



Town Center Development Agency  
(A Component Unit of the City of Tigard, Oregon)

# Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



Prepared by: City of Tigard - Financial & Information Services Dept.

---



# Town Center Development Agency

## Table of Contents

### Introductory Section:

|                        |   |
|------------------------|---|
| List of Officials..... | 4 |
|------------------------|---|

### Financial Section:

|                                     |   |
|-------------------------------------|---|
| Report of Independent Auditors..... | 7 |
|-------------------------------------|---|

|  |    |
|--|----|
| Management’s Discussion and Analysis ..... | 11 |
|--|----|

#### Basic Financial Statements:

##### Government-Wide Financial Statements

|                                 |    |
|---------------------------------|----|
| Statement of Net Position ..... | 18 |
|---------------------------------|----|

|                              |    |
|------------------------------|----|
| Statement of Activities..... | 19 |
|------------------------------|----|

##### Fund Financial Statements – Governmental Funds

|  |    |
|--|----|
| Balance Sheet and Reconciliation ..... | 20 |
|--|----|

|   |    |
|---|----|
| Statement of Revenues and Expenditures and Reconciliation ..... | 21 |
|---|----|

|   |    |
|---|----|
| Notes to the Basic Financial Statements ..... | 24 |
|---|----|

#### Other Supplementary Information:

##### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:

|   |    |
|---|----|
| City Center Capital Projects Fund ..... | 33 |
|---|----|

|   |    |
|---|----|
| Tigard Triangle Capital Projects Fund ..... | 34 |
|---|----|

|                                     |    |
|-------------------------------------|----|
| City Center Debt Service Fund ..... | 35 |
|-------------------------------------|----|

|   |    |
|---|----|
| Tigard Triangle Debt Service Fund ..... | 36 |
|---|----|

### Audit Comments and Disclosure Requirements:

|  |    |
|--|----|
| Report of Independent Auditors Required by Oregon State Regulations..... | 39 |
|--|----|

# **Town Center Development Agency**

## **List of Officials**

Fiscal Year 2020–2021

### **TOWN CENTER DEVELOPMENT AGENCY BUDGET COMMITTEE**

Timothy Cadman  
Chris Bence  
Siobhan Chandler  
Leah Voit  
Kris Mitchell

Mayor Jason Snider  
Councilor John Goodhouse  
Councilor Jeanette Shaw  
Councilor Heidi Leub  
Councilor Liz Newton

### **TOWN CENTER DEVELOPMENT AGENCY BOARD**

Jason Snider, Chair

John Goodhouse  
Heidi Lueb

Liz Newton  
Jeanette Shaw

### **EXECUTIVE DIRECTOR**

Steve Rymer

### **COMMUNITY DEVELOPMENT DIRECTOR**

Kenny Asher

### **REDEVELOPMENT PROJECT MANAGER for DOWNTOWN**

Sean Farrelly

### **FINANCE and INFORMATION SERVICES DIRECTOR**

Vacant

### **TOWN CENTER DEVELOPMENT AGENCY**

City of Tigard | 13125 Hall Blvd. | Tigard, OR 97223 | 503-639-4171

## **INDEPENDENT AUDITOR'S REPORT**



## **Report of Independent Auditors**

Board Members

Town Center Development Agency (A component unit of the City of Tigard, Oregon)  
Tigard, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town Center Development Agency (the Agency), as of and for the year ended June 30, 2021, 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 Agency'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 Agency'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 each major fund of the Agency as of June 30, 2021, 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.

## ***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 11 through 15 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 management's discussion and analysis 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.

### *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 budgetary schedules on pages 33 through 36 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This supplementary 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. This 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

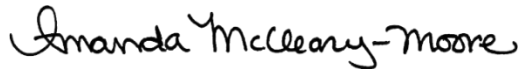
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



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

In accordance with *Minimum Standards of Audits of Oregon Municipal Corporations*, we have issued our report dated December 6, 2021 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.

A handwritten signature in black ink that reads "Amanda McCleary-Moore". The signature is written in a cursive, flowing style.

Amanda McCleary-Moore, Partner  
for Moss Adams LLP  
Portland, Oregon  
December 6, 2021

No content appears on this page by design.

Town Center Development Agency  
Management's Discussion and Analysis

As part of this Annual Financial Report, the Town Center Development Agency (agency), a component unit of the City of Tigard, Oregon, offers readers this narrative overview and analysis of the financial activities of the agency for the fiscal year ended June 30, 2021. It focuses on significant financial issues, major financial activities, and resulting changes in financial position, as well as economic factors affecting the agency. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the report.

### **Financial Highlights**

- The assets of the agency exceeded its liabilities at the close of the most recent fiscal year by \$3,902,162. Of this amount, \$2,197,936 is restricted for the repayment of debt, and \$1,782,776 is for net investment in capital assets. The agency has negative unrestricted net position of \$(78,550).
- The agency's net position (assets less liabilities) increased \$535,125 over the course of the year, primarily due to property tax revenue exceeding expenses.
- In the fund financial statements for fiscal year 2020-21 expenditures in the Capital Projects Fund (\$1,237,468) were for capital outlay in the amount of \$736,666, most of which was for the downtown plaza construction. The payments in the Debt Service Fund (\$415,304) were for principal and interest payments on commercial bank borrowings and to the City of Tigard.
- Also in the fund financial statements, the agency recognized \$1,406,496 in revenue from property taxes, \$694,707 in intergovernmental revenues and \$22,365 in interest earnings.

### **Overview of the Financial Statements**

The following discussion and analysis is intended to serve as an introduction to the agency's basic financial statements. The agency's basic financial statements include three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

#### ***Government-wide financial statements***

Government-wide financial statements are designed to provide readers with a broad overview of the agency's finances, in a manner that is similar to a private-sector business.

The Statement of Net Position presents information on all of the agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the agency is improving or deteriorating.

