

***TILLAMOOK URBAN RENEWAL AGENCY
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2020***

BOARD MEMBERS

Ruth LaFrance

Lonnie Jenck

Cheryl Davy

Suzanne Weber

Tom Connaughton

COUNCILOR'S

Doug Henson

Brian Reynolds

The above individuals may be contacted at the address below:

ADMINISTRATION

Paul Wyntergreen, Agency Administrator

Debbi Reeves, Executive Assistant

210 Laurel Avenue,
Tillamook, Oregon 97141

TILLAMOOK URBAN RENEWAL AGENCY
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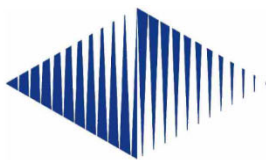
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FINANCIAL SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

www.gmscpa.com

(503) 581-7788 • FAX (503) 581-0152

475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Tillamook Urban Renewal Agency
210 Laurel Avenue
Tillamook, Oregon 97141

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of the Tillamook Urban Renewal Agency (the Agency), 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 the cash basis of accounting as described in the notes to the financial statements. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these cash basis 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 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 Agency'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 Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tillamook Urban Renewal Agency as of June 30, 2020, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in the summary of significant accounting policies in the notes to the financial statements.

Basis of Accounting

We draw attention to the notes of the financial statements that describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Report on Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Agency's basic financial statements. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information as listed in the table of contents is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in the notes to the financial statements.


Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 13, 2020, on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: _____


Ryan T. Pasquarella, Shareholder
November 13, 2020

BASIC FINANCIAL STATEMENTS

TILLAMOOK URBAN RENEWAL AGENCY

STATEMENT OF NET POSITION (CASH BASIS) – GOVERNMENTAL ACTIVITIES

JUNE 30, 2020

ASSETS

Cash and cash equivalents	\$ 626,896
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LIABILITIES

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NET POSITION

Unrestricted	626,896
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<i>Total Net Position</i>	<u><u>\$ 626,896</u></u>
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The accompanying notes are an integral part of the basic financial statements.

TILLAMOOK URBAN RENEWAL AGENCY**STATEMENT OF ACTIVITIES (CASH BASIS) – GOVERNMENTAL ACTIVITIES****YEAR ENDED JUNE 30, 2020**

	<u>Disbursements</u>	<u>Charges for Program Receipts</u>	<u>Net Receipt (Disbursement) and Change in Net Position</u>
FUNCTIONS/PROGRAMS			
Governmental Activities			
General government	\$ 523,069	\$ 22,641	\$ (500,428)
Principal and interest on indebtedness	321,760	-	(321,760)
	<hr/>	<hr/>	<hr/>
<i>Total Governmental Activities</i>	<u>\$ 844,829</u>	<u>\$ 22,641</u>	<u>(822,188)</u>
 General Receipts			
Property taxes			482,136
Interest and investment earnings			14,926
Miscellaneous			469
Proceeds from issuance of debt			200,000
			<hr/>
<i>Total General Revenues</i>			<u>697,531</u>
 Change in net position			 (124,657)
 Net Position - beginning of year			 <hr/> 751,553
 Net Position - end of year			 <u>\$ 626,896</u>

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

TILLAMOOK URBAN RENEWAL AGENCY
BALANCE SHEET (CASH BASIS) – GOVERNMENTAL FUNDS
JUNE 30, 2020

	<i>General Fund</i>	<i>Tax Increment Fund</i>	<i>Total</i>
<i>ASSETS</i>			
Cash and cash equivalents	\$ 601,770	\$ 25,126	\$ 626,896
<i>LIABILITIES AND FUND BALANCE</i>			
<i>Liabilities</i>	\$ -	\$ -	\$ -
<i>Fund Balance</i>			
Restricted:			
Debt service	-	25,126	25,126
Unassigned	601,770	-	601,770
<i>Total Fund Balance</i>	601,770	25,126	626,896
<i>Total Liabilities and Fund Balance</i>	\$ 601,770	\$ 25,126	\$ 626,896

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

TILLAMOOK URBAN RENEWAL AGENCY**STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS) -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	<i>General Fund</i>	<i>Tax Increment Fund</i>	<i>Total</i>
RECEIPTS			
Taxes and assessments	\$ -	\$ 482,136	\$ 482,136
Special assessments	22,641	-	22,641
Investment income	14,926	-	14,926
Miscellaneous	469	-	469
<i>Total Receipts</i>	38,036	482,136	520,172
DISBURSEMENTS			
Current			
Administration	61,347	1	61,348
Debt service			
Principal	-	417,797	417,797
Interest	-	103,963	103,963
Capital acquisitions	261,721	-	261,721
<i>Total Disbursements</i>	323,068	521,761	844,829
RECEIPTS OVER (UNDER) DISBURSEMENTS	(285,032)	(39,625)	(324,657)
OTHER FINANCING SOURCES (USES)			
Transfers in	99,000	-	99,000
Transfers out	-	(99,000)	(99,000)
Proceeds from issuance of debt	200,000	-	200,000
<i>Total Other Financing Sources (Uses)</i>	299,000	(99,000)	200,000
NET CHANGE IN FUND BALANCE	13,968	(138,625)	(124,657)
FUND BALANCE, beginning of year	587,802	163,751	751,553
FUND BALANCE, end of year	\$ 601,770	\$ 25,126	\$ 626,896

