

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**



FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

FINANCIAL REPORT

**WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

Mayor & City Council



June 30, 2021

Mayor and Councilors

Term Expiration

Linda McCollum, Mayor	December 31, 2022
Jeffrey Vanier	December 31, 2024
DeeDee Murphy	December 31, 2024
Joe Liedtky	December 31, 2024
Mark Bedard	December 31, 2022
Rich Patten	December 31, 2022
Debby Turner	December 31, 2022

All council members will receive mail at the following address:

City of REEDSPORT
451 Winchester Ave.
Reedsport, OR 97567

ADMINISTRATION

Deanna Schafer, City Manager

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

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DOUGLAS COUNTY, OREGON

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PAULY, ROGERS AND CO., P.C.
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December 13, 2021

To the City Council
City of Reedsport
Reedsport, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Reedsport as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the 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.

Auditors' 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 auditors' 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 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 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Reedsport at June 30, 2021 and the results of its operations and cash flows 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 and the required supplementary information, as listed in the table of contents, 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, as listed in the table of contents, 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.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

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

The listing of Council members containing their term expiration dates, located before the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financials statements, and accordingly, we do not express an opinion or provide any assurance on it.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 13, 2021 on our consideration of 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 dark ink, appearing to read "Ken Allen", is positioned above the printed name.

Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

Management's Discussion and Analysis

As management of City of Reedsport ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021 (FY21).

Financial Highlights

- At the close of FY21, the assets of the City exceeded its liabilities by \$26.4 million (*net position*); of this amount, \$5.88 million (*unrestricted net position*) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net position increased by \$2,299 thousand. The net position increase is mostly attributable to a increase in cash and cash equivalents in business-type activities.
- At the end of the current fiscal year, the unrestricted fund balance of the General Fund was \$1.8 million, or 68 percent of total general fund expenditures.
- The City's total debt decreased by \$2,180 thousand during the current fiscal year. The major portion of the decrease is due to the payoff of the OEDD loan and the annual repayment of utility debts.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains other supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad view of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City'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 City is improving.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused, time off).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, and culture and recreation. Business-type activities of the City include water, wastewater, stormwater, and building/ land rental services.

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 objectives. The City, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, street fund and the 2 urban renewal agency funds, all considered to be major funds. Data from the other 8 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the general fund, street fund and urban renewal agency to demonstrate compliance with this budget.

Proprietary funds. The City has four proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water, wastewater, stormwater and building rental services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information.

The budgetary information for the non-major funds and the combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$26.4 million as of June 30, 2021.

By far the largest portion of the City's net position reflects its investment in capital assets (land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Reedsport's Net Position, in thousands

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	3,575	3,265	6,335	7,429	9,910	10,694
Capital assets	5,485	5,514	21,406	20,081	26,891	25,595
Total assets	9,060	8,779	27,741	27,510	36,801	36,289
Deferred outflows	732	567	296	232	1,028	799
Total assets and deferred outflows	9,792	9,346	28,037	27,742	37,829	37,088
Long-term liabilities outstanding	0	0	7,242	9,352	7,242	9,352
Other liabilities	285	352	625	720	910	1,072
Pension liability	2,103	1,599	849	641	2,952	2,240
Total liabilities	2,388	1,951	8,716	10,713	11,104	12,664
Deferred inflows	219	217	84	84	303	301
Total liabilities and deferred inflows	2,607	2,168	8,800	10,797	11,407	12,965
Net position:						
Net invested in capital assets	5,469	5,486	13,797	10,298	19,266	15,784
Restricted	843	613	431	706	1,274	1,319
Unrestricted	872	1,079	5,010	5,941	5,882	7,020
Total net position	7,184	7,178	19,238	16,945	26,422	24,123

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased by \$2.299 million during the fiscal year. This increase in position represents a decrease in debt obligations for the City's water treatment plant, water system infrastructure, wastewater treatment plant and collection system. This net position increase also represents the increase of revenue to meet or exceed similar increases in ongoing expenses. The City's net position total is also represented by the difference in the basis of accounting used in the government wide statements and that in the fund financial statements.

Governmental Activities. Governmental activities increased the City's net position by

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	455	488	3,097	3,039	3,552	3,527
Operating grants/contributions	225	91	0	0	225	91
Capital grants/contributions	453	98	2,102	0	2,555	98
General revenues:						
Property taxes	1,635	1,582	0	0	1,635	1,582
Other taxes	825	955	0	0	825	955
Other Revenue	283	290	0	0	283	290
Investment income	26	20	223	245	249	265
Total Revenues	<u>3,902</u>	<u>3,524</u>	<u>4,422</u>	<u>3,284</u>	<u>9,324</u>	<u>6,808</u>
Expenses:						
General government	1,428	1,294	0	0	1,428	1,294
Public safety	2,254	2,157	0	0	2,254	2,157
Highways and streets	270	503	0	0	270	503
Culture and recreation	49	81	0	0	49	81
Water	0	0	687	982	687	981
Wastewater	0	0	1,839	1,812	1,839	1,812
Stormwater	0	0	343	62	343	61
Dunes NRA Lease	0	0	154	1,405	154	1,405
Total expenses	<u>4,001</u>	<u>4,035</u>	<u>3,023</u>	<u>4,261</u>	<u>7,024</u>	<u>8,294</u>
Change in net position	-99	-511	2,399	977	2,300	1,486
Transfers	106	1,950	-106	-1,950	0	0
Change in net position	7	1,439	2,293	-829	2,300	-1,338
Prior Period Adjustment			0			
Beginning net position restated	<u>7,178</u>	<u>7,686</u>	<u>16,945</u>	<u>17,775</u>	<u>24,123</u>	<u>25,462</u>
Ending net position	<u>7,185</u>	<u>7,686</u>	<u>19,238</u>	<u>16,946</u>	<u>26,423</u>	<u>24,124</u>

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3.35 million, an increase of \$424 thousand in comparison with the prior year. Approximately \$1.8 million of the total amount constitutes unrestricted fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted or committed, indicating that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance reached \$1.8 million, all of which is unrestricted.

The fund balance of the City's general fund increased by \$178 thousand during the current fiscal year, with the key factors for this increase was the reduction of expenditures for personnel, materials & services, and unfilled personnel positions. General Fund revenue came in slightly over budget.

General Fund Budgetary Highlights

Differences between the original budget and final budget were relatively minor. The City also saw an increase in property tax collection. Staff maintains a conservative approach for expending funds.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$27 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, systems, park facilities, roads, bridges, culverts and wastewater treatment plant construction.

A major renovation of the City owned Oregon Dunes Recreation Center office building was completed in FY21 expenditures for the project began in the prior two years.

Renovation of City pump station began in fiscal year 2020. This project was completed in 2021 fiscal year.

Economic Factors and Next Year's Budgets and Rates.

The City of Reedsport has been under property tax compression since 1997 as a result of Measure 50 and Measure 5, with compression increasing each year and reaching the greatest loss in fiscal year 2014/2015 of \$164,000. Currently the City is experiencing an upturn in property values and investments.

The Wastewater Utility rate increased in January of 2011 to meet the requirements of debt repayment of the Wastewater treatment facility and collection system updates. At that time, Council adopted an asset management plan which includes a schedule of wastewater rate increases for both the metered users and the non-metered users. Reedsport is still a flat rate utility system with property owners installing water meters at their option and cost. In May 2015, the City retired the wastewater DEQ loan and through an agreement with DEQ, replaced it with a revenue bond. The bond has a lower interest rate and extended payment terms which will eliminate the need to increase wastewater utility rates to meet debt repayment obligations.

The Water Utility monthly service rates are anticipated to remain the same as the previous year. The fund revenue continues to remain stagnant with more and more meters being installed and the added cost of accepting merchant cards for electronic payments.

The Storm Water Utility monthly service rates are being evaluated and may need to be increased in the near future because a sizable investment that will be required to repair settlement issues and ageing infrastructure of the current levee system. Currently, the limitations of the system cause community flooding during heavy rain events. The City has been selected for funding for a 4.5 million dollar FEMA Pre-Disaster Assistance Grant Program. Staff is working through the environmental impact review with the goal of starting construction in 2023.

Request for Information

This financial report is designed to provide a general overview of the City of Reedsport's finances for all or those interested 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 City Manager.

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2021

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS TYPE	TOTAL
ASSETS			
Cash & cash equivalents	\$ 3,023,142	\$ 3,559,031	\$ 6,582,173
Investments	125,300	2,400,000	2,525,300
Receivables:			
Taxes	110,504	-	110,504
Accounts	260,351	291,636	551,987
Prepays	31,565	-	31,565
Internal Balances	-	-	-
Inventories	23,679	84,744	108,423
Total Current Assets	3,574,541	6,335,411	9,909,952
Noncurrent Assets:			
Proportionate Share of Net Pension Asset - RHIA	16,076	-	16,076
Capital Assets, net	5,469,155	21,406,098	26,875,253
Total Assets	9,059,772	27,741,509	36,801,281
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	3,032	-	3,032
Pension Related Deferrals - RHIA	8,573	-	8,573
Pension Related Deferrals - Oregon PERS	720,569	296,919	1,017,488
Total Deferred Outflows	732,174	296,919	1,029,093
LIABILITIES			
Accounts payable	46,749	91,457	138,206
Accrued expenses	48,801	-	48,801
Accrued interest payable	-	18,363	18,363
Deposits payable	18,260	93,006	111,266
Compensated absences	171,177	49,744	220,921
Notes payable	-	5,360	5,360
Bonds payable	-	366,740	366,740
Total current liabilities	284,987	624,670	909,657
Long-term Debt:			
Notes payable - net of current	-	-	-
Bonds payable - net of current	-	7,241,963	7,241,963
OPEB Net Pension Liability - Implicit Subsidy	42,743	-	42,743
Proportionate Share of Net Pension Liability - PERS	2,060,670	849,123	2,909,793
Total Long-term Liabilities	2,103,413	8,091,086	10,194,499
Total Liabilities	2,388,400	8,715,756	11,104,156
DEFERRED INFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	11,024	-	11,024
Pension Related Deferrals - RHIA	2,514	-	2,514
Pension Related Deferrals - Oregon PERS	205,195	84,553	289,748
Total Deferred Inflows	218,733	84,553	303,286
NET POSITION:			
Net Investment in Capital Assets	5,469,155	13,797,395	19,266,550
Restricted for:			
Streets and Urban Renewal	843,638	430,983	1,274,621
Debt Service	-	-	-
Unrestricted	872,020	5,009,741	5,881,761
Total Net Position	\$ 7,184,813	\$ 19,238,119	\$ 26,422,932

