

CARLTON URBAN RENEWAL AGENCY

Carlton, Oregon
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2015

This page intentionally left blank

CARLTON URBAN RENEWAL AGENCY

**OFFICERS AND MEMBERS OF THE GOVERNING BODY
For the Year Ended June 30, 2015**

AGENCY OFFICIALS

Term Expires

Kathie Oriet PO Box 624 Carlton, OR 97111	December 31, 2016
Shirley Ward-Mullen PO Box 833 Carlton, OR 97111	December 31, 2018
Scott Carl PO Box 183 Carlton, OR 97111	December 31, 2016
Scott Chitwood 430 N 1st Street Carlton, OR 97111	December 31, 2018
Gwen Jernstedt PO Box 681 Carlton, OR 97111	December 31, 2018
Brian Rake 505 E Washington Street Carlton, OR 97111	December 31, 2016
Carey Rhoads PO Box 405 Carlton, OR 97111	December 31, 2016

REGISTERED AGENT

Chad Olsen

REGISTERED ADDRESS

191 E Main St
Carlton, Oregon 97111

This page intentionally left blank

CARLTON URBAN RENEWAL AGENCY

TABLE OF CONTENTS
For the Year Ended June 30, 2015

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	A – B
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	a – b
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet	3
Statement of Revenues, Expenditures and Change in Fund Balance.....	4
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of the Governmental Fund to the Statement of Activities.....	5
General Fund Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual	6
Notes to Basic Financial Statements	7 – 13
INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS	14 - 15

This page intentionally left blank



INDEPENDENT AUDITOR'S REPORT

To the Agency Officials
Carlton Urban Renewal Agency
Carlton, Oregon

We have audited the accompanying financial statements of the governmental activities and the major fund of the Carlton Urban Renewal Agency as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Carlton Urban Renewal Agency as of June 30, 2015, the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT

Other Matters

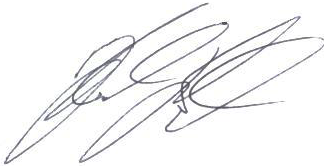
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages a and b be presented to supplement the basic financial statements. Such information, 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 26, 2016, 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.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
February 26, 2016
By:



Bradley G. Bingenheimer, Member

MANAGEMENT'S DISCUSSION AND ANALYSIS

This page intentionally left blank

CARLTON URBAN RENEWAL AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2015

Management presents this narrative to facilitate an analysis of the financial activities of the Agency for the fiscal year ended June 30, 2015. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date the financial statements are issued.

Financial Highlights

- The Agency's governmental activities net position as of June 30, 2015, was \$218,258 which was an increase of \$60,540 from the prior year.
- The General Fund's fund balance is \$213,599 at the end of the current fiscal year.
- The Agency's cash and cash equivalents as of June 30, 2015 are \$214,225.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements and other required supplementary information. The Agency's basic financial statements are comprised of three components:

Government-wide financial statements - They include a statement of net position and a statement of activities.

The statements of net position and activities focus on an entity-wide presentation using the accrual basis of accounting. This being the second year of activity for the Agency there was participation for one major project and one small project.

Fund financial statements - Governmental fund statements follow the more traditional presentation of financial statements. The Agency's General Fund is a major governmental fund.

Notes to basic financial statements - The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Agency's financial statements.

Financial Summary and Analysis

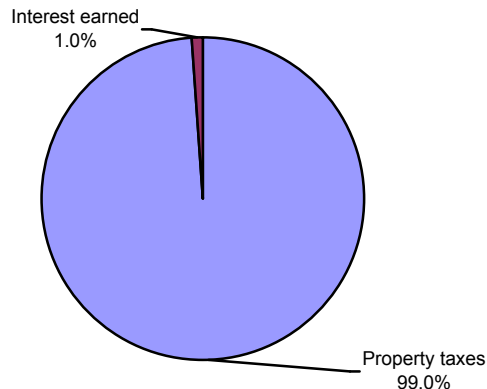
As mentioned earlier, the Agency's net position as of June 30, 2015 is \$218,258.

