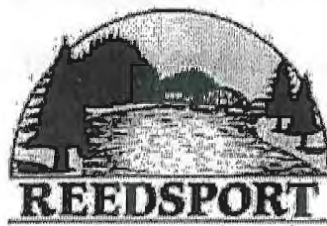


**CITY OF REEDSPORT**  
**DOUGLAS COUNTY, OREGON**



**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**

**CITY OF REEDSPORT  
DOUGLAS COUNTY, OREGON**

**FINANCIAL REPORT**

**WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**

**\*\*\*\*\***

**CITY OF REEDSPORT  
DOUGLAS COUNTY, OREGON**

**Mayor & City Council**



June 30, 2020

<u>Mayor and Councilors</u>	<u>Term Expiration</u>
Linda McCollum, Mayor	2020
Ellen Anderson	2020
DeeDee Murphy	2020
Leslee Collier	2020
Mark Bedard	2022
Rich Patten	2022
Debby Turner	2022

All council members will receive mail at the following address:

City of REEDSPORT  
451 Winchester Ave.  
Reedsport, OR 97567

**ADMINISTRATION**

Deanna Schafer, Interim City Manager

**CITY OF REEDSPORT  
DOUGLAS COUNTY, OREGON**

**TABLE OF CONTENTS**

	<u>PAGE NUMBER</u>
INDEPENDENT AUDITORS' REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis	I-VI
FINANCIAL STATEMENTS AND SCHEDULES:	
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet - Governmental Funds	6
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	8
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds - To Statement of Activities	9
Statement of Proprietary Net Position	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	11
Statement of Cash Flows - All Proprietary Funds	12
Notes to Basic Financial Statements	13
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Proportionate Share of the Net Pension Liability and Contributions	41
Schedule of Changes in Other Post-Employment Benefits Liability and Related Ratios	42
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget:	
Governmental Funds:	
General Fund	43
Street Construction Fund	44
Reedsport Urban Renewal	45
SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget:	
Reedsport Urban Renewal - Special Revenue Main Street	46
Combining Balance Sheet - Nonmajor Governmental Funds	47
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	48



**CITY OF REEDSPORT**  
**DOUGLAS COUNTY, OREGON**

**TABLE OF CONTENTS (CONTINUED)**

	<b><u>PAGE</u></b> <b><u>NUMBER</u></b>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget:	
Bicycle and Foot Path Fund	49
Fire Equipment Fund	50
Dial a Ride Fund	51
Riverfront Fund	52
Library Fund	53
Animal Shelter Fund	54
General Capital Improvement Fund	55
Police Capital Fund	56
Community Emergency Response Training Fund	57
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Water Funds	58
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Enterprise Funds	
Water Utility Fund	59
Water SDC Fund	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Wastewater Funds	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Enterprise Funds	
Wastewater Utility Fund	62
Wastewater SDC Fund	63
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Storm Water Funds	64
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Enterprise Funds	
Stormwater Utility Fund	65
Stormwater SDC Fund	66
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget – Dunes NRA Fund	67
INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS	68



**PAULY, ROGERS AND CO., P.C.**  
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(503) 620-2632 ♦ (503) 684-7523 FAX  
[www.paulyrogersandcpcpas.com](http://www.paulyrogersandcpcpas.com)

December 18, 2020

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, 2020, 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, 2020 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 18, 2020 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 black ink, appearing to read 'K. 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, 2020 (FY20).

## Financial Highlights

- At the close of FY20, the assets of the City exceeded its liabilities by \$24.1 million (*net position*); of this amount, \$7.02 million (*unrestricted net position*) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net position decreased by \$1,338 thousand. The net position decrease is mostly attributable to a decrease 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 \$1.5 million, or 62 percent of total general fund expenditures.
- The City's total debt decreased by \$530 thousand during the current fiscal year. The major portion of the decrease is due to 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 \$24.1 million as of June 30, 2020.

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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current and other assets	3,265	3,335	7,429	8,580	10,694	11,915
Capital assets	5,514	5,775	20,081	20,386	25,595	26,461
Total assets	8,779	9,110	27,510	28,966	36,289	38,076
Deferred outflows	567	498	232	199	799	697
<b>Total assets and deferred outflows</b>	<b>9,346</b>	<b>9,608</b>	<b>27,742</b>	<b>29,165</b>	<b>37,088</b>	<b>38,773</b>
<hr/>						
Long-term liabilities outstanding	0	0	9,352	9,894	9,352	9,894
Other liabilities	352	491	720	926	1,072	1,417
Pension liability	1,599	1,252	641	498	2,240	1,750
<b>Total liabilities</b>	<b>1,951</b>	<b>1,743</b>	<b>10,713</b>	<b>11,319</b>	<b>12,664</b>	<b>13,062</b>
Deferred inflows	217	179	84	70	301	249
<b>Total liabilities and deferred inflows</b>	<b>2,168</b>	<b>1,922</b>	<b>10,797</b>	<b>11,389</b>	<b>12,965</b>	<b>13,311</b>
<hr/>						
<b>Net position:</b>						
Net invested in capital assets	5,486	5,759	10,298	10,077	15,784	15,836
Restricted	613	712	706	656	1,319	1,368
Unrestricted	1,079	1,215	5,941	7,042	7,020	8,257
<b>Total net position</b>	<b>7,178</b>	<b>7,686</b>	<b>16,945</b>	<b>17,775</b>	<b>24,123</b>	<b>25,461</b>

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 decreased by \$1.338 million during the fiscal year. This decrease 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 decrease also represents the decrease 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		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues:						
Charges for services	488	530	3,039	2,848	3,527	3,379
Operating grants/contributions	91	91	0	0	91	91
Capital grants/contributions	98	548	0	100	98	648
General revenues:						
Property taxes	1,582	1,502	0	0	1,582	1,502
Other taxes	955	964	0	0	955	964
Other Revenue	290	1,019	0	0	290	1,019
Investment income	20	57	245	26	265	83
<b>Total Revenues</b>	<b>3,524</b>	<b>4,711</b>	<b>3,284</b>	<b>2,974</b>	<b>6,808</b>	<b>7,685</b>
<b>Expenses:</b>						
General government	1,294	1,575	0	0	1,294	1,575
Public safety	2,157	1,918	0	0	2,157	1,918
Highways and streets	503	336	0	0	503	300
Culture and recreation	81	216	0	0	81	216
Water	0	0	982	875	981	875
Wastewater	0	0	1,812	1,716	1,812	1,716
Stormwater	0	0	62	62	61	62
Dunes NRA Lease	0	0	1,405	265	1,405	265
<b>Total expenses</b>	<b>4,035</b>	<b>4,075</b>	<b>4,261</b>	<b>2,918</b>	<b>8,294</b>	<b>7,993</b>
Change in net position	-511	636	977	56	1,486	691
Transfers	1,950	-209	-1,950	209	0	0
Change in net position	1,439	427	-829	265	-1,338	691
Prior Period Adjustment		759	0	-824		-64
<b>Beginning net position restated</b>	<b>7,686</b>	<b>6,500</b>	<b>17,775</b>	<b>18,334</b>	<b>25,462</b>	<b>24,835</b>
<b>Ending net position</b>	<b>7,178</b>	<b>7,686</b>	<b>16,946</b>	<b>17,775</b>	<b>24,124</b>	<b>25,461</b>

## 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 \$2.92 million, an increase of \$600 thousand in comparison with the prior year. Approximately \$1.5 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 \$1.5 million, all of which is unrestricted.

The fund balance of the City's general fund increased by \$155 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.

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### **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, 2020 amounts to \$25 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.

Other major capital asset events during the current fiscal year included partnering with Oregon Department of Transportation for a major highway/streetscape project. This project was completed and includes converting the traffic pattern of the section of Highway 101 above the Schofield Bridge (17<sup>th</sup> to 22<sup>nd</sup> Streets) to a three lane configuration of two lanes of travel and a center turn lane. This allowed for much needed pedestrian crossing improvements at 19<sup>th</sup> Street and will include signal upgrades in the next fiscal year. Sidewalk infill, lighting and streetscape improvements are also ongoing.

Another major renovation of the City owned Oregon Dunes Recreation Center office building is nearing completion in FY20 expenditures for the project began in the prior year.

Renovation of City pump station began. This is a project that will continue into 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 effectively reversing this downward trend which shows no signs of slowing in the near future.

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 continues to strive to obtain grants.

In 2015, the City refinanced a \$12 million dollar DEQ wastewater loan extending the term to 30 years. Given the City's charter limitations imposed by Measure 10-119 limiting the ability of the City Council to adjust utility rates as necessary, the City was not able to offer a reduction in wastewater rates despite a reduction in annual debt service. It was determined by Council that given the extended term of the new loan, savings should be held to offset future expenses, ensuring that the City has enough revenue to meet the debt obligations for the entirety of the loan.

