



City of Independence

Urban Renewal Agency
Tuesday, March 10, 2026 @ 6:30 PM
Civic Center - Council Chambers

(see agenda footer for meeting attendance information)

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - 3.1. Regular Meeting 10/14/2025
 - 3.2. Regular Meeting 01/13/2026
4. **Visitors/Public Comment**
5. **Presentations**
 - 5.1. URA Audit Presentation (Carey, Auditors)
6. **Adjournment**

Meeting Attendance Information:

The Urban Renewal Agency will hold this meeting in-person in City Hall Council Chambers, via video conference (Zoom) or by phone. Meetings are also live-streamed on the City's YouTube channel at: <https://www.youtube.com/c/CityofIndependenceOR>.

- To attend in person, the City Hall address is 555 S. Main St.
- For Zoom login
visit: <https://us06web.zoom.us/j/81856026483?pwd=MlSHWVRjg56TYooL83EDslbayK5CXq.1>
- To participate in the meeting **by phone**, dial **US: +1-253-215-8782** and enter **Webinar ID: 818 5602 6483** and **Passcode: 914641**

Written comments are also welcome and may be delivered to City Hall or emailed to CouncilComments@ci.independence.or.us no later than 4:00 pm the day of the meeting.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 72 hours in advance of the meeting to Myra Russell, City Recorder, 503-838-1212/TTY: 800-735-2900.



City of Independence Minutes

Urban Renewal Agency Meeting
Tuesday, October 14, 2025

1. **Call to Order.** Mayor Schwarzler called the meeting to order at 6:30 PM

2. **Roll Call.** Mayor Schwarzler present.

Present: Councilor Evan Sorce
Councilor Dawn Roden
Councilor Bill Boisvert
Councilor/Council President Kathy Martin-Willis
Councilor Shannon Corr

Absent: Councilor Marilyn Morton, Excused

City Staff Present: Kenna West, City Manager
Myra Russell, City Recorder
Shawn Irvine, Assistant City Manager
Juventino Banuelos, Police Chief

3. **Minutes.**

3.1. **Regular Meeting 06/10/2025.**

Action:

Councilor/Council President Martin-Willis moved to approve the minutes of the regular meeting 6-10-2025; Councilor Corr seconded. Discussion: None
Roll call vote. Motion 5-0-0

Ayes: Evan Sorce, Dawn Roden, Bill Boisvert, Kathy Martin-Willis, Shannon Corr

Nays: None

Abstentions: None

3.2. **Work Session 09/09/2025.**

Action:

Councilor/Council President Martin-Willis moved to approve the minutes of the work session 9-9-2025 ; Councilor Corr seconded. Discussion: None
Roll call vote. Motion 5-0-0

Ayes: Evan Sorce, Dawn Roden, Bill Boisvert, Kathy Martin-Willis, Shannon Corr

Nays: None

Abstentions: None

4. **Visitors/Public Comment.** None.

5. **Unfinished Business.** None.

6. **New Business.**

6.1. **Disposition of URD Properties (Irvine).**

Irvine discussed property disposal options for Independence Landing and approved a development solicitation process. The Urban Renewal Agency discussed two options for disposing of remaining Independence Landing properties: listing them for sale with conditions or conducting a development solicitation. Staff recommended the latter, which would involve issuing a request for proposals in late winter, opening it for 3-4 weeks, and reviewing responses with a committee. Councilors debated the merits of each approach, with some expressing concerns about the lack of a realtor recommendation letter and the timing of the bidding period. Despite these concerns, the council voted to move forward with the development solicitation option, with the understanding that they could switch to a direct sale if the process did not yield satisfactory results.

Action:

Councilor Corr moved that the URD conduct a development solicitation to dispose of the remaining Independence Landing properties; Councilor/Council President Martin-Willis seconded. Discussion: Concern that we didn't receive a letter from realtors with a recommendation, concerns regarding staff time and timeline. Confirmation that City can still sell the property if development solicitation doesn't pan out.

Roll call vote. Motion 4-1-0

Ayes: Evan Sorce, Bill Boisvert, Kathy Martin-Willis, Shannon Corr

Nays: Dawn Roden

Abstentions: None

7. **Adjournment.** Councilor/Council President Martin-Willis moved to to adjourn; Councilor Roden seconded. Mayor Schwarzler adjourned the meeting at 6:45 pm.

