



AGENDA

FINANCE | AUDIT COMMITTEE

91136 N Willamette Street

541-682-7852 | coburgoregon.org

Tuesday, March 26, 2024 at 5:30 PM

CALL TO ORDER

ROLL CALL

AGENDA REVIEW

MINUTES APPROVAL

- [1.](#) Minutes November 1, 2023 Fiance Audit Meeting

COMMITTEE BUSINESS

- [2.](#) Finance Department Updates
- [3.](#) Audit Presentation for the **City of Coburg** through June 30, 2023
- [4.](#) Audit Presentation for the **Urban Renewal Agency** through June 30, 2023
- [5.](#) Financial Report

CITY UPDATES

- [6.](#) Council Framework and Objectives
- [7.](#) Capital Improvements Plan
- [8.](#) March City Administration Monthly Report

FUTURE MEETINGS

April 9 City Council
April 23 Finance Audit Committee
May 7 Budget Committee

ADJOURNMENT

The City of Coburg will make reasonable accommodations for people with disabilities. Please notify City Recorder 72 hours in advance at 541-682-7852 or sammy.eqbert@ci.coburg.or.us

All Council meetings are recorded and retained as required by ORS 166-200-0235.



MINUTES

Coburg Finance | Audit Committee Meeting

November 1, 2023 at 5:30 P.M.

Coburg City Hall

91136 N Willamette Street

In-person meeting

MEMBERS PRESENT: Elise Landry; Chair, Terry Dawson; Vice Chair, Coleen Marshall

MEMBERS ABSENT: None

GUESTS/STAFF PRESENT: Gregory Peck; Finance Director

RECORDED BY: Madison Balcom; Administrative Assistant

CALL TO ORDER

Chair, Elise Landry called the Coburg Finance Audit Committee meeting to order at 5:31pm.

ROLL CALL

Ms. Landry called roll.

AGENDA REVIEW

Change approval of minutes from May 2, 2023 to August 10, 2023.

APPROVAL OF MINUTES FROM AUGUST 10, 2023

Ms. Landry noted a few changes;

On page 3, paragraph 8 – change “is” to “in”

Page 4, in heading – change “final” to “fiscal”, the same in following sentence.

MOTION

Coleen Marshall moved, seconded by Terry Dawson to approve the August 10, 2023 Coburg Finance Audit Committee minutes as amended.

The August 10, 2023 minutes were approved unanimously as 2:0

COMMITTEE BUSINESS

They reviewed the new committee member application and agreed to recommend to Mayor that Jeffrey Miliam be appointed to fill the vacancy.

Mr. Dawson asked Mr. Peck how he was doing within the position after losing Anne Heath and how things are going with the new City Administrator, also if there was anything they could do to help or support him with.

Mr. Peck explained how he was doing good adjusting without having Anne Heath to help, but that he has lots of support and help from the staff, and had immediate support of Adam Hanks. He also stated that they are changing the processes a little bit.

Mr. Dawson said the committee is happy to assist him if he ever needed any help.

FINANCE UPDATE/SPRINGBROOK

Mr. Peck gave a report on Springbrook. He explained how they are trying to reconcile the last 3 months, and working on changing into the new software. They hope to be utilizing much more of the software by January or February, which we are only using about 5% of currently. He explained how the workload is huge, and moving some things over onto this software and utilizing more of the system will help with some of that.

He also went over the details of the financial consultant that they have brought on, that they have up to 25 hours a month. He is hoping to produce some financial reports for the council at the next City Council meeting. They are trying to set everything up to be able to push through the system, and get things moving, hopefully by January, maybe February.

He moved on to talk about the Springbrook training he just returned from, and explained the history with Springbrook and their major improvements. He said they use a third party for the payroll, which creates much more work for him because it has to all be put in manually. With Springbrook, they would do the payroll and it would be much more efficient.

Mr. Peck said that the conference was good, but at times felt too advanced. As they begin to utilize the system more and get more familiar with it, things will change and become better. He commented that the city has come a long way and is in such good shape.

DISCUSS FISCAL POLICIES AND ACCOUNTING PROCEDURES

Mr. Peck mentioned that he and Adam Hanks talked about how the Fiscal Policies and Accounting Procedures should be separate documents. Mr. Hanks recommended them to continue editing this document, and they will then take it back to staff and use it for future use.

Ms. Landry begins on page 21. In the section "Grants and Contracts" number 5, they propose a separation of grants and loans.

In the section "Building Permits", under number 2, they note a change of "on-line" to "online", under number 3, changing "on-line site each day" to "online site", and "same way that all City deposits are made" to "manner consistent with City deposit procedures".

They noted to get more detail put under the "Land Use Applications/SCD's" section. In the next section "Facilities use Permit/Special Events", they note a removal of "use" in the title, and a change of "should" to "will" in the sentence underneath.

They move to the section "Court Administration Procedures", and note a removal of the whole first sentence underneath the heading, adding "citation" into number 1, changing "will issue" to "issues", and adding "then" after "instrument and" in number 2. They note the removal of "enter" in "and enter receipts", and removing the last sentence in number 5. In number 7, they add "on" into the sentence between "based" and "information", and change the last sentence to read as "... paid that day or a payment plan is established". They noted to ask if number 9 was needed, and if they could combine number 10 and 11.

They stopped on page 24.

NEXT MEETING

They scheduled the next meeting for January 24th, 2024.

ADJOURNMENT

Ms. Landry adjourned the meeting at 7:00 pm.

