

**RAINIER ECONOMIC DEVELOPMENT COUNCIL  
THE URBAN RENEWAL AGENCY OF THE CITY OF  
RAINIER, OREGON**

**(A Component Unit of the City of Rainier)**

**COLUMBIA COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223

RAINIER ECONOMIC DEVELOPMENT COUNCIL  
THE URBAN RENEWAL AGENCY OF THE CITY OF RAINIER, OREGON  
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COLUMBIA COUNTY, OREGON

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FINANCIAL REPORT

For the Year Ended June 30, 2022

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COLUMBIA COUNTY, OREGON

GOVERNING BODY UNDER ORS 457

<u>COUNCIL MEMBERS AS OF JUNE 30, 2022</u>	<u>TERM EXPIRES</u>
Mike Kreger, President	December 31, 2024
Jeremy Howell, Council	December 31, 2022
Denise Watson, Council	December 31, 2024
Scott Cooper, Council	December 31, 2022
Robert DuPlessis, Secretary/ Treasurer	December 31, 2022
Connie Budge, Council	December 31, 2022
Levi Richardson, Council	December 31, 2024

Council Members receive mail at the address listed below.

COUNCIL ADDRESS  
W. Scott Jorgenson, City Administrator/Finance Director/Recorder  
P.O. BOX 100  
RAINIER, OR 97048

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COLUMBIA COUNTY, OREGON

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

October 20, 2022

To the Board of Directors  
Rainier Economic Development Council  
Rainier, Oregon

### INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the accompanying modified cash basis basic financial statements of the governmental activities, and each major fund of Rainier Economic Development Council (the Council), a component unit of the city of Rainier, as of and for the year ended June 30, 2022, 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's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the basic financial statements that are free from material misstatement whether due to fraud or error.

#### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the basic financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Rainier Economic Development Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

#### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying modified cash basis basic financial statements in order for them to be in accordance with the basis of accounting described in Note 1.



## **Basis of Accounting**

We draw attention to Note 1 to the basic financial statements, which describes the basis of accounting. The basic financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

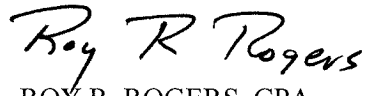
## **Supplementary Information**

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with the modified cash basis of accounting described in Note 1. The 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 has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

The Management Discussion and Analysis, as listed in the table of contents, has not been subjected to any auditing or review procedures, and accordingly, we express no opinion or any assurance on the information.

## **Reports on Other Legal and Regulatory Requirements**

In accordance with Oregon Minimum Standards, a letter dated October 20, 2022 was issued by the Council regarding compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. We did not audit or review the report or its conclusions and we therefore do not express an opinion or any assurance on the information,

  
ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

**RAINIER ECONOMIC DEVELOPMENT REDCO**  
**RAINIER, OREGON**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

This section of the Rainier Economic Development (REDCO’s) annual financial report presents our discussion and analysis of the REDCO’s financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the REDCO’s basic financial statements and notes, which follow this section.

**FINANCIAL HIGHLIGHTS**

- REDCO’s total net position was \$670,111 at June 30, 2022.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management has determined that the modified cash basis of accounting is appropriate for REDCO due to its lack of complexity and the necessity to account for, and plan for, the cash needed to operate REDCO.

This annual report consists of three parts: *management’s discussion and analysis* (this section), the *basic financial statements, and supplementary information*. The basic financial statements include two kinds of statements that present different views of REDCO:

- The first two statements are *government-wide financial statements* that provide information about REDCO’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of REDCO, reporting the operations in more detail than the government-wide statements. *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *supplementary information* that further explains and supports the information in the financial statements. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Government-wide Statements**

REDCO only provides “governmental activities” as defined in GASB 34, and has no substantial business-type activities. REDCO has only two funds, and each are considered to be major funds under the provisions of GASB 34.

**Fund Financial Statements**

The fund financial statements provide more detailed information about REDCO’s most significant *funds* – not REDCO as a whole. Funds are accounting devices that REDCO uses to keep track of specific sources of funding and spending for particular purposes.

