

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON



FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

FINANCIAL REPORT

**WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

Mayor & City Council



June 30, 2023

Mayor and Councilors

Linda McCollum, Mayor
Jeffrey Vanier
DeeDee Murphy
Chuck Miller
Allen Teitzel
Rich Patten
Debby Turner

Term Expiration

December 31, 2024
December 31, 2024
December 31, 2024
December 31, 2024
December 31, 2026
December 31, 2026
December 31, 2026

All council members will receive mail at the following address:

City of REEDSPORT
451 Winchester Ave.
Reedsport, OR 97567

ADMINISTRATION

Deanna Schafer, City Manager

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

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March 25, 2024

To the City Council
City of Reedsport
Reedsport, Oregon

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Reedsport as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Reedsport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The City adopted new accounting guidance, GASB Statement No. 96 – Subscription-Based Information Technology Agreements during the fiscal year under audit. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Reedsport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Reedsport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Reedsport's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary 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 basic 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 basic financial statements or to the basic 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 basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated March 25, 2024, 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 "Ken Allen", written in a cursive style.

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, 2023 (FY23).

Financial Highlights

- At the close of FY23, the assets of the City exceeded its liabilities by \$29.8 million (*net position*); of this amount, \$7.48 million (*unrestricted net position*) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net position increased by \$29,917. The net position increase is mostly attributable to a increase in cash and cash equivalents in business-type activities.
- At the end of the current fiscal year, the unrestricted fund balance of the General Fund was \$2.5 million, or 82 percent of total general fund expenditures.
- The City's total debt decreased by \$473 thousand during the current fiscal year. The major portion of the decrease is due to the annual repayment of utility debts.

Overview of the Financial Statements

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

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

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows*

of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

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

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

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

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

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

Other information.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$29.8 million as of June 30, 2023.

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

City of Reedsport's Net Position, in thousands

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	5,049	3,657	6,778	9,157	11,827	12,814
Capital assets	7,325	5,502	20,479	21,039	27,804	26,541
Total assets	12,374	9,159	27,257	30,196	39,631	39,355
Deferred outflows	874	529	307	191	1,181	720
Total assets and deferred outflows	13,248	9,688	27,564	30,387	40,812	40,076
Long-term liabilities outstanding	5	3	6,285	6,765	6,290	6,768
Other liabilities	687	400	583	577	1,270	977
Pension liability	1,584	904	554	317	2,138	1,221
Total liabilities	2,305	1,307	7,422	7,659	9,727	8,966
Deferred inflows	894	1,186	325	2,948	1,219	4,134
Total liabilities and deferred inflows	3,199	2,493	7,747	10,608	10,946	13,100
Net position:						
Net invested in capital assets	7,281	5,453	13,812	13,899	21,093	19,352
Restricted	845	680	442	433	1,287	1,113
Unrestricted	1,924	1,062	5,562	5,447	7,486	6,509
Total net position	10,050	7,195	19,816	19,779	29,866	26,974

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

The City's net position increased by \$2,891 hundred thousand during the fiscal year. This increase in position represents a decrease in debt obligations for the City's water treatment plant, water system infrastructure, wastewater treatment plant and collection system. This net position increase also represents the increase of revenue to meet or exceed similar increases in ongoing expenses. The City's net position total is also represented by the difference in the basis of accounting used in the government wide statements and that in the fund financial statements.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program revenues:						
Charges for services	718	533	3,274	3,069	3,992	3,602
Operating grants/contributions	702	549	0	0	702	549
Capital grants/contributions	1,506	620	0	0	1,506	620
General revenues:						
Property taxes	1,901	1,535	0	0	1,901	1,535
Other taxes	957	917	0	0	957	917
Other Revenue	550	217	0	0	550	217
Investment income	111	-30	102	78	213	48
Total Revenues	<u>6,445</u>	<u>4,341</u>	<u>3,376</u>	<u>3,147</u>	<u>9,821</u>	<u>7,488</u>
Expenses:						
General government	1,517	1,634	0	0	1,517	1,634
Public safety	1,973	2,154	0	0	1,973	2,145
Highways and streets	218	620	0	0	218	620
Culture and recreation	56	29	0	0	56	29
Water	0	0	883	908	883	908
Wastewater	0	0	2,007	1,662	2,007	1,662
Stormwater	0	0	73	93	73	93
Dunes NRA Lease	0	0	310	216	310	216
Total expenses	<u>3,764</u>	<u>4,428</u>	<u>3,273</u>	<u>2,879</u>	<u>7,037</u>	<u>7,307</u>
Change in net position	2,681	-86	103	268	2,784	181
Transfers	172	97	-172	-97	0	0
Change in net position	2,853	11	37	171	3,024	181
Prior Period Adjustment			0	370		370
Beginning net position restated	<u>7,195</u>	<u>7,184</u>	<u>19,779</u>	<u>19,238</u>	<u>26,974</u>	<u>26,422</u>
Ending net position	<u>10,050</u>	<u>7,195</u>	<u>19,816</u>	<u>19,779</u>	<u>29,866</u>	<u>26,974</u>

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's

financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4.40 million, an increase of \$108 thousand in comparison with the prior year. Approximately \$2.5 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 \$2.5 million, all of which is unrestricted.

The fund balance of the City's general fund increased by \$740 thousand during the current fiscal year, with the key factors for this increase was the decrease of expenditures for materials & services. General Fund revenue came in over budget.

General Fund Budgetary Highlights

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

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2023 amounts to \$28 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.

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 a upturn in property values and investments.

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

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

The Storm Water Utility monthly service rates are being evaluated and may need to be increased in the near future because a sizable investment that will be required to repair settlement issues and ageing infrastructure of the current levee system. The City was selected for a 4.5 million dollar FEMA Pre-Disaster Assistance Grant Program. Staff has worked through the environmental impact review and is in the engineering phase. The goal is to start construction in 2024.

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, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS TYPE	TOTAL
ASSETS			
Cash & cash equivalents	\$ 4,051,506	\$ 3,747,389	\$ 7,798,895
Investments	125,300	2,400,000	2,525,300
Receivables:			
Taxes	129,912	-	129,912
Accounts	674,225	448,713	1,122,938
Prepays	44,296	-	44,296
Inventories	23,372	182,271	205,643
Proportionate Share of Net Pension Asset - RHIA	39,502	-	39,502
Subscription assets, net	72,866	-	72,866
Capital assets, net	7,212,886	20,478,691	27,691,577
Total Assets	12,373,865	27,257,064	39,630,929
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	36,034	-	36,034
Pension Related Deferrals - RHIA	3,030	-	3,030
Pension Related Deferrals - Oregon PERS	835,393	306,779	1,142,172
Total Deferred Outflows	874,457	306,779	1,181,236
LIABILITIES			
Accounts payable	460,700	73,142	533,842
Accrued expenses	50,192	-	50,192
Accrued interest payable	-	19,444	19,444
Deposits payable	10,989	62,774	73,763
Compensated absences	165,255	46,306	211,561
Noncurrent liabilities			
Due within one year:			
Subscription payable	28,756	-	28,756
Bonds Payable	-	381,373	381,373
Due in more than one year:			
Subscription payable	4,580	-	4,580
Bonds Payable	-	6,285,167	6,285,167
OPEB Net Pension Liability - Implicit Subsidy	74,631	-	74,631
Proportionate Share of Net Pension Liability	1,509,923	554,485	2,064,408
Total Liabilities	2,305,026	7,422,691	9,727,717
DEFERRED INFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	1,230	-	1,230
Pension Related Deferrals - RHIA	7,991	-	7,991
Pension Related Deferrals - Oregon PERS	884,379	324,769	1,209,148
Total Deferred Inflows	893,600	324,769	1,218,369
NET POSITION:			
Net Investment in Capital Assets	7,252,416	13,812,151	21,064,567
Restricted for:			
Streets and Urban Renewal	844,702	442,401	1,287,103
Unrestricted	1,952,578	5,561,831	7,514,409
Total Net Position	\$ 10,049,696	\$ 19,816,383	\$ 29,866,079

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, 2023**

Functions/Programs	Program Revenues			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 1,517,486	\$ 265,594	\$ 456,667	\$ 514,682
Public Safety & Fire	1,972,517	337,694	241,490	891,771
Highways and Streets	218,547	-	-	100,000
Culture and Recreation	55,756	114,703	4,558	-
Total Governmental Activities	3,764,306	717,991	702,715	1,506,453
Business-Type Activities				
Water	1,129,862	882,763	-	-
Wastewater	1,951,619	2,007,297	-	-
Stormwater	139,792	73,386	-	197,062
Dunes NRA Lease	143,233	310,540	-	-
Total Business Activities	3,364,506	3,273,986	-	197,062
Total Government	\$ 7,128,812	\$ 3,991,977	\$ 702,715	\$ 1,703,515

General Revenues:

Property Taxes
Other taxes
Other Revenue
Interest/Investment Income
Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

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

Net Revenues (Expenses) and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (280,543)	\$ -	\$ (280,543)
(501,562)	-	(501,562)
(118,547)	-	(118,547)
63,505	-	63,505
(837,147)	-	(837,147)
-	(247,099)	(247,099)
-	55,678	55,678
-	130,656	130,656
-	167,307	167,307
-	106,542	106,542
(837,147)	106,542	(730,605)
1,901,344	-	1,901,344
957,037	-	957,037
550,202	-	550,202
111,206	102,474	213,680
171,950	(171,950)	-
3,691,739	(69,476)	3,622,263
2,854,592	37,066	2,891,658
7,195,104	19,779,317	26,974,421
<u>\$ 10,049,696</u>	<u>\$ 19,816,383</u>	<u>\$ 29,866,079</u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023**

