



CITY OF LA PINE, OREGON
URBAN RENEWAL AGENCY VIA ZOOM

Tuesday, February 02, 2021 at 3:00 PM
Zoom

The meeting location is accessible via Zoom. Please visit www.lapineoregon.gov for more information. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to City Hall at (541-536-1432). For deaf, hearing impaired, or speech disabled dial 541-536-1432 for TTY.

AGENDA

CALL TO ORDER

ESTABLISH QUORUM

PLEDGE OF ALLEGIANCE

ADDED AGENDA ITEMS

Any matters added to the Agenda at this time will be discussed during the “Other Matters” portion of this Agenda or such time selected by the Urban Renewal Agency.

APPROVAL OF MEETING MINUTES

[9.1.2020](#) Urban Renewal Agency Meeting Minutes

NEW BUSINESS

[Urban](#) Renewal Agency FY 2019-20 Audit Report

NEW BUSINESS

OTHER MATTERS

Only Items that were previously added above in the Added Agenda Items will be discussed.

PUBLIC COMMENTS

STAFF COMMENTS

BOARD MEMBER COMMENTS

ADJOURN MEETING

Pursuant to ORS 192.640: This notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the Urban Renewal Agency via Zoom to consider or discuss additional subjects. This meeting is subject to cancellation without notice. The regular meeting is open to the public and interested citizens are invited to attend.

CITY OF LA PINE, OREGON
URBAN RENEWAL AGENCY MEETING VIA ZOOM

Tuesday, September 01, 2020 at 3:00 PM
La Pine City Hall: 16345 Sixth Street, La Pine, Oregon 97739

MINUTES

1. CALL TO ORDER

Meeting called to order at 3:06 p.m.

2. ESTABLISH QUORUM

PRESENT

Vicki Russell, Chair
Scott Asla
Don Greiner
Ann Gawith
Andrea Hine
Colleen Scott

STAFF PRESENT

City Manager Melissa Bethel
Assistant Planner Alexa Repko
City Recorder Robin Neace

OTHERS PRESENT

SLED Interim Director Patricia Lucas

3. ADDED AGENDA ITEMS

Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda or such time selected by the Urban Renewal Agency.

None.

4. APPROVAL OF MEETING MINUTES

Motion to approve Meeting Minutes made by Councilor Don Greiner, Seconded by Ann Gawith.

Voting Yea: Don Greiner, Ann Gawith, Andrea Hine, Vicki Russell, Colleen Scott

1. 7.7.20 Urban Renewal Agency Meeting Minutes

Motion to approve Meeting Minutes made by Councilor Don Greiner, Seconded by Ann Gawith.

Voting Yea: Don Greiner, Ann Gawith, Andrea Hine, Vicki Russell, Colleen Scott

5. LA PINE STOREFRONT IMPROVEMENT PROJECT

2. La Pine Storefront Improvement Brochure
3. Grant Application
4. Storefront Grant Process & Requirements

Presentation made by SLED Interim Director Patricia Lucas and Assistant Planner Alexa Repko.

6. OTHER MATTERS

Only Items that were previously added above in the Added Agenda Items will be discussed.

None.

7. PUBLIC COMMENTS

None.

8. STAFF COMMENTS

City Manager Melissa Bethel announces her departure from the City.

9. BOARD MEMBER COMMENTS

10. ADJOURN MEETING

Meeting adjourned at 4:10 p.m.



November 18, 2020

To the Honorable Chairman and Members
of the La Pine Urban Renewal Agency,
City of La Pine, Oregon

I have audited the financial statements of the governmental activities and each major fund of the La Pine Urban Renewal Agency (the Agency), a component unit of the City of La Pine, Oregon for the year ended June 30, 2020. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my engagement letter to you dated May 15, 2020. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the La Pine Urban Renewal Agency are described in the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. I noted no transactions entered into by La Pine Urban Renewal Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Agency's financial statements was:

Management's estimate of the Agency's capital asset values is based on both actual and estimated historical costs. I evaluated the key factors and assumptions used to develop the capital asset valuations in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated September 29, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to La Pine Urban Renewal Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants. The arrangement with Brenda and the SGA CPA's, which I believe is of great value to La Pine Urban Renewal Agency, is not the kind of consulting referred to here, although Brenda and I do discuss accounting principle matters time to time.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as La Pine Urban Renewal Agency's auditors. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

Other Matters

I applied certain limited procedures to management's discussion and analysis and the major governmental budgetary schedule which are required supplementary information (RSI) that supplements the basic financial statements. My procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

I was engaged to report on the additional supporting schedules, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements. I compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Chairman and Members of the La Pine Urban Renewal Agency Board and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Steve Tuchscherer', with a stylized flourish at the end.

