

CITY OF COBURG



COBURG, OREGON

Annual Financial Report-

Revised

June 30, 2020

CITY OF COBURG

P.O. Box 8316
Coburg, OR 97408
(541) 682-7870

MAYOR AND CITY COUNCIL

RAY SMITH PO Box 8316, Coburg, OR 97408	Mayor
NANCY BELL PO Box 8316, Coburg, OR 97408	Council President
JOHN LEHMAN PO Box 8316, Coburg, OR 97408	Councilor
MARK ALEXANDER PO Box 8316, Coburg, OR 97408	Councilor
JOHN FOX PO Box 8316, Coburg, OR 97408	Councilor
KYLE BLAIN PO Box 8316, Coburg, OR 97408	Councilor
PATRICIA McCONNELL PO Box 8316, Coburg, OR 97408	Councilor
CHRIS PAGE PO Box 8316, Coburg, OR 97408	Ex-Councilor
PATTI GIONONE PO Box 8316, Coburg, OR 97408	Ex-Councilor

ADMINISTRATION

ANNE HEATH PO Box 8316, Coburg, OR 97408	City Administrator
TAWNYA ELLIS PO Box 8316, Coburg, OR 97408	Ex-Finance Director

CITY OF COBURG

AUDIT REPORT

JUNE 30, 2020

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CITY OF COBURG

AUDIT REPORT

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Coburg, Oregon

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City Of Coburg as of and for the year ended June 30, 2020 which collectively comprise the City Of Coburg's 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 standards 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 entity's 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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 on pages 2-13, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 59-61, the pension schedules on pages 62-63, and pension and OPEB schedules on pages 64-65 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.

I have applied certain limited procedures to the management's discussion and analysis and the pension schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Coburg's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages 59-61 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals 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 and other records used to prepare the basic 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 my opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Of Coburg's basic financial statements. The other supplementary data on pages 66-75 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City Of Coburg.

The other supplementary data on pages 66-75 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, other supplementary data is fairly stated in all material respects in relation to the financial statements taken as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated December 11, 2020, on my consideration of the City Of Coburg's 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 my testing of compliance and the results of that testing and not to provide an opinion on the City Of Coburg's compliance.



Steve Tuchscherer, CPA
December 11, 2020

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

CITY OF COBURG

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

The management discussion and analysis of the City of Coburg, Oregon (the City) financial performance provides an overview of the City's financial activities for the fiscal year that ended June 30, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2020 are as follows:

- The City's net position, increased by \$269,063 which represents a 1.6% increase from the previous year. This increase is primarily the result of reductions in long-term liabilities.
- Total revenue for the City was \$4,613,596. That is a \$1,399,736 or 23.3% decrease from the previous year. This decrease is primarily a result of reductions in Licenses, Permits, and Planning Fees of approximately \$228,000, and reductions in Charges for services from the City and the Street funds of \$217,000 and \$205,000 respectively, as well as a reduction of \$459,000 in charges revenue from the proprietary funds.
- The City's Accounts receivable increased in 2020 by \$246,460, mainly due to an increase of Taxes Receivable of \$83,746, and Accounts Receivable of \$150,592 draw down on new IFA loan for the Water fund.
- The City's long-term liabilities decreased in 2020 by \$581,940 due to the payment of long-term debt.
- Current liabilities decreased by \$332,543 in 2020 primarily due to accounts payable recorded in the Water Fund for a water capital project that was still in progress in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. To supplement the basic financial statements, this report also includes required supplementary information, other supplementary data, and accompanying information.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the City-wide statement of financial position that presents information including all the City's assets, deferred inflows, deferred outflows, and liabilities, and the resulting 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 or deteriorating. Evaluation of the overall economic health of the City would extend to other non-financial factors such as the condition of buildings, and water and sewer systems facilities.

The second government-wide statement is the *Statement of Activities* which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the City's distinct activities or functions of the City that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues. The governmental activities of the City include general government activities, street construction and maintenance, police services, and providing resources for library, culture and recreation. The proprietary activities of the City include water and sewer utilities.

CITY OF COBURG

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining and individual fund statements in a later section of this report. The City reports two types of funds:

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Proprietary funds are used to report the functions presented as business-type activities in the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund - enterprise funds. The City uses enterprise funds to account for water and sewer operations. The proprietary fund financial statements provide separate information for the Water Fund and Sewer Fund. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Notes to the Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements, budgetary comparison schedules are included as Required Supplementary Information for the General Fund, the Street Fund, the Street Capital Improvement Fund, and the Coburg Urban Renewal Agency Fund. The Required Supplementary Information section immediately follows the Notes to the Financial Statements.

Budgetary comparison schedules for the City's funds that are not included in the Required Supplementary Information section can be found in the Other Supplementary Data section along with combining statements, and additional supporting schedules. These statements and schedules immediately follow the Required Supplementary Information section of this report.

The budgetary comparison schedules demonstrate compliance with the City's adopted and final revised budget.

CITY OF COBURG

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the City as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The City's net position at fiscal year-end is \$16,969,323 compared to \$16,700,261 at the prior year end. This is an increase of \$269,063 or 1.6%. Impacting factors include a significant increase in the net investment for capital assets, and a decrease in total liabilities of the City.

A significant portion of the City's net position (75%) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, improvements other than buildings, vehicles, and machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its 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.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of the City's net position for the current and prior year.

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other Assets	\$ 2,032,356	\$ 2,554,409	\$ 4,012,537	\$ 4,158,071	\$ 6,044,893	\$ 6,712,480
Capital Assets	2,320,116	1,823,780	26,458,603	26,888,813	28,778,719	28,712,593
Total Assets	4,352,472	4,378,189	30,471,140	31,046,884	34,823,612	35,425,073
Deferred Outflow of Resources	302,040	339,155	26,264	29,492	328,304	368,647
Liabilities						
Current Liabilities	228,407	211,332	988,944	1,338,561	1,217,351	1,549,893
Long-Term Liabilities	1,354,494	1,348,687	14,891,338	15,479,086	16,245,832	16,827,773
Total Liabilities	1,582,901	1,560,019	15,880,282	16,817,647	17,463,183	18,377,666
Deferred Inflow of Resources	125,786	97,089	593,623	618,704	719,409	715,793
Net Position						
Net Investment in Capital Assets	1,750,260	1,238,202	10,896,547	10,758,858	12,646,807	11,997,060
Restricted	885,040	1,171,999	603,263	634,192	1,488,303	1,806,191
Unrestricted	310,524	650,035	2,523,689	2,246,975	2,834,213	2,897,010
Total Net Position	\$ 2,945,824	\$ 3,060,236	\$ 14,023,499	\$ 13,640,025	\$ 16,969,323	\$ 16,700,261

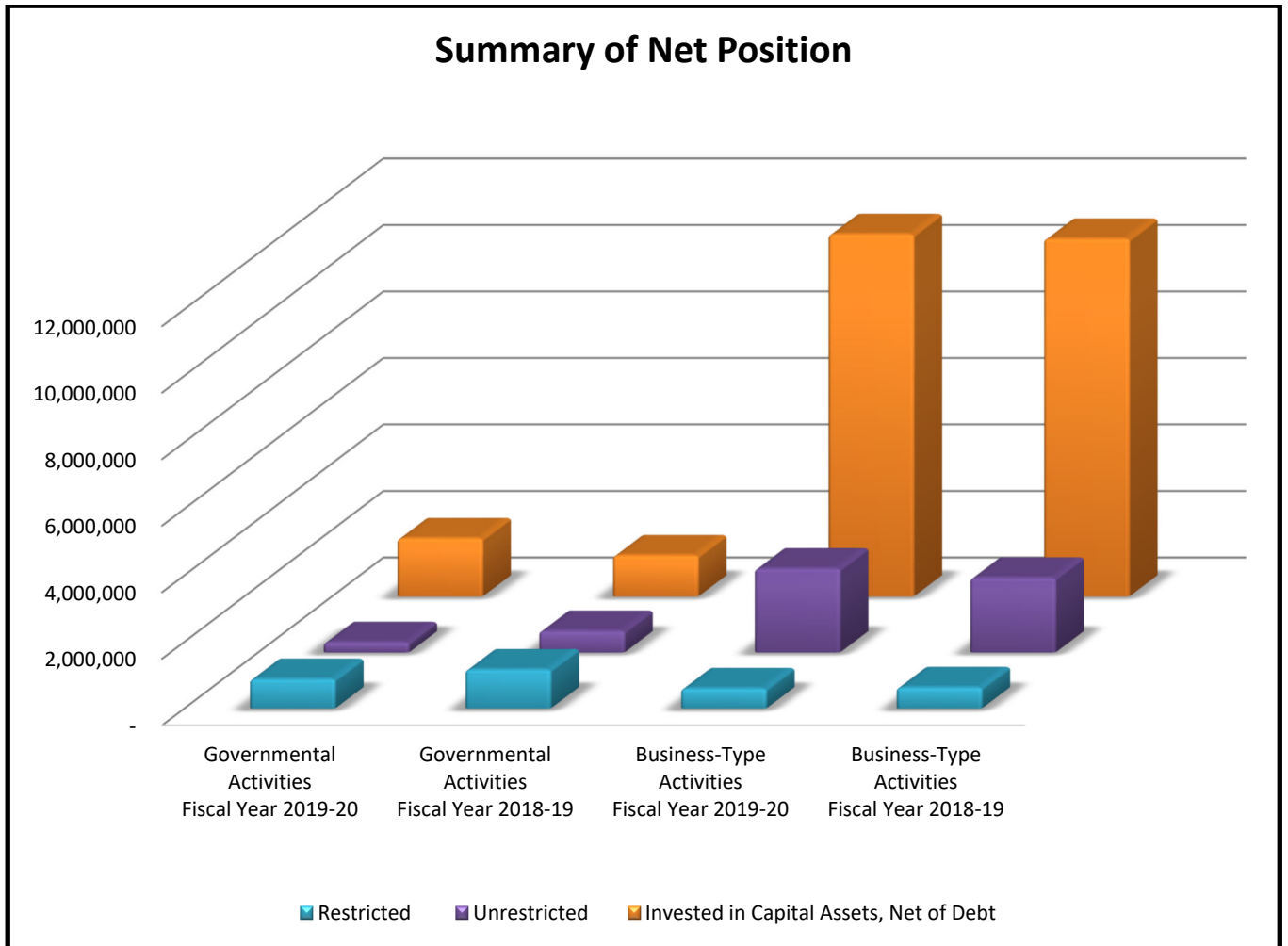
CITY OF COBURG

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

See the chart below to gain an understanding of the City's actual financial position and how each component relates to the activities performed.



CITY OF COBURG

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

Changes in net position - The City's total revenues for the fiscal year ended June 30, 2020 were \$4,613,596. The total cost of all programs and services was \$2,773,621. The following table shows a comparative analysis of government-wide revenues, expenses and changes in net position.

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenues						
Program Revenues						
Charges for Services	\$ 807,565	\$ 1,905,606	\$ 1,865,611	\$ 2,323,163	\$ 2,673,176	\$ 4,228,769
Operating Grants and Contributions	100,445	56,849	-	-	100,445	56,849
Total Program Revenues	<u>908,010</u>	<u>1,962,455</u>	<u>1,865,611</u>	<u>2,323,163</u>	<u>2,773,621</u>	<u>4,285,618</u>
General Revenues						
Local Sources						
Property Taxes, Franchise Fees, & Public Service Taxes	1,723,784	1,632,178	-	-	1,723,784	1,632,178
Interest & Investment Earnings	44,792	45,391	16,661	21,911	61,453	67,302
Other Revenues	54,738	28,234	-	-	54,738	28,234
Total General Revenues	<u>1,823,314</u>	<u>1,705,803</u>	<u>16,661</u>	<u>21,911</u>	<u>1,839,975</u>	<u>1,727,714</u>
Total Revenues	<u>2,731,324</u>	<u>3,668,258</u>	<u>1,882,272</u>	<u>2,345,074</u>	<u>4,613,596</u>	<u>6,013,332</u>
Program Expenses						
General Government	783,155	847,440	-	-	783,155	847,440
Public Safety	699,921	660,701	-	-	699,921	660,701
Public Works	572,156	802,077	-	-	572,156	802,077
Culture and Recreation	279,193	28,626	-	-	279,193	28,626
Urban Renewal Projects	4,974	4,501	-	-	4,974	4,501
Interest on Long-Term Debt	26,336	23,454	-	-	26,336	23,454
Utility Services						
Water Utilities	-	-	454,571	737,796	454,571	737,796
Sewer Utilities	-	-	1,524,227	1,552,808	1,524,227	1,552,808
Total Program Expenses	<u>2,365,735</u>	<u>2,366,799</u>	<u>1,978,798</u>	<u>2,290,604</u>	<u>4,344,533</u>	<u>4,657,403</u>
Transfers	<u>(480,000)</u>	<u>(400,000)</u>	<u>480,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ (114,411)</u>	<u>\$ 901,459</u>	<u>\$ 383,474</u>	<u>\$ 454,470</u>	<u>\$ 269,063</u>	<u>\$ 1,355,929</u>

