

**COLUMBIA GATEWAY URBAN RENEWAL  
AGENCY**

*(A Component Unit of the  
City of The Dalles, Oregon)*

**ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2002**

# COLUMBIA GATEWAY URBAN RENEWAL AGENCY

## BOARD OF DIRECTORS

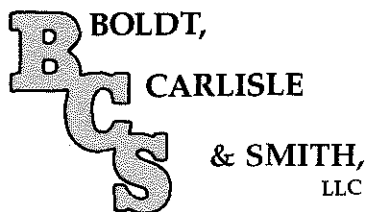
Year Ended June 30, 2002

	<u>Term Expires</u>
Robb Van Cleave 912 East 15 <sup>th</sup> Place The Dalles, Oregon 97058	December 31, 2002
Jim Broehl 318 West 12 <sup>th</sup> Street The Dalles, Oregon 97058	December 31, 2004
Chris Zukin 915 West 14 <sup>th</sup> Street The Dalles, Oregon 97058	December 31, 2002
Dorothy Davison 2500 East 12 <sup>th</sup> Street The Dalles, Oregon 97058	December 31, 2002
Mary Ann Davis 1814 East 14 <sup>th</sup> Street The Dalles, Oregon 97058	December 31, 2004
Mike Tenney 923 East 12 <sup>th</sup> Street The Dalles, Oregon 97058	December 31, 2004

# **COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

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## INDEPENDENT AUDITOR'S REPORT

**Board of Directors**  
**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**  
**The Dalles, Oregon**

We have audited the accompanying general purpose financial statements of the **COLUMBIA GATEWAY URBAN RENEWAL AGENCY** (A *Component Unit of the City of The Dalles, Oregon*) as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purposes financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the **COLUMBIA GATEWAY URBAN RENEWAL AGENCY** as of June 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the **COLUMBIA GATEWAY URBAN RENEWAL AGENCY**. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

**Boldt, Carlisle & Smith, LLC**  
Certified Public Accountants  
Salem, Oregon  
August 30, 2002

By:

  
Douglas C. Parham, Member

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 2002**

	<u>Governmental Fund Types</u>		<u>Account Group</u>	<u>Totals</u>
	<u>General</u>	<u>Debt Service</u>	<u>Long-term Debt</u>	<u>(Memorandum Only)</u>
<b><u>ASSETS AND OTHER DEBITS</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 605,319	\$ 320,500	\$ --	\$ 925,819
Receivables	71,800	--	--	71,800
<b>OTHER DEBITS</b>				
Amount available in debt service fund	--	--	320,500	320,500
Amount to be provided for retirement of long-term obligations	--	--	2,769,500	2,769,500
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 677,119</b>	<b>\$ 320,500</b>	<b>\$ 3,090,000</b>	<b>\$ 4,087,619</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 123,530	\$ --	\$ --	\$ 123,530
Deferred revenue	64,800	--	--	64,800
Long-term obligations	--	--	3,090,000	3,090,000
<b>TOTAL LIABILITIES</b>	<b>188,330</b>	<b>--</b>	<b>3,090,000</b>	<b>3,278,330</b>
<b>EQUITY</b>				
Fund balance				
Reserved for debt service	--	320,500	--	320,500
Unreserved	488,789	--	--	488,789
<b>TOTAL EQUITY</b>	<b>488,789</b>	<b>320,500</b>	<b>--</b>	<b>809,289</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 677,119</b>	<b>\$ 320,500</b>	<b>\$ 3,090,000</b>	<b>\$ 4,087,619</b>

*See notes to general purpose financial statements*

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
Year Ended June 30, 2002**

	<u>General</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<b>REVENUES</b>			
Property taxes	\$ 403,971	\$ 331,068	\$ 735,039
Interest on investments	28,494	--	28,494
Miscellaneous	7,850	15,000	22,850
<b>TOTAL REVENUES</b>	<u>440,315</u>	<u>346,068</u>	<u>786,383</u>
<b>EXPENDITURES</b>			
General government	299,770	--	299,770
Capital outlay	1,178,007	--	1,178,007
Debt service	--	395,493	395,493
<b>TOTAL EXPENDITURES</b>	<u>1,477,777</u>	<u>395,493</u>	<u>1,873,270</u>
Excess (deficiency) of revenues over expenditures	(1,037,462)	(49,425)	(1,086,887)
Fund Balances at beginning of year	<u>1,526,251</u>	<u>369,925</u>	<u>1,896,176</u>
Fund Balances at end of year	<u>\$ 488,789</u>	<u>\$ 320,500</u>	<u>\$ 809,289</u>

