CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

REEDSPORT

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

FINANCIAL REPORT

WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2019

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

Mayor & City Council

June 30, 2019

Linda McCollum, Mayor	2020
Ellen Anderson	2020
DeeDee Murphy	2020
Leslee Collier	2020
Mark Bedard	2022
Rich Patten	2022
Debby Turner	2022

All council members will receive mail at the following address:

City of REEDSPORT
451 Winchester Ave.
Reedsport, OR 97567

ADMINISTRATION

Deanna Schafer, Interim City Manager

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

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DOUGLAS COUNTY, OREGON

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PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
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February 10, 2020

To the City Council
City of Reedsport
Reedsport, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Reedsport as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Reedsport at June 30, 2019 and the results of its operations and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

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

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

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated February 10, 2020 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

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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, 2019 (FY19).

Financial Highlights

- At the close of FY19, the assets of the City exceeded its liabilities by $25.5 million *(net position);* of this amount, $8.26 million *(unrestricted net position)* may be used to meet the government's ongoing obligation to citizens and creditors.
- A restatement increasing beginning net position by $2.02 million was necessary to recognize property being held as an investment at its full fair market value in accordance with GASB 72.
- Related to current year activities, the City's total net position increased by $691 thousand. The net position increase is mostly attributable to a decrease in liabilities in business-type activities.
- Additionally, various prior period adjustments for a net amount of negative $64 thousand reduced the City's net position.
- At the end of the current fiscal year, the unrestricted fund balance of the General Fund was $1.4 million, or 48 percent of total general fund expenditures.
- The City's total debt decreased by $500 thousand during the current fiscal year. The major portion of the decrease is due to annual repayment of utility debts.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by $25.5 million as of June 30, 2019.

By far the largest portion of the City's net position (62.2%) 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	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Current and other assets	3,335	3,268	8,580	5,859	11,915	9,127
Capital assets	5,775	4,645	20,386	22,004	26,461	26,649
Total assets	9,110	7,913	28,966	27,863	38,076	35,776
Deferred outflows	498	403	199	135	697	538
Total assets and deferred outflows	**9,608**	**8,316**	**29,165**	**27,998**	**38,773**	**36,001**
Long-term liabilities outstanding	0	43	9,894	10,457	9,894	10,500
Other liabilities	491	632	926	822	1,417	1,454
Pension liability	1,252	1,050	498	354	1,750	1,404
Total liabilities	**1,743**	**1,725**	**11,319**	**11,633**	**13,062**	**13,358**
Deferred inflows	**179**	**109**	**70**	**33**	**249**	**142**
Total liabilities and deferred inflows	**1,922**	**1,834**	**11,389**	**11,666**	**13,311**	**13,500**
Net position:						
Net invested in capital assets	5,759	4,645	10,077	11,342	15,836	15,987
Restricted	712	280	656	1,298	1,368	1,578
Unrestricted	1,215	1,557	7,042	3,691	8,257	5,248
Total net position-restated	**7,686**	**6,482**	**17,775**	**16,331**	**25,461**	**22,813**

An additional portion of the City's net position (5.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* 32.4% may be used to meet the government's ongoing obligations to citizens and creditors.

Separate from restatements and prior period adjustments, the City's net position increased by a bit over $600 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 ongoing 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.

As noted on the first page of this report, net position was increased by over $2 million to recognize the fair market value of property held as an investment. It was also decreased by about $64 thousand to adjust for full accrual items that were previously recorded in the fund statements.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Revenues:						
Program revenues:						
Charges for services	530	648	2,848	2,869	3,379	3,517
Operating grants/contributions	91	162	0	0	91	162
Capital grants/contributions	548	1,036	100	200	648	1,236
General revenues:						
Property taxes	1,502	1,446	0	0	1,502	1,446
Other taxes	964	950	0	0	964	949
Other Revenue	1,019	275	0	0	1,019	275
Investment income	57	38	26	79	83	117
Total Revenues	**4,711**	**4,554**	**2,974**	**3,148**	**7,685**	**7,702**
Expenses:						
General government	1,575	1,490	0	0	1,575	1490
Public safety	1,918	1,634	0	0	1,918	1,634
Highways and streets	366	201	0	0	366	201
Culture and recreation	216	543	0	0	216	543
Water	0	0	875	967	875	967
Wastewater	0	0	1,716	1,747	1,716	1,747
Stormwater	0	0	62	149	62	149
Dunes NRA Lease	0	0	265	77	265	77
Total expenses	**4,075**	**3,868**	**2,918**	**2,941**	**7,993**	**6,812**
Change in net position	636	686	56	206	691	890
Transfers	-209	-214	209	214	0	0
Change in net position	427	472	265	420	691	890
Prior Period Adjustment	759		-824		-64	
Beginning net position, 2019 restated	**6,500**	**6,010**	**18,334**	**15,913**	**24,835**	**21,923**
Ending net position	**7,686**	**6,482**	**17,775**	**16,332**	**25,461**	**22,813**

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $2.86 million, an increase of $286 thousand in comparison with the prior year. Approximately $1.4 million of the total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted or committed, indicating that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance reached $1.4 million, all of which is unassigned.

The fund balance of the City's general fund increased by $357 thousand during the current fiscal year, with the key factors for this increase being the prior period adjustment as well as the reduction of expenditures for personnel, materials & services, and unfilled personnel positions. General Fund revenue came in slightly over budget.

General Fund Budgetary Highlights

Differences between the original budget and final budget were relatively minor and are mostly attributable to changes in the closing of stand-alone capital funds and moving them to departmental funds. The City also saw an increase in building permit funds due to a few larger commercial investments. 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, 2019 amounts to $26 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.

During FY19 the City participated in a one-time Timber Sale, resulting in Revenue that was dedicated to the Storm Water fund for on-going levee certification engineering and projects. FY19 also saw the conclusion of a multi-year major renovation of the Rainbow Plaza Boat Launch and waterfront area improvements project.

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

The City of Reedsport also completed a UV conversion of the City Water Treatment Facility.

Another major renovation of the City owned Oregon Dunes Recreation Center office building began although the project will be completed in FY20 expenditures for the project began in the current year.

Economic Factors and Next Year's Budgets and Rates.

The City of Reedsport has been under property tax compression since 1997 as a result of Measure 50 and Measure 5, with compression increasing each year and reaching the greatest loss in fiscal year 2014/2015 of $164,000. Currently the City is experiencing a upturn in property values and investments effectively reversing this downward trend which shows no signs of slowing in the near future.

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

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

The Storm Water Utility monthly service rates are being evaluated and may need to be increased in the near future because a sizable investment that will be required to repair settlement issues and ageing infrastructure of the current levee system. Currently, the limitations of the system cause community flooding during heavy rain events. The City continues to strive to obtain grants.

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

Request for Information

This financial report is designed to provide a general overview of the City of Reedsport's finances for all or those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager.

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS TYPE	TOTAL
ASSETS			
Cash & cash equivalents	$ 2,777,490	$ 6,007,560	$ 8,785,050
Investments	140,522	2,159,576	2,300,098
Receivables:			
Taxes	156,102	-	156,102
Accounts	208,802	288,679	497,481
Intergovernmental	23,218	1,224	24,442
Prepaids	-	46,213	46,213
Inventories	29,135	76,558	105,693
Total Current Assets	3,335,269	8,579,810	11,915,079
Noncurrent Assets:			
Proportionate Share of Net Pension Asset - RHIA	16,429	-	16,429
Capital Assets, net	5,759,303	20,385,685	26,144,988
Total Assets	9,111,001	28,965,495	38,076,496
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	7,353	-	7,353
Pension Related Deferrals - RHIA	7,174	-	7,174
Pension Related Deferrals - Oregon PERS	483,740	199,331	683,071
Total Deferred Outlfows	498,267	199,331	697,598
LIABILITIES			
Accounts payable	277,858	240,577	518,435
Accrued expenses	56,105	-	56,105
Accrued interest payable	-	98,015	98,015
Unearned revenue	-	28,318	28,318
Deposits payable	5,888	82,005	87,893
Compensated absences	150,728	44,552	195,280
Notes payable	-	77,767	77,767
Bonds payable	-	355,264	355,264
Total current liabilities	490,579	926,498	1,417,077
Long-term Debt:			
Notes payable - net of current	-	1,725,174	1,725,174
Bonds payable - net of current	-	8,169,664	8,169,664
OPEB Net Pension Liability - Implicit Subsidy	44,576	-	44,576
Proportionate Share of Net Pension Liability - PERS	1,208,080	497,804	1,705,884
Total Long-term Liabilities	1,252,656	10,392,642	11,645,298
Total Liabilities	1,743,235	11,319,140	13,062,375
DEFERRED INFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	3,557	-	3,557
Pension Related Deferrals - RHIA	4,728	-	4,728
Pension Related Deferrals - Oregon PERS	170,818	70,387	241,205
Total Deferred Inflows	179,103	70,387	249,490
NET POSITION:			
Net Investment in Capital Assets	5,759,303	10,076,753	15,836,056
Restricted for:			
Capital Projects	711,988	377,016	1,089,004
Debt Service	-	279,143	279,143
Unrestricted	1,215,639	7,042,387	8,258,026
Total Net Position	$ 7,686,930	$ 17,775,299	$ 25,462,229

