

**HARRISBURG REDEVELOPMENT AGENCY-
THE URBAN RENEWAL AGENCY OF THE
CITY OF HARRISBURG
(A Component Unit of the City of Harrisburg)
HARRISBURG, OREGON**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

HARRISBURG REDEVELOPMENT AGENCY
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG

(A Component Unit of the City of Harrisburg)

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HARRISBURG REDEVELOPMENT AGENCY –
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG
(A Component Unit of the City of Harrisburg)
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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Independent Auditors' Report

City Council - Harrisburg Redevelopment Agency
Urban Renewal Agency of the City of Harrisburg, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and, each major fund of the Urban Renewal Agency (Agency) of the City of Harrisburg as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Harrisburg's basic financial statements, as listed in the table of contents.

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 Urban Renewal Agency of the City of Harrisburg as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Urban Renewal Agency of the City of Harrisburg and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Urban Renewal Agency of the City of Harrisburg's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Urban Renewal Agency of the City of Harrisburg's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Urban Renewal Agency of the City of Harrisburg's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 1-5, and schedules of revenues, expenditures and changes in fund balances – budget and actuals on page 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis in accordance with 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described on pages 73-77 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

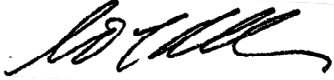
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it our report.

Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated March 17, 2023, on our consideration of the Urban Renewal Agency of the City of Harrisburg'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 the Agency's compliance.



Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
March 17, 2023

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

HARRISBURG REDEVELOPMENT AGENCY -
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

The management of the Harrisburg Redevelopment Agency (HRA) of the City of Harrisburg, Oregon, a component unit of the City of Harrisburg, Oregon presents this narrative overview and analysis to facilitate both a short and long-term analysis of the financial activities of the Agency for the fiscal year ending June 30, 2022. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2022, are as follows:

- The Agency's total assets at June 30, 2022, were \$2,128,420, an increase of \$79,119 or 3.86% from the prior year.
- The Agency's total liabilities at June 30, 2022, were \$2,578,623, a decrease of \$186,270 or 6.74% from the prior year.
- The Agency's net position at June 30, 2022, was \$(450,203), an increase of \$265,386 or 37.09% from the prior year.
- At June 30, 2022, the Agency reported a combined ending fund balance of \$2,077,360. The entire balance is restricted for Urban Renewal Projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

HARRISBURG REDEVELOPMENT AGENCY -
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

Fund Financial Statements

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

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

The Agency's net position at fiscal year-end is \$(450,203), an increase of \$265,386.

HARRISBURG REDEVELOPMENT AGENCY -
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

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

	<u>Summary of Net Position</u>	
	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Assets		
Current and Other Assets	\$ 2,128,420	\$ 2,049,301
Total Assets	<u>2,128,420</u>	<u>2,049,301</u>
Liabilities		
Current Liabilities	128,343	183,594
Long-Term Liabilities	<u>2,450,280</u>	<u>2,581,299</u>
Total Liabilities	<u>2,578,623</u>	<u>2,764,893</u>
Net Position		
Restricted	<u>(450,203)</u>	<u>(715,589)</u>
Total Net Position	<u>\$ (450,203)</u>	<u>\$ (715,589)</u>

Changes in net position - The Agency's total revenues for the fiscal year ended June 30, 2022, were \$556,648. The total cost of all programs and services was \$108,239. The following table shows a comparative analysis of government-wide revenues, expenses, and changes in net position.

	<u>Summary of Changes in Net Position</u>	
	<u>Governmental Activities</u>	
	<u>2021-22</u>	<u>2020-21</u>
Revenues		
Program Revenues		
Operating Grants and Contributions	\$ 81,784	\$ 76,736
Total General Revenue	81,784	76,736
General Revenues		
Taxes and Assessments	429,357	395,364
Interest & Investment Earnings	10,924	20,874
Other Revenue	<u>34,583</u>	<u>2,935</u>
Total General Revenue	<u>474,864</u>	<u>419,173</u>
Total Revenues	<u>556,648</u>	<u>495,909</u>
Program Expenses		
Urban Renewal Projects	15,960	110,257
Interest on Long-Term Debt	<u>92,279</u>	<u>93,113</u>
Total Expenses	<u>108,239</u>	<u>203,370</u>
Equity Transfers	<u>(183,023)</u>	<u>(1,367,428)</u>
Change in Net Position	<u>\$ 265,386</u>	<u>\$ (1,074,889)</u>

HARRISBURG REDEVELOPMENT AGENCY -
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG

Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

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

Governmental Funds

As the Agency completed the year, its governmental funds reported a combined fund balance of \$2,077,360, an increase of \$143,662. The fund balance constitutes restricted amounts. Of the current fund balance the entire amount is restricted for urban renewal projects.