REDCO's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the REDCO's programs. Because this information does not encompass the additional long-term focus on the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

## **FINANCIAL ANALYSIS OF THE REDCO AS A WHOLE**

### **GOVERNMENT-WIDE CASH BALANCES**

	2021	2022	% Change
<b>ASSETS:</b>			
Cash and Investments	\$ 670,064	\$ 670,111	0%
Taxes Receivable	13,333	12,430	-7%
Total Assets	<u>683,397</u>	<u>682,541</u>	0%
<b>LIABILITIES</b>			
Deferred Tax Revenues	13,333	12,430	-7%
Total Liabilities	<u>13,333</u>	<u>12,430</u>	-7%
<b>NET POSITION</b>			
Restricted for Debt Services	177,745	188,552	6%
Unrestricted	<u>492,319</u>	<u>481,559</u>	-2%
Total Net Position	<u>\$ 670,064</u>	<u>\$ 670,111</u>	-2%

### **CHANGES IN CASH-BASIS NET POSITION**

	2021	2022	% Change
<b>REVENUES:</b>			
General Revenues:			
Property Taxes	\$ 286,827	\$ 285,807	0%
Interest/Misc	7,776	7,190	-8%
Total Revenues	<u>294,603</u>	<u>292,997</u>	-1%
<b>EXPENSES:</b>			
Materials, Supplies & Projects	13,211	17,950	36%
Debt Service	275,000	275,000	0%
Capital Projects	312,500	0	-100%
Total Expenses	<u>600,711</u>	<u>292,950</u>	-51%
Change in Net Position	(306,108)	47	100%
Beginning Net Position	<u>976,172</u>	<u>670,064</u>	-31%
Ending Net Position	<u>\$ 670,064</u>	<u>\$ 670,111</u>	0%

REDCO's main sources of revenue is property taxes. REDCO's main disbursements are debt service, capital projects and REDCO operations.

## **FINANCIAL ANALYSIS OF THE REDCO'S FUNDS**

Governmental fund balances totaled \$670,111 at June 30, 2022. A summary of changes in governmental fund balances follows:

	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>Change</u>
General Fund	\$ 492,319	\$ 481,559	\$ (10,760)
Debt Service Fund	<u>177,745</u>	<u>188,552</u>	<u>10,807</u>
Total	<u>\$ 670,064</u>	<u>\$ 670,111</u>	<u>\$ 47</u>

## **CAPITAL ASSETS**

REDCO does not maintain any capital assets on its books. Capital assets are the property of the City of Rainier when projects are completed.

## **LONG TERM DEBT**

At June 30, 2022, REDCO had \$1,850,121 in outstanding debt payable. More detailed information about REDCO's long term debt is presented in the notes to the basic financial statements.

## **CONTACTING THE REDCO'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of REDCO's finances. If you have any questions about this report or need any clarification of information please contact Scott Jorgensen, City Administrator at the Rainier Economic Development Council (REDCO). Our Address is: PO Box 100, Rainier, Oregon, 97048.

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COMPONENT UNIT BASIC FINANCIAL STATEMENTS

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Statement of Net Position (Modified Cash Basis)  
June 30, 2022

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ASSETS:	
Cash and Investments	\$ 670,111
Taxes receivable	<u>12,430</u>
Total Assets	<u>682,541</u>
LIABILITIES:	
Unearned Tax Revenue	<u>12,430</u>
Total Liabilities	<u>12,430</u>
NET POSITION:	
Restricted for Debt Service	188,552
Unrestricted	<u>481,559</u>
Total Net Position	<u>\$ 670,111</u>

See accompanying notes and independent accountants' review report



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Statement of Activities - Modified Cash Basis  
 For the Year Ended June 30, 2022

FUNCTIONS	DISBURSEMENTS	PROGRAM RECEIPTS		NET (DISBURSEMENTS) RECEIPTS AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Materials and Services	\$ 17,950	\$ -	\$ -	\$ (17,950)
Debt Service	275,000	-	-	(275,000)
Total Governmental Activities	\$ 292,950	\$ -	\$ -	(292,950)
General Receipts:				
Taxes				285,807
Income Not Restricted to Specific Programs:				
Interest and Investment Earnings				3,567
Miscellaneous				3,623
Total General Receipts				292,997
Changes in Net Position				47
Net Position - Beginning				670,064
Net Position - Ending				\$ 670,111

See accompanying notes and independent accountants' review report

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BALANCE SHEET- GOVERNMENTAL FUNDS- MODIFIED CASH BASIS

June 30, 2022

	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	DEBT SERVICE FUND	TOTAL
ASSETS:			
Cash and Investments	\$ 481,559	\$ 188,552	\$ 670,111
Taxes Receivable	-	12,430	12,430
Total Assets	\$ 481,559	\$ 200,982	\$ 682,541
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Unearned Tax Revenue	\$ -	\$ 12,430	\$ 12,430
Total Liabilities	-	12,430	12,430
Fund Balances:			
Restricted for Debt Service	-	188,552	188,552
Unassigned	481,559	-	481,559
Total	481,559	188,552	670,111
Total Liabilities and Fund Balances	\$ 481,559	\$ 200,982	\$ 682,541

See accompanying notes and independent accountants' review report.

