LEAGUE of Oregon CITIES

State of the Cities

An LOC Report

September's ECONorthwest report, *Fiscal Challenges for Oregon's Cities*, found that cities are "on the doorstep of yet another decade of challenges" as revenues are exceeded by the cost of providing the services and infrastructure required for economic development. In this new research, the League surveyed 178 cities and analyzed five years of annual financial data from 50 cities. The result is a comprehensive look at the specific impacts experienced by cities as revenues decline and the demand for services goes up.

State of the Cities

Oregon's cities have yet to bottom out from the recent economic recession, and many are pessimistic about a rebound in the near future. The collapse of the housing market, combined with suffocating property tax limitations, have financially hamstrung cities and caused many to make significant cuts to basic services, such as public safety, while deferring needed infrastructure and maintenance projects. Meanwhile, quality of life programs, including libraries, transportation and social services, have been reduced or eliminated altogether in many cities.

This report is a combination of survey data collected from 178 cities and an in-depth analysis of five years of annual financial data (FY2005-06 though FY2009-10) from 50 cities throughout Oregon[1]. The picture that emerges from this wealth of information indicates that Oregon's cities are facing severe challenges. Revenues are down and rainy day funds are drying up. Stimulus funds will soon be exhausted. Services have been cut and will likely be cut further—all at a time when citizen demand for services is increasing. For most cities, balancing their budgets will be an increasingly difficult task.

Revenues and Reserves

According to the League's analysis, general fund revenues in the cities examined declined by 0.57 percent over the last five fiscal years, and governmental fund revenues fell by nearly 4 percent[2]. These declines came in spite of the fact that the cities examined will have received nearly $63 million in stimulus money by the time the funds are completely allocated in FY2011-12. Without these funds, the decline in revenues would have been more severe.

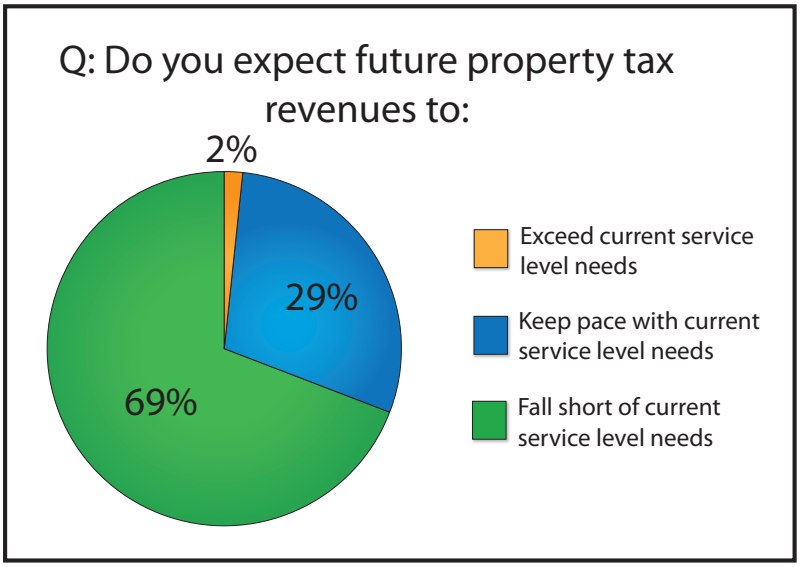
Despite this influx of support, the governmental fund balance, the "rainy day fund" for most cities, plummeted 16 percent over the same time period. Within that account, the general fund balance, the most flexible of city fund balances, decreased in 51 percent of surveyed cities.

Smaller cities dipped into their savings accounts more frequently than others, with 56 percent of survey respondents with populations less than 5,000 reporting a decrease in their general fund balances in FY2010-11. According to the financial analysis, the 27 small cities examined experienced a 13 percent decline in governmental fund balances. This population group also experienced the largest decrease in governmental fund revenues, with an average decline of 19 percent.

More than 42 percent of cities report being less able to address their financial needs this year than they were the year prior, and nearly half of survey respondents believe that they will be even less able to meet financial needs next year—a clear indication that cities have yet to bottom out financially.