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, 2019

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General Government	$ 1,575,496	$ 185,850	$ 2,500	$ 498,283
Public Safety & Fire	1,917,541	279,460	81,727	-
Highways and Streets	365,602	-	-	50,000
Culture and Recreation	216,467	65,103	6,457	-
Total Governmental Activities	4,075,106	530,413	90,684	548,283
Business-Type Activities				
Water	874,975	800,516	-	-
Wastewater	1,716,774	1,921,578	-	
Stormwater	61,831	123,010	-	99,900
Dunes NRA Lease	265,189	3,254	-	-
Total Business Activities	2,918,769	2,848,358	-	99,900
Total Government	$ 6,993,875	$ 3,378,771	$ 90,684	$ 648,183
General Revenues:				
Property Taxes				
Other taxes				
Other Revenue				
Interest/Investment Income				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Beginning Net Position, Restated				
Prior Period Adjustments				
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
$ (888,863)	$ -	$ (888,863)
(1,556,354)	-	(1,556,354)
(315,602)	-	(315,602)
(144,907)	-	(144,907)
(2,905,726)	-	(2,905,726)
-	(74,459)	(74,459)
-	204,804	204,804
-	161,079	161,079
-	(261,935)	(261,935)
-	29,489	29,489
(2,905,726)	29,489	(2,876,237)
1,501,699	-	1,501,699
963,697	-	963,697
1,019,012	-	1,019,012
57,339	25,795	83,134
(208,770)	208,770	-
3,332,977	234,565	3,567,542
427,251	264,054	691,305
6,500,264	18,334,622	24,834,886
759,415	(823,377)	(63,962)
$ 7,686,930	$ 17,775,299	$ 25,462,229

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	GENERAL FUND	STREET FUND	URBAN RENEWAL AGENCY - SPECIAL REV.
ASSETS			
Cash and Cash Equivalents	$ 1,498,547	$ 469,016	$ 104,910
Investments	125,300	-	-
Receivables			
Taxes	146,670	-	9,432
Accounts	89,428	81,402	-
Intergovernmental	6,290	-	-
Due from other funds	-	-	-
Prepaids	-	-	-
Inventories	-	-	-
Total Assets	$ 1,866,235	$ 550,418	$ 114,342
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 260,760	$ 1,312	$ 10,000
Accrued expenses	56,105	-	-
Due to other funds	3,125	-	-
Deposits payable	-	5,888	-
Total Liabilities	319,990	7,200	10,000
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	129,035	-	8,059
Total Liabilities and Deferred Inflows	449,025	7,200	18,059
Fund Balances:			
Nonspendable			
Restricted			
Streets	-	543,218	-
Urban Renewal	-	-	96,283
Committed			
Capital outlay	-	-	-
Cultural/Recreation	-	-	-
Public Safety	-	-	-
Unassigned			
General Fund	1,417,210	-	-
Total Fund Balances	1,417,210	543,218	96,283
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,866,235	$ 550,418	$ 114,342

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

URBAN RENEWAL AGENCY - MAIN STREET	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 72,690	$ 632,327	$ 2,777,490
-	15,222	140,522
-	-	156,102
-	37,972	208,802
-	16,928	23,218
-	3,125	3,125
-	-	-
-	29,135	29,135
$ 72,690	$ 734,709	$ 3,338,394
$ 203	$ 5,583	$ 277,858
-	-	56,105
-	-	3,125
-	-	5,888
203	5,583	342,976
-	-	137,094
203	5,583	480,070
	29,135	29,135
-	-	543,218
72,487	-	168,770
-	468,204	468,204
-	154,102	154,102
-	77,685	77,685
-	-	1,417,210
72,487	729,126	2,858,324
$ 72,690	$ 734,709	$ 3,338,394

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
June 30, 2019

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

Fund Balances	$	2,858,324
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.		
Net Capital Assets		5,759,303
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.		
Accrued Compensated Absences		(150,728)
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		(917,063)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Unearned/Unavailable Revenue		137,094
Total Net Position	$	7,686,930

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

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	GENERAL FUND	STREET FUND	URBAN RENEWAL AGENCY - SPECIAL REV.
REVENUES			
Property taxes	$ 1,421,321	$ -	$ 85,574
Franchise fees	204,917	55,268	-
Fuel taxes	-	339,179	-
Alcohol taxes	75,284	-	-
Lodging taxes	230,196	-	-
Other taxes	6,131	-	-
Licenses, permits and fees	171,208	-	-
Intergovernmental	58,687	-	-
Charges for services	14,642	-	-
Fines and penalties	199,983	-	-
Interest	33,095	8,733	1,987
Land sales	8,968	-	-
Timber sales	732,311	-	-
Grants and Contributions	74,223	50,000	-
Miscellaneous	199,715	1,330	4,827
Total Revenues	3,430,681	454,510	92,388
EXPENDITURES			
Current			
General government	1,405,790	-	-
Public safety	1,513,772	-	-
Highway and streets	-	337,208	-
Culture and recreation	19,352	-	5,543
Debt Service	-	-	7,410
Capital Outlay	-	-	49,822
Total Expenditures	2,938,914	337,208	62,775
Excess of Revenues Over, (Under) Expenditures	491,767	117,302	29,613
OTHER FINANCING SOURCES, (USES)			
Transfers In	151,948	395,956	-
Transfers Out	(342,145)	(110,720)	(23,000)
Total Other Financing Sources, (Uses)	(190,197)	285,236	(23,000)
Net Change in Fund Balance	301,570	402,538	6,613
Beginning Fund Balance, Restated	1,060,222	138,352	89,670
Prior Period Adjustment	55,418	2,328	-
Ending Fund Balance	$ 1,417,210	$ 543,218	$ 96,283

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

URBAN RENEWAL AGENCY - MAIN STREET	OTHER GOVERNMENTAL FUNDS	TOTAL
$ -	$ 2,777	$ 1,509,672
-	-	260,185
-	-	339,179
-	-	75,284
-	52,722	282,918
-	-	6,131
-	-	171,208
-	-	58,687
-	144,580	159,222
-		199,983
1,303	12,221	57,339
-		8,968
-		732,311
29,070	485,674	638,967
7,343	5,831	219,046
37,716	703,805	4,719,100
-	-	1,405,790
-	212,050	1,725,822
-	-	337,208
24,816	119,996	169,707
		7,410
15,591	575,542	640,955
40,407	907,588	4,286,892
(2,691)	(203,783)	432,208
23,000	114,645	685,549
-	(418,454)	(894,319)
23,000	(303,809)	(208,770)
20,309	(507,592)	223,438
52,178	1,231,728	2,572,150
-	4,990	62,736
$ 72,487	$ 729,126	$ 2,858,324

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, 2019

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	$	223,438
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay		700,778
Depreciation Expense		(282,759)
The Pension/OPEB Expense and the changes in deferred inflows and outlfows 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.		(160,403)
Under the modified accrual basis of accounting used in the governmental funds. expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.		-
Principal payments on long-term obligations/Accrued Vacation		(45,830)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Unearned/Unavailable Revenue		(7,973)
Change in Net Position	$	427,251

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, 2019

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND	DUNES NRA FUND	TOTAL
ASSETS					
Current Assets					
Cash and cash equivalents	$ 1,133,907	$ 3,973,322	$ 658,666	$ 241,665	$ 6,007,560
Investments	-	-	-	2,159,576	2,159,576
Receivables					
Accounts, net	89,132	190,950	8,597	-	288,679
Intergovernmental	-	-	1,224	-	1,224
Due from Other Funds	-	228,000	-	-	228,000
Prepaids	46,213	-	-	-	46,213
Inventories	58,934	17,624	-	-	76,558
Total Current Assets	1,328,186	4,409,896	668,487	2,401,241	8,807,810
Other Assets					
Capital assets, net	5,083,464	14,061,658	1,240,562	1	20,385,685
Total Assets	$ 6,411,650	$ 18,471,554	$ 1,909,049	$ 2,401,242	$ 29,193,495
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Outflows	97,681	101,650	-	-	199,331
LIABILITIES					
Current Liabilities					
Accounts payable	$ 15,029	$ 81,330	$ 36,410	$ 107,808	$ 240,577
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	228,000	228,000
Accrued interest payable	-	98,015	-	-	98,015
Unearned revenue	28,318	-	-	-	28,318
Deposits payable	17,175	61,549	3,281	-	82,005
Compensated absences	17,973	26,579	-	-	44,552
Notes payable	-	71,112	6,655	-	77,767
Bonds payable	-	355,264	-	-	355,264
Total Current Liabilities	78,495	693,849	46,346	335,808	1,154,498
Long-term Liabilities					
Notes payable	-	1,712,892	12,282	-	1,725,174
Bonds payable	-	8,169,664	-	-	8,169,664
Net pension liability	243,946	253,858	-	-	497,804
Total Long-term Liabilities	243,946	10,136,414	12,282	-	10,392,642
Total Liabilities	322,441	10,830,263	58,628	335,808	11,547,140
DEFERRED INFLOWS OF RESOURCES					
Pension Related Inflows	34,493	35,894	-	-	70,387
NET POSITION					
Net invested in capital assets	5,083,464	3,752,726	1,240,562	1	10,076,753
Restricted for:					
Capital Projects	75,189	295,466	6,361	-	377,016
Debt Services	-	279,143	-	-	279,143
Unrestricted	993,744	3,379,712	603,498	2,065,433	7,042,387
Total Net Position	$ 6,152,397	$ 7,707,047	$ 1,850,421	$ 2,065,434	$ 17,775,299