Roll call vote. Motion 5-0-0

Ayes: Evan Sorce, Dawn Roden, Bill Boisvert, Kathy Martin-Willis, Shannon Corr

Nays: None

Abstentions: None

Minutes submitted by:
Myra Russell, City Recorder



City of Independence Minutes

Urban Renewal Agency Meeting
Tuesday, January 13, 2026

1. **Call to Order.** Mayor Schwarzler called the meeting to order at 8:19 PM

2. **Roll Call.** Mayor Schwarzler present.

Present: Councilor Evan Sorce
 Councilor Dawn Roden
 Councilor Bill Boisvert
 Councilor/Council President Kathy Martin-Willis
 Councilor Marilyn Morton
 Councilor Shannon Corr

Absent:

City Staff Kenna West, City Manager
Present: Myra Russell, City Recorder
 Amanda Carey, Finance Director
 Juventino Banuelos, Police Chief

3. **New Business.**

3.1. **Adopt 2026-27 Urban Renewal Agency Budget Calendar, Appoint Budget Officer (Carey).**

Finance Director Carey let council know this was the same process they did in the council meeting earlier for the city budget, but this is for the URA board budget.

Action:

Councilor Roden moved to Move that Board appoint Amanda Carey, Finance Director as Budget Officer for the Agency's 2026-27 budget cycle and adopt the budget calendar as presented.; Councilor/Council President Martin-Willis seconded. Discussion: Councilor Morton pointed out that one meeting has the wrong date. Staff will update the calendar before budget season starts.

Roll call vote. Motion 6-0-0

Ayes: Evan Sorce, Dawn Roden, Bill Boisvert, Kathy Martin-Willis, Marilyn Morton, Shannon Corr

Nays: None

Abstentions: None

4. **Adjournment.** Mayor Schwarzler adjourned the meeting at 8: 21 pm.

Minutes submitted by: Myra Russell, City Recorder



CITY OF INDEPENDENCE URBAN RENEWAL

TO: Board of Directors
FROM: Amanda Carey, Finance Director
MEETING DATE: March 10, 2026
SUBJECT: Presentation of Audited Financial Statements for Year Ended June 30, 2025

Information Only

Action Requested

Statement of Issue:

The City of Independence Urban Renewal Agency's financial statements and related records are required to be audited annually by an independent CPA firm.

Background:

The auditors have completed their audit of the financial statements for the year ended June 30, 2025, and have issued their opinions and reports. Their audit speaks to the material accuracy and completeness of the financial information as well as compliance with laws, regulations, contracts, and other requirements.

The financial statements of the City of Independence Urban Renewal Agency have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The information contained in the audited financial statements has been reconciled directly to the underlying accounting records, certain additional procedures, or the basic financial statements themselves. The financial statements were found to be fairly stated in all material respects.

Recommendation/Suggested Motion:

This presentation is informational only; no action is requested.

Reviewed and Approved by: Kenna West, City Manager

City of Independence Urban Renewal Agency

FINANCIAL STATEMENTS

Year Ended June 30, 2025



CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Financial Statements

Year Ended June 30, 2025

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CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Agency Officials

Year Ended June 30, 2025

Agency Officials

Kate Schwarzler, Board Chair

Shannon Corr, Director

Marilyn Morton, Director

Dawn Roden, Director

Evan Sorce, Director

Bill Boisvert, Director

Kathy Martin-Willis, Director

Agency members may be contacted at:
555 S Main Street
Independence, OR 97351

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Agency Officials
City of Independence Urban Renewal Agency
Independence, 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 City of Independence Urban Renewal Agency (the Agency), a component unit of the City of Independence, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency'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 the Agency, as of June 30, 2025, 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 for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Agency, 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 the 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 the Agency'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 GAAS 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements, continued

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 Agency'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 the Agency'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 and analysis and General Fund budgetary comparison schedule 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 GAAS, which consisted 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 basic the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The General Fund schedule of revenues, expenditures, and changes in fund balance - budget and actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

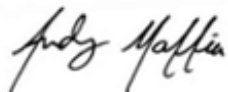
Report on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated February 24, 2026, on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Aldrich CPAs + Advisors LLP

By:



Andrew Maffia, CPA, Partner
Salem, Oregon
February 24, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF INDEPENDENCE URBAN RENEWAL AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025**

This discussion and analysis presents the highlights of financial activities and financial position for the City of Independence Urban Renewal Agency (the Agency), a component unit of the City of Independence, Oregon. The analysis focuses on significant financial issues, major activities and resulting changes in financial position, budget variances, specific issues relating to funds, and the economic factors affecting the Agency.