The Statement of Activities presents information on how the agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in a future period such as earned, but uncollected property taxes.

Town Center Development Agency  
Management's Discussion and Analysis

The government-wide financial statements indicate that the functions of the agency are principally supported by property taxes and are considered governmental activities. The agency does not have business-type activities in which costs are covered through user fees or charges.

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or functions. The agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the agency are considered governmental funds.

Governmental funds are used to account for agency functions that are supported primarily by taxes and intergovernmental revenues. These are essentially the same functions that are reported as governmental activities in the government-wide financial statements. Unlike government-wide financial statements, governmental fund financial statements focus on the acquisition and use of spendable resources, as well as balances of available spendable resources at the end of the fiscal year. Such information may be useful in evaluating the agency's near-term requirements.

The agency maintains four separate governmental funds consisting of the City Center Debt Service Fund, City Center Capital Projects Fund, Tigard Triangle Debt Service Fund and Tigard Triangle Capital Projects Fund. The Capital Projects Funds function as the agency's general operations funds for the separate urban renewal areas. Fund information is presented as combined amounts for Capital Projects Funds and Debt Service Funds in the governmental funds balance sheet and in the governmental funds statement of revenues and expenditures.

***Notes to the basic Financial Statements***

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the agency's financial position. In the case of the agency, assets exceeded liabilities by \$3,902,162 in fiscal year 2021 compared to a net position of \$3,367,037 in fiscal year 2020.

A significant portion of the agency's net position (45.7 percent) reflects its investment in capital assets, consisting mostly of infrastructure and land. The agency uses these capital assets in the redevelopment of the designated City Center Urban Renewal area and the Tigard Triangle Urban Renewal area and, as such, are not available for future spending. In fiscal year 2021 the capital assets decreased by \$555,582 as the agency sold a significant property in downtown Tigard for future development. \$2,197,936 or 56.3 percent is restricted for the payment of debt incurred by the agency. The agency has a negative unrestricted net position of \$(78,550) (-2% of net position).

Town Center Development Agency  
Management's Discussion and Analysis

**Town Center Development Agency  
Statement of Net Position**

|   | June 30,     |              |
|---|--------------|--------------|
|   | 2021         | 2020         |
| <b>ASSETS:</b>                                    |              |              |
| Cash and restricted cash                          | \$ 6,269,340 | \$ 5,509,744 |
| Receivables                                       | 8,655        | 5,473        |
| Capital assets, net of accumulated depreciation   | 4,390,951    | 4,946,534    |
| Total assets                                      | 10,668,946   | 10,461,751   |
| <b>LIABILITIES:</b>                               |              |              |
| Accounts payable and other short-term liabilities | 340,483      | 420,413      |
| Long-term liabilities                             | 6,426,301    | 6,674,301    |
| Total liabilities                                 | 6,766,784    | 7,094,714    |
| <b>NET POSITION:</b>                              |              |              |
| Net investment in capital assets                  | 1,782,776    | 2,269,829    |
| Restricted for debt service                       | 2,197,936    | 1,097,208    |
| Unrestricted                                      | (78,550)     | -            |
| Total net position                                | \$ 3,902,162 | \$ 3,367,037 |

**Town Center Development Agency  
Change in Net Position**

|                                | For the Year Ended June 30, |             |
|--------------------------------|-----------------------------|-------------|
|                                | 2021                        | 2020        |
| <b>REVENUES:</b>               |                             |             |
| Program revenues               | \$ -                        | \$ 213,662  |
| General revenues               | 2,125,901                   | 1,173,396   |
| Total revenues                 | 2,125,901                   | 1,387,058   |
| <b>EXPENSES:</b>               |                             |             |
| Community development          | 556,664                     | 683,178     |
| Interest on long-term debt     | 187,523                     | 140,276     |
| Total expenses                 | 744,187                     | 823,454     |
| <b>SPECIAL ITEM</b>            |                             |             |
| Loss on capital asset disposal | (846,589)                   | -           |
| Change in net position         | 535,125                     | 563,604     |
| Net position - beginning       | 3,367,037                   | 2,803,433   |
| Net position - ending          | \$3,902,162                 | \$3,367,037 |

## Capital Assets and Debt Administration

### Capital Assets

As of June 30, 2021 the agency had invested \$4,390,951 in capital assets as reflected in the following table:

|                          | Governmental Activities |             |
|--------------------------|-------------------------|-------------|
|                          | 2021                    | 2020        |
| Land                     | \$1,279,951             | \$ 985,504  |
| Construction in progress | 1,428,524               | 2,222,691   |
| Infrastructure           | 1,951,748               | 1,951,748   |
| Accumulated depreciation | (269,272)               | (213,409)   |
| Total                    | \$4,390,951             | \$4,946,534 |

The Town Center Development Agency purchased the 9110 SW Burnham Street property in 2014. For six years it continued the lease with Ferguson Plumbing. In March 2020 the Agency facilitated the relocation of the business to a new location, in order to prepare the site to be redeveloped as a public plaza. Landscape architects and associated consultants were engaged in February 2020 to start designing the plaza. In June 2020 the existing building was demolished and development of the plaza began. In fiscal year 2020-2021 the Main Street at Fanno Creek property was sold to developers who plan to build a mixed-use building on the site. Additional information on the agency's capital assets can be found on page 28 of this report.

### Debt

Under the Intergovernmental Agreement (IGA) between the agency and the City of Tigard, loans from the city to the agency are repaid in ten equal payments on the principal starting ten years after the loan; however, interest payments start in the second year after the loan. In fiscal year 2020-21, the agency did not receive a loan from the city and only made interest payments on the outstanding loans.

In fiscal year 2019-2020 the city issued \$5,929,000 in full faith and credit financing agreement (bonds). The bonds were issued to fund Urban Renewal projects within the agency. At June 30, 2021 the outstanding balance on the bonds was \$5,688,000. Total debt decreased by \$241,000 during the current fiscal year. Additional information on the agency's debt can be found on pages 29-30 of this report.