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, 2019

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND	DUNES NRA FUND	TOTAL
OPERATING REVENUES					
Charges for services	$ 762,901	$ 1,910,920	$ 72,414	$ -	$ 2,746,235
Miscellaneous	37,615	10,658	50,596	3,254	102,123
Total Operating Revenues	800,516	1,921,578	123,010	3,254	2,848,358
OPERATING EXPENSES					
Personal service	388,020	389,129	22,083	26,301	825,533
Materials and services	261,514	389,456	22,972	238,888	912,830
Depreciation and amortization	225,441	734,158	16,776	-	976,375
Total Operating Expenses	874,975	1,512,743	61,831	265,189	2,714,738
Operating Income -Loss	(74,459)	408,835	61,179	(261,935)	133,620
NONOPERATING REVENUES, (EXPENSES)					
Interest	25,577	87,281	11,603	1,972	126,433
Investment Income				(100,638)	(100,638)
Intergovernmental	-	-	99,900	-	99,900
Interest expense	-	(204,031)	-	-	(204,031)
Total Nonoperating Revenues (Expenses)	25,577	(116,750)	111,503	(98,666)	(78,336)
TRANSFERS					
Transfers In	-	-	350,721	-	350,721
Transfers Out	(46,150)	(89,251)	(1,850)	(4,700)	(141,951)
Change in Net Position	(95,032)	202,834	521,553	(365,301)	264,054
Net Position, Beginning, Restated	6,659,511	7,756,420	1,487,956	2,430,735	18,334,622
Prior Period Adjustments	(412,082)	(252,207)	(159,088)	-	(823,377)
Net Position, Ending	$ 6,152,397	$ 7,707,047	$ 1,850,421	$ 2,065,434	$ 17,775,299

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

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2019

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	STORMWATER UTILITY FUND
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 821,631	$ 1,905,294	$ 131,105
Cash Paid to Suppliers	(310,956)	(353,536)	(7,068)
Cash Paid to Employees	(348,375)	(315,336)	(31,236)
Net Cash Provided (Used) by Operating Activities	162,300	1,236,422	92,801
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	-	-	350,721
Transfers to other funds	(46,150)	(89,251)	(1,850)
Net Cash Provided (Used) by Noncapital Financing Activities	(46,150)	(89,251)	348,871
Cash Flows from Capital and Related Financing Activities:			
Interfund Loan Payment	-	-	-
Interfund Loan Proceeds		(228,000)	-
Investment in time CD	254,768	254,769	-
Rental Income			
Intergovernmental Income	-	-	99,900
Acquisition and construction of capital assets	(69,192)	(261,564)	(213,472)
Principal paid on debt	-	(516,901)	(5,155)
Interest expense	-	(210,719)	(53)
Net Cash Provided (Used) by Capital and Related Financing Activities	185,576	(962,415)	(118,780)
Cash Flows from Investing Activities:			
Interest income	25,577	87,281	11,603
Net Increase (Decrease) in Cash and Cash Equivalents	327,303	272,037	334,495
Cash and Investments at Beginning of Year	806,604	3,701,285	324,171
Cash and Investments at End of Year	$ 1,133,907	$ 3,973,322	$ 658,666
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income, (Loss)	$ (74,459)	$ 408,835	$ 61,179
Adjustments to reconcile operating income (loss) to net cash provided (used) in operating activities			
Depreciation	225,441	734,158	16,776
(Increase) decrease in operating assets			
Accounts receivable	47,137	8,253	(79)
Net pension assets & deferrals	50,899	81,370	(8,104)
Other Assets	(42,996)	9,813	-
Increase (decrease) in operating liabilities			
Accounts payable	(52,659)	26,107	15,904
Compensated absences	(11,254)	(7,577)	(1,049)
Deposits payable	(2,934)	(1,412)	16
Other Liabilities	23,125	(23,125)	8,158
Net Cash Provided (Used) by Operating Activities	$ 162,300	$ 1,236,422	$ 92,801

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

DUNES NRA FUND	TOTAL
$ 3,254	$ 2,861,284
(131,135)	(802,695)
(35,663)	(730,610)
(163,544)	1,327,979
-	350,721
(4,700)	(141,951)
(4,700)	208,770
228,000	228,000
-	(228,000)
-	509,537
96,897	96,897
	99,900
-	(544,228)
-	(522,056)
-	(210,772)
324,897	(570,722)
1,972	126,433
158,625	1,092,460
83,040	4,915,100
$ 241,665	$ 6,007,560
$ (261,935)	$ 133,620
-	976,375
-	55,311
(7,602)	116,563
-	(33,183)
107,753	97,105
(1,760)	(21,640)
-	(4,330)
-	8,158
$ (163,544)	$ 1,327,979

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.

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, 2018 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.

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.

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 the Wastewater Capital Improvement fund over expended Transfers by $2,000,213, and the Library Fund over expended Transfers by $1,227.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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.

J. 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.

K. FUND EQUITY

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. FUND EQUITY

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.

L. LONG TERM OBLIGATIONS

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

M. DEFERRED OUFLOWS/INFLOWS OF RESOURCES

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

N. RETIREMENT PLANS

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

O. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2. DEPOSITS AND INVESTMENTS

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

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2019. 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, 2019, the fair value of the position in the LGIP is 100.65% 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 three 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 $2,159,576, the Landing Building $125,300 and the Schooner property $15,222.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

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

As of June 30, 2019, 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)	$ 1,563,819	$ -	$ 1,563,819	$ -
Real Estate (level 2)	$ 125,300	$ -	$ -	$ 125,300
Real Estate (level 3)	$ 2,174,798	$ -	$ -	$ 2,174,798
State Treasurer's Investment Pool	6,853,683	6,853,683	-	-
Total	$ 10,717,600	$ 6,853,683	$ 1,563,819	$ 2,300,098

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, 2019, the total bank balance per the bank statements was $2,022,124. Of these deposits, $801,227 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, 2019 are as follows:

Deposits with Financial Institutions:	
Petty Cash	$ 1,075
Demand Deposits	366,473
Investments	8,417,502
Total cash and Investments	$ 8,785,050

3. CAPITAL ASSETS

Changes in Governmental Capital Assets for the year ended June 30, 2019 are as follows:

	Balance June 30, 2018, as Restated	Additions	Deletions	Balance June 30, 2019
Capital Assets, not Depreciated:				
Land	$ 829,841	$ 21,500	$ -	$ 851,341
Construction in Progress	1,490,545	622,435	(1,814,853)	298,127
Total Capital Assets not being depreciated	2,320,386	643,935	(1,814,853)	1,149,468
Capital Assets, being Depreciated				
Buildings	2,801,539	19,157	-	2,820,696
Machinery and Equipment	3,655,944	37,686	-	3,693,630
Infrastructure	1,647,340	1,814,853	-	3,462,193
Total Capital Assets being depreciated	8,104,823	1,871,696	-	9,976,519
Accumulated Depreciation:				
Buildings	1,870,340	41,255		1,911,595
Machinery and Equipment	2,303,408	193,309		2,496,717
Infrastructure	910,177	48,195		958,372
Total Accumulated Depreciation	5,083,925	282,759	-	5,366,684
Total Net Capital Assets	$ 5,341,284			$ 5,759,303

Governmental Activities:	
General Government	$ 110,276
Public Safety	118,759
Highways and Streets	14,138
Culture and Recreation	39,586
Total	$ 282,759

3. CAPITAL ASSETS (CONTINUED)

Changes in Business-Type Capital Assets for the year ended June 30, 2019 are as follows:

	Balance June 30, 2018 as Restated	Additions	Deletions	Balance June 30, 2019
Capital Assets, not Depreciated:				
Land	$ 112,836	$ -	$ -	$ 112,836
Construction in Progress	915,122	259,307	(147,940)	1,026,489
Total Capital Assets not being depreciated	1,027,958	259,307	(147,940)	1,139,325
Capital Assets, being Depreciated				
Buildings	306,674	-	-	306,674
Machinery and Equipment	422,866	86,563	-	509,429
Infrastructure	28,789,752	346,308	-	29,136,060
Total Capital Assets being depreciated	29,519,292	432,871	-	29,952,163
Accumulated Depreciation:				
Buildings	65,460	365		65,825
Machinery and Equipment	315,462	18,910		334,372
Infrastructure	9,348,506	957,100		10,305,606
Total Accumulated Depreciation	9,729,428	976,375	-	10,705,803
Total Net Capital Assets	$ 20,817,822			$ 20,385,685

4. RECEIVABLES

The City has net utility billing accounts receivable in the amounts $89,132, $190,950 and $8,597 in the Water, Wastewater and Stormwater funds respectively. These amounts are net of an allowance for doubtful accounts of $41,895, $73,016 and $4,788, 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, 2019 was $20,862.