CITY OF COBURG

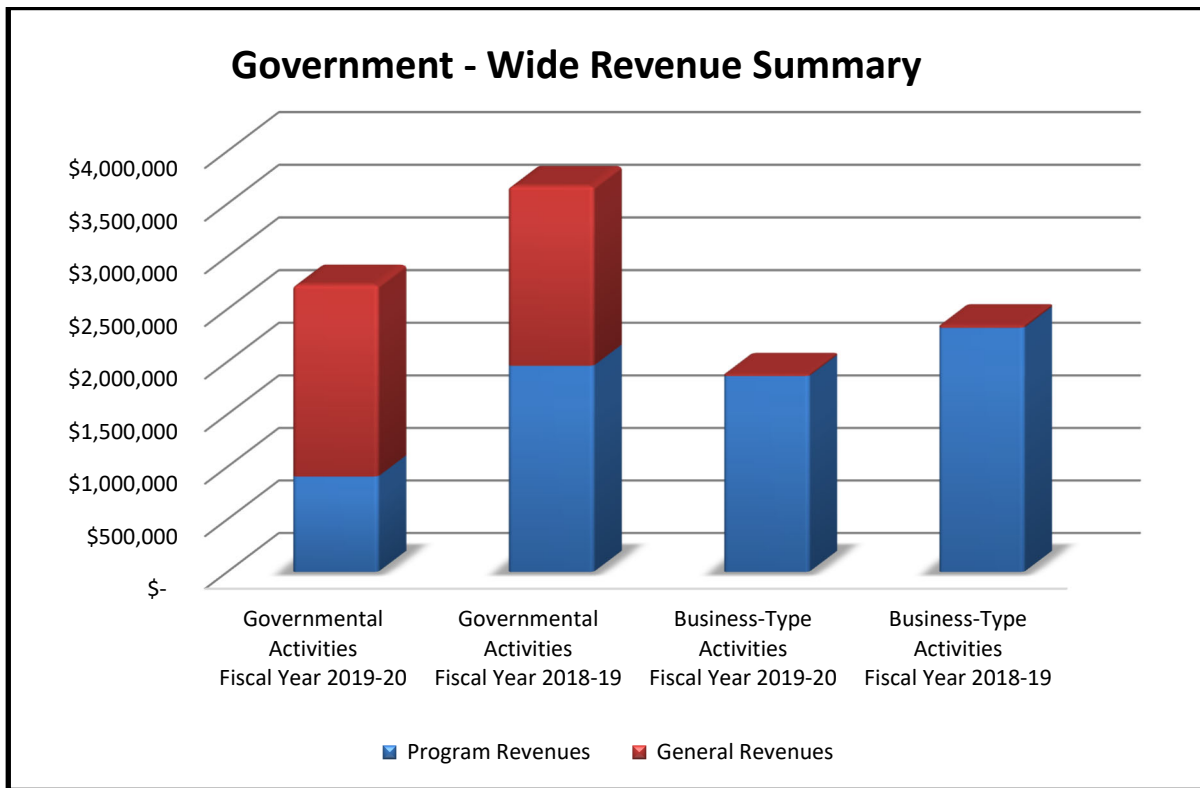
Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the City. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

The following chart analyzes the revenue between governmental activities and business-type activities from prior to current year.



Governmental Activities

	<u>Total Cost of Services</u>		<u>Net (Cost) Profit of Services</u>	
	2019-20	2018-19	2019-20	2018-19
General Government	\$ 777,214	\$ 847,440	\$ (676,769)	\$ (833,602)
Public Safety	699,921	660,701	(558,828)	(508,351)
Public Works	578,097	802,077	40,727	729,224
Culture and Recreation	279,193	28,626	(231,545)	236,340
Urban Renewal Projects	4,974	4,501	(4,974)	(4,501)
Interest Expense	26,336	23,454	(26,336)	(23,454)
Total Program Expenses	\$ 2,365,735	\$ 2,366,799	\$(1,457,725)	\$ (404,344)

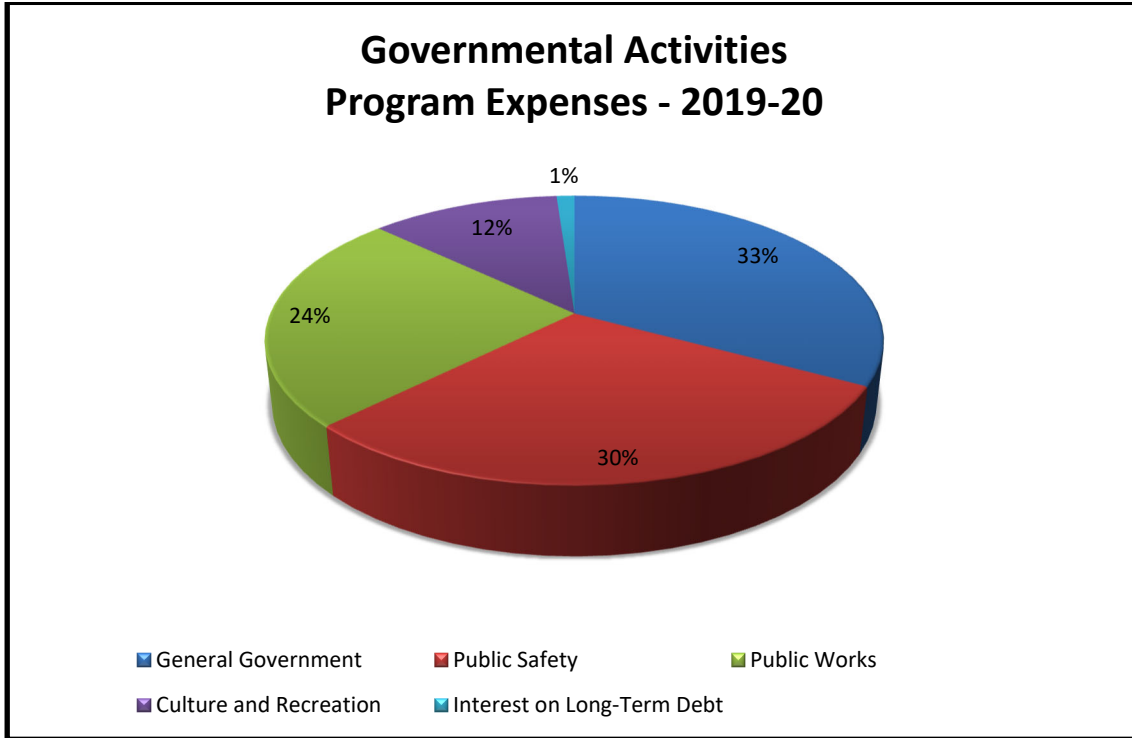
CITY OF COBURG

Management’s Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

This Chart represents the cost of the City’s Program expenses by governmental activities.



Business type activities increased the City’s net position by \$383,474. Of the business-type activities, the Water and Sewer funds accounted for approximately 47% and 53% of expenses, respectively. This is primarily attributed to debt service payments made on the sewer system.

Business-Type Activities

	Total Cost of Services		Net (Cost) Profit of Services	
	2019-20	2018-19	2019-20	2018-19
Utility Services	\$ 1,978,798	\$ 2,290,604	\$ (113,187)	\$ 32,559
Interest on Long-Term Debt	-	-	-	-
Total Program Expenses	\$ 1,978,798	\$ 2,290,604	\$ (113,187)	\$ 32,559

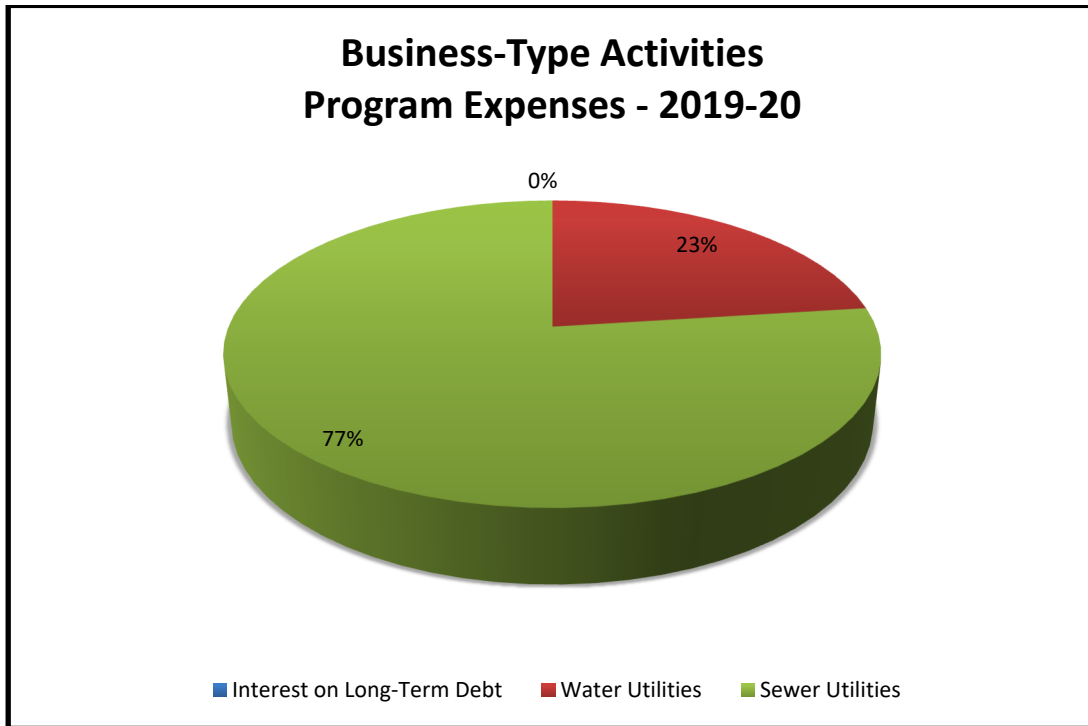
CITY OF COBURG

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

This graph represents the cost of the City's Program expenses by business-type activities.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$1,700,998, a decrease of \$541,822, from prior year. The fund balance constitutes restricted, committed, and unassigned amounts. Of the current fund balances, a total of \$885,040 is restricted funds including, \$804,997 for Public Works Projects, \$44,320 for Capital Projects and \$35,723 for Urban Renewal Projects. The remaining balance of \$815,958 is considered unassigned funds

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$815,958 and restricted fund balance was \$44,320 a total decrease of \$604,515 from prior year. This difference is attributed to a decrease in revenues, from charges for services, and Licenses and permits.

CITY OF COBURG

Management's Discussion and Analysis (MD&A)

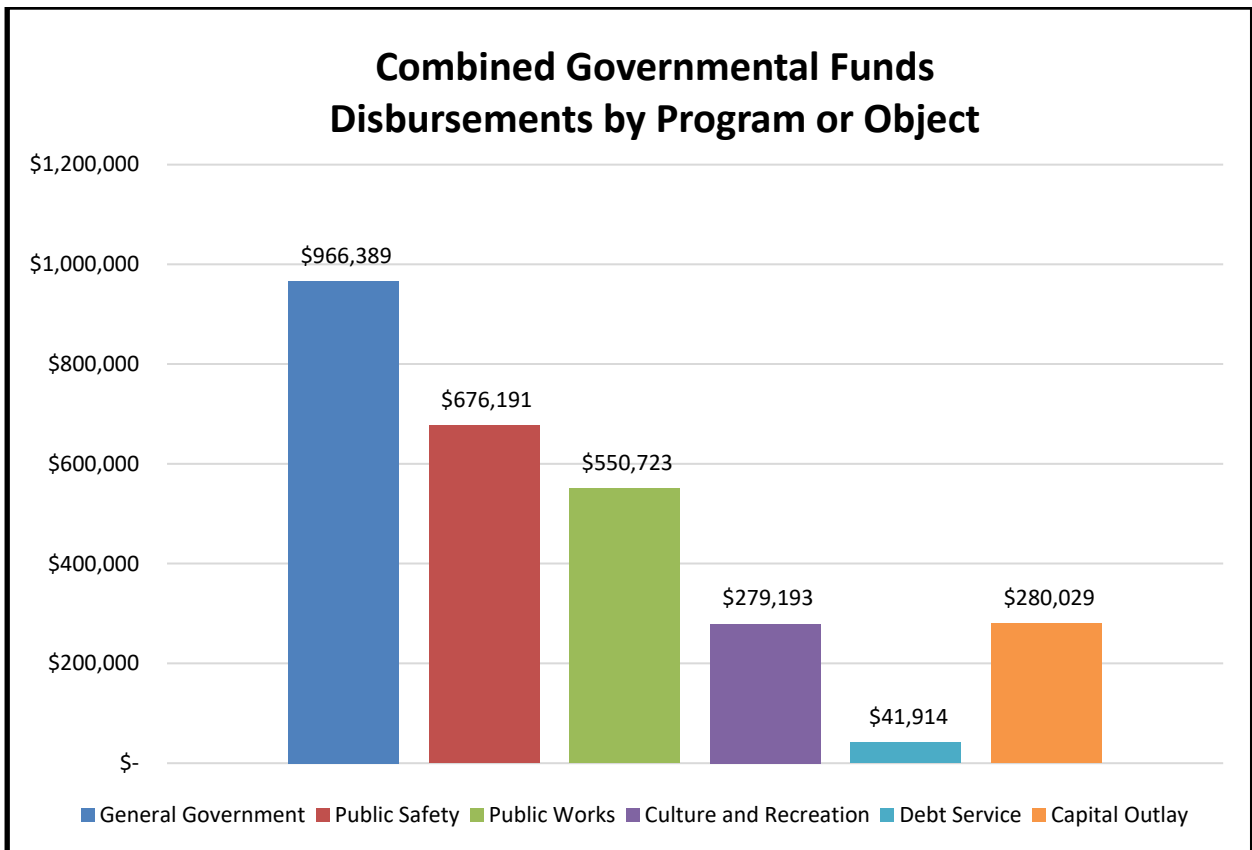
For the Fiscal Year Ended June 30, 2020

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At the end of the current fiscal year, restricted fund balance of the Street Fund was \$804,997, an increase of \$143,334.