	GENERAL FUND	STREET FUND	URBAN RENEWAL AGENCY - SPECIAL REV.
ASSETS			
Cash and Cash Equivalents	\$ 2,297,828	\$ 429,075	\$ 415,468
Investments	125,300	-	-
Receivables			
Taxes	116,832	-	13,080
Accounts	219,989	59,599	1,184
Intergovernmental	-	-	-
Leases	-	-	-
Due from other funds	729	-	-
Prepays	44,296	-	-
Inventories	-	-	-
Total Assets	\$ 2,804,974	\$ 488,674	\$ 429,732
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 75,491	\$ 1,348	\$ 80,300
Accrued expenses	50,192	-	-
Due to other funds	-	-	-
Deposits payable	-	10,989	-
Total Liabilities	125,683	12,337	80,300
DEFERRED INFLOWS			
Unavailable Revenue - Property Taxes	116,832	-	13,080
Total Deferred Inflows	116,832	-	13,080
Fund Balances:			
Nonspendable	44,296	-	-
Restricted			
Streets	-	476,337	-
Urban Renewal	-	-	336,352
Committed			
Capital outlay	-	-	-
Cultural/Recreation	-	-	-
Public Safety	-	-	-
Unassigned			
General Fund	2,518,163	-	-
Total Fund Balances	2,562,459	476,337	336,352
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,804,974	\$ 488,674	\$ 429,732

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

URBAN RENEWAL AGENCY - MAIN STREET	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 33,342	\$ 904,643	\$ 4,080,356
-	-	125,300
-	-	129,912
103,878	289,575	674,225
-	-	-
-	-	-
-	-	729
-	-	44,296
-	23,372	23,372
<u>\$ 137,220</u>	<u>\$ 1,217,590</u>	<u>\$ 5,078,190</u>
\$ 105,207	\$ 227,204	\$ 489,550
-	-	50,192
-	729	729
-	-	10,989
<u>105,207</u>	<u>227,933</u>	<u>551,460</u>
-	-	129,912
-	-	129,912
-	23,372	67,668
-	-	476,337
32,013	-	368,365
-	642,706	642,706
-	222,487	222,487
-	101,092	101,092
-	-	2,518,163
<u>32,013</u>	<u>989,657</u>	<u>4,396,818</u>
<u>\$ 137,220</u>	<u>\$ 1,217,590</u>	<u>\$ 5,078,190</u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2023**

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

Fund Balances		\$ 4,396,818
<p>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.</p>		
Net Capital Assets		7,212,886
<p>Long-term assets and liabilities related to SBITA's are recognized on the statement on net position. In the governmental funds, SBITA assets and liabilities are not capitalized</p>		
Subscription Assets, net	\$ 72,866	
Subscription Liabilities	<u>(33,336)</u>	39,530
<p>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.</p>		
Accrued Compensated Absences		(165,255)
<p>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</p>		
		(1,564,195)
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		
Unavailable Revenue - Property Taxes		<u>129,912</u>
Total Net Position		<u><u>\$ 10,049,696</u></u>

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

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023**

	GENERAL FUND	STREET FUND	URBAN RENEWAL AGENCY - SPECIAL REV.
REVENUES			
Property taxes	\$ 1,650,394	\$ -	\$ 220,878
Franchise fees	263,011	60,832	-
Fuel taxes	-	402,298	-
Alcohol taxes	92,664	-	-
Lodging taxes	327,712	-	-
Other taxes	79,715	-	-
Licenses, permits and fees	242,600	-	-
Intergovernmental	242,584	-	-
Charges for services	189,568	-	-
Fines and penalties	70,679	-	-
Interest	78,628	7,336	7,883
Grants and Contributions	520,602	100,000	88,000
Miscellaneous	78,882	21,237	56,021
Total Revenues	3,837,039	591,703	372,782
EXPENDITURES			
Current			
General government	1,420,004	-	-
Public safety	1,636,989	-	-
Highway and streets	-	204,508	-
Culture and recreation	17,328	-	3,097
Debt Service	29,436	-	-
Capital Outlay	9,162	328,936	211,752
Total Expenditures	3,112,919	533,444	214,849
Excess of Revenues Over, (Under) Expenditures	724,120	58,259	157,933
OTHER FINANCING SOURCES, (USES)			
GASB 96 SBITA	9,162	-	-
Transfers In	145,600	-	-
Transfers Out	(139,335)	(22,500)	-
Total Other Financing Sources, (Uses)	15,427	(22,500)	-
Net Change in Fund Balance	739,547	35,759	157,933
Beginning Fund Balance	1,822,912	440,578	178,419
Ending Fund Balance	<u>\$ 2,562,459</u>	<u>\$ 476,337</u>	<u>\$ 336,352</u>

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

URBAN RENEWAL AGENCY - MAIN STREET	OTHER GOVERNMENTAL FUNDS	TOTAL
\$ -	\$ 3,373	\$ 1,874,645
-	-	323,843
-	-	402,298
-	-	92,664
-	54,648	382,360
-	-	79,715
-	-	242,600
-	-	242,584
-	215,144	404,712
-	-	70,679
1,090	16,427	111,364
189,650	1,152,826	2,051,078
820	581	157,541
<u>191,560</u>	<u>1,442,999</u>	<u>6,436,083</u>
-	-	1,420,004
-	208,816	1,845,805
-	-	204,508
27,438	4,311	52,174
-	-	29,436
<u>193,368</u>	<u>1,246,113</u>	<u>1,989,331</u>
<u>220,806</u>	<u>1,459,240</u>	<u>5,541,258</u>
(29,246)	(16,241)	894,825
-	-	9,162
-	189,335	334,935
-	(1,150)	(162,985)
<u>-</u>	<u>188,185</u>	<u>181,112</u>
(29,246)	171,944	1,075,937
<u>61,259</u>	<u>817,713</u>	<u>3,320,881</u>
<u>\$ 32,013</u>	<u>\$ 989,657</u>	<u>\$ 4,396,818</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, 2023

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	\$ 1,075,937
<p>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 and sales of assets in the current period.</p>	
Capital Outlay	2,211,568
Depreciation Expense/Capital Asset Sales	(451,863)
<p>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.</p>	
	(57,540)
<p>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.</p>	
Principal payments on long-term obligations/Accrued Vacation	49,791
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Unearned/Unavailable Revenue	<u>26,699</u>
Change in Net Position	<u>\$ 2,854,592</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, 2023**

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND	DUNES NRA FUND	TOTAL
ASSETS					
Cash and cash equivalents	\$ 828,178	\$ 2,087,875	\$ 773,381	\$ 57,955	\$ 3,747,389
Investments	-	-	-	2,400,000	2,400,000
Receivables					
Accounts, net	149,831	212,233	65,603	21,046	448,713
Due from Other Funds	350,731	689,355	-	-	1,040,086
Inventories	151,607	30,664	-	-	182,271
Capital assets, net	4,504,526	11,985,191	2,428,026	1,560,948	20,478,691
Total Assets	\$ 5,984,873	\$ 15,005,318	\$ 3,267,010	\$ 4,039,949	\$ 28,297,150
DEFERRED OUTFLOWS					
Pensions	151,906	154,873	-	-	306,779
LIABILITIES					
Accounts payable	\$ 25,661	\$ 14,348	\$ 32,520	\$ 613	\$ 73,142
Due to other funds	-	-	-	1,040,086	1,040,086
Accrued interest payable	-	19,444	-	-	19,444
Deposits payable	10,387	49,508	2,879	-	62,774
Compensated absences	20,789	25,517	-	-	46,306
Noncurrent liabilities					
Due within one year:					
Bonds payable	-	381,373	-	-	381,373
Due in more than one year:					
Bonds payable	-	6,285,167	-	-	6,285,167
Net pension liability	274,561	279,924	-	-	554,485
Total Liabilities	331,398	7,055,281	35,399	1,040,699	8,462,777
DEFERRED INFLOWS					
Pensions	160,814	163,955	-	-	324,769
Total Deferred Inflows	160,814	163,955	-	-	324,769
NET POSITION					
Net invested in capital assets	4,504,526	5,318,651	2,428,026	1,560,948	13,812,151
Restricted for:					
Capital Projects	128,605	311,383	2,413	-	442,401
Unrestricted	1,011,436	2,310,921	801,172	1,438,302	5,561,831
Total Net Position	\$ 5,644,567	\$ 7,940,955	\$ 3,231,611	\$ 2,999,250	\$ 19,816,383

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, 2023**

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND	DUNES NRA FUND	TOTAL
OPERATING REVENUES					
Charges for services	\$ 879,201	\$ 1,988,505	\$ 73,380	\$ -	\$ 2,941,086
Grants and Contributions	-	15,446	197,062	-	212,508
Miscellaneous	3,562	3,346	6	310,540	317,454
Total Operating Revenues	882,763	2,007,297	270,448	310,540	3,471,048
OPERATING EXPENSES					
Personal service	352,254	381,097	21,555	35,154	790,060
Materials and services	308,737	560,847	31,683	15,429	916,696
Depreciation and amortization	468,871	911,291	86,554	69,788	1,536,504
Total Operating Expenses	1,129,862	1,853,235	139,792	120,371	3,243,260
Operating Income -Loss	(247,099)	154,062	130,656	190,169	227,788
NONOPERATING REVENUES, (EXPENSES)					
Interest	27,403	58,833	14,073	2,165	102,474
Interest expense	-	(98,384)	-	(22,862)	(121,246)
Total Nonoperating Revenues (Expenses)	27,403	(39,551)	14,073	(20,697)	(18,772)
TRANSFERS					
Transfers In	-	-	260,000	-	260,000
Transfers Out	(46,150)	(329,250)	(1,850)	(54,700)	(431,950)
Total Operating Expenses	(46,150)	(329,250)	258,150	(54,700)	(171,950)
Change in Net Position	(265,846)	(214,739)	402,879	114,772	37,066
Net Position, Beginning	5,910,413	8,155,694	2,828,732	2,884,478	19,779,317
Net Position, Ending	\$ 5,644,567	\$ 7,940,955	\$ 3,231,611	\$ 2,999,250	\$ 19,816,383