# COLUMBIA GATEWAY URBAN RENEWAL AGENCY

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ALL GOVERNMENTAL FUND TYPES Year Ended June 30, 2002

	General			Debt Service		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>						
Property taxes	\$ 372,479	\$ 403,971	\$ 31,492	\$ 331,068	\$ 331,068	\$ --
Interest on investments	72,850	28,494	(44,356)	15,000	15,000	--
Miscellaneous	--	7,850	7,850	--	--	--
<b>TOTAL REVENUES</b>	<u>445,329</u>	<u>440,315</u>	<u>(5,014)</u>	<u>346,068</u>	<u>346,068</u>	<u>--</u>
<b>EXPENDITURES</b>						
General government	336,455	299,770	36,685	--	--	--
Capital outlay	2,190,406	1,178,007	1,012,399	--	--	--
Debt service	--	--	--	398,743	395,493	3,250
<b>TOTAL EXPENDITURES</b>	<u>2,526,861</u>	<u>1,477,777</u>	<u>1,049,084</u>	<u>398,743</u>	<u>395,493</u>	<u>3,250</u>
Excess (deficiency) of revenues over expenditures	(2,081,532)	(1,037,462)	1,044,070	(52,675)	(49,425)	3,250
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from long-term obligations	631,000	--	(631,000)	--	--	--
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(1,450,532)	(1,037,462)	413,070	(52,675)	(49,425)	3,250
Fund Balances at beginning of year	<u>1,450,532</u>	<u>1,526,251</u>	<u>75,719</u>	<u>402,675</u>	<u>369,925</u>	<u>(32,750)</u>
Fund Balances at end of year	<u>\$ --</u>	<u>\$ 488,789</u>	<u>\$ 488,789</u>	<u>\$ 350,000</u>	<u>\$ 320,500</u>	<u>\$ (29,500)</u>



## **COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

### **NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS Year Ended June 30, 2002**

#### **1. Summary of Significant Accounting Policies**

##### **A. Organization**

The **COLUMBIA GATEWAY URBAN RENEWAL AGENCY** (the Agency), a component unit of the City of The Dalles, is the urban renewal agency of and controlled by the City of The Dalles (the City). It was organized in 1990 to assist in the redevelopment of blighted and deteriorated areas within the City through tax increment financing. The governing body consists of a seven member advisory committee, which sends its recommendations to the Board of Directors. The Board of Directors is composed of the Mayor and City Council of the City of The Dalles.

##### **B. Inclusion of the Agency in the City of The Dalles Comprehensive Annual Financial Report**

All significant activities and organizations for which the City exercises oversight responsibility have been included in the City's combined financial statements. The following criteria from Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" regarding manifestation of oversight were considered by the City in its evaluation of City organizations and activities:

- Financial interdependency – The City receives financial support or provides financial benefit to the organization.
- Authoritative appointment of governing authority – The Dalles City Council is the organization's governing authority.

City management has determined that the Agency meets the criteria set forth above, and therefore, is a component unit of the City. This report is issued solely to meet a State of Oregon, Department of Revenue interpretation of Oregon Revised Statutes that requires a separate audit report.

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### C. Fund Structure

The accounts of the Agency are organized on the basis of funds and account groups, each of which is considered a separate reporting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Agency resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Individual funds and account groups summarized in the accompanying financial statements are as follows:

GOVERNMENTAL		
<u>Fund Type</u>	<u>Primary Revenue Source</u>	<u>Primary Expenditure Purpose</u>
GENERAL	Property taxes	General operations of the Agency and construction of public improvements
DEBT SERVICE	Property taxes and interest	Retirement of bonded debt
<u>Account Group</u>	<u>Purpose</u>	
GENERAL LONG-TERM DEBT	Accounting control and accountability for long-term obligations	

#### D. Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred.

Long-term liabilities of governmental-type funds are reported in the general long-term debt account group.

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### E. Budget Policies and Budgetary Control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The Agency begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The Board of Directors adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The Agency established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

Budget amounts shown in the general purpose financial statements have been revised since the original budget amounts were adopted. The Board of Directors must authorize all appropriation transfers and supplementary budgetary appropriations.

#### F. Cash and Investments

Investments are stated at cost, which approximates fair value.

#### G. Long-term Obligations

Long-term obligations consist of credit facility notes and are accounted for in the general long-term debt account group.