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

TILLAMOOK URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Tillamook Urban Renewal Agency was created in July 2006, under the Oregon Revised Statutes, to provide for rehabilitation of blighted and deteriorated areas within the Agency's designated urban renewal areas. The Agency is governed by a seven-member board of directors, including two representatives from the Board, which are appointed by the Mayor.

Basis of Accounting

These financial statements are reported on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB), but is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation. The cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes receipts and disbursements reported in the period in which they occurred.

The cash basis of accounting differs from GAAP primarily because cash receipts are recognized when received in cash rather than when earned and susceptible to accrual, and cash disbursements are recognized when paid rather than when incurred or subject to accrual.

Basis of Presentation

The financial transactions of the Agency are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, net position or fund balance, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental receipts, are reported separately from business-type activities. The Agency has no business-type activities.

Government-wide financial statements display information about the reporting government as a whole. For the most part, 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 (Cash Basis) and the Statement of Activities (Cash Basis).

The Statement of Net Position (Cash Basis) presents all the assets and liabilities of the Agency. Net position, representing assets less liabilities, is shown in two components, restricted for special purposes, amounts which must be spent in accordance with legal restrictions, and unrestricted, the amount available for ongoing Agency activities.

TILLAMOOK URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements (Continued)

The Statement of Activities (Cash Basis) demonstrates the degree to which the direct expenses of a given function or segment are offset by program receipts. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* 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 receipts are reported instead as *general receipts*.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental and proprietary. Currently, the Agency has governmental (general and debt service) type funds. Major individual funds are reported as separate columns in the fund financial statements.

Basis of Presentation

The reporting model sets forth minimum criteria (percentage of the assets, liabilities, receipts or disbursements of either fund category or the government and enterprise combined) for the determination of major funds.

The Agency reports the following major governmental funds:

Urban Renewal General Fund - This fund accounts for all financial receipts and disbursements, except those required to be accounted for in another fund. The principal sources of receipts are loan principal and interest repayments.

Urban Renewal Tax Increment Fund - This fund accounts for payments on debt obligations arising from Urban Renewal projects funded by property taxes.

Fund Balance

In governmental funds, the Agency's policy is to first apply the disbursements toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact.

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

Fund balance is reported as committed when the Board of Directors takes formal action that places specific constraints on how the resources may be used. The Board of Directors can modify or rescind the commitment at any time through taking a similar formal action.

TILLAMOOK URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Resources that are constrained by the Agency's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Board of Directors approves which resources should be "reserved" during the adoption of the annual budget. The Agency's staff uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the Agency's Annual Financial Report.

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

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific receipt sources that are restricted or committed to disbursement for specified purposes other than debt service or capital projects. The term "proceeds of specific receipts sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the receipts must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

Debt Service Fund account for the Agency's long-term debt. The primary source of revenue is property taxes. Expenditures are primarily for the payment of interest and principal due on long-term debt.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect reporting amounts of certain receipts and disbursements as of, and for the year ended, June 30, 2020. Actual results may differ from such estimates.

Cash and cash equivalents

Oregon Revised Statutes authorize the Agency to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of U.S. Government and its agencies, certain bonded obligations of Oregon municipalities and the State Treasurer's Local Government Investment Pool, among others.

Property Taxes

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments payable in equal payments due November 15, February 15, and May 15. The Agency's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

TILLAMOOK URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets (items costing more than \$5,000 and lasting more than one year) are reported in the notes to the financial statements. In the fund statements, capital assets are charged as expenditures / expenses as purchased.

Capital assets are recorded at cost or estimated historical cost where records are available. Donated assets are not recorded. Maintenance and repairs are expensed as incurred. Replacements which improve or extend the lives of property are capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. Depreciation is calculated on the straight-line basis. The estimated useful lives of the various categories of assets are as follows:

General improvements	25 years
Equipment	5 - 15 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts.

Long-Term Debt

Long-term debt is presented in the notes to the financial statements. In the fund financial statements, payments of principal and interest are recorded as disbursements when paid.

Budgets and Budgetary Accounting

The Agency adopts the budget on an object (personal services, materials and services, capital outlay, debt service) basis, therefore, disbursements of a specific object may not legally exceed that object's appropriation. The Agency Board of Directors may amend the budget to expend unforeseen receipts by supplemental appropriations. All supplemental appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. The Agency does not use encumbrance accounting.

