

**NORTHWEST LEBANON**  
**URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**  
**LEBANON, OREGON**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2019**

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)**

925 S. Main Street  
Lebanon, OR 97355  
(541) 258-4900

**DISTRICT OFFICIALS**

PAUL AZIZ 925 S Main Street, Lebanon, OR 97355	Chairman
BOB ELLIOTT 925 S Main Street, Lebanon, OR 97355	Member
WAYNE RIESKAMP 925 S Main Street, Lebanon, OR 97355	Member
FLOYD FISHER 925 S Main Street, Lebanon, OR 97355	Member
JASON BOLEN 925 S Main Street, Lebanon, OR 97355	Member
REBECCA GRIZZLE 925 S Main Street, Lebanon, OR 97355	Member
ROBERT FURLOW 925 S Main Street, Lebanon, OR 97355	Member
KARIN STAUDER 925 S Main Street, Lebanon, OR 97355	Member
MICHELLE STEINHEBEL 925 S Main Street, Lebanon, OR 97355	Member

**ADMINISTRATION**

RON WHITLATCH 925 S Main Street, Lebanon, OR 97355	Acting District Director
-------------------------------------------------------	--------------------------

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

---

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1a-1b
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	2-6
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b><u>Government-Wide Financial Statements:</u></b>	
Statement of Net Position	7
Statement of Activities	8
<b><u>Governmental Fund Financial Statements:</u></b>	
Balance Sheet - Governmental Funds	9
Reconciliation of Government Funds Balance Sheet to Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	12
<b><u>Notes To The Basic Financial Statements</u></b>	13-21
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Urban Renewal - General Fund	22
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
Schedule of Long-Term Debt Transactions & Future Requirements	23-24
<b>ACCOMPANYING INFORMATION:</b>	
Independent Auditor's Report Required by Oregon State Regulations	25



## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Chairman and Members  
of the Northwest Lebanon Urban Renewal District Board

I have audited the accompanying financial statements of the governmental activities and each major fund of the Northwest Lebanon Urban Renewal District of the City of Lebanon, Oregon, (the District), a component unit of the City of Lebanon, Oregon, as of and for the year ended June 30, 2019, which collectively comprise the District'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**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

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

### **Opinions**

In my 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 District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual on pages 2-6 and 22 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.

I have applied certain limited procedures to the management's discussion and analysis in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

The schedule of revenues, expenditures and changes in fund balance – budget and actual described above on page 22 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of revenues, expenditures and changes in fund balance – budget and actual 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of revenues, expenditures and changes in fund balance – budget and actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information and schedules on page 23-25 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District.

The other supplementary information and schedules are the responsibility of management and were derived from and relate 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 other 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 my opinion, the other supplementary information and schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

## Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated January 20, 2020, on my consideration of the Urban Renewal District of the City of Lebanon'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 my testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.



Steve Tuchscherer, CPA  
January 20, 2020

**MANAGEMENT'S**

**DISCUSSION**

**AND ANALYSIS**

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**  
**Unaudited**

---

The management of the Northwest Lebanon Urban Renewal District, Lebanon, Oregon, a component unit of the City of Lebanon, Oregon presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the District for the fiscal year ending June 30, 2019. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year ended June 30, 2019 are as follows:

- The District's total assets at June 30, 2019 were \$2,060,223, an increase of \$31,047 or 1.53% from the prior year.
- The District's total liabilities at June 30, 2019 were \$2,826,453, a decrease of \$501,913 or -15.08% from the prior year.
- The District's net position at June 30, 2019 was \$(766,230), an increase of \$532,960 from the prior year as reported on the Statement of Net Position, which is largely due to a net reduction of \$505,250 in long term liabilities.
- At June 30, 2019 the District reported a combined ending fund balance of \$1,968,139. The entire balance is restricted for Urban Renewal Projects.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

*Government-wide Financial Statements*

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of buildings, and water and sewer systems facilities.