APPROVED by the Finance Audit Committee of the City of Coburg on this ____ day of _____, 2023.

Elise Landry, Finance Audit Chair

ATTEST: _____
Sammy L. Egbert, City Recorder

CITY OF COBURG



COBURG, OREGON

Annual Financial Report

June 30, 2023

CITY OF COBURG

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

MAYOR AND CITY COUNCIL

| | |
|---|-----------|
| NANCY BELL PO Box 8316, Coburg, OR 97408 | Mayor |
| JOHN LEHMAN PO Box 8316, Coburg, OR 97408 | Councilor |
| KYLE BLAIN PO Box 8316, Coburg, OR 97408 | Councilor |
| JOHN FOX PO Box 8316, Coburg, OR 97408 | Councilor |
| CLAIRE SMITH PO Box 8316, Coburg, OR 97408 | Councilor |
| CATHY ENGBRETSON PO Box 8316, Coburg, OR 97408 | Councilor |
| ALAN WELLS PO Box 8316, Coburg, OR 97408 | Councilor |

ADMINISTRATION

| | |
|---|--------------------|
| ADAM HANKS PO Box 8316, Coburg, OR 97408 | City Administrator |
| GREGORY PECK PO Box 8316, Coburg, OR 97408 | Finance Director |

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CITY OF COBURG

AUDIT REPORT

JUNE 30, 2023

DRAFT B

Item 3.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Coburg's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Coburg's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-12, schedules of revenues, expenditures, and changes in fund balances – budget and actuals on pages 64-66, and the pension and OPEB schedules on pages 67-71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules of revenues, expenditures, and changes in fund balances – budget and actuals described on pages 64-66 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 our 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.

Supplementary Information

Our 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 supplementary information on pages 73-74 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Coburg.

The supplementary information on pages 73-74 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 our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

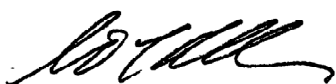
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

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

Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated March 9, 2024, on our 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 our testing of compliance and the results of that testing and not to provide an opinion on the City's compliance.



Steve Tuhscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
March 9, 2024

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

CITY OF COBURG**Management's Discussion and Analysis (MD&A)****For the Fiscal Year Ended June 30, 2023****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, 2023. This discussion and analysis evaluate the City's financial performance. 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, 2023, are as follows:

- The City's net position increased by \$1,003,549, a 5.6% increase from the previous year. This increase is primarily the result of a growth in capital assets of \$ 2,631,232.
- Total revenues, not including transfers, for the City was \$6,576,694. That is a increase from the previous year total revenue of \$5,773,879.
- The City's total assets as indicated on the statement of net position were \$37,547,537 at year end. This is a \$2,205,971 increase over prior year end.
- The City's total liabilities as indicated on the statement of net position were \$18,663,189 at year end. This is a \$1,440,977 increase over prior year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduce 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. This report also includes required supplementary information, other supplementary data, and accompanying information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. The City-wide statement of financial position presents information including all the City's assets, deferred inflows, deferred outflows, liabilities, and the resulting net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Evaluation of the City's overall economic health 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 that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues. The city's governmental activities include general government activities, street construction and maintenance, police services, and providing resources for libraries, 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, 2023****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. 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 individual fund statements in a later section of this report. The City reports three types of funds:

Governmental funds 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 government-wide financial statements, these statements report short-term fiscal accountability focusing on the 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. 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 financial statements provide separate information for the Water and Sewer Fund. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Fiduciary Funds such as custodial funds are reported in the fiduciary fund financial statement but are excluded from government-wide reporting. Fiduciary fund financial statements report only net assets and net liabilities.

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, 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 not included in the Required Supplementary Information section can be found in the Supplementary Information section, combining statements and additional supporting schedules. These statements and schedules immediately follow this report's Required Supplementary Information section.

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

CITY OF COBURG**Management's Discussion and Analysis (MD&A)****For the Fiscal Year Ended June 30, 2023****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 \$18,992,229, an increase of \$1,003,549 (5.6%). Impacting factors include increased capital assets and decreased bonds payable, net of premium.

A significant portion of the City's net position 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 still outstanding assets. 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 a 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

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--------------------------------------|--------------------------------|--------------|---------------------------------|---------------|---------------|---------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Assets | | | | | | |
| Current and Other Assets | \$ 1,774,597 | \$ 1,783,879 | \$ 3,737,746 | \$ 4,153,725 | \$ 5,512,343 | \$ 5,937,604 |
| Capital Assets | 4,315,798 | 2,982,609 | 27,719,395 | 26,421,352 | 32,035,193 | 29,403,961 |
| Total Assets | 6,090,395 | 4,766,488 | 31,457,141 | 30,575,077 | 37,547,536 | 35,341,566 |
| Deferred Outflow of Resources | 622,051 | 797,879 | 49,923 | 68,187 | 671,974 | 866,066 |
| Liabilities | | | | | | |
| Current Liabilities | 388,698 | 291,775 | 1,041,483 | 897,726 | 1,430,181 | 1,189,501 |
| Long-Term Liabilities | 2,476,336 | 1,366,081 | 14,756,672 | 14,666,630 | 17,233,008 | 16,032,711 |
| Total Liabilities | 2,865,034 | 1,657,856 | 15,798,155 | 15,564,356 | 18,663,189 | 17,222,212 |
| Deferred Inflow of Resources | 396,266 | 744,577 | 167,826 | 252,161 | 564,092 | 996,738 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 2,823,327 | 2,474,402 | 12,342,385 | 11,030,083 | 15,165,712 | 13,504,485 |
| Restricted | 1,552,952 | 636,485 | 1,933,256 | 1,626,183 | 3,486,208 | 2,262,668 |
| Unrestricted | (925,134) | 51,045 | 1,265,442 | 2,170,481 | 340,308 | 2,221,526 |
| Total Net Position | \$ 3,451,145 | \$ 3,161,932 | \$ 15,541,083 | \$ 14,826,747 | \$ 18,992,228 | \$ 17,988,680 |