5. LONG-TERM OBLIGATIONS

Transactions for governmental activities for the year ended June 30, 2019 were as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
Compensated Absences	$ 104,897	165,350	119,519	150,728	$ 150,728

Transactions for business-type activities for the year ended June 30, 2019 were as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
DEQ Bond	$ 8,973,884	$ -	$ 448,956	$ 8,524,928	$ 355,264
Direct Borrowings:					
OEDD Loan	1,851,949	-	67,945	1,784,004	71,112
Note Payable - Hatcher Land	24,092	-	5,155	18,937	6,653
Total Direct Borrowings	1,876,041	-	73,100	1,802,941	77,765
Total Debt	$ 10,849,925	$ -	$ 522,056	$ 10,327,869	$ 433,029
Compensated Absences	66,191	14,320	35,959	44,552	44,552
Total	$ 10,916,116	$ 14,320	$ 558,015	$ 10,372,421	$ 477,581

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

Bonds Payable - Business Type

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

In May 2015, the City issued $10,334,358 of thirty year bonds to refinance the DEQ revolving loan for the wastewater collection system and treatment plan improvements in 2004. The Agreement pledges the revenues of the sewer system to secure the bond. The new bonds call for semi-annual payments of $236,687, including interest at 1.4%. Also, payable annually are fees of 5% on the outstanding bond amount determined prior to the posting of the payment due on that date. The balance on the bonds at June 30 was $8,973,884 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.

5. LONG-TERM OBLIGATIONS (CONTINUED)

	DEQ Revenue Bonds		OECDD Loan		Hatcher Note		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019-2020	$ 355,264	$ 40,500	$ 71,112	$ 83,135	$ 6,653	$ 875	$ 433,029	$ 124,510
2020-2021	360,256	38,695	74,426	79,821	6,924	854	441,606	119,370
2021-2022	365,315	36,861	77,894	76,353	5,360	832	448,569	114,046
2022-2023	370,449	35,004	81,524	72,723	-	-	451,973	107,727
2023-2024	375,653	33,121	85,323	68,924	-	-	460,976	102,045
2024-2029	1,958,928	136,424	490,094	281,140	-	-	2,449,022	417,564
2029-2034	2,100,454	85,207	615,435	155,800	-	-	2,715,889	241,007
2034-2039	2,252,205	30,291	288,196	20,298	-	-	2,540,401	50,589
2039-2044	386,404	(1,084)	-	-			386,404	(1,084)
							-	-
	$ 8,524,928	$ 435,019	$ 1,784,004	$ 838,194	$ 18,937	$ 2,560	$10,327,869	$ 1,275,773

Direct Borrowings - Business Type

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

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

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

6. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:
http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf
If the link is expired please contact Oregon PERS for this information.

a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

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 on 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 a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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.

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.

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.

iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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, 2015 actuarial valuation, which became effective July 1, 2017. 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, 2019 were $75,111, excluding amounts to fund employer specific liabilities. In addition approximately $95,546 in employee contributions were paid or picked up by the City in fiscal 2019. At June 30, 2019, the City reported a net pension liability of $1,705,884 for its proportionate share of the net pension liability The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2016. 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, 2018 and 2017, the City's proportion was .01percent for both years. Pension expense for the year ended June 30, 2019 was $270,768.

The rates in effect for the year ended June 30, 2019 were:

(1) Tier 1/Tier 2 – 17.91%
(2) OPSRP general services – 9.63%
(3) OPSRP Police and Fire – 14.4%

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 58,029	$ -
Changes in assumptions	396,615	-
Net difference between projected and actual earnings on pension plan investments	-	75,751
Net changes in proportionate share	153,315	5,499
Differences between City contributions and proportionate share of contributions	-	159,955
Subtotal - Amortized Deferrals (below)	607,959	241,205
City contributions subsequent to measuring date	75,111	-
Deferred outflow (inflow) of resources	$ 683,070	$ 241,205

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, 2020. Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2020	$ 213,833
2021	152,923
2022	(27,186)
2023	16,984
2024	10,200
Thereafter	-
Total	$ 366,754

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2019. Oregon PERS produces an independently audited CAFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf

Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

6. DEFINED BENEFIT PENSION PLAN (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 2015 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increase	3.50 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordamce with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	13.5%	21.5%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2018 PERS CAFR; p. 98)

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015, revised as of June 7, 2017, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

(Source: June 30, 2018 PERS CAFR; p. 72)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2018 and 2017, was 7.20 percent and 7.50 percent, respectively, 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.

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-perentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	$ 2,850,855	$ 1,705,884	$ 760,805

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, 2018 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 death, disability, resignation, or retirement. 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.

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Contributions:
Employees of the City pay six (6) percent of their covered payroll. The City made these contributions to member IAP accounts for the year ended June 30, 2019.

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.

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 0.49% of annual covered OPERF payroll and 0.42% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contribution to RHIA for the year ended June 30, 2019 was $7,174 which equaled the required contributions each year.

At June 30, 2019, the City reported a net OPEB liability/(asset) of ($16,429) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2018, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2016. 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, 2018 and 2017, the City's proportion was .01 percent and .01 percent, respectively. OPEB (income) expense for the year ended June 30, 2019 was $(18,875).

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$ (1,542)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(99)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	$ (1,641)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 931
Changes in assumptions	-	52
Net difference between projected and actual earnings on pension plan investments	-	3,542
Net changes in proportionate share	-	-
Differences between City contributions and proportionate share of contributions	-	203
Subtotal - Amortized Deferrals (below)	-	4,728
City contributions subsequent to measuring date	7,174	-
Deferred outflow (inflow) of resources	$ 7,174	$ 4,728

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, 2020.

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

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

Year ending June 30,	Amount
2020	$ (1,590)
2021	(1,578)
2022	(1,209)
2023	(352)
2024	-
Thereafter	-
Total	$ (4,729)

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, 2018. That independently audited report was dated March 1, 2019 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2019/GASB-75-RHIA-YE-06-30-2018.pdf

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent overall payroll growth
Retiree healthcare participation	Healthy retirees: 38%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

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

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2018 and 2017, was 7.20 percent and 7.50 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015, revised as of June 7, 2017, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

(Source: June 30, 2018 PERS CAFR; p. 72)

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

Sensitivity of the City's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the City's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-perentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	$ 9,566	$ 16,429	$ 22,271

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2018 Measurement Date that meet this requirement and thus would require a brief description.

8. INTERFUND TRANSFERS

Cash transfers are indicative of funding for capital projects, debt service, subsidies of various city operations, and re-allocations of special revenues. Transfers are netted on the Statement of Activities as required by GASB 34. The following schedule briefly summarizes the City's transfer activity for the year ended June 30, 2019:

Fund	Transfer In	Transfer Out
General Fund	$ 151,948	$ 342,145
Street Fund	395,956	110,720
URA Fund	-	23,000
URA Main Street Fund	23,000	-
Other Governmental	114,645	418,454
Water Fund	-	46,150
Wastewater Fund	-	89,251
Stormwater Fund	350,721	1,850
Dune NRA Fund	-	4,700
Total	$ 1,036,270	$ 1,036,270

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

The City also has an interfund loan between the Wastewater Fund and the Dunes Fund for $228,000, it is a capital loan and is for ten years and bears interest at 2%.

9. COMMITMENTS AND CONTINGENCIES

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel, the resolution of these matters will not have a material adverse cash effect of the financial condition of the government.

10. RISK MANAGEMENT

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

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Post-employment Health Insurance Subsidy

Plan Description

The City administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the City's group health insurance plans. The City's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2018 and the measurement date was June 30, 2018.

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.

Actuarial Methods and Assumptions

The City engaged an actuary to perform a valuation as of June 30, 2018 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2017. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Changes in the Net OPEB Liability

Total OPEB Liability at June 30, 2018	**46,328**
Changes for the year:	
Service cost	2,191
Interest	1,650
Effect of economic/demographic gains/losses	2,077
Differences between expected and actual experience	-
Changes of assumptions or other input	(2,743)
Benefit payments	(4,927)
Balance as of June 30, 2019	**44,576**

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 3.87%, 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 (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	$ 46,770	$ 44,576	$ 42,471

A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 41,717	$ 44,576	$ 47,766

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 1,776	$ -
Changes in assumptions	-	(3,557)
City contributions subsequent to measuring date	5,577	-
Deferred outflow (inflow) of resources	$ 7,353	$ (3,557)

11.OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

Year ending June 30,	Amount
2020	$ (334)
2021	(334)
2022	(334)
2023	(334)
2024	(334)
Thereafter	(111)
Total	$ (1,781)

12.RESTATEMENTS AND PRIOR PERIOD ADJUSTMENTS

The City restated their Fund Balance from $79,960 to $2,437,111 in the Dunes NRA Fund, an increase of $2,357,111. This adjustment was made to recognize the Schooner property as an Investment in the budgetary statements instead of being reported as a capital asset. This was required by GASB 72 which states that property held for investment purposes should be stated at fair market value as an investment. Also the City restated its' net position (the full accrual statements) in the Dunes NRA Fund for the same issue, last year's net position was $428,222, the restated net position is now $2,430,735

The Riverfront Fund had the same GASB 72 issue for its Schooner property. Fund balance was $136,726 and was restated to $155,159 in order to account for this property as an investment.