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

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**  
**Unaudited**

---

*Fund Financial Statements*

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining and individual fund statements in a later section of this report. The District has one fund which is considered a governmental type fund.

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

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

Budgetary comparison statements are included in the basic financial statements for the General Fund. This statement and schedule demonstrate compliance with the District's adopted and final revised budget.

*Notes to the Basic Financial Statements*

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

*Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund. The required supplementary information immediately follows the notes to the financial statements.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

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

The District's net position at fiscal year-end is \$(766,230) this is an increase of \$532,960 as reported on the Statement of Net Position.



**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**  
**Unaudited**

---

The following table provides a summary of the District's net position for the current and prior year.

**Summary of Net Position**

	Governmental Activities	
	2019	As Originally Reported 2018
<b>Assets</b>		
Current and Other Assets	\$ 2,060,223	\$ 2,029,176
Total Assets	2,060,223	2,029,176
<b>Liabilities</b>		
Current Liabilities	565,457	562,120
Long-Term Liabilities	2,260,996	2,766,246
Total Liabilities	2,826,453	3,328,366
<b>Net Position</b>		
Unrestricted	(766,230)	(1,299,190)
Originally Reported for Prior Year	\$ (766,230)	\$ (1,299,190)

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2019  
Unaudited**

---

**Changes in net position** - The District's total revenues for the fiscal year ended June 30, 2019 were \$1,692,830. The total cost of all programs and services was \$129,617. The following table shows a comparative analysis of government-wide revenues, expenses and changes in net position.

**Summary of Changes in Net Position**

	<u>Governmental Activities</u>	
	<u>2018-19</u>	<u>As Originally Reported 2017-18</u>
<b>Revenues</b>		
Taxes and Assessments	\$ 1,636,849	\$ 1,693,360
Interest & Investment Earnings	55,981	35,002
Total Revenues	<u>1,692,830</u>	<u>1,728,362</u>
<b>Program Expenses</b>		
Urban Renewal Projects	13,548	19,539
Interest on Long-Term Debt	116,069	141,556
Total Expenses	<u>129,617</u>	<u>161,095</u>
<b>Transfers</b>	(1,030,253)	(977,393)
<b>Equity Transfers</b>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ 532,960</u>	<u>\$ 589,874</u>

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

***Governmental Funds***

As the District completed the year, its governmental funds reported a combined fund balance of \$1,968,139, an increase of \$156,076. The fund balance constitutes restricted and unassigned amounts. Of the current fund balance the entire amount is restricted for urban renewal projects.

**Budgetary Highlights**

General Fund resources were budgeted and anticipated to be collected in the amount of \$1,605,000 during the fiscal year. Actual resources of \$1,819,973 were available, \$214,973 more than budgeted due to property taxes receipts being higher than anticipated. General Fund expenditures budget was under-spent by \$1,601,742 largely due to a budgeted contingency of \$1,590,108.

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**  
**Unaudited**

---

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

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

**Long-Term Debt**

At June 30, 2019 the District had total long-term debt outstanding of \$2,510,032. The long-term debt obligations include a loan with Bank of New York Mellon / Zion Bank and Business Oregon IFA for urban renewal projects. Interest paid on the debt amounted to \$108,785. Additional information on the City's long-term debt can be found in Note 4 of the Notes to the Basic Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the Northwest Lebanon Urban Renewal District.

The URD's budget for the fiscal year ending June 30, 2020 represents an overall increase of \$230,457 or 7.06% when compared with the current fiscal year. The increase is mainly due to \$211,898 increase in contingency.