Management’s Discussion and Analysis (MD&A) focuses on current year activities and resulting changes and should be read in conjunction with the Agency’s financial statements, which immediately follow this analysis.

Financial Highlights

The Agency was established in September 2001. The year ended June 30, 2025, was the twenty-third year that the Agency incurred financial transactions.

- Liabilities exceeded assets and deferred outflows of resources by approximately \$16.7 million at June 30, 2025 as a result of capital assets being transferred to the City of Independence upon completion, while the related debt is retained in the Agency.
- The Agency received tax increment (property taxes) of approximately \$1.1 million during the 2024-2025 fiscal year, used to fund principal and interest payments on long-term obligations.

Overview of the Financial Statements

Following this MD&A, the report is organized in three sections: the basic financial statements including notes to the basic financial statements; required and other supplementary information; and reports by the independent auditor as required by the State of Oregon. The agency-wide statements include the statement of net position and the statement of activities.

The *Statement of Net Position* provides a focus on the net position of the Agency’s governmental activities. The statement reports the Agency’s assets, deferred outflows of resources, and liabilities with the difference reported as net position.

The *Statement of Activities* provides a focus on program costs and their matching resources. To the extent that program costs are not covered by intergovernmental revenues, they are paid from general taxes and other sources. This statement demonstrates the extent to which programs are self-supporting or subsidized by general revenues.

The *fund financial statements* for the individual funds follow the agency-wide statements. The Agency presents the Urban Renewal Projects Fund, which serves as the Agency’s general operating fund, and the Urban Renewal Debt Service Fund. Both are presented in the financial statements as major funds.

**CITY OF INDEPENDENCE URBAN RENEWAL AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025**

Agency-wide Statements

The agency-wide statements report information about the Agency using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* the Agency’s assets, deferred outflows of resources, and liabilities. All the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two agency-wide statements report the Agency’s *net position* and how it has changed. Net position—the difference between assets, deferred outflows, and liabilities—is one way to measure the Agency’s *financial health or position*.

Statement of Net Position

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the Agency, liabilities exceeded assets and deferred outflows of resources by \$16.7 million at the close of the most recent fiscal year.

The following table is a summary of the City’s net position compared to the prior fiscal year.

Statement of Net Position		
June 30,		
	2025	2024
Current assets	\$ 288,357	\$ 612,438
Noncurrent assets	1,404,051	1,404,051
Total Assets	1,692,408	2,016,489
Deferred Outflows of Resources	882,796	911,505
Current Liabilities	1,981,542	2,365,383
Noncurrent liabilities	17,339,797	17,821,315
Total Liabilities	19,321,339	20,186,698
Net Position		
Net Investment in Capital Assets	1,404,051	603,638
Unrestricted	(18,150,186)	(17,862,342)
Total Net Position	\$ (16,746,135)	\$ (17,258,704)

**CITY OF INDEPENDENCE URBAN RENEWAL AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025**

The Agency's net position increased by \$512,569 during the current fiscal year as scheduled principal payments were made to retire outstanding obligations. Total liabilities of the Agency decreased by a similar amount.

Statement of Activities

As with the statement of net position, the Agency reports governmental activities on a consolidated basis. A summary version of the statement of activities is illustrated in the following table.

	2025	2024
Revenues		
Program Revenues		
Charges for Services	\$ -	\$ 337
General Revenues		
Unrestricted Grants and Contributions	213,052	427,435
Property Taxes	1,134,681	1,080,491
Interest	35,968	39,678
Total Revenues	1,383,701	1,547,941
Expenses		
General government	2,466	567
Interest on Long-term Debt	706,582	1,107,711
Total Disbursements	709,048	1,108,278
Change in Net Position	674,653	439,663
Net Position, Beginning of Year as Previously Presented	(17,258,704)	
Restatement	(162,084)	
Net Position, Beginning of Year	(17,420,788)	(17,698,367)
Net Position, End of Year	\$ (16,746,135)	\$ (17,258,704)

**CITY OF INDEPENDENCE URBAN RENEWAL AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025**

The Agency’s tax increment revenues of \$1.1 million provide the majority of revenues to the Agency, complemented by payments from the City of Independence. Scheduled interest payments on long-term obligations decreased during the 2024-2025 fiscal year.

Fund Financial Analysis

Fund accounting segregates revenues according to their intended purpose and is used to aid management in demonstrating legal and contractual compliance with revenue source spending requirements.

