juniper Ridge.

REQUESTS FOR INFORMATION

BURA's financial statements are designed to present users with a general overview of BURA's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Sharon Wojda, City of Bend Chief Financial Officer at 710 NW Wall Street Bend, Oregon 97703. The telephone number for the City's Finance Department is 541-388-5509.

BASIC FINANCIAL STATEMENTS

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Statement of Net Position
June 30, 2019

	Governmental Activities
<u>Assets</u>	
Current assets:	
Property taxes receivable	\$ 40,338
Total Current Assets	40,338
Noncurrent assets:	
Restricted cash and investments	5,600,903
Depreciable capital assets, net	2,929,679
Total Noncurrent Assets	8,530,582
Total Assets	8,570,920
<u>Deferred Outflows of Resources</u>	
Deferred outflows from debt refunding	61,413
Total Deferred Outflows of Resources	61,413
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	13,654
Accrued interest payable	11,247
Long-term debt due within one year	792,089
Total Current Liabilities	816,990
Noncurrent liabilities:	
Long-term debt due after one year	5,163,783
Total Noncurrent Liabilities	5,163,783
Total Liabilities	5,980,773
<u>Net Position</u>	
Net investment in capital assets	901,353
Restricted for urban renewal	465,820
Restricted for debt service	-
Unrestricted (deficit)	1,284,387
Total Net Position	\$ 2,651,560

The accompanying notes are an integral part of the basic financial statements.

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Statement of Activities
For the fiscal year ended June 30, 2019

Functions/ Programs	Program Revenues			Change in Net Position
	Direct Expenses	Charges for Services	Operating Grants and Contributions	
Urban renewal	\$ 176,221	\$ 101	\$ -	\$ (176,120)
Interest on long-term debt	143,226	-	-	(143,226)
Total Governmental Activities	\$ 319,447	\$ 101	\$ -	(319,346)
General Revenues:				
Property taxes, levied for debt service				1,601,183
Net investment income				234,166
Loss on disposal of capital assets				(140,520)
Transfers				(60,500)
Total General Revenues				1,634,329
Change in Net Position				1,314,983
Net Position (Deficit), July 1, 2018				1,336,577
				\$ 2,651,560

The accompanying notes are an integral part of the basic financial statements.

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Balance Sheet
Governmental Funds
June 30, 2019

	Urban Renewal General Fund	Murphy Crossing Urban Renewal Debt Service Fund	Juniper Ridge Urban Renewal Debt Service Fund
<u>Assets</u>			
Restricted cash and investments	\$ 460,219	\$ 870,127	\$ 2,928,550
Receivables:			
Property taxes	-	10,580	29,758
Total Assets	\$ 460,219	\$ 880,707	\$ 2,958,308
<u>Liabilities</u>			
Accounts payable	\$ 1,191	\$ -	\$ -
Total Liabilities	1,191	-	-
Unavailable revenue - property taxes	-	7,432	21,211
Total Deferred Inflows of Resources	-	7,432	21,211
<u>Fund Balances</u>			
Restricted	459,028		
Assigned	-	873,275	2,937,097
Total Fund Balances	459,028	873,275	2,937,097
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 460,219	\$ 880,707	\$ 2,958,308

The accompanying notes are an integral part of the basic financial statements.

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Balance Sheet (Continued)
Governmental Funds
June 30, 2019

	Murphy Crossing Urban Renewal Construction Fund	Juniper Ridge Urban Renewal Construction Fund	Total Governmental Funds
<u>Assets</u>			
Restricted cash and investments	\$ 17,803	\$ 1,324,204	\$ 5,600,903
Receivables:			
Property taxes	-	-	40,338
Total Assets	\$ 17,803	\$ 1,324,204	\$ 5,641,241
<u>Liabilities</u>			
Accounts payable	\$ 11,011	\$ 1,452	\$ 13,654
Total Liabilities	11,011	1,452	13,654
<u>Deferred Inflows of Resources</u>			
Unavailable revenue - property taxes	-	-	28,643
Total Deferred Inflows of Resources	-	-	28,643
<u>Fund Balances</u>			
Restricted	6,792	-	465,820
Assigned		1,322,752	5,133,124
Total Fund Balances	6,792	1,322,752	5,598,944
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,803	\$ 1,324,204	\$ 5,641,241

The accompanying notes are an integral part of the basic financial statements.

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**
June 30, 2019

Total Fund Balances \$ 5,598,944

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds. 2,929,679

Deferred outflows of resources from refunded debt are not available to pay for current-period expenditures and therefore, are not reported in the governmental funds. 61,413

All liabilities are reported in the Statement of Net Position whereas in the governmental funds, liabilities not due and payable in the current period are not reported.

Interest payable	(11,247)
Long-term debt	(5,957,531)
Premiums and discounts	1,659

Revenues collected after year end but not available soon enough to pay for current obligations are unavailable in the governmental funds but are recognized as revenue in the Statement of Activities.

Property taxes	28,643
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Total Net Position \$ 2,651,560

The accompanying notes are an integral part of the basic financial statements.

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
**Statement of Revenues, Expenditures, and Changes
in Fund Balances**

Governmental Funds
For the fiscal year ended June 30, 2019

	Urban Renewal General Fund	Murphy Crossing Urban Renewal Debt Service Fund	Juniper Ridge Urban Renewal Debt Service Fund
Revenues			
Property taxes	\$ -	\$ 448,524	\$ 1,151,740
Investment income	20,497	35,253	118,248
Miscellaneous	-	-	-
Total Revenues	20,497	483,777	1,269,988
Expenditures			
Current operating:			
Urban renewal	149,131	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	358,914	587,586
Interest	-	61,768	82,738
Total Expenditures	149,131	420,682	670,324
Excess (deficiency) of revenues over expenditures	(128,634)	63,095	599,664
Other Financing Sources (Uses)			
Transfers in	-	177,000	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	177,000	-
Net change in fund balances	(128,634)	240,095	599,664
Fund Balances, July 1, 2018	587,662	633,180	2,337,433
Fund Balances, June 30, 2019	\$ 459,028	\$ 873,275	\$ 2,937,097

The accompanying notes are an integral part of the basic financial statements.

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Statement of Revenues, Expenditures, and Changes
in Fund Balances (Continued)
Governmental Funds
For the fiscal year ended June 30, 2019

	Murphy Crossing Urban Renewal Construction Fund	Juniper Ridge Urban Renewal Construction Fund	Total Governmental Funds
Revenues			
Property taxes	\$ -	\$ -	\$ 1,600,264
Investment income	4,303	55,865	234,166
Miscellaneous	-	101	101
Total Revenues	4,303	55,966	1,834,531
Expenditures			
Current operating:			
Urban renewal	-	17,048	166,179
Capital outlay	2,500	88,580	91,080
Debt service:			
Principal	-	-	946,500
Interest	-	-	144,506
Total Expenditures	2,500	105,628	1,348,265
Excess (deficiency) of revenues over expenditures	1,803	(49,662)	486,266
Other Financing Sources (Uses)			
Transfers in	-	-	177,000
Transfers out	(177,000)	(60,500)	(237,500)
Total Other Financing Sources (Uses)	(177,000)	(60,500)	(60,500)
Net change in fund balances	(175,197)	(110,162)	425,766
Fund Balances, July 1, 2018	181,989	1,432,914	5,173,178
Fund Balances, June 30, 2019	\$ 6,792	\$ 1,322,752	\$ 5,598,944

The accompanying notes are an integral part of the basic financial statements.