### Budgetary Highlights

The Town Center Development Agency budget consists of four funds: The City Center Capital Projects Fund, which functions as the agency's general operations fund for the Downtown Urban Renewal Area, and the Tigard Triangle Capital Projects Fund, which functions as the agency's general operations for the Triangle Urban Renewal Area. The agency also has a City Center Debt Service Fund and Tigard Triangle Debt Service Fund. The Capital Projects Fund activity is supported by loans from the City of Tigard and the bonds issued in fiscal year 2019-2020. The city loans will be repaid with interest once the agency begins generating enough tax increment revenue. The focus of the fiscal year 2020-21 budget was primarily on the universal plaza.

Town Center Development Agency  
Management's Discussion and Analysis

The budget for fiscal year 2021-22 will include further construction of Universal Plaza, Main Street Green Street improvements, and Streetscape Improvements. The agency will also provide development assistance to support affordable housing in the area. The agency will further engage the District's merchants and business owners together with the Tigard Downtown Alliance to promote new businesses in the district.

### **Economic Factors**

The Town Center Development Agency is an urban renewal agency approved by voters in 2006. The primary funding source for the agency is property tax increment financing, which generally means that the property taxes resulting from growth in property value within the Urban Renewal area can be used to finance improvement projects and programs. In order to facilitate the redevelopment of the Urban Renewal area, the agency adopted a City Center Urban Renewal Plan that allows the agency to incur a maximum amount of indebtedness (amount of tax increment financing for projects and programs) of \$22,000,000 for a duration of 20 years. As of fiscal year 2020-21, the total debt issued is \$10.4 million. Current and proposed projects include additional façade improvement grants for local businesses, redevelopment of Main Street where it connects to Fanno Creek, completion of Tigard Street Heritage trail for improved pedestrian traffic and a proposed Universal Plaza offering more public space for events and local activities.

In May 2017 the voters approved the creation of a second urban renewal area, the Tigard Triangle Urban Renewal Area, for 35 years with maximum principal indebtedness of \$188 million. As of fiscal year 2020-21, the total debt issued is \$587,869. No new debt will be incurred after the fiscal year 2052-53 as part of this plan. The agency's ability to borrow additional funds will remain constrained for several more years as tax increment revenue is based on property tax increases over time and growth was fairly slow at the time the agency was created. Despite the slow growth, the agency has been able to leverage state, county and local funds to make major improvements to streets, bicycle and pedestrian paths in the district. The agency will continue to seek additional funding from outside sources for redevelopment opportunities as planning continues for affordable housing and infrastructure improvements.

### **Requests for Information**

This financial report is designed to provide a general overview of the agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance and Information Services Director, City of Tigard, 13125 SW Hall Blvd., Tigard, Oregon 97223.

## **Basic Financial Statements**



No content appears on this page by design.

**Town Center Development Agency  
Statement of Net Position  
June 30, 2021**

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>ASSETS:</b>  |                                    |
| Property taxes receivable                             | \$ 5,268                           |
| Accounts receivable                                   | 3,387                              |
| Restricted cash and cash equivalents                  | 6,269,340                          |
| Land and construction in progress                     | 2,708,475                          |
| Other capital assets, net of accumulated depreciation | 1,682,476                          |
| Total assets  | 10,668,946                         |
| <br><b>LIABILITIES:</b>                               |                                    |
| Accounts payable and other accrued liabilities        | 79,264                             |
| Interest payable                                      | 13,219                             |
| Due within one year:                                  |                                    |
| Bank loan payable                                     | 248,000                            |
| Due within more than one year:                        |                                    |
| Advances from city                                    | 986,301                            |
| Bonds payable   | 5,440,000                          |
| Total liabilities                                     | 6,766,784                          |
| <br><b>NET POSITION:</b>                              |                                    |
| Net investment in capital assets                      | 1,782,776                          |
| Restricted for debt service                           | 2,197,936                          |
| Unrestricted  | (78,550)                           |
| Total net position                                    | \$ 3,902,162                       |

The accompanying notes are an integral part of the basic financial statements.

**Town Center Development Agency  
Statement of Activities  
Year Ended June 30, 2021**

| <b>Functions/Programs</b>      | <b>Expenses</b>   | <b>Program Revenues</b>                | <b>Net (Expense)/Revenue and Change in Net Position</b> |
|--------------------------------|-------------------|--|---|
|                                |                   | Rental Income and Charges for Services | Total Governmental Activities                           |
| Governmental activities:       |                   |  |   |
| Community development          | \$ 556,664        | \$ -                                   | \$ (556,664)  |
| Interest on long-term debt     | 187,523           | -                                      | (187,523)   |
| Total governmental activities  | <u>\$ 744,187</u> | <u>\$ -</u>                            | <u>(744,187)</u>  |
| General revenues:              |                   |  |   |
| Property taxes                 |                   |  | 1,408,829   |
| Interest earnings              |                   |  | 22,365  |
| Intergovernmental              |                   |  | 694,707   |
| Total revenues                 |                   |  | <u>2,125,901</u>  |
| Special item:                  |                   |  |   |
| Loss on capital asset disposal |                   |  | <u>(846,589)</u>  |
| Change in net position         |                   |  | 535,125   |
| Net position - beginning       |                   |  | 3,367,037   |
| Net position - ending          |                   |  | <u>\$ 3,902,162</u>                                     |

The accompanying notes are an integral part of the basic financial statements.