The objective of the Northwest Lebanon Urban Renewal District (URD) is to provide an accounting for funds collected from the URD, make the bond payments on all authorized debt issues and accomplish projects as listed in the URD master plan. The proposed budget estimates underfunding the property tax collections to provide funding back to the other taxing districts.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

**BASIC FINANCIAL**  
**STATEMENTS**

**Government -Wide**  
**Financial Statements**

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

(A Component Unit of the City of Lebanon)

**STATEMENT OF NET POSITION**

**June 30, 2019**

	<b>Governmental Activities</b>
<b><u>ASSETS:</u></b>	
Current Assets:	
Cash and Investments	\$ 1,960,553
Accounts Receivable	1,044
Property Taxes Receivable	98,626
<b>Total Assets</b>	<b>2,060,223</b>
<b><u>LIABILITIES:</u></b>	
Current Liabilities:	
Accounts Payable	2,114
Interest Payable	61,180
Current Portion of Long-Term Liabilities:	
Bond Payable	502,163
<b>Total Current Liabilities</b>	<b>565,457</b>
Long-Term Liabilities:	
Noncurrent Portion of Long-Term Liabilities:	
Bonds Payable	2,007,869
Bond Premium, Net	253,127
<b>Total Long-Term Liabilities</b>	<b>2,260,996</b>
<b>Total Liabilities</b>	<b>2,826,453</b>
<b><u>NET POSITION:</u></b>	
Restricted For:	
Urban Renewal Projects	-
Unrestricted	(766,230)
<b>Total Net Position</b>	<b>\$ (766,230)</b>

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)**

**STATEMENT OF ACTIVITIES**

**For the Fiscal Year Ended June 30, 2019**

<b><u>Functions / Programs</u></b>	<b><u>(Expenses)</u></b>	<b><u>Program Revenues</u></b>		<b><u>Net (Expense) Revenue and Change in Net Position</u></b>
		<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>				
Urban Renewal Projects	\$ 13,548	\$ -	\$ -	\$ (13,548)
Interest and Fees on Long-Term Debt	116,069	-	-	(116,069)
<b>Total Governmental Activities</b>	<b>\$ 129,617</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (129,617)</b>

**GENERAL REVENUES:**

Taxes

Property Taxes, Levied for Debt Service 1,636,849

Interest and Investment Earnings 55,981

Subtotal - General Revenues 1,692,830

Transfer to Primary Government (1,030,253)

Change in Net Position 532,960

Net Position, July 1, 2018 - As Restated (1,299,190)

**Net Position, June 30, 2019** **\$ (766,230)**

**BASIC FINANCIAL**  
**STATEMENTS**

**Fund Financial Statements**

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**June 30, 2019**

---

	<b>Urban Renewal General Fund</b>
<b><u>ASSETS:</u></b>	
Cash and Investments	\$ 1,960,553
Accounts Receivable	1,044
Property Taxes Receivable	98,626
<b>Total Assets</b>	<b><u><u>\$ 2,060,223</u></u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</u></b>	
LIABILITIES:	
Accounts Payable	\$ 2,114
<b>Total Liabilities</b>	<b><u>2,114</u></b>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Property Tax Revenue	89,970
<b>Total Deferred Inflows of Resources</b>	<b><u>89,970</u></b>
FUND BALANCES:	
Restricted for:	
Urban Renewal Projects	1,968,139
<b>Total Fund Balances</b>	<b><u>1,968,139</u></b>
<b>Total Deferred Inflows of Resources, and Fund Balances</b>	<b><u><u>\$ 2,060,223</u></u></b>



**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)**

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

**June 30, 2019**

---

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 1,968,139</b>
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>	
Property taxes receivables not collected within 60 days of the current period ending date are deferred in the governmental funds.	89,970
Interest payable that is not recognized in the governmental fund is accrued in the Statement of Net Position.	(61,180)
Long-term liabilities, including bonds payable and net bond premiums, are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(2,763,159)</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ (766,230)</u></u></b>