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities**
For the fiscal year ended June 30, 2019

Net Change in Fund Balances (Deficits) \$ 425,766

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlay was greater than depreciation.

Capital outlay	91,080
Depreciation	(3,050)

Proceeds from sale of capital assets are reported in governmental funds when collected. In the Statement of Activities, the sale of capital assets is reported as a reduction in capital assets and any resulting gains or losses are reported when earned or incurred. (140,520)

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

Deferred property taxes	919
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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 the governmental funds

Accrued interest payable	1,280
Amortization of deferred inflows and outflows	(6,824)
Amortization of bond premiums and discounts	(168)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the

Long-term debt principal repayments	946,500
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Change in Net Position \$1,314,983

The accompanying notes are an integral part of the basic financial statements.

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies

Organization

The Bend Urban Renewal Agency (BURA), a component unit of the City of Bend, Oregon (the City) was established in September 1984 originally as the Bend Development Board, the Urban Renewal Agency of the City of Bend, by ordinance No. NS1403 of the City of Bend to address and resolve issues that exist in downtown Bend and the adjacent areas. BURA is a legally separate public body corporate and politic and on May 21, 2003, the authority to exercise the powers of BURA was transferred from the Bend Development Board to the City Council and the name was changed to the Bend Urban Renewal Agency. The City Council reviews and approves BURA's biennial budget. The services of BURA are exclusively for the benefit of the City, and the assets, liabilities, revenues and expenditures related to BURA are reported in the City's government-wide financial statements as a blended component unit of the City. BURA receives funds through tax increment financing pursuant to Oregon Revised Statutes (ORS) 457.420 through 457.450.

On August 29, 2005, the City of Bend Council adopted the Juniper Ridge Urban Renewal Plan to develop an area northeast of Bend known as the Juniper Ridge Urban Renewal Area (Juniper Ridge). Juniper Ridge consists of 1,500 acres of which approximately 500 acres are within the urban renewal district that BURA is responsible for. The Juniper Ridge Urban Renewal District is approximately 700 acres in size, encompassing the 500 acres of Juniper Ridge and another 200 acres northwest of Bend. BURA's primary goal for Juniper Ridge is to provide public utilities, improve traffic and transportation infrastructure, support the development of high quality employment uses, and preserve the area's natural assets.

On August 20, 2008, the City of Bend Council adopted the Murphy Crossing Urban Renewal Area to develop the south end of the Third Street corridor. The Murphy Crossing Urban Renewal Area consists of approximately 230 acres along the Bend Parkway from Powers Road on the north to China Hat Road on the south. East of the Parkway, the area includes the south end of the Third Street corridor. West of the Parkway, the urban renewal area includes the Murphy Crossing Refinement Plan Area. The goals of the urban renewal area include transportation and public utility improvements, a park, enhanced environment for pedestrians and bicyclists, and mixed use land development.

The accounting and reporting policies of BURA included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The more significant accounting policies of BURA are described below.

BURA has no component units and the accompanying basic financial statements present the financial position and activities of BURA.

Financial Statement Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities report information on all activities of BURA. Governmental activities are financed mainly through property taxes and debt.

The Statement of Activities presents a comparison between direct expenses and program revenues for BURA's program. BURA does not allocate indirect expenses. Property taxes and investment earnings or losses are not included among program revenues but are reported instead as general revenues.

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements (Continued)
Fiscal Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

BURA uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain functions or activities.

The following are BURA's major funds:

Urban Renewal General Fund – This fund accounts for operation and general services related to Urban Renewal.

Murphy Crossing Urban Renewal Debt Service Fund – This fund accounts for the debt-related activities of the Murphy Crossing Urban Renewal District. The principal source of revenue is property taxes which will be used to pay the principal and interest on outstanding tax increment bonds.

Juniper Ridge Urban Renewal Debt Service Fund – This fund accounts for the debt related activities of the Juniper Ridge Urban Renewal District. The principal source of revenue is property taxes which are used to pay principal and interest on outstanding tax increment bonds.

Murphy Crossing Urban Renewal Construction Fund – This fund accounts for the construction activities of the Murphy Crossing Urban Renewal District. The principal source of revenue is note proceeds used to fund projects of the Murphy Crossing Urban Renewal Plan.

Juniper Ridge Urban Renewal Construction Fund – This fund accounts for the construction activities of the Juniper Ridge Urban Renewal District. The principal source of revenue is loan proceeds used to fund projects of the Juniper Ridge Urban Renewal Plan.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Nonexchange transactions, in which BURA receives value without giving equal value in exchange, consist of property taxes. Property tax revenues are recognized in the year for which the taxes are levied.

Fund Financial Statements

The governmental fund financial statements are accounted for using a current financial resources measurement focus whereby only current assets and liabilities are included in the Balance Sheet, while the Schedule of Revenues, Expenditures and Changes in Fund Balances presents increases and decreases in the current fund balance. Governmental funds use the modified accrual basis of accounting where revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount can be determined and "available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. BURA considers property taxes available and susceptible to accrual if they are collected within sixty days after year-end.

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements (Continued)
Fiscal Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Restricted Cash and Investments

At June 30, 2019, restricted cash and investments consisted of funds held by the City of Bend. BURA considers its cash and investments as a demand deposit account with the City of Bend, whereby funds may be deposited or withdrawn without prior notice or penalty. Interest earnings are allocated by the City based on the proportion of BURA's cash to total City pooled funds. It is not practical to determine the investment risk, collateral or insurance coverage for BURA's share of these pooled investments.

BURA accounts for its investments in accordance with the provisions of GASB Statement No. 31: Accounting and Financial Reporting for Certain Investments and External Investment Pools, which requires governmental entities, including governmental external investment pools, to report certain investments at fair value on the balance sheet and to recognize the corresponding change in the fair value of investments in the year in which the change occurred. Disclosures regarding risks associated with cash and investments required by GASB Statement No. 3: Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements and GASB Statement No. 40: Deposit and Investment Risk Disclosures are included in the City's financial statements. This pool does not require classification within the three levels of inputs as provided by GASB 72, so it is not classified as such.

Reference should be made to the City of Bend's Comprehensive Annual Financial Report for the year ended June 30, 2019 for compliance with Oregon Revised Statutes relating to the collateralization of deposits and categorization of investments.

Restricted cash and investments are restricted to specific purposes by state statute, bond indenture or otherwise. At June 30, 2019, BURA had \$5,600,903 of cash and investments restricted for future construction and debt service.