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, 2023**

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 803,740	\$ 1,969,603	\$ 211,576
Cash Paid to Suppliers	(294,829)	(567,980)	501
Cash Paid to Employees	(341,599)	(374,661)	(21,555)
Net Cash Provided (Used) by Operating Activities	<u>167,312</u>	<u>1,026,962</u>	<u>190,522</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	-	-	260,000
Transfers to other funds	(46,150)	(329,250)	(1,850)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(46,150)</u>	<u>(329,250)</u>	<u>258,150</u>
Cash Flows from Capital and Related Financing Activities:			
Interfund Loan Payment	46,234	90,872	-
Acquisition and construction of capital assets	(299,853)	(531,990)	(143,979)
Debt Payments	-	(573,374)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(253,619)</u>	<u>(1,014,492)</u>	<u>(143,979)</u>
Cash Flows from Investing Activities:			
Interest income	27,403	58,833	14,074
Net Cash Provided (Used) by Investing Activities	<u>27,403</u>	<u>58,833</u>	<u>14,074</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(105,054)	(257,947)	318,767
Cash and Investments at Beginning of Year	933,232	2,345,822	454,614
Cash and Investments at End of Year	<u>\$ 828,178</u>	<u>\$ 2,087,875</u>	<u>\$ 773,381</u>
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ (247,099)	\$ 154,062	\$ 130,656
Adjustments to reconcile operating income (loss) to net cash provided (used) in operating activities			
Depreciation	468,871	911,291	86,554
(Increase) decrease in operating assets			
Accounts receivable	(79,023)	(37,694)	(58,872)
Net pension assets & deferred outflows	(57,190)	(58,307)	-
Other Assets	(12,915)	(12,422)	-
Increase (decrease) in operating liabilities			
Accounts payable	27,406	12,016	32,422
Compensated absences	(197)	(4,628)	-
Deposits payable	(583)	(6,727)	(238)
Net pension liability & deferred inflows	68,042	69,371	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 167,312</u>	<u>\$ 1,026,962</u>	<u>\$ 190,522</u>

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

DUNES NRA		TOTAL	
FUND			
\$	310,181	\$	3,295,100
	(74,222)		(936,530)
	(35,154)		(772,969)
	<u>200,805</u>		<u>1,585,601</u>
	-		260,000
	(54,700)		(431,950)
	<u>(54,700)</u>		<u>(171,950)</u>
	(137,106)		-
	-		(975,822)
	(22,862)		(596,236)
	<u>(159,968)</u>		<u>(1,572,058)</u>
	3,229		103,539
	<u>3,229</u>		<u>103,539</u>
	(10,634)		(54,868)
	68,589		3,802,257
\$	<u>57,955</u>	\$	<u>3,747,389</u>
\$	190,169	\$	227,788
	69,788		1,536,504
	(359)		(175,948)
	-		(115,497)
	-		(25,337)
	(58,793)		13,051
	-		(4,825)
	-		(7,548)
	-		137,413
\$	<u>200,805</u>	\$	<u>1,585,601</u>

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

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, 2023

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, 2023 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, 2023

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, 2023

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 except for General Fund – Community Building, which were overspent by \$5,639.

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.

Lease receivables are long-term assets recorded for all lease contracts in excess of one year where the City is the lessor. In the governmental funds, the balance is fully deferred and revenue is recognized when the lease payments are received. In the government-wide statements, payments simply reduce the receivable balance.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

J. SUBSCRIPTION ASSETS

Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

K. SUBSCRIPTION LIABILITIES

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. Amortization of the discount on the subscription liability is recognized as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

L. 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.

M. 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

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. FUND EQUITY (CONTINUED)

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.

N. 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.

O. 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.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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.

Q. 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)

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.

R. NET POSITION FLOW ASSUMPTIONS

Net position is comprised of net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. NET POSITION FLOW ASSUMPTIONS (CONTINUED)

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. A portion of Net Position is restricted for highways and streets and grant programs.

Unrestricted net position – consists of all other assets, deferred outflows of resources, less liabilities and deferred inflows of resources that are not included in the other categories previously mentioned.

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 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, 2023. 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, 2023, the fair value of the position in the LGIP is 99.63% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer’s Local Government Investment Pool are not required to be collateralized.

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

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.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

2. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2023, 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)	\$ 1,619,803	\$ -	\$ 1,619,803	\$ -
Real Estate (level 2)	125,300	-	-	125,300
Real Estate (level 2)	2,400,000	-	-	2,400,000
State Treasurer's Investment Pool	5,450,442	5,450,442	-	-
Total	\$ 9,595,545	\$ 5,450,442	\$ 1,619,803	\$ 2,525,300

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

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

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

Custodial Credit Risk - Deposits: This is the risk that, in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides Insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program. Oregon Revised Statutes and City policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. As of June 30, 2023, the total bank balance per the bank statements was \$2,444,225. Of these deposits, \$997,945 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, 2023 are as follows:

Deposits with Financial Institutions:

Petty Cash	\$ 900
Demand Deposits	727,750
Investments	<u>9,595,545</u>
Total cash and Investments	<u><u>\$ 10,324,195</u></u>

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

3. RECEIVABLES

The City has net utility billing accounts receivable in the amounts \$84,983, \$191,135 and \$7,740 in the Water, Wastewater and Stormwater funds respectively. These amounts are net of an allowance for doubtful accounts of \$44,305, \$77,218 and \$5,063, 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, 2023 was \$20,862.

4. CAPITAL ASSETS

Changes in Governmental Capital Assets for the year ended June 30, 2023 are as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets, not Depreciated:				
Land	\$ 930,469	\$ 115,810	\$ (15,642)	\$ 1,030,637
Construction in Progress	269,093	1,220,996	-	1,490,089
Total Capital Assets not being depreciated	<u>1,199,562</u>	<u>1,336,806</u>	<u>(15,642)</u>	<u>2,520,726</u>
Capital Assets, being Depreciated				
Buildings	2,922,333	74,375	-	2,996,708
Machinery and Equipment	4,107,937	522,717	-	4,630,654
Infrastructure	3,772,688	277,670	-	4,050,358
Subscription Assets	-	120,245	-	120,245
Total Capital Assets being depreciated	<u>10,802,958</u>	<u>995,007</u>	<u>-</u>	<u>11,797,965</u>
Accumulated Depreciation:				
Buildings	2,041,709	67,122	-	2,108,831
Machinery and Equipment	3,219,226	249,976	-	3,469,202
Infrastructure	1,288,404	119,123	-	1,407,527
Subscription Assets (amortization)	-	47,379	-	47,379
Total Accumulated Depreciation	<u>6,549,339</u>	<u>483,600</u>	<u>-</u>	<u>7,032,939</u>
Total Net Capital Assets	<u>\$ 5,453,181</u>			<u>\$ 7,285,752</u>
Governmental Activities:				
General Government	\$ 194,951			
Public Safety	253,409			
Highways and Streets	28,077			
Culture and Recreation	7,163			
Total	<u>\$ 483,600</u>			

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

4. CAPITAL ASSETS (CONTINUED)

Changes in Business-Type Capital Assets for the year ended June 30, 2023 are as follows:

	Balance June 30, 2022	Adjustments	Additions	Deletions	Balance June 30, 2023
Capital Assets, not Depreciated:					
Land	\$ 112,818	\$ 20	\$ -	\$ -	\$ 112,838
Construction in Progress	1,324,281	-	269,969		1,594,250
Total Capital Assets not being depreciated	1,437,099	20	269,969	-	1,707,088
Capital Assets, being Depreciated					
Buildings	2,062,334	-	-	-	2,062,334
Machinery and Equipment	634,691	-	24,103	-	658,794
Infrastructure	30,949,686	334,038	347,690	-	31,631,414
Total Capital Assets being depreciated	33,646,711	334,038	371,793	-	34,352,542
Accumulated Depreciation:					
Buildings	207,011	-	79,292	-	286,303
Machinery and Equipment	427,431	-	44,521	-	471,952
Infrastructure	13,409,993	334,038	1,078,653	-	14,822,684
Total Accumulated Depreciation	14,044,435	334,038	1,202,466	-	15,580,939
Total Net Capital Assets	\$ 21,039,375				\$ 20,478,691

5. LONG-TERM OBLIGATIONS

Transactions for governmental activities for the year ended June 30, 2023 were as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year
Compensated Absences	\$ 175,551	\$ 165,255	\$ (175,551)	\$ 165,255	\$ 165,255

Transactions for business-type activities for the year ended June 30, 2023 were as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year
DEQ Bond	\$ 7,139,858	\$ -	\$ 473,318	\$ 6,666,540	\$ 381,373
Total Debt	\$ 7,139,858	\$ -	\$ 473,318	\$ 6,666,540	\$ 381,373
Compensated Absences	51,131	46,306	51,131	46,306	46,306
Total	\$ 7,190,989	\$ 46,306	\$ 524,449	\$ 6,712,846	\$ 427,679

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

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

5. LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable - Business Type

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

In May 2015, the City issued \$10,334,358 of thirty year bonds to refinance the DEQ revolving loan for the wastewater collection system and treatment plan improvements in 2004. The Agreement pledges the revenues of the sewer system to secure the bond. The new bonds call for semi-annual payments of \$236,687, including interest at 1.4%. Also, payable annually are fees of 5% on the outstanding bond amount determined prior to the posting of the payment due on that date. The balance on the bonds at June 30 was \$6,666,540 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.

