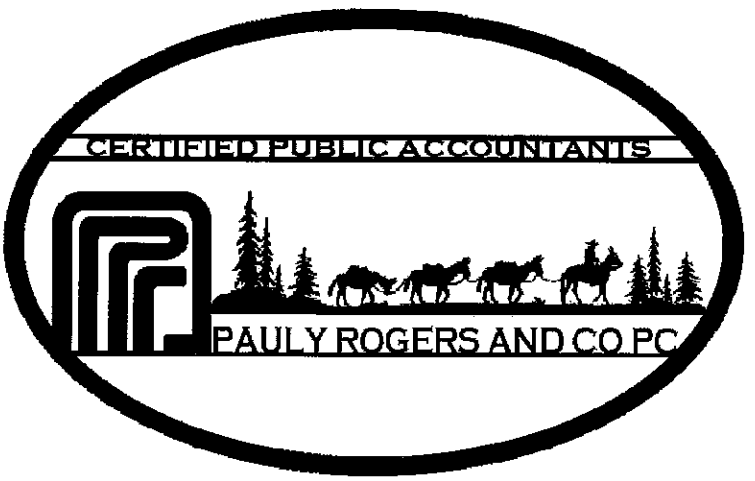
CITY OF NORTH PLAINS
URBAN RENEWAL AGENCY
WASHINGTON COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2013



12700 SW 72nd Ave.
Tigard, OR 97223

URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON

2012-2013
FINANCIAL REPORT

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URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON

BOARD OF DIRECTORS

2012-2013

BOARD MEMBERS	TERM EXPIRES
Teri K. Lenahan – Chair	December 31, 2016
David Hatcher	December 31, 2016
Robert Kindel, Jr.	December 31, 2016
Charlynn Newton	December 31, 2016
Michael Broome	December 31, 2014
Michael Demagalski	December 31, 2014
Glen Warren	December 31, 2014

All Board members receive mail at the City address below

EXECUTIVE DIRECTOR

Martha DeBry

FINANCE MANAGER

Rachael Lembo, CPA

REGISTERED OFFICE

31360 NW Commercial Street
North Plains, Oregon 97133

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URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON

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PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 5, 2013

To the Board of Directors
City of North Plains Urban Renewal Agency
Washington County, Oregon

Independent Accountants' Review Report

We have reviewed the accompanying financial statements of the government activities and major fund of the City of North Plains Urban Renewal Agency as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issues by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are presented for purposes of additional analysis. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON

Management's Discussion and Analysis

June 30, 2013

The Urban Renewal Agency of the City of North Plains, Oregon (the Agency), a component unit of the City of North Plains, Oregon (the City), was started in 2006 with the purpose of fostering jobs. The Agency Plan and Report explain the goals of the Agency. The governing Board is comprised of all current City Councilors and the Mayor, and the City Manager serves as the Executive Director.

The purpose of the Agency is to encourage economic growth through the improvement of infrastructure and promotion of diverse kinds of businesses. Projects of the Agency have included enhancements on Glencoe Road and the acquisition of properties in the downtown area that will be transformed to commercial uses or parking to support the downtown area.

FY2012-13 Budget

In FY2012-13 the Agency adopted a budget of $100 thousand, comprised of $23 thousand in beginning fund balance, $70 thousand in property tax revenue, and $7 thousand in other revenue. During the year the budget was revised up to $224 thousand, comprised of $136 thousand in beginning fund balance, $81 thousand in property tax revenue, and $7 thousand in other revenue. Of the final budget, 113% of revenues were received, and 103% of expenses were incurred.

Government Wide Financial Analysis

The following table is a comparative summary of the Statement of Net Position for the current and prior years. Certain prior year amounts have been adjusted to conform to the current year's presentation.

COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2013 AND 2012
in thousands

	FY13	FY12	Var
Cash and investments	$ 146	$ 136	$ 10
Other assets	4	-	$ 4
Capital assets	277	158	$ 119
Total Assets	**427**	**294**	**133**
Debt payable	192	109	$ 83
Total Liabilities	**192**	**109**	**83**
Net investment in capital assets	85	49	$ 36
Restricted	150	136	$ 14
Total Net Position	**$ 235**	**$ 185**	**$ 50**

Assets – Cash increased due to higher property tax revenues. Capital assets increased due to the purchase of a house across the street from City Hall. Currently a portion of the building houses a non-profit organization, the North Plains Food Pantry, which distributes food to economically distressed families, and the remainder is used to store records and equipment of the City. The Agency intends to redevelop the site in the future for commercial purposes or a city facility.