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

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

		Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs	Expenses			
Governmental Activities				
General Government	\$ 1,428,375	\$ 224,575	\$ 134,770	\$ 46,796
Public Safety & Fire	2,254,805	196,950	85,424	-
Highways and Streets	270,369	-	-	405,789
Culture and Recreation	48,981	33,616	4,320	-
Total Governmental Activities	4,002,530	455,141	224,514	452,585
Business-Type Activities				
Water	687,360	810,141	-	-
Wastewater	1,839,061	1,982,384	-	-
Stormwater	343,213	71,202	-	357,470
Dunes NRA Lease	153,610	233,221	-	1,744,724
Total Business Activities	3,023,244	3,096,948	-	2,102,194
Total Government	\$ 7,025,774	\$ 3,552,089	\$ 224,514	\$ 2,554,779

General Revenues:
Property Taxes
Other taxes
Other Revenue
Interest/Investment Income
Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

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

Net Revenues (Expenses) and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,022,234)	\$ -	\$ (1,022,234)
(1,972,431)	-	(1,972,431)
135,420	-	135,420
(11,045)	-	(11,045)
(2,870,290)	-	(2,870,290)
-	122,781	122,781
-	143,323	143,323
-	85,459	85,459
-	1,824,335	1,824,335
-	2,175,898	2,175,898
(2,870,290)	2,175,898	(694,392)
1,634,926	-	1,634,926
825,407	-	825,407
283,417	-	283,417
26,113	223,387	249,500
106,950	(106,950)	-
2,876,813	116,437	2,993,250
6,523	2,292,335	2,298,858
7,178,290	16,945,784	24,124,074
\$ 7,184,813	\$ 19,238,119	\$ 26,422,932

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021**

	GENERAL FUND	STREET FUND	URBAN RENEWAL AGENCY - SPECIAL REV.
ASSETS			
Cash and Cash Equivalents	\$ 1,595,155	\$ 632,143	\$ 137,745
Investments	125,300	-	-
Receivables			
Taxes	102,684	-	7,820
Accounts	172,946	27,962	-
Intergovernmental	-	-	-
Due from other funds	-	-	-
Prepays	31,565	-	-
Inventories	-	-	-
Total Assets	<u>\$ 2,027,650</u>	<u>\$ 660,105</u>	<u>\$ 145,565</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 41,298	\$ 441	\$ -
Accrued expenses	48,801	-	-
Due to other funds	-	-	-
Deposits payable	-	18,260	-
Total Liabilities	90,099	18,701	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	102,684	-	7,820
Total Liabilities and Deferred Inflows	<u>192,783</u>	<u>18,701</u>	<u>7,820</u>
Fund Balances:			
Nonspendable	31,565	-	-
Restricted			
Streets	-	641,404	-
Urban Renewal	-	-	137,745
Committed			
Capital outlay	-	-	-
Cultural/Recreation	-	-	-
Public Safety	-	-	-
Unassigned			
General Fund	1,803,302	-	-
Total Fund Balances	<u>1,834,867</u>	<u>641,404</u>	<u>137,745</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 2,027,650</u>	<u>\$ 660,105</u>	<u>\$ 145,565</u>

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

URBAN RENEWAL AGENCY - MAIN STREET	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 64,590	\$ 593,509	\$ 3,023,142
-	-	125,300
-	-	110,504
-	59,443	260,351
-	-	-
-	-	-
-	-	31,565
-	23,679	23,679
<u>\$ 64,590</u>	<u>\$ 676,631</u>	<u>\$ 3,574,541</u>
\$ 101	\$ 4,909	\$ 46,749
-	-	48,801
-	-	-
-	-	18,260
101	4,909	113,810
-	-	110,504
101	4,909	224,314
-	23,679	55,244
-	-	641,404
64,489	-	202,234
-	441,731	441,731
-	156,712	156,712
-	49,600	49,600
-	-	1,803,302
64,489	671,722	3,350,227
<u>\$ 64,590</u>	<u>\$ 676,631</u>	<u>\$ 3,574,541</u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2021**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Fund Balances	\$ 3,350,227
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.	
Net Capital Assets	5,469,155
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.	
Accrued Compensated Absences	(171,177)
The Net Pension Asset & OPEB (Liability), and deferred inflows and outflows related to the Net Pension/OPEB's is the difference between the total pension/OPEB liability and assets set aside to pay benefits earned to past and current employees and beneficiaries	
	(1,573,896)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Unearned/Unavailable Revenue	<u>110,504</u>
Total Net Position	<u><u>\$ 7,184,813</u></u>

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

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021**

	GENERAL FUND	STREET FUND	URBAN RENEWAL AGENCY - SPECIAL REV.
REVENUES			
Property taxes	\$ 1,537,663	\$ -	\$ 129,865
Franchise fees	217,594	57,249	-
Fuel taxes	-	362,210	-
Alcohol taxes	82,412	-	-
Lodging taxes	314,513	-	-
Other taxes	43,195	-	-
Licenses, permits and fees	90,948	-	-
Intergovernmental	56,160	-	-
Charges for services	133,627	-	-
Fines and penalties	117,282	-	-
Interest	15,003	4,104	851
Grants and Contributions	207,525	94,868	-
Miscellaneous	59,054	5,371	61,601
	<u>2,874,976</u>	<u>523,802</u>	<u>192,317</u>
Total Revenues			
EXPENDITURES			
Current			
General government	1,116,343	-	-
Public safety	1,584,110	-	-
Highway and streets	-	211,306	-
Culture and recreation	14,900	-	17,392
Debt Service	-	-	7,410
Capital Outlay	-	-	126,148
	<u>2,715,353</u>	<u>211,306</u>	<u>150,950</u>
Total Expenditures			
Excess of Revenues Over, (Under) Expenditures	159,623	312,496	41,367
OTHER FINANCING SOURCES, (USES)			
Transfers In	146,917	-	-
Transfers Out	(67,500)	(112,500)	(5,000)
	<u>79,417</u>	<u>(112,500)</u>	<u>(5,000)</u>
Total Other Financing Sources, (Uses)			
Net Change in Fund Balance	239,040	199,996	36,367
Beginning Fund Balance	1,595,827	441,408	101,378
Ending Fund Balance	<u>\$ 1,834,867</u>	<u>\$ 641,404</u>	<u>\$ 137,745</u>

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

URBAN RENEWAL AGENCY - MAIN STREET	OTHER GOVERNMENTAL FUNDS	TOTAL
\$ -	\$ 3,038	\$ 1,670,566
-	-	274,843
-	-	362,210
-	-	82,412
-	59,155	373,668
-	-	43,195
-	-	90,948
-	-	56,160
-	113,284	246,911
-	-	117,282
476	5,679	26,113
46,796	16,988	366,177
14,687	86,545	227,258
<u>61,959</u>	<u>284,689</u>	<u>3,937,743</u>
-	-	1,116,343
-	178,127	1,762,237
-	-	211,306
1,654	4,335	38,281
-	-	7,410
71,448	287,517	485,113
<u>73,102</u>	<u>469,979</u>	<u>3,620,690</u>
(11,143)	(185,290)	317,053
5,000	157,500	309,417
<u>-</u>	<u>(17,467)</u>	<u>(202,467)</u>
<u>5,000</u>	<u>140,033</u>	<u>106,950</u>
(6,143)	(45,257)	424,003
<u>70,632</u>	<u>716,979</u>	<u>2,926,224</u>
<u>\$ 64,489</u>	<u>\$ 671,722</u>	<u>\$ 3,350,227</u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures	\$ 424,003
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital Outlay	388,530
Depreciation Expense	(405,621)
The Pension/OPEB Expense and the changes in deferred inflows and outflows related to the Net Pension Asset represents the changes in Net Pension/OPEB Asset (Liability) from year to year due to changes in total liability and the fair value of pension/OPEB plan net position available to pay pension benefits.	
	(352,274)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.	
Principal payments on long-term obligations/Accrued Vacation	(12,475)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Unearned/Unavailable Revenue	<u>(35,640)</u>
Change in Net Position	<u>\$ 6,523</u>

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

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

STATEMENT OF PROPRIETARY NET POSITION
June 30, 2021

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND	DUNES NRA FUND	TOTAL
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 960,394	\$ 2,115,588	\$ 375,618	\$ 107,431	\$ 3,559,031
Investments	-	-	-	2,400,000	2,400,000
Receivables					
Accounts, net	80,017	184,046	7,108	20,465	291,636
Due from Other Funds	432,600	850,000	-	-	1,282,600
Inventories	66,409	18,335	-	-	84,744
Total Current Assets	1,539,420	3,167,969	382,726	2,527,896	7,618,011
Other Assets					
Capital assets, net	4,870,051	12,805,063	1,986,259	1,744,725	21,406,098
Total Assets	\$ 6,409,471	\$ 15,973,032	\$ 2,368,985	\$ 4,272,621	\$ 29,024,109
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Outflows	145,504	151,415	-	-	296,919
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 7,757	\$ 24,205	\$ 89	\$ 59,406	\$ 91,457
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	1,282,600	1,282,600
Accrued interest payable	-	18,363	-	-	18,363
Unearned revenue	-	-	-	-	-
Deposits payable	18,435	71,016	3,555	-	93,006
Compensated absences	23,325	26,419	-	-	49,744
Notes payable	-	-	5,360	-	5,360
Bonds payable	-	366,740	-	-	366,740
Total Current Liabilities	49,517	506,743	9,004	1,342,006	1,907,270
Long-term Liabilities					
Notes payable	-	-	-	-	-
Bonds payable	-	7,241,963	-	-	7,241,963
Net pension liability	416,108	433,015	-	-	849,123
Total Long-term Liabilities	416,108	7,674,978	-	-	8,091,086
Total Liabilities	465,625	8,181,721	9,004	1,342,006	9,998,356
DEFERRED INFLOWS OF RESOURCES					
Pension Related Inflows	41,435	43,118	-	-	84,553
NET POSITION					
Net invested in capital assets	4,870,051	5,196,360	1,986,259	1,744,725	13,797,395
Restricted for:					
Capital Projects	121,029	303,421	6,533	-	430,983
Debt Services	-	-	-	-	-
Unrestricted	1,056,835	2,399,827	367,189	1,185,890	5,009,741
Total Net Position	\$ 6,047,915	\$ 7,899,608	\$ 2,359,981	\$ 2,930,615	\$ 19,238,119