At the end of the current fiscal year, fund balance of the Coburg Urban Renewal Agency Fund was \$35,723 a decrease of \$80,641 from the prior year.

Following is a comparison of current expenditures by program of the governmental funds.



CITY OF COBURG

Management's Discussion and Analysis (MD&A)

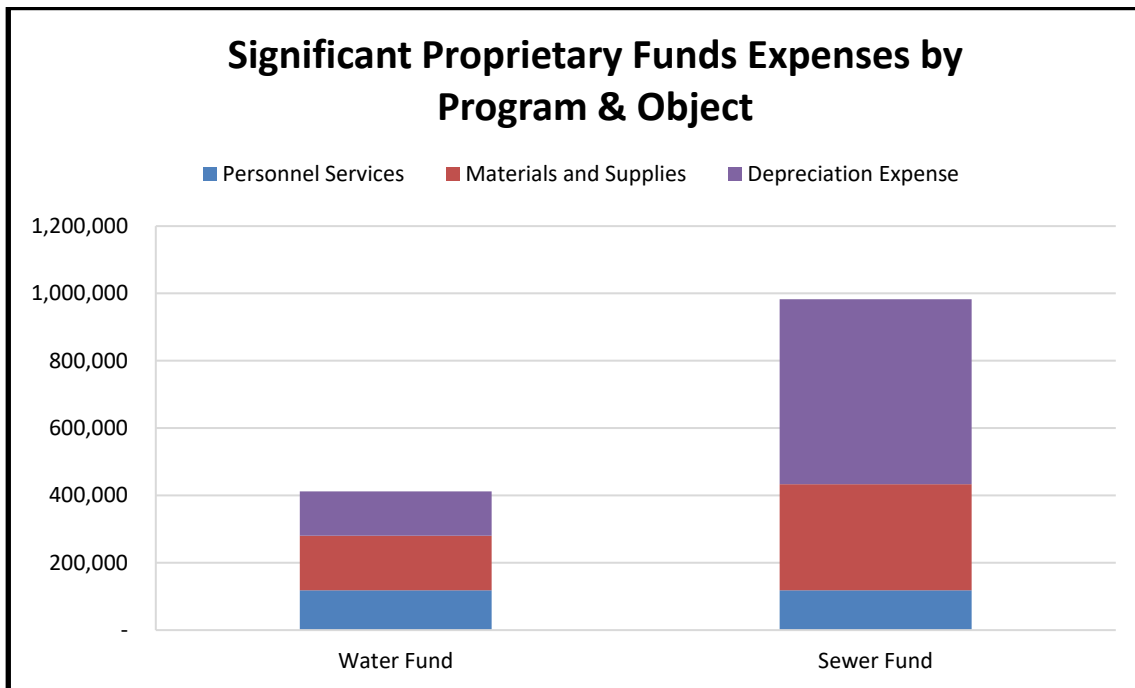
For the Fiscal Year Ended June 30, 2020

Unaudited

Proprietary Funds

The City's enterprise funds reported total net position of \$14,023,499 an increase of \$383,474. This is primarily attributed to a reduction in long-term liabilities. The enterprise funds also report \$603,263 in restricted net position which includes debt service of \$555,111 and \$48,152 for public works projects. Capital Assets net of related debt was \$10,896,547 which includes sewer and water infrastructure, buildings and equipment.

Following is a comparison of current expenses by program of the proprietary funds.



Personnel expenses are minimal in the enterprise funds as all personnel costs are absorbed in the general fund and reimbursed by the utility funds according to hours charged to each department.

CITY OF COBURG

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

Budgetary Highlights

General Fund revenues were budgeted and anticipated to be collected in the amount of \$2,415,418 during the fiscal year. Actual revenues of \$2,076,552 were available which was \$338,866 less than budgeted. This is attributed to budgeted licenses, permits, & miscellaneous fees being less than anticipated. General Fund expenditures budget was under-spent by \$448,537 or 14.5%. The ending fund balance was more than what was budgeted by \$473,964 and less than the prior year by \$604,515.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2020 the City had invested, before net reduction for accumulated depreciation, \$34,159,860 in capital assets, including buildings, land, vehicles, water and sewer utility systems, construction in progress and other equipment. This amount represents a net increase of \$826,771 from the prior year due to the addition and deletions of capital assets in fiscal year 2020.

Total depreciation expense for the year was \$761,583; of which \$80,305 is associated with governmental activities with the remainder of \$681,278 associated with the water and sewer funds. Additional information on the City's capital assets can be found in the Capital Asset Note of the Notes to the Basic Financial Statements section of this report.

Long-Term Debt

At June 30, 2020, the City had total long-term debt outstanding of \$15,368,934 compared to \$15,975,123 in the prior year which is a difference of \$606,188. Principal paid on long-term debt was \$734,213, offset by draw for new long-term debt of \$150,592. Additional information on the City's long-term debt can be found in the Long-Term Debt Note of the Notes to the Basic Financial Statements.

CITY OF COBURG

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

A number of factors were considered by the City's officials during the process of developing the fiscal year 2020-21 budget. The City's budget for the fiscal year ending June 30, 2021 represents an overall increase of 1.4 percent when compared with the fiscal year 2020. Included in this budget is the City's continued commitment to address the need to update mandatory City documents and comprehensive planning. In addition, the City has budgeted to continue necessary infrastructure projects in the Park, Street and Water funds. The City continues maintain a staffing level that directly addresses capacity requirements. In addition, in fiscal year 2021 the City continues the commitment to budgeted reserves in most funds.

The City has an experienced a growth of over 80 residential units as well as developed commercial properties over the last two years which has resulted in an increase in overall value of the City that exceeds 10%. Continued increases in development of both commercial and residential housing are anticipated to continue. It is anticipated that a similar growth of value and development will be experienced in 2021 and for several years after. Therefore, the City Planning budget reflects both revenues and expenditures that anticipate the increase of development activity.

Amounts for appropriations in the General Fund are \$2,509,791 for the fiscal year 2020-21, a decrease of \$319,813 or 11.3% percent. The decrease is primarily attributable to a decrease of \$280,200 in Park capital expenditures from the prior year budget. In addition, there is budgeted contingency of \$250,000.

The Street Fund Budget for 2020-21 will increase by \$9,304 including. This reflects a slight increase in operating expenses of the street fund and street improvements to be completed during the fiscal year. In addition, there is a budgeted contingency of \$200,000.

In 2020-21, the City decreased the budget of the Water department by \$1,101. The budget includes the City's continued work on the planned Water infrastructure project. The water project is a funded project with 5.5 million dollars committed by Business Oregon.

With the exceptions noted above, overall increases to the operating costs of both governmental activities and business-type activities are budgeted to rise by 3-4%.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the City of Coburg at (541) 682-7870. The office is located inside City Hall at 91136 N. Willamette Street, Coburg, Oregon 97408

BASIC FINANCIAL
STATEMENTS

Government -Wide
Financial Statements

CITY OF COBURG

STATEMENT OF NET POSITION

For the Fiscal Year Ended June 30, 2020

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 1,714,508	\$ 2,533,039	\$ 4,247,547
Accounts Receivable	147,207	258,434	405,641
LID Liens Receivable	-	445,445	445,445
SDCs Receivable	109,793	219,445	329,238
Property Taxes Receivable	48,625	-	48,625
Total Current Assets	2,020,133	3,456,363	5,476,496
Restricted Assets:			
Sinking Funds for Debt Service	-	555,111	555,111
Net OPEB Asset (RHIA)	12,223	1,063	13,286
Total Restricted Assets	12,223	556,174	568,397
Capital Assets, Net of Accumulated Depreciation	2,320,116	26,458,603	28,778,719
Total Assets	4,352,472	30,471,140	34,823,612
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	300,843	26,160	327,003
OPEB Related Deferrals - RHIA	450	39	489
OPEB Related Deferrals - CIS	747	65	812
Total Deferred Outflow of Resources	302,040	26,264	328,304
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	103,273	17,285	120,558
Payroll Payable	66,241	-	66,241
Accrued Compensated Absences	35,719	-	35,719
Interest Payable	1,066	228,585	229,651
Customer Deposits	-	2,204	2,204
Current Portion of Long-Term Liabilities:			
Notes Payable	22,108	660,934	683,042
Bonds Payable	-	79,936	79,936
Total Current Liabilities	228,407	988,944	1,217,351
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Notes Payable	547,748	9,261,992	9,809,740
Bonds Payable	-	5,559,194	5,559,194
Net OPEB Obligation - CIS	42,142	3,665	45,807
Net Pension Liability	764,604	66,487	831,091
Total Long-Term Liabilities	1,354,494	14,891,338	16,245,832
Total Liabilities	1,582,901	15,880,282	17,463,183
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Receivables Currently not Collectable	-	582,685	582,685
Deferred Earnings on Pension Assets	120,947	10,517	131,464
OPEB Related Deferrals - RHIA	2,485	216	2,701
OPEB Related Deferrals - CIS	2,354	205	2,559
Total Deferred Inflow of Resources	125,786	593,623	719,409
<u>NET POSITION:</u>			
Net Investment in Capital Assets	1,750,260	10,896,547	12,646,807
Restricted for:			
Debt Service	-	555,111	555,111
Public Works	804,997	48,152	853,149
Capital Projects	44,320	-	44,320
Urban Renewal Projects	35,723	-	35,723
Unrestricted	310,524	2,523,689	2,834,213
Total Net Position	\$ 2,945,824	\$ 14,023,499	\$ 16,969,323

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

CITY OF COBURG

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>GOVERNMENTAL ACTIVITIES:</u>					
General Government	\$ 783,155	\$ -	\$ 100,445	\$ -	\$ (682,710)
Public Safety	699,921	141,093	-	-	(558,828)
Public Works	572,156	618,824	-	-	46,668
Culture and Recreation	279,193	47,648	-	-	(231,545)
Urban Renewal Projects	4,974	-	-	-	(4,974)
Interest Expense	26,336	-	-	-	(26,336)
Total Governmental Activities	2,365,735	807,565	100,445	-	(1,457,725)
<u>BUSINESS-TYPE ACTIVITIES:</u>					
Water Utilities	454,571	879,191	-	-	424,620
Sewer Utilities	1,524,227	986,420	-	-	(537,807)
Total Business-type Activities	1,978,798	1,865,611	-	-	(113,187)
Total Primary Government	\$ 4,344,533	\$ 2,673,176	\$ 100,445	\$ -	\$ (1,570,912)
			Governmental Activities	Business-type Activities	Total
<u>CHANGES IN NET POSITION:</u>					
Net (expense) revenue			\$ (1,457,725)	\$ (113,187)	\$ (1,570,912)
General Revenues:					
Property Taxes, levied for general purposes			799,164	-	799,164
Property Taxes, levied for urban renewal programs			398,012	-	398,012
Intergovernmental Tax Turnovers			265,819	-	265,819
Franchise Taxes			260,789	-	260,789
Interest and Investment Earnings			44,792	16,661	61,453
Other Revenue			54,738	-	54,738
Subtotal - General Revenues			1,823,314	16,661	1,839,975
Interfund Transfers			(480,000)	480,000	-
Total general revenues, special items, and transfers			1,343,314	496,661	1,839,975
Change in Net Position			(114,411)	383,474	269,063
Net Position, July 1, 2019			3,060,236	13,640,025	16,700,261
Net Position, June 30, 2020			\$ 2,945,824	\$ 14,023,499	\$ 16,969,323

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

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

CITY OF COBURG
BALANCE SHEET
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2020