Year Ending	DEQ Revenue Bonds	
	Principal	Interest
2024	\$ 381,373	\$ 92,001
2025	386,730	86,644
2026	392,164	81,210
2027	397,673	75,701
2028	403,260	70,114
2029-2033	2,102,889	263,936
2034-2038	2,237,826	111,005
2039-2041	364,625	8,262
	<u>\$ 6,666,540</u>	<u>\$ 788,873</u>

6. DEFINED BENEFIT PENSION PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.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, 2023

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, 2023

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, 2019 actuarial valuation, which became effective July 1, 2021. 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, 2023 were \$141,590, excluding amounts to fund employer specific liabilities. In addition, approximately \$107,038 in employee contributions were paid or picked up by the City in fiscal 2023. At June 30, 2023, the City reported a net pension liability of \$2,064,408 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. 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, 2022 and 2021, the City's proportion was .013 percent and .01 percent, respectively. Pension expense for the year ended June 30, 2023 was \$81,595.

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 12.53%
- (2) OPSRP general services – 6.69%

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 100,210	\$ 12,874
Changes in assumptions	323,917	2,959
Net difference between projected and actual earnings on pension plan investments		369,076
Net changes in proportionate share	576,455	373,918
Differences between contributions and proportionate share of contributions		450,321
Subtotal - Amortized Deferrals (below)	1,000,582	1,209,148
Contributions subsequent to measuring date	141,590	-
Deferred outflow (inflow) of resources	\$ 1,142,172	\$ 1,209,148

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, 2024.

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

Year ending June 30,	Amount
2024	\$ (60,791)
2025	(117,023)
2026	(227,208)
2027	172,324
2028	24,131
Thereafter	-
Total	\$ (208,566)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, 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

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

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 June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		<i>2.40%</i>

(Source: June 30, 2022 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 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.

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 6.90 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 3,661,048	\$ 2,064,408	\$ 728,093

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2022 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.

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.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The City did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

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

Plan Description:

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

Funding Policy:

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

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

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

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.53% of annual covered OPERF payroll and 0.45% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. 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, 2021, 2022 and 2023 were \$563, \$274 and \$179, respectively, which equaled the required contributions each year.

At June 30, 2023, the City reported a net OPEB liability/(asset) of (\$39,502) for its proportionate share of the net OPEB liability/(asset).

The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. 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, 2022 and 2021, the City's proportion was .01 percent and .01 percent, respectively. OPEB expense for the year ended June 30, 2023 was (\$4,673).

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$	(5,914)
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		1,420
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		<u>(179)</u>
Employer's Total OPEB Expense/(Income)	<u>\$</u>	<u>(4,673)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 1,070
Changes in assumptions	309	1,317
Net difference between projected and actual earnings on pension plan investments	-	-
Net changes in proportionate share	2,900	2,591
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>3,209</u>	<u>7,991</u>
Contributions subsequent to measuring date	<u>(179)</u>	<u>-</u>
Deferred outflow (inflow) of resources	<u>\$ 3,030</u>	<u>\$ 7,991</u>

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

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

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, 2024.

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

Year ending June 30,	Amount
2024	\$ (2,978)
2025	(867)
2026	(1,901)
2027	965
2028	-
Thereafter	-
Total	\$ (4,782)

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, 2022. That independently audited report was dated February 2, 2023 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

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

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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 was 6.90 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 June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

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

Sensitivity of the City’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the City’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	\$ (35,602)	\$ (39,502)	\$ (42,845)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

8. SUBSCRIPTIONS PAYABLE

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On July 1, 2022, Reedsport, OR entered into a 32-month subscription for the use of IntelliChoice Eforce. An initial subscription liability was recorded in the amount of \$10,725.09. As of June 30, 2023, the value of the subscription liability is \$5,381.94. Reedsport, OR is required to make annual fixed payments of \$5,500.00. The subscription has an interest rate of 2.1937%. The value of the right to use asset as of June 30, 2023 of \$68,355.77 with accumulated amortization of \$25,633.41 is included with Software on the Subscription Class activities table found below. Reedsport, OR has 1 extension option(s), each for 12 months.

On July 1, 2022, Reedsport, OR entered into a 24-month subscription for the use of Law Enforcement Subscription. An initial subscription liability was recorded in the amount of \$2,180.02. As of June 30, 2023, the value of the subscription liability is \$1,080.02. Reedsport, OR is required to make annual fixed payments of \$1,100.00. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of June 30, 2023 of \$2,180.02 with accumulated amortization of \$1,090.01 is included with Software on the Subscription Class activities table found below. Reedsport, OR has 1 extension option(s), each for 12 months.

On May 1, 2023, Reedsport, OR entered into a 48-month subscription for the use of Civic Pay Subscription. An initial subscription liability was recorded in the amount of \$9,161.47. As of June 30, 2023, the value of the subscription liability is \$6,785.47. Reedsport, OR is required to make annual fixed payments of \$2,376.00. The subscription has an interest rate of 2.5033%. The value of the right to use asset as of June 30, 2023 of \$9,161.47 with accumulated amortization of \$381.73 is included with Software on the Subscription Class activities table found below. Reedsport, OR has 1 extension option(s), each for 12 months.

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

8. SUBSCRIPTIONS PAYABLE (CONTINUED)

On July 1, 2022, Reedsport, OR entered into a 24-month subscription for the use of Springbrook Softwares. An initial subscription liability was recorded in the amount of \$40,548.09. As of June 30, 2023, the value of the subscription liability is \$20,088.23. Reedsport, OR is required to make annual fixed payments of \$20,459.86. The subscription has an interest rate of 1.8500%. The value of the right to use asset as of June 30, 2023 of \$40,548.09 with accumulated amortization of \$20,274.04 is included with Software on the Subscription Class activities table found below. Reedsport, OR has 1 extension option(s), each for 12 months.

Future maturities of subscription payable are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 28,756	\$ 680	\$ 29,436
2025	2,261	115	2,376
2026	2,319	57	2,376
	<u>\$ 33,336</u>	<u>\$ 852</u>	<u>\$ 34,188</u>

Asset Class	As of Fiscal Year-end		
	Subscription Asset Value	Accumulated Ammortization	Net Asset Value
Software	\$ 120,245	\$ 47,379	\$ 72,866
Total Subscriptions	<u>\$ 120,245</u>	<u>\$ 47,379</u>	<u>\$ 72,866</u>

9. 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, 2023:

Fund	Transfers In	Transfers Out
General Fund	\$ 145,600	\$ 139,335
Street Fund	-	22,500
Water Fund	-	46,150
Wastewater Fund	-	329,250
Stormwater Fund	260,000	1,850
Dunes NRA Fund	-	54,700
Other Governmental Funds	189,335	1,150
	<u>\$ 594,935</u>	<u>\$ 594,935</u>

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

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

9. INTERFUND TRANSFERS

The City also has an interfund loan between the Water Fund, Wastewater Fund and the Dunes NRA Fund. In 2020, the initial loan provided \$1,500,000 to the Dunes NRA Fund (\$1,000,000 from Wastewater and \$500,000 from Water). The capital loan is for ten years and bears interest at 2%. As of June 30, 2023, a total of \$1,040,086 in principal remained outstanding, \$689,355 and \$350,731 due to the Wastewater and Water funds respectively.

10. 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, 2022 and the measurement date was June 30, 2022.

Funding Policy

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

Actuarial Methods and Assumptions

The City engaged an actuary to perform a valuation as of July 1, 2022 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based Oregon PERS assumptions. Mortality is projected on a generational basis using Generational Unisex Social Security Data Scale. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2021. 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, 2023

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Economic Assumptions

Discount Rate 3.54% for results as of the June 30, 2022 measurement date. 3.65% for results as of the June 30, 2023 measurement date. These rates reflect the bond Buyer 20-year General Obligation Bond Index.

Health Care Cost Trend The medical trend assumptions used in this valuation are based on long-term healthcare trend rates generated by the Society of Actuaries' Getzen Trend Model. Inputs to the model are consistent with other assumptions used in the valuation. The trend rate for 2022 includes an adjustment for known January 1, 2023 premiums.

Medical and Vision:

<u>Year</u>	<u>Pre-65 Trend</u>
2022	4.25%
2023	6.75
2024	6.50
2025	6.00
2026	5.25
2027	5.00
2028-2029	4.75
2030	4.50
2031-2065	4.25
2066-2071	4.00
2072+	3.75

Dental: 4.00% per year until 2072, then 3.75% thereafter. The trend rate for 2022 includes an adjustment for known January 2023 premiums.

Health care cost trend affects both the projected health care costs as well as the projected health care premiums. Health trend prior to the valuation date uses the ultimate trend rates above.

General Inflation 2.40% per year, used to develop other economic assumptions

Annual Pay Increases 3.40% per year, based on general inflation and the likelihood of raises throughout participants' careers.

Demographic Assumptions Based on the Oregon PERS valuation assumptions as of December 31, 2021.