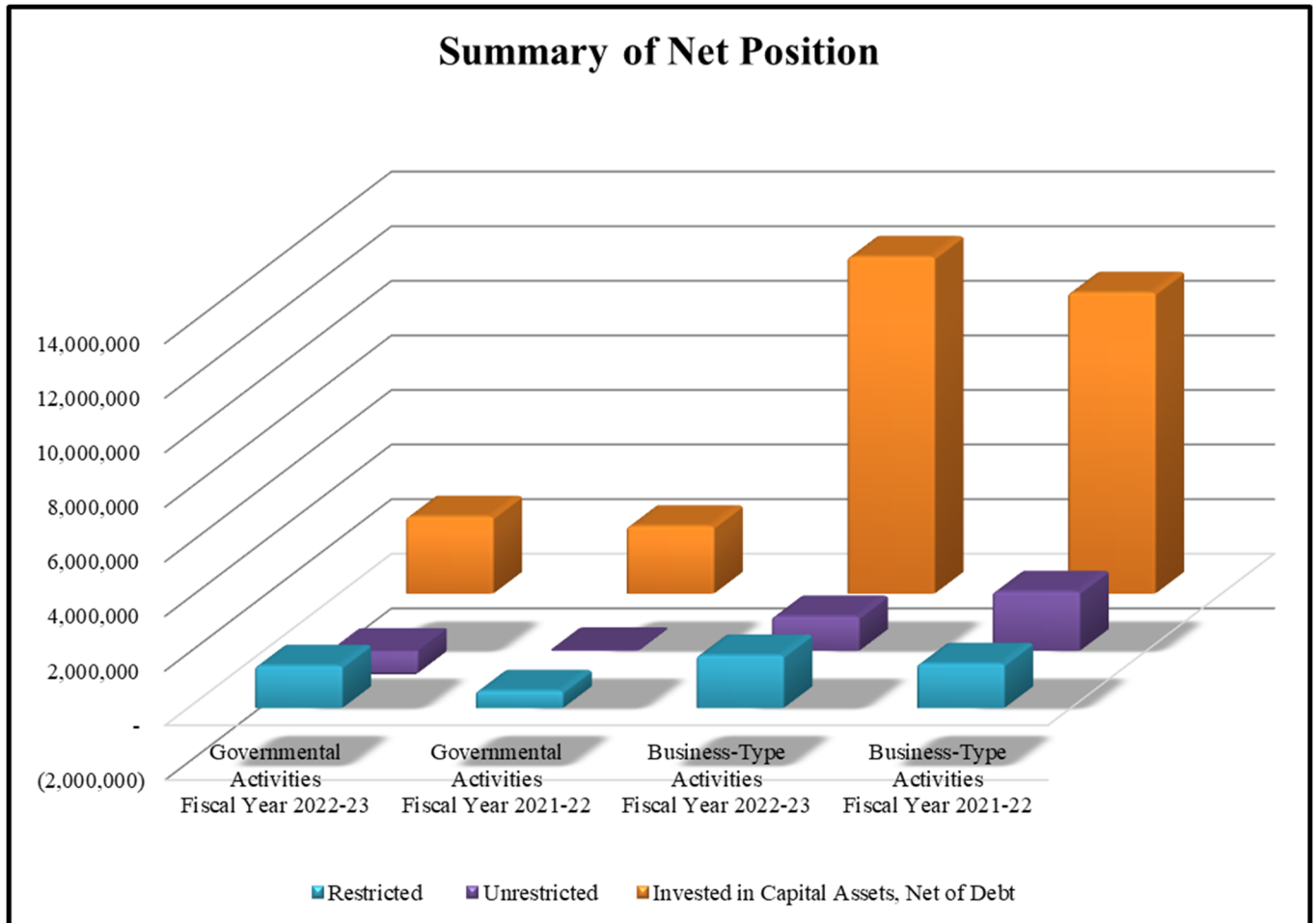
CITY OF COBURG

Management’s Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2023

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, 2023****Unaudited**

Changes in net position - The City's total revenues for the fiscal year ended June 30, 2023, were \$6,576,694. The total cost of all programs and services was \$5,551,326. 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 | |
|---|-------------------------|------------------|--------------------------|-------------------|---------------------|-------------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 1,138,567 | \$ 1,210,595 | \$ 2,589,717 | \$ 1,965,692 | \$ 3,728,284 | \$ 3,176,287 |
| Operating Grants and Contributions | 200,767 | 253,472 | - | - | 200,767 | 253,472 |
| Total Program Revenues | 1,339,334 | 1,464,067 | 2,589,717 | 1,965,692 | 3,929,051 | 3,429,759 |
| General Revenues | | | | | | |
| Local Sources | | | | | | |
| Property Taxes, Franchise Fees, & Public Service Taxes | 2,038,850 | 1,989,244 | - | - | 2,038,850 | 1,989,244 |
| Interest & Investment Earnings | 270,687 | 11,404 | 74,440 | 12,606 | 345,127 | 24,010 |
| Other Revenues | 263,666 | 28,296 | - | - | 263,666 | 28,296 |
| Total General Revenues | 2,573,203 | 2,028,944 | 74,440 | 12,606 | 2,647,643 | 2,041,550 |