Liabilities – Debt increased due to a new loan for the house purchase.

Net Position – At June 30, 2013, total Agency assets exceeded liabilities by $235 thousand. Net position includes net investment in capital assets, which consists of two properties, and net position restricted to capital projects.

COMPARATIVE STATEMENT OF ACTIVITIES
JUNE 30, 2013 AND 2012
in thousands

	FY13	FY12	Var
Property Taxes	94	84	10
Charges for Services	7	6	1
Other	1	1	-
Total Revenue	**102**	**91**	**11**
Community Development	34	39	(5)
Interest	18	5	13
Total Expense	**52**	**44**	**8**
Changes in Net Position	**50**	**47**	**3**

Revenue – Property tax revenue increased $7 thousand, or 8%, from the prior year. In addition, the Agency switched from a cash basis to a modified accrual basis in FY2012-13, which resulted in the recording of an additional $3 thousand in property tax receivable and related revenue.

Expenses – Community Development includes costs related to the two properties owned by the Agency, payment of principal on a loan of the City which benefited the Agency, and an allocation to the City for services provided. Interest includes interest expense on the two loans of the Agency and interest paid on a loan of the City which benefited the Agency.

Changes in net position – Governmental activities ended FY2012-13 with a $50 thousand increase in net position, up slightly from the prior year's increase of $47 thousand.

Information requests

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Agency's activities and finances to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Rachael Lembo, CPA, Finance Manager, at 503-647-555 in North Plains, Oregon.

URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2013

	GOVERNMENTAL ACTIVITIES
ASSETS:	
Cash and Investments	$ 145,904
Property Tax Receivable	3,528
Capital Assets, Net of Depreciation	276,673
Total Assets	426,105
LIABILITIES:	
Debt Payable:	
Due in One Year	115,394
Due in More Than One Year	76,358
Total Liabilities	191,752
NET POSITION:	
Net Investment in Capital Assets	84,921
Restricted for Capital Projects	149,432
Total Net Position	$ 234,353

See independent accountants' review report and accompanying notes to the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

		PROGRAM REVENUES	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
FUNCTIONS	EXPENSES	CHARGES FOR SERVICES	GOVERNMENTAL ACTIVITIES
Governmental Activities:			
Community Development	$ 34,269	$ 6,800	$ (27,469)
Interest	17,984	-	(17,984)
Total Governmental Activities	$ 52,253	$ 6,800	(45,453)

General Revenues:	
Taxes:	
Property Taxes, Levied for General Purposes	94,349
Interest and Investment Earnings	711
Miscellaneous	165
Total General Revenues	95,225
Change in Net Position	49,772
Net Position - Beginning	184,581
Net Position - Ending	$ 234,353

See independent accountants' review report and accompanying notes to the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2013

		GENERAL FUND
ASSETS:		
Cash and Investments	$	145,904
Property Tax Receivable		3,528
Total Assets	$	149,432
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Unearned Revenue	$	2,815
Fund Balance:		
Restricted		146,617
Total Liabilities and Fund Balance	$	149,432

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

Total Fund Balance - Governmental Fund	$	146,617
Capital assets are not financial resources and therefore are not reported in the governmental funds.		276,673
Property taxes earned but not available are shown as unearned revenue in the governmental funds		2,815
Long-term liabilities do not require current financial resources and therefore are not reported in the governmental funds		(191,752)
Net Position	$	234,353

See independent accountants' review report and accompanying notes to the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2013

	GENERAL FUND
REVENUES:	
Property Taxes	$ 91,534
Charges for Services	6,800
Interest on Investments	711
Miscellaneous	165
Total Revenues	99,210
EXPENDITURES:	
Materials and Services	10,022
Capital Outlay	130,006
Debt Services	38,449
Total Expenditures	178,477
Excess of Revenues Over (Under) Expenditures	(79,267)
Other Financing Sources (Uses):	
Proceeds of Debt	90,000
Net Change in Fund Balance	10,733
Beginning Fund Balance	135,884
Ending Fund Balance	$ 146,617

Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance to the Statement of Activities

Net Change in Fund Balances - Governmental Funds	$ 10,733
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capitalized Expenditures	120,000
Depreciation Expense	(1,147)
Property taxes earned but not available are shown as deferred revenue in the governmental funds, and as revenue in the Statement of Activities.	2,815
Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.	7,371
Proceeds from the addition of long-term obligations are an other financing source in the governmental funds, but increase long-term debt in the Statement of Net Position.	(90,000)
Change in Net Position	$ 49,772

See independent accountants' review report and accompanying notes to the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Urban Renewal Agency of the City of North Plains, Oregon (the Agency), a component unit of the City of North Plains, Oregon (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The more significant of the Agency's accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The Agency was created in 2006 with the purpose of fostering jobs. The Agency Plan and Report explain the goals of the Agency. The governing Board is comprised of all current City Councilors and the Mayor, and the City Manager serves as the Executive Director. Although the Agency Board and the City Council are made up of the same members, each is a legally separate entity and conducts all business as such. Based on standards set forth in GASB Statement #61, the Agency is considered a component unit of the City as it is considered accountable to the City. Accordingly, the financial statements of the Agency are included in the City's basic financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the *government-wide financial statements,* the Statement of Net Position and Statement of Activities display information about the Agency as a whole. 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.

Government-wide statements are presented using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Capital assets are capitalized and depreciated and debt is reported as a liability.

FUND FINANCIAL STATEMENTS

Fund financial statements of the agency are organized into funds, although the Agency currently only has one fund, the *General Fund.* The fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund balance, revenues and expenditures. The *General Fund* is a governmental fund and is the primary operating fund and is always classified as a major fund. It is used to account for all activities of the Agency.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally within 60 days. Expenditures generally are recorded when a liability is incurred, as under full accrual accounting. However, debt service is recorded only when payment is due.

C. ASSETS, LIABILITIES, AND EQUITY

CASH AND INVESTMENTS

Cash on hand, demand deposits and short-term, highly liquid investments with a maturity of three months or less when purchased are considered to be cash and cash equivalents. Investments maintained in the Oregon Local Government Investment Pool are carried at cost, which approximates fair value, and are classified as a cash equivalent.

RECEIVABLES

Property taxes are assessed as of January 1 and become a lien as of July 1 on all taxable property. Property taxes are due on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due or two-thirds of the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

In the government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. In the fund financial statements, property taxes receivable which have been collected within 60 days subsequent to year-end are considered "measurable" and "available" and are recognized as revenues. All other property taxes receivable are offset by deferred revenue as they are deemed unavailable to finance operations of the current period.

CAPITAL ASSETS

In the *government-wide financial statements,* capital assets are accounted for as assets in the Statement of Net Position. A capitalization policy was adopted that established a dollar threshold of $5,000 for assets and a useful life greater than one year. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to July 1, 1979. Prior to July 1, 1979, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since July 1, 2003 are recorded at cost.

In the *fund financial statements,* capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The capitalization threshold and range of estimated useful lives by type of asset are as follows:

	Life	Capitalization Threshold
Buildings	20-50 years	$ 100,000
Infrastructure	20-50 years	$ 100,000
Water System Improvements	10-50 years	$ 100,000
Equipment	5-15 years	$ 5,000

NET POSITION

In the *government-wide financial statements,* equity is classified as net position and displayed in three components:

a. Net Investment in Capital Assets - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

b. Restricted - consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments: or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted - all other assets that do not meet the definition of "restricted" or "net investment in capital assets."

It is the policy to first use restricted net position prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

FUND BALANCE

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

The Agency reports fund balance classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to observe constraints imposed on the use of the resources reported in governmental funds. The fund balance categories are as follows:

- Non-spendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution of the Board.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the Board or by an official to whom that authority has been given by the Board.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance.

There are no non-spendable, committed, assigned or unassigned fund balances at year end.

The Board has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

D. LONG-TERM OBLIGATIONS

Long-term obligations are reported in the government-wide financial statements as liabilities. The governmental individual fund financial statements do not report long-term obligations because they do not require the use of current financial resources.