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Assets		
Current assets	\$ 219,202	\$ 157,718
Liabilities		
Current liabilities	<u>944</u>	<u>--</u>
Net position		
Unrestricted	<u>\$ 218,258</u>	<u>\$ 157,718</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The governmental activities revenue comes primarily from property taxes and interest earnings.

Carlton Urban Renewal Agency Governmental Activities Revenue



Property taxes are the Agency's primary source of revenue comprising 99% of the Agency's governmental revenue. The Agency does not have a permanent tax rate. The Agency receives tax revenues based on how much the assessed property values increase over the amount of the frozen assessed property value that was determined when the Agency was formed. The assessed value is expected to increase, but at a much slower rate than in previous years. The reason for the slower increase in values is due to the slow down of the economy and the decline in new homes being built within the urban renewal plan area.

The only expenses for governmental activities are for general governmental purposes.

Financial Analysis of Funds

The General Fund is the primary operating fund of the Urban Renewal Agency. As of June 30, 2015, the budgetary basis General Fund balance is \$213,599.

During the 2014-15 fiscal year, no changes were made to the adopted budget.

Capital Assets and Debt Administration

The Agency had no outstanding governmental long-term debt as of June 30, 2015.

Budgetary Highlights

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The Agency uses a conservative approach when preparing the budget each year. During the 2014-15 fiscal year, the amount of housing construction has increased from the prior year. Construction activity is anticipated to continue at the same pace for the 2015-16 fiscal year.

Requests for information

The Agency's financial statements are designed to present users with a general overview of the Agency's finances and to demonstrate the Agency's accountability. If you have any questions about this report, please contact the Agency's Finance Director, Christy Martinez at (503) 852-7575, 191 E. Main, Carlton, Oregon 97111.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

CARLTON URBAN RENEWAL AGENCY

STATEMENT OF NET POSITION

June 30, 2015

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and investments	\$ 214,225
Receivables	<u>4,977</u>
TOTAL ASSETS	219,202
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	<u>944</u>
<u>NET POSITION</u>	
Unrestricted	<u><u>\$ 218,258</u></u>

See accompanying notes

CARLTON URBAN RENEWAL AGENCY

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015**

	<u>Governmental Activities</u>
Program expenses	
General government	\$ <u>2,646</u>
General revenues	
Property taxes, levied for debt service	62,246
Unrestricted investment earnings	<u>940</u>
TOTAL GENERAL REVENUES	<u>63,186</u>
CHANGE IN NET POSITION	60,540
NET POSITION - BEGINNING	<u>157,718</u>
NET POSITION -ENDING	<u><u>\$ 218,258</u></u>

See accompanying notes

CARLTON URBAN RENEWAL AGENCY

**BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2015**

	<u>General</u>
<u>ASSETS</u>	
Cash and investments	\$ 214,225
Receivables	<u>4,977</u>
TOTAL ASSETS	<u>219,202</u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	944
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenue	4,659
<u>FUND BALANCE</u>	
Unassigned	<u>213,599</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 219,202</u>
Reconciliation of the balance sheet-governmental fund to the statement of net position	
Total fund balance-governmental fund	213,599
<i>Amounts reported for governmental activities in the statement net position are different because:</i>	
Deferred inflows of resources which are not available for current-period expenditures are deferred in the fund. However, such amounts are recognized as revenue in the government-wide financial statements	<u>4,659</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 218,258</u>

See accompanying notes

CARLTON URBAN RENEWAL AGENCY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended June 30, 2015**

	<u>General</u>
REVENUES	
Property taxes	\$ 61,072
Interest	<u>940</u>
TOTAL REVENUES	62,012
EXPENDITURES	
Current:	
General government	<u>2,646</u>
Net change in fund balance	59,366
Fund balance at beginning of year	<u>154,233</u>
Fund balance at end of year	<u><u>\$ 213,599</u></u>