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STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES- MODIFIED CASH BASIS

For the Year Ended June 30, 2022

	GENERAL FUND	DEBT SERVICE FUND	TOTAL
RECEIPTS:			
County Taxes	\$ -	\$ 285,807	\$ 285,807
Interest	3,567	-	3,567
Other Income	3,623	-	3,623
Total Receipts	<u>7,190</u>	<u>285,807</u>	<u>292,997</u>
DISBURSEMENTS:			
Material and Services	17,950	-	17,950
Debt Service	-	275,000	275,000
Total Disbursements	<u>17,950</u>	<u>275,000</u>	<u>292,950</u>
Net Change in Fund Balance	(10,760)	10,807	47
Beginning Fund Balance	<u>492,319</u>	<u>177,745</u>	<u>670,064</u>
Ending Fund Balance	<u>\$ 481,559</u>	<u>\$ 188,552</u>	<u>\$ 670,111</u>

See accompanying notes and independent accountants' review report.

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Notes to Component Unit Basic Financial Statements

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NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

On April 19, 1993, the City of Rainier's City Council adopted ordinance No. 944 establishing the Rainier Economic Development Council – Urban Renewal Agency of the City of Rainier, Oregon (REDCO). Provisions of ordinance No. 944 require the Mayor, subject to approval of the City Council, to appoint seven people to the governing board of REDCO. The seven people serve at the pleasure of the City Council and may be removed at any time by a majority vote of the City Council. REDCO was formed as a municipal corporation pursuant to ORS 457 to have urban renewal authority under Oregon law. The Council is planning the economic development program that focuses on the Rainier Waterfront.

REDCO is a component unit of the City of Rainier because the Rainier City Council exercises oversight authority as demonstrated by the designation of Council Members and economic dependency. Generally accepted accounting principles require that these basic financial statements present the Council and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement No. 61, are separate organizations that are included in the Council's reporting because of the significance of their operational or financial relationships with the Council. All significant activities and organizations with which the Council exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide basic financial statements report information irrespective of fund activity, and the fund financial statements report information using funds. In total, the results presented using both of these methods are the same due to the use of the modified cash basis of accounting. Accordingly, there is no need for reconciling statements, except that any interfund transfers between the General and Debt Service funds are eliminated in the government wide statement of cash receipts and disbursements activities.

General receipts are property and related taxes and interest. All disbursements are categorized as program disbursements.

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

See independent accountants' review report.

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NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION (CONTINUED)

Financial operations are accounted for in the following governmental funds:

GENERAL FUND

This fund accounts for the general operations. It is used to account for all transactions not specifically related to other funds. Disbursements are made to finance planning and economic development.

DEBT SERVICE FUND

This fund is primarily reserved for the payment of debt. Its primary source of revenue is Urban Renewal Tax collection and transfers from the General Fund.

Each of the two funds is considered a “major fund” in accordance with GASB 34.

C. BASIS OF ACCOUNTING

The governmental funds are maintained using the modified cash basis of accounting whereby receipts are recognized when collected rather than when measurable and available, and disbursements are recognized when paid rather than when incurred. For disclosure purposes only, taxes receivable and an offset to unearned tax revenue are disclosed on the Statement of Net Position. Governmental funds include the general fund and debt service fund. Governmental funds are accounted for on a spending measurement focus. Governmental fund operating statements present increases (receipts and other financing sources) and decreases (disbursements and other financing uses) in cash.

The above basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America, which requires the modified accrual basis for governmental fund types and accrual for government-wide statements.

D. BUDGETS

A budget is prepared for each governmental fund type in accordance with the cash basis of accounting and legal requirements set forth in 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 generally published in early spring with a public hearing being held approximately three weeks later. The Council 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 30.

The expenditure budgets are appropriated at the following levels:

See independent accountants’ review report.

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NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BUDGETS (CONTINUED)

LEVEL OF CONTROL

Materials and Services  
Debt Service  
Capital Outlay  
Operating Contingency  
Transfers

Expenditures cannot legally exceed the above appropriation levels except in the case of grants 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 Council approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Council approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budget amounts.

Expenditures in all funds were within authorized appropriations for the year ended June 30, 2022.

E. FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, is followed. 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 are nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items, if they exist.

Restricted 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 represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.

Assigned 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 governing body or by an official to whom that authority has been given by the governing body. The authority to classify portions of ending fund balance as Assigned is granted to the City Manager and Mayor.

Unassigned is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. FUND BALANCE (CONTINUED)

There were no nonspendable, committed or assigned fund balances at year end.

The governing body 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.

F. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers. Interfund transactions are eliminated in the government wide basic financial statements.

G. PROPERTY TAXES

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

Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens so there is no allowance for uncollectible amounts.

H. CAPITAL ASSETS

Capital assets are owned and maintained by the City of Rainier and accordingly, are not included in these basic financial statements.

I. ESTIMATES

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Accordingly, actual results could differ from those estimates.

See independent accountants' review report.

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NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. NET POSITION

Net position comprises the various net earnings from operations, nonoperating receipts and disbursements. Net position is classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Since capital assets are owned by the City and are not shown in the statement of net position there is no investment in capital assets recorded.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

K. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

**Level 1** – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

**Level 2** – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

**Level 3** – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

See independent accountants’ review report.

RAINIER ECONOMIC DEVELOPMENT COUNCIL  
THE URBAN RENEWAL AGENCY OF THE CITY OF RAINIER, OREGON  
(A Component Unit of the City of Rainier)

COLUMBIA COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

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2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The total bank balance per the bank statements is \$19,865. The entire amount of these deposits is covered by federal deposit insurance. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. At June 30, 2022 all depository accounts were held at approved depositories identified by the Treasury.

INVESTMENTS

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, 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 appears to be in compliance with all portfolio guidelines at June 30, 2022. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it ***materially approximates fair value.***

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2022, the fair value of the position in the ***LGIP is 98.98%*** of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

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NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Cash and investments at June 30, 2022 (recorded at fair value) consisted of:

Cash and Investments at June 30, 2022 (recorded at fair value) consisted of:		<u>2022</u>
Deposits With Financial Institutions:		
Demand Deposits	\$	11,015
State of Oregon Treasurer's Local Government Investment Pool		<u>659,096</u>
	\$	<u><u>670,111</u></u>

There are the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 659,096	\$ 659,096	\$ -	\$ -
Total	<u>\$ 659,096</u>	<u>\$ 659,096</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk - Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, unless 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 beyond three months.

Credit Risk – Investments

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

Concentration of Credit Risk - Investments

At June 30, 2022, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in the Local Government Investment Pool. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2022, investments appear to be in compliance with all percentage restrictions.

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NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

3. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; errors and omissions; and natural disasters. The Council is covered by the City of Rainier's commercial insurance to minimize its exposure to these risks. Settled claims for the last three fiscal years have not exceeded this commercial coverage.

4. OPERATIONS

During 2021-22 the operations were handled by council members and consultants. Council members are responsible for adopting the budget and performing management functions. Consultants provide services necessary for implementing the improvements authorized by management.

5. PROPERTY TAX LIMITATIONS

The State of Oregon voters imposed a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

The State voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction was accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

6. LONG-TERM OBLIGATIONS

A promissory note was entered into during 1999-2000 for a principal amount not to exceed \$3,410,000. The payments are due on December 1 and June 1 beginning December 1, 2006. The note payable below is a loan from the United States Gypsum Company (USGC). The applicable interest rate on the loan is 6% per annum.

During the FY 2008-09, litigation was entered into against USGC regarding the interpretation of the note's payment terms. A settlement of \$4,750,000 was reached in FY 2011-12 with an immediate payment of \$1,000,000 and the below updated payment schedule. Since the council uses the modified cash basis of accounting debt is not shown in the basic financial statements.

Total long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Balance</u> <u>7/1/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Notes Payable	\$ 2,063,224	\$ -	\$ 213,103	\$ 1,850,121	\$ 219,496
Total Long-term Liabilities	<u>\$ 2,063,224</u>	<u>\$ -</u>	<u>\$ 213,103</u>	<u>\$ 1,850,121</u>	<u>\$ 219,496</u>

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NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS (CONTINUED)

Future payments are due as follows:

<u>Payments Due</u>	<u>Prinicipal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 219,496	\$ 55,504	\$ 275,000
2024	226,081	48,919	275,000
2025	232,864	42,136	275,000
2026	239,850	35,150	275,000
2027	247,045	27,955	275,000
2028-2030	<u>684,785</u>	<u>38,501</u>	<u>723,286</u>
	<u>\$ 1,850,121</u>	<u>\$ 248,165</u>	<u>\$ 2,098,286</u>

7. PAYROLL

There are no employees. Services are performed by contracted labor through consultants.