| Total Revenues | 3,912,537 | 3,493,011 | 2,664,157 | 1,978,298 | 6,576,694 | 5,471,309 |
| Program Expenses | | | | | | |
| General Government | 1,170,450 | 1,444,904 | - | - | 1,170,450 | 1,444,904 |
| Public Safety | 903,421 | 867,896 | - | - | 903,421 | 867,896 |
| Public Works | 1,079,236 | 704,075 | - | - | 1,079,236 | 704,075 |
| Culture and Recreation | 37,999 | 54,492 | - | - | 37,999 | 54,492 |
| Urban Renewal Projects | 376,695 | 12,071 | - | - | 376,695 | 12,071 |
| Interest on Long-Term Debt | 14,845 | 16,267 | - | - | 14,845 | 16,267 |
| Utility Services | | | | | | |
| Water Utilities | - | - | 575,917 | 799,668 | 575,917 | 799,668 |
| Sewer Utilities | - | - | 1,392,763 | 1,319,074 | 1,392,763 | 1,319,074 |
| Total Program Expenses | 3,582,646 | 3,099,705 | 1,968,680 | 2,118,742 | 5,551,326 | 5,218,447 |
| Transfers | (40,677) | (375,000) | 40,677 | 375,000 | - | - |
| Change in Net Position | <u>\$ 289,215</u> | <u>\$ 18,306</u> | <u>\$ 736,154</u> | <u>\$ 234,556</u> | <u>\$ 1,025,368</u> | <u>\$ 252,862</u> |

CITY OF COBURG

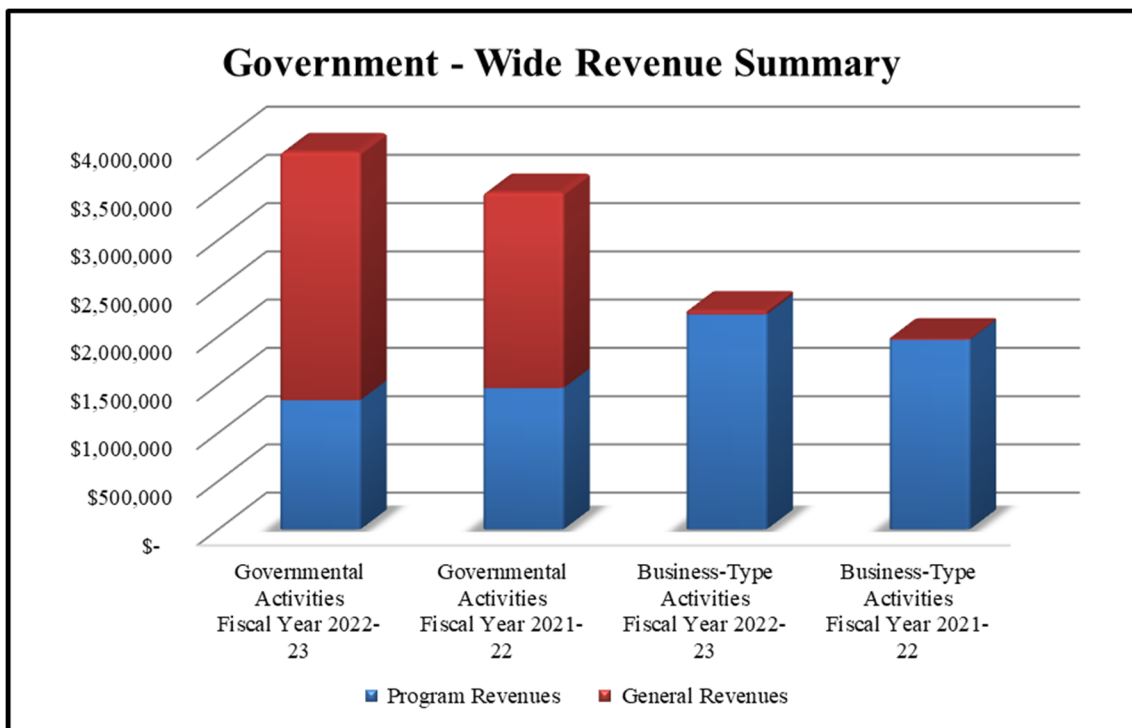
Management’s Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2023

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 minus charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the City’s taxpayers by each function.