	<u>Component Unit</u>			
	<u>General Fund</u>	<u>Street Fund</u>	<u>Urban Renewal Agency Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>				
Cash and Investments	\$ 896,206	\$ 784,444	\$ 33,858	\$ 1,714,508
Receivables:				
Accounts	119,166	28,041	-	147,207
System Development Charges	56,720	53,073	-	109,793
Property Tax	32,779	-	15,846	48,625
Total Assets	<u>\$ 1,104,871</u>	<u>\$ 865,558</u>	<u>\$ 49,704</u>	<u>\$ 2,020,133</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>				
LIABILITIES:				
Accounts Payable	\$ 96,089	\$ 7,015	\$ 169	\$ 103,273
Payroll Payable	66,241	-	-	66,241
Total Liabilities	<u>162,330</u>	<u>7,015</u>	<u>169</u>	<u>169,514</u>
DEFERRED INFLOWS OF RESOURCES:				
Delinquent Property Tax Revenue Not Available	25,543	-	13,812	39,355
Uncollected SDC Revenue	56,720	53,546	-	110,266
Total Deferred Inflows of Resources	<u>82,263</u>	<u>53,546</u>	<u>13,812</u>	<u>149,621</u>
FUND BALANCES:				
Restricted for:				
Public Works	-	804,997	-	804,997
Capital Projects	44,320	-	-	44,320
Urban Renewal Projects	-	-	35,723	35,723
Unassigned	815,958	-	-	815,958
Total Fund Balances	<u>860,278</u>	<u>804,997</u>	<u>35,723</u>	<u>1,700,998</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 1,104,871</u>	<u>\$ 865,558</u>	<u>\$ 49,704</u>	<u>\$ 2,020,133</u>

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

CITY OF COBURG

**RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

For the Fiscal Year Ended June 30, 2020

Total Fund Balances - Governmental Funds	\$ 1,700,998
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
The cost of the assets is -	\$ 3,155,189
The accumulated depreciation is -	<u>(835,073)</u>
Net Value of Assets	2,320,116
Net pension assets reported in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
	12,223
Certain receivables that will not be available to pay for current-period expenditures are deferred in the governmental funds:	
Property Taxes	39,355
Assessments	<u>110,266</u>
	149,621
Deferred inflows and outflows of pension and opeb contributions and earnings are not reported in the governmental funds	
Pension and OPEB Related Deferrals	176,254
Interest Payable is not recorded in the governmental funds:	
Accrued Compensated Absences are not recorded in the governmental funds:	
	(35,719)
Interest Payable is not recorded in the governmental funds:	
	(1,066)
Long-term liabilities, including notes payable and net pension liability, are not due and payable in the current period and therefore are not reported in the governmental funds.	
	<u>(1,376,602)</u>
Net Position of Governmental Activities	<u>\$ 2,945,825</u>

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

CITY OF COBURG

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2020

	<u>Component Unit</u>			
	<u>General</u>	<u>Street</u>	<u>Urban Renewal Agency Fund</u>	<u>Total Governmental Funds</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>REVENUES:</u>				
Taxes and Assessments	\$ 794,992	\$ -	\$ 398,012	\$ 1,193,004
Intergovernmental	73,568	192,251	-	265,819
Franchise Taxes	260,789	-	-	260,789
Licenses & Permits	84,378	-	-	84,378
Charges for Service	47,648	51,310	-	98,958
Fines and Forfeitures	141,093	-	-	141,093
Investment Revenue	26,526	11,945	6,321	44,792
Grants and Donations	100,445	-	-	100,445
Interdepartmental Charges	493,575	-	-	493,575
Other Revenue	53,538	1,200	-	54,738
Total Revenues	<u>2,076,552</u>	<u>256,706</u>	<u>404,333</u>	<u>2,737,591</u>
<u>EXPENDITURES:</u>				
Current Operating:				
General Government	966,389	-	-	966,389
Public Safety	676,191	-	-	676,191
Public Works	397,302	153,421	-	550,723
Culture and Recreation	279,193	-	-	279,193
Urban Renewal Projects	-	-	4,974	4,974
Debt Service:				
Principal	15,722	-	-	15,722
Interest	26,192	-	-	26,192
Capital Outlay	270,078	9,951	-	280,029
Total Expenditures	<u>2,631,067</u>	<u>163,372</u>	<u>4,974</u>	<u>2,799,413</u>
Excess (Deficiency) of Revenues Over Expenditures	(554,515)	93,334	399,359	(61,822)
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	-	50,000	-	50,000
Interfund Transfers (Out)	(50,000)	-	(480,000)	(530,000)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>50,000</u>	<u>(480,000)</u>	<u>(480,000)</u>
Net Change in Fund Balances	(604,515)	143,334	(80,641)	(541,822)
Fund Balances - July 1, 2019	1,464,793	661,663	116,364	2,242,820
Fund Balances - June 30, 2020	<u>\$ 860,278</u>	<u>\$ 804,997</u>	<u>\$ 35,723</u>	<u>\$ 1,700,998</u>

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

CITY OF COBURG

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2020

Net Changes in Fund Balances - Total Governmental Funds \$ (541,822)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 576,641	
Less current year depreciation	<u>(80,305)</u>	
		496,336

Some revenues will not be collected for several months after the City's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.

The changes in amounts deferred are as follows:

Property Taxes	4,172	
System Development Charges	<u>(10,439)</u>	
		(6,267)

Changes to certain liabilities are reported as an expense in the Statement of Activities.

Employee benefits amounts	4,636
Interest Payable	(144)

Long term debt proceeds are included as revenue in governmental funds, but the proceeds increase long-term debt balances in the Statement of Net Position

Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position.

Retirement of debt principal is as follows:

Notes Payable	15,722
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Adjustment for pension costs on accrued basis	<u>(82,872)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (114,411)</u></u>
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BASIC FINANCIAL
STATEMENTS

Proprietary Fund
Financial Statements

CITY OF COBURG**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2020

	Enterprise Funds		Total Proprietary Funds
	Water Fund	Sewer Fund	
ASSETS:			
Current Assets:			
Cash and Investments	\$ 871,799	\$ 1,661,240	\$ 2,533,039
Accounts Receivable	209,129	49,305	258,434
LID Liens Receivable	-	445,445	445,445
SDCs Receivable	92,583	126,862	219,445
Total Current Assets	1,173,511	2,282,852	3,456,363
Restricted Assets:			
Sinking Funds for Debt Service	31,960	523,151	555,111
Net OPEB Asset (RHIA)	273	790	1,063
Total Restricted Assets	32,233	523,941	556,174
Capital Assets:			
Land	-	217,293	217,293
Depreciable Assets, Net of Depreciation	3,651,234	22,590,076	26,241,310
Total Capital Assets	3,651,234	22,807,369	26,458,603
Total Assets	4,856,978	25,614,162	30,471,140
DEFERRED OUTFLOW OF RESOURCES:			
Pension Related Deferrals	6,726	19,434	26,160
OPEB Related Deferrals - RHIA	10	29	39
OPEB Related Deferrals - CIS	17	48	65
Total Deferred Outflow of Resources	6,753	19,511	26,264
LIABILITIES:			
Current Liabilities:			
Accounts Payable	12,608	4,677	17,285
Interest Payable	22,270	206,315	228,585
Customer Deposits	2,204	-	2,204
Current Portion of Long-Term Liabilities:			
Notes Payable	151,066	509,868	660,934
Bonds Payable	-	79,936	79,936
Total Current Liabilities	188,148	800,796	988,944
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Notes Payable	713,538	8,548,454	9,261,992
Bonds Payable	-	5,559,194	5,559,194
Net OPEB Obligation - CIS	942	2,723	3,665
Net Pension Liability	17,096	49,391	66,487
Total Long-Term Liabilities	731,576	14,159,762	14,891,338
Total Liabilities	919,724	14,960,558	15,880,282
DEFERRED INFLOW OF RESOURCES:			
Receivables Currently not Collectable	92,583	490,102	582,685
Pension Related Deferrals	2,704	7,813	10,517
OPEB Related Deferrals - RHIA	56	160	216
OPEB Related Deferrals - CIS	53	152	205
Total Deferred Inflow of Resources	95,396	498,227	593,623
NET POSITION:			
Net Investment in Capital Assets	2,786,630	8,109,917	10,896,547
Restricted for Debt Service	31,960	523,151	555,111
Restricted for Public Works	48,152	-	48,152
Unrestricted	981,869	1,541,820	2,523,689
Total Net Position	\$ 3,848,611	\$ 10,174,888	\$ 14,023,499

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

CITY OF COBURG

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION**

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2020

	<u>Enterprise Funds</u>		<u>Total Proprietary Funds</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	
<u>OPERATING REVENUES:</u>			
Charges for Services & Fees	\$ 873,894	\$ 983,469	\$ 1,857,363
Other Revenue	5,297	2,951	8,248
Total Revenues	879,191	986,420	1,865,611
<u>OPERATING EXPENSES:</u>			
Personnel Services	117,938	118,014	235,952
Materials and Supplies	162,166	314,941	477,107
Depreciation Expense	131,826	549,452	681,278
Total Operating Expenses	411,930	982,407	1,394,337
Operating Income (Loss)	467,261	4,013	471,274
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Loan Fees	-	(47,623)	(47,623)
Investment Revenue	7,495	9,166	16,661
Interest Expense	(42,641)	(494,197)	(536,838)
Total Non-Operating Revenues (Expenses)	(35,146)	(532,654)	(567,800)
Income Before Other Revenues, Expenses, and Transfers	432,115	(528,641)	(96,526)
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
Transfers from Other Funds	-	480,000	480,000
Total Capital Contributions and Transfers	-	480,000	480,000
Changes in Net Position	432,115	(48,641)	383,474
Net Position, July 1, 2019	3,416,496	10,223,529	13,640,025
Net Position, June 30, 2020	\$ 3,848,611	\$ 10,174,888	\$ 14,023,499

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

CITY OF COBURG**STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2020

	Enterprise Funds		Total Proprietary Funds
	Water Fund	Sewer Fund	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash Received from User Charges	\$ 725,644	\$ 974,170	\$ 1,699,814
Cash Payments for Employee Services	(116,085)	(112,341)	(228,426)
Cash Payments to Suppliers & Service Providers	(549,995)	(315,659)	(865,654)
Net Cash Provided (Used) by Operating Activities	59,564	546,170	605,734
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>			
Refund of Deposits & Non-Operating Payments	208	-	208
Non-Operating Receipts	-	7,264	7,264
Transfer from Other Funds	-	480,000	480,000
Net Cash Provided (Used) by Non-capital Financing Activities	208	487,264	487,472
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Proceeds from Long-Term Debt	150,592	-	150,592
Acquisition of Capital Assets	(251,068)	-	(251,068)
Loan Fees Paid	-	(47,623)	(47,623)
Principal Paid on Long Term Debt	(144,731)	(573,760)	(718,491)
Interest Paid on Long Term Debt	(47,087)	(472,818)	(519,905)
Net Cash Provided (Used) by Capital and Related Financing Activities	(292,294)	(1,094,201)	(1,386,495)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Investment Income	7,495	9,166	16,661
Net Cash Provided (Used) by Investing Activities	7,495	9,166	16,661
Cash and Cash Equivalents at July 1, 2019	1,128,786	2,235,992	3,364,778
Cash and Cash Equivalents at June 30, 2020	\$ 903,759	\$ 2,184,391	\$ 3,088,150
<u>Reconciliation of Income (Loss) From Operations to Net Cash Provided (Used) by Operating Activities:</u>			
Income (Loss) from Operations	\$ 467,261	\$ 2,153	\$ 469,414
Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:			
Depreciation	131,826	549,452	681,278
Change in Assets, Liabilities and Deferred Amounts:			
Decrease (Increase) in Operating Receivables	(127,831)	(10,390)	(138,221)
Decrease (Increase) in Restricted Assets	(117)	(20)	(137)
Increase (decrease) in payables	(387,331)	724	(386,607)
Increase (decrease) in deferred inflows	(25,074)	1,853	(23,221)
(Increase) decrease in deferred outflows	830	2,398	3,228
Net cash provided (used) by operating activities	\$ 59,564	\$ 546,170	\$ 605,734

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

BASIC FINANCIAL
STATEMENTS

Fiduciary Fund

CITY OF COBURG
STATEMENT OF NET POSITION
FIDUCIARY FUND (AGENCY FUND)
For the Fiscal Year Ended June 30, 2020

	Fiduciary Fund
	Cash Evidence Held Fund
<u>ASSETS:</u>	
Current Assets	
Cash & Investments	\$ 100
Total Assets	\$ 100
<u>LIABILITIES:</u>	
Current Liabilities	
Refund Payables and Other	\$ 100
Total Liabilities	\$ 100

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

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Coburg, Oregon (City) is a municipal corporation incorporated under the laws of the State of Oregon. The City is governed by an elected Mayor and an elected eight-member council. Administration officials are appointed by the council and are responsible for the day-to-day operations of the City.