Budgetary Highlights

General Fund resources were budgeted and anticipated to be collected in the amount of \$336,260 during the fiscal year. Actual resources of \$566,603 were \$230,343 more than budgeted. The General Fund expenditures budget was under-spent by \$1,320,679 due to capital outlay expenditures being less than anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Agency does not have any capital assets or infrastructure.

Long-Term Debt

At June 30, 2022, the Agency had total long-term debt outstanding of \$2,405,000. The principal paid on the debt was \$120,791 and the interest paid on the debt amounted to \$99,214. Additional information on the Agency's long-term debt can be found in the Long-Term Debt Note of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During the preparation of the budget for the ensuing fiscal year, the long-term impacts on the local economy were examined in conjunction with business decisions made by the Harrisburg Redevelopment Agency.

The HRA's budget for the fiscal year ending June 30, 2023, will be in the amount of \$2,415,155, including the \$263,800 of unappropriated and reserved amounts.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Harrisburg Redevelopment Agency's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Harrisburg at (541) 995-6655. The office is located inside City Hall at 120 Smith Street, Harrisburg, Oregon 97446.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

HARRISBURG REDEVELOPMENT AGENCY - THE
URBAN RENEWAL AGENCY OF THE CITY OF
HARRISBURG

(A Component Unit of the City of Harrisburg)

STATEMENT OF NET POSITION

For the Fiscal Year Ended June 30, 2022

	Governmental Activities
<u>ASSETS:</u>	
Current Assets:	
Cash and Investments	\$ 1,918,848
Property Taxes Receivable	15,961
Loans Receivable	193,611
Total Assets	2,128,420
<u>LIABILITIES:</u>	
Current Liabilities:	
Interest Payable	8,343
Current Portion of Long-Term Liabilities:	
Bonds Payable	120,000
Total Current Liabilities	128,343
Long-Term Liabilities:	
Noncurrent Portion of Long-Term Liabilities:	
Bonds Payable (Net of unamortized premium)	2,450,280
Total Long-Term Liabilities	2,450,280
Total Liabilities	2,578,623
<u>NET POSITION:</u>	
Restricted	(450,203)
Total Net Position	\$ (450,203)

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

**HARRISBURG REDEVELOPMENT AGENCY - THE URBAN
RENEWAL AGENCY OF THE CITY OF HARRISBURG**

(A Component Unit of the City of Harrisburg)

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

<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>				
Urban Renewal Projects	\$ 15,960	\$ -	\$ 81,784	\$ 65,824
Interest on Long-Term Debt	92,279	-	-	(92,279)
Total Governmental Activities	\$ 108,239	\$ -	\$ 81,784	\$ (26,455)

GENERAL REVENUES:

Taxes	
Property Taxes, Levied for Debt Service	429,357
Interest and Investment Earnings	10,924
Other Revenue	34,583
Subtotal - General Revenues	474,864
Equity Transfers	(183,023)
Change in Net Position	265,386
Net Position, July 1, 2021	(715,589)
Net Position, June 30, 2022	\$ (450,203)

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

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements

HARRISBURG REDEVELOPMENT AGENCY - THE
URBAN RENEWAL AGENCY OF THE CITY OF
HARRISBURG

(A Component Unit of the City of Harrisburg)

BALANCE SHEET

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2022

	Urban Renewal General Fund
<u>ASSETS:</u>	
Cash and Investments	\$ 1,918,848
Property Taxes Receivable	15,961
Loans Receivable	193,611
Total Assets	<u>\$ 2,128,420</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>	
LIABILITIES:	
Interest Payable	3,953
Total Liabilities	<u>3,953</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Property Tax Revenue	8,388
Unavailable Revenue from Loans	38,719
Total Deferred Inflows of Resources	<u>47,107</u>
FUND BALANCES:	
Restricted for:	
Urban Renewal Projects	2,077,360
Total Fund Balances	<u>2,077,360</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 2,128,420</u>

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

HARRISBURG REDEVELOPMENT AGENCY -
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG
(A Component Unit of the City of Harrisburg)

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

For the Fiscal Year Ended June 30, 2022

Total Fund Balances - Governmental Funds **\$ 2,077,360**

**Amounts reported for governmental activities in the
Statement of Net Position 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.