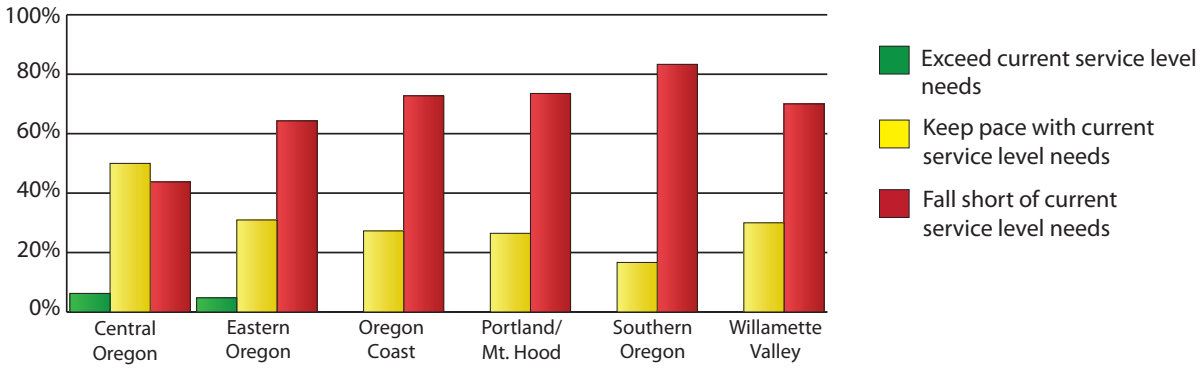
Cities along the Oregon Coast and those in Southern Oregon are most pessimistic about their ability to meet financial needs, with 55 percent and 54 percent of respondents in those two regions reporting that they will be less able to meet financial needs in FY2012-13.

Sixty-nine percent of respondents expect future property tax revenues, the largest source of tax revenue for the vast majority of Oregon cities, to fall short of current service level needs (see chart below). Cities in Southern Oregon, the Portland/Mt. Hood area and the Willamette Valley are most gloomy about property tax revenues meeting current service level needs.



1 See page 19 of *Local Focus* for additional information on the survey and financial analysis.
2 Figures are per capita and adjusted for inflation according to the CPI-U for Portland/Salem.

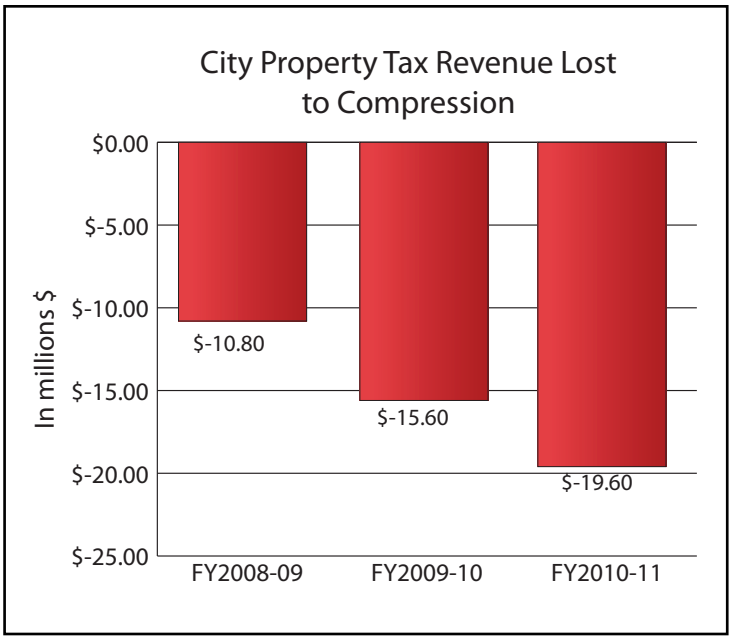
Q: Do you expect future property tax revenues to:



Twenty-nine percent of cities expect future property tax revenues to decrease. This is a particularly high figure given the modest built-in revenue growth that Measure 50 was supposed to provide for taxing districts. But this is not entirely surprising given the continuing decline of real market values (RMV) and the subsequent increase in compression—property tax revenue lost when taxes exceed their designated Measure 5 limits, which are based on RMV.

Cities in FY2010-11 lost $19.6 million to compression, an 81 percent increase over FY2008-09, the height of the real estate bubble, and a figure likely to increase further in the next fiscal year. Fifty-five percent of all cities in Oregon are in compression, and 10 cities in Oregon lost five percent or more of the property tax they extended to compression. Since FY2008-09, the real market value of property within city limits statewide has decreased by over 11 percent, with further decreases expected in FY2011-12.

Again, Southern Oregon cities appear to be most affected by the drop in property tax revenues, with 58 percent of respondents expecting future property tax revenues to decrease. In Central Oregon, 44 percent of cities expect these revenues to decrease, and one-third of small cities (those with populations less than 5,000) believe likewise.



Expenditures and Citizen Demands For Services

With declining revenues, cities have prudently limited expenditures, with the 50 cities analyzed cutting governmental fund expenditures by 3.9 percent and general fund expenditures by 0.7 percent since FY2007-08, the start of the recession[3].