Mortality Pub-210 General and Safety Employee and Healthy Retiree tables, sex-distinct for members and dependents, with one-year setback for male general service employees and female

Withdrawal Based on Oregon PERS assumptions

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – (CONTINUED)

Changes in the Net OPEB Liability

Total OPEB Liability at June 30, 2022	\$ 39,566
Changes for the year:	
Service cost	2,991
Interest	903
Changes in benefit terms	-
Economic/demographic gains or losses	30,605
Changes of assumptions or other input	2,103
Benefit payments	<u>(1,537)</u>
Balance as of June 30, 2023	<u><u>\$ 74,631</u></u>

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

The following analysis presents the net OPEB liability using a discount rate of 3.54%, 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 (2.54%) or one percentage point higher (4.54%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 77,419	\$ 74,631	\$ 71,953

	<u>1% Decrease Healthcare</u>	<u>Current Trend Rate Healthcare</u>	<u>1% Increase Healthcare</u>
Total OPEB Liability	\$ 71,771	\$ 74,631	\$ 77,650

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 Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ (213)	\$ 24,524
Changes in assumptions or other input	(1,017)	2,635
Benefit Payments	-	8,875
Deferred outflow (inflow) of resources	<u><u>\$ (1,230)</u></u>	<u><u>\$ 36,034</u></u>

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

CITY OF REEDSPORT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – (CONTINUED)

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ 7,325
2025	7,127
2026	7,209
2027	4,268
2028	-
Thereafter	-
Total	<u>\$ 25,929</u>

11. 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
DOUGLAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

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
2023	0.01 %	2,064,408	1,801,715	115%	84.5 %
2022	0.01	1,181,558	1,607,989	73%	87.6
2021	0.01	2,909,793	1,507,816	193%	75.8
2020	0.01	2,196,986	1,630,684	135%	80.2
2019	0.01	1,705,884	1,586,918	107%	82.1
2018	0.01	1,405,088	1,548,055	91%	83.1
2017	0.01	1,580,685	1,380,956	118	80.5
2016	0.01	463,328	1,333,845	34.74	91.9
2015	0.01	(127,797)	1,278,078	(17.0)	103.6
2014	0.01	287,715	1,222,134	39.0	92.0

SCHEDULE OF CONTRIBUTIONS - PERS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 141,590	\$ 141,590	\$ -	\$ 1,783,961	7.9 %
2022	157,179	157,179	-	1,801,715	8.7
2021	166,870	166,870	-	1,607,989	10.4
2020	143,219	143,219	-	1,507,816	9.5
2019	75,111	75,111	-	1,630,684	4.6
2018	75,741	75,741	-	1,586,918	4.8
2017	27,685	27,685	-	1,548,055	1.8
2016	34,392	34,392	-	1,380,965	2.5
2015	35,380	35,380	-	1,333,845	2.7
2014	34,096	34,096	-	1,275,078	2.7

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

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.01 %	\$ (39,502)	\$ 1,801,715	-2%	194.6 %
2022	0.01	(44,711)	1,607,989	-3%	183.9 %
2021	0.01	(16,076)	1,507,816	-1%	150.1 %
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
2023	\$ 179	\$ 179	\$ -	\$ 1,783,961	0.0 %
2022	274	274	-	1,801,715	0.0
2021	348	348	-	1,607,989	0.0
2020	563	563	-	1,507,816	0.0
2019	7,174	7,174	-	1,630,684	0.4

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

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Other Post Employment Benefits - Beginning of Year	\$ 39,566	\$ 42,743	\$ 43,467	\$ 44,576	\$ 46,328
Changes for the year:					
Service Cost	2,991	2,911	2,212	1,996	2,191
Interest	903	931	1,488	1,695	1,650
Changes in Benefit Terms	-	-	-	-	-
Differences between expected and actual experience	30,605	-	(1,011)	-	2,077
Changes in assumptions or other input	2,103	75	2,993	777	(2,743)
Employer Contributions	-	-	-	-	-
Benefit Payments	(1,537)	(7,094)	(6,406)	(5,577)	(4,927)
Net changes for the year	<u>35,065</u>	<u>(3,177)</u>	<u>(724)</u>	<u>(1,109)</u>	<u>(1,752)</u>
Total Other Post Employment Benefits Liability - End of Year	\$ <u>74,631</u>	\$ <u>39,566</u>	\$ <u>42,743</u>	\$ <u>43,467</u>	\$ <u>44,576</u>
Fiduciary Net Position - Beginning	\$ -				
Contributions - Employer	1,537	7,094	6,406	5,577	4,927
Contributions - Employee	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments	(1,537)	(7,094)	(6,406)	(5,577)	(4,927)
Administrative Expense	-	-	-	-	-
Net changes for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Net Position - Ending	\$ -				
Net Liability for Other Post Employment Benefits - End of Year	\$ <u>74,631</u>	\$ <u>39,566</u>	\$ <u>42,743</u>	\$ <u>43,467</u>	\$ <u>44,576</u>
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%	0%	0%	0%
Covered Payroll	\$ 1,801,715	\$ 1,801,715	\$ 1,607,989	\$ 1,507,816	1,646,172
Net Single Employer Pension Plan as a Percentage of Covered Payroll	4%	2%	3%	3%	3%

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

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2023**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Property taxes	\$ 1,350,000	\$ 1,350,000	\$ 1,650,394	\$ 300,394
Franchise fees	201,500	201,500	263,011	61,511
Alcohol taxes	70,000	70,000	92,664	22,664
Lodging taxes	260,000	260,000	327,712	67,712
Other taxes	96,500	96,500	79,715	(16,785)
Licenses, permits and fees	92,050	233,250	242,600	9,350
Intergovernmental	535,410	535,410	242,584	(292,826)
Charges for services	179,650	179,650	189,568	9,918
Fines and penalties	155,000	155,000	70,679	(84,321)
Investment earnings	9,300	9,300	78,628	69,328
Miscellaneous	19,500	19,500	78,882	59,382
Grants and contracts	77,250	77,250	520,602	443,352
Total Revenues	<u>3,046,160</u>	<u>3,187,360</u>	<u>3,837,039</u>	<u>649,679</u>
EXPENDITURES				
General Government:				
City Council	8,120	8,120 (1)	3,858	4,262
City Manager	169,900	169,900 (1)	157,352	12,548
Finance	139,740	139,740 (1)	134,670	5,070
Non-Departmental	1,188,147	1,179,947 (1)	601,789	578,158
City Recorder	46,195	46,195 (1)	38,676	7,519
Community Development	103,280	111,480 (1)	98,329	13,151
Building Inspection	70,150	211,350 (1)	173,300	38,050
Public Services	213,450	213,450 (1)	175,782	37,668
Community Building	30,380	30,380 (1)	36,019	(5,639)
School Resource Operations	86,775	86,775 (1)	38,827	47,948
Public Safety:				
Legal Services	32,000	32,000 (1)	22,959	9,041
Municipal Court	126,480	126,480 (1)	78,960	47,520
Police Department	1,596,080	1,596,080 (1)	1,409,180	186,900
Fire	148,000	148,000 (1)	125,890	22,110
Culture and Recreation:				
Senior Center	20,675	20,675 (1)	17,328	3,347
Contingency	100,000	100,000 (1)	-	100,000
Total Expenditures	<u>4,079,372</u>	<u>4,220,572</u>	<u>3,112,919</u>	<u>1,107,653</u>
Excess of Revenues Over, (Under) Expenditures	(1,033,212)	(1,033,212)	724,120	1,757,332
OTHER FINANCING SOURCES, (USES)				
GASB 96 SBITA	-	-	9,162	9,162
Transfers In	149,450	149,450	145,600	(3,850)
Transfers Out	(139,335)	(139,335) (1)	(139,335)	-
Total Other Financing Sources, (Uses)	<u>10,115</u>	<u>10,115</u>	<u>15,427</u>	<u>(3,850)</u>
Net Change in Fund Balance	(1,023,097)	(1,023,097)	739,547	1,762,644
Beginning Fund Balance	<u>1,523,097</u>	<u>1,523,097</u>	<u>1,822,912</u>	<u>299,815</u>
Ending Fund Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 2,562,459</u>	<u>\$ 2,062,459</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, 2023**

<u>STREET FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Franchise fees	\$ 53,600	\$ 53,600	\$ 60,832	\$ 7,232
Fuel taxes	340,000	340,000	402,298	62,298
Investment earnings	2,000	2,000	7,336	5,336
Other revenue	550	550	21,237	20,687
Grants and contracts	100,000	100,000	100,000	-
Total Revenues	<u>496,150</u>	<u>496,150</u>	<u>591,703</u>	<u>95,553</u>
EXPENDITURES				
Personal Services	67,950	67,950 (1)	57,974	9,976
Materials & services	165,870	165,870 (1)	126,534	39,336
Capital outlay	435,000	435,000 (1)	328,936	106,064
Contingency	72,830	72,830 (1)	20,000	52,830
Total Expenditures	<u>741,650</u>	<u>741,650</u>	<u>533,444</u>	<u>208,206</u>
Excess of Revenues Over, (Under) Expenditures	(245,500)	(245,500)	58,259	303,759
OTHER FINANCING SOURCES, (USES)				
Transfers out	(22,500)	(22,500) (1)	(22,500)	-
Total Other Financing Sources, (Uses)	<u>(22,500)</u>	<u>(22,500)</u>	<u>(22,500)</u>	<u>-</u>
Net Change in Fund Balance	(268,000)	(268,000)	35,759	303,759
Beginning Fund Balance	<u>300,000</u>	<u>300,000</u>	<u>440,578</u>	<u>140,578</u>
Ending Fund Balance	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>\$ 476,337</u>	<u>\$ 444,337</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, 2023**