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

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021**

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND	DUNES NRA FUND	TOTAL
OPERATING REVENUES					
Charges for services	\$ 795,783	\$ 1,976,239	\$ 71,181	\$ -	\$ 2,843,203
Grants and Contributions	-	-	357,470	-	357,470
Miscellaneous	14,358	6,145	21	233,221	253,745
Total Operating Revenues	810,141	1,982,384	428,672	233,221	3,454,418
OPERATING EXPENSES					
Personal service	342,917	424,240	25,208	33,100	825,465
Materials and services	42,185	438,908	295,521	120,510	897,124
Depreciation and amortization	302,258	783,340	22,484	-	1,108,082
Total Operating Expenses	687,360	1,646,488	343,213	153,610	2,830,671
Operating Income -Loss	122,781	335,896	85,459	79,611	623,747
NONOPERATING REVENUES, (EXPENSES)					
Interest	9,190	29,107	3,641	1,870	43,808
Investment Income	-	-	-	179,579	179,579
Gain/(loss) on disposal	-	-	-	-	-
Interest expense	-	(192,573)	-	-	(192,573)
Total Nonoperating Revenues (Expenses)	9,190	(163,466)	3,641	181,449	30,814
TRANSFERS					
Transfers In	-	-	110,000	-	110,000
Transfers Out	(46,150)	(89,250)	(1,850)	(79,700)	(216,950)
Total Operating Expenses	(46,150)	(89,250)	108,150	(79,700)	(106,950)
Capital Contributions	-	-	-	1,744,724	1,744,724
Change in Net Position	85,821	83,180	197,250	1,926,084	2,292,335
Net Position, Beginning	5,962,094	7,816,428	2,162,731	1,004,531	16,945,784
Net Position, Ending	\$ 6,047,915	\$ 7,899,608	\$ 2,359,981	\$ 2,930,615	\$ 19,238,119

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

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021**

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 806,290	\$ 1,981,362	\$ 438,579
Cash Paid to Suppliers	(41,533)	(443,759)	(305,183)
Cash Paid to Employees	(273,348)	(352,423)	(25,208)
Net Cash Provided (Used) by Operating Activities	491,409	1,185,180	108,188
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	-	-	110,000
Transfers to other funds	(46,150)	(89,250)	(1,850)
Net Cash Provided (Used) by Noncapital Financing Activities	(46,150)	(89,250)	108,150
Cash Flows from Capital and Related Financing Activities:			
Interfund Loan Payment	-	-	(3,924)
Interfund Loan Proceeds	67,400	150,000	-
Acquisition and construction of capital assets	(322,134)	(161,082)	(208,648)
Debt Payments	-	(2,381,144)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(254,734)	(2,392,226)	(212,572)
Cash Flows from Investing Activities:			
Interest income	9,190	29,107	3,641
Net Cash Provided (Used) by Investing Activities	9,190	29,107	3,641
Net Increase (Decrease) in Cash and Cash Equivalents	199,715	(1,267,189)	7,407
Cash and Investments at Beginning of Year	760,679	3,382,777	368,211
Cash and Investments at End of Year	\$ 960,394	\$ 2,115,588	\$ 375,618
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ 122,781	\$ 335,896	\$ 85,459
Adjustments to reconcile operating income (loss) to net cash provided (used) in operating activities			
Depreciation	302,258	783,340	22,484
(Increase) decrease in operating assets			
Accounts receivable	(2,875)	(523)	9,891
Net pension assets & deferrals	70,602	73,472	-
Other Assets	(5,985)	(2,143)	-
Increase (decrease) in operating liabilities			
Accounts payable	6,637	(2,708)	(9,662)
Compensated absences	(1,033)	(1,655)	-
Deposits payable	(976)	(499)	16
Other Liabilities	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ 491,409	\$ 1,185,180	\$ 108,188

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

DUNES NRA FUND	TOTAL
\$ 399,805	\$ 3,626,036
(120,531)	(911,006)
(33,100)	(684,079)
246,174	2,030,951
-	110,000
(79,700)	(216,950)
(79,700)	(106,950)
(217,400)	(221,324)
-	217,400
-	(691,864)
-	(2,381,144)
(217,400)	(3,076,932)
1,870	43,808
1,870	43,808
(49,056)	(1,109,123)
156,487	4,668,154
\$ 107,431	\$ 3,559,031
\$ 79,611	\$ 623,747
-	1,108,082
166,584	173,077
-	144,074
-	(8,128)
(21)	(5,754)
-	(2,688)
-	(1,459)
-	-
\$ 246,174	\$ 2,030,951

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Reedsport (City), Oregon have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. ORGANIZATION (REPORTING ENTITY)

The City was incorporated in 1919. The present charter was enacted in 2006. The government of the City is vested in a City Council and a Mayor who are responsible for rule making, budget preparation and enforcement, expenditure approval and hiring of the City's management personnel. The Council consists of six members elected at large. Three Councilors are elected at each biennial general election. The Mayor is elected to serve a term of two years. The Mayor and Council are elected by vote of the general public. The Council appoints the City Manager, Municipal Judge and City Attorney.

The accompanying financial statements present all activities, funds, and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criteria, the City is a primary government with one blended component unit.

Blended Component Unit – The Reedsport Urban Redevelopment Agency is a legally separate public body created by ordinance of the City. The City Council serves as its governing board. Additionally, the City's management has operational responsibility for the Agency as it manages the activities of the Agency in essentially the same manner in which it manages the City's own operations.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets, liabilities and deferred inflows of resources generally are included in the Balance Sheet, and the Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases and decreases in those items. These funds use the modified accrual basis of accounting whereby revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a related fund liability is incurred, except for interfund transactions which are recorded on the accrual basis and interest on general long-term debt which is recorded as due. Significant governmental funds revenues which were subject to accrual at June 30, 2021 under the modified accrual basis of accounting were as follows: property taxes, municipal court fines, state, county, and local shared revenues which are collected within 60 days subsequent to year end.

In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt, compensated absences, pension and other post-employment benefits are included. Also in the government-wide financial statements, certain indirect costs have been included as part of the program expenses for the various functional activities.

Other receipts become measurable and available when cash is received and recognized as revenue at that time, except for revenues for grants and shared revenues which are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Street Fund accounts for the maintenance, operation and construction of the City's streets. The primary source of revenues is state shared highway funds.

Urban Renewal Agency - Special Revenue is used to administer property tax revenues for the funding of the Urban Renewal plan through designated projects.

Urban Renewal Agency - Main Street is for the purpose of undertaking redevelopment activities within the City.

The City reports the following major proprietary funds:

Water Utility Fund reports financial activity related to supply, treatment and distribution of water, with the primary revenue coming from user fees.

Wastewater Utility Fund accounts for the resources and expense related to collection and treatment of wastewater. The primary source of revenue is user fees.

Stormwater Utility Fund accounts for revenue derived from providing for storm water services. Expenses are for the operation and maintenance of the storm water system.

Dunes NRA Lease Fund accounts for the lease of City buildings to the USDA Forest Service for the Oregon Dunes NRA headquarters.

The City also includes the following fund types as other governmental funds and other enterprise funds:

Special revenue – are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are committed or legally restricted to finance particular functions or activities.

Capital projects – account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital-related outflows financed by proprietary funds are included within those funds. The principal sources of revenues are transfers in, proceeds from bonded debt, assessments, system development charges.

D. BUDGETS POLICIES AND BUDGETARY CONTROL

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

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

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

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BUDGETS POLICIES AND BUDGETARY CONTROL (CONTINUED)

Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the City Council. The City's disbursements did not exceed appropriations.

E. COMPENSATED ABSENCES - SICK LEAVE

Earned but unpaid compensatory time is recorded as an expense in the proprietary fund types and government-wide statements. In the Statement of Net Position, the current portion of the compensated absences balance is separately reported as amount due within one year in the long term liability section. There is no liability for unpaid accumulated sick leave since the City has a policy to not pay any amount when employees retire or are terminated.

F. USE OF ESTIMATES

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

G. CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

H. RECEIVABLES

Property taxes are assessed and become a lien on all taxable property as of July 1. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable collected within 60 days subsequent to year-end are considered measurable and available, and are recognized as revenues. All other property taxes receivable are offset by deferred revenue because they are not deemed available to finance operations of the current period.

Receivables for federal and state grants and state, county, and local shared revenue are recorded as revenue in all fund types as earned. Receivables of the Proprietary Funds are recorded as revenue in all funds as earned. The allowance for doubtful accounts is established on a historical view of delinquencies.

I. INVENTORY

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. CAPITAL ASSETS

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded at acquisition cost at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems acquired since July 1, 2003 are recorded at cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Net revenue bond interest cost incurred during the construction periods is capitalized when material.

Capital assets are depreciated using the straight line method over the following estimated useful lives. Buildings 30-50 years, Land Improvements 25 years, Machinery and Equipment 7-10 years, Vehicles 5 years, Infrastructure 10-40 years.

K. FUND EQUITY

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- *Nonspendable* fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents prepaid items and inventory.
- *Restricted* fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- *Committed* fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- *Assigned* fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The City Council has granted the City Manager and the Finance Director the authority to classify portions of ending fund balance as Assigned.
- *Unassigned* fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The Council has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. LONG TERM OBLIGATIONS

In the government-wide financial statements, and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities and proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are treated as period costs in the year of issue and are shown as other financing uses. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from net proceeds received, are reported as debt service expenditures.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

N. RETIREMENT PLANS

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

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

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

P. NET POSITION FLOW ASSUMPTIONS

The City may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to have been applied. It is the City’s policy to deplete restricted net position first, then committed, then assigned, and lastly unrestricted.

2. DEPOSITS AND INVESTMENTS

The City maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2021. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund’s audited financial report. As of June 30, 2021, the fair value of the position in the LGIP is 100.4% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer’s Local Government Investment Pool are not required to be collateralized.