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP Statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of the more significant policies of the City:

Reporting Entity

In determining the financial reporting entity, the City of Coburg complies with Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity." The criteria for including organizations as component units within the City's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the City holds the corporate powers of the organization; 3) the City appoints a voting majority of the organization's council; 4) the City is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the City; and 6) there is fiscal dependency by the organization on the City. Based on the aforementioned criteria, the City of Coburg has one component unit, the Urban Renewal Agency.

Blended Component Unit- The City has included the financial operations of its Urban Renewal Agency as a blended component unit in the basic financial statements. The Agency is a legally separate entity, which is governed by a council comprised of the members of the City Council as stipulated in the Agency's bylaws. The City Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxing authority, and funding for the Agency. Complete financial statements for the Agency can be obtained from the Finance Department of the City.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the overall City. Eliminations have been made to minimize the double counting of internal activities. 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. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Net position is reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Fund Financial Statements: The fund financial statements provide information about the city's funds including those of a fiduciary nature, if applicable. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Street Fund - This fund accounts for activities related to the construction and maintenance of City streets, including major infrastructure construction and repairs. Revenues for this fund come from state highway taxes, grants, and system development charges.

Coburg Urban Renewal Agency Fund – This fund accounts for the General Fund revenues and expenditures of the Urban Renewal Agency. This fund is reported as a blended component unit of the City.

The City does not report any non-major funds within the governmental fund type.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

Water Funds - The Water Fund is used to account for the provision of water services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water system, water capital improvements and billing and collection activities.

Sewer Funds - The Sewer Fund is used to account for the provision of sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the sewer system, sewer capital improvements, debt payments and billing and collection activities.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organization, other governmental units or other funds. Fiduciary funds are custodial in nature and do not involve measurement of the results of operations.

Evidence Fund –The Evidence Fund is a holding fund for cash that has been confiscated by the Police Department in the investigation of crimes. Upon judicial dispensation of the crime, the cash taken as evidence is returned to the citizen from whom it was confiscated.

Measurement Focus/Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the city receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the city funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the city's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The city considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.)

Proprietary funds distinguish operating revenues and expenses from non-operating 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 of the city's Sewer and Water Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the city's utility systems as operating revenue. Operating expenses for enterprise 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 non-operating revenues and expenses.

Budgeting

A budget is prepared for each city fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, interfund transfers, contingencies, and debt service by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30. Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the city council. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the city council. The city does not utilize encumbrance accounting for budgeted funds.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The City has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the City to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The City's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The City's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the City's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer.

In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Accumulated Compensated Absences

Accumulated vested vacation and compensatory pay is accrued as it is earned. For governmental funds, compensation not expected to be liquidated with the current resources are reported as liabilities in the government-wide statements and represent a reconciling item between the fund level and government-wide presentations. In business-type funds both the current and long-term liabilities are recorded. Sick pay, which does not vest, is recognized in applicable funds when leave is taken.

Receivables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the City. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources. (See the note Restricted Assets and Liabilities in the Summary of Significant Accounting Policies)

Deferred Inflows/Outflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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. Currently, the City has only one item that qualifies for reporting in this category, deferred pension contributions.

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, deferred inflows of resources, 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. The City has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Inventory

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

CITY OF COBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Restricted Assets and Liabilities

Certain resources are set aside and restricted for future bond payments and the related liability; these resources are segregated in the statement of net position and are classified as restricted assets on the Statement of Net Position because their use is limited. For the fiscal year ended June 30, 2020, the City had sinking funds for debt service of \$555,111 in restricted assets.

Long-Term Debt

All bonds and capital leases to be paid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets that do not significantly extend the useful life of an asset are not capitalized, but rather are charged to expenditures in the funds.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method.

The estimated useful lives are as follows:

Buildings and Improvements	10-50 years
Machinery and Equipment	3-20 years
Vehicles	5-10 years
Water and Sewer Systems	20-50 years
Infrastructure	25-35 years

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications:

Government-wide Statements and Proprietary Fund Financial Statements

Equity is classified as net position, which represents the difference between assets and liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Governmental Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City did not have any nonspendable resources as of June 30, 2020.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has restricted funds for public works projects, capital projects, urban renewal projects and debt service.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the City Council, and does not lapse at year-end. The City has committed resources as of June 30, 2020.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The City’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Property Taxes

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February and May. Real property taxes become delinquent if not paid by May 15.

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP'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.

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see the Cash and Investments note in the Summary of Significant Accounting Policies.

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in the Cash and Investments note in the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

CASH AND INVESTMENTS (Cont.):

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk.

As of June 30, 2020, the reported amount of the City's deposits was \$2,579,053 the bank balance was \$2,662,096 and \$300 in petty cash. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The City has no credit risk policy or investment policy that would further limit its investment choices

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2020, the City's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2020, the City's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	<u>\$ 2,223,402</u>	N/A
Total Investments	<u><u>\$ 2,223,402</u></u>	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The City places no limit on the amount that may be invested in any one issuer. More than 5 percent of the City's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the City's total investments.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2020:

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets Not Being Depreciated:				
Land	\$ 317,231	\$ -	\$ -	\$ 317,231
Construction in Progress	45,149	5,476	-	50,625
Total of Capital Assets Not Being Depreciated	362,380	5,476	-	367,856
Assets Being Depreciated:				
Building and Building Improvement	717,810	77,838	-	795,648
Machinery and Equipment	475,642	43,373	-	519,015
Infrastructure	1,022,716	449,954	-	1,472,670
Total Depreciable Assets	2,216,168	571,165	-	2,787,333
Less: Accumulated Depreciation				
Building and Building Improvement	80,678	22,478	-	103,156
Machinery and Equipment	343,649	18,190	-	361,839
Infrastructure	330,441	39,638	-	370,079
Total Accumulated Depreciation	754,768	80,305	-	835,073
Net Value of Capital Assets Being Depreciated	1,461,400	490,860	-	1,952,260
Total Governmental Activities				
-- Net Value of Capital Assets	<u>\$ 1,823,780</u>	<u>\$ 496,336</u>	<u>\$ -</u>	<u>\$ 2,320,116</u>

Depreciation expense was charged to the functions of governmental activities as follows:

General Government	\$ 24,493
Public Safety	7,388
Public Works	26,879
Culture and Recreation	21,545
Total Depreciation Expense	<u>\$ 80,305</u>

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

CAPITAL ASSETS (Cont.):

<u>Business-Type Activities</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets Not Being Depreciated:				
Land	\$ 217,293	\$ -	\$ -	\$ 217,293
Construction in Progress	579,049	117,119	-	696,168
Total	796,342	117,119	-	913,461
Assets Being Depreciated:				
Utility Systems	27,079,231	-	-	27,079,231
Building and Building Improvement	2,482,914	-	-	2,482,914
Machinery and Equipment	396,054	133,011	-	529,065
Total Depreciable Assets	29,958,199	133,011	-	30,091,210
Less: Accumulated Depreciation				
Utility Systems	3,569,377	594,860	-	4,164,237
Building and Building Improvement	198,633	49,658	-	248,291
Machinery and Equipment	95,723	36,760	-	132,483
Total Accumulated Depreciation	3,863,733	681,278	-	4,545,011
Net Value of Capital Assets Being Depreciated	26,094,466	(548,267)	-	25,546,199
Total Business-Type Activities				
-- Net Value of Capital Assets	<u>\$ 26,890,808</u>	<u>\$ (431,148)</u>	<u>\$ -</u>	<u>\$ 26,459,660</u>
Total Net Value of Capital Assets of Primary Government	<u>\$ 28,714,588</u>	<u>\$ 65,188</u>	<u>\$ -</u>	<u>\$ 28,779,776</u>

Depreciation expense was charged to the functions of business-type activities as follows:

Water	\$ 131,826
Sewer	549,452
Total Depreciation Expense	<u>\$ 681,278</u>

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

LONG-TERM DEBT:

Long-term debt information, presented separately with respect to governmental and business-type activities, is as follows.

Governmental Activities:

Summit Bank Mortgage loan dated January 16, 2014 for the purchase of City Hall. Original balance \$685,000. Interest rate is 3.59%.

Business-Type Activities:

Department of Environmental Quality #R23041 note payable for new wastewater system. Original balance \$789,320. Interest rate 3.51% Service fee of .5%. Dated March 20, 2002 Reserve \$57,039.

Department of Environmental Quality #R23042 note payable for new wastewater system. Original balance \$9,209,228. Interest rate 2.81% Service fee of .5%. Dated October 20, 2005 Reserve \$314,514.

Department of Environmental Quality note payable #R23044 for new wastewater system. Original balance \$2,000,000. Interest rate 1.85% Service fee of .5%. Dated March 12, 2014 Reserve \$64,494.

USDA Rural Development revenue bond #39009 for the construction of wastewater system. Original balance \$3,000,000. Interest rate 3.75%. Dated January 27, 2015.

USDA Rural Development revenue bond #39010 for the construction of wastewater system. Original balance \$3,000,000. Interest rate 3.75%. Dated January 27, 2015.

IFA Loan with Business Oregon loan #B01003 for Water System Improvements. Original balance \$1,596,800. Interest rate varies. Dated December 01, 2001.

IFA Loan with Business Oregon loan #G01001 for Pioneer Valley Estates Water System. Original balance \$1,251,270. Interest rate 5.37%. Dated December 01, 2001.

IFA Loan with Oregon Business Development Department loan #S19007 Safe Drinking Water Revolving Loan Fund for Water System Improvements. Original balance \$6,530,000 with forgivable amount of \$780,000. Interest rate 1.00%. Dated December 27, 2018. As of June 30, 2020, the loan is in drawdown and therefore not included in the future debt service requirements tables below.

CITY OF COBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

LONG-TERM DEBT (Cont.):

The following tables present current year changes in those debt obligations and the current portions due for each debt.

<u>Governmental Long-Term Debt</u>	<u>Outstanding Balance July 1, 2019</u>	<u>New Issues</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2020</u>	<u>Due Within One Year</u>
Notes from Direct Borrowing:						
Summit Bank Mortgage Loan	\$ 585,578	\$ -	\$ 15,722	\$ 26,192	\$ 569,856	\$ 22,108
Total Notes Payable	585,578	-	15,722	26,192	569,856	22,108
Total Governmental Long-Term Debt	\$ 585,578	\$ -	\$ 15,722	\$ 26,192	\$ 569,856	\$ 22,108
<u>Business-Type Long-Term Debt</u>	<u>Outstanding Balance July 1, 2019</u>	<u>New Issues</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2020</u>	<u>Due Within One Year</u>
Bonds Payable:						
USDA Revenue Bonds #39009	\$ 2,858,356	\$ -	38,791	\$ 107,189	\$ 2,819,565	\$ 39,968
USDA Revenue Bonds #39010	2,858,356	-	38,791	107,189	2,819,565	39,968
Total Bonds Payable	5,716,712	-	77,582	214,378	5,639,130	79,936
Notes from Direct Borrowing :						
DEQ #R23041	\$ 667,915	\$ -	33,082	\$ 23,156	\$ 634,833	\$ 34,254
DEQ #R23042	7,705,364	-	402,935	213,709	7,302,429	414,336
DEQ #R23044	1,181,221	-	60,161	21,575	1,121,060	61,278
IFA Bus Or #B01003	333,228	-	78,773	18,250	254,455	84,516
IFABus Or #G01001	525,515	-	65,958	28,837	459,557	66,550
IFA OBDD #S19007	-	150,592	-	-	150,592	-
Total Notes from Direct Borrowing	10,413,243	150,592	640,909	305,527	9,922,926	660,934
Total Business-Type Long-Term Debt	\$ 16,129,955	\$ 150,592	\$ 718,491	\$ 519,905	\$ 15,562,056	\$ 740,870

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

LONG-TERM DEBT (Cont.):

The debt service requirements* on the above debt is as follows:

Bonds Payable:

<u>Due Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 79,936	\$ 212,024	\$ 291,960
2022	83,514	208,446	291,960
2023	86,646	205,314	291,960
2024	90,448	201,512	291,960
2025	92,742	199,218	291,960
2026 - 2030	521,522	938,278	1,459,800
2031 - 2035	626,926	832,874	1,459,800
2036 - 2040	753,984	705,816	1,459,800
2041 - 2045	905,612	554,188	1,459,800
2046 - 2050	1,089,032	370,770	1,459,802
2051 - 2055	1,308,768	150,678	1,459,446
Total	<u>\$ 5,639,130</u>	<u>\$ 4,579,118</u>	<u>\$ 10,218,248</u>

Notes from Direct Borrowing:

<u>Due Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 683,042	\$ 303,829	\$ 986,871
2022	692,854	280,637	973,491
2023	731,151	257,299	988,450
2024	1,132,942	225,157	1,358,098
2025	652,901	195,342	848,243
2026 - 2030	3,173,059	689,806	3,862,865
2031 - 2035	3,204,132	232,545	3,436,677
2036 - 2040	72,110	962	73,072
Total	<u>\$ 10,342,190</u>	<u>\$ 2,185,576</u>	<u>\$ 12,527,767</u>

* IFA OBDD Loan #S19007 in drawdown is not included in the above debt service requirements.