Cities have employed a number of measures to limit or reduce expenses (see Table 1), including reducing spending on operating spending, infrastructure, public safety and road maintenance.

Table 1: Budget reduction strategies employed by city survey respondents

Cut road maintenance	38%
Reduced staff and/or operations at city hall	37%
Reduced total operating spending	30%
Decreased planning and permitting services	30%
Reduced number of FTEs	27%
Cut infrastructure spending	25%
Increased employee contribution to healthcare	24%
Decreased overall service levels	16%
Reduced public safety spending	14%

(continued on page 3)

3 Again, figures are per capita and adjusted for inflation according to the CPI-U for Portland/Salem.

Cities have also made significant workforce reductions. According to the most recent data from the U.S. Census Bureau, local governments reduced their workforces by 3.2 percent between 2009 and 2010, cutting nearly 3,700 jobs throughout Oregon, and while a majority of those positions were related to education, cities have made important personnel reductions. During this time period local governments cut 119 police officers and 100 additional police personnel, a 2.15 reduction in officers and a 2.78 reduction in total staff. Local governments also eliminated 217 fire fighting positions, a 6.5 percent reduction in firefighters.

While local governments are often loath to cut public safety spending, many cities spend more than they collect in property taxes on public safety spending alone. In fact, of the 40 cities analyzed that have police and/or fire departments, the average city spent exactly one-hundred percent of property tax collections on public safety spending, and some cities spent far more (see table below).

Table 2: Public safety expenditures as a percentage of property tax collections, FY2009-10

John Day	312%
Ashland	226%
Manzanita	224%
Gresham	166%
Bend	134%
Pendleton	128%
Lakeview	126%
Portland	119%
Burns	109%
Albany	106%
Corvallis	105%
Powers	104%
Seaside	100%

Cities are also concerned about deferring necessary infrastructure repairs and upgrades. Over one-third of those responding to a survey question about the most significant fiscal or operational challenge facing their city cited infrastructure needs. "Our major concerns are with infrastructure," wrote Laurel Samson, city manager in Grants Pass. "We are woefully underfunded and do not have the mechanisms in place to generate the funds." According to a previous League study, cities need an estimated $187 million in additional annual revenues to keep up with maintenance and construction costs for transportation infrastructure alone.

In addition to cutting core service areas, like public safety, important quality-of-life programs have also faced severe cutbacks. While not all cities have libraries, park programs, senior services, etc., those that do are scaling them back significantly (see Table 3).

Table 3: Percentage of survey respondents that reduced the number of staff, services, hours of operations or city financial support in the following areas within the last several years

Parks and recreation activities and facilities	33%
Libraries	28%
Social services	28%
Transit and transportation services	24%
Senior services	22%
Public events and the arts	21%

These cuts have been made at a time when citizen demand for services has increased and is expected to continue increasing. More than 48 percent of survey respondents reported seeing an increase in demand for services over the past several years; only 2.8 percent reported experiencing a decrease in demands for services. Almost half of responding cities believe that citizen demand for services will increase further in the future.

Coastal and Willamette Valley cities reported being most likely to see service demands increase, with 59 and 58 percent of respondents respectively. Less than three percent of responding cities believe that citizen demand for services will align with revenues, and only 1.1 percent expect demands to decrease.

Conclusion

Over the past several years, Oregon's cities have struggled mightily to align revenues and expenditures, and that challenge will continue indefinitely for most. The economic downturn and punitive property tax limitations have left many cities with few options but to cut, cut, cut. While most cities have become more efficient and have been strategic in reducing expenditures, many are now facing increasingly difficult, if not impossible, budgetary choices at a time when citizen demand for services is escalating and infrastructure needs are mounting.

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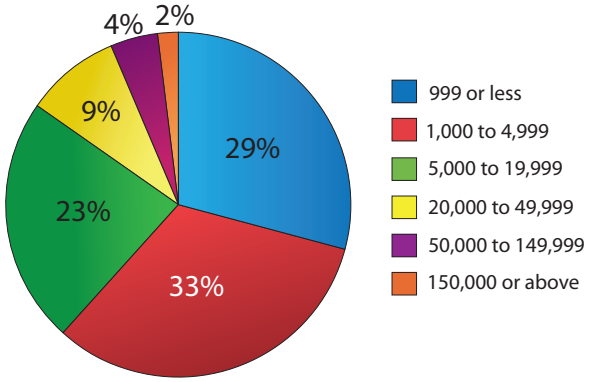
State of the Cities