REEDSPORT URBAN RENEWAL AGENCY - SPECIAL REVENUE

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Property taxes	\$ 144,500	\$ 144,500	\$ 220,878	\$ 76,378
Interest	1,050	1,050	7,883	6,833
Grants	82,500	82,500	88,000	5,500
Miscellaneous	300,050	354,696	56,021	(298,675)
Total Revenues	<u>528,100</u>	<u>582,746</u>	<u>372,782</u>	<u>(209,964)</u>
EXPENDITURES				
Materials & Services	41,640	41,640 (1)	3,097	38,543
Debt Service	55,000	55,000 (1)	-	55,000
Capital Outlay	689,460	744,106 (1)	211,752	532,354
Total Expenditures	<u>786,100</u>	<u>840,746</u>	<u>214,849</u>	<u>625,897</u>
Net Change in Fund Balance	(258,000)	(258,000)	157,933	415,933
Beginning Fund Balance	<u>258,000</u>	<u>258,000</u>	<u>178,419</u>	<u>(79,581)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,352</u>	<u>\$ 336,352</u>

(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, 2023**

REEDSPORT URBAN RENEWAL AGENCY - MAIN STREET

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 100	\$ 100	\$ 1,090	\$ 990
Grants and Contributions	373,000	373,000	189,650	(183,350)
Miscellaneous	-	-	820	820
Total Revenues	<u>373,100</u>	<u>373,100</u>	<u>191,560</u>	<u>(181,540)</u>
EXPENDITURES				
Materials & Services	17,500	30,000 (1)	27,438	2,562
Capital Outlay	417,600	405,100 (1)	193,368	211,732
Total Expenditures	<u>435,100</u>	<u>435,100</u>	<u>220,806</u>	<u>214,294</u>
Net Change in Fund Balance	(62,000)	(62,000)	(29,246)	32,754
Beginning Fund Balance	<u>62,000</u>	<u>62,000</u>	<u>61,259</u>	<u>(741)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,013</u>	<u>\$ 32,013</u>

(1) Appropriation Level

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023**

	<u>BICYCLE AND FOOTPATH FUND</u>	<u>FIRE EQUIPMENT FUND</u>	<u>DIAL A RIDE FUND</u>	<u>RIVERFRONT FUND</u>	<u>LIBRARY</u>
ASSETS					
Cash and Equivalents	\$ 60,120	\$ 52,788	\$ -	\$ 146,233	\$ 1,270
Receivables					
Accounts	-	237,310	6,317	13,416	-
Inventories	-	-	-	23,372	-
	<u>60,120</u>	<u>290,098</u>	<u>6,317</u>	<u>183,021</u>	<u>1,270</u>
Total Assets	<u>\$ 60,120</u>	<u>\$ 290,098</u>	<u>\$ 6,317</u>	<u>\$ 183,021</u>	<u>\$ 1,270</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 221,796	\$ 385	\$ 3,755	\$ -
Due to other funds	-	-	729	-	-
	<u>-</u>	<u>221,796</u>	<u>1,114</u>	<u>3,755</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>221,796</u>	<u>1,114</u>	<u>3,755</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	23,372	-
Committed	60,120	68,302	5,203	155,894	1,270
	<u>60,120</u>	<u>68,302</u>	<u>5,203</u>	<u>179,266</u>	<u>1,270</u>
Total Fund Balances	<u>60,120</u>	<u>68,302</u>	<u>5,203</u>	<u>179,266</u>	<u>1,270</u>
Total Liabilities and Fund Balances	<u>\$ 60,120</u>	<u>\$ 290,098</u>	<u>\$ 6,317</u>	<u>\$ 183,021</u>	<u>\$ 1,270</u>

<u>ANIMAL CONTROL</u>	<u>GENERAL CAPITAL IMPROVEMENT</u>	<u>POLICE CAPITAL</u>	<u>CERT FUND</u>	<u>TOTAL</u>
\$ 31,317	\$ 391,223	\$ 220,219	\$ 1,473	\$ 904,643
-	32,532	-	-	289,575
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,372</u>
<u>\$ 31,317</u>	<u>\$ 423,755</u>	<u>\$ 220,219</u>	<u>\$ 1,473</u>	<u>\$ 1,217,590</u>
\$ -	\$ 1,197	\$ 71	\$ -	\$ 227,204
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>729</u>
<u>-</u>	<u>1,197</u>	<u>71</u>	<u>-</u>	<u>227,933</u>
-	-	-	-	23,372
<u>31,317</u>	<u>422,558</u>	<u>220,148</u>	<u>1,473</u>	<u>966,285</u>
<u>31,317</u>	<u>422,558</u>	<u>220,148</u>	<u>1,473</u>	<u>989,657</u>
<u>\$ 31,317</u>	<u>\$ 423,755</u>	<u>\$ 220,219</u>	<u>\$ 1,473</u>	<u>\$ 1,217,590</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, 2023**

	BICYCLE AND FOOTPATH FUND	FIRE EQUIPMENT FUND	DIAL A RIDE FUND	RIVERFRONT FUND	LIBRARY
REVENUES					
Taxes	\$ 3,373	\$ -	\$ -	\$ 54,648	\$ -
Charges for services	-	7,503	34,702	99,636	-
Grants and Contributions	-	891,771	-	-	4,558
Interest	1,204	386	14	3,050	26
Miscellaneous	-	-	-	16	-
Total Revenues	\$ 4,577	\$ 899,660	\$ 34,716	\$ 157,350	\$ 4,584
EXPENDITURES					
Current					
Culture and Recreation	-	-	-	-	4,285
Public Safety	-	-	34,652	160,623	-
Capital Outlay	-	889,634	-	-	-
Total Expenditures	-	889,634	34,652	160,623	4,285
Excess of Revenues Over, (Under) Expenditures	4,577	10,026	64	(3,273)	299
OTHER FINANCING SOURCES, (USES)					
Transfers In	-	5,000	-	12,500	-
Transfers Out	-	(1,150)	-	-	-
Total Other Financing Sources, (Uses)	-	3,850	-	12,500	-
NET CHANGE IN FUND BALANCES	4,577	13,876	64	9,227	299
Beginning Fund Balance	55,543	54,426	5,139	170,039	971
Ending Fund Balance	\$ 60,120	\$ 68,302	\$ 5,203	\$ 179,266	\$ 1,270

<u>ANIMAL CONTROL</u>	<u>GENERAL CAPITAL IMPROVEMENT</u>	<u>POLICE CAPITAL</u>	<u>CERT</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 58,021
-	-	73,303	-	215,144
18,965	237,032	-	500	1,152,826
628	7,079	4,014	26	16,427
440	25	100	-	581
<u>\$ 20,033</u>	<u>\$ 244,136</u>	<u>\$ 77,417</u>	<u>\$ 526</u>	<u>\$ 1,442,999</u>
-	-	-	26	4,311
13,541	-	-	-	208,816
8,695	326,592	21,192	-	1,246,113
<u>22,236</u>	<u>326,592</u>	<u>21,192</u>	<u>26</u>	<u>1,459,240</u>
(2,203)	(82,456)	56,225	500	(16,241)
-	156,835	15,000	-	189,335
-	-	-	-	(1,150)
<u>-</u>	<u>156,835</u>	<u>15,000</u>	<u>-</u>	<u>188,185</u>
(2,203)	74,379	71,225	500	171,944
33,520	348,179	148,923	973	817,713
<u>\$ 31,317</u>	<u>\$ 422,558</u>	<u>\$ 220,148</u>	<u>\$ 1,473</u>	<u>\$ 989,657</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, 2023**

BICYCLE AND FOOT PATH FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Fuel taxes	\$ 3,500	\$ 3,500	\$ 3,373	\$
Interest	400	400	1,204	804
Total Revenues	<u>3,900</u>	<u>3,900</u>	<u>4,577</u>	<u>677</u>
EXPENDITURES				
Capital Outlay	<u>57,150</u>	<u>57,150</u> (1)	<u>-</u>	<u>57,150</u>
Total Expenditures	<u>57,150</u>	<u>57,150</u>	<u>-</u>	<u>57,150</u>
Net Change in Fund Balance	(53,250)	(53,250)	4,577	57,827
Beginning Fund Balance	<u>53,250</u>	<u>53,250</u>	<u>55,543</u>	<u>2,293</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,120</u>	<u>\$ 60,120</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, 2023**

<u>FIRE EQUIPMENT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for services	\$ 10,000	\$ 10,000	\$ 7,503	\$ (2,497)
Interest	300	300	386	86
Grants and Contributions	948,650	948,650	891,771	(56,879)
Miscellaneous	2,600	2,600	-	(2,600)
Total Revenues	<u>961,550</u>	<u>961,550</u>	<u>899,660</u>	<u>(61,890)</u>
EXPENDITURES				
Materials and Services	5,000	5,000 (1)	-	5,000
Capital Outlay	980,100	980,100 (1)	889,634	90,466
Total Expenditures	<u>985,100</u>	<u>985,100</u>	<u>889,634</u>	<u>95,466</u>
Excess of Revenues Over, (Under) Expenditures	(23,550)	(23,550)	10,026	33,576
OTHER FINANCING SOURCES, (USES)				
Transfers In	5,000	5,000	5,000	-
Transfers Out	(5,000)	(5,000) (1)	(1,150)	3,850
Net Change in Fund Balance	<u>(23,550)</u>	<u>(23,550)</u>	<u>13,876</u>	<u>37,426</u>
Beginning Fund Balance	<u>23,550</u>	<u>23,550</u>	<u>54,426</u>	<u>30,876</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,302</u>	<u>\$ 68,302</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, 2023**