The City also made prior period adjustments to remove full accrual items that were inadvertently included in the modified accrual budgetary statements. These prior period adjustment amounts are as follows: Storm Drain $2,692, Wastewater Utility $61,965, Water Utility $59,576, Riverfront $4,990, Street $2,328 and General $55,418.

The City made prior period adjustments to its Governmental Net Position, and its Proprietary Funds Net Position to account for changes to the capital asset register, since the prior year's amounts did not agree to the Cities records. There were also some minor budget to GAAP reporting errors made as well. The adjustments were as follows: Governmental $696,679, Water ($412,082), Wastewater ($252,207), and Stormwater ($159,088).

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

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
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
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
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
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, 2019

Total Other Post Employment Benefits Liability at June 30, 2018	$	**46,328**
Changes for the year:		
Service Cost		2,191
Interest		1,650
Changes in Benefit Terms		-
Differences between expected and actual experience		2,077
Changes in assumptions or other input		(2,743)
Employer Contributions		-
Benefit Payments		(4,927)
Net changes for the year		-1,752
Total Other Post Employment Benefits Liability at June 30, 2019	$	**44,576**
Fiduciary Net Position - Beginning	$	-
Contributions - Employer		4,927
Contributions - Employee		-
Net Investment Income		-
Benefit Payments		(4,927)
Administrative Expense		-
Net changes for the year		-
Fiduciary Net Position - Ending	$	-
Net Liability for Other Post Employment Benefits - End of Year	$	**44,576**
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability		0%
Covered Payroll	$	1,646,172
Net Single Employer Pension Plan as a Percentage of Covered Payroll		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, 2019

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Property taxes	$ 1,261,320	$ 1,261,320		$ 1,421,321	$ 160,001
Franchise fees	190,000	190,000		204,917	14,917
Fuel taxes	-	-			-
Alcohol taxes	60,000	60,000		75,284	15,284
Lodging taxes	210,000	210,000		230,196	20,196
Other taxes	12,000	12,000		6,131	(5,869)
Licenses, permits and fees	75,300	75,300		171,208	95,908
Intergovernmental	41,000	41,000		58,687	17,687
Charges for services	303,300	303,300		14,642	(288,658)
Fines and penalties	120,000	120,000		199,983	79,983
Investment earnings	10,450	10,450		33,095	22,645
Land sales	-	-		8,968	8,968
Timber sales	-	-		732,311	732,311
Miscellaneous	13,050	13,050		199,715	186,665
Grants and contracts	81,500	85,500		74,223	(11,277)
Total Revenues	2,377,920	2,381,920		3,430,681	1,048,761
EXPENDITURES					
General Government:					
City Council	8,120	8,120	(1)	4,211	3,909
City Manager	165,200	165,200	(1)	146,751	18,449
Finance	103,850	103,850	(1)	102,558	1,292
Non-Departmental	728,575	1,403,575	(1)	1,161,040	242,535
City Recorder	48,450	48,450	(1)	44,528	3,922
Community Development	54,920	54,920	(1)	39,294	15,626
Building Inspection	46,850	88,350	(1)	68,184	20,166
Public Services	166,810	166,810	(1)	150,853	15,957
Community Building	26,680	26,680	(1)	23,046	3,634
Public Safety:					
Legal Services	35,000	35,000	(1)	15,070	19,930
Municipal Court	117,600	117,600	(1)	104,770	12,830
Police Department	1,430,040	1,434,040	(1)	1,288,105	145,935
Fire	126,130	126,130	(1)	105,827	20,303
Animal Control	6,190	6,190	(1)	6,190	-
Library	-	-	(1)	-	-
Culture and Recreation:					
Senior Center	20,675	20,675	(1)	19,352	1,323
Dial A Ride	1,280	1,280	(1)	1,280	-
Contingency	100,000	100,000	(1)	-	100,000
Total Expenditures	3,186,370	3,906,870		3,281,059	625,811
Excess of Revenues Over, (Under) Expenditures	(808,450)	(1,524,950)		149,622	1,674,572
OTHER FINANCING SOURCES, (USES)					
Debt Service	-	-			-
Transfers In	173,450	173,450		151,948	(21,502)
Net Change in Fund Balance	(635,000)	(1,351,500)		301,570	1,653,070
Beginning Fund Balance	635,000	1,351,500		1,060,222	(291,278)
Prior Period Adjustment	-	-		55,418	55,418
Ending Fund Balance	$ -	$ -		$ 1,417,210	$ 1,417,210

(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, 2019

STREET FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Franchise fees	$ 52,200	$ 52,200		$ 55,268	$ 3,068
Fuel taxes	285,000	285,000		339,179	54,179
Investment earnings	2,000	2,000		8,733	6,733
Other revenue	350	350		1,330	980
Grants and contracts	100,000	100,000		50,000	(50,000)
Total Revenues	439,550	439,550		454,510	14,960
EXPENDITURES					
Personal Services	64,500	64,500	(1)	56,036	8,464
Materials & services	144,130	144,130	(1)	128,947	15,183
Capital outlay	555,200	555,200	(1)	152,225	402,975
Contingency	15,000	15,000	(1)	-	15,000
Total Expenditures	778,830	778,830		337,208	441,622
Excess of Revenues Over, (Under) Expenditures	(339,280)	(339,280)		117,302	456,582
OTHER FINANCING SOURCES, (USES)					
Transfers out	(110,720)	(110,720)	(1)	(110,720)	-
Transfers in	325,000	325,000		395,956	70,956
Total Other Financing Sources, (Uses)	214,280	214,280		285,236	70,956
Net Change in Fund Balance	(125,000)	(125,000)		402,538	527,538
Beginning Fund Balance	125,000	125,000		138,352	13,352
Prior Period Adjustment	-	-		2,328	2,328
Ending Fund Balance	$ -	$ -		$ 543,218	$ 543,218

(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, 2019

REEDSPORT URBAN RENEWAL AGENCY - SPECIAL REVENUE

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Property taxes	$ 88,500	$ 88,500		$ 85,574	$ (2,926)
Interest	1,450	1,450		1,987	537
Miscellaneous	-	-		4,827	4,827
Total Revenues	89,950	89,950		92,388	2,438
EXPENDITURES					
Materials & Services	7,500	7,500	(1)	5,543	1,957
Debt Service	7,450	7,450	(1)	7,410	40
Capital Outlay	137,000	137,000	(1)	49,822	87,178
Total Expenditures	151,950	151,950		62,775	89,175
Excess of Revenues Over, (Under) Expenditures	(62,000)	(62,000)		29,613	91,613
OTHER FINANCING SOURCES, (USES)					
Transfers Out	(23,000)	(23,000)	(1)	(23,000)	-
Total Other Financing Sources, (Uses)	(23,000)	(23,000)		(23,000)	-
Net Change in Fund Balance	(85,000)	(85,000)		6,613	91,613
Beginning Fund Balance	85,000	85,000		89,670	4,670
Ending Fund Balance	$ -	$ -		$ 96,283	$ 96,283

(1) Appropriation Level

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

REEDSPORT URBAN RENEWAL AGENCY - MAIN STREET

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Interest	$ 400	$ 400		$ 1,303	$ 903
Grants and Contributions	5,500	5,500		29,070	23,570
Miscellaneous	59,100	59,100		7,343	(51,757)
Total Revenues	65,000	65,000		37,716	(27,284)
EXPENDITURES					
Materials & Services	25,750	25,750	(1)	24,816	934
Capital Outlay	102,250	102,250	(1)	15,591	86,659
Total Expenditures	128,000	128,000		40,407	87,593
Excess of Revenues Over, (Under) Expenditures	(63,000)	(63,000)		(2,691)	60,309
OTHER FINANCING SOURCES, (USES)					
Transfers In	23,000	23,000		23,000	-
Total Other Financing Sources, (Uses)	23,000	23,000		23,000	-
Net Change in Fund Balance	(40,000)	(40,000)		20,309	60,309
Beginning Fund Balance	40,000	40,000		52,178	12,178
Ending Fund Balance	$ -	$ -		$ 72,487	$ 72,487