The entire amount of the Debt Service Fund’s ending fund balance consists of property taxes collected and is restricted to the payment of debt service. Ending balances for fiscal years 2024-2025 and 2023-2024 were \$ 245,022 and \$577,984, respectively. The decrease in fund balance of the Debt Service Fund totaling \$332,962 is due to interest paid by this fund.

The Urban Renewal Projects Fund ending fund balance for fiscal years 2024-2025 and 2023-2024 were \$750,579 and \$656,281, respectively. The increase in the fund balance of \$94,298 is due to lower interest payments compared to the prior year.

Budgetary Highlights

There were no budget adjustments adopted by the Agency in the 2024-25 fiscal year.

Obligations Outstanding

The Agency had total debt outstanding of \$18.6 million at the end of the current fiscal year. The Agency’s total debt decreased by \$933,697 during the year as a result of scheduled principal payments and amortization of related bond premiums.

	2025	2024
Full Faith & Credit Obligations	\$ 9,865,000	\$ 10,320,000
Bond Premiums	556,234	595,965
Notes Payable	8,178,105	8,617,071
	\$ 18,599,339	\$ 19,533,036

Additional information on the Agency’s long-term debt can be found in the notes to the financial statements Note (4) Long-Term Debt.

**CITY OF INDEPENDENCE URBAN RENEWAL AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025**

Economic Factors

The Agency’s purpose is to partner with private development to support growth within the Agency’s boundaries. Increasing property values translate into tax increment revenue to the Agency, which in turn funds the debt incurred for infrastructure projects and improvements.

Requests for Information

This Agency’s financial statements are designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Agency’s finances and to demonstrate the Agency’s accountability of the resources it receives and expends. For additional information, contact the Finance Department, City of Independence, 555 Main Street PO Box 7 Independence, Oregon 97351.

BASIC FINANCIAL STATEMENTS

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY**Statement of Net Position**

June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 241,954
Receivables:	
Taxes	46,403
Capital Assets:	
Property held for resale	<u>1,404,051</u>
Total Assets	<u>1,692,408</u>
DEFERRED OUTFLOWS OF RESOURCES	
Debt Refunding Excess	<u>882,796</u>
Total Deferred Outflows of Resources	<u>882,796</u>
LIABILITIES	
Accrued Interest	64,778
Due to City of Independence	657,222
Long-Term Liabilities:	
Due within one year	1,259,542
Due in more than one year	<u>17,339,797</u>
Total Liabilities	<u>19,321,339</u>
NET POSITION	
Net Investment in Capital Assets	1,404,051
Unrestricted	<u>(18,150,186)</u>
Total Net Position	<u>\$ (16,746,135)</u>

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Statement of Activities

Year Ended June 30, 2025

	<u>Expenses</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:		
General government	\$ 2,466	\$ (2,466)
Interest on long-term debt	<u>706,582</u>	<u>(706,582)</u>
Totals	<u>\$ 709,048</u>	<u>(709,048)</u>
General Revenues:		
Property taxes		1,134,681
Interest earnings		35,968
Unrestricted grants and contributions		213,052
Total General Revenues and Transfers		<u>1,383,701</u>
Change in Net Position		<u>674,653</u>
Net Position, beginning, as previously presented		(17,258,704)
Restatement		<u>(162,084)</u>
Net Position, beginning, as restated		<u>(17,420,788)</u>
Net Position, ending		<u>\$ (16,746,135)</u>

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Governmental Funds

Balance Sheet

June 30, 2025

	Urban Renewal Projects	Urban Renewal Debt Service	Total
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 241,954	\$ 241,954
Receivables:			
Taxes	25,522	20,881	46,403
Property Held for Sale	<u>1,404,051</u>	<u>-</u>	<u>1,404,051</u>
Total Assets	<u>\$ 1,429,573</u>	<u>\$ 262,835</u>	<u>\$ 1,692,408</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Due to City of Independence	<u>\$ 657,222</u>	<u>\$ -</u>	<u>\$ 657,222</u>
Total Liabilities	<u>657,222</u>	<u>-</u>	<u>657,222</u>
Deferred Inflows of Resources:			
Unavailable revenues	<u>21,772</u>	<u>17,813</u>	<u>39,585</u>
Total Deferred Inflows of Resources	<u>21,772</u>	<u>17,813</u>	<u>39,585</u>
Fund Balances:			
Nonspendable	1,404,051	-	1,404,051
Restricted	-	245,022	245,022
Unassigned	<u>(653,472)</u>	<u>-</u>	<u>(653,472)</u>
Total Fund Balances	<u>750,579</u>	<u>245,022</u>	<u>995,601</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,429,573</u>	<u>\$ 262,835</u>	<u>\$ 1,692,408</u>