Use of Restricted Assets

When disbursements are paid for purposes in which both net position - restricted and net position - unrestricted are available, the Agency deems net position - restricted to be spent first.

TILLAMOOK URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

CASH AND CASH EQUIVALENTS

Cash is reflected on the Statement of Net Position (Cash Basis) at June 30, 2020 as follows:

Cash	
Cash in checking	\$ 18,082
Investments	
Local Government Investment Pool	608,814
	<hr/>
	\$ 626,896
	<hr/>

Deposits

The book balance of the Agency's bank deposits (checking accounts) equaled \$18,082 and the bank balance equaled \$18,102 at year end. The difference is due to transactions in process as of June 30, 2020. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency's deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2020, all the Agency's bank balances were covered by FDIC insurance.

Local Government Investment Pool

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2020, the fair value of the position in the Oregon State Treasurer's Short Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

TILLAMOOK URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

CASH AND CASH EQUIVALENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the Agency manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments through use of the Local Government Investment Pool.

Custodial Risk – Local Government Investment Pool

For an investment, this is the risk that, in the event of a failure of the counterparty, the Agency will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The Agency's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-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 commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

CAPITAL ASSETS

Although not required under the cash basis, the Tillamook Urban Renewal Agency has tracked the original historical cost of assets, and the changes in capital assets each year. As of June 30, 2020, the governmental activities were as follows:

	<i>Balances July 1, 2019</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2020</i>
NON-DEPRECIABLE				
Land	\$ 304,082	\$ -	\$ -	\$ 304,082
DEPRECIABLE				
Improvements other than buildings	110,845	-	-	110,845
ACCUMULATED DEPRECIATION				
Improvements other than buildings	(35,472)	(4,434)	-	(39,906)
Net Depreciable Capital Assets	75,373	(4,434)	-	70,939
<i>Governmental activities capital assets, net</i>	<u>\$ 379,455</u>	<u>\$ (4,434)</u>	<u>\$ -</u>	<u>\$ 375,021</u>

TILLAMOOK URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

LONG-TERM DEBT

Long-term debt transactions for governmental activities for the year were as follows:

	Outstanding July 1, 2019	Issued	Matured/ Redeemed During Year	Outstanding June 30, 2020	Due Within One Year
<i>Loans from Direct Borrowings</i>					
TLC Loan 158	\$ 38,384	\$ -	\$ 9,177	\$ 29,207	\$ 9,460
TLC Loan 159	69,126	-	7,753	61,373	7,989
TLC Loan 160	231,510	-	22,714	208,796	23,404
TLC Loan 161	38,585	-	3,786	34,799	3,901
Oregon Coast Bank - Line of Credit #9405	694,571	-	47,915	646,656	49,825
Oregon Coast Bank - Line of Credit #5284	700,442	-	46,189	654,253	48,474
Oregon Coast Bank Term Loan #6747	1,170,263	-	80,264	1,089,999	-
City of Tillamook Loan 2020	-	200,000	200,000	-	-
<i>Total Loans from Direct Borrowings</i>	<u>\$ 2,942,881</u>	<u>\$ 200,000</u>	<u>\$ 417,798</u>	<u>\$ 2,725,083</u>	<u>\$ 143,053</u>

All loans shown above are unsecured and are immediately due and payable in the event of default.

Fiscal Year Ending June 30,	TLC 158		TLC 159		TLC 160	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 9,460	\$ 913	\$ 7,989	\$ 1,918	\$ 23,404	\$ 6,525
2022	9,756	617	8,239	1,668	24,135	5,794
2023	9,991	312	8,496	1,411	24,890	5,039
2024	-	-	8,761	1,145	25,668	4,261
2025	-	-	9,035	872	26,470	3,459
2026-2030	-	-	18,853	887	84,229	5,310
Total	<u>\$ 29,207</u>	<u>\$ 1,842</u>	<u>\$ 61,373</u>	<u>\$ 7,901</u>	<u>\$ 208,796</u>	<u>\$ 30,388</u>

Fiscal Year Ending June 30,	TLC 161		OCB #9405		OCB #5284	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 3,901	\$ 1,087	\$ 49,825	\$ 21,553	\$ 48,474	\$ 26,916
2022	4,023	965	51,486	19,892	50,468	24,922
2023	4,148	840	53,202	18,176	52,545	22,845
2024	4,278	710	54,975	16,403	54,706	20,684
2025	4,412	576	56,807	14,571	56,957	18,433
2026-2030	14,037	886	313,731	43,159	321,921	55,029
2031-2035	-	-	66,630	2,221	69,182	2,846
Total	<u>\$ 34,799</u>	<u>\$ 5,064</u>	<u>\$ 646,656</u>	<u>\$ 135,975</u>	<u>\$ 654,253</u>	<u>\$ 171,675</u>