**Town Center Development Agency  
Balance Sheet - Governmental Funds and  
Reconciliation to the Statement of Net Position  
June 30, 2021**

|  | <b>Capital<br/>Projects</b> | <b>Debt<br/>Service</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-----------------------------|-------------------------|---|
| <b>ASSETS:</b>   |                             |                         |   |
| Property taxes receivable  | \$ -                        | \$ 5,268                | \$ 5,268                                |
| Accounts receivable  | -                           | 3,387                   | 3,387                                   |
| Restricted cash and cash equivalents   | 4,066,126                   | 2,203,214               | 6,269,340                               |
| Total assets   | \$ 4,066,126                | \$ 2,211,869            | \$ 6,277,995                            |
| <b>LIABILITIES:</b>  |                             |                         |   |
| Accounts payable and accrued liabilities   | \$ 79,265                   | \$ -                    | \$ 79,265                               |
| Total liabilities  | 79,265                      | -                       | 79,265                                  |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>  |                             |                         |   |
| Unavailable revenues - property taxes  | -                           | 13,933                  | 13,933                                  |
| Total deferred inflows of resources  | -                           | 13,933                  | 13,933                                  |
| <b>FUND BALANCES:</b>  |                             |                         |   |
| <b>Restricted for:</b>   |                             |                         |   |
| Debt service   | -                           | 2,197,936               | 2,197,936                               |
| Urban development and improvements   | 3,986,861                   | -                       | 3,986,861                               |
| Total fund balances  | 3,986,861                   | 2,197,936               | 6,184,797                               |
| Total liabilities, deferred inflows<br>of resources and fund balances  | \$ 4,066,126                | \$ 2,211,869            |   |
| Capital assets used in governmental activities are not financial resources and are<br>not reported in the funds. |                             |                         | 4,390,951                               |
| Property taxes that do not provide current financial resources   |                             |                         | 13,933                                  |
| Interest on long-term debt not accrued in the fund statements  |                             |                         | (13,218)                                |
| Long-term liabilities - not reported in the funds:   |                             |                         |   |
| Loan from City of Tigard, not due and payable in the current period  |                             |                         | (986,301)                               |
| Bonds, not due and payable in the current period   |                             |                         | (5,688,000)                             |
| Net Position of Governmental Activities  |                             |                         | \$ 3,902,162                            |

The accompanying notes are an integral part of the basic financial statements.

**Town Center Development Agency**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds and**  
**Reconciliation to the Statement of Activities**  
**Year Ended June 30, 2021**

|   | <b>Capital<br/>Projects</b> | <b>Debt<br/>Service</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|-----------------------------|-------------------------|---|
| <b>REVENUES:</b>  |                             |                         |   |
| Taxes   | \$ -                        | \$ 1,406,496            | \$ 1,406,496                            |
| Interest earnings   | 27,209                      | 11,610                  | 38,819                                  |
| Net Increase (decrease) in investment fair value  | (19,690)                    | 3,236                   | (16,454)                                |
| Intergovernmental revenues  | 694,707                     | -                       | 694,707                                 |
| Total revenues  | 702,226                     | 1,421,342               | 2,123,568                               |
| <b>EXPENDITURES:</b>  |                             |                         |   |
| Community Development   | 500,802                     | -                       | 500,802                                 |
| Capital projects  | 736,666                     | -                       | 736,666                                 |
| Debt service  |                             |                         |   |
| Principal   | -                           | 241,000                 | 241,000                                 |
| Interest  | -                           | 174,304                 | 174,304                                 |
| Total expenditures  | 1,237,468                   | 415,304                 | 1,652,772                               |
| Change in fund balance before<br>other financing sources (uses)   | (535,242)                   | 1,006,038               | 470,796                                 |
| Other financing sources (uses):   |                             |                         |   |
| Proceeds from the sale of capital assets  | 389,797                     | -                       | 389,797                                 |
| Change in fund balance  | (145,445)                   | 1,006,038               | 860,593                                 |
| Fund balance - beginning  | 4,132,306                   | 1,191,898               | 5,324,204                               |
| Fund balance - ending   | \$ 3,986,861                | \$ 2,197,936            | \$ 6,184,797                            |
| Net change in fund balances - total governmental funds  |                             |                         | \$ 860,593                              |
| Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. |                             |                         |   |
| Expenditures for capitalized assets   |                             |                         | 736,666                                 |
| Disposals of capitalized assets   |                             |                         | (1,236,386)                             |
| Depreciation reported in the government-wide statements   |                             |                         | (55,862)                                |
| Property taxes that do not provide current financial resources  |                             |                         | 2,333                                   |
| Long-term liabilities not reported in the funds   |                             |                         | (13,219)                                |
| Principal payments expensed on the fund financial statements  |                             |                         | 241,000                                 |
| Change in Net Position of Governmental Activities   |                             |                         | \$ 535,125                              |

The accompanying notes are an integral part of the basic financial statements.

## **Notes to Basic Financial Statements**

No content appears on this page by design.

**Town Center Development Agency**  
**Notes to the Basic Financial Statements**

---

**1. Summary of Significant Accounting Policies:**

The financial statements of the Town Center Development Agency (agency), previously Tigard City Center Development Agency (CCDA), have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**The Agency**

The Town Center Development Agency, formerly the CCDA, was approved on May 16, 2006 with plans to commence operations during fiscal year 2009 under the provisions of Oregon Revised Statutes, Chapter 457 (ORS 457), to provide improvements in the downtown area so that it will be economically healthy while maintaining its “uniquely Tigard” character. The plan’s duration is 20 years with maximum indebtedness of \$22 million.

In May 2017 the voters approved the creation of a second urban renewal area, the Tigard Triangle Urban Renewal Area, for 35 years with maximum indebtedness of \$188 million.

The agency is a legally separate entity, which is governed by a board comprised of the City Council, as stipulated in the bylaws. The Council has the ability to impose its will on the agency as determined on the basis of budget adoption, taxing authority, and funding. The purpose of the agency is to undertake urban renewal projects and activities pursuant to the city’s downtown redevelopment plan. The financial results of the agency are reported herein as debt service funds and capital projects funds.