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balances for Governmental Funds	\$	995,601
Total Net Position Reported for the Governmental Activities in the Statement of Net Position is Different Because:		
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds		39,585
The excess of the reacquisition price over the carrying amount of refunded long-term obligations is recognized as an asset and amortized over the term of the loan		882,796
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities:		
Long-term debt	(18,599,339)	
Interest payable on long-term debt	<u>(64,778)</u>	
Total Long-Term Liabilities		<u>(18,664,117)</u>
Total Net Position of Governmental Activities	\$	<u><u>(16,746,135)</u></u>

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2025

	Urban Renewal Projects	Urban Renewal Debt Service	Total
Revenues:			
Taxes:			
Property	\$ 683,978	\$ 443,755	\$ 1,127,733
Intergovernmental	-	213,052	213,052
Interest earnings	-	35,968	35,968
Total Revenues	<u>683,978</u>	<u>692,775</u>	<u>1,376,753</u>
Expenditures:			
Current:			
General government	2,466	-	2,466
Debt service:			
Principal	345,050	548,916	893,966
Interest	242,164	476,821	718,985
Total Expenditures	<u>589,680</u>	<u>1,025,737</u>	<u>1,615,417</u>
Net Change in Fund Balances	94,298	(332,962)	(238,664)
Fund Balances, beginning	<u>656,281</u>	<u>577,984</u>	<u>1,234,265</u>
Fund Balances, ending	<u>\$ 750,579</u>	<u>\$ 245,022</u>	<u>\$ 995,601</u>

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Reconciliation of Change in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (238,664)

The Change in Net Position Reported for Governmental Activities in the Statement of Activities is Different Because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and other revenues reported in the funds are not revenues reported in the statement of activities:

Property taxes 6,948

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Amortization of bond premium	39,731	
Accrued interest	1,381	
Amortization of debt refunding	(28,709)	
Principal payments	<u>893,966</u>	
		<u>906,369</u>

Change in Net Position of Governmental Activities \$ 674,653

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Notes to Basic Financial Statements

Year Ended June 30, 2025

Note 1 - Organization and Summary of Significant Accounting Policies

These financial statements of the City of Independence Urban Renewal Agency (the Agency) have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). U.S. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Description of Reporting Entity

The Agency (a component unit of the City of Independence) was created to finance rehabilitation of blighted and deteriorated areas within the City's designated urban renewal area. The Agency is governed by a seven-member board of directors.

The financial statements of the Agency include all funds of the Agency, and the Board of Directors is not financially accountable for any other governmental entity. Financial accountability is determined in accordance with criteria set forth in U.S. GAAP, primarily on the basis of authority to appoint voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific benefits or impose specific financial burdens, and that organization's fiscal dependency. The Agency is a component unit of the City of Independence and as such is included in the financial statements of the City of Independence for the year ended June 30, 2025.

Basic Financial Statements

The Agency's financial operations are presented at both the government-wide and fund financial levels. All activities of the Agency are categorized as governmental.

Government-Wide Financial Statements

The Agency uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, and fiduciary. Currently the Agency has only governmental fund types.

Basis of Presentation

The financial transactions of the Agency are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, deferred inflows and outflows of resources, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The Urban Renewal Projects Fund serves as the Agency's general fund for the operation and general service related to the Agency. Additionally, this fund accounts for financial resources to be used for the acquisition or construction of capital equipment and facilities.

The Urban Renewal Debt Service Fund accounts for debt-related activities of the Agency. The principal source of revenue is property taxes which will be used to pay the principal and interest on the outstanding FF&C Refunding Bond obligations and loans from the City of Independence.

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Notes to Basic Financial Statements

Year Ended June 30, 2025

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus. The Agency-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported 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. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting.

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

Cash and Cash Equivalents

Cash, cash equivalents, and investments, including restricted cash, cash equivalents, and investments, consist of demand deposits and the State of Oregon Local Government Investment Pool (LGIP) deposits. Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn.

The Agency's investment policy is the same as the City's and essentially mirrors the Oregon Revised Statutes. Currently, the Agency's investment portfolio primarily includes investments in the State of Oregon Local Government Investment Pool.