Steve Tuchscherer, CPA

LA PINE URBAN RENEWAL AGENCY

(A Component Unit of the City of La Pine)

LA PINE, OREGON



L A P I N E

O R E G O N

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

La Pine Urban Renewal Agency

PO Box 2460
La Pine, Oregon 97739
(541) 536-1432

AGENCY OFFICIALS

VICKI RUSSELL PO Box 2460, La Pine, OR 97739	Chair
COLLEEN SCOTT PO Box 2460, La Pine, OR 97739	Member
DON GREINER PO Box 2460, La Pine, OR 97739	Member
ANN GAWITH PO Box 2460, La Pine, OR 97739	Member
ANDREA HINE PO Box 2460, La Pine, OR 97739	Member
JEAN SPETTER SUTTON PO Box 2460, La Pine, OR 97739	Member
DANIEL RICHER PO Box 2460, La Pine, OR 97739	Mayor
MICHAEL HARPER PO Box 2460, La Pine, OR 97739	Ex-Member

CITY ADMINISTRATION

BRENDA BARTLETT, SGA CPA & CONSULTANTS 499 SW Upper Terrace Drive, Bend, OR 97702	Finance Manager
MELISSA BETHEL PO Box 2460, La Pine, OR 97739	City Manager

LA PINE URBAN RENEWAL AGENCY
(A Component Unit of the City of La Pine)
AUDIT REPORT

June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and Members
of the La Pine Urban Renewal Agency,
City of La Pine, Oregon

I have audited the accompanying financial statements of the governmental activities and the general fund of the La Pine Urban Renewal Agency, (the Agency), a component unit of the City of La Pine, Oregon, as of and for the year ended June 30, 2020, and the related notes to the 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

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 my 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 the general fund of the Agency as of June 30, 2020, 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 budgetary comparison information on pages 2 - 6 and 19 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 required supplementary information 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.

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 November 18, 2020, on my consideration of the Urban Renewal Agency of the City of La Pine'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 Agency's compliance.



Steve Tuhscherer, CPA
November 18, 2020

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

BASIC FINANCIAL
STATEMENTS

Government -Wide
Financial Statements

LA PINE URBAN RENEWAL AGENCY

(A Component Unit of the City of La Pine)

STATEMENT OF NET POSITION

For the Fiscal Year Ended June 30, 2020

	Governmental Activities
	<hr/>
<u>ASSETS:</u>	
Current Assets:	
Cash and Investments	\$ 306,536
Property Taxes Receivable	2,730
	<hr/>
Total Assets	309,266
<u>NET POSITION:</u>	
Restricted for:	
Urban Renewal Projects	309,266
	<hr/>
Total Net Position	\$ 309,266
	<hr/> <hr/>

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

LA PINE URBAN RENEWAL AGENCY

(A Component Unit of the City of La Pine)

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2020

<u>Functions / Programs</u>	<u>(Expenses)</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<u>GOVERNMENTAL ACTIVITIES:</u>				
General Government	\$ 13,629	\$ -	\$ -	\$ (13,629)
Total Governmental Activities	\$ 13,629	\$ -	\$ -	\$ (13,629)

GENERAL REVENUES:

Taxes

Property Taxes, Levied for Debt Service 111,968

Interest and Investment Earnings 2,452

Subtotal - General Revenues 114,420

Change in Net Position 100,791

Net Position, July 1, 2019 208,475

Net Position, June 30, 2020 \$ 309,266

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

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements

LA PINE URBAN RENEWAL AGENCY
(A Component Unit of the City of La Pine)

BALANCE SHEET

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2020

	<u>Urban Renewal General Fund</u>
<u>ASSETS:</u>	
Cash and Investments	\$ 306,536
Property Taxes Receivable	<u>2,730</u>
Total Assets	<u>\$ 309,266</u>
<u>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>	
Deferred Inflows of Resources:	
Deferred Property Tax Revenue	<u>1,964</u>
Total Deferred Inflows of Resources	<u>1,964</u>
Fund Balances:	
Restricted for:	
Urban Renewal Projects	<u>307,302</u>
Total Fund Balances	<u>307,302</u>
Total Deferred Inflows of Resources & Fund Balances	<u>\$ 309,266</u>