### **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, 2020**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS TYPE	TOTAL
<b>ASSETS</b>			
Cash & cash equivalents	\$ 2,767,526	\$ 4,668,154	\$ 7,435,680
Investments	125,300	2,220,421	2,345,721
Receivables:			
Taxes	146,144	-	146,144
Accounts	175,023	464,713	639,736
Prepays	22,631	-	22,631
Inventories	28,645	76,616	105,261
Total Current Assets	3,265,269	7,429,904	10,695,173
Noncurrent Assets:			
Proportionate Share of Net Pension Asset - RHIA	27,971	-	27,971
Capital Assets, net	5,486,246	20,080,592	25,566,838
Total Assets	8,779,486	27,510,496	36,289,982
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB Deferrals - Implicit Subsidy	2,922	-	2,922
Pension Related Deferrals - RHIA	696	-	696
Pension Related Deferrals - Oregon PERS	563,751	232,300	796,051
Total Deferred Outflows	567,369	232,300	799,669
<b>LIABILITIES</b>			
Accounts payable	128,026	97,211	225,237
Accrued expenses	57,469	-	57,469
Accrued interest payable	-	33,081	33,081
Deposits payable	7,406	94,465	101,871
Compensated absences	158,702	52,432	211,134
Notes payable	-	81,350	81,350
Bonds payable	-	361,661	361,661
Total current liabilities	351,603	720,200	1,071,803
Long-term Debt:			
Notes payable - net of current	-	1,643,826	1,643,826
Bonds payable - net of current	-	7,708,003	7,708,003
OPEB Net Pension Liability - Implicit Subsidy	43,467	-	43,467
Proportionate Share of Net Pension Liability - PERS	1,555,871	641,115	2,196,986
Total Long-term Liabilities	1,599,338	9,992,944	11,592,282
Total Liabilities	1,950,941	10,713,144	12,664,085
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB Deferrals - Implicit Subsidy	8,545	-	8,545
Pension Related Deferrals - RHIA	5,548	-	5,548
Pension Related Deferrals - Oregon PERS	203,531	83,868	287,399
Total Deferred Inflows	217,624	83,868	301,492
<b>NET POSITION:</b>			
Net Investment in Capital Assets	5,486,246	10,298,036	15,784,282
Restricted for:			
Streets and Urban Renewal	613,418	427,375	1,040,793
Debt Service	-	279,143	279,143
Unrestricted	1,078,626	5,941,230	7,019,856
Total Net Position	\$ 7,178,290	\$ 16,945,784	\$ 24,124,074

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, 2020**

Functions/Programs	Program Revenues			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 1,294,234	\$ 190,123	\$ 5,000	\$ 98,046
Public Safety & Fire	2,157,113	235,478	85,821	-
Highways and Streets	503,400	-	-	-
Culture and Recreation	81,433	62,165	-	-
Total Governmental Activities	4,036,180	487,766	90,821	98,046
Business-Type Activities				
Water	981,839	835,076	-	-
Wastewater	1,812,077	1,941,242	-	-
Stormwater	61,595	74,984	-	150,315
Dunes NRA Lease	1,405,615	187,361	-	-
Total Business Activities	4,261,126	3,038,663	-	150,315
Total Government	\$ 8,297,306	\$ 3,526,429	\$ 90,821	\$ 248,361

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.

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Net Revenues (Expenses) and Changes in Net Position

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Governmental Activities	Business-Type Activities	Total
\$ (1,001,065)	\$ -	\$ (1,001,065)
(1,835,814)	-	(1,835,814)
(503,400)	-	(503,400)
(19,268)	-	(19,268)
<u>(3,359,547)</u>	<u>-</u>	<u>(3,359,547)</u>
-	(146,763)	(146,763)
-	129,165	129,165
-	163,704	163,704
-	<u>(1,218,254)</u>	<u>(1,218,254)</u>
-	<u>(1,072,148)</u>	<u>(1,072,148)</u>
<u>(3,359,547)</u>	<u>(1,072,148)</u>	<u>(4,431,695)</u>
1,582,515	-	1,582,515
955,219	-	955,219
290,481	-	290,481
20,742	244,583	265,325
1,950	<u>(1,950)</u>	<u>-</u>
<u>2,850,907</u>	<u>242,633</u>	<u>3,093,540</u>
(508,640)	(829,515)	(1,338,155)
<u>7,686,930</u>	<u>17,775,299</u>	<u>25,462,229</u>
<u>\$ 7,178,290</u>	<u>\$ 16,945,784</u>	<u>\$ 24,124,074</u>

**CITY OF REEDSPORT  
DOUGLAS COUNTY, OREGON**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020**

	GENERAL FUND	STREET FUND	URBAN RENEWAL AGENCY - SPECIAL REV.
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,515,338	\$ 431,899	\$ 104,478
Investments	125,300	-	-
Receivables			
Taxes	137,403	-	8,741
Accounts	113,438	17,574	-
Intergovernmental	-	-	-
Due from other funds	-	-	-
Prepays	22,631	-	-
Inventories	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,914,110</u>	<u>\$ 449,473</u>	<u>\$ 113,219</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 123,411	\$ 659	\$ 3,100
Accrued expenses	57,469	-	-
Due to other funds	-	-	-
Deposits payable	-	7,406	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	180,880	8,065	3,100
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	<u>137,403</u>	<u>-</u>	<u>8,741</u>
Total Liabilities and Deferred Inflows	<u>318,283</u>	<u>8,065</u>	<u>11,841</u>
<b>Fund Balances:</b>			
Nonspendable	22,631	-	-
Restricted			
Streets	-	441,408	-
Urban Renewal	-	-	101,378
Committed			
Capital outlay	-	-	-
Cultural/Recreation	-	-	-
Public Safety	-	-	-
Unassigned			
General Fund	<u>1,573,196</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,595,827</u>	<u>441,408</u>	<u>101,378</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,914,110</u>	<u>\$ 449,473</u>	<u>\$ 113,219</u>

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

URBAN RENEWAL AGENCY - MAIN STREET	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 70,732	\$ 645,079	\$ 2,767,526
-	-	125,300
-	-	146,144
-	44,011	175,023
-	-	-
-	-	-
-	-	22,631
-	28,645	28,645
<u>\$ 70,732</u>	<u>\$ 717,735</u>	<u>\$ 3,265,269</u>
\$ 100	\$ 756	\$ 128,026
-	-	57,469
-	-	-
-	-	7,406
<u>100</u>	<u>756</u>	<u>192,901</u>
-	-	146,144
<u>100</u>	<u>756</u>	<u>339,045</u>
-	28,645	51,276
-	-	441,408
70,632	-	172,010
-	473,125	473,125
-	122,757	122,757
-	92,452	92,452
-	-	1,573,196
<u>70,632</u>	<u>716,979</u>	<u>2,926,224</u>
<u>\$ 70,732</u>	<u>\$ 717,735</u>	<u>\$ 3,265,269</u>



CITY OF REEDSPORT  
DOUGLAS COUNTY, OREGON

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO STATEMENT OF NET POSITION  
June 30, 2020

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

Fund Balances	\$ 2,926,224
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	5,486,246
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	(158,702)
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	
	(1,221,622)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Unearned/Unavailable Revenue	<u>146,144</u>
Total Net Position	<u>\$ 7,178,290</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, 2020**

	GENERAL FUND	STREET FUND	URBAN RENEWAL AGENCY - SPECIAL REV.
<b>REVENUES</b>			
Property taxes	\$ 1,476,851	\$ -	\$ 93,644
Franchise fees	219,561	70,291	-
Fuel taxes	-	322,671	-
Alcohol taxes	66,874	-	-
Lodging taxes	210,631	-	-
Other taxes	26,615	-	-
Licenses, permits and fees	72,540	-	-
Intergovernmental	50,988	-	-
Charges for services	117,583	-	-
Fines and penalties	167,593	-	-
Interest	22,538	9,269	1,810
Grants and Contributions	68,823	-	-
Miscellaneous	183,739	6,548	5,000
	<u>2,684,336</u>	<u>408,779</u>	<u>100,454</u>
<b>Total Revenues</b>			
	<u>2,684,336</u>	<u>408,779</u>	<u>100,454</u>
<b>EXPENDITURES</b>			
Current			
General government	1,023,481	-	-
Public safety	1,495,273	-	-
Highway and streets	-	398,089	-
Culture and recreation	19,249	-	5,448
Debt Service	-	-	7,410
Capital Outlay	-	-	57,501
	<u>2,538,003</u>	<u>398,089</u>	<u>70,359</u>
<b>Total Expenditures</b>			
	<u>2,538,003</u>	<u>398,089</u>	<u>70,359</u>
<b>Excess of Revenues Over, (Under) Expenditures</b>	146,333	10,690	30,095
<b>OTHER FINANCING SOURCES, (USES)</b>			
Transfers In	145,784	-	-
Transfers Out	(113,500)	(112,500)	(25,000)
	<u>32,284</u>	<u>(112,500)</u>	<u>(25,000)</u>
<b>Total Other Financing Sources, (Uses)</b>			
	<u>32,284</u>	<u>(112,500)</u>	<u>(25,000)</u>
<b>Net Change in Fund Balance</b>	178,617	(101,810)	5,095
<b>Beginning Fund Balance</b>	1,417,210	543,218	96,283
<b>Ending Fund Balance</b>	<u>\$ 1,595,827</u>	<u>\$ 441,408</u>	<u>\$ 101,378</u>