Receivables and Property Tax Calendar

Uncollected property taxes receivable, which have been collected within sixty days following year end, are considered measurable and available and are recognized as revenue. All other uncollected property taxes receivable are offset by unavailable revenue and, accordingly, have not been recorded as revenue. Property taxes are assessed and become a lien against the property as of July 1 each year and are payable in three installments on November 15, February 15, and May 15 following the lien date. Taxes unpaid and outstanding on May 16 are considered delinquent.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The Agency has one item that qualifies for reporting in this category. A deferred charge on refunding is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has one item that qualifies for reporting in this category, which arises only under the modified accrual basis of accounting. Accordingly, the item "unavailable revenue," is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Notes to Basic Financial Statements

Year Ended June 30, 2025

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Net Position

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the Agency (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. All other net position is considered unrestricted.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable - Includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted - Includes items that are restricted by external creditors, grantors or contributors, or by legal or constitutional provisions.

Committed - Includes amounts that have been committed by resolution of the Agency's Board of Directors, which is the Agency's "highest level of decision-making authority." Committed amounts may not be used for any other purpose unless the Board of Directors removes the constraint by similar board action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned - Includes amounts assigned for specific purposes by Agency action. Assigned fund balance is established by the Agency through adoption or amendment of the budget as intended for specific purpose.

Unassigned - This is the residual classification used for those balances not assigned to another category.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the Agency's policy to use committed resources first, then assigned, and then unassigned as they are needed.

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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Implementation of New Accounting Standard

The Agency adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. This statement was issued in December 2023 to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to the Agency's financial condition. Implementation of the new statement had no impact on the Agency's financial statements.

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Notes to Basic Financial Statements

Year Ended June 30, 2025

Note 2 - Cash and Cash Equivalents

As a component unit of the City, the Agency's cash and cash equivalents are comingled with the City's pool of cash and cash equivalents that are available for use by all funds.

The City's cash and cash equivalents and the amount allocable to the Agency at June 30, 2025, were as follows:

	City of Independence	Allocable to Independence Urban Renewal Agency
Cash and cash equivalents:		
Deposits with financial institutions	\$ 2,215,569	\$ 25,313
Cash on hand	806	-
State of Oregon Treasurer's short-term investment pool	18,961,927	216,641
 Total cash and cash equivalents	 \$ 21,178,302	 \$ 241,954

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Agency does not have a deposit policy for custodial credit risk. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency's deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2025, none of the Agency's bank balances were exposed to custodial credit risk.

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.

Amounts in the State Treasurer's Local Government Investment Pool (LGIP) are not required to be collateralized. There is no material difference between the fair value of the Agency's position in the LGIP and the value of the pool shares at June 30, 2025. 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.

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Notes to Basic Financial Statements

Year Ended June 30, 2025

Note 2 - Cash and Cash Equivalents, continued

Credit Risk - Investments

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2025, investments were comingled with the City's investments. The City's investments attributable to the Agency were all held in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

Note 3 - Unavailable Revenue

Resources owned by the Agency, which are measurable but unavailable in the governmental funds as of June 30, 2025, consisted of the following:

	Urban Renewal Projects	Urban Renewal Debt Service
Property taxes	\$ <u>21,772</u>	\$ <u>17,813</u>

Note 4 - Long-Term Debt

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

	Balances July 1, 2024	Increase	Decrease	Balances June 30, 2025	Due Within One Year
Bonds					
2016A FF&C Refunding Obligations	\$ 7,800,000	\$ -	\$ 40,000	\$ 7,760,000	\$ 40,000
Bond Premium	336,630	-	22,442	314,188	-
2017A FF&C Refunding Obligations	2,520,000	-	415,000	2,105,000	430,000
Bond Premium	259,335	-	17,289	242,046	-
Notes Payable					
2021 IFA Loan - Indy Landing	2,813,248	-	93,916	2,719,332	96,574
City of Independence - Civic Center	3,867,234	-	-	3,867,234	342,236
City of Independence - Construction	1,678,807	-	273,907	1,404,900	279,234
City of Independence - Cash Flow	257,782	-	71,143	186,639	71,498
Total Long-Term Obligations	\$ <u>19,533,036</u>	\$ <u>-</u>	\$ <u>933,697</u>	\$ <u>18,599,339</u>	\$ <u>1,259,542</u>

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Notes to Basic Financial Statements