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

LA PINE URBAN RENEWAL AGENCY

(A Component Unit of the City of La Pine)

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

For the Fiscal Year Ended June 30, 2020

Total Fund Balances - Governmental Funds **\$ 307,302**

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

Property taxes receivables not collected within 60 days of the
current period ending date are deferred in the governmental funds. 1,964

Net Position of Governmental Activities **\$ 309,266**

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

LA PINE URBAN RENEWAL AGENCY

(A Component Unit of the City of La Pine)

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

GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2020

	Urban Renewal General Fund
<u>REVENUES:</u>	
Taxes and Assessments	\$ 111,509
Interest and Investment Earnings	2,452
Total Revenues	113,961
<u>EXPENDITURES:</u>	
Current Operating:	
General Government	13,629
Total Expenditures	13,629
Net Change in Fund Balance	100,332
Fund Balance - July 1, 2019	206,970
Fund Balance - June 30, 2020	<u>\$ 307,302</u>

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

LA PINE URBAN RENEWAL AGENCY

(A Component Unit of the City of La Pine)

**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, 2020

Net changes in fund balances - total governmental funds **\$ 100,332**

**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 459

Changes in net position of governmental activities **\$ 100,791**

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

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

LA PINE URBAN RENEWAL AGENCY
(A Component Unit of the City of La Pine)
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The La Pine Urban Renewal Agency, City of La Pine, Oregon (Agency) was established on June 16, 2014. The Agency is organized under general laws pertaining to urban renewal agencies in the State of Oregon. The governing body is comprised of a seven-member Board of Directors that includes two elected city council members.

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

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

The Agency has no potential component units.

Basis of Presentation

The financial statements of the La Pine Urban Renewal Agency (Agency) 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 Agency's activities are governmental and are normally supported by taxes and intergovernmental revenues.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given 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.

LA PINE URBAN RENEWAL AGENCY
(A Component Unit of the City of La Pine)
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

The General Fund is the general operating fund of the Agency. It is used to account for all the financial resources and expenditures. The principal sources of revenues may include tax increment revenues and interest on investments.

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. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Agency considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. 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.

Similar to the way revenues are recorded, governmental funds only record those expenditures that affect current financial resources.

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.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

LA PINE URBAN RENEWAL AGENCY
(A Component Unit of the City of La Pine)
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

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

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

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.

Receivables

Receivables are recognized for property taxes. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established.

Deferred Inflows of Resources:

In 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.

LA PINE URBAN RENEWAL AGENCY
(A Component Unit of the City of La Pine)
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

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

Fund Financial Statements

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

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The Agency did not have any nonspendable resources as of June 30, 2020.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Agency has restricted funds for various 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 Agency Board, and does not lapse at year-end. The Agency does not have committed resources as of June 30, 2020.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Agency Board or through the Agency Board delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds 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 Agency’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

LA PINE URBAN RENEWAL AGENCY
(A Component Unit of the City of La Pine)
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Use of Estimates

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

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 Agency 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 (Agency Director) and the Finance Director develop a proposed budget, after which the Agency 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 Agency Board and an equal number of citizens of the City of La Pine) meets to consider the proposed budget. The Budget Message is delivered, explaining the proposed budget and any significant changes in the Agency'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 Agency Director originally. The Budget Committee then submits the approved budget to the Agency Board for final adoption. The approved expenditures for each fund may not be increased by more than 10% by the board without 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 Agency 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 Agency 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.

LA PINE URBAN RENEWAL AGENCY
(A Component Unit of the City of La Pine)
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

CASH AND INVESTMENTS:

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

The Agency follows the practice of aggregating the City of La Pine's cash assets to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes.

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 Agency's deposits may not be returned to it. The Agency does not have a deposit policy for custodial credit risk.

As of June 30, 2020, the reported amount of the Agency's deposits was \$306,536 and the bank balance was \$306,536. Of the bank balance, the entire amount was covered by federal depository insurance.

Investments - Oregon statutes authorize the Agency 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 Agency 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.

At June 30, 2020, the Agency had no investments in any financial institutions.