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

URBAN RENEWAL AGENCY - MAIN STREET	OTHER GOVERNMENTAL FUNDS	TOTAL
\$ -	\$ 2,970	\$ 1,573,465
-	-	289,852
-	-	322,671
-	-	66,874
-	38,576	249,207
-	-	26,615
-	-	72,540
-	-	50,988
-	130,050	247,633
-	-	167,593
946	(1,819)	32,744
98,046	21,998	188,867
20,269	23,937	239,493
<u>119,261</u>	<u>215,712</u>	<u>3,528,542</u>
-	-	1,023,481
-	210,573	1,705,846
-	-	398,089
26,393	13,307	64,397
-	-	7,410
<u>119,723</u>	<u>86,145</u>	<u>263,369</u>
<u>146,116</u>	<u>310,025</u>	<u>3,462,592</u>
(26,855)	(94,313)	65,950
25,000	83,500	254,284
-	(1,334)	(252,334)
<u>25,000</u>	<u>82,166</u>	<u>1,950</u>
(1,855)	(12,147)	67,900
<u>72,487</u>	<u>729,126</u>	<u>2,858,324</u>
<u>\$ 70,632</u>	<u>\$ 716,979</u>	<u>\$ 2,926,224</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, 2020**

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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	\$	67,900
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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		119,818
Book Value of Disposed Assets		(12,002)
Depreciation Expense		(380,873)

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. (304,559)

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		(7,974)
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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>9,050</u>
Change in Net Position	\$	<u><u>(508,640)</u></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, 2020**

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND	DUNES NRA FUND	TOTAL
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 760,679	\$ 3,382,777	\$ 368,211	\$ 156,487	\$ 4,668,154
Investments	-	-	-	2,220,421	2,220,421
Receivables					
Accounts, net	77,142	183,523	16,999	187,049	464,713
Due from Other Funds	500,000	1,000,000	-	-	1,500,000
Inventories	60,424	16,192	-	-	76,616
Total Current Assets	1,398,245	4,582,492	385,210	2,563,957	8,929,904
Other Assets					
Capital assets, net	4,850,175	13,427,321	1,803,095	1	20,080,592
Total Assets	\$ 6,248,420	\$ 18,009,813	\$ 2,188,305	\$ 2,563,958	\$ 29,010,496
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Outflows	113,837	118,463	-	-	232,300
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 1,120	\$ 26,913	\$ 9,751	\$ 59,427	\$ 97,211
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	1,500,000	1,500,000
Accrued interest payable	-	33,081	-	-	33,081
Unearned revenue	-	-	-	-	-
Deposits payable	19,411	71,515	3,539	-	94,465
Compensated absences	24,358	28,074	-	-	52,432
Notes payable	-	74,426	6,924	-	81,350
Bonds payable	-	361,661	-	-	361,661
Total Current Liabilities	44,889	595,670	20,214	1,559,427	2,220,200
Long-term Liabilities					
Notes payable	-	1,638,466	5,360	-	1,643,826
Bonds payable	-	7,708,003	-	-	7,708,003
Net pension liability	314,175	326,940	-	-	641,115
Total Long-term Liabilities	314,175	9,673,409	5,360	-	9,992,944
Total Liabilities	359,064	10,269,079	25,574	1,559,427	12,213,144
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related Inflows	41,099	42,769	-	-	83,868
<b>NET POSITION</b>					
Net invested in capital assets	4,850,175	3,644,765	1,803,095	1	10,298,036
Restricted for:					
Capital Projects	120,016	300,881	6,478	-	427,375
Debt Services	-	279,143	-	-	279,143
Unrestricted	991,903	3,591,639	353,158	1,004,530	5,941,230
Total Net Position	\$ 5,962,094	\$ 7,816,428	\$ 2,162,731	\$ 1,004,531	\$ 16,945,784

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, 2020**

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND	DUNES NRA FUND	TOTAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 832,689	\$ 1,939,233	\$ 71,583	\$ -	\$ 2,843,505
Grants and Contributions	-	-	150,315	-	150,315
Miscellaneous	2,387	2,009	3,401	187,361	195,158
<b>Total Operating Revenues</b>	<b>835,076</b>	<b>1,941,242</b>	<b>225,299</b>	<b>187,361</b>	<b>3,188,978</b>
<b>OPERATING EXPENSES</b>					
Personal service	420,224	420,312	24,685	37,654	902,875
Materials and services	274,059	468,476	15,519	1,367,961	2,126,015
Depreciation and amortization	287,556	745,238	21,391	-	1,054,185
<b>Total Operating Expenses</b>	<b>981,839</b>	<b>1,634,026</b>	<b>61,595</b>	<b>1,405,615</b>	<b>4,083,075</b>
<b>Operating Income -Loss</b>	<b>(146,763)</b>	<b>307,216</b>	<b>163,704</b>	<b>(1,218,254)</b>	<b>(894,097)</b>
<b>NONOPERATING REVENUES, (EXPENSES)</b>					
Interest	26,736	69,466	10,456	3,886	110,544
Investment Income	-	-	-	158,165	158,165
Gain/(loss) on disposal	(24,126)	-	-	-	(24,126)
Interest expense	-	(178,051)	-	-	(178,051)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,610</b>	<b>(108,585)</b>	<b>10,456</b>	<b>162,051</b>	<b>66,532</b>
<b>TRANSFERS</b>					
Transfers In	-	-	140,000	-	140,000
Transfers Out	(46,150)	(89,250)	(1,850)	(4,700)	(141,950)
<b>Total Operating Expenses</b>	<b>(46,150)</b>	<b>(89,250)</b>	<b>138,150</b>	<b>(4,700)</b>	<b>(1,950)</b>
<b>Change in Net Position</b>	<b>(190,303)</b>	<b>109,381</b>	<b>312,310</b>	<b>(1,060,903)</b>	<b>(829,515)</b>
<b>Net Position, Beginning</b>	<b>6,152,397</b>	<b>7,707,047</b>	<b>1,850,421</b>	<b>2,065,434</b>	<b>17,775,299</b>
<b>Net Position, Ending</b>	<b>\$ 5,962,094</b>	<b>\$ 7,816,428</b>	<b>\$ 2,162,731</b>	<b>\$ 1,004,531</b>	<b>\$ 16,945,784</b>

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, 2020**

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 867,197	\$ 1,958,635	\$ 218,379
Cash Paid to Suppliers	(289,458)	(521,461)	(42,178)
Cash Paid to Employees	(353,160)	(355,673)	(24,685)
Net Cash Provided (Used) by Operating Activities	<u>224,579</u>	<u>1,081,501</u>	<u>151,516</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	-	-	140,000
Transfers to other funds	(46,150)	(89,250)	(1,850)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(46,150)</u>	<u>(89,250)</u>	<u>138,150</u>
Cash Flows from Capital and Related Financing Activities:			
Interfund Loan Payment	-	-	-
Interfund Loan Proceeds	(500,000)	(772,000)	-
Acquisition and construction of capital assets	(78,393)	(110,901)	(583,924)
Principal paid on debt	-	(526,376)	(6,653)
Interest expense	-	(242,985)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(578,393)</u>	<u>(1,652,262)</u>	<u>(590,577)</u>
Cash Flows from Investing Activities:			
Rental Income	-	-	-
Interest income	26,736	69,466	10,456
Net Cash Provided (Used) by Investing Activities	<u>26,736</u>	<u>69,466</u>	<u>10,456</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(373,228)	(590,545)	(290,455)
Cash and Investments at Beginning of Year	1,133,907	3,973,322	658,666
Cash and Investments at End of Year	<u>\$ 760,679</u>	<u>\$ 3,382,777</u>	<u>\$ 368,211</u>
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ (146,763)	\$ 307,216	\$ 163,704
Adjustments to reconcile operating income (loss) to net cash provided (used) in operating activities			
Depreciation	287,556	745,238	21,391
(Increase) decrease in operating assets			
Accounts receivable	11,990	7,427	(7,178)
Net pension assets & deferrals	60,679	63,144	-
Other Assets	44,723	1,432	-
Increase (decrease) in operating liabilities			
Accounts payable	(13,909)	(54,417)	(26,659)
Compensated absences	6,385	1,495	-
Deposits payable	2,236	9,966	258
Other Liabilities	(28,318)	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 224,579</u>	<u>\$ 1,081,501</u>	<u>\$ 151,516</u>

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

<u>DUNES NRA FUND</u>	<u>TOTAL</u>
\$ 312	\$ 3,044,523
(1,416,342)	(2,269,439)
<u>(37,654)</u>	<u>(771,172)</u>
(1,453,684)	3,912
-	140,000
<u>(4,700)</u>	<u>(141,950)</u>
(4,700)	(1,950)
(228,000)	(228,000)
1,500,000	228,000
-	(773,218)
-	(533,029)
<u>-</u>	<u>(242,985)</u>
1,272,000	(1,549,232)
97,320	97,320
<u>3,886</u>	<u>110,544</u>
101,206	207,864
(85,178)	(1,436,726)
<u>241,665</u>	<u>6,007,560</u>
<u>\$ 156,487</u>	<u>\$ 4,570,834</u>
\$ (1,218,254)	\$ (894,097)
-	1,054,185
(187,049)	(174,810)
-	123,823
-	46,155
(48,381)	(143,366)
-	7,880
-	12,460
<u>-</u>	<u>(28,318)</u>
<u>\$ (1,453,684)</u>	<u>\$ 3,912</u>



**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**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, 2020**

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**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, 2020 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, 2020**

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**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, 2020**

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**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, 2020

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**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, 2020**

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**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, 2020**

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**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, 2020. 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, 2020, the fair value of the position in the LGIP is 100.88% 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 \$2,220,421 and the Landing Building \$125,300.