E. REVENUES AND EXPENDITURES

PROGRAM REVENUES

In the Statement of Activities, revenues that are derived directly from each activity from parties outside the Agency's taxpayers are reported as program revenues. These revenues include charges for services and program specific grants and contributions. All other governmental revenues are reported as general. All property taxes are classified as general revenues even if restricted for a specific purpose.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

2. BUDGET

A budget is prepared and legally adopted for each fund on a budgetary basis of accounting, which is similar to the modified accrual basis of accounting with certain differences, in the main program categories required by the Oregon Local Budget Law.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

Expenditures cannot legally exceed the above appropriation levels except in the case of restricted revenues which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted. Disbursements of the General Fund were within authorized appropriations, except an over-expenditure of Capital Outlay by $78,006.

3. CASH AND INVESTMENTS

Cash and investments were recorded at cost, which approximates fair market value, at June 30, 2013. Cash and investments at June 30, 2013 were:

	2013
Deposits with Financial Institutions	$ 5,965
LGIP	139,939
Total	$ 145,904

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. As of June 30, 2013, the bank balance of $5,967 was fully insured by FDIC. All deposits were maintained at an approved depository.

3. CASH AND INVESTMENTS (CONTINUED)

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2013.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. There is no material difference between fair value of the Agency's position in the Pool and the value of the pool shares at June 30, 2013. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Interest Rate Risk
Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date that exceeds 18 months.

Credit Risk
Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration Risk
Concentration risk is the risk of loss due to a large portion of investments with a single issuer. At June 30, 2013, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

Investments and maturities are as follows:

Investment Type	Fair Value	Less than 3 months	More than 3 months
State Treasurer's Investment Pool	$ 139,939	$ 139,939	$ -
Total	$ 139,939	$ 139,939	$ -

4. CAPITAL ASSETS

The changes in capital assets for 2012-13 are as follows:

	Balance on 07/01/2012	Additions	Disposals	Balance on 6/30/2013
Capital assets not being depreciated:				
Land	157,820	74,123	-	231,943
Total capital assets not being depreciated	157,820	74,123	-	231,943
Capital assets being depreciated:				
Buildings	-	45,877	-	45,877
Total capital assets being depreciated	-	45,877	-	45,877
Less accumulated depreciation for:				
Buildings	-	(1,147)	-	(1,147)
Total accumulated depreciation	-	(1,147)	-	(1,147)
Total capital assets net of depreciation	$ 157,820	$ 118,853	$ -	$ 276,673

5. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Loans	$ 109,123	$ 90,000	$ 7,371	$ 191,752	$ 115,394
Total	$ 109,123	$ 90,000	$ 7,371	$ 191,752	$ 115,394

In February 2009, the Agency entered into a loan agreement with Columbia Community Bank for the purchase of property. The initial amount of the loan was $131,750 at an interest rate of 4.25%. In August 2012, the Agency entered into a second loan agreement with Columbia Community Bank for the purchase of another property. The initial amount of the loan was $90,000 at an interest rate of 4.5% for five years and then variable. The amortization schedule and loan summary are shown below

URA Loan #1

Year Ending June 30,	Annual Debt Service Principal	Interest	Total
2014	$ 107,825	$ 3,750	$ 111,575
Balance	$ 107,825	$ 3,750	$ 111,575

See independent accountants' review report

5. LONG-TERM OBLIGATIONS (CONTINUED)

	URA Loan #2		
Year Ending	Annual Debt Service		
June 30,	Principal	Interest	Total
2014	$ 7,569	$ 3,651	$ 11,220
2015	7,899	3,321	11,220
2016	8,259	2,961	11,220
2017	8,652	2,568	11,220
2018	9,003	2,288	11,291
2019-22	42,545	4,560	47,105
Balance	$ 83,927	$ 19,349	$ 103,276

6. PROPERTY TAX LIMITATIONS

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax receipts are separated into those for public schools and those for local governments, including urban renewal agencies, other than public schools. The limitation specifies a maximum rate for all local government operations of $10.00 per $1,000 of real market value, while schools are similarly limited to a $5.00 maximum rate. Local government taxes currently do not exceed the $10.00 rate limit; however, this limitation may affect the availability of future tax receipts for the Agency.