(1) Appropriation Level

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	BICYCLE AND FOOTPATH FUND	FIRE EQUIPMENT FUND	DIAL A RIDE FUND	RIVERFRONT FUND	LIBRARY
ASSETS					
Cash and Equivalents	$ 49,023	$ 35,992	$ 1,610	$ 76,572	$ 25
Investments	-	-	-	15,222	-
Prepaids	-	-	-	-	-
Receivables					
Accounts	-	10,400	-	13,012	-
Intergovernmental	-	2,356	-	-	-
Due from other funds	-	-	-	3,125	-
Notes	-	-	-	-	-
Inventories	-	-	-	29,135	-
Total Assets	$ 49,023	$ 48,748	$ 1,610	$ 137,066	$ 25
LIABILITIES					
Accounts Payable	$ -	$ -	$ 1,103	$ 3,418	$ (34)
Accrued Expenses	-	-	-	-	-
Interfund Loan	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	-	-	1,103	3,418	(34)
FUND BALANCES					
Committed	49,023	48,748	507	133,648	59
Total Fund Balances	49,023	48,748	507	133,648	59
Total Liabilities and Fund Balances	$ 49,023	$ 48,748	$ 1,610	$ 137,066	$ 25

ANIMAL CONTROL	GENERAL CAPITAL IMPROVEMENT	POLICE CAPITAL	TOTAL
$ 29,263	$ 357,989	$ 81,853	$ 632,327
-	-	-	15,222
-	-	-	-
-	-	14,560	37,972
-	14,572	-	16,928
-	-	-	3,125
-	-	-	-
-	-	-	29,135
$ 29,263	$ 372,561	$ 96,413	$ 734,709
$ 326	$ 770	$ -	$ 5,583
-	-	-	-
-	-	-	-
-	-	-	-
326	770	-	5,583
28,937	371,791	96,413	729,126
28,937	371,791	96,413	729,126
$ 29,263	$ 372,561	$ 96,413	$ 734,709

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, 2019

	BICYCLE AND FOOTPATH FUND	FIRE EQUIPMENT FUND	DIAL A RIDE FUND	RIVERFRONT FUND	LIBRARY
REVENUES					
Taxes	$ 2,777	$ -	$ -	$ 52,722	$ -
Charges for services	-	20,821	18,456	65,103	-
Grants and Contributions	-	-	-	-	6,457
Interest	955	875	113	2,119	442
Miscellaneous	-	80	629	2,546	1,526
Total Revenues	$ 3,732	$ 21,776	$ 19,198	$ 122,490	$ 8,425
EXPENDITURES					
Current					
Culture and Recreation	-	-	-	-	119,996
Public Safety	-	1,320	37,745	153,110	-
Capital Outlay	-	32,105	-	8,381	-
Total Expenditures	-	33,425	37,745	161,491	119,996
Excess of Revenues Over, (Under) Expenditures	3,732	(11,649)	(18,547)	(39,001)	(111,571)
OTHER FINANCING SOURCES, (USES)					
Transfers In	-	15,000	1,280	12,500	8,370
Transfers Out	-	(2,271)	-	-	(1,227)
Total Other Financing Sources, (Uses)	-	12,729	1,280	12,500	7,143
NET CHANGE IN FUND BALANCES	3,732	1,080	(17,267)	(26,501)	(104,428)
Beginning Fund Balance, restated	45,291	47,668	17,774	155,159	104,487
Prior Period Adjustment	-	-	-	4,990	-
Ending Fund Balance	$ 49,023	$ 48,748	$ 507	$ 133,648	$ 59

ANIMAL CONTROL	GENERAL CAPITAL IMPROVEMENT	POLICE CAPITAL	STREET CAPITAL IMPROVEMENT	TOTAL
$ -	$ -	$ -	$ -	$ 55,499
-	-	40,200	-	144,580
10,004	469,213	-	-	485,674
648	5,853	1,216	-	12,221
545	505	-	-	5,831
$ 11,197	$ 475,571	$ 41,416	$ -	$ 703,805
-	-	-	-	119,996
13,706	-	6,169	-	212,050
-	535,056	-	-	575,542
13,706	535,056	6,169	-	907,588
(2,509)	(59,485)	35,247	-	(203,783)
6,190	41,305	30,000	-	114,645
-	(15,000)	(4,000)	(395,956)	(418,454)
6,190	26,305	26,000	(395,956)	(303,809)
3,681	(33,180)	61,247	(395,956)	(507,592)
25,256	404,971	35,166	395,956	1,231,728
-	-	-	-	4,990
$ 28,937	$ 371,791	$ 96,413	$ -	$ 729,126

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

BICYCLE AND FOOT PATH FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Fuel taxes	$ 2,500	$ 2,500		$ 2,777	$ 277
Interest	500	500		955	455
Miscellaneous	-	-		-	-
Total Revenues	3,000	3,000		3,732	732
EXPENDITURES					
Capital Outlay	47,900	47,900	(1)	-	47,900
Total Expenditures	47,900	47,900		-	47,900
Excess of Revenues Over, (Under) Expenditures	(44,900)	(44,900)		3,732	48,632
Net Change in Fund Balance	(44,900)	(44,900)		3,732	48,632
Beginning Fund Balance	44,900	44,900		45,291	391
Ending Fund Balance	$ -	$ -		$ 49,023	$ 49,023

(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, 2019

FIRE EQUIPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Charges for services	$ 9,500	$ 9,500		$ 20,821	$ 11,321
Interest	500	500		875	375
Miscellaneous	-	-		80	80
Total Revenues	10,000	10,000		21,776	11,776
EXPENDITURES					
Materials and Services	5,000	5,000	(1)	1,320	3,680
Capital Outlay	60,900	60,900	(1)	32,105	28,795
Total Expenditures	65,900	65,900		33,425	32,475
Excess of Revenues Over, (Under) Expenditures	(55,900)	(55,900)		(11,649)	44,251
OTHER FINANCING SOURCES, (USES)					
Transfers In	15,000	15,000		15,000	-
Transfers Out	(5,000)	(5,000)		(2,271)	2,729
Net Change in Fund Balance	(45,900)	(45,900)		1,080	46,980
Beginning Fund Balance	45,900	45,900		47,668	1,768
Ending Fund Balance	$ -	$ -		$ 48,748	$ 48,748

(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, 2019

DIAL-A-RIDE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Dial-A-Ride fees/donations	$ 25,050	$ 25,050	$ 18,456	$ (6,594)
Interest	200	200	113	(87)
Miscellaneous	-	-	629	629
Total Revenues	25,250	25,250	19,198	(6,052)
EXPENDITURES				
Personal Services	15,330	15,330 (1)	14,560	770
Materials and Services	21,200	24,700 (1)	23,185	1,515
Capital Outlay	2,000	2,000 (1)	-	2,000
Total Expenditures	38,530	42,030	37,745	4,285
Excess of Revenues Over, (Under) Expenditures	(13,280)	(16,780)	(18,547)	(1,767)
OTHER FINANCING SOURCES, (USES)				
Transfers In	1,280	1,280	1,280	-
Net Change in Fund Balance	(12,000)	(15,500)	(17,267)	(1,767)
Beginning Fund Balance	12,000	15,500	17,774	2,274
Ending Fund Balance	$ -	$ -	$ 507	$ 507

(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, 2019

RIVERFRONT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Lodging taxes	$ 40,500	$ 40,500	$ 52,722	$ 12,222
Charges for services	70,500	70,500	65,103	(5,397)
Interest	750	750	2,119	1,369
Miscellaneous	2,350	2,350	2,546	196
Total Revenues	114,100	114,100	122,490	8,390
EXPENDITURES				
Personal Services	83,650	83,650 (1)	81,494	2,156
Materials and Services	92,740	92,740 (1)	71,616	21,124
Capital Outlay	23,110	23,110 (1)	8,381	14,729
Contingency	11,100	11,100 (1)	-	11,100
Total Expenditures	210,600	210,600	161,491	49,109
Excess of Revenues Over, (Under) Expenditures	(96,500)	(96,500)	(39,001)	57,499
OTHER FINANCING SOURCES, (USES)				
Transfers In	12,500	12,500	12,500	-
Net Change in Fund Balance	(84,000)	(84,000)	(26,501)	57,499
Beginning Fund Balance, Restated	84,000	84,000	155,159	71,159
Prior Period Adjustment	-	-	4,990	4,990
Ending Fund Balance	$ -	$ -	$ 133,648	$ 133,648

(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, 2019

LIBRARY FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Grants and contributions	$ 74,400	$ 74,400		$ 6,457	$ (67,943)
Interest	500	500		442	(58)
Miscellaneous	2,100	2,100		1,526	(574)
Total Revenues	77,000	77,000		8,425	(68,575)
EXPENDITURES					
Personal Services	3,500	3,500	(1)	1,208	2,292
Materials and Services	43,790	118,790	(1)	118,788	2
Capital Outlay	106,030	31,030	(1)	-	31,030
Total Expenditures	153,320	153,320		119,996	33,324
Excess of Revenues Over, (Under) Expenditures	(76,320)	(76,320)		(111,571)	(35,251)
OTHER FINANCING SOURCES, (USES)					
Transfers In	16,320	16,320		8,370	(7,950)
Transfers Out	-	-	(1)	(1,227)	(1,227)
Net Change in Fund Balance	(60,000)	(60,000)		(104,428)	(44,428)
Beginning Fund Balance	60,000	60,000		104,487	44,487
Ending Fund Balance	$ -	$ -		$ 59	$ 59