Report Information

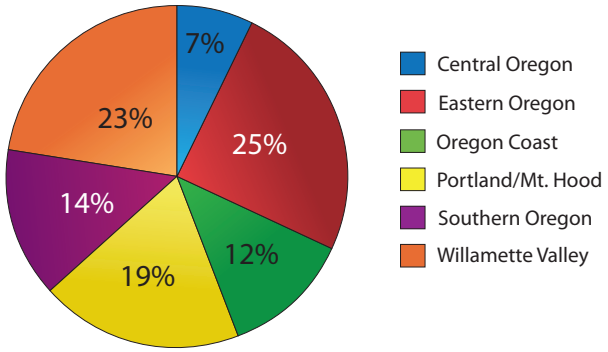
Survey Information

Of the state's 242 cities, 178 completed the League's annual survey—a 73 percent response rate. The survey consisted of 16 questions. Information about the respondents is below. A copy of the full survey and a list of respondents, as well as full results and results by region and population, is available upon request.

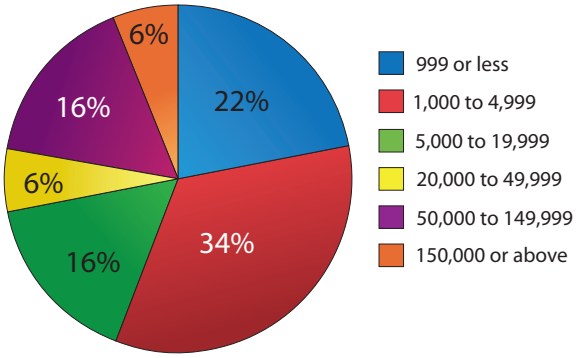
Survey Respondents by Population



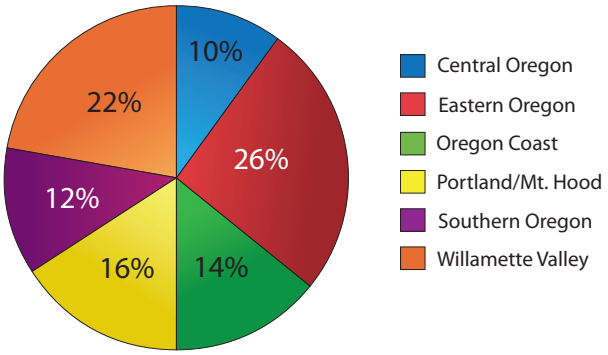
Survey Repspondents by Region



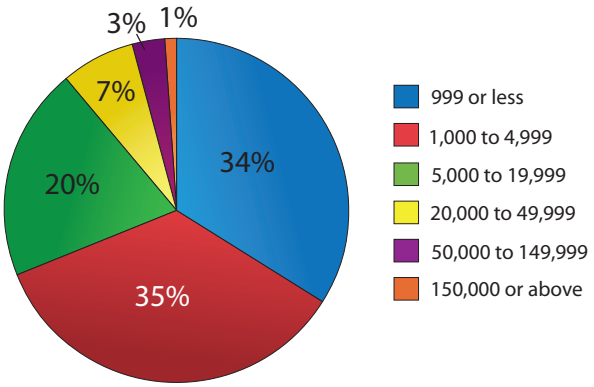
Audit Sample by Population



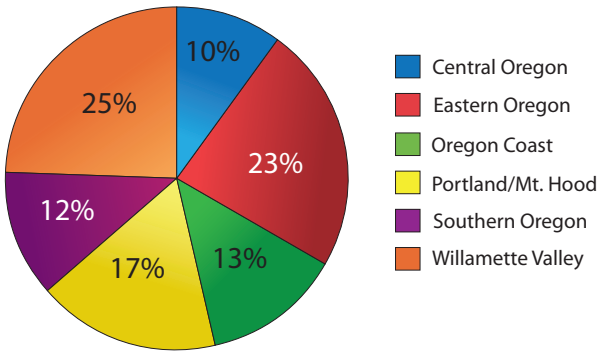
Audit Sample by Region



Oregon by Population



Oregon by Region



Financial Analysis Information

The League examined five years worth of Comprehensive Annual Financial Reports (CAFR) for 50 cities (21 percent of all cities) in Oregon. The CAFRs were obtained on the Secretary of State's website. A full list of the cities analyzed, as well as the data and methodology, are available upon request. The cities analyzed are home to over 1.7 million, or 64 percent, of all Oregonians, and include a range of population sizes and geographic locations throughout the state.