Property Taxes	\$8,388	
Unavailable Revenue from Loans	<u>\$38,719</u>	
		\$47,107

Interest payable that is not recognized in the governmental fund is accrued in the Statement of Net Position. (4,390)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. (2,570,280)

Net Position of Governmental Activities **\$ (450,203)**

HARRISBURG REDEVELOPMENT AGENCY - THE
URBAN RENEWAL AGENCY OF THE CITY OF

(A Component Unit of the City of Harrisburg)

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

GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2022

	Urban Renewal General Fund
<u>REVENUES:</u>	
Taxes and Assessments	\$ 436,309
Interest and Investment Earnings	10,924
Grants	81,784
Miscellaneous	37,586
Total Revenues	<u>566,603</u>
<u>EXPENDITURES:</u>	
Current Operating:	
Materials and Supplies	15,960
Debt Service:	
Principal	120,791
Interest	103,167
Capital Outlay	183,023
Total Expenditures	<u>422,941</u>
Excess (Deficiency) of Revenues Over Expenditures	143,662
Net Change in Fund Balance	143,662
Fund Balance - July 1, 2021	<u>1,790,757</u>
Prior Period Adjustment	142,941
Fund Balance - June 30, 2022	<u>\$2,077,360</u>

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

HARRISBURG REDEVELOPMENT AGENCY - THE URBAN RENEWAL
AGENCY OF THE CITY OF HARRISBURG

(A Component Unit of the City of Harrisburg)

**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, 2022

Net changes in fund balances - total governmental funds **\$ 143,662**

**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	(6,952)
Unavailable Revenue from Loans	(3,003)

Long term debt proceeds are included as revenue in governmental funds, but the proceeds increase long-term debt balances in the Statement of Net Position

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

The change in payables from prior to current year is reconciled here:	10,888
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Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position.

Retirement of debt principal is as follows:

General Obligations Bonds	<u>120,791</u>
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Changes in net position of governmental activities **\$ 265,386**

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

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

HARRISBURG REDEVELOPMENT AGENCY -
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG
(A Component Unit of the City of Harrisburg)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The Urban Renewal Agency of the City of Harrisburg, Oregon (Agency) was established on November 10, 1992. The Agency is organized under general laws pertaining to urban renewal agencies in the State of Oregon. The governing body is comprised of the Mayor and the Agency Board of the City of Harrisburg.

The Agency is a separate legal entity, governed by the City of Harrisburg. 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 Harrisburg, and the Agency's financial activities are included as a blended component unit in the basic financial statements of the City of Harrisburg.

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

The Agency has no potential component units.

Basis of Presentation

The financial statements of the Urban Renewal Agency (Agency) of the City of Harrisburg 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. The Agency has only governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

HARRISBURG REDEVELOPMENT AGENCY -
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG
(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

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, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

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

General Fund - The General Fund is the general operating fund of the Agency. It is used to account for all the financial resources. The principal sources of revenue are tax increment revenues and interest on investments. Primary expenditures of the General Fund were made for the Agency's capital outlay.

Measurement Focus/Basis of Accounting

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.)

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

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

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

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

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. The LGIP is stated at cost, which approximates fair value. The fair value of the LGIP is the same as the Agency's value in the pool shares.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

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 and Payables

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

Deferred Inflows of Resources:

In the governmental funds, property taxes that 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.

Capital Assets

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

Long-Term Obligations

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

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

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 does 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

HARRISBURG REDEVELOPMENT AGENCY -
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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

Equity Classifications (Cont.).

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the 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.
- 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 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.
- 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 City'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.

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

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 use 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 Harrisburg) 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.

CASH AND INVESTMENTS:

For a 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 cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. The Cash and Investments note summarizes these restrictions under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain

HARRISBURG REDEVELOPMENT AGENCY -
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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

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

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

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the 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, 2022, the agency's reported deposits were \$1,917,883 and the bank balance was \$1,917,883. Of the bank balance, the entire amount was covered by federal depository insurance or by pledged securities with the qualifying depository banks.

Investments - Oregon statutes authorize the 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. As of June 30, 2022, the Agency's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2022, the Agency's investments in financial institutions are as follows:

Type of Investment	Fair Value	Credit Rating
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 1,888,006	N/A
Total Investments	\$ 1,888,006	

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

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

HARRISBURG REDEVELOPMENT AGENCY -
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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

LOANS RECEIVABLE:

The Harrisburg Redevelopment Agency offers a Property Improvement Loan Program and a Property Improvement Grant Program to carry out the goals and objectives outlined in the Harrisburg Urban Renewal Plan.