#### H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and 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.

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### I. Total Columns

Total columns in the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. They do not present consolidated financial information; interfund eliminations have not been made in the aggregation of these data.

### 2. Cash and Investments

At June 30, 2002, the carrying amount of the Agency's deposits was \$107,712, and the bank balance was \$113,486. Of the bank balance, \$100,000 was covered by federal depository insurance and \$13,486 was collateralized with securities held by the pledging financial institution's agent, but not in the Agency's name. Balances so collateralized meet the requirements of state law, but are considered uncollateralized per GASB No. 3.

Statutes authorize the City on behalf of the Agency to invest in obligations of the U.S. Treasury and U.S. Agencies, Bankers' Acceptances, Repurchase Agreements, Commercial Paper Rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, the State Treasurer's Investment Pool, and deposits with banks, mutual savings banks and savings and loan associations. During the fiscal year, the Agency's investments complied with the statutory requirements.

The Agency invests in the State Treasurer's Investment Pool, which has regulatory oversight by the Oregon Short Term Fund Board and whose investments are approved by the Oregon Investment Council. The fair value of the Agency's position in the pool is the same as the value of the pool shares.

#### A. The Agency's cash and investments at June 30, 2002, are shown below:

##### *Deposits:*

County treasurer	\$ 7,319
Checking account	107,712

##### *Investments:*

State treasurer - local government investment pool	<u>810,788</u>
Total cash and investments	<u>\$ 925,819</u>

#### B. Cash and investment by fund type

##### *Governmental:*

General	\$ 605,319
Debt Service	<u>320,500</u>
Total cash and investments	<u>\$ 925,819</u>

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### 3. Receivables

General Fund	
Property taxes	\$ 64,800
Accounts	<u>7,000</u>
	<u>\$ 71,800</u>

#### A. Property taxes - collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15, and May 15. Wasco County bills and collects property taxes for the Agency.

#### B. Property taxes - transactions

	Balances July 1, 2001	2001-02 Levy	Adjust- ments	Net Interest (Discounts)	Collec- tions	Balances June 30, 2002
Current	\$ --	\$ 762,891	\$ (3,853)	\$ (16,848)	\$ 706,363	\$ 35,827
Prior	<u>57,850</u>	<u>--</u>	<u>(4,338)</u>	<u>4,137</u>	<u>28,676</u>	<u>28,973</u>
	<u>\$ 57,850</u>	<u>\$ 762,891</u>	<u>\$ (8,191)</u>	<u>\$ (12,711)</u>	<u>\$ 735,039</u>	<u>\$ 64,800</u>

#### Analysis of revenue:

##### *General*

Current levy \$ 386,177

Prior levies 17,794

##### *Debt Service*

Current levy 331,068

\$ 735,039

#### C. Property taxes - ensuing year's levy

The Agency will levy 100 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term obligations principal and interest without making a special levy in 2002-03.

The tax rate limit of \$10 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect this levy.

# NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

## 4. Deferred Revenue

Resources owned by the Agency, which are measurable, but not available, consist of the following:

General Fund	
Property taxes	\$ <u>64,800</u>

## 5. Long-Term Obligations

### A. Transactions for the year ended June 30, 2002:

	Balance July 1, 2001	Matured	Retired	Balance June 30, 2002
<u>Bonds Payable</u>				
Columbia Gateway/Downtown Area Urban Renewal Bond, Series 2000, interest at 5.05% to 5.8%				
Principal	\$ 3,300,000	\$ 210,000	\$ 210,000	\$ 3,090,000
Interest	--	185,493	185,493	--
	<u>\$ 3,300,000</u>	<u>\$ 395,493</u>	<u>\$ 395,493</u>	<u>\$ 3,090,000</u>

### B. The future maturities of all obligations outstanding as of June 30, 2002, are as follows:

	<u>Bonds Payable</u>	
	<u>Interest</u>	<u>Principal</u>
2002-03	\$ 174,258	\$ 315,000
2003-04	157,090	335,000
2004-05	138,665	355,000
2005-06	118,963	370,000
2006-07	98,243	395,000
Thereafter	<u>155,165</u>	<u>1,320,000</u>
	<u>\$ 842,384</u>	<u>\$ 3,090,000</u>