(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, 2019

ANIMAL SHELTER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Animal control/impound	$ 1,000	$ 1,000	$ 545	$ (455)
Animal shelter donations	5,000	5,000	10,004	5,004
Interest	100	100	648	548
Total Revenues	6,100	6,100	11,197	5,097
EXPENDITURES				
Materials and Services	10,940	16,940 (1)	13,706	3,234
Capital Outlay	25,350	19,350 (1)	-	19,350
Total Expenditures	36,290	36,290	13,706	22,584
Excess of Revenues Over, (Under) Expenditures	(30,190)	(30,190)	(2,509)	27,681
OTHER FINANCING SOURCES, (USES)				
Transfers In	6,190	6,190	6,190	-
Net Change in Fund Balance	(24,000)	(24,000)	3,681	27,681
Beginning Fund Balance	24,000	24,000	25,256	1,256
Ending Fund Balance	$ -	$ -	$ 28,937	$ 28,937

(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, 2019

GENERAL CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Grants	$ 512,500	$ 532,500	$ 469,213	$ (63,287)
Interest	2,500	2,500	5,853	3,353
Miscellaneous	500	500	505	5
Total Revenues	515,500	535,500	475,571	(59,929)
EXPENDITURES				
Capital outlay	771,805	791,805 (1)	535,056	256,749
Total Expenditures	771,805	791,805	535,056	256,749
Excess of Revenues Over, (Under) Expenditures	(256,305)	(256,305)	(59,485)	196,820
OTHER FINANCING SOURCES, (USES)				
Transfers in	41,305	41,305	41,305	-
Transfers Out	(15,000)	(15,000) (1)	(15,000)	-
Net Change in Fund Balance	(230,000)	(230,000)	(33,180)	196,820
Beginning Fund Balance	355,000	355,000	404,971	49,971
Ending Fund Balance	$ 125,000	$ 125,000	$ 371,791	$ 246,791

(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, 2019

POLICE CAPITAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Jail bed rents	$ 30,000	$ 30,000	$ 40,200	$ 10,200
Interest	500	500	1,216	716
Miscellaneous	-	-	-	-
Total Revenues	30,500	30,500	41,416	10,916
EXPENDITURES				
Materials and Services	12,500	12,500 (1)	6,169	6,331
Capital Outlay	76,000	76,000 (1)	-	76,000
Total Expenditures	88,500	88,500	6,169	82,331
Excess of Revenues Over, (Under) Expenditures	(58,000)	(58,000)	35,247	93,247
OTHER FINANCING SOURCES, (USES)				
Transfers In	30,000	30,000	30,000	-
Transfers Out	(24,000)	(24,000) (1)	(4,000)	20,000
Net Change in Fund Balance	(52,000)	(52,000)	61,247	113,247
Beginning Fund Balance	52,000	52,000	35,166	(16,834)
Ending Fund Balance	$ -	$ -	$ 96,413	$ 96,413

(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, 2019

STREET CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES, (USES)				
Transfers out	(325,000)	(396,000) (1)	(395,956)	44
Net Change in Fund Balance	(325,000)	(396,000)	(395,956)	44
Beginning Fund Balance	325,000	396,000	395,956	(44)
Ending Fund Balance	$ -	$ -	$ -	$ -

(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, 2019

	WATER UTILITY FUND			
	WATER UTILITY	WATER SDC	WATER CAPITAL IMPROVEMENT	TOTAL
REVENUES				
Charges for service	$ 762,901	$ -	$ -	$ 762,901
Interest	24,062	1,505	10	25,577
Miscellaneous	33,181	-	4,434	37,615
Total Revenues	820,144	1,505	4,444	826,093
EXPENDITURES				
Personnel	325,248	-	-	325,248
Materials and services	254,700	-	-	254,700
Capital outlay	76,007	-	-	76,007
Total Expenditures	655,955	-	-	655,955
Excess of Revenues Over, (Under) Expenditures	164,189	1,505	4,444	170,138
OTHER FINANCING SOURCES, (USES)				
Transfers in	806,939	-	-	806,939
Transfers out	(46,150)	-	(806,939)	(853,089)
Total Other Financing Sources	760,789	-	(806,939)	(46,150)
Net Change in Fund Balance	924,978	1,505	(802,495)	123,988
Beginning Fund Balance	207,921	73,684	802,495	1,084,100
Prior Period Adjustment	59,576	-	-	59,576
Ending Fund Balance	$ 1,192,475	$ 75,189	$ -	$ 1,267,664
GAAP Adjustments				
Net Pension Liability				(243,946)
Deferred Outflows				97,681
Deferred Inflows				(34,493)
Compensated Absences				(17,973)
Capital Assets, Net				5,083,464
Net Position				$ 6,152,397

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

WATER UTILITY FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Charges for services	$ 760,500	$ 760,500		$ 762,901	$ 2,401
Interest	7,200	7,200		24,062	16,862
Other revenue	66,800	66,800		33,181	(33,619)
Total Revenues	834,500	834,500		820,144	(14,356)
EXPENDITURES					
Personal Services	352,100	352,100	(1)	325,248	26,852
Materials and services	292,700	292,700	(1)	254,700	38,000
Capital outlay	978,550	978,550	(1)	76,007	902,543
Contingency	15,000	15,000	(1)	-	15,000
Total Expenditures	1,638,350	1,638,350		655,955	982,395
Excess of Revenues Over, (Under) Expenditures	(803,850)	(803,850)		164,189	968,039
OTHER FINANCING SOURCES, (USES)					
Transfers in	750,000	750,000		806,939	-
Transfers out	(46,150)	(46,150)	(1)	(46,150)	-
Total Other Financing Sources, (Uses)	703,850	703,850		760,789	56,939
Net Change in Fund Balance	(100,000)	(100,000)		924,978	1,024,978
Beginning Fund Balance	100,000	100,000		207,921	107,921
Prior Period Adjustment	-	-		59,576	59,576
Ending Fund Balance	$ -	$ -		$ 1,192,475	$ 1,192,475

(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, 2019

WATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	$ 1,000	$ 1,000	$ 1,505	$ 505
Miscellaneous	-	-	-	-
Total Revenues	1,000	1,000	1,505	505
EXPENDITURES				
Capital outlay	74,520	74,520 (1)	-	74,520
Total Expenditures	74,520	74,520	-	74,520
Excess of Revenues Over, (Under) Expenditures	(73,520)	(73,520)	1,505	75,025
Net Change in Fund Balance	(73,520)	(73,520)	1,505	75,025
Beginning Fund Balance	73,520	73,520	73,684	164
Ending Fund Balance	$ -	$ -	$ 75,189	$ 75,189

(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, 2019

WATER CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Interest	$ -	$ -		$ 10	$ 10
Miscellaneous	-	-		4,434	4,434
Total Revenues	-	-		4,444	4,444
OTHER FINANCING SOURCES, (USES)					
Transfers out	(750,000)	(756,000)	(1)	(806,939)	(50,939)
Net Change in Fund Balance	(750,000)	(756,000)		(802,495)	(46,495)
Beginning Fund Balance	750,000	756,000		802,495	46,495
Ending Fund Balance	$ -	$ -		$ -	$ -

(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, 2019

WASTEWATER UTILITY FUND

	WASTEWATER UTILTY	WASTEWATER DEQ LOAN	WASTEWATER IFA LOAN	WASTEWATER SDC	WASTEWATER CAPITAL IMPROVEMENT	TOTAL
REVENUES						
Charges for service	$ 1,910,920	$ -	$ -	$ -	$ -	$ 1,910,920
Interest	81,303	-	-	5,915	63	87,281
Miscellaneous	9,946	-	-	-	712	10,658
Total Revenues	2,002,169	-	-	5,915	775	2,008,859
EXPENDITURES						
Personal Services	338,463	-	-	-	-	338,463
Materials and services	342,680				-	342,680
Debt Service	727,620					727,620
Capital outlay	308,340	-	-	-	-	308,340
Total Expenditures	1,717,103	-	-	-	-	1,717,103
Excess of Revenues Over, (Under) Expenditures	285,066	-	-	5,915	775	291,756
OTHER FINANCING SOURCES, (USES)						
Transfers in	3,304,786	-	-	-	-	3,304,786
Transfers out	(317,250)	(826,110)	(103,464)	-	(2,375,213)	(3,622,037)
Total	2,987,536	(826,110)	(103,464)	-	(2,375,213)	(317,251)
Net Change in Fund Balance	3,272,602	(826,110)	(103,464)	5,915	(2,374,438)	(25,495)
Beginning Fund Balance	408,984	826,110	103,464	289,551	2,374,438	4,002,547
Prior Period Adjustment	61,965	-	-	-	-	61,965
Ending Fund Balance	$ 3,743,551	$ -	$ -	$ 295,466	$ -	$ 4,039,017
GAAP Adjustments						
Interfund Loan						228,000
Net Pension Liability						(253,858)
Deferred Outflows						101,650
Deferred Inflows						(35,894)
Compensated Absences						(26,579)
Capital Assets, Net						14,061,658
Accrued Interest						(98,015)
Bonds and Notes Payable						(10,308,932)
Net Position						$ 7,707,047