The City has no unused lines of credit.

The City has no assets that are specifically pledged as collateral for any of the debt.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Data section of this report.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN:

Name of Pension Plan

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS 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, 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 benefit 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 One 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 Two 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.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by an OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in an OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

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 OPERS judge members) for disability benefits regardless of the length of OPERS-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.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN (Cont.):

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 of equity investments.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000. The COLA is capped at 2.0 percent.

2. OPSRP Defined Benefit Pension Program (OPSRP DB). The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension Benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

A member of the OPSRP 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.

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.

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.

Benefit Changes After Retirement

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000. The COLA is capped at 2.0 percent.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN (Cont.):

3. IAP Plan Description:

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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 Individual Account Program (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.

PENSION PLAN (Cont.):

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.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

OPERS 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. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2020 were \$96,836, excluding amounts to fund employer specific liabilities.

Pension Plan CAFR

Oregon PERS produces an independently audited CAFR which can be found at:
<https://www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx>

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN (Cont.):

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 OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) 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 20 years.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution 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 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.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance 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.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN (Cont.):

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits 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 methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN (Cont.):

Assumed Asset Allocation

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation</u>
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	20.1%
Public Equity	32.5% - 42.5%	37.5%	Public Equity	36.4%
Real estate	9.5% - 15.5%	12.5%	Real estate	11.1%
Private Equity	14.0% - 21.0%	17.5%	Private Equity	21.4%
Alternative Equity	0.0% - 12.5%	12.5%	Alternative Equity	8.9%
Opportunity Portfolio	0.0% - 3.0%	0.0%	Opportunity Portfolio	2.1%
Total		<u>100%</u>	Total	<u>100%</u>

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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. 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.

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Mean</u>	<u>20-Year Annualized Geometric Mean</u>	<u>Annual Standard Deviation</u>
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60%	3.70%	3.68%	2.10%
Bank/Leveraged Loans	3.60%	5.40%	5.19%	6.85%
High Yield Bonds	1.20%	6.13%	5.74%	9.35%
Large/Mid Cap US Equities	16.17%	7.35%	6.30%	15.50%
Small Cap US Equities	1.35%	8.35%	6.68%	19.75%
Micro Cap US Equities	1.35%	8.86%	6.79%	22.10%
Developed Foreign Equities	13.48%	8.30%	6.91%	17.95%
Emerging Foreign Equities	4.24%	10.35%	7.69%	25.35%
Non-US Small Cap Equities	1.93%	8.81%	7.25%	9.10%
Private Equities	17.50%	11.95%	8.33%	30.00%
Real Estate (Property)	10.00%	6.19%	5.55%	12.00%
Real Estate (REITS)	2.50%	8.29%	6.69%	19.30%
Hedge Fund of Funds - Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund - Event-driven	0.38%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13.00%
Farmland	1.13%	6.87%	6.12%	13.00%
Infrastructure	2.25%	7.51%	6.67%	13.85%
Commodities	1.13%	5.34%	3.79%	18.70%
Assumed Inflation - Mean			2.50%	1.85%

*Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on April 24, 2019

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN (Cont.):

Sensitivity Analysis

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

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
Employer's proportionate share of the net pension liability	\$ 1,330,919	\$ 831,091	\$ 412,804

Changes in Assumptions

A summary of key changes implemented since the December 31, 2017 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 24, 2019 and can be found at:

https://www.oregon.gov/PERS/Documents/Exp_Study_2018.pdf

Changes in Actuarial Methods and Allocation Procedures

There were no changes to actuarial methods and procedures since the December 31, 2017 valuation, with the exceptions of:

- Current Tier 1/Tier 2 UAL will be re-amortized over 22 years per Senate Bill 1049.
- Change allocation to 10% (0% for police & fire) based on account balance and 90% (100% for police & fire) based on length of service with each employer.

Changes in Economic Assumptions

There were no changes to economic assumptions since the December 31, 2017 valuation.

Changes in Demographic Assumptions

The changes to demographic assumptions since the December 31, 2017 valuation are as follows:

- Adjust mortality assumptions to use the new "Pub-2010" base tables and a standard update to the mortality improvement scale, which is based on 60-year unisex average Social Security experience.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience; reduce percentage of future retirees assumed to elect a partial lump sum; increase percentage of members assumed to purchase credited service at retirement.
- Increase the merit component of the salary increase assumption for two member categories based on observations of the last eight years of experience.
- Update pre-retirement termination of employment assumptions for two member categories.
- Lower assumed rates of ordinary disability and general service duty disability to more closely match recent experience.
- Increase the Tier One unused vacation cash out assumption for most member categories.
- Adjust the Tier One/Tier Two unused sick leave assumption for five member categories to reflect observed experience.
- Decrease the healthy participation assumption for the RHIA retiree healthcare program and decrease the RHIPA participation assumption for most service bands.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN (Cont.):

Changes in Benefit Terms and Assumptions

There were no changes to benefit terms and assumptions since the December 31, 2017 valuation.

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Recommended December 31, 2016 and 2017 Valuations	Recommended December 31, 2018 and 2019 Valuations
Healthy Annuitant Mortality	RP-2014 Healthy Annuitant, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	White Collar, set back 12 months	Teachers, no set back
Other General Service male (and male beneficiary)	Blended 50% blue collar/50% white collar, set back 12 months	General Employees, set back 12 months
Police & Fire male	Blended 50% blue collar/50% white collar, set back 12 months	Public Safety, no set back
School District female	White Collar, set back 12 months	Teachers, no set back
Other female (and female beneficiary)	Blended 50% blue collar/50% white collar, set back 12 months	General Employees, set back 12 months
Police & Fire female	Blended 50% blue collar/50% white collar, set back 12 months	Public Safety, no set back
Disabled Retiree Mortality	RP-201 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	No collar adjustment, no set back	Blended 50% Public Safety, 50% Non-Safety, no set back
Other General Service male	No collar adjustment, no set back	Non-Safety, set forward 24 months
Police & Fire female	No collar adjustment, no set back	Blended 50% Public Safety, 50% Non-Safety, no set back
Other General Service female	No collar adjustment, no set back	Non-Safety, set forward 12 months
Non-Annuitant Mortality	RP-2014 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	Same collar and set back as Healthy Annuitant assumption	120% of same table and set back as Healthy Annuitant assumption
Other General Service male	Same collar and set back as Healthy Annuitant assumption	115% of same table and set back as Healthy Annuitant assumption
Police & Fire male	Same collar and set back as Healthy Annuitant assumption	100% of same table and set back as Healthy Annuitant assumption
School District female	Same collar and set back as Healthy Annuitant assumption	100% of same table and set back as Healthy Annuitant assumption
Other General Service female	Same collar and set back as Healthy Annuitant assumption	125% of same table and set back as Healthy Annuitant assumption
Police & Fire female	Same collar and set back as Healthy Annuitant assumption	100% of same table and set back as Healthy Annuitant assumption

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2019, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2019 Oregon PERS CAFR.

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2020, the employer reported a liability of \$831,091 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

PENSION PLAN (Cont.):

At June 30, 2019, the employer's proportion was 0.00480466%.

For the year ended June 30, 2020, the employer recognized pension expense of \$191,579. On June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,832	\$ -
Changes of assumptions	112,747	-
Net difference between projected and actual earnings on investments	-	23,561
Changes in proportionate share	22,910	75,797
Differences between employer contributions and employer's proportionate share of system contributions	-	32,106
Total Deferred Outflows/Inflows	\$ 181,489	\$ 131,464
Post-measurement date contributions	96,836	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 278,325	\$ 131,464
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		50,025

The City reported \$96,836 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 61,808
2nd Fiscal Year	(13,384)
3rd Fiscal Year	79
4th Fiscal Year	3,043
5th Fiscal Year	(1,521)
Thereafter	-
Total	\$ 50,025

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The City contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

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.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.50% of annual covered PERS payroll and 0.43% for OPSRP payroll. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. 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.

Contributions

The City's contributions to PERS' RHIA for the years ended June 30, 2020, 2019, and 2018, were \$490, \$3,408, and \$3,288 respectively which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2019. That independently audited report was dated February 20, 2020 and can be found at:

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

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions-OPEB Plans-RHIA	
Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Health retirees and beneficiaries: RP-2014 Healthy annuity, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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

Discount Rate

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

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

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 the Oregon PERS Board reviewed long term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Milliman's assumptions for each of the asset classes in which the plan was invested at that time are 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the OPERS' audited financial statements at:

<https://www.oregon.gov/PERS/Documents/Financials/CAFR/2019-CAFR.pdf>

Sensitivity Analysis

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

	1% Decrease	Discount Rate	1% Increase
	6.20%	7.20%	8.20%
Employer's proportionate share of the net OPEB liability	\$ (10,300)	\$ (13,286)	\$ (15,830)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2020, the City reported a net OPEB liability/(asset) of \$(13,286) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2019, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2017. Consistent with GASB Statement No. 75, paragraph 59(a), The City's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2019, the City's proportion was 0.00687559%. OPEB expense/(income) for the year ended June 30, 2020 was \$(1,829).

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,752
Changes of assumptions	-	14
Net difference between projected and actual earnings on investments	-	820
Changes in proportionate share	-	115
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total Deferred Outflows/Inflows	<u>\$ -</u>	<u>\$ 2,701</u>
Post-measurement date contributions	490	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 490</u>	<u>\$ 2,701</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(2,701)</u>

Contributions of \$490 were made subsequent to the measurement date, but prior to the end of the City's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense/(income) as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (1,413)
2nd Fiscal Year	(1,218)
3rd Fiscal Year	(154)
4th Fiscal Year	84
5th Fiscal Year	-
Thereafter	-
Total	<u>\$ (2,701)</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS:

Retiree Healthcare Insurance Premiums Subsidy

Plan Description

The City operates a single employer retiree benefit plan through the City-County Insurance Services that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The City is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. GASB Statement 75 is applicable to the City due only to this implicit rate subsidy. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the City has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The City will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

Actuarial Methods and Assumptions

The City engaged an actuary to perform an evaluation as of August 27, 2018 using entry age normal Actuarial Cost Method. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

Discount Rate	2.85%	3.58%
Other Key Actuarial Assumptions and Methods		
Valuation date	July 1, 2016	July 1, 2016
Measurement date	June 30, 2016	June 30, 2017
Inflation	2.50%	2.50%
Salary increases	3.50%	3.50%
Healthy Mortality	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females.	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females.
Actuarial cost method	Entry Age Normal	Entry Age Normal

Discount Rate

Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions in this report reflect the Bond Buyer 20-Year General Obligation Bond Index. The discount rate in effect for the June 30, 2018 reporting date is 2.85%, and the discount rate in effect for the June 30, 2018 reporting date is 3.58%.

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS:

Health Care Cost Trend

The assumed medical and vision costs will increase 7.00% in the first year (July 1, 2017 premiums compared with July 1, 2016 premiums). In future years, the medical and vision cost trend varies between 7.50% and 5.00% due to the timing of the excise tax scheduled to affect health care benefits. The trend then settles to an ultimate rate of 5.00%. They have also assumed dental costs will increase 4.50% in all future years.

Withdrawal, Retirement and Mortality Rates

They are generally using the rates adopted by the Oregon Public Employees Retirement System (PERS) for its December 31, 2015 actuarial valuation of retirement benefits.

Election and Lapse Rates

They have assumed that a portion of future retirees and their spouses elect benefits, and that some of those later lapse (drop) from those benefits. The assumptions are based on historical data for similar benefits for other public employers in Oregon. For larger employers, they also consider specific historical experience; and for unique arrangements they consider the incentives provided by those arrangements.

The CIS net OPEB liability is reported only as an estimate for the current year financial reporting. No actuarial report was obtained for the current fiscal year. Therefore, the amounts reported on the Statement of Net Position for deferred items and the liability are estimated based on a similar-sized district for the current fiscal year.

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease	Discount Rate	1% Increase
	2.58%	3.58%	4.58%
Total OPEB liability from Implicit Rate Subsidy	\$ 47,042	\$ 45,807	\$ 37,950
 CIS - TREND RATE			
	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 35,623	\$ 45,807	\$ 50,359

CITY OF COBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (Cont.):

Participation

The following table represents the number of the City's covered participants at the time of the actuarial study:

<u>July 1, 2017</u>	<u>PERS Police & Fire</u>	<u>PERS General Service</u>	<u>Total</u>
Number of Members			
Active	2	9	11
Retired Members	0	0	0
Spouses of Ineligible Retirees	0	0	0
Total Participants	2	9	11
Spouses of Eligible Retirees	0	0	0

Changes in Net OPEB CIS Liability

Changes in Total OPEB Liability	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2019	\$ 42,567
Changes for the year:	
Service Cost	5,724
Interest	1,277
Effect of changes to benefit terms	-
Effect of economic/ demographic gains or losses	-
Effect of assumptions or other inputs	(2,559)
Employer Contributions	
Benefit payments	(1,202)
Net OPEB Liability at June 30, 2020	\$ 45,807

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (Cont.)