The City has two properties that meet the definition of Investments under GASB 72, since the properties are maintained for revenue generation. The Fair value of the properties are as follows, The Dunes Building \$2,400,000 and the Landing Building \$125,300.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

2. DEPOSITS AND INVESTMENTS (CONTINUED)

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

As of June 30, 2021, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	More than 18
CD's (level 2)	\$ 555,380	\$ -	\$ 555,380	\$ -
Real Estate (level 2)	125,300	-	-	125,300
Real Estate (level 2)	2,400,000	-	-	2,400,000
State Treasurer's Investment Pool	4,471,245	4,471,245	-	-
Total	\$ 7,551,925	\$ 4,471,245	\$ 555,380	\$ 2,525,300

Interest Rate Risk: The City's policy to manage its exposure to fair-value losses arising from increases in interest rates is to limit investment maturities to 18 months.

Concentration of Credit Risk: The City policy does not allow for an investment in anyone issuer that is in excess of 50 percent of the City's total investments with the exception of the LGIP, Treasury Direct, or the City's banking institution.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. None of the City's investments have custodial credit risk. The City's policy does not limit the amount of investments that can be held by counterparties.

Custodial Credit Risk - Deposits: This is the risk that, in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides Insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program. Oregon Revised Statutes and City policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. As of June 30, 2021, the total bank balance per the bank statements was \$2,240,176. Of these deposits, \$852,344 was covered by federal depository insurance and the national credit union administration. The remainder, if any, is collateralized the Oregon Public Funds Collateralization Program (PFCP). The City's deposits and investments at June 30, 2021 are as follows:

Deposits with Financial Institutions:	
Petty Cash	\$ 1,075
Demand Deposits	1,554,473
Investments	7,551,925
Total cash and Investments	<u>\$ 9,107,473</u>

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

3. CAPITAL ASSETS

Changes in Governmental Capital Assets for the year ended June 30, 2021 are as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, not Depreciated:				
Land	\$ 851,341	\$ -	\$ -	\$ 851,341
Construction in Progress	41,072	88,297	(41,072)	88,297
Total Capital Assets not being depreciated	<u>892,413</u>	<u>88,297</u>	<u>(41,072)</u>	<u>939,638</u>
Capital Assets, being Depreciated				
Buildings	2,828,621	61,196	-	2,889,817
Machinery and Equipment	3,740,081	280,109	-	4,020,190
Infrastructure	3,772,688	-	-	3,772,688
Total Capital Assets being depreciated	<u>10,341,390</u>	<u>341,305</u>	<u>-</u>	<u>10,682,695</u>
Accumulated Depreciation:				
Buildings	1,953,750	43,316		1,997,066
Machinery and Equipment	2,729,464	249,937		2,979,401
Infrastructure	1,064,343	112,368		1,176,711
Total Accumulated Depreciation	<u>5,747,557</u>	<u>405,621</u>	<u>-</u>	<u>6,153,178</u>
Total Net Capital Assets	<u>\$ 5,486,246</u>			<u>\$ 5,469,155</u>

Governmental Activities:	
General Government	\$ 144,753
Public Safety	228,505
Highways and Streets	27,399
Culture and Recreation	4,964
Total	<u>\$ 405,621</u>

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

3. CAPITAL ASSETS (CONTINUED)

Changes in Business-Type Capital Assets for the year ended June 30, 2021 are as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, not Depreciated:				
Land	\$ 112,836	\$ -	\$ (18)	\$ 112,818
Construction in Progress	1,491,416	169,639	-	1,661,055
Total Capital Assets not being depreciated	<u>1,604,252</u>	<u>169,639</u>	<u>(18)</u>	<u>1,773,873</u>
Capital Assets, being Depreciated				
Buildings	306,674	1,744,725	-	2,051,399
Machinery and Equipment	544,822	14,872	-	559,694
Infrastructure	29,384,832	504,370	-	29,889,202
Total Capital Assets being depreciated	<u>30,236,328</u>	<u>2,263,967</u>	<u>-</u>	<u>32,500,295</u>
Accumulated Depreciation:				
Buildings	74,890	53,266	-	128,156
Machinery and Equipment	364,097	31,632	-	395,729
Infrastructure	11,321,001	1,023,184	-	12,344,185
Total Accumulated Depreciation	<u>11,759,988</u>	<u>1,108,082</u>	<u>-</u>	<u>12,868,070</u>
Total Net Capital Assets	<u>\$ 20,080,592</u>			<u>\$ 21,406,098</u>

4. RECEIVABLES

The City has net utility billing accounts receivable in the amounts \$80,017, \$184,046 and \$7,108 in the Water, Wastewater and Stormwater funds respectively. These amounts are net of an allowance for doubtful accounts of \$38,025, \$66,272 and \$4,345, respectively.

The City has an agreement with U.S. Department of Housing and Urban Development (HUD) in which qualifying individual property owners receive financing from HUD for the purposes of rehabilitating their properties. These loans are managed by the City and repayments are to be used to finance additional loans to new qualifying property owners in the future. The balance of these notes as of June 30, 2021 was \$20,862.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

5. LONG-TERM OBLIGATIONS

Transactions for governmental activities for the year ended June 30, 2021 were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year
Compensated Absences	\$ 158,702	148,174	135,699	171,177	\$ 171,177

Transactions for business-type activities for the year ended June 30, 2021 were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year
DEQ Bond	\$ 8,069,664	\$ -	\$ 460,961	\$ 7,608,703	\$ 366,740
Direct Borrowings:					
OEDD Loan	1,712,892	-	1,712,892	-	-
Note Payable - Hatcher					
Land	12,284	-	6,924	5,360	5,360
Total Direct Borrowings	1,725,176	-	1,719,816	5,360	5,360
Total Debt	\$ 9,794,840	\$ -	\$ 2,180,777	\$ 7,614,063	\$ 372,100
Compensated Absences	52,432	42,205	44,893	49,744	49,744
Total	\$ 9,847,272	\$ 42,205	\$ 2,225,670	\$ 7,663,807	\$ 421,844

Compensated absences are liquidated primarily by the general, street, water, wastewater, and stormwater funds.

Bonds Payable - Business Type

The City Issued revenue bonds to provide funds for the acquisition and construction of major capital wastewater improvements. The bonds have terms as follows:

In May 2015, the City issued \$10,334,358 of thirty year bonds to refinance the DEQ revolving loan for the wastewater collection system and treatment plan improvements in 2004. The Agreement pledges the revenues of the sewer system to secure the bond. The new bonds call for semi-annual payments of \$236,687, including interest at 1.4%. Also, payable annually are fees of 5% on the outstanding bond amount determined prior to the posting of the payment due on that date. The balance on the bonds at June 30 was \$8,069,664 and it matures in 2041. Revenue bonds are direct obligations of the proprietary funds and pledge the revenues of each utility.

If DEQ determines that an Event of Default has occurred, DEQ may, without further notice: (1) Declare the Outstanding Bond Amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable; (2) Cease making disbursement of Bond Proceeds; (3) Direct the State Treasurer to withhold any amounts otherwise due to the Municipality from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under this Bond Purchase Agreement and be deposited into the SRF; and (4) Pursue any other legal or equitable remedy it may have.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

5. LONG-TERM OBLIGATIONS (CONTINUED)

Ending June 30	DEQ Bonds		Hatcher Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	366,740	106,634	5,360	832	372,100	107,466
2023	371,893	101,481	-	-	371,893	101,481
2024	377,118	96,256	-	-	377,118	96,256
2025	382,416	90,958	-	-	382,416	90,958
2026	387,789	85,585	-	-	387,789	85,585
2027-2031	2,022,213	344,657	-	-	2,022,213	344,657
2032-2036	2,168,309	198,561	-	-	2,168,309	198,561
2037-2040	1,532,225	48,446	-	-	1,532,225	48,446
Total	<u>\$ 7,608,703</u>	<u>\$ 1,072,578</u>	<u>\$ 5,360</u>	<u>\$ 832</u>	<u>\$ 7,614,063</u>	<u>\$ 1,073,410</u>

6. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2018. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2021 were \$166,870, excluding amounts to fund employer specific liabilities. In addition approximately \$96,479 in employee contributions were paid or picked up by the City in fiscal 2021. At June 30, 2021, the City reported a net pension liability of \$2,909,793 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020 and 2019, the City's proportion was .013 percent and .013 percent, respectively. Pension expense for the year ended June 30, 2021 was \$493,719.

The rates in effect for the year ended June 30, 2021 were:

- (1) Tier 1/Tier 2 – 14.44%
- (2) OPSRP general services – 6.74%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 128,066	\$ -
Changes in assumptions	156,159	5,472
Net difference between projected and actual earnings on pension plan investments	342,154	-
Net changes in proportionate share	224,239	2,167
Differences between City contributions and proportionate share of contributions	-	282,109
Subtotal - Amortized Deferrals (below)	850,618	289,748
City contributions subsequent to measuring date	166,870	-
Deferred outflow (inflow) of resources	<u>\$ 1,017,488</u>	<u>\$ 289,748</u>

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 120,561
2023	171,731
2024	162,919
2025	107,264
2026	(1,605)
Thereafter	-
Total	<u>\$ 560,870</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 5, 2021. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS ACFR; p. 102)

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – the following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$ 4,320,803	\$ 2,909,793	\$ 1,726,597

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the City pay six (6) percent of their covered payroll. The City did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.
<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.53% of annual covered OPERF payroll and 0.45% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The City's contributions to RHIA for the years ended June 30, 2020 and 2021 were \$7,174 and \$563 respectively, which equaled the required contributions each year.