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Methodology

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Acknowledgements

The State of the Cities report was made possible by the participation of 178 member cities (full list available in Appendix A.) The League of Oregon Cities would like to extend a special thank you to intern Biff Jones for thorough data collection and careful documentation of the data collection process.

Summary of Methods

Introduction

This document provides a detailed explanation of the procedures used to gather data for the 2012 State of the Cities (SOC) report. Data came from two sources: 1) a survey of Oregon's 242 cities and 2) an in-depth analysis of annual financial data from Comprehensive Annual Financial Reports (CAFRs).

Annual Financial Survey

Of the state's 242 cities, 178 completed the League's annual survey – a 73 percent response rate. The survey consisted of 16 questions related to city finances (Appendix A). A complete list of respondents is available in Appendix B. Detailed survey results are available by contacting the League at (503)-588-6550.

CAFR Analysis

Comprehensive Annual Financial Reports, also known as audits, are available on the Oregon Secretary of State's website (http://egov.sos.state.or.us/muni/public.do). For the 2012 SOC report, data were gathered for a sample of 50 cities for fiscal years 2005-2006 to 2009-2010.[1] While not statistically representative, this sample provides insight into the fiscal realities of Oregon cities. The 50 cities were sampled using a modified stratified sampling method. The sample was selected from a list of all incorporated Oregon cities stratified by population and region. Adjustments were made to include the 10 largest cities. The final sample accounts for 64 percent of the total city population in Oregon and 21 percent of the total cities in Oregon. The cities represent a range of population sizes and geographic locations throughout the state. For a complete list of the cities in the sample and their population size and region, see Appendix C.

Although there are specific requirements for the types of financial statements cities must provide as a part of their audit reports, there is no consistency as to how cities categorize information. For this project, every attempt was made to consistently categorize the information provided, but some decisions were necessarily made at the researcher's discretion.[2] A step-by-step guide to the methodology used to determine various revenues and expenditure amounts is available in Appendix D. Complete notes on individual cities are also available; contact the League for details.

After the data was gathered, all numbers were adjusted using the Consumer Price Index - All Urban Consumers: Portland-Salem, OR-WA. The numbers were adjusted to 2010 dollars.

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[1] Data for FY2009-10 were the most recent available; audit reports for the FY2010-11 year are not available until early 2012.

[2] Urban renewal revenues and expenditures were taken out of total city revenues when completing analysis.

Survey Questions

1. What is the population of your city?
   - ○ 999 or less
   - ○ 1,000 to 4,999
   - ○ 5,000 to 19,999
   - ○ 20,000 to 49,999
   - ○ 50,000 to 149,999
   - ○ 150,000 or above

1. Where is your city located?
   - ○ Central Oregon
   - ○ Eastern Oregon
   - ○ Oregon Coast
   - ○ Portland metropolitan region
   - ○ Southern Oregon
   - ○ Willamette Valley

2. Overall, would you say that your city is better or less able to meet its financial needs in FY2011-2012 than last year?

   ○ better able ○ less able ○ about the same

3. Overall, do you anticipate your city being better or less able to address its financial needs in the next fiscal year (FY2012-2013) compared to this fiscal year?

   ○ better able ○ less able ○ about the same

4. Please indicate which actions your city has taken for the 2011-12 fiscal year:

	Increase in 2011-12	*Maintain*	*Decrease in 2011-12*	*Not Applicable*
Fees/charges/licenses	○	○	○	○
Overall service levels	○	○	○	○
Number of city FTEs	○	○	○	○
Actual infrastructure spending	○	○	○	○
Public safety spending	○	○	○	○
Total operating spending	○	○	○	○
Employee wages	○	○	○	○
Use of furloughs	○	○	○	○
Employee contribution to health insurance	○	○	○	○
Hiring freezes	○	○	○	○

5. In FY2010-11, how did your city's ending general fund balance change as compared to FY 2009-10?
   ○ Increase ○ Decrease ○ No change

6. Over time, has your city changed what its general fund balance is primarily used for?
   ○ Yes. *If yes, briefly explain how it has changed:*
   ○ No
   ○ Don't know/not sure

7. Over the last several years cities have taken a wide range of budget-balancing actions. If any of your city's actions have had unintended consequences please describe briefly (e.g. my city reduced patrol hours and now we have seen an increase in graffiti incidents).

   Open ended….