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE**

**GOVERNMENTAL FUNDS**

**For The Fiscal Year Ended June 30, 2019**

---

	<b>Urban Renewal General Fund</b>
<b><u>REVENUES:</u></b>	
Taxes and Assessments	\$1,763,992
Interest and Investment Earnings	55,981
<b>Total Revenues</b>	<b><u>1,819,973</u></b>
<b><u>EXPENDITURES:</u></b>	
Current Operating:	
Urban Renewal Projects	13,548
Debt Service	620,096
<b>Total Expenditures</b>	<b><u>633,644</u></b>
Excess (Deficiency) of Revenues Over Expenditures	1,186,329
<b><u>OTHER FINANCING SOURCES (USES):</u></b>	
Interfund Transfers (Out)	<u>(1,030,253)</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(1,030,253)</u></b>
Net Change in Fund Balance	156,076
Fund Balance - July 1, 2018	<u>1,812,063</u>
<b>Fund Balance - June 30, 2019</b>	<b><u><u>\$1,968,139</u></u></b>

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)**

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

**For The Fiscal Year Ended June 30, 2019**

---

**Net changes in fund balances - total governmental funds** **\$ 156,076**

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

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

The changes in amounts deferred are as follows:

Property Taxes (127,143)

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

Amortization of Debt Premium 3,087

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

The change in payables from prior to current year is reconciled here: (10,371)

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

Retirement of debt principal is as follows:

General Obligations Bonds 511,311

**Changes in net position of governmental activities** **\$ 532,960**

**BASIC FINANCIAL**  
**STATEMENTS**

**Notes to the Basic**  
**Financial Statements**

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

JUNE 30, 2019

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Reporting Entity**

The Northwest Lebanon Urban Renewal District of the City of Lebanon, Oregon (District) was established in 1989. The purpose of the District is to provide for the development of infrastructure to serve industrially zoned property within the District boundaries. The District is organized under general laws pertaining to urban renewal agencies in the State of Oregon. The governing body is comprised of the Mayor and the District Board of the City of Lebanon.

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

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

The District has no potential component units.

**B. Basis of Presentation**

The financial statements of the Northwest Lebanon Urban Renewal District (District) of the City of Lebanon have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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

*Government-wide financial statements* display information about the reporting government as a whole. The effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. The District has only governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

JUNE 30, 2019

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):**

**B. Basis of Presentation (Cont.)**

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

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

General Fund - The General Fund is the general operating fund of the District. It is used to account for all the financial resources. The principal sources of revenue are property tax revenues and interest on investments. Primary expenditures of the General Fund were for debt service.

**C. Measurement Focus/Basis of Accounting**

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

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

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

JUNE 30, 2019

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):**

C. Measurement Focus/Basis of Accounting (Cont.)

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

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

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

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

D. Cash and Investments

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

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

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

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

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

JUNE 30, 2019

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):**

E. Property Taxes

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February and May. Real property taxes become delinquent if not paid by May 15.

F. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables". All other outstanding balances between funds are reported as "due to/from other funds."

G. Deferred Inflows of Resources:

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

H. Capital Assets

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

I. Long-Term Obligations

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

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

J. Equity Classifications

*Government-Wide Statements* - Equity is classified as net position, which represents the difference between assets and liabilities. Net position is displayed in two components:

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

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



**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

JUNE 30, 2019

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):**

J. Equity Classifications (Cont.)

*Fund Financial Statements*

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

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The District did not have any nonspendable resources.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has restricted funds for urban renewal projects.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the District Board, and does not lapse at year-end. The District does not have committed resources.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the District Board or through the District Board delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

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

K. Use of Estimates

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

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

JUNE 30, 2019

---

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 -Local Budget Law). The District is required to budget all funds. The budget is prepared for each fund on the modified accrual basis of accounting. For all fund types, inter-fund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object. Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document. The process under which the budget is adopted is described in the following paragraphs.

In early spring a preliminary budget calendar, budget preparation manual and budget worksheets are distributed to appropriate department directors. The City Administrator (District Director) and the Finance Director develop a proposed budget, after which the District Director publishes two notices of Budget Committee meetings. No less than five days, or more than thirty days after the notices are published, the Budget Committee (consisting of the District Board and an equal number of citizens of the City of Lebanon) meets to consider the proposed budget. The Budget Message is delivered, explaining the proposed budget and any significant changes in the District's financial position.