Year Ended June 30, 2025

Note 4 - Long-Term Debt, continued

Bonds

The Agency issued \$8,070,000 of full faith and credit obligation refunding bonds to retire existing debt of the City in April 2016. Interest rates range from 3% to 4%. Annual principal payments are due June 15 and semi-annual interest payments are due June 15 and December 15. The bonds mature in 2040. At June 30, 2025, the balance outstanding is \$7,760,000. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 40,000	\$ 294,806
2027	40,000	293,206
2028	45,000	291,606
2029	45,000	289,807
2030	265,000	288,006
2031-2035	3,310,000	1,132,230
2036-2040	<u>4,015,000</u>	<u>430,481</u>
	<u>\$ 7,760,000</u>	<u>\$ 3,020,142</u>

In December 2017, the Agency issued full faith and credit bonds in the amounts of \$4,035,000 (2017A) to refund existing debt. Interest rates range from 2.2% to 4%. The bond principal is payable annually on June 1 and interest is payable semi-annually on June 1 and December 1. The bonds mature in 2030. At June 30, 2025, the balance outstanding is \$2,105,000 for the 2017A bonds. Annual debt service requirements to maturity for the bonds are as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 430,000	\$ 84,200
2027	450,000	67,000
2028	465,000	49,000
2029	485,000	30,400
2030	<u>275,000</u>	<u>11,000</u>
	<u>\$ 2,105,000</u>	<u>\$ 241,600</u>

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Notes to Basic Financial Statements

Year Ended June 30, 2025

Note 4 - Long-Term Debt, continued

Direct Borrowings and Placements

In December 2016, the City entered into an agreement with the Business Oregon Infrastructure Finance Authority to borrow \$3,250,000 to finance infrastructure projects. The interest rate is 2.83% and the loan matures in December 2045. Annual principal and interest payments are due December 1. The City has pledged incremental property tax revenues for payment of the loan and in the event of a default, the outstanding amounts become immediately due. The balance outstanding at June 30, 2025 is \$2,719,332. Annual debt service requirements to maturity for the loan are as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 96,574	\$ 76,957
2027	99,307	71,224
2028	102,118	71,414
2029	105,008	68,524
2030	107,979	65,552
2030-2034	587,500	280,156
2035-2039	675,472	192,184
2040-2044	776,616	91,040
2045-4049	168,758	4,776
	<u>\$ 2,719,332</u>	<u>\$ 921,827</u>

The City of Independence incurred debt on behalf of the Agency for construction of the Independence Civic Center and assisted in servicing the debt. The Agency began repayment to the City in 2023. The principal balance of the note payable to the City was \$3,867,234 at June 30, 2025.

Annual debt service requirements to maturity for the note payable are as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 342,236	\$ 159,923
2027	396,409	105,750
2028	408,301	93,858
2029	420,550	81,609
2030	433,166	68,992
2031-2034	1,866,572	142,061
	<u>\$ 3,867,234</u>	<u>\$ 652,193</u>

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Notes to Basic Financial Statements

Year Ended June 30, 2025

Note 4 - Long-Term Debt, continued

Direct Borrowings and Placements, continued

In 2017, the Agency finalized a development & disposition agreement for the development of a hotel, apartments, and townhomes at Independence Landing. As part of the agreement, the Agency agreed to pay construction costs imposed by the City of Independence up to \$2,082,110. As a result, there is a loan payable between the City and the Agency. As of June 30, 2025, the balance of this loan payable to the City was \$1,404,900.

Annual debt service requirements to maturity for the loan payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 279,234	\$ 33,389
2027	284,709	27,914
2028	290,332	22,291
2029	178,145	16,519
2030	183,489	11,175
2031	<u>188,991</u>	<u>5,660</u>
	<u>\$ 1,404,900</u>	<u>\$ 116,948</u>

The Agency incurred other loans with the City in prior years to supplement project-related cash flows. The balance at June 30, 2025, of these loans totals \$186,639. Annual debt service requirements to maturity for these loans are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 71,498	\$ 33,389
2027	71,856	27,914
2028	<u>43,285</u>	<u>22,291</u>
	<u>\$ 186,639</u>	<u>\$ 83,594</u>

Note 5 - Risk Management

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

Note 6 - Error Correction

The beginning net position of the governmental activities was decreased \$162,084 related to an error in the calculation of bond premium as of June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Urban Renewal Projects Fund - General Fund