RISK MANAGEMENT:

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

REQUIRED
SUPPLEMENTARY
INFORMATION

LA PINE URBAN RENEWAL AGENCY

(A Component Unit of the City of La Pine)

GENERAL FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Property Taxes - Prior	\$ 112,000	\$ 112,000	\$ 110,348	\$ (1,652)
Property Taxes - Current	-	-	1,161	1,161
Investment Revenue	-	-	2,452	2,452
Total Revenues	112,000	112,000	113,961	1,961
EXPENDITURES:				
Materials and Services	102,141	102,141	13,629	(88,512)
Contingency	25,000	25,000	-	(25,000)
Total Expenditures	127,141	127,141	13,629	(113,512)
Excess (Deficiency) of Revenues Over Expenditures	(15,141)	(15,141)	100,332	115,473
Net Change In Fund Balance	(15,141)	(15,141)	100,332	115,473
Fund Balance - July 1, 2019	165,141	165,141	206,970	41,829
Fund Balance - June 30, 2020	\$ 150,000	\$ 150,000	\$ 307,302	\$ 157,302

ACCOMPANYING
INFORMATION

LA PINE URBAN RENEWAL AGENCY
(Component Unit of the City of La Pine)

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2020

To the Governing Body of the La Pine Urban Renewal Agency
La Pine, Oregon

I have audited the basic financial statements of the La Pine Urban Renewal Agency (Agency) as of and for the year ended June 30, 2020, I have issued my report thereon dated November 18, 2020. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent I 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 my testing nothing came to my attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing my audit, I considered the Agency's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Agency internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of the Agency 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
November 18, 2020



Audit Mailing Instructions

For the Secretary of State-

A copy of the Audit Report has already been sent to the Oregon Secretary of State.

We have already submitted a copy of the Oregon Audits Division Summary of Revenues and Expenditures online.

You can either pay the highlighted amount indicated on the report online through the Secretary of State's Secure site at:

<https://secure.sos.state.or.us/emuni/preparePayment.action> **OR** by check payable to "Oregon Secretary of State." Be sure to include a hardcopy with your payment.

Then mail to:

Secretary of State
255 Capitol Street NE, Ste. 180
Salem, OR 97310

Thank you,

Umpqua Valley Financial



Summary of Revenues and Expenditures

Please refer to instructions on next page.

A. Municipal corporation information			
Municipality name: <u>LA PINE URBAN RENEWAL AGENCY</u>			
Address line 1:	<u>PO BOX 2460</u>	Reporting period: From	<u>07/01/2019</u>
Address line 2:		To	<u>6/30/2020</u>
City, state, ZIP:	<u>LA PINE</u>	<u>OR</u>	<u>97739</u>
Check if new address: <input type="checkbox"/>		Report type:	<u>Audit</u>
If this is the final report, please enter the last date of operations:			Opinion issued: <u>Unmodified</u>
			Basis of accounting: <u>GAAP</u>

B. Financial statement audit – Reported deficiencies	
<p>1. Regarding internal controls over financial reporting, how many significant deficiencies and material weaknesses were reported? <u>0</u></p> <p>2. Of those control deficiencies reported, how many resulted in the following: Accounting errors/Misstatements: <u>0</u> Noncompliance: <u>0</u></p>	<p>3. How were deficiencies communicated? Check all that apply.</p> <p><input type="checkbox"/> Report issued in accordance with Government Auditing Standards</p> <p><input type="checkbox"/> Communication in accordance with Statements on Auditing Standards AU-C 265 "Communicating Internal Control Related Matters Identified in an Audit"</p> <p><input type="checkbox"/> Other (specify communication): _____</p> <p><input checked="" type="checkbox"/> No deficiencies</p> <p>Per OAR 162-010-0230, a copy must be filed with Secretary of State.</p>

C. Summary of revenues and expenditures

Revenues and/or receipts		Expenditures and/or disbursements	
a. Revenues from government-wide statement of activities:	\$ 114,420	a. Expenditures from government-wide statement of activities:	\$ 13,629
b. Fiduciary fund additions:	\$ 0	b. Fiduciary fund deductions:	\$ 0
c. Gross revenues subtotal (a + b):	\$ 114,420	c. Gross expenditures subtotal (a + b):	\$ 13,629
d. Revenues of component units:	\$ 0	d. Component unit expenditures reported with primary government:	\$ 0
e. Taxes, assessments and other collections to be distributed to other governments:	\$ 0	e. Turnovers to other municipal corporations:	
f. Exempt revenue subtotal (d + e):	\$ 0	f. Exempt expenditures subtotal (d + e):	\$ 0
g. Net revenues (c – f):	\$ 114,420	g. Net expenditures (c – f):	\$ 13,629