**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**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, 2020, 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)	\$ 1,588,847	\$ -	\$ 1,588,847	\$ -
Real Estate (level 2)	125,300	-	-	125,300
Real Estate (level 3)	2,220,421	-	-	2,220,421
State Treasurer's Investment Pool	5,402,840	5,402,840	-	-
Total	\$ 9,337,408	\$ 5,402,840	\$ 1,588,847	\$ 2,345,721

*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, 2020, the total bank balance per the bank statements was \$1,539,799. Of these deposits, \$500,000 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, 2020 are as follows:

**Deposits with Financial Institutions:**

Petty Cash	\$ 1,075
Demand Deposits	442,918
Investments	6,991,687
Total cash and Investments	<u>\$ 7,435,680</u>



**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**3. CAPITAL ASSETS**

Changes in Governmental Capital Assets for the year ended June 30, 2020 are as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets, not Depreciated:				
Land	\$ 851,341	\$ -	\$ -	\$ 851,341
Construction in Progress	298,127	65,441	(322,495)	41,073
Total Capital Assets not being depreciated	<u>1,149,468</u>	<u>65,441</u>	<u>(322,495)</u>	<u>892,414</u>
Capital Assets, being Depreciated				
Buildings	2,820,696	7,925	-	2,828,621
Machinery and Equipment	3,693,630	46,451	-	3,740,081
Infrastructure	3,462,193	310,494	-	3,772,687
Total Capital Assets being depreciated	<u>9,976,519</u>	<u>364,870</u>	<u>-</u>	<u>10,341,389</u>
Accumulated Depreciation:				
Buildings	1,911,595	42,155	-	1,953,750
Machinery and Equipment	2,496,717	232,747	-	2,729,464
Infrastructure	958,372	105,971	-	1,064,343
Total Accumulated Depreciation	<u>5,366,684</u>	<u>380,873</u>	<u>-</u>	<u>5,747,557</u>
Total Net Capital Assets	<u>\$ 5,759,303</u>			<u>\$ 5,486,246</u>

**Governmental Activities:**

General Government	\$ 120,404
Public Safety	7,576
Highways and Streets	46,832
Culture and Recreation	<u>206,061</u>
Total	<u>\$ 380,873</u>

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**3. CAPITAL ASSETS (CONTINUED)**

Changes in Business-Type Capital Assets for the year ended June 30, 2020 are as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets, not Depreciated:				
Land	\$ 112,836	\$ -	\$ -	\$ 112,836
Construction in Progress	1,026,489	489,053	(24,126)	1,491,416
Total Capital Assets not being depreciated	1,139,325	489,053	(24,126)	1,604,252
Capital Assets, being Depreciated				
Buildings	306,674	-	-	306,674
Machinery and Equipment	509,429	35,393	-	544,822
Infrastructure	29,136,060	248,772	-	29,384,832
Total Capital Assets being depreciated	29,952,163	284,165	-	30,236,328
Accumulated Depreciation:				
Buildings	65,825	9,065	-	74,890
Machinery and Equipment	334,372	29,725	-	364,097
Infrastructure	10,305,606	1,015,395	-	11,321,001
Total Accumulated Depreciation	10,705,803	1,054,185	-	11,759,988
Total Net Capital Assets	<u>\$ 20,385,685</u>			<u>\$ 20,080,592</u>

**4. RECEIVABLES**

The City has net utility billing accounts receivable in the amounts \$77,142, \$183,523 and \$16,999 in the Water, Wastewater and Stormwater funds respectively. These amounts are net of an allowance for doubtful accounts of \$44,586, \$77,708 and \$5,096, 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, 2020 was \$20,862.

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**5. LONG-TERM OBLIGATIONS**

Transactions for governmental activities for the year ended June 30, 2020 were as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year
Compensated Absences	\$ 150,728	158,702	150,728	158,702	\$ 158,702

Transactions for business-type activities for the year ended June 30, 2020 were as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year
DEQ Bond	\$ 8,524,928	\$ -	\$ 455,264	\$ 8,069,664	\$ 361,661
Direct Borrowings:					
OEDD Loan	1,784,004	-	71,112	1,712,892	74,426
Note Payable - Hatcher Land	18,937	-	6,653	12,284	6,924
Total Direct Borrowings	1,802,941	-	77,765	1,725,176	81,350
Total Debt	\$ 10,327,869	\$ -	\$ 533,029	\$ 9,794,840	\$ 443,011
Compensated Absences	44,552	52,432	44,552	52,432	52,432
Total	\$ 10,372,421	\$ 52,432	\$ 577,581	\$ 9,847,272	\$ 495,443

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 Water 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, 2020**

**5. LONG-TERM OBLIGATIONS (CONTINUED)**

Year	DEQ Revenue Bonds		OECDL Loan		Hatcher Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020-2021	361,661	\$ 111,713	\$ 74,426	\$ 79,821	\$ 6,924	\$ 854	\$ 443,011	\$ 192,388
2021-2022	366,740	106,634	77,894	76,353	5,360	832	449,994	183,819
2022-2023	371,893	101,481	81,524	72,723	-	-	453,417	174,204
2023-2024	377,118	96,256	85,323	68,924	-	-	462,441	165,180
2024-2025	382,416	90,958	89,299	64,948	-	-	471,715	155,906
2025-2030	1,994,196	372,674	512,932	258,301	-	-	2,507,128	630,975
2030-2035	2,138,269	228,601	644,115	127,121	-	-	2,782,384	355,722
2035-2040	1,981,701	75,113	147,379	6,868	-	-	2,129,080	81,981
2040-2041	95,670	861	-	-	-	-	95,670	861
	<u>\$ 8,069,664</u>	<u>\$ 1,184,291</u>	<u>\$ 1,712,892</u>	<u>\$ 755,059</u>	<u>\$ 12,284</u>	<u>\$ 1,686</u>	<u>\$ 9,794,840</u>	<u>\$ 1,941,036</u>

**Direct Borrowings - Business Type**

In August 2006, the City obtained a revolving Special Public Works Fund loan through the Oregon Economic and Community Development Department (OECDL) for \$2,250,000 bearing an interest rate of 4.66% and the loan matures in 2032. The Agreement pledges the revenues of the sewer system to secure the bond.

Whenever an Event of default, referred to in Section 6.01 of the debt agreement, hereof shall have occurred and be continuing, the State shall have the right to take any action permitted or required pursuant to the Loan Agreement or any other Loan Document and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Borrower hereunder, including without limitation, (a) declaring all principal and interest and all other amounts due hereunder and under the other Loan Documents to be immediately due and payable, and upon notice to the Borrower the same shall become due and payable without further notice or demand, (b) appointment of a receiver of the System, (c) refusal to disburse any funds under this Loan Agreement, (d) barring the Borrower from applying for future Water Fund assistance, or (e) withholding amounts otherwise due to the Borrower to apply to the payment of amounts due under this Loan Agreement as provided in ORS 285B.599.

In March 2012, the City entered into a contract to purchase real property for \$65,000. The purchase price consists of a down payment of \$5,000 and a \$60,000 note bearing an interest rate of 4% and the loan matures in 2022.

**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/2019-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.

CITY OF REEDSPORT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

- 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.
  - 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.



**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*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.
- 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, 2019. 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, 2020 were \$143,219, excluding amounts to fund employer specific liabilities. In addition approximately \$90,469 in employee contributions were paid or picked up by the City in fiscal 2020. At June 30, 2020, the City reported a net pension liability of \$2,196,986 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. 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, 2019 and 2018, the City's proportion was .01 percent and .01 percent, respectively. Pension expense for the year ended June 30, 2020 was \$424,315.

The rates in effect for the year ended June 30, 2020 were:

- (1) Tier 1/Tier 2 – 14.44%
- (2) OPSRP general services – 6.74%
- (3) OPSRP Police and Fire – 11.37%

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 121,157	\$ -
Changes in assumptions	298,046	-
Net difference between projected and actual earnings on pension plan investments	-	62,282
Net changes in proportionate share	233,629	3,833
Differences between City contributions and proportionate share of contributions	-	221,284
Subtotal - Amortized Deferrals (below)	652,832	287,399
City contributions subsequent to measuring date	143,219	-
Deferred outflow (inflow) of resources	<u>\$ 796,051</u>	<u>\$ 287,399</u>

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, 2021.

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>
2021	\$ 218,840
2022	17,272
2023	66,306
2024	58,113
2025	4,903
Thereafter	-
Total	<u>\$ 365,433</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 4, 2020. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-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, 2020**

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Actuarial Methods and Assumptions:**

Valuation date	December 31, 2017
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
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	<p>Healthy retirees and beneficiaries:</p> <p>RP-2014 Health annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

**Assumed Asset Allocation:**

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2019 PERS CAFR, p. 100)

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**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 July 2017 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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2019 and 2018 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, 2020**

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**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 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$ 3,518,278	\$ 2,196,986	\$ 1,091,247

**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, 2019 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, 2020**

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**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 made these contributions to member IAP accounts for the year ended June 30, 2020.

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.



**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

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 deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

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, 2020. 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, 2019 and 2020 were \$7,174 and \$563, respectively, which equaled the required contributions each year.

At June 30, 2020, the City reported a net OPEB liability/(asset) of \$27,971 for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2019, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2017. 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, 2019 and 2018, the City's proportion was .01 percent and .01 percent, respectively. OPEB expense for the year ended June 30, 2020 was \$167.