The Budget Committee conducts public meetings for the purpose of obtaining citizens' comments, deliberates on, and subsequently approves the proposed budget, which includes any additions or deletions from the one presented by the District Director originally. The Budget Committee then submits the approved budget to the District Board for final adoption. The approved expenditures for each fund may not be increased by more than 10% by the board without returning to the Budget Committee for a second approval. After the board adopts the budget and certifies the total of ad valorem taxes to be levied, as approved by the budget committee, no additional tax levy may be made for that fiscal year.

The District Board legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution for each fund is the object group level (i.e. personal services, materials and services, capital outlay, and other expenditures). Appropriations lapse at the end of the year.

The District Board may change the budget throughout the year by resolution and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the board. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year.

**3. CASH AND INVESTMENTS:**

For discussion of deposit and investment policies and other related information, see Note 1.D.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Note 1.D.

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

JUNE 30, 2019

---

**3. CASH AND INVESTMENTS (Cont.):**

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2019, the reported amount of the District's deposits was none and there was no ending bank balance. Of the bank balance, the entire amount was covered by federal depository insurance or by pledged securities with the qualifying depository banks.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2019, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2019, the District's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	<u>\$ 1,960,553</u>	N/A
Total Investments	<u><u>\$ 1,960,553</u></u>	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

JUNE 30, 2019

**3. CASH AND INVESTMENTS (Cont.):**

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the District's total investments.

**4. LONG TERM DEBT:**

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

**GOVERNMENTAL ACTIVITIES:**

	<u>Outstanding Balance July 1, 2018</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2019</u>	<u>Due Within One Year</u>
<b>Bonds Payable:</b>					
NW URD Bond with IFA #B050003	\$ 2,271,343	141,311	\$ 83,275	\$ 2,130,032	\$ 122,163
NW URD General Obligation Bond Lebanon UR10	750,000	370,000	25,510	380,000	380,000
<b>Total Bonds</b>	<u>\$ 3,021,343</u>	<u>\$ 511,311</u>	<u>\$ 108,785</u>	<u>\$ 2,510,032</u>	<u>\$ 502,163</u>
<b>Total Debt Agreements</b>	<u>\$ 3,021,343</u>	<u>\$ 511,311</u>	<u>\$ 108,785</u>	<u>\$ 2,510,032</u>	<u>\$ 502,163</u>

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

JUNE 30, 2019

---

**4. LONG TERM DEBT (Cont.):**

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

**GOVERNMENTAL ACTIVITIES:**

**General Obligation and Limited Tax Bonds:**

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 502,163	\$ 116,281	\$ 618,444
2021	128,077	98,067	226,144
2022	134,047	91,847	225,894
2023	140,069	85,325	225,394
2024	146,134	78,510	224,644
2025 - 2029	843,748	278,723	1,122,471
2030 - 2034	615,794	61,389	677,183
Total	<u>\$ 2,510,032</u>	<u>\$ 810,142</u>	<u>\$ 3,320,174</u>

**5. RISK MANAGEMENT:**

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

**REQUIRED**  
**SUPPLEMENTARY**  
**INFORMATION**

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

(A Component Unit of the City of Lebanon)