The Property Improvement Loan Program provides funding for eligible projects for up to 25 percent (25%) of the total cost of a project, with a maximum loan award of \$150,000. The Agency will not award more than a total of \$150,000 for all projects in a fiscal year. A debt forgiveness of up to 40% of the loan may apply. The Property Improvement Grant Program provides funding for eligible projects for up to 50 percent (50%) of the total cost of a project, with a maximum grant award of \$50,000.

Projects must be approved by Agency personnel prior to any work being performed. Loan and grant proceeds are disbursed as cost reimbursements when the HRA has presented a receipt and after the project has been inspected by a City of Harrisburg employee.

For the fiscal year ending June 30, 2022, the Agency issued a total of three loans to two businesses that met the eligibility requirements.

The amount of loan receivables as of June 30, 2022 is \$193,611.

LONG-TERM DEBT:

Long-term debt transactions for the year ended June 30, 2022, were as follows:

<u>Governmental Long-Term Debt</u>	<u>Outstanding Balance July 1, 2021</u>	<u>New Issues</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2022</u>	<u>Due Within One Year</u>
Bonds Payable:						
Full Faith and Credit Project Bond, Series 2017 - HRA Development Projects	\$ 2,405,000	\$ -	\$ -	\$ 93,800	\$ 2,405,000	\$ 120,000
Total Bonds Payable	2,405,000	-	-	93,800	2,405,000	120,000
Notes Payable:						
KS State Bank Government Finance Dept. - HRA Development Loan	120,791	-	120,791	5,414	-	-
Total Notes Payable	\$ 120,791	\$ -	\$ 120,791	\$ 5,414	\$ -	\$ -
Total Governmental Long-Term Debt	\$ 2,525,791	\$ -	\$ 120,791	\$ 99,214	\$ 2,405,000	\$ 120,000

Unamortized premiums on long-term debt of \$2,450,280 are reflected in the balances of bonds payable on the Statement of Net Position.

On August 24, 2017, the Agency issued a Full Faith and Credit Project Bond, Series 2017, entered into with US Bank for HRA development projects. The original amount is \$2,405,000 with an interest rate between 2% and 4%.

On September 29, 2017, the Agency issued a note with KS State Bank Government Finance Department in the amount of \$531,000 with an interest rate of 4.55%. Proceeds of the note are for private loans/grants for redevelopment projects on private property.

HARRISBURG REDEVELOPMENT AGENCY -
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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

LONG-TERM DEBT (Cont.):

The future debt service requirements on the above debt are as follows:

Full Faith and Credit Bonds:

<u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	120,000	93,800	213,800
2024	125,000	91,400	216,400
2025	130,000	86,400	216,400
2026	135,000	81,200	216,200
2027	140,000	75,800	215,800
2028 - 2032	790,000	290,400	1,080,400
2033 - 2037	965,000	118,800	1,083,800
Total	<u>\$2,405,000</u>	<u>\$ 837,800</u>	<u>\$ 3,242,800</u>

For further detail on debt service, see the ‘Schedule of Long-Term Debt Transactions’ in the Other Supplementary Data section of this report.

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 Harrisburg.

TRANSFERS:

Assets purchased by the Agency are property of the primary government, the City of Harrisburg. This is recorded as an equity transfer on the statement of activities. The amount of equity transferred to the City at the end of the fiscal year was \$(183,023).

EXPENDITURES OVER APPROPRIATIONS:

The Agency expended over appropriations in the following fund:

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Harrisburg Redevelopment Agency Fund/Debt Service/Principal	\$120,750	\$120,791	\$ 41
Harrisburg Redevelopment Agency Fund/Debt Service/Interest & Fees	\$ 99,300	\$103,167	\$3,867

REQUIRED
SUPPLEMENTARY
INFORMATION

HARRISBURG REDEVELOPMENT AGENCY - THE URBAN RENEWAL
AGENCY OF THE CITY OF HARRISBURG
(A Component Unit of the City of Harrisburg)