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

WASTEWATER UTILITY DIVISION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services	$ 1,856,000	$ 1,856,000	$ 1,910,920	$ 54,920
Interest	12,000	12,000	81,303	69,303
Miscellaneous	7,000	7,000	9,946	2,946
Total Revenues	1,875,000	1,875,000	2,002,169	127,169
EXPENDITURES				
Personal Services	375,200	375,200 (1)	338,463	36,737
Materials and services	444,325	444,325 (1)	342,680	101,645
Debt Service	727,650	727,650 (1)	727,620	30
Capital outlay	1,255,650	1,255,650 (1)	308,340	947,310
Contingency	150,000	150,000 (1)	-	150,000
Total Expenditures	2,952,825	2,952,825	1,717,103	1,235,722
Excess of Revenues over Expenditures	(1,077,825)	(1,077,825)	285,066	(1,108,553)
OTHER FINANCING SOURCES, (USES)				
Transfers in	3,027,075	3,027,075	3,304,786	277,711
Transfers out	(1,289,250)	(1,289,250) (1)	(317,250)	972,000
Total Other Financing Sources	1,737,825	1,737,825	2,987,536	972,000
Net Change in Fund Balance	660,000	660,000	3,272,602	1,099,169
Beginning Fund Balance	290,000	290,000	408,984	118,984
Prior Period Adjustment	-	-	61,965	61,965
Ending Fund Balance	$ 950,000	$ 950,000	$ 3,743,551	$ 2,793,551

(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, 2019

WASTEWATER DEQ LOAN DEBT FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES, (USES)					
Transfers out	(824,500)	(826,110)	(1)	(826,110)	-
Net Change in Fund Balance	(824,500)	(826,110)		(826,110)	-
Beginning Fund Balance	824,500	826,110		826,110	-
Ending Fund Balance	$ -	$ -		$ -	$ -

(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, 2019

WASTEWATER IFA LOAN DEBT FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES, (USES)					
Transfers out	(103,200)	(103,465)	(1)	(103,464)	1
Net Change in Fund Balance	(103,200)	(103,465)		(103,464)	1
Beginning Fund Balance	103,200	103,465		103,464	(1)
Ending Fund Balance	$ -	$ -		$ -	$ -

(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, 2019

WASTEWATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Interest	$ 2,000	$ 2,000		$ 5,915	$ 3,915
Miscellaneous	-	-		-	-
Total Revenues	2,000	2,000		5,915	3,915
EXPENDITURES					
Capital outlay	288,800	288,800	(1)	-	288,800
Total Expenditures	288,800	288,800		-	288,800
Excess of Revenues Over, (Under) Expenditures	(286,800)	(286,800)		5,915	292,715
Net Change in Fund Balance	(286,800)	(286,800)		5,915	292,715
Beginning Fund Balance	286,800	286,800		289,551	2,751
Ending Fund Balance	$ -	$ -		$ 295,466	$ 295,466

(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, 2019

WASTEWATER CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Interest	$ -	$ -		$ 63	$ 63
Miscellaneous	-	-		712	712
Total Revenues	-	-		775	775
EXPENDITURES					
Capital outlay	2,000,000	2,000,000	(1)	-	2,000,000
Total Expenditures	2,000,000	2,000,000		-	2,000,000
Excess of Revenues Over, (Under) Expenditures	(2,000,000)	(2,000,000)		775	2,000,775
OTHER FINANCING SOURCES, (USES)					
Transfers in	-	-			-
Transfers out	-	(375,000)	(1)	(2,375,213)	(2,000,213)
Net Change in Fund Balance	(2,000,000)	(2,375,000)		(2,374,438)	562
Beginning Fund Balance	2,000,000	2,375,000		2,374,438	(562)
Ending Fund Balance	$ -	$ -		$ -	$ -

(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, 2019

STORMWATER UTILITY FUNDS

	STORM DRAIN	STORM SDC	STORM CAPITAL IMPROVEMENT	TOTAL
REVENUES				
Charges for service	$ 72,414	$ -	$ -	$ 72,414
Intergovernmental	99,900	-	-	99,900
Interest	11,476	127	-	11,603
Miscellaneous	50,596	-	-	50,596
Total Revenues	234,386	127	-	234,513
EXPENDITURES				
Personal Services	23,132	-	-	23,132
Materials and services	25,162		-	25,162
Capital outlay	216,437	-	-	216,437
Total Expenditures	264,731	-	-	264,731
Excess of Revenues Over, (Under) Expenditures	(30,345)	127	-	(30,218)
OTHER FINANCING SOURCES, (USES)				
Transfers in	610,267	-	-	610,267
Transfers out	(1,850)	-	(259,546)	(261,396)
Total Other Financing Sources	608,417	-	(259,546)	348,871
Net Change in Fund Balance	578,072	127	(259,546)	318,653
Beginning Fund Balance	41,671	6,234	259,546	307,451
Prior Period Adjustment	2,692	-	-	2,692
Ending Fund Balance	$ 622,435	$ 6,361	$ -	$ 628,796
GAAP Adjustments				
Capital Assets, Net				1,240,562
Notes Payable				(18,937)
Net Position				$ 1,850,421

CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

STORM WATER UTILITY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for service	$ 71,000	$ 71,000	$ 72,414	$ 1,414
Intergovernmental	540,000	540,000	99,900	(440,100)
Interest	7,750	7,750	11,476	3,726
Miscellaneous	150	150	50,596	50,446
Total Revenues	618,900	618,900	234,386	(384,514)
EXPENDITURES				
Personal Services	27,300	27,300 (1)	23,132	4,168
Materials and services	38,885	38,885 (1)	25,162	13,723
Capital outlay	1,269,585	1,269,585 (1)	216,437	1,053,148
Contingency	2,000	2,000 (1)	-	2,000
Total Expenditures	1,337,770	1,337,770	264,731	1,073,039
Excess of Revenues Over, (Under) Expenditures	(718,870)	(718,870)	(30,345)	688,525
OTHER FINANCING SOURCES, (USES)				
Transfers in	665,720	665,720	610,267	(55,453)
Transfers out	(1,850)	(1,850) (1)	(1,850)	-
Total Other Financing Sources	663,870	663,870	608,417	(55,453)
Net Change in Fund Balance	(55,000)	(55,000)	578,072	633,072
Beginning Fund Balance	55,000	55,000	41,671	(13,329)
Prior Period Adjustment	-	-	2,692	2,692
Ending Fund Balance	$ -	$ -	$ 622,435	$ 622,435

(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, 2019

STORMWATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Interest	$ -	$ -		$ 127	$ 127
Miscellaneous	75	75		-	(75)
Total Revenues	75	75		127	52
EXPENDITURES					
Capital outlay	6,300	6,300	(1)	-	6,300
Total Expenditures	6,300	6,300		-	6,300
Excess of Revenues Over, (Under) Expenditures	(6,225)	(6,225)		127	6,352
Beginning Fund Balance	6,225	6,225		6,234	9
Ending Fund Balance	$ -	$ -		$ 6,361	$ 6,361

(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, 2019

STORM CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES, (USES)					
Transfers out	(315,000)	(315,000)	(1)	(259,546)	55,454
Net Change in Fund Balance	(315,000)	(315,000)		(259,546)	55,454
Beginning Fund Balance	315,000	315,000		259,546	(55,454)
Ending Fund Balance	$ -	$ -		$ -	$ -

(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, 2019

DUNES NRA LEASE FUND
A MAJOR PROPRIETARY FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES					
Lease/Investment Income	$ 95,000	$ 95,000		$ (100,638)	$ (195,638)
Interest	-	-		1,972	1,972
Other revenue	1,400	1,400		3,254	1,854
Total Revenues	96,400	96,400		(95,412)	(191,812)
EXPENDITURES					
Personal Services	37,825	37,825	(1)	32,638	5,187
Materials and Services	24,500	24,500	(1)	11,092	13,408
Capital Outlay	1,200,000	1,200,000	(1)	227,796	972,204
Total Expenditures	1,262,325	1,262,325		271,526	990,799
Excess of Revenues Over, (Under) Expenditures	(1,165,925)	(1,165,925)		(366,938)	798,987
OTHER FINANCING SOURCES, (USES)					
Interfund Loan	1,200,000	1,200,000		228,000	(972,000)
Transfers Out	(104,075)	(104,075)	(1)	(4,700)	99,375
Total Other Financing Sources	1,095,925	1,095,925		223,300	(872,625)
Net Change in Fund Balance	(70,000)	(70,000)		(143,638)	(73,638)
Beginning Fund Balance, Restated	70,000	70,000		2,437,071	2,367,071
Ending Fund Balance	$ -	$ -		$ 2,293,433	$ 2,293,433
GAAP Adjustments					
Capital assets				1	
Interfund Loan				(228,000)	
Net Position				$ 2,065,434	

(1) Appropriation Level

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CITY OF REEDSPORT
DOUGLAS COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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February 10, 2020

Independent Auditors' Report Required by Oregon State Requirements

We have audited the basic financial statements of the City of Reedsport as of and for the year ended June 30, 2019, and have issued our report thereon dated February 10, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America..

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statues 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.**
- **Programs funded from outside sources.**
- **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 over-expenditures 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.

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated February 10, 2020.

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

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