Receivables

Property taxes are assessed on a July 1 - June 30 fiscal year basis. The taxes are levied July 1 and property owners have the option of paying the full amount on November 15, or prior to February 15 and receiving a discount, or paying in three installments, November 15, February 15 and May 15. Property taxes attach as an enforceable lien on July 1 and are considered delinquent if not paid by the following May 15. The County Treasurer is the tax collection agent for all taxing entities within the County. Tax revenue is considered received when in the hands of the County as the intermediary collection agency. Management has determined that an allowance for uncollectible accounts is not required for property taxes.

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements (Continued)
Fiscal Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are stated at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the acquisition value of such assets at the date of donation. Capital assets include land, buildings and improvements, and street infrastructure costing over \$5,000 with an estimated life of more than one year. Maintenance and repairs that do not add to the value of the assets or extend the assets' lives are charged to expense as incurred and are not capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related capital assets, except for land and right-of ways which are considered inexhaustible in nature and are not depreciated. The estimated useful lives of the various categories of assets are as follows:

Buildings and improvements	20 to 75 years
Street infrastructure	60 to 75 years

Upon disposal of capital assets, the accounts are relieved of the related historical costs and accumulated depreciation, and if appropriate, resulting gains or losses are recognized.

Long-term Debt

Long-term debt is reported as a liability in the government-wide financial statements. The related bond discounts and premiums are deferred and amortized over the term of the bonds using the straight-line method in the government-wide financial statements. Bonds payable are reported net of applicable bond premium or discount.

In the governmental fund financial statements, bond premiums and discounts are recognized when incurred and not deferred. The face amount of the debt issued and premiums received are reported as other financing sources while discounts are reported as other financing uses.

Deferred Inflows and Outflows of Resources

In addition to liabilities, the statement of financial position may 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. BURA presents unavailable revenue as a deferred inflow of resources on the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In addition to assets, the statement of financial position may 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. BURA presents deferred outflows from debt refunding as a deferred outflow on the statement of financial position.

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements (Continued)
Fiscal Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Net Position/Fund Balances

In the financial statements, assets in excess of liabilities are presented in one of two ways depending on measurement of focus.

On the Statement of Net Position for government-wide reporting, net position is segregated into three categories: net investment in capital assets, restricted net position, and unrestricted net position.

Net investment in capital assets – represents total capital assets less accumulated depreciation and capital related debt and net of unspent bond proceeds. Deferred outflows/inflows of resources directly related to debt should also be included in this section. Significant unspent proceeds should not be included.

Restricted net position – represents net position that is not subject solely to the government’s own discretion. Restrictions may be placed on net position by an external third party that provided the resources, by laws or regulations of other governments, by enabling legislation, by endowment agreements, or by the nature of the asset. Unspent bond proceeds for capital projects are used in the calculation of restricted net position.

Unrestricted net position – represents amounts not included in other categories.

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.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either legally or contractually required to be maintained intact, or are in a nonspendable form such as inventories, prepaid amounts, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when BURA passes an ordinance or resolution that places specific constraints on how the resources may be used. BURA can modify or rescind the ordinance or resolution at any time through passage of an additional ordinance or resolution, respectively.

Resources that are constrained by the government’s intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. When the adopted budget calls for spending down the existing fund balance in the ensuing biennium, an assignment is created through the budget process in the amount of that appropriation.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

Finally, GASB Statement No.54 requires a spending policy, as it relates to ending fund balance. The following hierarchy applies to the order in which funds are spent in all governmental funds:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements (Continued)
Fiscal Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Risk Management

BURA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which BURA is covered under the City of Bend's commercial insurance policies. BURA does not engage in risk financing activities where risk is retained (self-insurance). There has been no significant reduction in insurance coverage from the prior year for any category of risk and settled claims from these risks have not exceeded commercial insurance limits in any of the past three fiscal years.

Note 2 – Stewardship, Compliance and Accountability

BURA is subject to provisions of the Oregon Revised Statutes which set forth local budget procedures. A resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Within each fund, appropriations are established by the following appropriation levels: personnel services, materials and services, charges paid to City of Bend, capital outlay, debt service, transfers, contingency, and reserves.

BURA may, however, approve additional appropriations for necessary expenditures which could not be reasonably estimated at the time the budget was adopted. Additionally, budgets may be modified during the biennium by the use of appropriation transfers between legal categories or supplemental budgets. Such transfers must be authorized by official resolution of the BURA Board.

Transfers of operating contingency appropriations which in aggregate during a fiscal year exceed 15% of the total appropriations of the fund may only be made after adoption of a supplemental budget prepared for that purpose. A supplemental budget of less than 10% of the fund's original budget may be adopted at a regular meeting of the governing body. A supplemental budget greater than 10% of the fund's original budget requires publication, a public hearing, and approval by the BURA Board.

There was one supplemental budget or additional appropriation adjustment adopted during the current fiscal year.

In accordance with state law, all appropriations terminate on June 30, 2019. Goods and services delivered during the ensuing year must be charged against the ensuing year's appropriations.

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements (Continued)
Fiscal Year Ended June 30, 2019

Note 3 – Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated:				
Construction in progress	\$ 2,959,596	\$ 2,500	\$ (140,520)	\$ 2,821,576
Total capital assets not being depreciated	<u>2,959,596</u>	<u>2,500</u>	<u>(140,520)</u>	<u>2,821,576</u>
Capital assets being depreciated:				
Buildings and improvements	35,456			35,456
Infrastructure	-	88,580	-	88,580
Total capital assets being depreciated	<u>35,456</u>	<u>88,580</u>	<u>-</u>	<u>124,036</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,883)	(3,050)		(15,933)
Total accumulated depreciation	<u>(12,883)</u>	<u>(3,050)</u>	<u>-</u>	<u>(15,933)</u>
Total capital assets being depreciated, net	<u>22,573</u>	<u>85,530</u>	<u>-</u>	<u>108,103</u>
Capital assets, net	<u>\$ 2,982,169</u>	<u>\$ 88,030</u>	<u>\$ (140,520)</u>	<u>\$ 2,929,679</u>

Depreciation expense totaled \$3,050 during the fiscal year ended June 30, 2019, and was charged fully to urban renewal activities.

Note 4 – Long-term Debt

Long-term debt transactions for the year are as follows:

	Original Amount	Outstanding July 1, 2018	Additions	Decreases	Outstanding June 30, 2019	Due within one year
<u>Full Faith and Credit</u>						
2016 Series, refunding	\$ 2,434,048	\$ 2,411,842	\$ -	\$ (217,623)	\$ 2,194,219	\$ 222,064
<u>Notes Payable</u>						
2013 Series, Juniper Ridge	3,700,000	2,103,972	-	(369,963)	1,734,009	375,310
2015 Series, Murphy Crossing	3,000,000	2,388,217	-	(358,914)	2,029,303	194,883
Long-term debt obligations		6,904,031	-	(946,500)	5,957,531	792,257
Premiums and discounts		(1,827)	-	168	(1,659)	(168)
Total governmental activities	<u>\$ 6,902,204</u>	<u>\$ -</u>	<u>\$ (946,332)</u>	<u>\$ 5,955,872</u>	<u>\$ 792,089</u>	

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements (Continued)
Fiscal Year Ended June 30, 2019

Note 4 – Long-term Debt (Continued)

Full Faith and Credit Obligations

On December 20, 2016 BURA issued \$2,434,048 in full faith and credit obligations series 2016 with an interest rate of 2.29% annually and maturity in fiscal year 2028 to refinance the 2008 series full faith and credit obligations with an interest rate of 3.00 to 4.25%. The proceeds were placed in an irrevocable trust to provide for the future debt service payments on the old bonds in the amount of \$2,418,649. Accordingly, the trust account assets and the liability for the defeased bonds are not included on BURA's financial statements. At June 30, 2019, \$2,190,000 remained outstanding. This advanced refunding decreased total debt service by \$187,467 resulting in an economic gain of \$167,242.