The agency boundaries include primarily the city’s central business district, general commercial district, professional commercial district and the Tigard Triangle (an area bordered by I-5, Highway 217, and Highway 99 East). The agency is a blended component unit of the City of Tigard and its financial activities are included in the basic financial statements of the city, which can be viewed on the city’s website at <http://www.tigard-or.gov>.

**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 activities.

Government-wide financial statements

The Statement of Net Position and the Statement of Activities display information about the agency as a whole. These statements include all the financial activities of the agency.

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 clearly identifiable with a specific function. All costs are supported by general revenues which include property taxes and interest earnings.



**Town Center Development Agency**  
**Notes to the Basic Financial Statements**

---

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures.

GASB Statement No. 34 sets forth criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses or either fund category or the governmental and enterprise combined) for the determination of major funds. For purposes of presentation, each of the agency's funds is presented as a major fund.

The City Center Debt Service Fund accounts for the accumulation of resources and payments for long-term borrowings related to the City Center Urban Renewal Area.

The Tigard Triangle Debt Service Fund accounts for the accumulation of resources and payments for long-term borrowings related to the Tigard Triangle Urban Renewal Area.

The City Center Capital Projects Fund accounts for the acquisition and development of capital assets related to the City Center Urban Renewal Area.

The Tigard Triangle Capital Projects accounts for the acquisition and development of capital assets related to the Tigard Triangle Urban Renewal Area.

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded, regardless of the measurement focus.

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded as program revenues 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.

The 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 collectible within 60 days of the end of the current fiscal period. The agency considers property taxes subject to accrual. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, payment on long-term borrowing is recorded only when payment is due.

**Town Center Development Agency**  
**Notes to the Basic Financial Statements**

---

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

**Cash and Investments**

The city maintains a common cash and cash equivalents pool for all city funds, including funds of the agency. Interest is earned and allocated monthly on pooled cash and cash equivalents based on each fund's cash balances as a proportion of the city's total pooled cash and cash equivalents. The agency considers cash and cash equivalents to include the pooled cash, since the pool has the general characteristics of a demand deposit account, in that any participating fund may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

The agency reports certain cash and cash equivalents as restricted because their use is limited by parties external to the agency. Restrictions may be imposed by creditors, other governments, laws and/or enabling legislation.

**Receivables and Payables**

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

The majority of the agency's receivables are property taxes, which are deemed to be substantially collectible.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, pathways, street lights, etc.) are reported in the government-wide financial statements.

Capital assets are charged to expenditures as purchased or constructed in the governmental fund statements, and capitalized in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost. Upon disposal of an asset, cost and accumulated depreciation (if applicable) is removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized.

Capital assets are defined for the agency as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Donated capital assets are recorded at their estimated acquisition value at the time of donation. Other costs for repairs and maintenance are expensed as incurred.

Depreciation on exhaustible assets is calculated on the straight-line basis over the following estimated useful lives:

| <u>Asset</u>                      | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings and improvements        | 25-40        |
| Improvements other than buildings | 10-20        |
| Infrastructure                    | 20-40        |

**Town Center Development Agency**  
**Notes to the Basic Financial Statements**

---

**Deferred Inflows of Resources**

In addition to liabilities, the governmental fund balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent unavailable revenue that will be recognized in a future period. The agency reports delinquent property tax revenue in this section under the modified accrual basis of accounting. These revenues are deferred and recognized as an inflow of resources in the period that the revenues become available.

**Net Position and Fund Balance**

Net position is reported on the Statement of Net Position. Within net position, the net investment in capital assets represents total capital assets less accumulated depreciation, less any debt related to the acquisition of the assets. Of the total net position, the majority is net investment in capital assets and the remaining amount is restricted for debt service.

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Use of Estimates**

In preparing the agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**2. Stewardship, Compliance, and Accountability:**

**Budgets**

The agency's budget is prepared in accordance with Oregon local budget law. All annual appropriations lapse at fiscal year-end. During the month of February each year, the agency submits requests for appropriations to the executive director so that a budget may be prepared. In June, the proposed budget is presented to the agency's board of directors for approval. The board holds public hearings and a final budget must be prepared and adopted no later than June 30.

The adopted budget is prepared by fund and function. The legal level of budgetary control, (i.e., the level at which expenditures may not legally exceed appropriations) is the fund and function level.

**Expenditures in Excess of Appropriations and Deficit Fund Balance**

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the year-ended June 30, 2021, expenditures exceeded appropriations in the Tigard Triangle debt service fund by \$5,040. The over expenditure was due to the interest payable not being sufficiently budgeted. The over expenditure was covered by interest earnings for the year.

**Town Center Development Agency**  
**Notes to the Basic Financial Statements**

---

**3. Cash and Investments:**

The agency's cash and investments reported on the Statement of Net Position and Balance Sheet represent the agency's share of the city's cash and investment pool. The agency's participation in the cash and investment pool is involuntary. Interest earnings from this pool are allocated to the agency on a monthly basis based on the cash and investment balance of the agency to the total investments in the pool. At June 30, 2021 the agency's share of the city's cash and investment pool, including restricted and unrestricted, totaled \$6,269,340 all of which is restricted by the requirements of the agency's property tax levy. It is not practical to determine the investment risk, collateral risk or insurance coverage for the agency's share of its pooled investments. Investments for the city as well as its component unit are reported at fair value.

Information about the pooled investments is included in the city's annual financial report and may be obtained by contacting the city's Finance Department at 13125 SW Hall Blvd., Tigard, OR 97223 or found online at: <https://www.tigard-or.gov/your-government/departments/finance>.

**4. Receivables and Payables:**

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. The agency's receivables, including property taxes and assessments are deemed to be substantially collectible. Tax and assessments receivable can be recovered through foreclosure on the subject property.

Accounts payable to vendors and contractors include general accounts payable not included in short-term or long-term liabilities.