8. Did your city institute any new sources of revenue in FY2010-11 or that will take effect in FY2011-12?
   ○ No
   ○ Yes. *If yes, please describe?*

9. Do you expect future property tax revenues to:
   ○ Exceed current service level needs
   ○ Keep pace with current service level needs
   ○ Fall short of current service level needs

10. Do you expect future property tax revenues to:
    ○ Increase
    ○ Decrease
    ○ Stay roughly the same

11. Do you anticipate your current total general fund revenue sources being able to:
    ○ Exceed current service level needs
    ○ Keep pace with current service level needs
    ○ Fall short of current service level needs

12. Do you expect future citizen demand for services to:
    ○ Increase
    ○ Stay the same
    ○ Decrease
    ○ Align with revenues
    ○ Don't know

13. Would your city see value in being able to create a city-service district, which could assess a tax on property within the city to finance a specific service? (Note: current state statute enables counties to create such districts, but not cities)
    ○ Yes ○ No ○ Don't know

Survey Respondents

Adams
Albany
Amity
Arlington
Ashland
Athena
Aurora
Banks
Bay City
Beaverton
Bend
Boardman
Bonanza
Brookings
Burns
Butte Falls
Canby
Cannon Beach
Canyon City
Canyonville
Carlton
Cascade Locks
Cave Junction
Central Point
Chiloquin
Clatskanie
Columbia City
Coquille
Cornelius
Corvallis
Cottage Grove
Cove
Creswell
Culver
Dallas
Damascus
Dayton
Depoe Bay
Donald
Dufur
Eagle Point
Echo
Elgin
Estacada
Eugene
Fairview
Florence
Forest Grove
Fossil
Garibaldi
Gervais
Glendale
Grants Pass
Gresham
Haines
Halfway
Happy Valley
Harrisburg
Heppner
Hermiston
Hillsboro
Hines
Hood River
Huntington
Idanha
Imbler
Independence
Ione
Irrigon
Island City
Jacksonville
Jefferson
John Day
Johnson City
Jordan Valley
Joseph
Junction City
Keizer
King City
Klamath Falls
La Grande
La Pine
Lafayette
Lake Oswego
Lakeview
Lebanon
Lexington
Lincoln City
Lonerock
Long Creek
Madras
Malin
Manzanita
Maupin
Maywood
Park
McMinnville
Medford
Merrill
Metolius
Millersburg
Milton-Freewater
Milwaukie
Mitchell
Molalla
Monmouth
Monroe
Monument
Mount Vernon
Myrtle Creek
Nehalem
Newberg
Newport
North Bend
North Plains
North Powder
Nyssa
Oakland
Oakridge
Ontario
Oregon City
Philomath
Port Orford
Portland
Powers
Rainier
Redmond
Reedsport
Richland
Riddle
Rogue River
Roseburg
Rufus
Sandy
Scappoose
Scio
Seaside
Shady Cove
Sheridan
Sherwood
Siletz
Silverton
Sisters
Spray
Springfield
St. Helens
Stanfield
Sublimity
Summerville
Sutherlin
Sweet Home
The Dalles
Tigard
Tillamook
Toledo
Troutdale
Tualatin
Turner
Ukiah
Umatilla
Union
Unity
Vale
Veneta
Vernonia
Waldport
Wallowa
Warrenton
Wasco
Waterloo
Westfir
Weston
Wheeler
Willamina
Wilsonville
Winston
Wood Village
Woodburn

Sample Cities

City	Population	County	Location
Richland	155	Baker	Eastern
Jordan Valley	180	Malheur	Eastern
Ukiah	185	Umatilla	Eastern
Rufus	250	Sherman	Central
Adams	350	Umatilla	Eastern
Scotts Mills	355	Marion	Valley
Manzanita	600	Tillamook	Coastal
Weston	670	Umatilla	Eastern
Condon	685	Gilliam	Central
Powers	690	Coos	Coastal
Halsey	910	Linn	Valley
Coburg	1,040	Lane	Valley
Joseph	1,085	Wallowa	Eastern
Cave Junction	1,145	Jefferson	Central
Lyons	1,160	Linn	Valley
Riddle	1,185	Douglas	Southern Oregon
Culver	1,365	Jefferson	Central
Depoe Bay	1,400	Lincoln	Coastal
John Day	1,750	Grant	Eastern
Vale	1,875	Malheur	eastern
Union	2,130	Union	Eastern
Lakeview	2,295	Lake	eastern
Estacada	2,730	Clackamas	Portland/Mt. Hood
Burns	2,805	Harney	Eastern
Myrtle Creek	3,440	Douglas	Southern Oregon
Coquille	3,865	Coos	Coastal
Veneta	4,565	Lane	Valley
Philomath	4,590	Benton	Valley
Seaside	6,070	Clatsop	Coastal
Brookings	6,350	Curry	Coastal
Astoria	9,475	Clatsop	Coastal
Sandy	9,655	Clackamas	Portland/Mt. Hood
Canby	15,830	Clackamas	Portland/Mt. Hood
Pendleton	16,605	Umatilla	Eastern
Hermiston	16,795	Umatilla	Eastern
Wilsonville	19,525	Washington	Portland/Mt. Hood
Ashland	20,095	Jackson	Southern Oregon