At June 30, 2021, the City reported a net OPEB liability/(asset) of \$16,076 for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), the City's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2020 and 2019, the City's proportion was .01 percent and .01 percent, respectively. OPEB expense for the year ended June 30, 2021 was insignificant.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (2,586)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	3,510
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ 924</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 1,643
Changes in assumptions	-	854
Net difference between projected and actual earnings on pension plan investments	1,788	-
Net changes in proportionate share	6,785	17
Differences between City contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>8,573</u>	<u>2,514</u>
City contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	<u>\$ 8,573</u>	<u>\$ 2,514</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2022.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 1,977
2023	2,856
2024	661
2025	564
2026	-
Thereafter	-
Total	<u>\$ 6,058</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2020. That independently audited report was dated March 5, 2021 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

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Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

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CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2020 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS ACFR; p. 74)

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Sensitivity of the City's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the City's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net OPEB liability (asset)	\$ (12,978)	\$ (16,076)	\$ (18,724)

8. INTERFUND TRANSFERS

Cash transfers are indicative of funding for capital projects, debt service, subsidies of various city operations, and re-allocations of special revenues. Transfers are netted on the Statement of Activities as required by GASB 34. The following schedule briefly summarizes the City's transfer activity for the year ended June 30, 2021:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 146,917	\$ 67,500
Street Fund	-	112,500
URA Fund	-	5,000
URA Main Street Fund	5,000	-
Other Governmental	157,500	17,467
Water Fund	-	46,150
Wastewater Fund	-	89,250
Stormwater Fund	110,000	1,850
Dune NRA Fund	-	79,700
Total	<u>\$ 419,417</u>	<u>\$ 419,417</u>

The purpose of inter-fund transfers in the enterprise funds is primarily to build reserves for future capital expenditures and projects. Inter-fund transfers in the governmental funds are primarily to provide resources to funds which are not self-supporting.

The City also has an interfund loan between the Wastewater Fund and the Dunes Fund for \$1,500,000, it is a capital loan and is for ten years and bears interest at 2%.

9. COMMITMENTS AND CONTINGENCIES

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closure of government and business activities. These developments are expected to impact City revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the City expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Post-employment Health Insurance Subsidy

Plan Description

The City administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the City's group health insurance plans. The City's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2020 and the measurement date was June 30, 2021.

Funding Policy

The City has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the City on a pay-as-you-go basis. There is no obligation on the part of the City to fund these benefits in advance. The City considered the liability to be solely the responsibility of the City as a whole and it is allocated to the governmental statements.

Actuarial Methods and Assumptions

The City engaged an actuary to perform a valuation as of July 1, 2020 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based Oregon PERS assumptions. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2019. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

ACTUARIAL ASSUMPTIONS

Economic Assumptions

Discount Rate Refer to Exhibit 4. 2.21% for results as of the June 30, 2020 measurement date. 2.16% for results as of the June 30, 2021 measurement date. These rates reflect the Bond Buyer 20-Year General Obligation Bond Index.

Health Care Cost Trend The medical trend assumptions used in this valuation are based on long-term healthcare trend rates generated by the Society of Actuaries' Getzen Trend Model. Inputs to the model are consistent with other assumptions used in the valuation.

The medical trend assumption includes the impact of the Further Consolidated Appropriations Act, 2020, which became law on December 20, 2019. This law repeals the Cadillac Tax completely and removes the Health Insurer Fee permanently beginning in 2021.

Medical and vision:

Year	Pre-65 Trend
2020	3.75%
2021	5.75
2022	5.25
2023 - 2025	5.00
2026 - 2040	4.75
2041 - 2049	5.00
2050 - 2064	4.75
2065 - 2067	4.50
2068 - 2071	4.25
2072+	4.00

Dental: -1.25% for 2020, 4.00% per year thereafter

Health care cost trend affects both the projected health care costs as well as the projected health care premiums.

General Inflation 2.50% per year, used to develop other economic assumptions

Annual Pay Increases 3.50% per year, based on general inflation and the likelihood of raises throughout participants' careers

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the Net OPEB Liability

Total OPEB Liability at June 30, 2020	\$ 43,467
Changes for the year:	
Service cost	2,212
Interest	1,488
Changes in benefit terms	-
Differences between expected and actual experience	(1,011)
Changes of assumptions or other input	2,993
Benefit payments	(6,406)
Balance as of June 30, 2021	<u>\$ 42,743</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 2.21%, as well as what the City's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% <u>Decrease</u>	Current <u>Discount Rate</u>	1% <u>Increase</u>
Total OPEB Liability	\$ 44,241	\$ 42,743	\$ 41,208
	1% <u>Decrease</u>	Current <u>Trend Rate</u>	1% <u>Increase</u>
	<u>Healthcare</u>	<u>Healthcare</u>	<u>Healthcare</u>
Total OPEB Liability	\$ 40,160	\$ 42,743	\$ 45,529

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

The City reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ (745)	\$ 1,174
Changes in assumptions or other input	(2,287)	2,756
Benefit Payments	-	7,094
Deferred outflow (inflow) of resources	<u>\$ (3,032)</u>	<u>\$ 11,024</u>

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 301
2023	301
2024	195
2025	2
2026	99
Total	<u>\$ 898</u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2021

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.01 %	\$ 2,909,793	\$ 1,507,816	193%	75.8 %
2020	0.01	2,196,986	1,630,684	135%	80.2
2019	0.01	1,705,884	1,586,918	107%	82.1
2018	0.01	1,405,088	1,548,055	91%	83.1
2017	0.01	1,580,685	1,380,956	118	80.5
2016	0.01	463,328	1,333,845	34.74	91.9
2015	0.01	(127,797)	1,278,078	(17.0)	103.6
2014	0.01	287,715	1,222,134	39.0	92.0

SCHEDULE OF CONTRIBUTIONS - PERS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 166,870	\$ 166,870	\$ -	\$ 1,607,989	10.4 %
2020	143,219	143,219	-	1,507,816	9.5
2019	75,111	75,111	-	1,630,684	4.6
2018	75,741	75,741	-	1,586,918	4.8
2017	27,685	27,685	-	1,548,055	1.8
2016	34,392	34,392	-	1,380,965	2.5
2015	35,380	35,380	-	1,333,845	2.7
2014	34,096	34,096	-	1,275,078	2.7

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS RHIA

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021					
2020	0.01	(27,971)	1,630,684	-2%	144.4 %
2019	0.01	(16,429)	1,586,918	-1%	124.0 %

SCHEDULE OF CONTRIBUTIONS - PERS RHIA

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 348	\$ 348	\$ -	\$ 1,607,989	0.0 %
2020	563	563	-	1,507,816	0.0
2019	7,174	7,174	-	1,630,684	0.4

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date. These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2021**

Total Other Post Employment Benefits - Beginning of Year	2019	2020	2021
	\$ 46,328	\$ 44,576	\$ 43,467
Changes for the year:			
Service Cost	2,191	1,996	2,212
Interest	1,650	1,695	1,488
Changes in Benefit Terms	-	-	-
Differences between expected and actual experience	2,077	-	(1,011)
Changes in assumptions or other input	(2,743)	777	2,993
Employer Contributions	-	-	-
Benefit Payments	(4,927)	(5,577)	(6,406)
Net changes for the year	-1,752	-1,109	-724
Total Other Post Employment Benefits Liability - End of Year	\$ 44,576	\$ 43,467	\$ 42,743
Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -
Contributions - Employer	4,927	5,577	6,406
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(4,927)	(5,577)	(6,406)
Administrative Expense	-	-	-
Net changes for the year	-	-	-
Fiduciary Net Position - Ending	\$ -	\$ -	\$ -
Net Liability for Other Post Employment Benefits - End of Year	\$ 44,576	\$ 43,467	\$ 42,743
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%	0%
Covered Payroll	\$ 1,646,172	\$ 1,507,816	1,607,989
Net Single Employer Pension Plan as a Percentage of Covered Payroll	3%	3%	3%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ACTUAL AND BUDGET

For the Year Ended June 30, 2021

	<u>GENERAL FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Property taxes	\$ 1,455,500	\$ 1,455,500	\$ 1,537,663	\$ 82,163
Franchise fees	208,500	208,500	217,594	9,094
Alcohol taxes	70,000	70,000	82,412	12,412
Lodging taxes	220,000	220,000	314,513	94,513
Other taxes	35,000	35,000	43,195	8,195
Licenses, permits and fees	71,590	71,590	90,948	19,358
Intergovernmental	50,000	50,000	56,160	6,160
Charges for services	88,645	121,395	133,627	12,232
Fines and penalties	155,000	155,000	117,282	(37,718)
Investment earnings	19,000	19,000	15,003	(3,997)
Miscellaneous	30,100	30,100	59,054	28,954
Grants and contracts	77,600	200,600	207,525	6,925
Total Revenues	<u>2,480,935</u>	<u>2,636,685</u>	<u>2,874,976</u>	<u>238,291</u>
EXPENDITURES				
General Government:				
City Council	8,120	8,120 (1)	2,098	6,022
City Manager	180,555	180,555 (1)	124,772	55,783
Finance	136,345	136,345 (1)	115,940	20,405
Non-Departmental	458,100	581,100 (1)	466,501	114,599
City Recorder	50,940	50,940 (1)	48,889	2,051
Community Development	58,665	58,665 (1)	50,853	7,812
Building Inspection	69,855	69,855 (1)	51,064	18,791
Public Services	182,715	182,715 (1)	166,973	15,742
Community Building	26,780	26,780 (1)	19,747	7,033
School Resource Operations	78,530	78,530 (1)	69,506	9,024
Public Safety:		-		
Legal Services	32,000	32,000 (1)	19,717	12,283
Municipal Court	126,230	126,230 (1)	81,937	44,293
Police Department	1,487,875	1,520,625 (1)	1,363,948	156,677
Fire	145,500	145,500 (1)	118,508	26,992
Culture and Recreation:		-		
Senior Center	20,675	20,675 (1)	14,900	5,775
Contingency	100,000	100,000 (1)		100,000
Total Expenditures	<u>3,162,885</u>	<u>3,318,635</u>	<u>2,715,353</u>	<u>603,282</u>
Excess of Revenues Over, (Under) Expenditures	(681,950)	(681,950)	159,623	841,573
OTHER FINANCING SOURCES, (USES)				
Transfers In	149,450	149,450	146,917	(2,533)
Transfers Out	(67,500)	(67,500) (1)	(67,500)	-
Total Other Financing Sources, (Uses)	<u>81,950</u>	<u>81,950</u>	<u>79,417</u>	<u>(2,533)</u>
Net Change in Fund Balance	(600,000)	(600,000)	239,040	839,040
Beginning Fund Balance	1,100,000	1,100,000	1,595,827	495,827
Ending Fund Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 1,834,867</u>	<u>\$ 1,334,867</u>