Future maturities of the full faith and credit obligations are as follows:

Year ending June 30	Full Faith and Credit	
	Principal	Interest
2020	\$ 222,064	\$ 47,700
2021	226,506	42,564
2022	235,387	37,275
2023	239,830	31,834
2024	239,658	26,342
2025-2028	1,029,919	47,902
	\$ 2,193,364	\$ 233,617

Notes Payable

On November 22, 2013 BURA issued a \$3.7 million Tax Increment Note Payable at 1.50% interest that matures on December 1, 2023. Proceeds of the note were used to refinance the balance of a \$6.0 million line of credit that provided funding for the Juniper Ridge development. BURA has entered in to a contingent loan agreement with the City of Bend for the repayment of the Juniper Ridge Tax Increment Note Payable and to pledge the City's full faith and credit as security for the repayment of the note.

On January 29, 2015, BURA issued a \$3,000,000 Tax Increment Note Payable at 2.65% interest that matures on December 1, 2029. Proceeds of the note are being used to finance construction improvements in the Murphy Crossing Urban Renewal area. BURA has entered in to a contingent loan agreement with the City of Bend for the repayment of the Murphy Crossing Tax Increment Note Payable and to pledge the City's full faith and credit as security for the repayment of the note.

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements (Continued)
Fiscal Year Ended June 30, 2019

Note 4 – Long-term Debt (Continued)
Notes Payable (Continued)

Future maturities of the notes payable are as follows:

Year ending June 30	Notes Payable	
	Principal	Interest
2020	\$ 570,193	\$ 73,477
2021	577,364	66,305
2022	588,339	55,332
2023	599,539	44,131
2024	410,893	32,782
2025-2029	1,017,839	68,100
	<u>\$ 3,764,167</u>	<u>\$ 340,127</u>

Both notes payable contain provisions that, in the event of default (by either the BURA or the City as guarantor), outstanding amounts become immediately due if the BURA 1) fails to make any payment when due, 2) fails to comply with other terms, obligations, covenants or conditions contained in the notes; 3) makes material false or misleading statements, 4) becomes insolvent, is appointed a receiver, commences bankruptcy proceeding or forfeiture; 5) an adverse material change in the City's financial condition occurs.

Note 5 – Transfers

During the year ended June 30, 2018, Council elected to use the proceeds of the sale of four lots from the City's Juniper Ridge property sold in August of 2017 to fund BURA activities. 20% of the proceeds are to be used by the BURA General Fund to fund the feasibility analysis for up to three new urban renewal areas. The remaining 80% was transferred to the Juniper Ridge Construction Fund for future investments in Juniper Ridge; however, specific expenditure appropriations have not been identified. Since the City of Bend was the legal owner of the land and use of the sales proceeds required a transfer out of the City's General Fund, the transaction was classified as a transfer in the City's Comprehensive Annual Financial Report. As a blended component unit, the BURA reported the transaction as a transfer in the City's Comprehensive Annual Financial Report and reported it in these financial statements as a transfer for consistency.

Note 6 – Tax Abatements

As of June 30, 2019, BURA provides tax abatements through four programs:

Nonprofit low income rental (ORS 307.541) - In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this type of housing.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be certified by the Internal Revenue Service as 501(c)(3) or (4) organization. Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the nonprofit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Vacant land intended to be developed as low-income housing is also eligible for the exemption.

BEND URBAN RENEWAL AGENCY
(A Component Unit of the City of Bend, Oregon)

Notes to Basic Financial Statements (Continued)
Fiscal Year Ended June 30, 2019

Note 6 – Tax Abatements (Continued)

Housing for low income rental (ORS 307.517) - An exemption is allowed for property or a portion of property if it meets certain criteria. The property must be offered for rent or held for the purpose of developing low income rental housing, be occupied by low income persons, and have a rent required payment that reflects the full value of the tax exemption.

Enterprise zones (ORS 285C.175) - The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Construction in process in enterprise zones (ORS 285C.170) - The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions. A Construction-in-Process exemption is available for qualifying properties currently under construction in an Enterprise Zone.

To qualify, the property must be owned or leased by an authorized business that is contractually obligated to own or lease the property until placed in service, it may not be previously subject to exemption as a commercial facility (ORS 307.330), and may not be operated, in all or part, as a hotel, motel, or destination resort.

Property may be exempt for no more than two tax years, which must be consecutive, and is not dependent on the property already receiving or being qualified to receive the Enterprise Zone exemption.

Tax Abatement Program	Estimated Taxes Abated During 2018-19
Nonprofit low income rental	\$ 30
Housing for low income rental	7
Enterprise zones	181
Total	\$ 218

Note 7 – Commitments and Contingencies

At June 30, 2019, BURA was committed on outstanding construction planning, engineering, consulting service or other contracts totaling approximately \$175,000. Juniper Ridge Urban Renewal Construction Fund has a Council committed amount for grading for PacifiCorp land for \$360,000.

Note 8 – Related Parties

BURA has no employees so it contracts with the City of Bend to provide management, administrative, and operational support. For the fiscal year ended June 30, 2019 amounts provided for personnel services totaled \$253,802 and contributions to the City of Bend totaled \$6,000. There were no amounts owing at the end of the fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

Urban Renewal General Fund

This fund accounts for the Agency's operation and general services related to Urban Renewal.