TILLAMOOK URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

LONG-TERM DEBT (Continued)

<i>Fiscal Year Ending June 30,</i>	<i>OCB #6747</i>		<i>Total</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2021	\$ 83,466	\$ 36,330	\$ 226,519	\$ 95,242
2022	86,248	33,548	234,355	87,406
2023	89,123	30,673	242,395	79,296
2024	92,093	27,703	240,481	70,906
2025	95,163	24,633	248,844	62,544
2026-2030	525,559	73,421	1,278,330	178,692
2031-2035	118,347	4,028	254,159	9,095
Total	<u>\$1,089,999</u>	<u>\$ 230,336</u>	<u>\$2,725,083</u>	<u>\$ 583,181</u>

INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2020, consisted of the following:

	<i>Transfers in</i>	<i>Transfers out</i>
Urban Renewal General Fund	\$ 99,000	\$ -
Urban Renewal Tax Increment Fund	-	99,000
	<u>\$ 99,000</u>	<u>\$ 99,000</u>

Transfers are used to (1) move resources from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move revenues restricted to debt service from the funds collecting the revenues to the debt service fund as debt service payments become due, and (3) use unrestricted resources collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

COMMITMENTS AND CONTINGENCIES

The Agency purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 13, 2020, the date on which the financial statements were available to be issued. As a result of the recent coronavirus pandemic (COVID-19), numerous sectors of the economy are suffering damage and long-term economic and business consequences of this remain unknown.

SUPPLEMENTAL INFORMATION

TILLAMOOK URBAN RENEWAL AGENCY**SCHEDULE OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCES – CASH BASIS****BUDGET TO ACTUAL – GENERAL FUND****YEAR ENDED JUNE 30, 2020**

	Budget Amounts			
	Original	Final	Actual	Variance
RECEIPTS				
Special assessments	\$ 30,000	\$ 30,000	\$ 22,641	\$ (7,359)
Investment income	5,000	5,000	14,926	9,926
Miscellaneous	100	100	469	369
<i>Total Receipts</i>	35,100	35,100	38,036	2,936
DISBURSEMENTS				
Materials and services	99,000	99,000	61,347	37,653
Capital outlay	1,493,100	1,493,100	261,721	1,231,379
<i>Total Disbursements</i>	1,592,100	1,592,100	323,068	1,269,032
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,557,000)	(1,557,000)	(285,032)	1,271,968
OTHER FINANCING SOURCES (USES)				
Transfers in	99,000	99,000	99,000	-
Proceeds from issuance of debt	1,000,000	1,000,000	200,000	(800,000)
<i>Total Other Financing Sources (Uses)</i>	1,099,000	1,099,000	299,000	(800,000)
NET CHANGE IN FUND BALANCE	(458,000)	(458,000)	13,968	471,968
FUND BALANCE, beginning of year	583,000	583,000	587,802	4,802
FUND BALANCE, end of year	\$ 125,000	\$ 125,000	\$ 601,770	\$ 476,770

TILLAMOOK URBAN RENEWAL AGENCY**SCHEDULE OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCES – CASH BASIS****BUDGET TO ACTUAL – TAX INCREMENT FUND****YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Taxes and assessments	\$ 506,000	\$ 506,000	\$ 482,136	\$ (23,864)
DISBURSEMENTS				
Materials and services	34,000	34,000	1	33,999
Debt service				
Principal	319,037	319,037	417,797	(98,760) *
Interest	103,963	103,963	103,963	-
<i>Total Disbursements</i>	<u>457,000</u>	<u>457,000</u>	<u>521,761</u>	<u>(133,429)</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	49,000	49,000	(39,625)	(157,293)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(99,000)</u>	<u>(99,000)</u>	<u>(99,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	(138,625)	(157,293)
FUND BALANCE, beginning of year	<u>150,000</u>	<u>150,000</u>	<u>163,751</u>	<u>13,751</u>
FUND BALANCE, end of year	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 25,126</u>	<u>\$ (143,542)</u>

* Debt issuance occurred subsequent to the 2020 budget being adopted by the Board of Directors. This is not an overexpenditure of appropriations under ORS 294.338(4).

COMPLIANCE SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

www.gmscpa.com

(503) 581-7788 • FAX (503) 581-0152

475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Tillamook Urban Renewal Agency
210 Laurel Avenue
Tillamook, Oregon 97141

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Tillamook Urban Renewal Agency, Oregon (the Agency) as of and for the year ended June 30, 2020, and have issued our report thereon dated November 13, 2020.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials.**

In connection with our testing nothing came to our 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.


Internal Control Over Financial Reporting

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

Restrictions on Use

This report is intended solely for the information and use of the Board of Directors and management of the Tillamook Urban Renewal Agency and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, A Shareholder
November 13, 2020