## **ADDITIONAL INFORMATION**

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 372,479	\$ 403,971	\$ 31,492
Interest	72,850	28,494	(44,356)
Other	--	7,850	7,850
<b>TOTAL REVENUES</b>	<u>445,329</u>	<u>440,315</u>	<u>(5,014)</u>
<b>EXPENDITURES</b>			
Materials and services	1,675,048	1,435,511	239,537
Capital outlay	<u>851,813</u>	<u>42,266</u>	<u>809,547</u>
<b>TOTAL EXPENDITURES</b>	<u>2,526,861</u>	<u>1,477,777</u>	<u>1,049,084</u>
Excess (deficiency) of revenues over expenditures	(2,081,532)	(1,037,462)	1,044,070
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term obligations	<u>631,000</u>	<u>--</u>	<u>631,000</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(1,450,532)	(1,037,462)	413,070
Fund balances at beginning of year	<u>1,450,532</u>	<u>1,526,251</u>	<u>75,719</u>
Fund balances at end of year	<u>\$ --</u>	<u>\$ 488,789</u>	<u>\$ 488,789</u>



**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

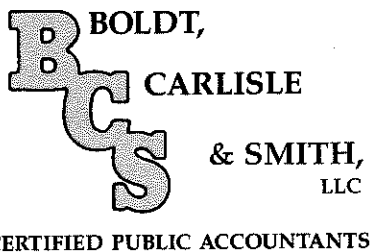
**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 331,068	\$ 331,068	\$ --
Interest	<u>15,000</u>	<u>15,000</u>	<u>--</u>
<b>TOTAL REVENUES</b>	346,068	346,068	--
<b>EXPENDITURES</b>			
Debt service	<u>398,743</u>	<u>395,493</u>	<u>3,250</u>
Excess (deficiency) of revenues over expenditures	(52,675)	(49,425)	3,250
Fund balances at beginning of year	<u>402,675</u>	<u>369,925</u>	<u>(32,750)</u>
Fund balances at end of year	<u>\$ 350,000</u>	<u>\$ 320,500</u>	<u>\$ (29,500)</u>

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS  
REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF  
OREGON MUNICIPAL CORPORATIONS**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth in the following pages.

- *Accounting and Internal Controls*
- *Collateral*
- *Indebtedness*
- *Budget*
- *Insurance and Fidelity Bonds*
- *Investments*
- *Public Contracts and Purchasing*



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## **COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

### **DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS Year Ended June 30, 2002**

#### *Accounting and Internal Controls*

The broad objectives of internal accounting control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded from unauthorized use or disposition and that financial records are reliable to permit the preparation of financial statements. The following operative objectives are necessary to achieve the broad objectives:

- a. Transactions are executed in accordance with management's general or specific authorization.
- b. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (2) to maintain accountability for assets.
- c. Access to assets is permitted only in accordance with management's authorization.
- d. The recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. Any projection of a current evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with prescribed procedures may deteriorate.

The accounting records and internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE  
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS  
(Continued)**

Collateral

ORS 295.015 requires collateral pool certificates of participation to be obtained from the pool manager of the depository in an amount equal to the funds on deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. Collateral pool certificates warrant that the pool manager holds custodian's receipts for eligible securities pledged by the depository bank to secure deposits of public funds of a value as of the last valuation date of not less than 25 percent of the aggregate amount of certificates outstanding. At June 30, 2002, the deposits of the Agency were covered by the following collateral pool certificates:

<u>Depository Bank</u>	<u>Pool Manager</u>	<u>Amount</u>
Columbia River Bank	Federal Home Loan Bank of Seattle	\$ 1,000,000

Deposits of the Agency were secured in accordance with ORS 295.015.

Indebtedness

The legal debt limitation has not been exceeded.

Budget

1. Preparation and Adoption

The budgets for the years ended June 30, 2003 and 2002, were prepared and adopted in compliance with legal requirements.

2. Execution

The budget for the year ended June 30, 2002, was executed in compliance with legal requirements.

Insurance and Fidelity Bonds

The Agency does not have separate coverage. Instead the Agency's risks are insured by policies owned by the City of The Dalles. The City of The Dalles' insurance agent has indicated that insurance coverage at June 30, 2002 was adequate.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE  
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS  
(Continued)**

*Investments*

Funds of the Agency were invested in compliance with ORS 294.035.

*Public Contracts and Purchasing*

1. Awarding of public contracts

The Agency awarded public contracts in accordance with ORS 279.

2. Construction of public improvements

The Agency did not construct any public improvements.

**Boldt, Carlisle & Smith, LLC**  
Certified Public Accountants  
Salem, Oregon  
August 30, 2002