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Urban Renewal General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2019

	<u>Biennial Budget</u>		FY2017-18 <u>Actual</u>	FY2018-19 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget <u>Over/Under</u>
	<u>Original</u>	<u>Final</u>				
<u>Revenues</u>						
Investment income	\$ 6,100	\$ 6,100	\$ 1,384	\$ 20,497	\$ 21,881	\$ 15,781
Miscellaneous	-	-	-	-	-	-
Total Revenues	6,100	6,100	1,384	20,497	21,881	15,781
<u>Expenditures</u>						
Current:						
Personnel services	128,700	330,408	64,426	100,753	165,179	165,229
Materials and services	135,700	662,092	25,539	42,378	67,917	594,175
Contributions to the City of Bend	10,400	11,000	5,300	6,000	11,300	(300)
Reserved for future expenditures	40,594	40,594	-	-	-	40,594
Total Expenditures	315,394	1,044,094	95,265	149,131	244,396	799,698
Excess (deficiency) of revenues over expenditures	(309,294)	(1,037,994)	(93,881)	(128,634)	(222,515)	815,479
<u>Other Financing Sources (Uses)</u>						
Transfers in	-	728,700	359,487	-	359,487	(369,213)
Transfers out	(8,260)	(8,260)	-	-	-	8,260
Total Other Financing Sources (Uses)	(8,260)	720,440	359,487	-	359,487	(360,953)
Net change in fund balance	(317,554)	(317,554)	265,606	(128,634)	136,972	454,526
Beginning Fund Balance	317,554	317,554	322,056	587,662	322,056	4,502
Ending Fund Balance	\$ -	\$ -	\$ 587,662	\$ 459,028	\$ 459,028	\$ 459,028

OTHER SUPPLEMENTARY INFORMATION

Bend Urban Renewal Agency
 A Component Unit of the City of Bend, Oregon
General Fund
 Schedule of Expenditures by Appropriation Levels
 For the biennium ended June 30, 2019

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Over/Under</u>
<u>Urban Renewal General Fund</u>			
Community & economic development program	\$ 992,500	\$ 233,096	\$ 759,404
Interfund transfers	19,260	11,300	7,960
Reserved for future expenditures	40,594	-	40,594
	\$ 1,052,354	\$ 244,396	\$ 807,958

MAJOR GOVERNMENTAL FUNDS

MAJOR DEBT SERVICE AND CAPITAL PROJECTS FUNDS

Murphy Crossing Urban Renewal Debt Service Fund

This fund accounts for the debt-related activities of the Murphy Crossing Urban Renewal District. The principal source of revenue is property taxes which will be used to pay the principal and interest on outstanding tax increment bonds.

Juniper Ridge Urban Renewal Debt Service Fund

This fund accounts for the debt-related activities of the Juniper Ridge Urban Renewal District. The principal source of revenue is property taxes which will be used to pay principal and interest on outstanding tax increment bonds.

Murphy Crossing Urban Renewal Construction Fund

This fund accounts for the construction activities of the Murphy Crossing Urban Renewal District. The principal source of revenue is note proceeds used to fund projects of the Murphy Crossing Urban Renewal Plan.

Juniper Ridge Urban Renewal Construction Fund

This fund accounts for the construction activities of the Juniper Ridge Urban Renewal District. The principal source of revenue is loan proceeds used to fund projects of the Juniper Ridge Urban Renewal Plan.

Bend Urban Renewal Agency

A Component Unit of the City of Bend, Oregon

Murphy Crossing Urban Renewal Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2019

	<u>Biennial Budget</u>		FY2017-18 <u>Actual</u>	FY2018-19 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with <u>Final Budget</u> <u>Over/Under</u>
	<u>Original</u>	<u>Final</u>				
<u>Revenues</u>						
Property taxes	\$ 501,600	\$ 501,600	\$ 364,945	\$ 448,524	\$ 813,469	\$ 311,869
Investment income	13,500	13,500	4,016	35,253	39,269	25,769
Total Revenues	515,100	515,100	368,961	483,777	852,738	337,638
<u>Expenditures</u>						
Debt service:						
Principal	358,500	551,500	176,866	358,914	535,780	15,720
Interest	129,000	130,000	66,815	61,768	128,583	1,417
Reserves for debt service	536,150	519,150	-	-	-	519,150
Total Expenditures	1,023,650	1,200,650	243,681	420,682	664,363	536,287
Excess (deficiency) of revenues over expenditures	(508,550)	(685,550)	125,280	63,095	188,375	873,925
Transfers in	-	177,000		177,000	177,000	-
Total Other Financing Sources (Uses)	-	177,000	-	177,000	177,000	-
Net change in fund balance	(508,550)	(508,550)	125,280	240,095	365,375	873,925
Beginning Fund Balance (Deficit)	508,550	508,550	507,900	633,180	507,900	(650)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 633,180	\$ 873,275	\$ 873,275	\$ 873,275

Bend Urban Renewal Agency

A Component Unit of the City of Bend, Oregon

Juniper Ridge Urban Renewal Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2019

	<u>Biennial Budget</u>		FY2017-18 <u>Actual</u>	FY2018-19 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget <u>Over/Under</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Property taxes	\$ 2,045,600	\$ 2,045,600	\$ 983,966	\$ 1,151,740	\$ 2,135,706	\$ 90,106
Investment income	59,700	59,700	13,547	118,248	131,795	72,095
Total Revenues	2,105,300	2,105,300	997,513	1,269,988	2,267,501	162,201
Expenditures						
Debt service:						
Principal	974,129	1,175,229	576,527	587,586	1,164,113	11,116
Interest	174,114	223,014	94,004	82,738	176,742	46,272
Reserves for debt service	3,097,173	2,847,173	-	-	-	2,847,173
Total Expenditures	4,245,416	4,245,416	670,531	670,324	1,340,855	2,904,561
Net change in fund balance	(2,140,116)	(2,140,116)	326,982	599,664	926,646	3,066,762
Beginning Fund Balance (Deficit)	2,140,116	2,140,116	2,010,451	2,337,433	2,010,451	(129,665)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,337,433	\$ 2,937,097	\$ 2,937,097	\$ 2,937,097

Bend Urban Renewal Agency

A Component Unit of the City of Bend, Oregon

Murphy Crossing Urban Renewal Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2019

	<u>Biennial Budget</u>		FY2017-18 <u>Actual</u>	FY2018-19 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with <u>Final Budget</u> <u>Over/Under</u>
	<u>Original</u>	<u>Final</u>				
<u>Revenues</u>						
Investment income	\$ 23,800	\$ 23,800	\$ 1,286	\$ 4,303	\$ 5,589	\$ (18,211)
Total Revenues	23,800	23,800	1,286	4,303	5,589	(18,211)
<u>Expenditures</u>						
Capital outlay	15,000	55,000	35,491	2,500	37,991	17,009
Contingency	100,208	7,908	-	-	-	7,908
Total Expenditures	115,208	62,908	35,491	2,500	37,991	24,917
Excess (deficiency) of revenues over expenditures	(91,408)	(39,108)	(34,205)	1,803	(32,402)	6,706
<u>Other Financing Sources (Uses)</u>						
Transfers out	-	(177,000)	-	(177,000)	(177,000)	-
Total Other Financing Sources (Uses)	-	(177,000)	-	(177,000)	(177,000)	-
Net change in fund balance	(91,408)	(216,108)	(34,205)	(175,197)	(209,402)	6,706
Beginning Fund Balance (Deficit)	91,408	216,108	216,194	181,989	216,194	86
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 181,989	\$ 6,792	\$ 6,792	\$ 6,792

Bend Urban Renewal Agency

A Component Unit of the City of Bend, Oregon

Juniper Ridge Urban Renewal Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2019