**5. Capital Assets:**

Capital assets include a property purchase for redevelopment projects on Main Street, the completion of two projects for the Strolling Street landscaping program, Main Street gateway improvements and public artwork.

|                          | <b>Balance</b>      |                  |                  |                  | <b>Balance</b>       |
|--------------------------|---------------------|------------------|------------------|------------------|----------------------|
|                          | <b>July 1, 2020</b> | <b>Additions</b> | <b>Deletions</b> | <b>Transfers</b> | <b>June 30, 2021</b> |
| Land                     | \$ 985,504          | \$ -             | \$ -             | \$ 294,447       | \$ 1,279,951         |
| Construction in Progress | 2,222,691           | 736,666          | (1,236,386)      | (294,447)        | 1,428,524            |
| Infrastructure           | 1,951,748           | -                | -                | -                | 1,951,748            |
| Total cost               | 5,159,944           | 736,666          | (1,236,386)      | -                | 4,660,223            |
| Depreciation             |                     |                  |                  |                  |                      |
| Infrastructure           | (213,410)           | (55,862)         | -                | -                | (269,272)            |
| Capital assets, net      | \$ 4,946,534        | \$ 680,804       | \$ (1,236,386)   | \$ -             | \$ 4,390,951         |

**Town Center Development Agency**  
**Notes to the Basic Financial Statements**

---

**6. Long-term Borrowing:**

The agency has two urban renewal district areas approved to finance improvement projects with property tax increment financing. The first area is the City Center Urban Renewal District (CCUR) with a maximum indebtedness of \$22 million for a duration of 20 years. As of fiscal year 2020-21, the CCUR issued \$10.4 million in total debt against the maximum indebtedness. The second area is the Tigard Triangle Urban Renewal District (TTUR) with a maximum indebtedness of \$188 million for a duration of 35 years. As of fiscal year 2020-21, the TTUR issued \$588,000 in total debt against the maximum indebtedness.

In order to finance improvement projects, the agency and the city entered into an intergovernmental agreement (IGA) that states the city will loan the agency resources as needed to cover project costs related to the Town Center Urban Renewal Plan. All of the outstanding debt of the agency is considered from direct borrowings and placements.

The terms of the IGA state that the agency agrees to repay the principal and accrued interest on all loan amounts solely from tax increment revenues. The interest rate calculated for the loans is based on the same average rate as that earned on other funds invested by the city at the time of the loan, which currently ranges from 0.50% to 2.75%. Interest-only payments are scheduled to be paid to the city prior to July 1, each fiscal year.

During the fiscal year ending June 30, 2025 the agency will begin making principal payments to the city on outstanding loans. Payments are to be made as tax increment revenue or other funding sources are available. In no case shall the repayment timeline exceed the life of the agency. Under the terms of the IGA, the city may forgive or reduce the interest and/or principal due from the agency. The agency may also repay the debt early. The agency did not receive any loans from the city for fiscal year 2021. In fiscal year 2021 the agency elected to repay none of the outstanding principal on the loans.

In fiscal year 2019-2020 the city issued full faith and credit financing agreement (bonds) for \$1,896,000 in Series 2019A Tax-Exempt bonds, and \$4,033,000 Series 2019B Federally Taxable bonds. The bonds were issued to fund Urban Renewal projects within the CCDA. In connection with the financing agreement, CCDA and the city executed an intergovernmental agreement (IGA) for CCDA to be obligated for the debt service payments on the bonds. The IGA constitutes indebtedness of the agency in the amount of the financing or \$5,929,000. Pursuant to ORS 287A.310, the agency pledges the tax increment revenues to pay the financing payments or debt service. The outstanding bonds carry an Event of Default clause which allows the lender to exercise any remedy available at law or in equity, with the exception of acceleration. At June 30, 2021 the outstanding balance on the bonds was \$1,816,000 for the Series 2019A and \$3,872,000 for the Series 2019B.

**Town Center Development Agency**  
**Notes to the Basic Financial Statements**

Long-term debt activity for the year ended June 30, 2021 was as follows:

| <b>Outstanding Debt</b>                                  | <b>Borrowing Transactions</b>        |                     | <b>Interest</b>                      |                   | <b>Due in one year</b> |
|--|--------------------------------------|---------------------|--------------------------------------|-------------------|------------------------|
|  | <b>Outstanding<br/>June 30, 2020</b> | <b>Paid</b>         | <b>Outstanding<br/>June 30, 2021</b> | <b>Paid</b>       |                        |
| Loans from City of Tigard<br>for urban renewal projects: |                                      |                     |                                      |                   |                        |
| Loan #5 June 30, 2013                                    | \$ 102,320                           | \$ -                | \$ 102,320                           | \$ 512            | \$ -                   |
| Loan #5 June 30, 2013                                    | 40,112                               | -                   | 40,112                               | 201               | -                      |
| Loan #6 June 30, 2014                                    | 361,000                              | -                   | 361,000                              | 1,949             | -                      |
| Loan #7 June 30, 2015                                    | 254,000                              | -                   | 254,000                              | 1,270             | -                      |
| Loan #8 June 30, 2019                                    | 183,273                              | -                   | 183,273                              | 5,040             | -                      |
| Loan #9 June 30, 2020                                    | 45,596                               | -                   | 45,596                               | -                 | -                      |
| 2019A Bonds with Key Bank                                | 1,896,000                            | (80,000)            | 1,816,000                            | 44,746            | 82,000                 |
| 2019B Bonds with Key Bank                                | 4,033,000                            | (161,000)           | 3,872,000                            | 120,587           | 166,000                |
| <b>Total</b>   | <b>\$ 6,915,301</b>                  | <b>\$ (241,000)</b> | <b>\$ 6,674,301</b>                  | <b>\$ 174,305</b> | <b>\$ 248,000</b>      |