D. Filing fee:	\$ 20
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E. Submitted by	
Auditor name: <u>Steve Tuchscherer, CPA</u>	Municipal license number: <u>1114</u>
Firm name: <u>Umpqua Valley Financial</u>	Date: <u>11/18/2020</u>
Municipal contact name, title: <u>Brenda Bartlett, Finance Manager</u>	Municipal phone: <u>(541) 536-1432</u>

Submit: Click the "Submit" button on the right to submit this form via email. Save a copy for your records.

Submit

Within 30 days of delivering the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Audits Division, and one copy must be delivered to the municipal corporation. If deficiencies are communicated in a separate letter or in a report issued in accordance with *Government Auditing Standards*, a copy of that communication must also be filed. (OAR 162-010-0230)

Instructions

Section A: Municipal corporation information

Type information or use drop-down menu to complete this section. Indicate new address by checking the box.

- **Report type:** Select Audit or Review
- **Opinion issued:** Select from unmodified, qualified, adverse, or disclaimer. If any opinion unit received other than unmodified, please identify that opinion type.
- **Basis of accounting:** Identify whether GAAP, cash, or modified cash basis statements are presented.

Section B: Financial statement audit – Reported deficiencies

B.1. How many significant deficiencies and material weaknesses were communicated?

Include the total number of *material weaknesses* and *significant deficiencies* reported in accordance with AU-C 265, ORS 297.466, and OAR 162-010-0230. Do not count “other matters” communicated.

If none were reported, insert a zero.

B.2. Of those control deficiencies reported, how many resulted in accounting errors/misstatements or noncompliance?

Most deficiencies relate to internal controls over financial reporting. Some control deficiencies might also directly result in accounting errors and misstatements or non-compliance. If any of the findings communicated resulted in accounting errors and misstatements or noncompliance, indicate the number of deficiencies included in the total for B.1 that also pertain to those categories.

B.3. How were deficiencies communicated?

Select the format used to communicate deficiencies to those charged with governance. Check all that apply. If no material weaknesses or significant deficiencies were communicated select No Deficiencies.

*NOTE: If deficiencies are communicated (including other matters), **the auditor shall file a copy of the communication with the Secretary of State within 30 days of delivering the report to the municipal corporation.** (OAR 162-010-0230)*

Section C: Summary of revenues and expenditures

Revenues/receipts and expenditures/disbursements information is derived from amounts reported for government-wide and fiduciary activities and on the basis of accounting used in the audited or reviewed financial statements.

Section D: Filing fee

The filing fee is based on net expenditures; section C, line g. Enter the fee based on the chart below:

Net expenditures over	Net expenditures do not exceed	Fee
\$ 0	\$ 50,000	\$ 20
\$ 50,000	\$ 150,000	\$ 40
\$ 150,000	\$ 500,000	\$ 150
\$ 500,000	\$ 1,000,000	\$ 200
\$ 1,000,000	\$ 5,000,000	\$ 250
\$ 5,000,000	\$ 10,000,000	\$ 300
\$ 10,000,000	\$ 50,000,000	\$ 350
\$ 50,000,000		\$ 400

ORS 297.485(1):

Net expenditures and/or disbursements

The filing fee shall be determined by the total **expenditures** made by the municipal corporation for any and all purposes during the calendar or fiscal year audited, except that **expenditures** for principal of bonded debt, principal of short-term loans, principal of warrants redeemed which were issued during prior audit periods, transfers or loans between funds and turnovers of taxes or other trust moneys to other municipal corporations shall not be included in the **total expenditures** upon which the amount of the fee is based.

Section E: Submitted by

Include the name of the licensed municipal auditor who performed the engagement and is submitting this form. Also include their title, firm name, and date this summary form was completed.

To submit: • Click the “Submit” button on page one to submit this form via email

• Save and email the completed form to municipalfilings.sos@oregon.gov or

• Print a hardcopy and mail to: Audits Division, 255 Capitol St NE, Ste 500, Salem, Oregon 97310-0720