	<u>Biennial Budget</u>		FY2017-18 <u>Actual</u>	FY2018-19 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with <u>Final Budget</u> <u>Over/Under</u>
	<u>Original</u>	<u>Final</u>				
<u>Revenues</u>						
Investment income	\$ -	\$ -	\$ (1,562)	\$ 55,865	\$ 54,303	\$ 54,303
Miscellaneous	-	-	-	101	101	101
Total Revenues	-	-	(1,562)	55,966	54,404	54,404
<u>Expenditures</u>						
Current:						
Personnel services	-	84,700	-	13,933	13,933	70,767
Materials and services	8,300	97,200	3,558	3,115	6,673	90,527
Capital outlay	-	-	-	88,580	88,580	(88,580)
Total Expenditures	8,300	181,900	3,558	105,628	109,186	72,714
Excess (deficiency) of revenues over expenditures	(8,300)	(181,900)	(5,120)	(49,662)	(54,782)	127,118
<u>Other Financing Sources (Uses)</u>						
Transfers in	8,260	277,860	1,437,944	-	1,437,944	1,160,084
Transfers out	-	(96,000)	-	(60,500)	(60,500)	35,500
Total Other Financing Sources (Uses)	8,260	181,860	1,437,944	(60,500)	1,377,444	1,195,584
Net change in fund balance	(40)	(40)	1,432,824	(110,162)	1,322,662	1,322,702
Beginning Fund Balance (Deficit)	40	40	90	1,432,914	90	50
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,432,914	\$ 1,322,752	\$ 1,322,752	\$ 1,322,752

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Major Debt Service and Capital Project Funds
Schedule of Expenditures by Appropriation Levels
For the biennium ended June 30, 2019

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Over/Under</u>
<u>Murphy Crossing Urban Renewal Debt Service Fund</u>			
Debt service	\$ 681,500	\$ 664,363	\$ 17,137
Reserved for future expenditures	519,150	-	519,150
	\$ 1,200,650	\$ 664,363	\$ 536,287
<u>Juniper Ridge Urban Renewal Debt Service Fund</u>			
Debt service	\$ 1,398,243	\$ 1,340,855	\$ 57,388
Reserved for future expenditures	2,847,173	-	2,847,173
	\$ 4,245,416	\$ 1,340,855	\$ 2,904,561
<u>Murphy Crossing Urban Renewal Construction Fund</u>			
Community & economic development program	\$ 55,000	\$ 37,991	\$ 17,009
Transfers	177,000	177,000	-
Contingency	7,908	-	7,908
	\$ 239,908	\$ 214,991	\$ 24,917
<u>Juniper Ridge Urban Renewal Construction Fund</u>			
Community & economic development program	\$ 181,900	\$ 109,186	\$ 72,714
Transfers	96,000	60,500	35,500
	\$ 277,900	\$ 169,686	\$ 108,214

OTHER FINANCIAL SCHEDULES

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Schedule of Property Tax Transactions - Murphy Crossing Urban Renewal District
For the fiscal year ended June 30, 2019

<u>Fiscal Year</u>	<u>Uncollected Balances July 1, 2018</u>	<u>Current Year's Levy</u>	<u>Adjustments, Interest and Discounts</u>	<u>Net Collections</u>	<u>Uncollected Balances June 30, 2019</u>
2009-10	\$ 4	\$ -	\$ -	\$ (1)	\$ 3
2010-11	5	-	-	(1)	4
2011-12	4	-	1	(2)	3
2012-13	7	-	1	(3)	5
2013-14	22	-	3	(13)	12
2014-15	408	-	63	(381)	90
2015-16	767	-	71	(429)	409
2016-17	1,535	-	67	(741)	861
2017-18	6,211	-	126	(4,119)	2,218
2018-19	-	462,065	(13,122)	(441,968)	6,975
Totals	\$ 8,963	\$ 462,065	\$ (12,790)	\$ (447,658)	\$ 10,580

Reconciliation to revenues:

Collections	\$ 447,658
Change in unavailable revenue	866
	<u>\$ 448,524</u>

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Schedule of Property Tax Transactions - Juniper Ridge Urban Renewal District
For the fiscal year ended June 30, 2019

<u>Fiscal Year</u>	<u>Uncollected Balances July 1, 2018</u>	<u>Current Year's Levy</u>	<u>Adjustments, Interest and Discounts</u>	<u>Net Collections</u>	<u>Uncollected Balances June 30, 2019</u>
Prior	\$ 18	\$ -	\$ (1)	\$ (1)	\$ 16
2009-10	39	-	(1)	(11)	27
2010-11	49	-	(3)	(13)	33
2011-12	69	-	11	(38)	42
2012-13	105	-	14	(47)	72
2013-14	155	-	21	(89)	87
2014-15	1,439	-	222	(1,340)	321
2015-16	3,352	-	310	(1,875)	1,787
2016-17	6,328	-	276	(3,053)	3,551
2017-18	16,644	-	342	(11,045)	5,941
2018-19		1,183,929	(31,873)	(1,134,175)	17,881
Totals	\$ 28,198	\$ 1,183,929	\$ (30,682)	\$ (1,151,687)	\$ 29,758

Reconciliation to revenues:

Collections	\$ 1,151,687
Change in unavailable revenue	53
Property tax revenues	<u>\$ 1,151,740</u>

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Schedule of Future Debt Service Requirements of Long-term Debt
June 30, 2019

Total Requirements			
Fiscal Year	Principal	Interest	Total
2019-20	\$ 792,257	\$ 121,177	\$ 913,434
2020-21	803,870	108,869	912,739
2021-22	823,726	92,607	916,333
2022-23	839,369	75,965	915,334
2023-24	650,551	59,124	709,675
2024-25	466,852	46,289	513,141
2025-26	477,527	34,723	512,250
2026-27	491,777	22,850	514,627
2027-28	501,845	10,682	512,527
2028-29	109,757	1,458	111,215
	\$5,957,531	\$ 573,744	\$6,531,275

Series 2016 Full Faith and Credit Obligations			
Fiscal Year	Principal	Interest	Total
2019-20	\$ 222,064	\$ 47,700	\$ 269,764
2020-21	226,506	42,564	269,070
2021-22	235,387	37,275	272,662
2022-23	239,830	31,834	271,664
2023-24	239,658	26,342	266,000
2024-25	248,712	20,748	269,460
2025-26	253,568	15,001	268,569
2026-27	261,844	9,102	270,946
2027-28	265,795	3,051	268,846
2028-29	-	-	-
	\$2,193,364	\$ 233,617	\$2,426,981

Juniper Ridge Urban Renewal Series 2013 Note			
Fiscal Year	Principal	Interest	Total
2019-20	\$ 375,310	\$ 24,678	\$ 399,988
2020-21	381,025	18,963	399,988
2021-22	386,762	13,227	399,989
2022-23	392,585	7,403	399,988
2023-24	198,500	1,493	199,993
2024-25	-	-	-
2025-26	-	-	-
2026-27	-	-	-
2027-28	-	-	-
2028-29	-	-	-
	\$1,734,182	\$ 65,764	\$1,799,946