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

**URBAN RENEWAL - GENERAL FUND**

**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<b><u>REVENUES:</u></b>				
Property Taxes	\$ 1,595,000	\$ 1,595,000	\$ 1,763,992	\$ 168,992
Investment Earnings	10,000	10,000	55,981	45,981
<b>Total Revenues</b>	<b>1,605,000</b>	<b>1,605,000</b>	<b>1,819,973</b>	<b>214,973</b>
<b><u>EXPENDITURES:</u></b>				
Current:				
Materials and Supplies	25,000	25,000	13,549	(11,451)
Non-Departmental:				
Debt Service	620,279	620,279	620,096	(183)
Contingency	1,590,108	1,590,108	-	(1,590,108)
<b>Total Expenditures</b>	<b>2,235,387</b>	<b>2,235,387</b>	<b>633,645</b>	<b>(1,601,742)</b>
Excess (Deficiency) of Revenues Over Expenditures	(630,387)	(630,387)	1,186,328	1,816,715
<b><u>OTHER FINANCING SOURCES / (USES):</u></b>				
Interfund Transfers Out	(1,030,253)	(1,030,253)	(1,030,253)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,030,253)</b>	<b>(1,030,253)</b>	<b>(1,030,253)</b>	<b>-</b>
Net Change in Fund Balance	(1,660,640)	(1,660,640)	156,075	1,816,715
Beginning Net Position (Deficit) - As Restated	1,660,640	1,660,640	1,812,063	151,423
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,968,138</b>	<b>\$ 1,968,138</b>

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**  
**AND SCHEDULES**



**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)**

**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**

**For the Fiscal Year Ended June 30, 2019**

---

**NW URD Bond with IFA #B050003**

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

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 2,271,343	\$ -	\$ 141,311	\$ 2,130,032	\$ 122,163
Interest	-	83,275	83,275	-	102,981
Total	<u>\$ 2,271,343</u>	<u>\$ 83,275</u>	<u>\$ 224,586</u>	<u>\$ 2,130,032</u>	<u>\$ 225,144</u>

**Future Requirements:**

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2020	\$ 122,163	\$ 102,981	\$ 225,144	5.00%
2021	128,077	98,067	226,144	5.00%
2022	134,047	91,847	225,894	5.00%
2023	140,069	85,325	225,394	5.00%
2024	146,134	78,510	224,644	5.00%
2025	152,258	71,386	223,644	5.00%
2026	158,450	63,944	222,394	5.00%
2027	169,696	56,199	225,895	5.00%
2028	175,994	47,900	223,894	5.00%
2029	187,350	39,294	226,644	5.00%
2030	193,766	30,129	223,895	5.00%
2031	205,243	20,651	225,894	5.00%
2032	216,785	10,609	227,394	5.00%
Total	<u>\$ 2,130,032</u>	<u>\$ 796,842</u>	<u>\$ 2,926,874</u>	

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**

**(A Component Unit of the City of Lebanon)**

**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**

**For the Fiscal Year Ended June 30, 2019**

---

**NW URD General Obligation Bond Lebanon UR10**

NW URD - November 2, 2010, the City issued General Obligation Bonds for the Northwest URD. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$3,310,000 with an Interest rate between 2.0% and 3.5%. LebanonUR10

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 750,000	\$ -	\$ 370,000	\$ 380,000	\$ 380,000
Interest	-	25,510	25,510	-	13,300
Total	<u>\$ 750,000</u>	<u>\$ 25,510</u>	<u>\$ 395,510</u>	<u>\$ 380,000</u>	<u>\$ 393,300</u>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	<u>2020</u>	<u>\$ 380,000</u>	<u>\$ 13,300</u>	<u>\$ 393,300</u>	6.15%
Total		<u>\$ 380,000</u>	<u>\$ 13,300</u>	<u>\$ 393,300</u>	

**ACCOMPANYING**  
**INFORMATION**

**NORTHWEST LEBANON URBAN RENEWAL DISTRICT**  
**(A Component Unit of the City of Lebanon)**

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

**As of June 30, 2019**

---

To the Governing Body of the Northwest Lebanon Urban Renewal District of the City of Lebanon  
Lebanon, Oregon

We have audited the basic financial statements of the Northwest Lebanon Urban Renewal District of the City of Lebanon (District) as of and for the year ended June 30, 2019 and have issued our report thereon dated January 20, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations:

**OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District internal control over financial reporting. This report is intended solely for the information and use of the Board of Directors and management of the District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Steve Tuchscherer, CPA  
Umpqua Valley Financial  
Roseburg, Oregon  
January 20, 2020