8. TAX ABATEMENTS

As of June 30, 2022, the Rainier Economic Development Council had tax abatements through one state wide program: Enterprise Zone.

Enterprise Zone (ORS 285C.175):

The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2022, the Rainier Economic Development Council had abated property taxes totaling \$7,064 under this program.

9. COMMITMENTS AND CONTINGENCIES

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. However, the impact of the reduction of economic activity is not determinable.

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COLUMBIA COUNTY, OREGON

Supplementary Information



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RAINIER ECONOMIC DEVELOPMENT COUNCIL  
 THE URBAN RENEWAL AGENCY OF THE CITY OF RAINIER, OREGON  
 (A Component Unit of the City of Rainier)  
 COLUMBIA COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 GENERAL FUND -ACTUAL AND BUDGET  
 For the Year Ended June 30, 2022

	<u>GENERAL FUND</u>			VARIANCE FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
RECEIPTS				
Interest	\$ 3,600	\$ 3,600	\$ 3,567	\$ (33)
Miscellaneous	-	-	3,623	3,623
Total Receipts	<u>3,600</u>	<u>3,600</u>	<u>7,190</u>	<u>3,590</u>
DISBURSEMENTS				
Materials and Services	661,600	19,350 (1)	17,950	1,400
Contingency	-	476,550 (1)	-	476,550
Total Disbursements	<u>661,600</u>	<u>495,900</u>	<u>17,950</u>	<u>477,950</u>
Net Change in Fund Balance	(658,000)	(492,300)	(10,760)	481,540
Beginning Fund Balance	<u>658,000</u>	<u>492,300</u>	<u>492,319</u>	<u>19</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,559</u>	<u>\$ 481,559</u>

(1) Appropriation Level

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SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 -ACTUAL AND BUDGET-  
 For the Year Ended June 30, 2022

	<u>DEBT SERVICE FUND</u>			VARIANCE FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
RECEIPTS:				
County Taxes	\$ 275,000	\$ 275,000	\$ 285,807	\$ 10,807
Total Receipts	<u>275,000</u>	<u>275,000</u>	<u>285,807</u>	<u>10,807</u>
DISBURSEMENTS				
Debt Service	<u>275,000</u>	<u>275,000</u> (1)	<u>275,000</u>	<u>-</u>
Total Disbursements	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	10,807	10,807
Beginning Fund Balance	<u>-</u>	<u>177,700</u>	<u>177,745</u>	<u>45</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 177,700</u>	<u>\$ 188,552</u>	<u>\$ 10,852</u>

(1) Appropriation Level

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SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
 OF TAXES UNCOLLECTED  
 For the Year Ended June 30, 2022

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2021	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2022
<u>DEBT SERVICE FUND</u>						
CURRENT:						
2021-2022	\$ 291,735	7,800	(643)	\$ 106	\$ 277,138	\$ 6,260
PRIOR YEARS:						
2020-2021	6,021	-	(58)	175	3,274	2,864
2019-2020	3,508	-	(32)	211	1,754	1,933
2018-2019	2,192	-	(38)	318	1,762	710
2017-2018	746	-	(24)	140	667	195
2016-2017	168	-	(24)	25	82	87
Prior	505	-	(15)	85	194	381
TOTAL	<u>\$ 304,875</u>	<u>\$ 7,800</u>	<u>\$ (834)</u>	<u>\$ 1,060</u>	<u>\$ 284,871</u>	<u>\$ 12,430</u>

RECONCILIATION TO RECEIPTS:

Cash Collections by County Treasurer Above	284,871
Timing differences in turnovers	<u>1,140</u>
Total Receipts	<u>\$ 285,807</u>

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Management Representation of Fiscal Affairs Required by Oregon Regulation

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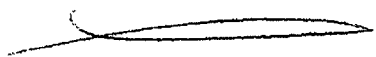
October 20, 2022

**Management Representation of Fiscal Affairs Required by Oregon Regulation**

Rainier Economic Development Council 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.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts, purchasing, and improvements (ORS Chapters 297A, and 279C).**

The directors of Rainier Economic Development Council are aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and have complied, in all material respects, with such requirements, for the year ended June 30, 2022. 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

William Scott Jorgensen  
Printed Name

CA Administrator  
Title

11/2/22  
Date



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