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

URBAN RENEWAL GENERAL FUND

For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<u>REVENUES:</u>				
Taxes and Assessments	\$ 239,260	\$ 239,260	\$ 436,309	\$ 197,049
Investment Revenue	15,000	15,000	10,924	(4,076)
Grants	82,000	82,000	81,784	(216)
Other Revenue	-	-	37,586	37,586
Total Revenues	<u>336,260</u>	<u>336,260</u>	<u>566,603</u>	<u>230,343</u>
<u>EXPENDITURES:</u>				
Materials and Supplies	28,450	28,450	15,960	(12,490)
Capital Outlay	1,495,120	1,495,120	183,023	(1,312,097)
Debt Service:				
Principal	120,750	120,750	120,791	41
Interest	99,300	99,300	103,167	3,867
Total Expenditures	<u>1,743,620</u>	<u>1,743,620</u>	<u>422,941</u>	<u>(1,320,679)</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,407,360)	(1,407,360)	143,662	1,551,022
<u>OTHER FINANCING SOURCES / (USES):</u>				
Loan Repayment Proceeds	13,160	13,160	-	(13,160)
Total Other Financing Sources (Uses)	<u>13,160</u>	<u>13,160</u>	<u>-</u>	<u>(13,160)</u>
Net Change In Fund Balance	(1,394,200)	(1,394,200)	143,662	1,564,182
Fund Balance - July 1, 2021	1,394,200	1,394,200	1,790,757	396,557
Prior Period Adjustment	-	-	142,941	142,941
Fund Balance - June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,077,360</u>	<u>\$ 2,077,360</u>

OTHER
INFORMATION

(Additional Supporting Schedules)

HARRISBURG REDEVELOPMENT AGENCY - THE URBAN RENEWAL AGENCY
OF THE CITY OF HARRISBURG

(A Component Unit of the City of Harrisburg)

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2022

KS State Bank Government Finance Dept. - HRA Development Loan

HRA note with KS State Bank Government Finance Department in the amount of \$531,000 with an interest rate of 4.550% for purpose of funding private loans to urban renewal developers. Dated September 29, 2017.

Current Year Activity:

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 120,791	\$ -	\$ 120,791	\$ -	\$ -
Interest	-	5,414	5,414	-	-
Total	<u>\$ 120,791</u>	<u>\$ 5,414</u>	<u>\$ 126,205</u>	<u>\$ -</u>	<u>\$ -</u>

**HARRISBURG REDEVELOPMENT AGENCY - THE URBAN RENEWAL AGENCY OF
THE CITY OF HARRISBURG**

(A Component Unit of the City of Harrisburg)

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2022

Full Faith and Credit Project Bond, Series 2017 - HRA Development Projects

HRA Loan from the City of Harrisburg . Original amount \$2,405,000 with an interest rate of 2.00% to 4.00%. This is the Urban Renewal Agency's share of Full Faith and Credit Refunding Bond, Series 2017 entered into with US Bank for refinancing of USDA Revenue Bonds for Sewer Projects.

Current Year Activity:

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 2,405,000	\$ -	\$ -	\$ 2,405,000	\$ 120,000
Interest	-	93,800	93,800	-	93,800
Total	\$ 2,405,000	\$ 93,800	\$ 93,800	\$ 2,405,000	\$ 213,800

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 120,000	\$ 93,800	\$ 213,800	2.00%
	2024	125,000	91,400	216,400	4.00%
	2025	130,000	86,400	216,400	4.00%
	2027	140,000	75,800	215,800	4.00%
	2028	145,000	70,200	215,200	4.00%
	2029	150,000	64,400	214,400	4.00%
	2030	160,000	58,400	218,400	4.00%
	2031	165,000	52,000	217,000	4.00%
	2032	170,000	45,400	215,400	4.00%
	2033	180,000	38,600	218,600	4.00%
	2034	185,000	31,400	216,400	4.00%
	2035	190,000	24,000	214,000	4.00%
	2036	200,000	16,400	216,400	4.00%
	2037	210,000	8,400	218,400	4.00%
Total		\$ 2,405,000	\$ 837,800	\$ 3,242,800	

REPORTS ON OTHER LEGAL
AND
REGULATORY REQUIREMENTS

HARRISBURG REDEVELOPMENT AGENCY -
THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2022

To the Governing Body of the Urban Renewal Agency of the City of Harrisburg
Harrisburg, Oregon

We have audited the basic financial statements of the Urban Renewal Agency of the City of Harrisburg (Agency) as of and for the year ended June 30, 2022 and have issued our report thereon dated March 17 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the 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.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the 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, except for:

- The Agency expended over appropriations in one fund, as noted on page 23.

OAR 162-10-0230 Internal Control

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 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, LLC
Roseburg, Oregon
March 17, 2023