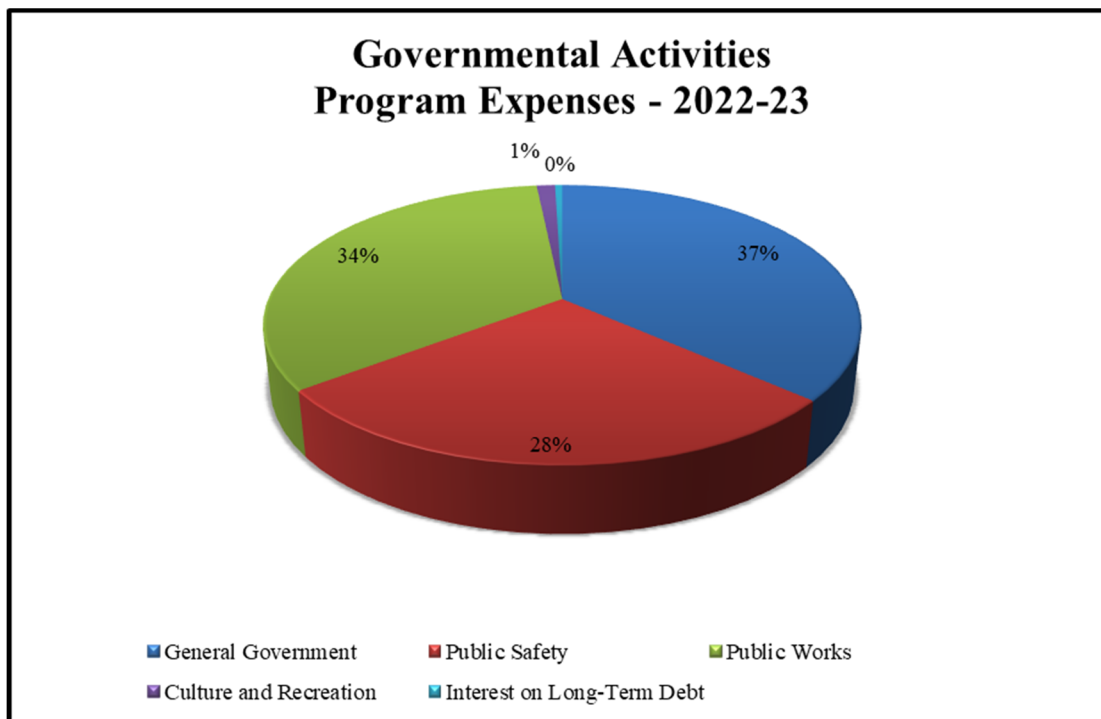
The following chart analyzes the revenue between governmental and business-type activities from the prior to the current year.



CITY OF COBURG

Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

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



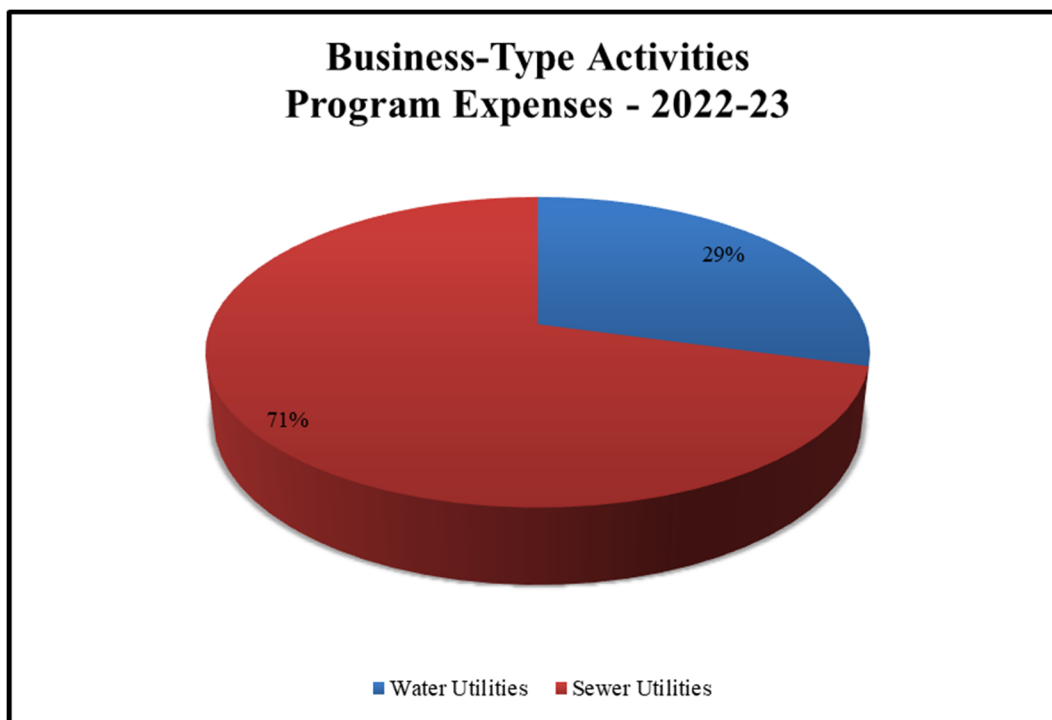
The expenses for governmental activities slightly increased by \$482,941, with Public Works seeing the largest increase of \$375,161.

Governmental Activities

| | Total Cost of Services | | Net (Cost) Profit of Services | |
|-------------------------------|------------------------|---------------------|-------------------------------|-----------------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| General Government | \$ 1,170,450 | \$ 1,444,904 | \$ (969,683) | \$ (1,250,479) |
| Public Safety | 903,421 | 867,896 | (903,421) | (726,213) |
| Public Works | 1,079,236 | 704,075 | (45,564) | 320,219 |
| Culture and Recreation | 37,999 | 54,492 | 66,896 | 49,173 |
| Urban Renewal Projects | 376,695 | 12,071 | (376,695) | (12,071) |
| Interest Expense | 14,845 | 16,267 | (14,845) | (16,267) |
| Total Program Expenses | \$ 3,582,646 | \$ 3,099,705 | \$ (2,243,312) | \$ (1,635,638) |

CITY OF COBURG**Management's Discussion and Analysis (MD&A)****For the Fiscal Year Ended June 30, 2023****Unaudited**

This graph represents the cost of the City's Program expenses by Business Type activities.