<u>DIAL-A-RIDE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Dial-A-Ride fees/donations	\$ 43,020	\$ 43,020	\$ 34,702	\$ (8,318)
Interest	50	50	14	(36)
Total Revenues	<u>43,070</u>	<u>43,070</u>	<u>34,716</u>	<u>(8,354)</u>
EXPENDITURES				
Personal Services	10,900	10,900 (1)	9,474	1,426
Materials and Services	30,100	30,100 (1)	25,178	4,922
Capital Outlay	2,970	2,970 (1)	-	2,970
Total Expenditures	<u>43,970</u>	<u>43,970</u>	<u>34,652</u>	<u>9,318</u>
Excess of Revenues Over, (Under) Expenditures	(900)	(900)	64	964
Beginning Fund Balance	<u>900</u>	<u>900</u>	<u>5,139</u>	<u>4,239</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,203</u></u>	<u><u>\$ 5,203</u></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, 2023**

<u>RIVERFRONT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Lodging taxes	\$ 37,000	\$ 37,000	\$ 54,648	\$ 17,648
Charges for services	79,500	79,500	99,636	20,136
Interest	1,500	1,500	3,050	1,550
Miscellaneous	6,200	6,200	16	(6,184)
Total Revenues	<u>124,200</u>	<u>124,200</u>	<u>157,350</u>	<u>33,150</u>
EXPENDITURES				
Personal Services	95,695	95,695 (1)	90,893	4,802
Materials and Services	102,040	102,040 (1)	69,730	32,310
Capital Outlay	35,465	35,465 (1)	-	35,465
Contingency	10,000	10,000 (1)	-	10,000
Total Expenditures	<u>243,200</u>	<u>243,200</u>	<u>160,623</u>	<u>82,577</u>
Excess of Revenues Over, (Under) Expenditures	(119,000)	(119,000)	(3,273)	115,727
OTHER FINANCING SOURCES, (USES)				
Transfers In	12,500	12,500	12,500	-
Net Change in Fund Balance	(106,500)	(106,500)	9,227	115,727
Beginning Fund Balance	<u>118,000</u>	<u>118,000</u>	<u>170,039</u>	<u>52,039</u>
Ending Fund Balance	<u>\$ 11,500</u>	<u>\$ 11,500</u>	<u>\$ 179,266</u>	<u>\$ 167,766</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, 2023**

LIBRARY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Grants and contributions	\$ 5,095	\$ 5,095	\$ 4,558	\$ (537)
Interest	-	-	26	26
Total Revenues	<u>5,095</u>	<u>5,095</u>	<u>4,584</u>	<u>(511)</u>
EXPENDITURES				
Personal Services	4,595	4,595 (1)	3,917	678
Materials and Services	1,000	1,000 (1)	368	632
Capital Outlay	-	- (1)	-	-
Total Expenditures	<u>5,595</u>	<u>5,595</u>	<u>4,285</u>	<u>1,310</u>
Net Change in Fund Balance	(500)	(500)	299	799
Beginning Fund Balance	<u>500</u>	<u>500</u>	<u>971</u>	<u>471</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,270</u></u>	<u><u>\$ 1,270</u></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, 2023**

<u>ANIMAL SHELTER FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Animal control/impound	\$ -	\$ -	\$ 440	\$ 440
Animal shelter donations	11,000	11,000	18,965	7,965
Interest	200	200	628	428
Total Revenues	<u>11,200</u>	<u>11,200</u>	<u>20,033</u>	<u>8,833</u>
EXPENDITURES				
Materials and Services	15,250	15,250 (1)	13,541	1,709
Capital Outlay	10,950	10,950 (1)	8,695	2,255
Total Expenditures	<u>26,200</u>	<u>26,200</u>	<u>22,236</u>	<u>3,964</u>
Net Change in Fund Balance	(15,000)	(15,000)	(2,203)	12,797
Beginning Fund Balance	<u>15,000</u>	<u>15,000</u>	<u>33,520</u>	<u>18,520</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 31,317</u></u>	<u><u>\$ 31,317</u></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, 2023**

GENERAL CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Grants	\$ 2,211,672	\$ 2,211,672	\$ 237,032	\$ (1,974,640)
Interest	1,200	1,200	7,079	5,879
Miscellaneous	-	-	25	25
Total Revenues	<u>2,212,872</u>	<u>2,212,872</u>	<u>244,136</u>	<u>(1,968,736)</u>
EXPENDITURES				
Capital outlay	<u>2,689,872</u>	<u>2,689,872</u> (1)	<u>326,592</u>	<u>2,363,280</u>
Total Expenditures	<u>2,689,872</u>	<u>2,689,872</u>	<u>326,592</u>	<u>2,363,280</u>
Excess of Revenues Over, (Under) Expenditures	(477,000)	(477,000)	(82,456)	394,544
OTHER FINANCING SOURCES, (USES)				
Transfers in	<u>156,835</u>	<u>156,835</u>	<u>156,835</u>	<u>-</u>
Net Change in Fund Balance	(320,165)	(320,165)	74,379	394,544
Beginning Fund Balance	<u>327,000</u>	<u>327,000</u>	<u>348,179</u>	<u>21,179</u>
Ending Fund Balance	<u>\$ 6,835</u>	<u>\$ 6,835</u>	<u>\$ 422,558</u>	<u>\$ 415,723</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, 2023**

<u>POLICE CAPITAL FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Jail bed rents	\$ 73,000	\$ 73,000	\$ 73,303	\$ 303
Interest	500	500	4,014	3,514
Miscellaneous	400	400	100	(300)
Total Revenues	<u>73,900</u>	<u>73,900</u>	<u>77,417</u>	<u>3,517</u>
EXPENDITURES				
Materials and Services	15,000	15,000 (1)	-	15,000
Capital Outlay	218,900	218,900 (1)	21,192	197,708
Total Expenditures	<u>233,900</u>	<u>233,900</u>	<u>21,192</u>	<u>212,708</u>
Excess of Revenues Over, (Under) Expenditures	(160,000)	(160,000)	56,225	216,225
OTHER FINANCING SOURCES, (USES)				
Transfers In	15,000	15,000	15,000	-
Net Change in Fund Balance	(145,000)	(145,000)	71,225	216,225
Beginning Fund Balance	145,000	145,000	148,923	3,923
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,148</u>	<u>\$ 220,148</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, 2023**

<u>CERT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Grants and Donations	\$ 500	\$ 500	\$ 500	\$ -
Interest	10	10	26	16
Total Revenues	<u>510</u>	<u>510</u>	<u>526</u>	<u>16</u>
EXPENDITURES				
Materials and Services	<u>1,510</u>	<u>1,510</u> (1)	<u>26</u>	<u>1,484</u>
Total Expenditures	<u>1,510</u>	<u>1,510</u>	<u>26</u>	<u>1,484</u>
Net Change in Fund Balance	(1,000)	(1,000)	500	1,500
Beginning Fund Balance	<u>1,000</u>	<u>1,000</u>	<u>973</u>	<u>(27)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,473</u>	<u>\$ 1,473</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, 2023

WATER UTILITY FUND

	WATER UTILITY	WATER SDC	TOTAL
REVENUES			
Charges for service	\$ 874,871	\$ 4,330	\$ 879,201
Interest	17,085	2,609	19,694
Miscellaneous	3,562	-	3,562
Total Revenues	895,518	6,939	902,457
EXPENDITURES			
Personnel	341,599	-	341,599
Materials and services	307,058	-	307,058
Capital outlay	301,532	-	301,532
Total Expenditures	950,189	-	950,189
Excess of Revenues Over, (Under) Expenditures	(54,671)	6,939	(47,732)
OTHER FINANCING SOURCES, (USES)			
Transfers in	53,943	-	53,943
Transfers out	(46,150)	-	(46,150)
Total Other Financing Sources	7,793	-	7,793
Net Change in Fund Balance	(46,878)	6,939	(39,939)
Beginning Fund Balance	1,011,841	121,666	1,133,507
Ending Fund Balance	\$ 964,963	\$ 128,605	\$ 1,093,568
GAAP Adjustments			
Interfund Loan			350,731
Net Pension Liability			(274,561)
Deferred Outflows			151,906
Deferred Inflows			(160,814)
Compensated Absences			(20,789)
Capital Assets, Net			4,504,526
Net Position			\$ 5,644,567

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2023**

<u>WATER UTILITY FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for services	\$ 774,500	\$ 774,500	\$ 874,871	\$ 100,371
Interest	9,500	9,500	17,085	7,585
Other revenue	2,000	2,000	3,562	1,562
Total Revenues	<u>786,000</u>	<u>786,000</u>	<u>895,518</u>	<u>109,518</u>
EXPENDITURES				
Personal Services	394,450	400,450 (1)	341,599	58,851
Materials and services	398,750	398,750 (1)	307,058	91,692
Capital outlay	826,000	826,000 (1)	301,532	524,468
Contingency	51,000	45,000 (1)	-	45,000
Total Expenditures	<u>1,670,200</u>	<u>1,670,200</u>	<u>950,189</u>	<u>720,011</u>
Excess of Revenues Over, (Under) Expenditures	<u>(884,200)</u>	<u>(884,200)</u>	<u>(54,671)</u>	<u>829,529</u>
OTHER FINANCING SOURCES, (USES)				
Transfers in	54,000	54,000	53,943	-
Transfers out	(46,150)	(46,150) (1)	(46,150)	-
Total Other Financing Sources, (Uses)	<u>7,850</u>	<u>7,850</u>	<u>7,793</u>	<u>(57)</u>
Net Change in Fund Balance	(876,350)	(876,350)	(46,878)	829,472
Beginning Fund Balance	<u>930,000</u>	<u>930,000</u>	<u>1,011,841</u>	<u>81,841</u>
Ending Fund Balance	<u>\$ 53,650</u>	<u>\$ 53,650</u>	<u>\$ 964,963</u>	<u>\$ 911,313</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, 2023**

WATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 25,980	\$ 25,980	\$ 4,330	\$ (21,650)
Interest	500	500	2,609	2,109
Total Revenues	<u>26,480</u>	<u>26,480</u>	<u>6,939</u>	<u>(19,541)</u>
EXPENDITURES				
Capital outlay	147,930	147,930 (1)	-	147,930
Total Expenditures	<u>147,930</u>	<u>147,930</u>	<u>-</u>	<u>147,930</u>
Net Change in Fund Balance	(121,450)	(121,450)	6,939	128,389
Beginning Fund Balance	<u>121,450</u>	<u>121,450</u>	<u>121,666</u>	<u>216</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,605</u>	<u>\$ 128,605</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, 2023**

WASTEWATER UTILITY FUND

	WASTEWATER UTILTY	WASTEWATER SDC	TOTAL
REVENUES			
Charges for service	\$ 1,988,505	\$ -	\$ 1,988,505
Grants and Contributions	15,446	-	15,446
Interest	37,316	6,365	43,681
Miscellaneous	3,346	-	3,346
Total Revenues	2,044,613	6,365	2,050,978
EXPENDITURES			
Personal Services	374,661	-	374,661
Materials and services	445,513	-	445,513
Debt Service	573,374	-	573,374
Capital outlay	647,324	-	647,324
Total Expenditures	2,040,872	-	2,040,872
Excess of Revenues Over, (Under) Expenditures	3,741	6,365	10,106
OTHER FINANCING SOURCES, (USES)			
Transfers in	106,024	-	106,024
Transfers out	(329,250)	-	(329,250)
Total Other Financing Sources, (Uses)	(223,226)	-	(223,226)
Net Change in Fund Balance	(219,485)	6,365	(213,120)
Beginning Fund Balance	2,175,018	305,018	2,480,036
Ending Fund Balance	<u>\$ 1,955,533</u>	<u>\$ 311,383</u>	<u>\$ 2,266,916</u>
GAAP Adjustments			
Interfund Loan			689,355
Net Pension Liability			(279,924)
Deferred Outflows			154,873
Deferred Inflows			(163,955)
Compensated Absences			(25,517)
Capital Assets, Net			11,985,191
Accrued Interest			(19,444)
Bonds and Notes Payable			<u>(6,666,540)</u>
Net Position			<u><u>\$ 7,940,955</u></u>

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2023**

WASTEWATER UTILITY DIVISION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services	\$ 1,907,000	\$ 1,907,000	\$ 1,988,505	\$ 81,505
Grants and Contributions	2,544,383	2,835,588	15,446	(2,820,142)
Interest	17,000	17,000	37,316	20,316
Miscellaneous	12,000	12,000	3,346	(8,654)
Total Revenues	<u>4,480,383</u>	<u>4,771,588</u>	<u>2,044,613</u>	<u>(2,726,975)</u>
EXPENDITURES				
Personal Services	409,500	409,500 (1)	374,661	34,839
Materials and services	537,420	537,420 (1)	445,513	91,907
Debt Service	574,260	574,260 (1)	573,374	886
Capital outlay	3,495,383	3,786,588 (1)	647,324	3,139,264
Contingency	520,895	520,895 (1)	-	520,895
Total Expenditures	<u>5,537,458</u>	<u>5,828,663</u>	<u>2,040,872</u>	<u>3,787,791</u>
Excess of Revenues over Expenditures	(1,057,075)	(1,057,075)	3,741	(6,514,766)
OTHER FINANCING SOURCES, (USES)				
Transfers in	106,025	106,025	106,024	(1)
Transfers out	(329,250)	(329,250) (1)	(329,250)	-
Total Other Financing Sources	<u>(223,225)</u>	<u>(223,225)</u>	<u>(223,226)</u>	<u>-</u>
Net Change in Fund Balance	(1,280,300)	(1,280,300)	(219,485)	(2,726,975)
Beginning Fund Balance	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,175,018</u>	<u>(124,982)</u>
Ending Fund Balance	<u>\$ 1,019,700</u>	<u>\$ 1,019,700</u>	<u>\$ 1,955,533</u>	<u>\$ 935,833</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, 2023**

WASTEWATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 1,200	\$ 1,200	\$ 6,365	\$ 5,165
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>6,365</u>	<u>5,165</u>
EXPENDITURES				
Capital outlay	305,700	305,700 (1)	-	305,700
Total Expenditures	<u>305,700</u>	<u>305,700</u>	<u>-</u>	<u>305,700</u>
Net Change in Fund Balance	(304,500)	(304,500)	6,365	310,865
Beginning Fund Balance	<u>304,500</u>	<u>304,500</u>	<u>305,018</u>	<u>518</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 311,383</u></u>	<u><u>\$ 311,383</u></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, 2023

STORMWATER UTILITY FUNDS

	STORM DRAIN	STORM SDC	TOTAL
REVENUES			
Charges for service	\$ 72,503	\$ 877	\$ 73,380
Interest	14,016	57	14,073
Miscellaneous	6	-	6
Total Revenues	283,587	934	284,521
EXPENDITURES			
Personal Services	21,555	-	21,555
Materials and services	26,593	-	26,593
Capital outlay	143,980	5,088	149,068
Total Expenditures	192,128	5,088	197,216
Excess of Revenues Over, (Under) Expenditures	91,459	(4,154)	87,305
OTHER FINANCING SOURCES, (USES)			
Transfers in	260,000	-	260,000
Transfers out	(1,850)	-	(1,850)
Total Other Financing Sources, (Uses)	258,150	-	258,150
Net Change in Fund Balance	349,609	(4,154)	345,455
Beginning Fund Balance	451,563	6,567	458,130
Ending Fund Balance	\$ 801,172	\$ 2,413	\$ 803,585
GAAP Adjustments			
Capital Assets, Net			2,428,026
Net Position			\$ 3,231,611

**CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2023**

STORM WATER UTILITY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for service	\$ 72,000	\$ 72,000	\$ 72,503	\$ 503
Grants and Contributions	2,000,000	2,000,000	197,062	(1,802,938)
Interest	2,000	2,000	14,016	12,016
Miscellaneous	150	150	6	(144)
Total Revenues	2,074,150	2,074,150	283,587	(1,790,563)
EXPENDITURES				
Personal Services	28,550	28,550 (1)	21,555	6,995
Materials and services	69,445	69,445 (1)	26,593	42,852
Capital outlay	2,520,000	2,520,000 (1)	143,980	2,376,020
Contingency	78,680	78,680 (1)	-	78,680
Total Expenditures	2,696,675	2,696,675	192,128	2,504,547
Excess of Revenues Over, (Under) Expenditures	(622,525)	(622,525)	91,459	713,984
OTHER FINANCING SOURCES, (USES)				
Transfers in	260,000	260,000	260,000	-
Transfers out	(1,850)	(1,850) (1)	(1,850)	-
Total Other Financing Sources, (Uses)	258,150	258,150	258,150	-
Net Change in Fund Balance	(364,375)	(364,375)	349,609	713,984
Beginning Fund Balance	372,375	372,375	451,563	79,188
Ending Fund Balance	\$ 8,000	\$ 8,000	\$ 801,172	\$ 793,172

(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, 2023**

STORMWATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ -	\$ -	\$ 877	\$ 877
Interest	50	50	57	7
Total Revenues	50	50	934	884
EXPENDITURES				
Capital outlay	6,550	6,550 (1)	5,088	1,462
Total Expenditures	6,550	6,550	5,088	1,462
Excess of Revenues Over, (Under) Expenditures	(6,500)	(6,500)	(4,154)	2,346
Beginning Fund Balance	6,500	6,500	6,567	67
Ending Fund Balance	\$ -	\$ -	\$ 2,413	\$ 2,413

(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, 2023**

DUNES NRA LEASE FUND
A MAJOR PROPRIETARY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Lease/Investment Income	\$ 250,000	\$ 250,000	\$ 252,197	\$ 2,197
Interest	500	500	2,165	1,665
Other revenue	-	-	58,343	58,343
Total Revenues	<u>250,500</u>	<u>250,500</u>	<u>312,705</u>	<u>62,205</u>
EXPENDITURES				
Personal Services	41,255	41,255 (1)	35,154	6,101
Materials and Services	32,520	32,520 (1)	15,429	17,091
Total Expenditures	<u>73,775</u>	<u>73,775</u>	<u>50,583</u>	<u>23,192</u>
Excess of Revenues Over, (Under) Expenditures	176,725	176,725	262,122	85,397
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(214,725)	(214,725) (1)	(214,668)	57
Total Other Financing Sources	(214,725)	(214,725)	(214,668)	57
Net Change in Fund Balance	(38,000)	(38,000)	47,454	85,454
Beginning Fund Balance	<u>38,000</u>	<u>38,000</u>	<u>2,430,934</u>	<u>2,392,934</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,478,388</u>	<u>\$ 2,478,388</u>
GAAP Adjustments				
Capital assets			1,560,948	
Interfund Loan			<u>(1,040,086)</u>	
Net Position			<u>\$ 2,999,250</u>	

(1) Appropriation Level

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS



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March 25, 2024

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Reedsport as of and for the year ended June 30, 2023, and have issued our report thereon dated March 25, 2024. 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, except for the following:

1. There was one instance where actual expenditures exceeded appropriations as noted on page 16.

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.

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". The signature is fluid and cursive, with a large initial "K" and "A".

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