Future requirements related to long-term borrowing are as follows:

| <b>Fiscal Year<br/>Ending June 30</b> | <b>Loans from City</b> |                   | <b>Key Bank Bonds</b> |                     | <b>Totals</b>       |                     |
|---------------------------------------|------------------------|-------------------|-----------------------|---------------------|---------------------|---------------------|
|                                       | <b>Principal</b>       | <b>Interest</b>   | <b>Principal</b>      | <b>Interest</b>     | <b>Principal</b>    | <b>Interest</b>     |
| 2022                                  | \$ -                   | \$ 9,428          | \$ 248,000            | \$ 158,630          | \$ 248,000          | \$ 168,058          |
| 2023                                  | -                      | 9,428             | 254,000               | 151,732             | 254,000             | 161,160             |
| 2024                                  | -                      | 9,428             | 262,000               | 144,666             | 262,000             | 154,094             |
| 2025                                  | 13,926                 | 9,428             | 269,000               | 137,374             | 282,926             | 146,802             |
| 2026                                  | 49,227                 | 9,358             | 276,000               | 129,886             | 325,227             | 139,244             |
| 2027-2031                             | 391,653                | 41,611            | 1,502,000             | 529,564             | 1,893,653           | 571,175             |
| 2032-2036                             | 428,811                | 24,476            | 2,877,000             | 213,486             | 3,305,811           | 237,962             |
| 2037-2041                             | 102,684                | 6,234             | -                     | -                   | 102,684             | 6,234               |
|                                       | <b>\$ 986,301</b>      | <b>\$ 119,391</b> | <b>\$ 5,688,000</b>   | <b>\$ 1,465,338</b> | <b>\$ 6,674,301</b> | <b>\$ 1,584,729</b> |

**7. Risk Management:**

As a component unit of the city, the agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the city carries commercial insurance. The city has established risk management programs for liability insurance coverage. The agency is covered under policies and programs insuring the city. There were no insurance claims attributable to the agency as of June 30, 2021.

**8. Special Item:**

In January 2021 the agency sold three parcels of land in downtown Tigard to a developer. The agency put considerable resources into preparing the property for resale after it acquired the parcels in July 2015, and the agency sold it at a loss to encourage a purchaser to develop the property after acquisition.

## **Other Supplementary Information**

No content appears on this page by design.



**Town Center Development Agency  
City Center Capital Projects Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
Year Ended June 30, 2021**

|   | <b>Budgeted Amounts</b> |                    | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Over (Under)</b> |
|---|-------------------------|--------------------|---------------------------|--|
|   | <b>Original</b>         | <b>Final</b>       |                           |  |
| <b>REVENUES:</b>  |                         |                    |                           |  |
| Intergovernmental revenues                                      | \$ -                    | \$ 2,000,000       | \$ 464,279                | \$ (1,535,721)   |
| Interest Earnings   | -                       | -                  | 27,209                    | 27,209   |
| Net Increase (decrease) in investment<br>fair value             | -                       | -                  | (19,690)                  | (19,690)   |
| Total revenues  | <u>-</u>                | <u>2,000,000</u>   | <u>471,798</u>            | <u>(1,528,202)</u>                                     |
| <b>EXPENDITURES:</b>  |                         |                    |                           |  |
| Capital projects  | <u>3,192,900</u>        | <u>5,192,900</u>   | <u>1,113,581</u>          | <u>4,079,319</u>                                       |
| Total expenditures  | <u>3,192,900</u>        | <u>5,192,900</u>   | <u>1,113,581</u>          | <u>4,079,319</u>                                       |
| Change in fund balance before<br>other financing sources (uses) | <u>(3,192,900)</u>      | <u>(3,192,900)</u> | <u>(641,783)</u>          | <u>2,551,117</u>                                       |
| <b>OTHER FINANCING SOURCES:</b>                                 |                         |                    |                           |  |
| Transfers in  | 412,000                 | 412,000            | -                         | (412,000)  |
| Proceeds from the sale of capital<br>assets                     | -                       | -                  | 389,797                   | 389,797  |
| Reserve for future expenditure                                  | <u>(2,312,600)</u>      | <u>(2,312,600)</u> | -                         | 2,312,600  |
| Total other financing sources                                   | <u>(1,900,600)</u>      | <u>(1,900,600)</u> | <u>389,797</u>            | <u>2,290,397</u>                                       |
| Change in fund balance  | <u>(5,093,500)</u>      | <u>(5,093,500)</u> | <u>(251,986)</u>          | <u>4,841,514</u>                                       |
| Fund balance - Beginning of the year                            | <u>5,093,500</u>        | <u>5,093,500</u>   | <u>4,132,306</u>          | <u>(961,194)</u>                                       |
| Fund balance - End of the year                                  | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 3,880,320</u>       | <u>\$ 3,880,320</u>                                    |

**Town Center Development Agency  
Tigard Triangle Capital Projects Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
Year Ended June 30, 2021**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Over (Under)</u> |
|---|-------------------------|--------------------|---------------------------|--|
|   | <u>Original</u>         | <u>Final</u>       |                           |  |
| <b>REVENUES:</b>  |                         |                    |                           |  |
| Intergovernmental revenues                                      | \$ -                    | \$ -               | \$ 230,428                | \$ 230,428   |
| <b>EXPENDITURES:</b>  |                         |                    |                           |  |
| Community development   | 2,181,900               | 2,181,900          | 123,887                   | 2,058,013  |
| Capital projects*   | 6,300,000               | 6,300,000          | -                         | 6,300,000  |
| Total expenditures  | <u>8,481,900</u>        | <u>8,481,900</u>   | <u>123,887</u>            | <u>8,358,013</u>                                       |
| Change in fund balance before<br>other financing sources (uses) | <u>(8,481,900)</u>      | <u>(8,481,900)</u> | <u>106,541</u>            | <u>8,588,441</u>                                       |
| <b>OTHER FINANCING SOURCES:</b>                                 |                         |                    |                           |  |
| Transfers in  | <u>8,481,900</u>        | <u>8,481,900</u>   | -                         | <u>(8,481,900)</u>                                     |
| Change in fund balance  | -                       | -                  | 106,541                   | 106,541  |
| Fund balance - Beginning of the year                            | -                       | -                  | -                         | -  |
| Fund balance - End of the year                                  | <u><u>\$ -</u></u>      | <u><u>\$ -</u></u> | <u><u>\$ 106,541</u></u>  | <u><u>\$ 106,541</u></u>                               |

\* For budgetary purposes expenditures are appropriated as capital projects, however on the GAAP statements non-capital transactions are recorded as program expenditures.