Klamath Falls	20,925	Klamath	Southern Oregon
Roseburg	21,660	Douglas	Southern Oregon
Albany	50,325	Linn	Valley
Corvallis	54,460	Benton	Valley
Springfield	59,425	Lane	Valley
Medford	74,980	Jackson	Southern Oregon
Bend	76,740	Deschutes	Central
Beaverton	89,925	Washington	Portland/Mt. Hood
Hillsboro	91,970	Washington	Portland/Mt. Hood
Gresham	105,595	Multnomah	Portland/Mt. Hood
Salem	155,100	Marion	Valley
Eugene	156,295	Lane	Valley
Portland	583,775	Multnomah	Portland/Mt. Hood

CAFR Report Data Gathering Methods

I. Statement of Purpose

This section highlights the data categories collected for the State of the Cities report that have multiple sources. It also outlines the methods that were used to generate data systematically, and acts as a guide to any user who may want to replicate the results found by the League. A clear understanding of these methods will help analysts become cognizant of key data complexities and, ultimately, empower them to draw more accurate conclusions.

II. Source

Information was gathered from Comprehensive Annual Financial Reports (CAFR). The two primary sources of information were: (1) the city-wide statement of net assets (hereafter referred to as st.n.a.) and (2) the statement of revenues, expenditures, and changes in fund balances for all governmental funds (hereafter referred to as st.r.e.c.f.b.). It is possible that all of the relevant data can be derived from these two statements alone; however, many data categories require significant reliance on supplementary documentation. For example, the st.r.e.c.f.b. always reports tax revenues, but rarely identifies what amount is derived from property taxes. Section III outlines the methods used for working through this and other difficult data gathering issues.

III. Data Categories with Irregular Sources & Related Data Gathering Methods

Data categories not discussed in this section are almost always reported clearly and explicitly by the two primary financial statements (st.n.a. and st.r.e.c.f.b.) and require no special explanation.

The five data categories that sometimes require reference to supplemental documentation or need particular explanations are:

- Governmental Fund property tax revenues
- Property tax revenues reserved for urban renewal
- Other urban renewal revenue (non-property tax)
- Total urban renewal revenue
- Total urban renewal expenditures

Explanations are written as a how-to guide so that any person can follow the instructions and replicate the same results found by the League.

Governmental Fund property tax revenues

Step 1. If property tax revenues are directly reported by the statement of revenues, expenditures, and changes in fund balances (hereafter st.r.e.c.f.b.), use the directly reported figure and disregard the remaining steps.

Step 2. Identify all of the specific governmental funds that are eligible for property tax revenues. This can usually be done by observing which funds receive "tax" revenues as reported by the st.r.e.c.f.b. Next, examine all relevant governmental fund st.r.e.c.f.b. to determine if property taxes are explicitly reported at that level. If so, sum all of the explicitly stated property tax figures and disregard the remaining steps.
CAUTION to step 2: It is very important to verify that all property tax revenues are accounted for. If the General Fund, for example, reports tax revenue but does not report property tax revenue explicitly, then step 2 is probably not an accurate source for property tax data.

Step 3. If property tax receipts are directly reported by the statement of activities AND a property tax specific reconciliation number is available on the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Governmental Activities on the Statement of Activities," THEN reconcile the statement of activities property tax figure and disregard the remaining steps.
NOTE to step 3: Most reconciliation statements report changes that need to be made to the "net change in fund balances" (usually at the top of the page) to arrive at the governmental activities' change in net assets (usually at the bottom of the page). If this is the case, subtract the property tax reconciliation figure from the statement of activities property tax figure to arrive at the estimated st.r.e.c.f.b. p.t. figure. If the reconciliation statement is reversed (with governmental activities' change in net assets at the top and the net change in fund balances at the bottom), the reconciliation figure should be added to, not subtracted from, the statement of activities figure.
CAUTION to step 3: As a general rule, the statement of activities will report a property tax figure greater than the statement of revenues, expenditures, and changes in fund balances. This is because the statement of activities assigns value to property taxes when levied, regardless of their current value, whereas the statement of revenues, expenditures, and changes in fund balances only assigns value to revenues that provide "current financial resources."