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

	<u>STREET FUND</u>			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Franchise fees	\$ 53,600	\$ 53,600	\$ 57,249	\$ 3,649
Fuel taxes	340,000	340,000	362,210	22,210
Investment earnings	7,500	7,500	4,104	(3,396)
Other revenue	550	550	5,371	4,821
Grants and contracts	100,000	100,000	94,868	(5,131)
Total Revenues	501,650	501,650	523,803	22,153
EXPENDITURES				
Personal Services	64,175	64,175 (1)	60,459	3,716
Materials & services	163,630	163,630 (1)	105,538	58,092
Capital outlay	426,345	426,345 (1)	45,309	381,036
Contingency	15,000	15,000 (1)	-	15,000
Total Expenditures	669,150	669,150	211,306	457,844
Excess of Revenues Over, (Under) Expenditures	(167,500)	(167,500)	312,497	479,997
OTHER FINANCING SOURCES, (USES)				
Transfers out	(112,500)	(112,500) (1)	(112,500)	-
Total Other Financing Sources, (Uses)	(112,500)	(112,500)	(112,500)	-
Net Change in Fund Balance	(280,000)	(280,000)	199,997	479,997
Beginning Fund Balance	295,000	295,000	441,408	146,408
Ending Fund Balance	\$ 15,000	\$ 15,000	\$ 641,405	\$ 626,405

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

REEDSPORT URBAN RENEWAL AGENCY - SPECIAL REVENUE

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Property taxes	\$ 89,500	\$ 89,500	\$ 129,865	\$ 40,365
Interest	1,450	1,450	851	(599)
Miscellaneous	5,050	5,050	61,601	56,551
Total Revenues	96,000	96,000	192,317	96,317
EXPENDITURES				
Materials & Services	32,500	32,500 (1)	17,392	15,108
Debt Service	7,500	7,500 (1)	7,410	90
Capital Outlay	151,000	151,000 (1)	126,148	24,852
Total Expenditures	191,000	191,000	150,950	40,050
Excess of Revenues Over, (Under) Expenditures	(95,000)	(95,000)	41,367	136,367
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(5,000)	(5,000) (1)	(5,000)	-
Total Other Financing Sources, (Uses)	(5,000)	(5,000)	(5,000)	-
Net Change in Fund Balance	(100,000)	(100,000)	36,367	136,367
Beginning Fund Balance	100,000	100,000	101,378	1,378
Ending Fund Balance	\$ -	\$ -	\$ 137,745	\$ 137,745

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

SUPPLEMENTARY INFORMATION

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

REEDSPORT URBAN RENEWAL AGENCY - MAIN STREET

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 750	\$ 750	\$ 476	\$ (274)
Grants and Contributions	95,100	95,100	46,796	(48,304)
Miscellaneous		-	14,687	14,687
Total Revenues	95,850	95,850	61,959	(33,891)
EXPENDITURES				
Materials & Services	23,500	23,500 (1)	1,654	21,846
Capital Outlay	129,500	129,500 (1)	71,448	58,052
Total Expenditures	153,000	153,000	73,102	79,898
Excess of Revenues Over, (Under) Expenditures	(57,150)	(57,150)	(11,143)	46,007
OTHER FINANCING SOURCES, (USES)				
Transfers In	5,000	5,000	5,000	-
Total Other Financing Sources, (Uses)	5,000	5,000	5,000	-
Net Change in Fund Balance	(52,150)	(52,150)	(6,143)	46,007
Beginning Fund Balance	52,150	52,150	70,632	18,482
Ending Fund Balance	\$ -	\$ -	\$ 64,489	\$ 64,489

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021**

	<u>BICYCLE AND FOOTPATH FUND</u>	<u>FIRE EQUIPMENT FUND</u>	<u>DIAL A RIDE FUND</u>	<u>RIVERFRONT FUND</u>	<u>LIBRARY</u>
ASSETS					
Cash and Equivalents	\$ 56,415	\$ 26,674	\$ (157)	\$ 82,048	\$ 14
Receivables	-				
Accounts	-	-	4,719	18,582	-
Inventories	-	-	-	23,679	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,679</u>	<u>-</u>
Total Assets	<u>\$ 56,415</u>	<u>\$ 26,674</u>	<u>\$ 4,562</u>	<u>\$ 124,309</u>	<u>\$ 14</u>
LIABILITIES					
Accounts Payable	\$ 4,565	\$ -	\$ -	\$ 378	\$ (34)
	<u>4,565</u>	<u>-</u>	<u>-</u>	<u>378</u>	<u>(34)</u>
Total Liabilities	<u>4,565</u>	<u>-</u>	<u>-</u>	<u>378</u>	<u>(34)</u>
FUND BALANCES					
Nonspendable	-	-	-	23,679	-
Committed	51,850	26,674	4,562	100,252	48
	<u>51,850</u>	<u>26,674</u>	<u>4,562</u>	<u>123,931</u>	<u>48</u>
Total Fund Balances	<u>51,850</u>	<u>26,674</u>	<u>4,562</u>	<u>123,931</u>	<u>48</u>
Total Liabilities and Fund Balances	<u>\$ 56,415</u>	<u>\$ 26,674</u>	<u>\$ 4,562</u>	<u>\$ 124,309</u>	<u>\$ 14</u>

<u>ANIMAL CONTROL</u>	<u>GENERAL CAPITAL IMPROVEMENT</u>	<u>POLICE CAPITAL</u>	<u>CERT FUND</u>	<u>TOTAL</u>
\$ 22,145	\$ 333,545	\$ 72,044	\$ 781	\$ 593,509
-	20,862	15,280	-	59,443
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,679</u>
<u>\$ 22,145</u>	<u>\$ 354,407</u>	<u>\$ 87,324</u>	<u>\$ 781</u>	<u>\$ 676,631</u>
\$	\$	\$ -	\$ -	\$ 4,909
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,909</u>
-	-	-	-	23,679
<u>22,145</u>	<u>354,407</u>	<u>87,324</u>	<u>781</u>	<u>648,043</u>
<u>22,145</u>	<u>354,407</u>	<u>87,324</u>	<u>781</u>	<u>671,722</u>
<u>\$ 22,145</u>	<u>\$ 354,407</u>	<u>\$ 87,324</u>	<u>\$ 781</u>	<u>\$ 676,631</u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021**

	BICYCLE AND FOOTPATH FUND	FIRE EQUIPMENT FUND	DIAL A RIDE FUND	RIVERFRONT FUND	LIBRARY
REVENUES					
Taxes	\$ 3,038	\$ -	\$ -	\$ 59,155	\$ -
Charges for services	-	17,188	18,800	33,616	-
Grants and Contributions	-	-	-	-	4,320
Interest	459	592	5	584	4
Miscellaneous	-	-	-	49,925	-
Total Revenues	<u>\$ 3,497</u>	<u>\$ 17,780</u>	<u>\$ 18,805</u>	<u>\$ 143,280</u>	<u>\$ 4,324</u>
EXPENDITURES					
Current					
Culture and Recreation	-	-	-	-	4,335
Public Safety	-	-	19,460	125,058	-
Capital Outlay	<u>4,564</u>	<u>74,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,564</u>	<u>74,800</u>	<u>19,460</u>	<u>125,058</u>	<u>4,335</u>
Excess of Revenues Over, (Under) Expenditures	(1,067)	(57,020)	(655)	18,222	(11)
OTHER FINANCING SOURCES, (USES)					
Transfers In	-	15,000	-	12,500	-
Transfers Out	<u>-</u>	<u>(2,467)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>-</u>	<u>12,533</u>	<u>-</u>	<u>12,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCES					
	(1,067)	(44,487)	(655)	30,722	(11)
Beginning Fund Balance	<u>52,917</u>	<u>71,161</u>	<u>5,217</u>	<u>93,209</u>	<u>59</u>
Ending Fund Balance	<u><u>\$ 51,850</u></u>	<u><u>\$ 26,674</u></u>	<u><u>\$ 4,562</u></u>	<u><u>\$ 123,931</u></u>	<u><u>\$ 48</u></u>

<u>ANIMAL CONTROL</u>	<u>GENERAL CAPITAL IMPROVEMENT</u>	<u>POLICE CAPITAL</u>	<u>CERT</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 62,193
-	-	43,680	-	113,284
12,668	-	-	-	16,988
182	2,986	861	6	5,679
<u>285</u>	<u>-</u>	<u>36,335</u>	<u>-</u>	<u>86,545</u>
 \$ 13,135	 \$ 2,986	 \$ 80,876	 \$ 6	 \$ 284,689
-	-	-	-	4,335
9,347	-	24,262	-	178,127
<u>2,159</u>	<u>130,466</u>	<u>75,528</u>	<u>-</u>	<u>287,517</u>
 11,506	 130,466	 99,790	 -	 469,979
1,629	(127,480)	(18,914)	6	(185,290)
-	100,000	30,000	-	157,500
<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>	<u>(17,467)</u>
<u>-</u>	<u>85,000</u>	<u>30,000</u>	<u>-</u>	<u>140,033</u>
1,629	(42,480)	11,086	6	(45,257)
<u>20,516</u>	<u>396,887</u>	<u>76,238</u>	<u>775</u>	<u>716,979</u>
 \$ 22,145	 \$ 354,407	 \$ 87,324	 \$ 781	 \$ 671,722

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

BICYCLE AND FOOT PATH FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Fuel taxes	\$ 3,200	\$ 3,200	\$ 3,038	\$
Interest	900	900	459	(441)
Total Revenues	4,100	4,100	3,497	(603)
EXPENDITURES				
Capital Outlay	55,600	55,600 (1)	4,564	51,036
Total Expenditures	55,600	55,600	4,564	51,036
Excess of Revenues Over, (Under) Expenditures	(51,500)	(51,500)	(1,067)	50,433
Net Change in Fund Balance	(51,500)	(51,500)	(1,067)	50,433
Beginning Fund Balance	51,500	51,500	52,917	1,417
Ending Fund Balance	\$ -	\$ -	\$ 51,850	\$ 51,850