The business-type activities incurred a sum of \$1,968,680 in program expenses. Notably, water-related expenses experienced a decline of \$223,751, while sewer-related expenses witnessed an increase of \$73,689.

Business-Type Activities

| | <u>Total Cost of Services</u> | | <u>Net (Cost) Profit of Services</u> | |
|------------------------|-------------------------------|---------------------|--------------------------------------|---------------------|
| | <u>2022-23</u> | <u>2021-22</u> | <u>2022-23</u> | <u>2021-22</u> |
| Water Utilities | \$ 575,917 | \$ 799,668 | \$ 519,362 | \$ 161,209 |
| Sewer Utilities | <u>1,392,763</u> | <u>1,319,074</u> | <u>101,675</u> | <u>(314,259)</u> |
| Total Program Expenses | <u>\$ 1,968,680</u> | <u>\$ 2,118,742</u> | <u>\$ 621,037</u> | <u>\$ (153,050)</u> |

CITY OF COBURG

Management’s Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2023

Unaudited

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 City’s governmental funds focus on providing information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. An unrestricted 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

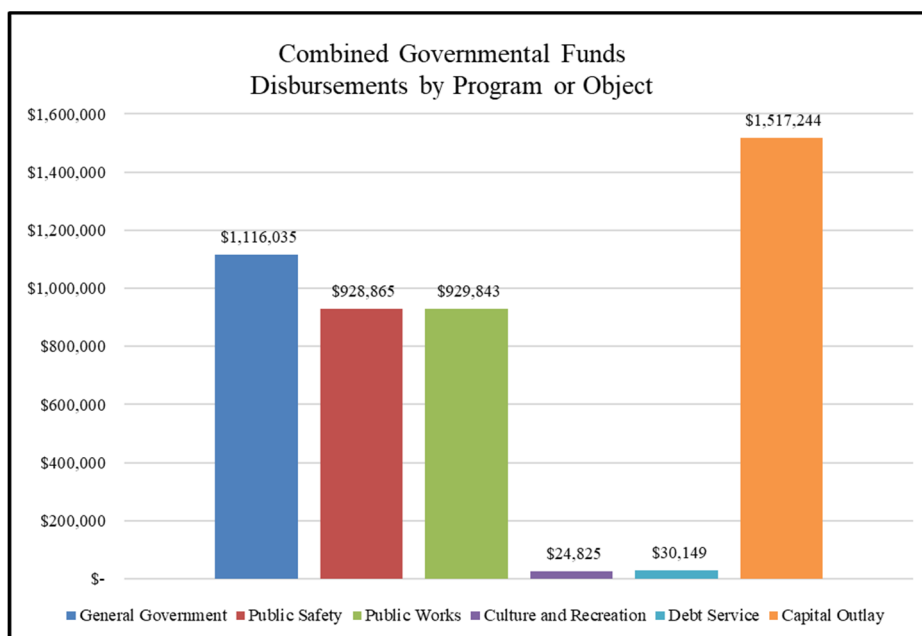
As the City completed the year, its governmental funds reported a combined balance of \$1,466,974. The fund balance constitutes restricted, committed, and unassigned amounts. Of the current fund balances, a total of \$1,529,839 is restricted funds, including \$829,120 for Systems Development and \$36,504 for Urban Renewal Projects. Of the current fund balance, a total of \$(1,679,499) is committed funds, including \$(1,682,712) for Public Works and \$3,213 for Community Development Projects. The remaining balance of \$1,616,634 is considered unassigned funds and can be spent at the City’s discretion.

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 \$255,685, committed fund balance was \$3,213 for community development projects and restricted fund balance was \$192,958 for Systems Development totaling \$451,856 as the ending total fund balance.

At the end of the current fiscal year, the restricted fund balance of the Street Fund was \$1,300,377 for systems development. The committed fund balance was \$(1,682,712) for Public Works. The total Fund balance was \$912,138.

At the end of the current fiscal year, the fund balance of the Coburg Urban Renewal Agency Fund was \$102,980, of which all is restricted to Urban Renewal Projects for \$36,504 and the remaining \$66,476 considered unassigned funds and can be spent at the City’s discretion.

The following is a comparison of current expenditures by program of government funds.



CITY OF COBURG

Management’s Discussion and Analysis (MD&A)