Step 4. Check to see if the financial statements include a "schedule of property tax transactions" or something like it. If so, sum all current fiscal year tax collections, including payments for property taxes levied in prior years.
NOTE to step 4: The result to this step will probably not conform algebraically to the figures in the st.r.e.c.f.b. due to accounting and timing idiosyncrasies. Therefore, property tax data derived from this step is fundamentally different from the data derived from the previous steps and these differences should be clearly noted in the database and in any analysis that is done.

Step 5. Use your best judgment to glean any alternative property tax information that may be available in the financial statements, but clearly note where the data comes from using page numbers and specific footnotes.
NOTE to step 5: Data retrieved in this manner is fundamentally different from data derived from previous steps, but might be useful at the city-level if the city consistently reports property tax revenues from year to year. Analysis of this data could reveal meaningful insights into that particular city.

Property tax revenues reserved for urban renewal

The irregularities that arise for this data category are closely aligned to those that complicate the "Governmental Fund property tax revenues" data category. Therefore, the method outlined here is very similar to the one outlined for Governmental Fund property tax revenues above. However, these steps refer primarily to the Urban Renewal Agency's own financial statements rather than the city-wide CAFR.

Step 1. If property tax revenues are directly reported by the urban renewal st.r.e.c.f.b. (hereafter UR st.r.e.c.f.b.), use the directly reported figure and disregard the remaining steps.

Step 2. Identify all of the specific governmental funds that are eligible for property tax revenues. This can usually be done by observing which funds receive "tax" revenues as reported by the UR st.r.e.c.f.b. Next, examine all relevant st.r.e.c.f.b. to determine if property taxes are explicitly reported at that level. If so, sum all of the explicitly stated property tax figures and disregard the remaining steps.
CAUTION to step 2: It is very important to verify that all property tax revenues are accounted for. If the General Fund, for example, reports tax revenue but does not report property tax revenue explicitly, then step 2 is probably not an accurate source for property tax data.

Step 3. If property tax receipts are directly reported by the urban renewal st.a. AND a property tax specific reconciliation number is available on the urban renewal "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Governmental Activities on the Statement of Activities," THEN reconcile the statement of activities property tax figure and disregard the remaining steps.
NOTE to step 3: Most reconciliation statements report changes that need to be made to the "net change in fund balances" (usually at the top of the page) to arrive at the governmental activities' change in net assets (usually at the bottom of the page). If this is the case, subtract the property tax reconciliation figure from the statement of activities property tax figure to arrive at the estimated st.r.e.c.f.b. p.t. figure. If the reconciliation statement is reversed (with governmental activities' change in net assets at the top and the net change in fund balances at the bottom), the reconciliation figure should be added to, not subtracted from, the statement of activities figure.
CAUTION to step 3: As a general rule, the statement of activities will report a property tax figure greater than the statement of revenues, expenditures, and changes in fund balances. This is because the statement of activities assigns value to property taxes when levied, regardless of their current value, whereas the statement of revenues, expenditures, and changes in fund balances only assigns value to revenues that provide "current financial resources."

Step 4. Check to see if the urban renewal financial statements include a "schedule of property tax transactions" or something like it. If so, sum all current fiscal year tax collections, including payments for property taxes levied in prior years. Urban renewal property tax revenues may also be explicitly reported by a “schedule of property tax transactions” in the city-wide CAFR.
NOTE to step 4: The result to this step will probably not conform algebraically to the figures in the st.r.e.c.f.b. due to accounting and timing idiosyncrasies. Therefore, property tax data derived from this step is fundamentally different from the data derived from the previous steps and these differences should be clearly noted in the database.

Step 5. Use your best judgment to glean any alternative property tax information that may be available in the financial statements, but clearly note where the data comes from using page numbers and specific footnotes.
NOTE to step 5: Data retrieved in this manner is fundamentally different from data derived from previous steps, but might be useful at the city-level if the city consistently reports property tax revenues from year to year. Analysis of this data could reveal meaningful insights into that particular city.

Other urban renewal revenue (non-property tax)

Sum all individual revenue streams that are reported on the st.r.e.c.f.b. and then subtract the UR property tax estimate that was generated by the steps above.

Total urban renewal revenue

Figure from the UR st.r.e.c.f.b. In order to ensure that the component UR revenue parts sum up to 100 percent of all revenues reported on the UR st.r.e.c.f.b., double check to verify that it has been entered accurately.

Total urban renewal expenditures

Figure from the UR st.r.e.c.f.b. Enter the number and then double check to verify that it has been entered accurately.