In May 1997, voters approved Measure 50 which rolled back assessed values to 90% of 1995-96 and limits future increases of taxable assessed values to 3% per year, exclusive of new construction and property that is improved, rezoned, subdivided, or ceases to qualify for exemption. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rate provided a majority approves at either (i) a general election in an even numbered year, or (ii) at any other election in which at least 50% of registered voters cast a ballot.

7. RELATED PARTY TRANSACTIONS

The City provides services for the Agency, including accounting and clerical functions. The Agency's personnel are comprised exclusively of employees of the City. The Agency paid $7,913 to the City for services, reimbursement for City personnel, and materials and supplies that were provided in the current fiscal year.

8. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; errors and omissions; and natural disasters for which the Agency carries commercial insurance. Settled claims have not exceeded this commercial coverage for the last three years.

URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended June 30, 2013

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Taxes	$ 70,000	$ 81,329	$ 91,534	$ 10,205
Property Rental Fees	6,000	6,750	6,800	50
Interest	300	-	711	711
Miscellaneous	-	-	165	165
Total Revenues	76,300	88,079	99,210	11,131
EXPENDITURES:				
Materials and Services	-	3,000 (1)	2,109	891
Capital Outlay	10,000	52,000 (1)	130,006	(78,006)
Debt Service	32,793	44,093 (1)	38,449	5,644
Contingency	45,000	75,000 (1)	-	75,000
Total Expenditures	87,793	174,093	170,564	3,529
Excess of Revenues Over (Under) Expenditures	(11,493)	(86,014)	(71,354)	14,660
Other Financing Sources (Uses):				
Proceeds of Debt	-	-	90,000	90,000
Transfers Out	(6,546)	(8,125) (1)	(7,913)	212
Total Other Sources (Uses)	(6,546)	(8,125)	82,087	90,212
Net Change in Fund Balance	(18,039)	(94,139)	10,733	104,872
Beginning Fund Balance	23,380	135,884	135,884	-
Ending Fund Balance	$ 5,341	$ 41,745	$ 146,617	$ 104,872

(1) Appropriations Level

Reconciliation of the Budget and Actual Schedule to the Statement of Revenues, Expenditures and Change in Fund Balance

Expenditures, budgetary basis	$ 170,564
Transfers to the City of North Plains for services provided	7,913
Expenditures, modified accrual basis	$ 178,477
Other Financing Sources (Uses), budgetary basis	$ 82,087
Transfers to the City of North Plains for services provided	7,913
Other Financing Sources (Uses), modified accrual basis	$ 90,000

See independent accountants' review report

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URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
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WASHINGTON COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2013

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/01/12	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/13
CURRENT:						
2012-13	$ 94,196	$ 2,448	$ 132	$ 29	$ 89,941	$ 1,968
PRIOR YEARS:						
2011-12	2,178	(5)	(698)	72	605	953
2010-11	1,014	(3)	(264)	54	225	583
2009-10	-	-	-	-	-	-
2008-09	69	-	(2)	17	59	24
2007-08 & Prior	-	-	-	-	-	-
Total Prior	3,261	(8)	(964)	143	889	1,559
Total All Funds	$ 97,457	$ 2,439	$ (832)	$ 172	$ 90,830	$ 3,528

RECONCILIATION OF REVENUE:	Revenue
Per County Treasurer Above	$ 90,830
Adjustment to Modified Accrual Basis	704
Total Revenue per Fund Statements	$ 91,534

See independent accountants' review report

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URBAN RENEWAL AGENCY
OF THE CITY OF NORTH PLAINS
(a component unit of the City of North Plains)
WASHINGTON COUNTY, OREGON

MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS
REQUIRED BY OREGON REGULATION

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NORTH PLAINS
City to the Sunset

CITY OF NORTH PLAINS

31360 NW Commercial St. *North Plains, Oregon 97133*

Management Representation of Fiscal Affairs Required by Oregon Regulation

The City of North Plains Urban Renewal Agency is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, division 40) including, but not limited to:

- **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, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).**

The management of the City of North Plains Urban Renewal Agency is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

Signature

Martha DeBy — Printed Name

City Manager — Title

12/17/13 — Date

City Hall (503) 647-5555 *Emergency 9-1-1* *Police (503) 647-2604* *www.northplains.org*

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