**Components of OPEB Expense/(Income):**

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (3,638)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(36)
- 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>\$ (3,674)</u>

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**Components of Deferred Outflows/Inflows of Resources:**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 3,689
Changes in assumptions	-	29
Net difference between projected and actual earnings on pension plan investments	-	1,726
Net changes in proportionate share	133	104
Differences between City contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	133	5,548
City contributions subsequent to measuring date	563	-
Deferred outflow (inflow) of resources	<u>\$ 696</u>	<u>\$ 5,548</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, 2021.

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

Year ending June 30,	Amount
2021	\$ (2,822)
2022	(2,458)
2023	(312)
2024	178
2025	-
Thereafter	-
Total	<u>\$ (5,414)</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, 2019. That independently audited report was dated February 24, 2020 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%206.30.19.pdf>

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2017
Experience Study Report	2016, Published July 26, 2017
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: 35%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

**Discount Rate:**

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2019 and 2018 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 July 2017 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.



**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

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 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net OPEB liability (asset)	\$ (21,685)	\$ (27,971)	\$ (33,327)

**Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**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, 2020:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 145,784	\$ 113,500
Street Fund	-	112,500
URA Fund	-	25,000
URA Main Street Fund	25,000	-
Other Governmental	83,500	1,334
Water Fund	-	46,150
Wastewater Fund	-	89,250
Stormwater Fund	140,000	1,850
Dune NRA Fund	-	4,700
	<hr/>	<hr/>
Total	\$ 394,284	\$ 394,284

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.

**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.

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**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, 2018 and the measurement date was June 30, 2019.

**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 June 30, 2019 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. 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, 2017. 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, 2020**

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

Health Care Cost Trend Medical and vision:

Year	Pre-65 Trend
2018	6.75%
2019	7.00%
2020	5.50%
2021-2025	5.00%
2026-2029	4.75%
2030-2033	5.00%
2034	5.25%
2035	5.75%
2036-2038	6.00%
2039-2045	5.75%
2046-2050	5.50%
2051-2061	5.25%
2062-2065	5.00%
2066+	4.75%

Dental: 4.50% per year

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

Mortality

RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.

Disability

Not used

Withdrawal

Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.

Retirement

Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification.

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**Changes in the Net OPEB Liability**

<b>Total OPEB Liability at June 30, 2019</b>	<b>\$ 44,576</b>
<b>Changes for the year:</b>	
Service cost	1,996
Interest	1,695
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	777
Benefit payments	<u>(5,577)</u>
<b>Balance as of June 30, 2020</b>	<b><u>\$ 43,467</u></b>

**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 3.5%, 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 (2.5%) or one percentage point higher (4.5%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease <u>2.50%</u>	Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Total OPEB Liability	\$ 45,596	\$ 43,467	\$ 41,419

	1% Decrease <u>Healthcare</u>	Current Trend Rate <u>Healthcare</u>	1% Increase <u>Healthcare</u>
Total OPEB Liability	\$ 40,644	\$ 43,467	\$ 46,618

**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.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,475
Changes in assumptions or other input	(2,922)	664
Benefit Payments	-	6,406
Deferred outflow (inflow) of resources	<u>\$ (2,922)</u>	<u>\$ 8,545</u>

**CITY OF REEDSPORT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

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>
2021	\$ (221)
2022	(221)
2023	(221)
2024	(221)
2025	2
Thereafter	99
Total	<u>\$ (783)</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, 2020**

**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
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
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
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
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, 2020**

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

	<u>GENERAL FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Property taxes	\$ 1,355,500	\$ 1,355,500	\$ 1,476,851	\$ 121,351
Franchise fees	208,500	208,500	219,561	11,061
Alcohol taxes	70,000	70,000	66,874	(3,126)
Lodging taxes	200,000	200,000	210,631	10,631
Other taxes	16,500	16,500	26,615	10,115
Licenses, permits and fees	75,450	75,450	72,540	(2,910)
Intergovernmental	49,000	49,000	50,988	1,988
Charges for services	114,055	114,055	117,583	3,528
Fines and penalties	155,000	155,000	167,593	12,593
Investment earnings	19,000	19,000	22,538	3,538
Miscellaneous	15,800	15,800	183,739	167,939
Grants and contracts	69,150	69,150	68,823	(327)
Total Revenues	<u>2,347,955</u>	<u>2,347,955</u>	<u>2,684,336</u>	<u>336,381</u>
<b>EXPENDITURES</b>				
General Government:				
City Council	8,120	8,120	(1) 3,857	4,263
City Manager	167,000	167,000	(1) 140,796	26,204
Finance	119,800	169,800	(1) 155,081	14,719
Non-Departmental	414,150	413,150	(1) 357,174	55,976
City Recorder	49,810	49,810	(1) 39,958	9,852
Community Development	59,100	59,100	(1) 37,800	21,300
Building Inspection	56,850	56,850	(1) 53,542	3,308
Public Services	174,260	174,260	(1) 166,469	7,791
Community Building	26,680	26,680	(1) 22,740	3,940
School Resource Operations	-	75,750	(1) 46,064	29,686
Public Safety:				
Legal Services	35,000	35,000	(1) 13,032	21,968
Municipal Court	118,650	118,650	(1) 90,840	27,810
Police Department	1,508,390	1,432,640	(1) 1,270,135	162,505
Fire	141,880	141,880	(1) 121,266	20,614
Culture and Recreation:				
Senior Center	20,675	20,675	(1) 19,249	1,426
Contingency	100,000	50,000	(1) -	50,000
Total Expenditures	<u>3,000,365</u>	<u>2,999,365</u>	<u>2,538,003</u>	<u>461,362</u>
Excess of Revenues Over, (Under) Expenditures	(652,410)	(651,410)	146,333	797,743
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	153,450	153,450	145,784	(7,666)
Transfers Out	(112,500)	(113,500)	(1) (113,500)	-
Total Other Financing Sources, (Uses)	<u>40,950</u>	<u>39,950</u>	<u>32,284</u>	<u>(7,666)</u>
Net Change in Fund Balance	(611,460)	(611,460)	178,617	790,077
Beginning Fund Balance	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,417,210</u>	<u>317,210</u>
Ending Fund Balance	<u>\$ 488,540</u>	<u>\$ 488,540</u>	<u>\$ 1,595,827</u>	<u>\$ 1,107,287</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, 2020**

<u>STREET FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Franchise fees	\$ 50,600	\$ 50,600	\$ 70,291	\$ 19,691
Fuel taxes	348,000	348,000	322,671	(25,329)
Investment earnings	7,500	7,500	9,269	1,769
Other revenue	550	550	6,548	5,998
Grants and contracts	100,000	100,000	-	(100,000)
Total Revenues	<u>506,650</u>	<u>506,650</u>	<u>408,779</u>	<u>(97,871)</u>
EXPENDITURES				
Personal Services	63,800	63,800 (1)	62,155	1,645
Materials & services	206,380	206,380 (1)	137,461	68,919
Capital outlay	446,970	446,970 (1)	198,473	248,497
Contingency	15,000	15,000 (1)	-	15,000
Total Expenditures	<u>732,150</u>	<u>732,150</u>	<u>398,089</u>	<u>334,061</u>
Excess of Revenues Over, (Under) Expenditures	(225,500)	(225,500)	10,690	236,190
OTHER FINANCING SOURCES, (USES)				
Transfers out	(112,500)	(112,500) (1)	(112,500)	-
Total Other Financing Sources, (Uses)	<u>(112,500)</u>	<u>(112,500)</u>	<u>(112,500)</u>	<u>-</u>
Net Change in Fund Balance	(338,000)	(338,000)	(101,810)	236,190
Beginning Fund Balance	<u>350,000</u>	<u>350,000</u>	<u>543,218</u>	<u>193,218</u>
Ending Fund Balance	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 441,408</u>	<u>\$ 429,408</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, 2020**

REEDSPORT URBAN RENEWAL AGENCY - SPECIAL REVENUE

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Property taxes	\$ 84,500	\$ 84,500	\$ 93,644	\$ 9,144
Interest	1,500	1,500	1,810	310
Miscellaneous	50	50	5,000	4,950
Total Revenues	86,050	86,050	100,454	14,404
EXPENDITURES				
Materials & Services	7,500	7,500 (1)	5,448	2,052
Debt Service	7,450	7,450 (1)	7,410	40
Capital Outlay	141,050	141,050 (1)	57,501	83,549
Total Expenditures	156,000	156,000	70,359	85,641
Excess of Revenues Over, (Under) Expenditures	(69,950)	(69,950)	30,095	100,045
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(25,000)	(25,000) (1)	(25,000)	-
Total Other Financing Sources, (Uses)	(25,000)	(25,000)	(25,000)	-
Net Change in Fund Balance	(94,950)	(94,950)	5,095	100,045
Beginning Fund Balance	95,000	95,000	96,283	1,283
Ending Fund Balance	\$ 50	\$ 50	\$ 101,378	\$ 101,328