Murphy Crossing Urban Renewal Series 2015 Note			
Fiscal Year	Principal	Interest	Total
2019-20	\$ 194,883	\$ 48,799	\$ 243,682
2020-21	196,339	47,342	243,681
2021-22	201,577	42,105	243,682
2022-23	206,954	36,728	243,682
2023-24	212,393	31,289	243,682
2024-25	218,140	25,541	243,681
2025-26	223,959	19,722	243,681
2026-27	229,933	13,748	243,681
2027-28	236,050	7,631	243,681
2028-29	109,757	1,458	111,215
	\$2,029,985	\$ 274,363	\$2,304,348

STATISTICAL SECTION

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon

Net Position

Last ten years

(accrual basis of accounting; amounts expressed in thousands)

	Restated				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Governmental Activities</u>					
Net investment in capital assets	\$ (13,502)	\$ 1,322	\$ 215	\$ 172	\$ -
Restricted	3,768	2,889	1,726	885	1,857
Unrestricted	1,511	(9,607)	(7,964)	(6,340)	(6,410)
Total Governmental Activities Net Position	\$ (8,223)	\$ (5,396)	\$ (6,023)	\$ (5,283)	\$ (4,553)

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Net Position (Continued)
Last ten years
(accrual basis of accounting; amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities					
Net investment in capital assets	\$ 266	\$ 433	\$ 606	\$ 777	\$ 901
Restricted	3,980	3,055	2,451	2,964	466
Unrestricted	(7,854)	(6,063)	(4,624)	(2,404)	1,284
Total Governmental Activities Net Position	\$ (3,608)	\$ (2,575)	\$ (1,567)	\$ 1,337	\$ 2,651

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon

Changes in Net Position

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Expenses</u>					
Governmental activities:					
Urban renewal	\$ 2,650	\$ 679	\$ 2,004	\$ 85	\$ 63
Interest on long-term debt	561	426	234	191	168
Total Governmental Activities Expenses	3,211	1,105	2,238	276	231
<u>Program Revenues</u>					
Governmental activities:					
Charges for services:					
Urban renewal	57	35	18	-	-
Capital grants and contributions	4,700	-	-	7	(5)
Total Governmental Activities Program Revenues	4,757	35	18	7	(5)
 Net Revenues (Expenses)	 1,546	 (1,070)	 (2,220)	 (269)	 (236)
<u>General Revenues</u>					
Governmental activities:					
Taxes:					
Property taxes, levied for debt service	3,505	3,848	1,579	995	1,044
Net investment income	43	49	15	14	15
Loss on disposal of capital assets	-	-	-	-	-
Transfers	-	-	-	-	-
Total General Revenues	3,548	3,897	1,594	1,009	1,059
Change in Net Position	\$ 5,094	\$ 2,827	\$ (626)	\$ 740	\$ 823

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Changes in Net Position (Continued)
Last ten fiscal years
(accrual basis of accounting; amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Expenses</u>					
Governmental activities:					
Urban renewal	\$ 56	\$ 42	\$ 51	\$ 108	\$ 176
Interest on long-term debt	196	227	195	152	143
Total Governmental Activities Expenses	252	269	246	260	319
<u>Program Revenues</u>					
Governmental activities:					
Charges for services:					
Urban renewal	-	-	-	-	-
Capital grants and contributions	(5)	-	-	-	-
Total Governmental Activities Program Revenues	(5)	-	-	-	-
 Net Revenues (Expenses)	 (257)	 (269)	 (246)	 (260)	 (319)
<u>General Revenues</u>					
Governmental activities:					
Taxes:					
Property taxes, levied for debt service	1,178	1,257	1,239	1,347	1,601
Net investment income	23	47	15	19	234
Loss on disposal of capital assets	-	-	-	-	(140)
Transfers	-	-	-	1,797	(61)
Total General Revenues	1,201	1,304	1,254	3,163	1,634
Change in Net Position	\$ 944	\$ 1,035	\$ 1,008	\$ 2,903	\$ 1,315

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Fund Balances (Deficits), Governmental Funds
Last ten fiscal years
(modified accrual basis of accounting; amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Urban Renewal General Fund</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	415
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	451	464	-
Unreserved (Deficit)	23	-	-	-	-
Unreserved:					
Designated for capital projects	-	-	-	-	-
Total General Fund	\$ 23	\$ -	\$ 451	\$ 464	\$ 415

<u>All Other Governmental Funds</u>					
Nonspendable	\$ -	\$ 34	\$ -	\$ -	\$ -
Restricted	-	2,889	1,726	885	1,442
Committed	-	385	385	385	-
Assigned	-	453	-	-	-
Unassigned	-	(315)	(340)	(361)	-
Reserved for notes receivable	34	-	-	-	-
Reserved for debt service	3,768	-	-	-	-
Unreserved (Deficit)	-	-	-	-	-
Unreserved:					
Designated for capital projects	1,115	-	-	-	-
Total All Other Governmental Funds	\$ 4,917	\$ 3,446	\$ 1,771	\$ 909	\$ 1,442

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Fund Balances (Deficits), Governmental Funds (Continued)
Last ten fiscal years
(modified accrual basis of accounting; amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Urban Renewal General Fund</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	399	362	322	588	459
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Unreserved (Deficit)	-	-	-	-	-
Unreserved:					
Designated for capital projects	-	-	-	-	-
Total General Fund	\$ 399	\$ 362	\$ 322	\$ 588	\$ 459

<u>All Other Governmental Funds</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,581	2,693	2,735	3,153	7
Committed	360	360	-	-	-
Assigned	-	-	-	1,433	5,133
Unassigned	(360)	(360)	-	-	-
Reserved for notes receivable	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Unreserved (Deficit)	-	-	-	-	-
Unreserved:					
Designated for capital projects	-	-	-	-	-
Total All Other Governmental Funds	\$ 3,581	\$ 2,693	\$ 2,735	\$ 4,586	\$ 5,140

Bend Urban Renewal Agency
A Component Unit of the City of Bend, Oregon
Changes in Fund Balance, Governmental Funds

Last ten fiscal years

(modified accrual basis of accounting; amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues					
Property taxes	\$ 3,486	\$ 3,842	\$ 1,782	\$ 1,004	\$ 1,048
Intergovernmental revenues	-	-	-	15	1
Contributions from the City of Bend	4,700	-	-	7	-
Rental income:					
Rent from others	49	37	18	-	-
Rent from the City of Bend	-	-	-	-	-
Investment income	43	49	15	14	15
Miscellaneous	5	-	-	-	-
Total Revenues	8,283	3,928	1,815	1,040	1,064
Expenditures					
Urban renewal	2,455	587	874	32	67
Capital outlay	758	-	14	-	-
Debt service:					
Principal	5,280	4,405	1,870	1,665	4,050
Interest	583	430	251	192	164
	9,076	5,422	3,009	1,889	4,281
Other Financing Sources (Uses)					
Issuance of long-term debt	9	-	-	-	3,700
Discount on debt issuance	-	-	-	-	-
Transfers in	-	-	461	-	-
Transfers out	-	-	(491)	-	-
Total Other Financing Sources (Uses)	9	-	(30)	-	3,700
Net Change in Fund Balance	\$ (784)	\$ (1,494)	\$ (1,224)	\$ (849)	\$ 483
Debt service as a percentage of noncapital expenditures	70.5%	89.2%	70.8%	98.3%	98.4%