Components of OPEB CIS Expense

OPEB Expense	<u>July 1, 2019 to June 30, 2020</u>
Service cost	\$ 5,724
Interest on total OPEB liability	1,277
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	-
Recognition of economic/demographic (gains) or losses	-
Recognition of assumption changes	(812)
Administrative Expense	n/a*
	<u> </u>
OPEB Expense	<u>\$ 6,189</u>

Schedule of Deferred Inflows and Outflows of Resources for OPEB CIS

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or inputs	-	2,559
Benefit Payments	-	-
Changes in proportionate share	812	-
Differences between employer contributions and employer's proportionate share of system contributions	-	-
(prior to post-measurement date contributions)	<u>\$ 812</u>	<u>\$ 2,559</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(1,747)</u>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB CIS expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (312)
2nd Fiscal Year	(312)
3rd Fiscal Year	(312)
4th Fiscal Year	(312)
5th Fiscal Year	(312)
Thereafter	(187)
Total	<u>\$ (1,747)</u>

CITY OF COBURG

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amount, if any, to be immaterial.

The City of Coburg has elected the "reimbursement" basis for unemployment claims to the State of Oregon Department of Human Resources Employment Division. If a terminated employee collects unemployment compensation based upon earnings from the City, the City will be required to reimburse the State of Oregon for the amount of unemployment compensation paid. Amounts billed by the State of Oregon are charged to expenditures but amounts for which the City is potentially liable as a result of claims not yet filed are unknown.

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 is a member of City-County Insurance Services (CIS), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CIS for insurance coverage.

Based on the experience of the City and pool, the City may be liable for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. The City has never had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund transfers for the year ended June 30, 2020 were as follows:

	Transfers Out	Transfers In
General Fund	\$ 50,000	\$ -
Street Fund	-	50,000
Coburg Urban Renewal Agency Fund	480,000	-
Sewer Fund	-	480,000
Total	\$ 530,000	\$ 530,000

The City makes various interfund transfers to move resources between funds to provide resources for expenditures that are not supported by other revenues. The transfers are part of the City's budget preparation and adoption. The Coburg Urban Renewal Agency Fund transferred funds to the Sewer Debt Fund for the purpose of debt payments.

OVER-EXPENDITURE OF APPROPRIATIONS:

Expenditures in excess of appropriation in individual funds for the year ended June 30, 2020 occurred as follows:

<u>Fund / Department</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
General Fund / Public Works Administration	\$ 380,469	\$ 397,302	\$ 16,833

REQUIRED
SUPPLEMENTARY
INFORMATION

CITY OF COBURG

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

GENERAL FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes and Assessments	\$ 765,000	\$ 765,000	\$ 794,992	\$ 29,992
Intergovernmental	87,850	87,850	73,568	(14,282)
Franchise Fees	266,274	266,274	260,789	(5,485)
Licenses, Permits, & Misc Fees	323,126	323,126	84,378	(238,748)
Fines and Forfeitures	132,756	132,756	141,093	8,337
Investment Revenue	18,081	18,081	26,526	8,445
Grants and Donations	62,000	62,000	100,445	38,445
Charges for Services	187,450	187,450	47,648	(139,802)
Interdepartmental Charges	554,267	554,267	493,575	(60,692)
Other Revenue	18,614	18,614	53,538	34,924
Total Revenues	2,415,418	2,415,418	2,076,552	(338,866)
EXPENDITURES:				
Administration Department	883,855	883,855	779,568	(104,287)
Planning Department	404,869	424,369	180,577	(243,792)
Police Department	604,470	604,470	557,241	(47,229)
Municipal Court	155,356	155,356	143,261	(12,095)
Economic Development	47,200	97,200	80,991	(16,209)
Park	35,970	35,970	34,510	(1,460)
Park Capital	281,500	436,500	415,703	(20,797)
Public Works Administration	374,469	380,469	397,302	16,833
Not Allocated to an Organizational Unit:				
Debt Service				
Principal	15,510	17,510	15,722	(1,788)
Interest	26,405	26,405	26,192	(213)
Contingency	250,000	37,000	-	(37,000)
Total Expenditures	3,079,604	3,099,104	2,631,067	(468,037)
Excess (Deficiency) of Revenues Over Expenditures	(664,186)	(683,686)	(554,515)	129,171
OTHER FINANCING SOURCES / (USES):				
Operating Transfer (Out)	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	(714,186)	(733,686)	(604,515)	129,171
Fund Balance - July 1, 2019	1,100,500	1,120,000	1,464,793	344,793
Fund Balance - June 30, 2020	\$ 386,314	\$ 386,314	\$ 860,278	\$ 473,964

CITY OF COBURG
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
STREET FUND
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Intergovernmental	\$ 185,960	\$ 185,960	\$ 192,251	\$ 6,291
Grants	100,000	100,000	-	(100,000)
Investment Revenue	3,332	3,332	11,945	8,613
Charges for Services	209,263	209,263	51,310	(157,953)
Miscellaneous Revenue	-	-	1,200	1,200
Total Revenues	<u>498,555</u>	<u>498,555</u>	<u>256,706</u>	<u>(241,849)</u>
<u>EXPENDITURES:</u>				
Street	294,754	294,754	153,421	(141,333)
Street Capital	205,175	205,175	9,951	(195,224)
Total Expenditures	<u>499,929</u>	<u>499,929</u>	<u>163,372</u>	<u>(336,557)</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,374)	(1,374)	93,334	94,708
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	50,000	50,000	50,000	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change In Fund Balance	48,626	48,626	143,334	94,708
Fund Balance - July 1, 2019	530,000	530,000	661,663	131,663
Fund Balance - June 30, 2020	<u>\$ 578,626</u>	<u>\$ 578,626</u>	<u>\$ 804,997</u>	<u>\$ 226,371</u>

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG

(A Component Unit of the City of Coburg)

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual

URBAN RENEWAL GENERAL FUND

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes and Assessments	\$ 425,000	\$ 425,000	\$ 398,012	\$ (26,988)
Investment Revenue	5,500	5,500	6,321	821
Total Revenues	430,500	430,500	404,333	(26,167)
<u>EXPENDITURES:</u>				
Materials and Supplies	8,000	8,000	4,974	(3,026)
Total Expenditures	8,000	8,000	4,974	(3,026)
Excess (Deficiency) of Revenues Over Expenditures	422,500	422,500	399,359	(23,141)
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer (Out)	(480,000)	(480,000)	(480,000)	-
Total Other Financing Sources (Uses)	(480,000)	(480,000)	(480,000)	-
Net Change In Fund Balance	(57,500)	(57,500)	(80,641)	(23,141)
Fund Balance - July 1, 2019	108,000	108,000	116,364	8,364
Fund Balance - June 30, 2020	\$ 50,500	\$ 50,500	\$ 35,723	\$ (14,777)

CITY OF COBURG
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
PERS
Last 10 Fiscal Years*

Measurement Date June 30,	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.00480466%	\$ 831,091	\$ 811,306	102.44%	80.2%
2019	0.00534755%	810,083	746,600	108.50%	82.1%
2018	0.00571827%	770,825	768,473	100.31%	81.3%
2017	0.00542243%	814,033	680,984	119.54%	80.5%
2016	0.00467319%	268,309	675,338	39.73%	91.9%
2015	0.00517355%	\$ (117,270)	\$ 416,570	-28.15%	103.6%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF COBURG
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERS
Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 145,514	\$ 145,514	\$ -	\$811,306	17.94%
2019	112,389	112,389	-	746,600	15.05%
2018	104,054	104,054	-	768,473	13.54%
2017	83,006	83,006	-	680,984	12.19%
2016	82,856	82,856	-	675,338	12.27%
2015	45,190	45,190	-	416,570	10.85%
2014	\$ 45,098	\$ 45,098	\$ -	\$577,960	7.80%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF COBURG
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
OPEB RHIA
Last 10 Fiscal Years*

Measurement Date June 30,	(a) Employer's proportion of the net OPEB liability (asset)	(b) Employer's proportionate share of the net OPEB liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.00687559%	\$ (13,286)	\$ 811,306	-1.64%	144.4%
2019	0.00679127%	(7,581)	746,600	-1.02%	124.0%
2018	0.00646188%	(2,697)	768,473	-0.35%	108.9%
2017	0.00724014%	\$ 1,966	\$ 680,984	0.29%	94.2%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF COBURG
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB RHIA
Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered employee payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 490	\$ 490	-	\$ 811,306	0.06%
2019	3,408	3,408	-	746,600	0.46%
2018	3,288	3,288	-	768,473	0.43%
2017	3,031	3,031	-	680,984	0.45%
2016	\$ 3,257	\$ 3,257	-	\$ 675,338	0.48%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF COBURG

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years*

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 5,724	\$ 5,558	\$ 5,243
Interest on total OPEB liability	1,277	1,178	1,174
Effect of assumption changes or inputs	(2,559)	(2,777)	(2,995)
Benefit payments	(1,202)	(680)	(143)
Total OPEB liability, beginning	42,567	39,288	36,009
Total OPEB liability, ending (a) **	45,807	42,567	39,288
Covered payroll	\$ 811,306	\$ 746,600	\$ 768,473
Total OPEB liability as a % of covered payroll **	5.6%	5.7%	5.1%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

** Totals may not agree due to rounding.

OTHER
SUPPLEMENTARY
DATA

Proprietary Funds

CITY OF COBURG

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

WATER FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Charges for Services	\$ 996,735	\$ 996,735	\$ 873,894	\$ (122,841)
Investment Revenue	4,949	4,949	7,495	2,546
Other Revenue	500	500	5,297	4,797
Total Revenues	1,002,184	1,002,184	886,686	(115,498)
<u>EXPENDITURES:</u>				
Water	359,370	359,370	278,251	(81,119)
Contingency	500,000	423,140	-	(423,140)
Water Capital Outlay	2,205,000	2,212,680	251,068	(1,961,612)
Debt Service				
Principal	144,731	144,731	144,731	-
Interest	47,088	47,088	47,087	(1)
Total Expenditures	3,256,189	3,187,009	721,137	(2,465,872)
Excess (Deficiency) of Revenues Over Expenditures	(2,254,005)	(2,184,825)	165,549	2,350,374
<u>OTHER FINANCING SOURCES / (USES):</u>				
Loan Proceeds	2,130,000	2,130,000	150,592	(1,979,408)
Interfund Loan In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	2,130,000	2,130,000	150,592	(1,979,408)
Net Change In Fund Balance	(124,005)	(54,825)	316,141	370,966
Fund Balance - July 1, 2019	950,000	950,000	781,934	(168,066)
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30, 2020	\$ 825,995	\$ 895,175	\$ 1,098,075	\$ 202,900

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance - from above	\$ 316,141
Change in Accrued Interest	4,446
Debt Principal Payments	144,731
Capital outlay that is capitalized	251,068
Change in Pension an Employee Benefit Expenses	(1,853)
Loan Proceeds	(150,592)
Depreciation Expense	(131,826)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenditures, and Changes in Net Position	<u>\$ 432,115</u>

CITY OF COBURG
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SEWER FUND
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes & Assessments	\$ 90,400	\$ 90,400	\$ 87,568	\$ (2,832)
Charges for Services	1,016,252	1,016,252	898,852	(117,400)
Investment Revenue	5,810	5,810	9,166	3,356
Total Revenues	<u>1,112,462</u>	<u>1,112,462</u>	<u>995,586</u>	<u>(116,876)</u>
<u>EXPENDITURES:</u>				
Sewer	593,673	595,473	427,282	(168,191)
Sewer Capital	2,540	2,540	-	(2,540)
Contingency	350,000	346,200	-	(346,200)
Sewer Debt Service	5,000	5,000	-	(5,000)
Debt Service:				
Principal	574,914	574,914	573,760	(1,154)
Interest	518,087	520,087	520,441	354
Total Expenditures	<u>2,044,214</u>	<u>2,044,214</u>	<u>1,521,483</u>	<u>(522,731)</u>
Excess (Deficiency) of Revenues Over Expenditures	(931,752)	(931,752)	(525,897)	405,855
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	400,000	400,000	480,000	80,000
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>400,000</u>	<u>480,000</u>	<u>(80,000)</u>
Net Change In Fund Balance	(531,752)	(531,752)	(45,897)	485,855
Fund Balance - July 1, 2019	2,275,900	2,275,900	2,357,122	81,222
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30, 2020	<u>\$ 1,744,148</u>	<u>\$ 1,744,148</u>	<u>\$ 2,311,225</u>	<u>\$ 567,077</u>

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	\$ (45,897)
Change in Accrued Interest	(21,379)
Change in Pension Expense	(5,673)
Debt Principal Payments	573,760
Depreciation Expense	(549,452)
Change in Net Position as Reported in Combining Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ (48,641)</u>