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

Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 300,000	\$ 300,000	\$ 683,978	\$ 383,978
Interest earnings	500	500	-	(500)
Total Revenues	<u>300,500</u>	<u>300,500</u>	<u>683,978</u>	<u>383,478</u>
Expenditures:				
Materials and services	-	-	2,466	(2,466)
Debt service	889,000	889,000	587,214	301,786
Contingency	<u>6,567</u>	<u>6,567</u>	-	<u>6,567</u>
Total Expenditures	<u>895,567</u>	<u>895,567</u>	<u>589,680</u>	<u>305,887</u>
Net Change in Fund Balance	(595,067)	(595,067)	94,298	689,365
Fund Balance, beginning	<u>595,067</u>	<u>595,067</u>	<u>656,281</u>	<u>61,214</u>
Fund Balance, ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>750,579</u></u>	\$ <u><u>750,579</u></u>

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Notes to Required Supplementary Information

Year Ended June 30, 2025

Note 1 - Stewardship, Compliance, and Accountability

Budgetary Information

On or before June 30 of each year, the Agency enacts a resolution adopting the budget, appropriating the expenditures, and levying the property taxes. The Agency's budget is presented on the modified accrual basis of accounting. Prior to enacting this resolution, the proposed budget is presented to a Budget Committee that takes public testimony and ultimately approves the budget. The Budget Committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The Agency budgets all funds as required by Oregon Local Budget Law (ORS 294).

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Expenditure categories of personnel services, materials and services, capital outlay, debt service, transfers, and contingency are the legal level of control for all funds. The detailed budget document, however, is required to contain more specific information for the above-mentioned expenditure categories. Unexpected additional resources may be added to the budget with a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the Board of Directors. Management may modify original and supplemental budgets by the use of appropriations transfers between the legal levels of control within a fund. Such transfers require approval by the Board of Directors. The Board of Directors approved appropriation transfers and supplemental budget resolutions during the fiscal year ended June 30, 2025.

Expenditures in the following funds/departments/categories exceeded appropriations for the fiscal year ended June 30, 2025:

<u>Fund</u>	<u>Category</u>	<u>Amount</u>
Urban Renewal Projects	Materials and Services	\$ (2,466)

SUPPLEMENTARY INFORMATION

CITY OF INDEPENDENCE URBAN RENEWAL AGENCY

Urban Renewal Debt Service Fund

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

Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Property taxes	\$ 897,000	\$ 443,755	\$ (453,245)
Intergovernmental	213,052	213,052	-
Interest earnings	<u>8,000</u>	<u>35,968</u>	<u>27,968</u>
Total Revenues	<u>1,118,052</u>	<u>692,775</u>	<u>(425,277)</u>
Expenditures:			
Debt service	<u>1,026,000</u>	<u>1,025,737</u>	<u>263</u>
Total Expenditures	<u>1,026,000</u>	<u>1,025,737</u>	<u>263</u>
Net Change in Fund Balance	92,052	(332,962)	(425,014)
Fund Balance, beginning	<u>548,261</u>	<u>577,984</u>	<u>29,723</u>
Fund Balance, ending	<u>\$ 640,313</u>	<u>\$ 245,022</u>	<u>\$ (395,291)</u>

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Agency Officials
City of Independence Urban Renewal Agency
Independence, Oregon

We have audited the basic financial statements of the City of Independence Urban Renewal Agency (the Agency) as of and for the year ended June 30, 2025, and have issued our report thereon dated February 24, 2026. 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.**
- **Highway revenues used for public highways, roads, and streets.**
- **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 as follows:

- ORS 294.426(5) requires that when notice of a budget committee meeting is published only in a newspaper, the notice must be published at least two separate times, not more than 30 days and not less than five days before the meeting date. The first notice was appropriately advertised within the required five-to-30-day window; however, a second notice of the budget committee meeting was not published as required.
- ORS 294.438(1) requires that not more than 30 days and not less than five days before the budget hearing meeting of the governing body, a notice of the meeting and the required financial summary must be published at least once. No notice of the budget hearing was published.

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS,
CONTINUED**

- Expenditures in the following fund exceeded appropriations for the year ended June 30, 2025:

<u>Fund</u>	<u>Budget Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Over Expenditure</u>
General	Materials and services	\$0	\$2,466	\$(2,466)

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's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Restriction on Use

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

Aldrich CPAs + Advisors LLP

By:



Andrew Maffia, CPA, Partner
Salem, Oregon
February 24, 2026