(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, 2020**

REEDSPORT URBAN RENEWAL AGENCY - MAIN STREET

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 750	\$ 750	\$ 946	\$ 196
Grants and Contributions	182,000	182,000	98,046	(83,954)
Miscellaneous	50,600	50,600	20,269	(30,331)
Total Revenues	233,350	233,350	119,261	(114,089)
EXPENDITURES				
Materials & Services	36,600	36,600 (1)	26,393	10,207
Capital Outlay	291,250	291,250 (1)	119,723	171,527
Total Expenditures	327,850	327,850	146,116	181,734
Excess of Revenues Over, (Under) Expenditures	(94,500)	(94,500)	(26,855)	67,645
OTHER FINANCING SOURCES, (USES)				
Transfers In	25,000	25,000	25,000	-
Total Other Financing Sources, (Uses)	25,000	25,000	25,000	-
Net Change in Fund Balance	(69,500)	(69,500)	(1,855)	67,645
Beginning Fund Balance	69,500	69,500	72,487	2,987
Ending Fund Balance	\$ -	\$ -	\$ 70,632	\$ 70,632

(1) Appropriation Level

CITY OF REEDSPORT  
DOUGLAS COUNTY, OREGON

COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2020

	BICYCLE AND FOOTPATH FUND	FIRE EQUIPMENT FUND	DIAL A RIDE FUND	RIVERFRONT FUND	LIBRARY
ASSETS					
Cash and Equivalents	\$ 52,917	\$ 65,661	\$ 1,886	\$ 58,316	\$ 25
Receivables					
Accounts	-	5,500	3,442	6,927	-
Inventories	-	-	-	28,645	-
Total Assets	<u>\$ 52,917</u>	<u>\$ 71,161</u>	<u>\$ 5,328</u>	<u>\$ 93,888</u>	<u>\$ 25</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 111	\$ 679	\$ (34)
Total Liabilities	<u>-</u>	<u>-</u>	<u>111</u>	<u>679</u>	<u>(34)</u>
FUND BALANCES					
Nonspendable	-	-	-	28,645	-
Committed	<u>52,917</u>	<u>71,161</u>	<u>5,217</u>	<u>64,564</u>	<u>59</u>
Total Fund Balances	<u>52,917</u>	<u>71,161</u>	<u>5,217</u>	<u>93,209</u>	<u>59</u>
Total Liabilities and Fund Balances	<u>\$ 52,917</u>	<u>\$ 71,161</u>	<u>\$ 5,328</u>	<u>\$ 93,888</u>	<u>\$ 25</u>

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<u>ANIMAL CONTROL</u>	<u>GENERAL CAPITAL IMPROVEMENT</u>	<u>POLICE CAPITAL</u>	<u>CERT FUND</u>	<u>TOTAL</u>
\$ 20,516	\$ 376,025	\$ 68,958	\$ 775	\$ 645,079
-	20,862	7,280	-	44,011
-	-	-	-	28,645
<u>\$ 20,516</u>	<u>\$ 396,887</u>	<u>\$ 76,238</u>	<u>\$ 775</u>	<u>\$ 717,735</u>
<u>\$</u>	<u>\$</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 756</u>
-	-	-	-	756
-	-	-	-	28,645
<u>20,516</u>	<u>396,887</u>	<u>76,238</u>	<u>775</u>	<u>688,334</u>
<u>20,516</u>	<u>396,887</u>	<u>76,238</u>	<u>775</u>	<u>716,979</u>
<u>\$ 20,516</u>	<u>\$ 396,887</u>	<u>\$ 76,238</u>	<u>\$ 775</u>	<u>\$ 717,735</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, 2020

	BICYCLE AND FOOTPATH FUND	FIRE EQUIPMENT FUND	DIAL A RIDE FUND	RIVERFRONT FUND	LIBRARY
<b>REVENUES</b>					
Taxes	\$ 2,970	\$ -	\$ -	\$ 38,576	\$ -
Charges for services	-	10,048	33,147	62,165	-
Grants and Contributions	-	-	-	-	-
Interest	924	1,056	38	(13,103)	-
Miscellaneous	-	58	17	3,298	-
Total Revenues	<u>\$ 3,894</u>	<u>\$ 11,162</u>	<u>\$ 33,202</u>	<u>\$ 90,936</u>	<u>\$ -</u>
<b>EXPENDITURES</b>					
Current					
Culture and Recreation	-	-	-	-	-
Public Safety	-	1,871	28,492	143,875	-
Capital Outlay	-	544	-	-	-
Total Expenditures	<u>-</u>	<u>2,415</u>	<u>28,492</u>	<u>143,875</u>	<u>-</u>
Excess of Revenues Over, (Under) Expenditures	3,894	8,747	4,710	(52,939)	-
<b>OTHER FINANCING SOURCES, (USES)</b>					
Transfers In	-	15,000	-	12,500	-
Transfers Out	-	(1,334)	-	-	-
Total Other Financing Sources, (Uses)	<u>-</u>	<u>13,666</u>	<u>-</u>	<u>12,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3,894	22,413	4,710	(40,439)	-
Beginning Fund Balance	<u>49,023</u>	<u>48,748</u>	<u>507</u>	<u>133,648</u>	<u>59</u>
Ending Fund Balance	<u>\$ 52,917</u>	<u>\$ 71,161</u>	<u>\$ 5,217</u>	<u>\$ 93,209</u>	<u>\$ 59</u>

<u>ANIMAL CONTROL</u>	<u>GENERAL CAPITAL IMPROVEMENT</u>	<u>POLICE CAPITAL</u>	<u>CERT</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 41,546
-	-	24,690	-	130,050
8,919	-	-	13,079	21,998
538	6,879	1,846	3	(1,819)
417	10,147	10,000	-	23,937
<u>\$ 9,874</u>	<u>\$ 17,026</u>	<u>\$ 36,536</u>	<u>\$ 13,082</u>	<u>\$ 215,712</u>
-	-	-	13,307	13,307
10,370	-	25,965	-	210,573
7,925	31,930	45,746	-	86,145
<u>18,295</u>	<u>31,930</u>	<u>71,711</u>	<u>13,307</u>	<u>310,025</u>
(8,421)	(14,904)	(35,175)	(225)	(94,313)
-	40,000	15,000	1,000	83,500
-	-	-	-	(1,334)
<u>-</u>	<u>40,000</u>	<u>15,000</u>	<u>1,000</u>	<u>82,166</u>
(8,421)	25,096	(20,175)	775	(12,147)
28,937	371,791	96,413	-	729,126
<u>\$ 20,516</u>	<u>\$ 396,887</u>	<u>\$ 76,238</u>	<u>\$ 775</u>	<u>\$ 716,979</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, 2020**

BICYCLE AND FOOT PATH FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Fuel taxes	\$ 3,000	\$ 3,000	\$ 2,970	\$
Interest	850	850	924	74
Total Revenues	3,850	3,850	3,894	44
EXPENDITURES				
Capital Outlay	53,000	53,000 (1)	-	53,000
Total Expenditures	53,000	53,000	-	53,000
Excess of Revenues Over, (Under) Expenditures	(49,150)	(49,150)	3,894	53,044
Net Change in Fund Balance	(49,150)	(49,150)	3,894	53,044
Beginning Fund Balance	49,150	49,150	49,023	(127)
Ending Fund Balance	\$ -	\$ -	\$ 52,917	\$ 52,917

(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, 2020**

FIRE EQUIPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services	\$ 11,500	\$ 11,500	\$ 10,048	\$ (1,452)
Interest	500	500	1,056	556
Intergovernmental	152,000	152,000	-	(152,000)
Miscellaneous	100	100	58	(42)
Total Revenues	164,100	164,100	11,162	(152,938)
EXPENDITURES				
Materials and Services	5,000	5,000 (1)	1,871	3,129
Capital Outlay	207,100	207,100 (1)	544	206,556
Total Expenditures	212,100	212,100	2,415	209,685
Excess of Revenues Over, (Under) Expenditures	(48,000)	(48,000)	8,747	56,747
OTHER FINANCING SOURCES, (USES)				
Transfers In	15,000	15,000	15,000	-
Transfers Out	(5,000)	(5,000) (1)	(1,334)	3,666
Net Change in Fund Balance	(38,000)	(38,000)	22,413	60,413
Beginning Fund Balance	38,000	38,000	48,748	10,748
Ending Fund Balance	\$ -	\$ -	\$ 71,161	\$ 71,161

(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, 2020**

DIAL-A-RIDE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Dial-A-Ride fees/donations	\$ 41,050	\$ 41,050	\$ 33,147	\$ (7,903)
Interest	100	100	38	(62)
Miscellaneous	-	-	17	17
Total Revenues	41,150	41,150	33,202	(7,948)
EXPENDITURES				
Personal Services	10,180	10,180 (1)	8,597	1,583
Materials and Services	26,970	26,970 (1)	19,895	7,075
Capital Outlay	5,000	5,000 (1)	-	5,000
Total Expenditures	42,150	42,150	28,492	13,658
Excess of Revenues Over, (Under) Expenditures	(1,000)	(1,000)	4,710	5,710
Beginning Fund Balance	1,000	1,000	507	(493)
Ending Fund Balance	\$ -	\$ -	\$ 5,217	\$ 5,217

**CITY OF REEDSPORT  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2020**

RIVERFRONT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Lodging taxes	\$ 40,000	\$ 40,000	\$ 38,576	\$ (1,424)
Charges for services	83,300	83,300	62,165	(21,135)
Interest	1,500	1,500	(13,103)	(14,603)
Miscellaneous	2,400	2,400	3,298	898
Total Revenues	127,200	127,200	90,936	(36,264)
<b>EXPENDITURES</b>				
Personal Services	89,200	89,200 (1)	88,086	1,114
Materials and Services	96,750	96,750 (1)	55,789	40,961
Capital Outlay	28,250	28,250 (1)	-	28,250
Contingency	9,000	9,000 (1)	-	9,000
Total Expenditures	223,200	223,200	143,875	79,325
Excess of Revenues Over, (Under) Expenditures	(96,000)	(96,000)	(52,939)	43,061
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	12,500	12,500	12,500	-
Net Change in Fund Balance	(83,500)	(83,500)	(40,439)	43,061
Beginning Fund Balance	95,000	95,000	133,648	38,648
Ending Fund Balance	\$ 11,500	\$ 11,500	\$ 93,209	\$ 81,709