**Town Center Development Agency  
City Center Debt Service Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
Year Ended June 30, 2021**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Over (Under)</u> |
|---|-------------------------|------------------|---------------------------|--|
|   | <u>Original</u>         | <u>Final</u>     |                           |  |
| <b>REVENUES:</b>  |                         |                  |                           |  |
| Property taxes  | \$ 590,000              | \$ 590,000       | \$ 663,795                | \$ 73,795  |
| Interest earnings   | 11,100                  | 11,100           | 7,647                     | (3,453)  |
| Net increase (decrease) in investment<br>fair value             | -                       | -                | 799                       | 799  |
| Total revenues  | <u>601,100</u>          | <u>601,100</u>   | <u>672,241</u>            | <u>71,141</u>  |
| <b>EXPENDITURES:</b>  |                         |                  |                           |  |
| * Debt service:   |                         |                  |                           |  |
| Principal   | 80,000                  | 245,000          | 241,000                   | 4,000  |
| Interest  | 50,025                  | 180,025          | 169,264                   | 10,761   |
| Total expenditures  | <u>130,025</u>          | <u>425,025</u>   | <u>410,264</u>            | <u>14,761</u>  |
| Change in fund balance before<br>other financing sources (uses) | <u>471,075</u>          | <u>176,075</u>   | <u>261,977</u>            | <u>85,902</u>  |
| <b>OTHER FINANCING USES</b>                                     |                         |                  |                           |  |
| Transfers out   | (412,000)               | (412,000)        | -                         | 412,000  |
| Reserve for future expenditure                                  | (625,175)               | (330,175)        | -                         | 330,175  |
| Total other financing sources (uses)                            | <u>(1,037,175)</u>      | <u>(742,175)</u> | <u>-</u>                  | <u>742,175</u>   |
| Change in fund balance  | (566,100)               | (566,100)        | 261,977                   | 828,077  |
| Fund balance - Beginning of the year                            | 566,100                 | 566,100          | 1,085,936                 | 519,836  |
| Fund balance - End of the year                                  | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 1,347,913</u>       | <u>\$ 1,347,913</u>                                    |

\* Budget appropriation for the Urban Renewal Agency is made at the debt service program level.

**Town Center Development Agency  
Tigard Triangle Debt Service Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
Year Ended June 30, 2021**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Over (Under)</u> |
|---|-------------------------|------------------|---------------------------|--|
|   | <u>Original</u>         | <u>Final</u>     |                           |  |
| <b>REVENUES:</b>  |                         |                  |                           |  |
| Property taxes  | \$ 450,000              | \$ 450,000       | \$ 742,701                | \$ 292,701   |
| Interest earnings   | -                       | -                | 3,963                     | 3,963  |
| Net increase (decrease) in investment<br>fair value             | -                       | -                | 2,437                     | 2,437  |
| Total revenues  | <u>450,000</u>          | <u>450,000</u>   | <u>749,101</u>            | <u>299,101</u>   |
| <b>EXPENDITURES:</b>  |                         |                  |                           |  |
| * Debt service:   |                         |                  |                           |  |
| Interest  | -                       | -                | 5,040                     | (5,040)  |
| Change in fund balance before<br>other financing sources (uses) | <u>450,000</u>          | <u>450,000</u>   | <u>744,061</u>            | <u>294,061</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                           |                         |                  |                           |  |
| Transfers out   | (8,481,900)             | (8,481,900)      | -                         | 8,481,900  |
| Debt proceeds   | 8,000,000               | 8,000,000        | -                         | (8,000,000)  |
| Reserve for future expenditure                                  | (52,100)                | (52,100)         | -                         | 52,100   |
| Total other financing sources (uses)                            | <u>(534,000)</u>        | <u>(534,000)</u> | <u>-</u>                  | <u>534,000</u>   |
| Change in fund balance  | (84,000)                | (84,000)         | 744,061                   | 828,061  |
| Fund balance - Beginning of the year                            | 84,000                  | 84,000           | 105,962                   | 21,962   |
| Fund balance - End of the year                                  | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 850,023</u>         | <u>\$ 850,023</u>                                      |

\* Budget appropriation for the Urban Renewal Agency is made at the debt service program level.

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



## **Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards***

Board Members

Town Center Development Agency (A component unit of the City of Tigard, Oregon)  
Tigard, Oregon

We have audited the basic financial statements of the Town Center Development Agency, a component unit of the City of Tigard, Oregon (the Agency), as of and for the year ended June 30, 2021, and have issued our report thereon dated December 6, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

### **Compliance**

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-010-0000 to 162-010-0330, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal year 2021 and 2022.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and, regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State, except those noted below:

- The City had over-expenditures of \$5,040 in the Tigard Triangle Debt Service Fund for the year ended June 30, 2021.

## **Internal Control Over Financial Reporting**

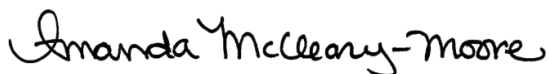
In planning and performing our audit, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing 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.

*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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency'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 over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and does not provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State, in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Amanda McCleary-Moore, Partner  
for Moss Adams LLP  
Portland, Oregon  
December 6, 2021