Bend Urban Renewal Agency

A Component Unit of the City of Bend, Oregon

Changes in Fund Balance, Governmental Funds (Continued)

Last ten fiscal years

(modified accrual basis of accounting; amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Revenues</u>					
Property taxes	\$ 1,182	\$ 1,257	\$ 1,238	\$ 1,349	\$ 1,600
Intergovernmental revenues	15	-	-	-	-
Contributions from the City of Bend	-	-	-	-	-
Rental income:					
Rent from others	-	-	-	-	-
Rent from the City of Bend	-	-	-	-	-
Investment income	23	47	15	19	234
Miscellaneous	-	-	-	-	-
Total Revenues	1,220	1,304	1,253	1,368	1,834
<u>Expenditures</u>					
Urban renewal	60	41	59	99	166
Capital outlay	1,226	1,258	299	35	91
Debt service:					
Principal	618	701	716	753	946
Interest	190	228	192	161	145
Total Expenditures	2,094	2,228	1,266	1,048	1,348
<u>Other Financing Sources (Uses)</u>					
Issuance of long-term debt	3,000	-	2,434	-	-
Discount on debt issuance	(3)	-	(2,419)	-	-
Transfers in	-	-	-	1,797	177
Transfers out	-	-	-	-	(237)
Total Other Financing Sources (Uses)	2,997	-	15	1,797	(60)
Net Change in Fund Balance	\$ 2,123	\$ (924)	\$ 2	\$ 2,117	\$ 426
Debt service as a percentage of noncapital expenditures	93.1%	95.8%	93.9%	90.2%	86.8%

Bend Urban Renewal Agency
 A Component Unit of the City of Bend, Oregon
Property Tax Levies and Collections - Murphy Crossing Urban Renewal District
 Last ten fiscal years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Levy Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections of Current Levy</u>	<u>Outstanding Taxes</u>	<u>Outstanding Taxes as Percent of Current Levy</u>
2010	\$ 52,615	\$ 48,842	92.8%	\$ -	\$ 48,842	92.8%	\$ 2,949	5.6%
2011	68,078	63,092	92.7%	1,850	64,942	95.4%	4,213	6.2%
2012	58,037	54,212	93.4%	2,547	56,759	97.8%	3,877	6.7%
2013	64,048	60,387	94.3%	2,734	63,121	98.6%	3,000	4.7%
2014	134,904	128,063	94.9%	1,999	130,062	96.4%	4,268	3.2%
2015	267,603	254,946	95.3%	3,015	257,961	96.4%	6,739	2.5%
2016	241,610	229,348	94.9%	4,373	233,721	96.7%	6,927	2.9%
2017	249,306	237,287	95.2%	4,073	241,360	96.8%	7,514	3.0%
2018	375,685	359,285	95.6%	5,047	364,332	97.0%	8,963	2.4%
2019	462,065	441,968	95.7%	5,690	447,658	96.9%	10,580	2.3%

Source: Deschutes County Assessor's Office

Bend Urban Renewal Agency
 A Component Unit of the City of Bend, Oregon
Property Tax Levies and Collections - Juniper Ridge Urban Renewal District
 Last ten fiscal years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Levy Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections of Current Levy</u>	<u>Outstanding Taxes</u>	<u>Outstanding Taxes as Percent of Current Levy</u>
2010	486,572	446,521	91.8%	10,331	456,852	93.9%	33,107	6.8%
2011	697,457	646,378	92.7%	20,805	667,183	95.7%	44,580	6.4%
2012	934,923	873,304	93.4%	27,176	900,481	96.3%	52,508	5.6%
2013	959,762	904,900	94.3%	37,027	941,927	98.1%	42,689	4.4%
2014	936,986	889,487	94.9%	27,770	917,257	97.9%	38,143	4.1%
2015	941,334	896,924	95.3%	27,061	923,985	98.2%	31,814	3.4%
2016	1,055,960	1,002,664	95.0%	21,122	1,023,786	97.0%	31,267	3.0%
2017	1,027,018	977,552	95.2%	19,094	996,646	97.0%	31,523	3.1%
2018	1,007,130	963,322	95.7%	21,189	984,521	97.8%	28,198	2.8%
2019	1,183,929	1,134,175	95.8%	17,512	1,151,687	97.3%	29,758	2.5%

Source: Deschutes County Assessor's Office

COMPLIANCE SECTION

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

Report of Independent Auditors on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon Minimum Audit Standards

Board of Directors
 Bend Urban Renewal Agency (A Component of the City of Bend, Oregon)
 Bend, Oregon

We have audited the basic financial statements of the Bend Urban Renewal Agency (A Component of the City of Bend, Oregon) (the Agency) as of and for the year ended June 30, 2019 and have issued our report thereon dated December 27, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the Agency’s basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-010-0000 to 162-010-0320, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

162-010-0010	Definitions	None Noted
162-010-0020	Introduction	None Noted
162-010-0030	General Requirements	None Noted
162-010-0050	Financial Statements	None Noted
162-010-0115	Required Supplementary Information (RSI)	None Noted
162-010-0120	Other Supplementary Information	None Noted
162-010-0130	Schedule of Revenues, Expenditures / Expenses, and Changes in Fund Balances / Net Assets, Budget and Actual (Each Fund)	None Noted
162-010-0140	Schedule of Accountability for Independently Elected Officials	Not Applicable
162-010-0150	Schedule of Property Tax Transactions or Acreage Assessments	None Noted
162-010-0160	Schedule of Bonded or Long-Term Debt Transactions	None Noted
162-010-0170	Schedule of Future Requirements for Retirement of Bonded or Long-Term Debt	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Required Disclosures and Independent Auditors Comments	None Noted
162-010-0230	Accounting Records and Internal Control	None Noted
162-010-0240	Public Fund Deposits	None Noted
162-010-0250	Indebtedness	None Noted
162-010-0260	Budget	None Noted
162-010-0270	Insurance and Fidelity Bonds	None Noted
162-010-0280	Programs Funded from Outside Sources	None Noted
162-010-0295	Highway Funds	Not Applicable
162-010-0300	Investments	None Noted
162-010-0310	Public Contracts and Purchasing	None Noted
162-010-0315	State School Fund	Not Applicable
162-010-0316	Public Charter Schools	Not Applicable
162-010-0320	Other Comments and Disclosures	None Noted

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 test disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 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 over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 do not provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James C. Lanzarotta, Partner for
Moss Adams LLP
Eugene, Oregon
December 27, 2019

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Bend Urban Renewal Agency (A Component of the City of Bend, Oregon)
Bend, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Bend Urban Renewal Agency (the Agency), a component of the City of Bend, Oregon, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon December 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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 Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams, LLP

Eugene, Oregon
December 27, 2019