(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, 2020**

**LIBRARY FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Grants and contributions	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Personal Services	-	- (1)	-	-
Materials and Services	-	- (1)	-	-
Capital Outlay	-	- (1)	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over, (Under) Expenditures</b>	-	-	-	-
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	- (1)	-	-
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Beginning Fund Balance</b>	<u>-</u>	<u>-</u>	<u>59</u>	<u>59</u>
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 59</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, 2020**

ANIMAL SHELTER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Animal control/impound	\$ 900	\$ 900	\$ 417	\$ (483)
Animal shelter donations	7,500	7,500	8,919	1,419
Interest	450	450	538	88
Total Revenues	8,850	8,850	9,874	1,024
EXPENDITURES				
Materials and Services	13,300	13,300 (1)	10,370	2,930
Capital Outlay	26,550	26,550 (1)	7,925	18,625
Total Expenditures	39,850	39,850	18,295	21,555
Excess of Revenues Over, (Under) Expenditures	(31,000)	(31,000)	(8,421)	22,579
OTHER FINANCING SOURCES, (USES)				
Transfers In	-	-	-	-
Net Change in Fund Balance	(31,000)	(31,000)	(8,421)	22,579
Beginning Fund Balance	31,000	31,000	28,937	(2,063)
Ending Fund Balance	\$ -	\$ -	\$ 20,516	\$ 20,516

(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, 2020**

GENERAL CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Grants	\$ -	\$	\$	\$ -
Interest	4,000	4,000	6,879	2,879
Miscellaneous	400	400	10,147	9,747
Total Revenues	4,400	4,400	17,026	12,626
EXPENDITURES				
Capital outlay	244,400	244,400 (1)	31,930	212,470
Total Expenditures	244,400	244,400	31,930	212,470
Excess of Revenues Over, (Under) Expenditures	(240,000)	(240,000)	(14,904)	225,096
OTHER FINANCING SOURCES, (USES)				
Transfers in	40,000	40,000	40,000	-
Net Change in Fund Balance	(200,000)	(200,000)	25,096	225,096
Beginning Fund Balance	300,000	300,000	371,791	71,791
Ending Fund Balance	\$ 100,000	\$ 100,000	\$ 396,887	\$ 296,887

(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, 2020**

POLICE CAPITAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Jail bed rents	\$ 30,000	\$ 30,000	\$ 24,690	\$ (5,310)
Interest	250	250	1,846	1,596
Miscellaneous	-	-	10,000	10,000
Total Revenues	30,250	30,250	36,536	6,286
EXPENDITURES				
Materials and Services	4,000	29,000 (1)	25,965	3,035
Capital Outlay	57,250	57,250 (1)	45,746	11,504
Total Expenditures	61,250	86,250	71,711	14,539
Excess of Revenues Over, (Under) Expenditures	(31,000)	(56,000)	(35,175)	20,825
OTHER FINANCING SOURCES, (USES)				
Transfers In	15,000	15,000	15,000	-
Transfers Out	(4,000)	(4,000) (1)	-	4,000
Net Change in Fund Balance	(20,000)	(45,000)	(20,175)	24,825
Beginning Fund Balance	20,000	45,000	96,413	51,413
Ending Fund Balance	\$ -	\$ -	\$ 76,238	\$ 76,238

(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, 2020**

CERT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Grants and Donations	\$ 4,990	\$ 15,380	\$ 13,079	\$ (2,301)
Interest	-	-	3	3
Total Revenues	4,990	15,380	13,082	(2,298)
EXPENDITURES				
Materials and Services	5,000	16,390 (1)	13,307	3,083
Total Expenditures	5,000	16,390	13,307	3,083
Excess of Revenues Over, (Under) Expenditures	(10)	(1,010)	(225)	785
OTHER FINANCING SOURCES, (USES)				
Transfers In	10	1,010	1,000	(10)
Net Change in Fund Balance	-	-	775	775
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ 775	\$ 775

(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, 2020

WATER UTILITY FUND

	<u>WATER UTILITY</u>	<u>WATER SDC</u>	<u>TOTAL</u>
REVENUES			
Charges for service	\$ 789,389	\$ 43,300	\$ 832,689
Interest	25,209	1,527	26,736
Miscellaneous	2,387	-	2,387
Total Revenues	<u>816,985</u>	<u>44,827</u>	<u>861,812</u>
EXPENDITURES			
Personnel	353,160	-	353,160
Materials and services	216,824	-	216,824
Capital outlay	135,628	-	135,628
Total Expenditures	<u>705,612</u>	<u>-</u>	<u>705,612</u>
Excess of Revenues Over, (Under) Expenditures	111,373	44,827	156,200
OTHER FINANCING SOURCES, (USES)			
Transfers out	(546,150)	-	(546,150)
Total Other Financing Sources	<u>(546,150)</u>	<u>-</u>	<u>(546,150)</u>
Net Change in Fund Balance	(434,777)	44,827	(389,950)
Beginning Fund Balance	1,192,475	75,189	1,267,664
Ending Fund Balance	<u>\$ 757,698</u>	<u>\$ 120,016</u>	<u>\$ 877,714</u>
GAAP Adjustments			
Interfund Loan			500,000
Net Pension Liability			(314,175)
Deferred Outflows			113,837
Deferred Inflows			(41,099)
Compensated Absences			(24,358)
Capital Assets, Net			<u>4,850,175</u>
Net Position			<u>\$ 5,962,094</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, 2020**

<u>WATER UTILITY FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Charges for services	\$ 774,500	\$ 774,500	\$ 789,389	\$ 14,889
Interest	17,200	17,200	25,209	8,009
Other revenue	2,050	2,050	2,387	337
<b>Total Revenues</b>	<u>793,750</u>	<u>793,750</u>	<u>816,985</u>	<u>23,235</u>
<b>EXPENDITURES</b>				
Personal Services	355,500	355,500 (1)	353,160	2,340
Materials and services	280,750	280,750 (1)	216,824	63,926
Capital outlay	525,500	525,500 (1)	135,628	389,872
Contingency	15,000	15,000 (1)	-	15,000
<b>Total Expenditures</b>	<u>1,176,750</u>	<u>1,176,750</u>	<u>705,612</u>	<u>471,138</u>
Excess of Revenues Over, (Under) Expenditures	<u>(383,000)</u>	<u>(383,000)</u>	<u>111,373</u>	<u>494,373</u>
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers in	37,800	37,800	-	-
Transfers out	(546,150)	(546,150) (1)	(546,150)	-
<b>Total Other Financing Sources, (Uses)</b>	<u>(508,350)</u>	<u>(508,350)</u>	<u>(546,150)</u>	<u>(37,800)</u>
<b>Net Change in Fund Balance</b>	<u>(891,350)</u>	<u>(891,350)</u>	<u>(434,777)</u>	<u>456,573</u>
<b>Beginning Fund Balance</b>	<u>925,000</u>	<u>925,000</u>	<u>1,192,475</u>	<u>267,475</u>
<b>Ending Fund Balance</b>	<u>\$ 33,650</u>	<u>\$ 33,650</u>	<u>\$ 757,698</u>	<u>\$ 724,048</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, 2020**

**WATER SYSTEM DEVELOPMENT FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
System Development Charges	\$ -	\$ -	\$ 43,300	\$ 43,300
Interest	<u>1,600</u>	<u>1,600</u>	<u>1,527</u>	<u>(73)</u>
Total Revenues	<u>1,600</u>	<u>1,600</u>	<u>44,827</u>	<u>43,227</u>
EXPENDITURES				
Capital outlay	<u>76,790</u>	<u>76,790</u> (1)	<u>-</u>	<u>76,790</u>
Total Expenditures	<u>76,790</u>	<u>76,790</u>	<u>-</u>	<u>76,790</u>
Net Change in Fund Balance	(75,190)	(75,190)	44,827	120,017
Beginning Fund Balance	<u>75,190</u>	<u>75,190</u>	<u>75,189</u>	<u>(1)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,016</u>	<u>\$ 120,016</u>

(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, 2020

WASTEWATER UTILITY FUND

	WASTEWATER UTILITY	WASTEWATER SDC	TOTAL
REVENUES			
Charges for service	\$ 1,939,233	\$ -	\$ 1,939,233
Interest	64,051	5,415	69,466
Miscellaneous	2,009	-	2,009
Total Revenues	<u>2,005,293</u>	<u>5,415</u>	<u>2,010,708</u>
EXPENDITURES			
Personal Services	355,673	-	355,673
Materials and services	356,584		356,584
Debt Service	769,361		769,361
Capital outlay	222,793	-	222,793
Total Expenditures	<u>1,704,411</u>	<u>-</u>	<u>1,704,411</u>
Excess of Revenues Over, (Under) Expenditures	300,882	5,415	306,297
OTHER FINANCING SOURCES, (USES)			
Transfers out	<u>(861,250)</u>	<u>-</u>	<u>(861,250)</u>
Total Other Financing Sources, (Uses)	<u>(861,250)</u>	<u>-</u>	<u>(861,250)</u>
Net Change in Fund Balance	(560,368)	5,415	(554,953)
Beginning Fund Balance	<u>3,743,551</u>	<u>295,466</u>	<u>4,039,017</u>
Ending Fund Balance	<u>\$ 3,183,183</u>	<u>\$ 300,881</u>	<u>\$ 3,484,064</u>
GAAP Adjustments			
Interfund Loan			1,000,000
Net Pension Liability			(326,940)
Deferred Outflows			118,463
Deferred Inflows			(42,769)
Compensated Absences			(28,074)
Capital Assets, Net			13,427,321
Accrued Interest			(33,081)
Bonds and Notes Payable			<u>(9,782,556)</u>
Net Position			<u>\$ 7,816,428</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, 2020**