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

<u>FIRE EQUIPMENT FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services	\$ 12,500	\$ 12,500	\$ 17,188	\$ 4,688
Interest	500	500	592	92
Intergovernmental	-	-		-
Miscellaneous	100	100		(100)
Total Revenues	13,100	13,100	17,780	4,680
EXPENDITURES				
Materials and Services	5,000	5,000 (1)	-	5,000
Capital Outlay	92,000	92,000 (1)	74,800	17,200
Total Expenditures	97,000	97,000	74,800	22,200
Excess of Revenues Over, (Under) Expenditures	(83,900)	(83,900)	(57,020)	26,880
OTHER FINANCING SOURCES, (USES)				
Transfers In	15,000	15,000	15,000	-
Transfers Out	(5,000)	(5,000) (1)	(2,467)	2,533
Net Change in Fund Balance	(73,900)	(73,900)	(44,487)	29,413
Beginning Fund Balance	73,900	73,900	71,161	(2,739)
Ending Fund Balance	\$ -	\$ -	\$ 26,674	\$ 26,674

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

DIAL-A-RIDE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Dial-A-Ride fees/donations	\$ 39,395	\$ 39,395	\$ 18,800	\$ (20,595)
Interest	100	100	5	(95)
Miscellaneous	-	-		-
Total Revenues	39,495	39,495	18,805	(20,690)
EXPENDITURES				
Personal Services	9,880	9,880 (1)	9,263	617
Materials and Services	28,120	28,120 (1)	10,197	17,923
Capital Outlay	2,000	2,000 (1)	-	2,000
Total Expenditures	40,000	40,000	19,460	20,540
Excess of Revenues Over, (Under) Expenditures	(505)	(505)	(655)	(150)
Beginning Fund Balance	505	505	5,217	4,712
Ending Fund Balance	\$ -	\$ -	\$ 4,562	\$ 4,562

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

RIVERFRONT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Lodging taxes	\$ 49,500	\$ 49,500	\$ 59,155	\$ 9,655
Charges for services	29,800	29,800	33,616	3,816
Interest	1,500	1,500	584	(916)
Miscellaneous	43,400	43,400	49,925	6,525
Total Revenues	124,200	124,200	143,280	19,080
EXPENDITURES				
Personal Services	90,910	90,910 (1)	87,891	3,019
Materials and Services	88,390	88,390 (1)	37,167	51,223
Capital Outlay	5,900	5,900 (1)	-	5,900
Contingency		- (1)	-	-
Total Expenditures	185,200	185,200	125,058	60,142
Excess of Revenues Over, (Under) Expenditures	(61,000)	(61,000)	18,222	79,222
OTHER FINANCING SOURCES, (USES)				
Transfers In	12,500	12,500	12,500	-
Net Change in Fund Balance	(48,500)	(48,500)	30,722	79,222
Beginning Fund Balance	60,000	60,000	93,209	33,209
Ending Fund Balance	<u>\$ 11,500</u>	<u>\$ 11,500</u>	<u>\$ 123,931</u>	<u>\$ 112,431</u>

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

LIBRARY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Grants and contributions	\$ 4,855	\$ 4,855	\$ 4,320	\$ (535)
Interest	-	-	4	4
Miscellaneous	-	-	-	-
Total Revenues	4,855	4,855	4,324	(531)
EXPENDITURES				
Personal Services	3,915	3,915 (1)	3,757	158
Materials and Services	1,000	1,000 (1)	578	422
Capital Outlay	-	- (1)	-	-
Total Expenditures	4,915	4,915	4,335	580
Excess of Revenues Over, (Under) Expenditures	(60)	(60)	(11)	49
OTHER FINANCING SOURCES, (USES)				
Transfers In	-	-	-	-
Transfers Out	-	- (1)	-	-
Net Change in Fund Balance	(60)	(60)	(11)	49
Beginning Fund Balance	60	60	59	(1)
Ending Fund Balance	\$ -	\$ -	\$ 48	\$ 48

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

<u>ANIMAL SHELTER FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Animal control/impound	\$ -	\$ -	\$ 285	\$ 285
Animal shelter donations	10,000	10,000	12,668	2,668
Interest	550	550	182	(368)
Total Revenues	<u>10,550</u>	<u>10,550</u>	<u>13,135</u>	<u>2,585</u>
EXPENDITURES				
Materials and Services	15,140	15,140 (1)	9,347	5,793
Capital Outlay	<u>19,410</u>	<u>19,410 (1)</u>	<u>2,159</u>	<u>17,251</u>
Total Expenditures	<u>34,550</u>	<u>34,550</u>	<u>11,506</u>	<u>23,044</u>
Excess of Revenues Over, (Under) Expenditures	(24,000)	(24,000)	1,629	25,629
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(24,000)	(24,000)	1,629	25,629
Beginning Fund Balance	<u>24,000</u>	<u>24,000</u>	<u>20,516</u>	<u>(3,484)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,145</u>	<u>\$ 22,145</u>

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

GENERAL CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Grants	\$ -	\$	\$	\$ -
Interest	5,000	5,000	2,986	(2,014)
Miscellaneous	100	100		(100)
Total Revenues	5,100	5,100	2,986	(2,114)
EXPENDITURES				
Capital outlay	347,900	347,900 (1)	130,466	217,434
Total Expenditures	347,900	347,900	130,466	217,434
Excess of Revenues Over, (Under) Expenditures	(342,800)	(342,800)	(127,480)	215,320
OTHER FINANCING SOURCES, (USES)				
Transfers in	100,000	100,000	100,000	-
Transfers Out	(15,000)	(15,000) (1)	(15,000)	-
Net Change in Fund Balance	(257,800)	(257,800)	(42,480)	215,320
Beginning Fund Balance	392,800	392,800	396,887	4,087
Ending Fund Balance	\$ 135,000	\$ 135,000	\$ 354,407	\$ 219,407

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

<u>POLICE CAPITAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Jail bed rents	\$ -	\$ 32,750	\$ 43,680	\$ 10,930
Interest	-	-	861	861
Miscellaneous	38,000	38,000	36,335	(1,665)
Total Revenues	38,000	70,750	80,876	10,126
EXPENDITURES				
Materials and Services	27,000	27,000 (1)	24,262	2,738
Capital Outlay	130,000	172,750 (1)	75,528	97,222
Total Expenditures	157,000	199,750	99,790	99,960
Excess of Revenues Over, (Under) Expenditures	(119,000)	(129,000)	(18,914)	110,086
OTHER FINANCING SOURCES, (USES)				
Transfers In	30,000	30,000	30,000	-
Transfers Out	-	- (1)	-	-
Net Change in Fund Balance	(89,000)	(99,000)	11,086	110,086
Beginning Fund Balance	100,000	110,000	76,238	(33,762)
Ending Fund Balance	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ 87,324</u>	<u>\$ 76,324</u>

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

CERT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Grants and Donations	\$ 500	\$ 500	\$	\$ (500)
Interest	10	10	6	(4)
Total Revenues	510	510	6	(504)
EXPENDITURES				
Materials and Services	610	610 (1)		610
Total Expenditures	610	610	-	610
Excess of Revenues Over, (Under) Expenditures	(100)	(100)	6	106
OTHER FINANCING SOURCES, (USES)				
Transfers In		-		-
Net Change in Fund Balance	(100)	(100)	6	106
Beginning Fund Balance	100	100	775	675
Ending Fund Balance	\$ -	\$ -	\$ 781	\$ 781

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**COMBINING SCHEDULE OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

For the Year Ended June 30, 2021

WATER UTILITY FUND

	<u>WATER UTILITY</u>	<u>WATER SDC</u>	<u>TOTAL</u>
REVENUES			
Charges for service	\$ 795,783	\$ -	\$ 795,783
Interest	8,177	1,013	9,190
Miscellaneous	<u>14,358</u>	<u>-</u>	<u>14,358</u>
Total Revenues	<u>818,318</u>	<u>1,013</u>	<u>819,331</u>
EXPENDITURES			
Personnel	337,346	-	337,346
Materials and services	249,553	-	249,553
Capital outlay	<u>50,768</u>	<u>-</u>	<u>50,768</u>
Total Expenditures	<u>637,667</u>	<u>-</u>	<u>637,667</u>
Excess of Revenues Over, (Under) Expenditures	180,651	1,013	181,664
OTHER FINANCING SOURCES, (USES)			
Transfers out	<u>(46,150)</u>	<u>-</u>	<u>(46,150)</u>
Total Other Financing Sources	<u>21,250</u>	<u>-</u>	<u>21,250</u>
Net Change in Fund Balance	201,901	1,013	202,914
Beginning Fund Balance	<u>757,698</u>	<u>120,016</u>	<u>877,714</u>
Ending Fund Balance	<u><u>\$ 959,599</u></u>	<u><u>\$ 121,029</u></u>	<u><u>\$ 1,080,628</u></u>
GAAP Adjustments			
Interfund Loan			432,600
Net Pension Liability			(416,108)
Deferred Outflows			145,504
Deferred Inflows			(41,435)
Compensated Absences			(23,325)
Capital Assets, Net			<u>4,870,051</u>
Net Position			<u><u>\$ 6,047,915</u></u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

<u>WATER UTILITY FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for services	\$ 767,500	\$ 767,500	\$ 795,783	\$ 28,283
Interest	19,000	19,000	8,177	(10,823)
Other revenue	<u>76,400</u>	<u>76,400</u>	<u>14,358</u>	<u>(62,042)</u>
Total Revenues	<u>862,900</u>	<u>862,900</u>	<u>818,318</u>	<u>(44,582)</u>
EXPENDITURES				
Personal Services	388,010	388,010 (1)	337,346	50,664
Materials and services	288,000	288,000 (1)	249,553	38,447
Capital outlay	910,090	910,090 (1)	50,768	859,322
Contingency	<u>15,000</u>	<u>15,000 (1)</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>1,601,100</u>	<u>1,601,100</u>	<u>637,667</u>	<u>963,433</u>
Excess of Revenues Over, (Under) Expenditures	<u>(738,200)</u>	<u>(738,200)</u>	<u>180,651</u>	<u>918,851</u>
OTHER FINANCING SOURCES, (USES)				
Transfers in		-	67,400	-
Transfers out	<u>(46,150)</u>	<u>(46,150) (1)</u>	<u>(46,150)</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>(46,150)</u>	<u>(46,150)</u>	<u>21,250</u>	<u>67,400</u>
Net Change in Fund Balance	(784,350)	(784,350)	201,901	986,251
Beginning Fund Balance	<u>818,000</u>	<u>818,000</u>	<u>757,698</u>	<u>(60,302)</u>
Ending Fund Balance	<u>\$ 33,650</u>	<u>\$ 33,650</u>	<u>\$ 959,599</u>	<u>\$ 925,949</u>