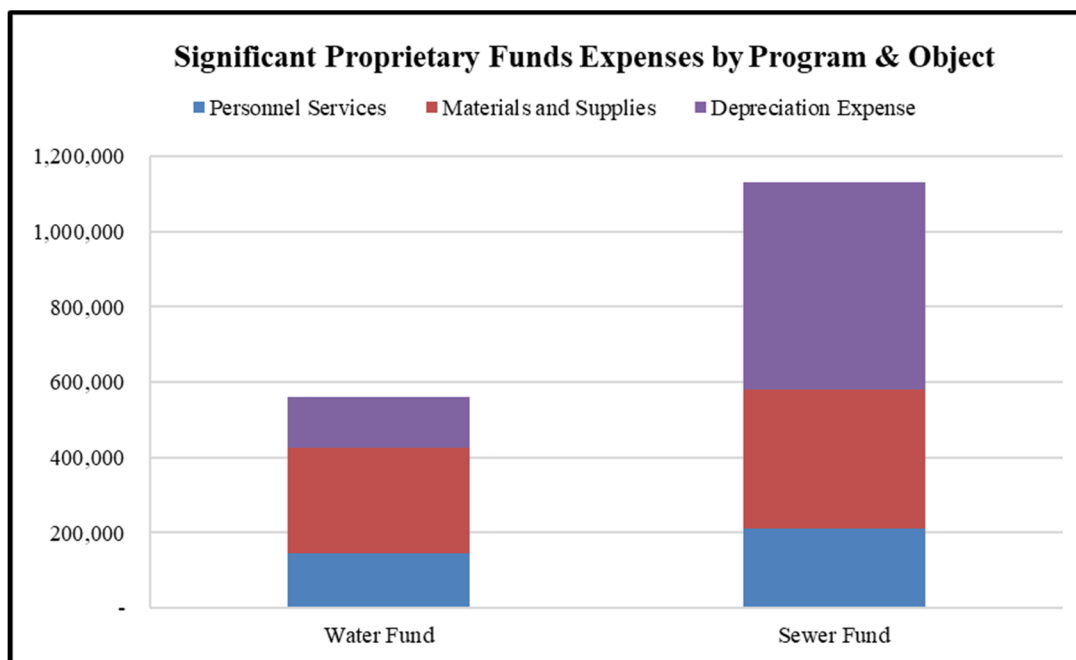
For the Fiscal Year Ended June 30, 2023

Unaudited

Proprietary Funds

The City’s enterprise funds reported a total net position of \$15,541,083, an increase of \$714,336. This is primarily attributed to an increase in capital assets. The enterprise funds also report \$1,933,256 in restricted net position, which includes debt service of \$672,161, \$1,259,085 for Systems Development, and \$2,010 for Net OPEB Asset. Capital Assets' net of related debt was \$12,342,385, which includes sewer and water infrastructure, buildings, and equipment.

The following is a comparison of current expenses by program of 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 the hours charged to each department.

Budgetary Highlights

General Fund revenues were budgeted and anticipated to be collected in the amount of \$3,509,933 during the fiscal year. Actual revenues of \$2,755,963 were available, which was \$753,970 less than budgeted. This is primarily attributed to actual grant and donation revenues being \$541,220 lower than budgeted. The General Fund expenditures budget was under-spent by \$811,121. The ending fund balance of \$451,856 was \$208,980 less than budgeted.

CITY OF COBURG**Management's Discussion and Analysis (MD&A)****For the Fiscal Year Ended June 30, 2023****Unaudited****CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

As of June 30, 2023, the City had invested, before net reduction for accumulated depreciation, \$39,910,156 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 \$3,564,556 from the prior year due to the addition of capital assets in fiscal year 2023. There were no deletions.

Total depreciation expense for the year was \$933,324; of which \$250,350 is associated with governmental activities with the remainder of \$682,973 associated with the water and sewer funds. Additional information on the City's capital assets can be found in this report's Capital Asset Note in the Notes to the Basic Financial Statements section.

Long-Term Debt

By June 30, 2023, the City had total long-term debt outstanding of \$16,869,481, an increase of \$970,005. The principal paid on long-term debt was \$815,542, while interest paid was \$243,464. Issuance of new long-term debt of \$302,570. 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**Economic Factors**

In the 2022-23 fiscal year, the City of Coburg made significant progress in economic development. Several projects were completed to enhance economic vitality and community pride. These include the establishment of a non-profit, a downtown business directory, flower baskets, a new Main Street logo, and the revival of various community events. The City will continue to achieve its goals and projects while navigating any challenges.

Budget

The City adopted a budget of \$17,969,888 for the fiscal year ending on June 30, 2024. This budget represents an increase of \$866,051 over the previous year. Out of the total budget, \$15,141,411 has been allocated to different funds, including \$3,536,284 for the General Fund, \$2,524,462 for the Street Fund, \$6,900,055 for the Water Fund, and \$2,280,610 for the Sewer Fund. The remaining balance of \$2,828,477 are unappropriated and available to be used at the City's discretion.

Rate

Permanent Tax Rate for 2023-24: \$3.7506/\$1000.