WASTEWATER UTILITY DIVISION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Charges for services	\$ 1,875,500	\$ 1,875,500	\$ 1,939,233	\$ 63,733
Interest	24,500	24,500	64,051	39,551
Miscellaneous	2,000	2,000	2,009	9
Total Revenues	1,902,000	1,902,000	2,005,293	103,293
<b>EXPENDITURES</b>				
Personal Services	375,400	375,400 (1)	355,673	19,727
Materials and services	458,100	458,100 (1)	356,584	101,516
Debt Service	2,286,400	2,286,400 (1)	769,361	1,517,039
Capital outlay	483,850	483,850 (1)	222,793	261,057
Contingency	15,000	15,000 (1)	-	15,000
Total Expenditures	3,618,750	3,618,750	1,704,411	1,914,339
Excess of Revenues over Expenditures	(1,716,750)	(1,716,750)	300,882	(1,811,046)
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers in	75,700	75,700	-	(75,700)
Transfers out	(1,014,650)	(1,014,650) (1)	(861,250)	153,400
Total Other Financing Sources	(938,950)	(938,950)	(861,250)	153,400
Net Change in Fund Balance	(2,655,700)	(2,655,700)	(560,368)	256,693
Beginning Fund Balance	3,000,000	3,000,000	3,743,551	743,551
Ending Fund Balance	\$ 344,300	\$ 344,300	\$ 3,183,183	\$ 2,838,883

**CITY OF REEDSPORT  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2020**

**WASTEWATER SYSTEM DEVELOPMENT FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 6,000	\$ 6,000	\$ 5,415	\$ (585)
Miscellaneous	-	-	-	-
Total Revenues	6,000	6,000	5,415	(585)
EXPENDITURES				
Capital outlay	301,500	301,500 (1)	-	301,500
Total Expenditures	301,500	301,500	-	301,500
Net Change in Fund Balance	(295,500)	(295,500)	5,415	300,915
Beginning Fund Balance	295,500	295,500	295,466	(34)
Ending Fund Balance	\$ -	\$ -	\$ 300,881	\$ 300,881

(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, 2020**

**STORMWATER UTILITY FUNDS**

	<u>STORM DRAIN</u>	<u>STORM SDC</u>	<u>TOTAL</u>
REVENUES			
Charges for service	\$ 71,583	\$ -	\$ 71,583
Grants and Contributions	150,315	-	150,315
Interest	10,339	117	10,456
Miscellaneous	3,401	-	3,401
	<u>235,638</u>	<u>117</u>	<u>235,755</u>
Total Revenues			
EXPENDITURES			
Personal Services	24,685	-	24,685
Materials and services	18,610	-	18,610
Capital outlay	587,486	-	587,486
	<u>630,781</u>	<u>-</u>	<u>630,781</u>
Total Expenditures			
Excess of Revenues Over, (Under) Expenditures	(395,143)	117	(395,026)
OTHER FINANCING SOURCES, (USES)			
Transfers in	140,000	-	140,000
Transfers out	(1,850)	-	(1,850)
	<u>138,150</u>	<u>-</u>	<u>138,150</u>
Total Other Financing Sources, (Uses)			
Net Change in Fund Balance	(256,993)	117	(256,876)
Beginning Fund Balance	622,435	6,361	628,796
Ending Fund Balance	<u>\$ 365,442</u>	<u>\$ 6,478</u>	<u>\$ 371,920</u>
GAAP Adjustments			
Capital Assets, Net			1,803,095
Notes Payable			<u>(12,284)</u>
Net Position			<u>\$ 2,162,731</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, 2020**

**STORM WATER UTILITY FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Charges for service	\$ 71,000	\$ 71,000	\$ 71,583	\$ 583
Grants and Contributions	-	-	150,315	150,315
Intergovernmental	400,000	400,000	-	(400,000)
Interest	9,200	9,200	10,339	1,139
Miscellaneous	150	150	3,401	3,251
<b>Total Revenues</b>	<u>480,350</u>	<u>480,350</u>	<u>235,638</u>	<u>(244,712)</u>
<b>EXPENDITURES</b>				
Personal Services	26,800	26,800 (1)	24,685	2,115
Materials and services	44,385	44,385 (1)	18,610	25,775
Capital outlay	1,037,315	1,037,315 (1)	587,486	449,829
Contingency	2,000	2,000 (1)	-	2,000
<b>Total Expenditures</b>	<u>1,110,500</u>	<u>1,110,500</u>	<u>630,781</u>	<u>479,719</u>
Excess of Revenues Over, (Under) Expenditures	(630,150)	(630,150)	(395,143)	235,007
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers in	140,000	140,000	140,000	-
Transfers out	(1,850)	(1,850) (1)	(1,850)	-
<b>Total Other Financing Sources, (Uses)</b>	<u>138,150</u>	<u>138,150</u>	<u>138,150</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(492,000)</u>	<u>(492,000)</u>	<u>(256,993)</u>	<u>235,007</u>
<b>Beginning Fund Balance</b>	<u>500,000</u>	<u>500,000</u>	<u>622,435</u>	<u>122,435</u>
<b>Ending Fund Balance</b>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 365,442</u>	<u>\$ 357,442</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, 2020**

**STORMWATER SYSTEM DEVELOPMENT FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 120	\$ 120	\$ 117	\$ (3)
Total Revenues	120	120	117	(3)
EXPENDITURES				
Capital outlay	6,470	6,470 (1)	-	6,470
Total Expenditures	6,470	6,470	-	6,470
Excess of Revenues Over, (Under) Expenditures	(6,350)	(6,350)	117	6,467
Beginning Fund Balance	6,350	6,350	6,361	11
Ending Fund Balance	\$ -	\$ -	\$ 6,478	\$ 6,478

(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, 2020**

**DUNES NRA LEASE FUND  
A MAJOR PROPRIETARY FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Lease/Investment Income	\$ 97,000	\$ 97,000	\$ 158,165	\$ 61,165
Interest	2,000	2,000	3,886	1,886
Other revenue	<u>200</u>	<u>200</u>	<u>187,361</u>	<u>187,161</u>
Total Revenues	<u>99,200</u>	<u>99,200</u>	<u>349,412</u>	<u>250,212</u>
<b>EXPENDITURES</b>				
Personal Services	40,300	40,300 (1)	37,654	2,646
Materials and Services	25,700	25,700 (1)	9,658	16,042
Capital Outlay	<u>1,500,000</u>	<u>1,500,000 (1)</u>	<u>1,358,303</u>	<u>141,697</u>
Total Expenditures	<u>1,566,000</u>	<u>1,566,000</u>	<u>1,405,615</u>	<u>160,385</u>
Excess of Revenues Over, (Under) Expenditures	(1,466,800)	(1,466,800)	(1,056,203)	410,597
<b>OTHER FINANCING SOURCES, (USES)</b>				
Interfund Loan	1,500,000	1,500,000	1,272,000	(228,000)
Transfers Out	<u>(118,200)</u>	<u>(118,200) (1)</u>	<u>(4,700)</u>	<u>113,500</u>
Total Other Financing Sources	1,381,800	1,381,800	1,267,300	(114,500)
Net Change in Fund Balance	(85,000)	(85,000)	211,097	296,097
Beginning Fund Balance	<u>85,000</u>	<u>85,000</u>	<u>2,293,433</u>	<u>2,208,433</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,504,530</u>	<u>\$ 2,504,530</u>
<b>GAAP Adjustments</b>				
Capital assets			1	
Interfund Loan			<u>(1,500,000)</u>	
Net Position			<u>\$ 1,004,531</u>	

(1) Appropriation Level



**CITY OF REEDSPORT  
DOUGLAS COUNTY, OREGON**

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



**PAULY, ROGERS AND CO., P.C.**  
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[www.paulyrogersandcocpas.com](http://www.paulyrogersandcocpas.com)

December 18, 2020

### **Independent Auditors' Report Required by Oregon State Requirements**

We have audited the basic financial statements of the City of Reedsport as of and for the year ended June 30, 2020, and have issued our report thereon dated December 18, 2020. 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).**

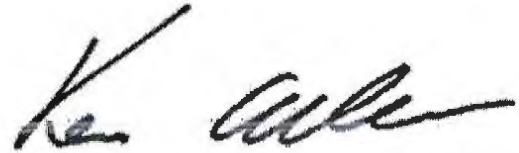
In connection with our testing nothing came to our attention that caused us to believe the City of Reedsport was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative 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 18, 2020.

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 black ink, appearing to read "Ken Allen", is positioned above the printed name.

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