See accompanying notes

CARLTON URBAN RENEWAL AGENCY

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCE OF
THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015**

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND \$ 59,366

*Amounts reported for governmental activities in the statement of activities
are different because of the following:*

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the fund as follows:

Taxes 1,174

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 60,540

See accompanying notes

CARLTON URBAN RENEWAL AGENCY

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2015**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 58,114	61,072	\$ 2,958
Interest	<u>500</u>	<u>940</u>	<u>440</u>
TOTAL REVENUES	<u>58,614</u>	<u>62,012</u>	<u>3,398</u>
EXPENDITURES			
Materials and services	14,500	2,646	11,854
Capital outlay	175,000	-	175,000
Contingency	<u>22,279</u>	<u>-</u>	<u>22,279</u>
TOTAL EXPENDITURES	<u>211,779</u>	<u>2,646</u>	<u>209,133</u>
Net change in fund balance	(153,165)	59,366	212,531
Fund balance at beginning of year	<u>153,165</u>	<u>154,233</u>	<u>1,068</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 213,599</u>	<u>\$ 213,599</u>

See accompanying notes

CARLTON URBAN RENEWAL AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

1. Summary of significant accounting policies

A. Organization (reporting entity)

The Agency, a component unit of the City of Carlton, was organized on July 13, 2009 under ORS 457 and is a municipal corporation created by the City of Carlton to facilitate urban renewal within the boundaries of the City. The City Council serves as the governing body and is accountable for the fiscal matters of the Agency.

B. Urban renewal areas

Tax Allocation Bonds for urban renewal plan areas are authorized by state law to 1) "...eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas."

Projects are financed in urban renewal plan areas as follows:

- The Agency (City Council) selects an urban renewal plan area and defines its boundaries.
- The County Assessor "freezes" the assessed value of property within the urban renewal area. This is referred to as the "frozen" value.
- Any increase in assessed value above the frozen value is called the "incremental value." The tax revenue generated by the tax rate times the incremental value is provided for use in paying the principal and interest on any indebtedness incurred to finance Urban Renewal Projects.
- Urban Renewal Tax Increment revenues are used to repay the indebtedness of the Agency. The proceeds of the indebtedness finance the Agency's activities.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of \$3,700,000.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

C. Government-wide and fund financial statements

The statement of net position and the statement of activities display information about the Agency, including all of its financial activities. Governmental activities are financed primarily through property taxes and proceeds from borrowings.

The statement of activities presents a comparison between direct expenses and program revenues for the Agency's program. The Agency does not allocate indirect expenses. Program revenues include grants and contributions that are restricted to meeting operational requirements. Revenues that are not classified as program revenues, including property taxes, earnings on investments and the gain on sale of property, are presented as general revenues.

The fund financial statements provide information about the Agency's fund. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The single major fund, General Fund, accounts for general administration of the Agency's urban renewal areas, for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas, and repayment of debt incurred for these activities.

D. Measurement focus, basis of accounting and financial statement presentation

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Agency considers all revenues reported in the governmental fund to be available if they are collected within 60 days after year end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent they have been incurred. Capital asset acquisitions are reported as expenditures in the governmental fund and proceeds from general long-term debt are reported as other financing sources.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

E. Equity classification

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

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those areas.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide financial statements when both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Fund balance amounts are reported within one of the fund balance categories listed below:

Non-spendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the Agency. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council, has granted authority to the Agency Manager to assign fund balance amounts.

Unassigned – the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

E. Equity classification (continued)

In the governmental fund financial statements, when the Agency has restricted and unrestricted (committed, assigned or unassigned) resources available, it is the Agency's policy to expend restricted resources first. Unrestricted resources are then expended in the order of committed, assigned, and unassigned as needed, unless otherwise provided for in actions to commit or assign resources, in determining the amounts to be reported in each of the fund balance categories.

F. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The Agency begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The governing body adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over expended.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The governing body established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The governing body must authorize all appropriation transfers and supplementary budgetary appropriations.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Deposits and investments

Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the Agency's position in the LGIP is the same as the value of the pool shares.

Credit risk: Oregon statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

As of June 30, 2015, the Agency had the following investments:

	<u>Standard and Poor's Ratings</u>	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	N/A	N/A	<u>\$ 191,210</u>

Interest Rate Risk: The Agency does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Concentration of Credit Risk: The Agency does not have a formal policy that places a limit on the amount that may be invested in any one insurer.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the Agency will not be able to recover the value of its investments that are in the possession of an outside party. Investments, except those in the Local Government Investment Pool have custodial credit risk because the related securities are uninsured, unregistered and held by the Agency's brokerage firm, which is the counterparty to those securities. The Agency does not have a policy which limits the amount of investments that can be held by counterparties.

Custodial credit risk – Deposits: This is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2015, none of the Agency's bank balances were exposed to custodial risk.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Deposits and investments (continued)

The Agency's deposits and investments at June 30, 2015, are as follows:

Total investments	\$ 191,210
Deposits with financial institutions	22,070
Cash with county treasurer	<u>945</u>
 Total deposits and investments	 <u>\$ 214,225</u>

3. Receivables

A. The Agency's receivables at June 30, 2015 are shown below:

Property taxes	<u>\$ 4,977</u>
----------------	-----------------

B. Property taxes

i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15, and May 15. Yamhill County bills and collects property taxes for the Agency.

ii. Transactions

<u>Levy year</u>	<u>Balances</u> July 1, 2014	<u>Current</u> Levy	<u>Adjustments</u>	<u>Interest</u> (Discounts)	<u>Collections</u>	<u>Balances</u> June 30, 2015
Current						
2014-15	\$ -	\$ 63,760	\$ (171)	\$ (1,585)	\$ 59,407	\$ 2,597
Prior						
2013-14	2,168	-	(42)	74	961	1,239
2012-13	1,072	-	7	74	431	722
2011-12	509	-	3	81	331	262
2010-11	<u>257</u>	<u>-</u>	<u>2</u>	<u>41</u>	<u>143</u>	<u>157</u>
	<u>\$ 4,006</u>	<u>\$ 63,760</u>	<u>\$ (201)</u>	<u>\$ (1,315)</u>	61,273	<u>\$ 4,977</u>

Prior year taxes received in current year	(521)
Current year taxes received in subsequent year	<u>320</u>

Total taxes received by Agency \$ 61,072

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Receivables (continued)

B. Property taxes (continued)

iii. Ensuing year's property tax levy

The Agency will levy 100 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term obligations principal and interest without making a special levy in 2014-15.

The tax rate limit of \$10 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect this levy.

4. Deferred revenue

Resources owned by the Agency, which are measurable, but not available, and therefore, deferred in the fund, consist of the following:

Property taxes	<u>\$ 4,659</u>
----------------	-----------------

This page intentionally left blank

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

This page intentionally left blank



**INDEPENDENT AUDITOR’S REPORT REQUIRED
BY OREGON STATE REGULATIONS**

Agency Officials
CARLTON URBAN RENEWAL AGENCY
Carlton, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America the basic financial statements of the **CARLTON URBAN RENEWAL AGENCY** as of and for the year ended June 30, 2015, and have issued our report thereon dated February 26, 2016.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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 Audis of Oregon Municipal Corporations.

**INDEPENDENT AUDITOR'S REPORT REQUIRED
BY OREGON STATE REGULATIONS (Continued)**

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control. Deficiencies in internal control, if any, were communicated separately.

Restriction on Use

This report is intended solely for the information and use of the agency officials and management of the **CARLTON 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.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
February 26, 2016
By:



Bradley G. Bingenheimer, Member