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

WATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 1,600	\$ 1,600	\$	\$ (1,600)
Interest		-	1,013	1,013
Total Revenues	1,600	1,600	1,013	(587)
EXPENDITURES				
Capital outlay	121,380	121,380 (1)	-	121,380
Total Expenditures	121,380	121,380	-	121,380
Net Change in Fund Balance	(119,780)	(119,780)	1,013	120,793
Beginning Fund Balance	119,780	119,780	120,016	236
Ending Fund Balance	\$ -	\$ -	\$ 121,029	\$ 121,029

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**COMBINING SCHEDULE OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2021**

WASTEWATER UTILITY FUND

	WASTEWATER UTILITY	WASTEWATER SDC	TOTAL
REVENUES			
Charges for service	\$ 1,976,239	\$ -	\$ 1,976,239
Interest	26,567	2,540	29,107
Miscellaneous	6,145	-	6,145
	<u>2,008,951</u>	<u>2,540</u>	<u>2,011,491</u>
Total Revenues	<u>2,008,951</u>	<u>2,540</u>	<u>2,011,491</u>
EXPENDITURES			
Personal Services	352,423	-	352,423
Materials and services	414,892		414,892
Debt Service	2,381,144		2,381,144
Capital outlay	185,098	-	185,098
	<u>3,333,557</u>	<u>-</u>	<u>3,333,557</u>
Total Expenditures	<u>3,333,557</u>	<u>-</u>	<u>3,333,557</u>
Excess of Revenues Over, (Under) Expenditures	(1,324,606)	2,540	(1,322,066)
OTHER FINANCING SOURCES, (USES)			
Transfers out	(89,250)	-	(89,250)
	<u>60,750</u>	<u>-</u>	<u>60,750</u>
Total Other Financing Sources, (Uses)	<u>60,750</u>	<u>-</u>	<u>60,750</u>
Net Change in Fund Balance	(1,263,856)	2,540	(1,261,316)
Beginning Fund Balance	3,183,183	300,881	3,484,064
Ending Fund Balance	<u>\$ 1,919,327</u>	<u>\$ 303,421</u>	<u>\$ 2,222,748</u>
GAAP Adjustments			
Interfund Loan			850,000
Net Pension Liability			(433,015)
Deferred Outflows			151,415
Deferred Inflows			(43,118)
Compensated Absences			(26,419)
Capital Assets, Net			12,805,063
Accrued Interest			(18,363)
Bonds and Notes Payable			<u>(7,608,703)</u>
Net Position			<u>\$ 7,899,608</u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

WASTEWATER UTILITY DIVISION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services	\$ 1,869,500	\$ 1,869,500	\$ 1,976,239	\$ 106,739
Interest	34,500	34,500	26,567	(7,933)
Miscellaneous	128,000	128,000	6,145	(121,855)
Total Revenues	2,032,000	2,032,000	2,008,951	(23,049)
EXPENDITURES				
Personal Services	392,380	392,380 (1)	352,423	39,957
Materials and services	466,800	466,800 (1)	414,892	51,908
Debt Service	2,367,152	2,382,210 (1)	2,381,144	1,066
Capital outlay	924,123	924,123 (1)	185,098	739,025
Contingency	15,000	15,000 (1)	-	15,000
Total Expenditures	4,165,455	4,180,513	3,333,557	846,956
Excess of Revenues over Expenditures	(2,133,455)	(2,148,513)	(1,324,606)	(870,005)
OTHER FINANCING SOURCES, (USES)				
Transfers in	150,000	150,000	150,000	-
Transfers out	(89,250)	(89,250) (1)	(89,250)	-
Total Other Financing Sources	60,750	60,750	60,750	-
Net Change in Fund Balance	(2,072,705)	(2,087,763)	(1,263,856)	(23,049)
Beginning Fund Balance	2,842,405	2,857,463	3,183,183	325,720
Ending Fund Balance	\$ 769,700	\$ 769,700	\$ 1,919,327	\$ 1,149,627

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

WASTEWATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 6,000	\$ 6,000	\$ 2,540	\$ (3,460)
Miscellaneous	-	-	-	-
Total Revenues	6,000	6,000	2,540	(3,460)
EXPENDITURES				
Capital outlay	307,460	307,460 (1)	-	307,460
Total Expenditures	307,460	307,460	-	307,460
Net Change in Fund Balance	(301,460)	(301,460)	2,540	304,000
Beginning Fund Balance	301,460	301,460	300,881	(579)
Ending Fund Balance	\$ -	\$ -	\$ 303,421	\$ 303,421

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**COMBINING SCHEDULE OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2021**

STORMWATER UTILITY FUNDS

	<u>STORM DRAIN</u>	<u>STORM SDC</u>	<u>TOTAL</u>
REVENUES			
Charges for service	\$ 71,181	\$ -	\$ 71,181
Grants and Contributions	357,470	-	357,470
Interest	3,586	55	3,641
Miscellaneous	21	-	21
	<u>432,258</u>	<u>55</u>	<u>432,313</u>
Total Revenues			
	432,258	55	432,313
EXPENDITURES			
Personal Services	25,208	-	25,208
Materials and services	21,617	-	21,617
Capital outlay	486,476	-	486,476
	<u>533,301</u>	<u>-</u>	<u>533,301</u>
Total Expenditures			
	533,301	-	533,301
Excess of Revenues Over, (Under) Expenditures	(101,043)	55	(100,988)
OTHER FINANCING SOURCES, (USES)			
Transfers in	110,000	-	110,000
Transfers out	(1,850)	-	(1,850)
	<u>108,150</u>	<u>-</u>	<u>108,150</u>
Total Other Financing Sources, (Uses)			
	108,150	-	108,150
Net Change in Fund Balance	7,107	55	7,162
Beginning Fund Balance	365,442	6,478	371,920
	<u>365,442</u>	<u>6,478</u>	<u>371,920</u>
Ending Fund Balance	\$ 372,549	\$ 6,533	\$ 379,082
	<u>\$ 372,549</u>	<u>\$ 6,533</u>	<u>\$ 379,082</u>
GAAP Adjustments			
Capital Assets, Net			1,986,259
Notes Payable			(5,360)
			<u>1,980,899</u>
Net Position			\$ 2,359,981
			<u>\$ 2,359,981</u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

STORM WATER UTILITY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for service	\$ 72,000	\$ 72,000	\$ 71,181	\$ (819)
Grants and Contributions	307,000	307,000	357,470	50,470
Intergovernmental	-	-		-
Interest	4,700	4,700	3,586	(1,114)
Miscellaneous	150	150	21	(129)
Total Revenues	383,850	383,850	432,258	48,408
EXPENDITURES				
Personal Services	27,500	27,500 (1)	25,208	2,292
Materials and services	45,000	45,000 (1)	21,617	23,383
Capital outlay	680,000	680,000 (1)	486,476	193,524
Contingency	6,800	6,800 (1)	-	6,800
Total Expenditures	759,300	759,300	533,301	225,999
Excess of Revenues Over, (Under) Expenditures	(375,450)	(375,450)	(101,043)	274,407
OTHER FINANCING SOURCES, (USES)				
Transfers in	110,000	110,000	110,000	-
Transfers out	(1,850)	(1,850) (1)	(1,850)	-
Total Other Financing Sources, (Uses)	108,150	108,150	108,150	-
Net Change in Fund Balance	(267,300)	(267,300)	7,107	274,407
Beginning Fund Balance	275,300	275,300	365,442	90,142
Ending Fund Balance	\$ 8,000	\$ 8,000	\$ 372,549	\$ 364,549

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

STORMWATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 120	\$ 120	\$ 55	\$ (65)
Total Revenues	120	120	55	(65)
EXPENDITURES				
Capital outlay	6,605	6,605 (1)	-	6,605
Total Expenditures	6,605	6,605	-	6,605
Excess of Revenues Over, (Under) Expenditures	(6,485)	(6,485)	55	6,540
Beginning Fund Balance	6,485	6,485	6,478	(7)
Ending Fund Balance	\$ -	\$ -	\$ 6,533	\$ 6,533

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

DUNES NRA LEASE FUND
A MAJOR PROPRIETARY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Lease/Investment Income	\$ 250,000	\$ 250,000	\$ 233,221	\$ (16,779)
Interest	2,000	2,000	1,870	(130)
Other revenue	-	187,048	179,579	(7,469)
Total Revenues	252,000	439,048	414,670	(24,378)
EXPENDITURES				
Personal Services	37,000	37,000 (1)	33,100	3,900
Materials and Services	27,900	27,900 (1)	13,923	13,977
Capital Outlay	35,000	213,048 (1)	106,587	106,461
Total Expenditures	99,900	277,948	153,610	124,338
Excess of Revenues Over, (Under) Expenditures	152,100	161,100	261,060	99,960
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(297,100)	(297,100) (1)	(297,100)	-
Total Other Financing Sources	(297,100)	(297,100)	(297,100)	-
Net Change in Fund Balance	(145,000)	(136,000)	(36,040)	99,960
Beginning Fund Balance	145,000	145,000	2,504,530	2,359,530
Ending Fund Balance	\$ -	\$ 9,000	\$ 2,468,490	\$ 2,459,490
GAAP Adjustments				
Capital assets			1,744,725	
Interfund Loan			(1,282,600)	
Net Position			\$ 2,930,615	

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS**



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December 13, 2021

We have audited the basic financial statements of the City of Reedsport as of and for the year ended June 30, 2021, and have issued our report thereon dated December 13, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

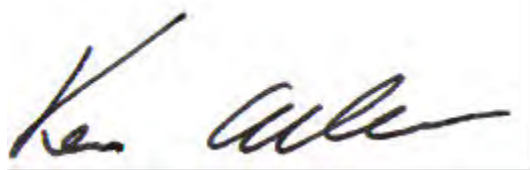
In connection with our testing nothing came to our attention that caused us to believe the City of Reedsport was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated December 13, 2021.

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

A handwritten signature in dark ink, appearing to read "Ken Allen", is written over a light gray rectangular background.

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.