OTHER
SUPPLEMENTARY
DATA

Additional
Supporting Schedules

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Summit Bank Mortgage Loan

Mortgage loan dated January 16, 2014 with Summit Bank for the purchase of City Hall. Original balance \$685,000. Interest rate is 4.55%.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 585,578	\$ -	\$ 15,722	\$ 569,856	\$ 22,108
Interest	-	26,192	26,192	-	19,806
Total	\$ 585,578	\$ 26,192	\$ 41,914	\$ 569,856	\$ 41,914

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 22,108	\$ 19,806	\$ 41,914	4.55%
	2022	22,915	18,999	41,914	4.55%
	2023	23,751	18,163	41,914	4.55%
	2024	501,083	10,197	511,279	4.55%
Total		\$ 569,856	\$ 67,164	\$ 637,021	

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

DEQ #R23041

Note payable to Department of Environmental Quality #R23041 for new wastewater system. Original balance \$789,320. Interest rate 3.51% Service fee of .5%. Dated March 20, 2002 Reserve \$57,039.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 667,915	\$ -	\$ 33,082	\$ 634,833	\$ 34,254
Interest	-	23,156	23,156	-	21,984
Total	\$ 667,915	\$ 23,156	\$ 56,238	\$ 634,833	\$ 56,238

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2021	\$ 34,254	\$ 21,984	\$ 56,238	3.51%
2022	35,466	20,772	56,238	3.51%
2023	36,722	19,516	56,238	3.51%
2024	38,022	18,216	56,238	3.51%
2025	39,368	16,870	56,238	3.51%
2026	40,763	15,475	56,238	3.51%
2027	42,205	14,033	56,238	3.51%
2028	43,700	12,538	56,238	3.51%
2029	45,248	10,990	56,238	3.51%
2030	46,850	9,388	56,238	3.51%
2031	48,508	7,730	56,238	3.51%
2032	50,226	6,012	56,238	3.51%
2033	52,004	4,234	56,238	3.51%
2034	53,846	2,392	56,238	3.51%
2035	27,651	485	28,136	3.51%
Total	\$ 634,833	\$ 180,635	\$ 815,468	

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

DEQ #R23042

Note payable to Department of Environmental Quality #R23042 for new wastewater system. Original balance \$9,209,228. Interest rate 2.81% Service fee of .5%. Dated October 20, 2005 Reserve \$314,514.

Current Year Activity:

	Outstanding Balance <u>July 1, 2019</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2020</u>	Due Within One Year
Principal	\$ 7,705,364	\$ -	\$ 402,935	\$ 7,302,429	\$ 414,336
Interest	-	213,709	213,709	-	202,308
Total	<u>\$ 7,705,364</u>	<u>\$ 213,709</u>	<u>\$ 616,644</u>	<u>\$ 7,302,429</u>	<u>\$ 616,644</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 414,336	\$ 202,308	\$ 616,644	2.81%
	2022	426,060	190,584	616,644	2.81%
	2023	438,117	178,527	616,644	2.81%
	2024	450,515	166,129	616,644	2.81%
	2025	463,263	153,381	616,644	2.81%
	2026	476,373	140,271	616,644	2.81%
	2027	489,853	126,791	616,644	2.81%
	2028	503,714	112,930	616,644	2.81%
	2029	517,968	98,676	616,644	2.81%
	2030	532,625	84,019	616,644	2.81%
	2031	547,697	68,947	616,644	2.81%
	2032	563,195	53,449	616,644	2.81%
	2033	579,132	37,512	616,644	2.81%
	2034	595,520	21,124	616,644	2.81%
	2035	304,061	4,272	308,333	2.81%
Total		<u>\$ 7,302,429</u>	<u>\$ 1,638,920</u>	<u>\$ 8,941,349</u>	

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

DEQ #R23044

Note payable to Department of Environmental Quality #R23044 for new wastewater system. Original balance \$2,000,000. Interest rate 1.85% Service fee of .5%. Dated March 12, 2014 Reserve \$64,494.

Current Year Activity:

	Outstanding Balance <u>July 1, 2019</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2020</u>	Due Within One Year
Principal	\$ 1,181,221	\$ -	\$ 60,161	\$ 1,121,060	\$ 61,278
Interest	-	21,575	21,575	-	20,458
Total	<u>\$ 1,181,221</u>	<u>\$ 21,575</u>	<u>\$ 81,736</u>	<u>\$ 1,121,060</u>	<u>\$ 81,736</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 61,278	\$ 20,458	\$ 81,736	1.85%
	2022	62,417	19,319	81,736	1.85%
	2023	63,577	18,159	81,736	1.85%
	2024	64,759	16,977	81,736	1.85%
	2025	65,962	15,774	81,736	1.85%
	2026	67,189	14,547	81,736	1.85%
	2027	68,437	13,299	81,736	1.85%
	2028	69,709	12,027	81,736	1.85%
	2029	71,005	10,731	81,736	1.85%
	2030	72,325	9,411	81,736	1.85%
	2031	73,669	8,067	81,736	1.85%
	2032	75,038	6,698	81,736	1.85%
	2033	76,432	5,304	81,736	1.85%
	2034	77,853	3,883	81,736	1.85%
	2035	79,300	2,436	81,736	1.85%
	2036	72,110	962	73,072	1.85%
Total		<u>\$ 1,121,060</u>	<u>\$ 178,052</u>	<u>\$ 1,299,112</u>	

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

USDA Revenue Bonds #39009

Revenue Bonds held by USDA Rural Development for the construction of wastewater system. Loan #39009, Bond #1. Original balance \$3,000,000. Interest rate 3.75%. Dated January 27, 2015.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 2,858,356	\$ -	\$ 38,791	\$ 2,819,565	\$ 39,968
Interest	-	107,189	107,189	-	106,012
Total	<u>\$ 2,858,356</u>	<u>\$ 107,189</u>	<u>\$ 145,980</u>	<u>\$ 2,819,565</u>	<u>\$ 145,980</u>

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2021	\$ 39,968	\$ 106,012	\$ 145,980	3.75%
2022	41,757	104,223	145,980	3.75%
2023	43,323	102,657	145,980	3.75%
2024	45,224	100,756	145,980	3.75%
2025	46,371	99,609	145,980	3.75%
2026	48,382	97,598	145,980	3.75%
2027	50,196	95,784	145,980	3.75%
2028	52,336	93,644	145,980	3.75%
2029	53,789	92,191	145,980	3.75%
2030	56,058	89,922	145,980	3.75%
2031	58,161	87,819	145,980	3.75%
2032	60,576	85,404	145,980	3.75%
2033	62,385	83,595	145,980	3.75%
2034	64,953	81,027	145,980	3.75%
2035	67,388	78,592	145,980	3.75%
2036	70,124	75,856	145,980	3.75%
2037	72,344	73,636	145,980	3.75%
2038	75,258	70,722	145,980	3.75%
2039	78,080	67,900	145,980	3.75%
2040	81,186	64,794	145,980	3.75%
2041	83,883	62,097	145,980	3.75%
2042	87,198	58,782	145,980	3.75%
2043	90,468	55,512	145,980	3.75%
2044	94,004	51,976	145,980	3.75%
2045	97,253	48,727	145,980	3.75%
2046	101,033	44,947	145,980	3.75%
2047	104,823	41,158	145,981	3.75%
2048	108,854	37,126	145,980	3.75%
2049	112,744	33,236	145,980	3.75%
2050	117,062	28,918	145,980	3.75%
2051	121,452	24,528	145,980	3.75%
2052	126,061	19,919	145,980	3.75%
2053	130,693	15,288	145,981	3.75%
2054	135,635	10,345	145,980	3.75%
2055	140,543	5,259	145,802	3.75%
Total	<u>\$ 2,819,565</u>	<u>\$ 2,289,559</u>	<u>\$ 5,109,124</u>	

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

USDA Revenue Bonds #39010

Revenue Bonds held by USDA Rural Development for the construction of wastewater system. Loan #39010, Bond #2. Original balance \$3,000,000. Interest rate 3.75%. Dated January 27, 2015.

Current Year Activity:

	Outstanding Balance <u>July 1, 2019</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2020</u>	Due Within One Year
Principal	\$ 2,858,356	\$ -	\$ 38,791	\$ 2,819,565	\$ 39,968
Interest	-	107,189	107,189	-	106,012
Total	\$ 2,858,356	\$ 107,189	\$ 145,980	\$ 2,819,565	\$ 145,980

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2021	\$ 39,968	\$ 106,012	\$ 145,980	3.75%
2022	41,757	104,223	145,980	3.75%
2023	43,323	102,657	145,980	3.75%
2024	45,224	100,756	145,980	3.75%
2025	46,371	99,609	145,980	3.75%
2026	48,382	97,598	145,980	3.75%
2027	50,196	95,784	145,980	3.75%
2028	52,336	93,644	145,980	3.75%
2029	53,789	92,191	145,980	3.75%
2030	56,058	89,922	145,980	3.75%
2031	58,161	87,819	145,980	3.75%
2032	60,576	85,404	145,980	3.75%
2033	62,385	83,595	145,980	3.75%
2034	64,953	81,027	145,980	3.75%
2035	67,388	78,592	145,980	3.75%
2036	70,124	75,856	145,980	3.75%
2037	72,344	73,636	145,980	3.75%
2038	75,258	70,722	145,980	3.75%
2039	78,080	67,900	145,980	3.75%
2040	81,186	64,794	145,980	3.75%
2041	83,883	62,097	145,980	3.75%
2042	87,198	58,782	145,980	3.75%
2043	90,468	55,512	145,980	3.75%
2044	94,004	51,976	145,980	3.75%
2045	97,253	48,727	145,980	3.75%
2046	101,033	44,947	145,980	3.75%
2047	104,823	41,158	145,981	3.75%
2048	108,854	37,126	145,980	3.75%
2049	112,744	33,236	145,980	3.75%
2050	117,062	28,918	145,980	3.75%
2051	121,452	24,528	145,980	3.75%
2052	126,061	19,919	145,980	3.75%
2053	130,693	15,288	145,981	3.75%
2054	135,635	10,345	145,980	3.75%
2055	140,543	5,259	145,802	3.75%
Total	\$ 2,819,565	\$ 2,289,559	\$ 5,109,124	

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

IFA Bus Or #B01003

IFA Loan with Business Oregon for Water System Improvements. Loan #B01003. Original balance \$1,596,800. Interest rate varies. Dated December 01, 2001.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 333,228	\$ -	\$ 78,773	\$ 254,455	\$ 84,516
Interest	-	18,250	18,250	-	13,997
Total	<u>\$ 333,228</u>	<u>\$ 18,250</u>	<u>\$ 97,023</u>	<u>\$ 254,455</u>	<u>\$ 98,513</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 84,516	\$ 13,997	\$ 98,513	5.37%
	2022	73,811	9,348	83,159	5.37%
	2023	96,128	5,289	101,417	5.37%
Total		<u>\$ 254,455</u>	<u>\$ 28,634</u>	<u>\$ 283,089</u>	

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

IFABus Or #G01001

IFA Loan with Business Oregon for Pioneer Valley Estates Water System. Loan #G01001. Original balance \$1,251,270. Interest rate 5.37%. Dated December 01, 2001.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 525,515	\$ -	\$ 65,958	\$ 459,557	\$ 66,550
Interest	-	28,837	28,837	-	25,276
Total	\$ 525,515	\$ 28,837	\$ 94,795	\$ 459,557	\$ 91,826

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 66,550	\$ 25,276	\$ 91,826	5.37%
	2022	72,185	21,615	93,800	5.37%
	2023	72,856	17,645	90,501	5.37%
	2024	78,563	13,638	92,201	5.37%
	2025	84,308	9,317	93,625	5.37%
	2026	85,095	4,680	89,775	5.37%
Total		\$ 459,557	\$ 92,171	\$ 551,728	

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

IFA OBDD #S19007

IFA Loan with Oregon Business Development Department loan #S19007 Safe Drinking Water Revolving Loan Fund for Water System Improvements in drawdown. Original balance \$6,530,000 with forgivable amount of \$780,000. Interest rate 1.00%. Dated December 27, 2018. As of June 30, 2020, the loan is in drawdown and therefore an amortization schedule has not been established.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ -	\$ 150,592	\$ -	\$ 150,592	\$ -
Interest	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 150,592</u>	<u>\$ -</u>	<u>\$ 150,592</u>	<u>\$ -</u>

ACCOMPANYING
INFORMATION

CITY OF COBURG
INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2020

To the Governing Body of the City of Coburg
Coburg, Oregon

I have audited the basic financial statements of the City of Coburg as of and for the year ended June 30, 2020, and have issued my report thereon dated December 11, 2020. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

I performed procedures to the extent I 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.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways and roads (ORS Chapters 294, 368 & 373).**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with my testing nothing came to my attention that caused us to believe the City 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, with the following exceptions:

- There was an over expenditure in the Public Works Administration department for the General Fund. See the Over expenditure note disclosure for details.

OAR 162-10-0230 Internal Control

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

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



Steven L. Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 11, 2020