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, 2023

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------------|
| <u>ASSETS:</u> | | | |
| Current Assets: | | | |
| Cash and Investments | \$ 1,661,397 | \$ 2,671,363 | \$ 4,332,761 |
| Accounts Receivable | 13,089 | 231,475 | 244,564 |
| LID Liens Receivable | - | 44,998 | 44,998 |
| SDCs Receivable | 29,997 | 115,739 | 145,736 |
| Property Taxes Receivable | 47,001 | - | 47,001 |
| Total Current Assets | <u>1,751,484</u> | <u>3,063,575</u> | <u>4,815,060</u> |
| Restricted Assets: | | | |
| Sinking Funds for Debt Service | - | 672,161 | 672,161 |
| Net OPEB Asset (RHIA) | 23,113 | 2,010 | 25,123 |
| Total Restricted Assets | <u>23,113</u> | <u>674,171</u> | <u>697,284</u> |
| Capital Assets, Net of Accumulated Depreciation | <u>4,315,798</u> | <u>27,719,395</u> | <u>32,035,193</u> |
| Total Assets | <u>6,090,395</u> | <u>31,457,141</u> | <u>37,547,537</u> |
| <u>DEFERRED OUTFLOW OF RESOURCES:</u> | | | |
| Pension Related Deferrals | 611,984 | 49,051 | 661,035 |
| OPEB Related Deferrals - RHIA | 1,073 | 90 | 1,163 |
| OPEB Related Deferrals - CIS | 8,994 | 782 | 9,776 |
| Total Deferred Outflow of Resources | <u>622,051</u> | <u>49,923</u> | <u>671,974</u> |
| <u>LIABILITIES:</u> | | | |
| Current Liabilities: | | | |
| Due to Component Unit | | | |
| Accounts Payable | 90,098 | 271,318 | 361,416 |
| Payroll Payable | 123,063 | - | 123,063 |
| Accrued Compensated Absences | 66,215 | - | 66,215 |
| Interest Payable | 2,262 | 52,205 | 54,467 |
| Customer Deposits | - | 2,759 | 2,759 |
| Current Portion of Long-Term Liabilities: | | | |
| Notes Payable | 92,060 | 545,201 | 637,261 |
| Bonds Payable | 15,000 | 170,000 | 185,000 |
| Total Current Liabilities | <u>388,698</u> | <u>1,041,483</u> | <u>1,430,181</u> |
| Long-Term Liabilities: | | | |
| Noncurrent Portion of Long-Term Liabilities: | | | |
| Notes Payable | 907,440 | 8,996,584 | 9,904,024 |
| Bonds Payable, Net of Premium | 477,971 | 5,665,225 | 6,143,196 |
| Net OPEB Obligation - CIS | 42,863 | 3,727 | 46,590 |
| Net Pension Liability | 1,048,062 | 91,136 | 1,139,198 |
| Total Long-Term Liabilities | <u>2,476,336</u> | <u>14,756,672</u> | <u>17,233,008</u> |
| Total Liabilities | <u>2,865,034</u> | <u>15,798,155</u> | <u>18,663,189</u> |
| <u>DEFERRED INFLOW OF RESOURCES:</u> | | | |
| Receivables Currently not Collectable | - | 133,368 | 133,368 |
| Deferred Earnings on Pension Assets | 366,585 | 31,877 | 398,462 |
| OPEB Related Deferrals - RHIA | 5,677 | 2,044 | 7,721 |
| OPEB Related Deferrals - CIS | 24,004 | 537 | 24,541 |
| Total Deferred Inflow of Resources | <u>396,266</u> | <u>167,826</u> | <u>564,092</u> |
| <u>NET POSITION:</u> | | | |
| Net Investment in Capital Assets | 2,823,327 | 12,342,385 | 15,165,712 |
| Restricted for: | | | |
| Systems Development | 829,120 | 1,259,085 | 2,088,206 |
| Debt Service | - | 672,161 | 672,161 |
| Public Works | 664,215 | - | 664,215 |
| Urban Renewal Projects | 36,504 | - | 36,504 |
| Net OPEB Asset | 23,113 | 2,010 | 25,123 |
| Unrestricted | <u>(925,134)</u> | <u>1,265,442</u> | <u>340,308</u> |
| Total Net Position | <u>\$ 3,451,145</u> | <u>\$ 15,541,083</u> | <u>\$ 18,992,229</u> |

CITY OF COBURG
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

| | Expenses | Program Revenues | | | Net (Expense) Revenue and Change in Net Position |
|--|---------------------|----------------------------|---|---|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| <u>GOVERNMENTAL ACTIVITIES:</u> | | | | | |
| General Government | \$ 1,170,450 | \$ - | \$ 200,767 | \$ - | \$ (969,683) |
| Public Safety | 903,421 | - | - | - | (903,421) |
| Public Works | 1,079,236 | 1,033,672 | - | - | (45,564) |
| Culture and Recreation | 37,999 | 104,895 | - | - | 66,896 |
| Urban Renewal Projects | 376,695 | - | - | - | (376,695) |
| Interest Expense | 14,845 | - | - | - | (14,845) |
| Total Governmental Activities | 3,582,646 | 1,138,567 | 200,767 | - | (2,243,312) |
| <u>BUSINESS-TYPE ACTIVITIES:</u> | | | | | |
| Water Utilities | 575,917 | 1,095,279 | - | - | 519,362 |
| Sewer Utilities | 1,392,763 | 1,494,438 | - | - | 101,675 |
| Interest on Long-Term Debt | | | | | |
| Total Business-type Activities | 1,968,680 | 2,589,717 | - | - | 621,037 |
| Total Primary Government | \$ 5,551,326 | \$3,728,284 | \$ 200,767 | \$ - | \$ (1,622,275) |
| | | | Governmental Activities | Business-type Activities | Total |
| <u>CHANGES IN NET POSITION:</u> | | | | | |
| Net (expense) revenue | | | \$ (2,243,312) | \$ 621,037 | \$ (1,622,275) |
| General Revenues: | | | | | |
| Property Taxes, levied for general purposes | | | 903,639 | - | 903,639 |
| Property Taxes, levied for urban renewal programs | | | 436,017 | - | 436,017 |
| Intergovernmental Tax Turnovers | | | 475,286 | - | 475,286 |
| Franchise Taxes | | | 223,908 | - | 223,908 |
| Interest and Investment Earnings | | | 270,687 | 74,440 | 345,127 |
| Other Revenue | | | 263,666 | - | 263,666 |
| Subtotal - General Revenues | | | 2,573,203 | 74,440 | 2,647,643 |
| Interfund Transfers | | | (40,677) | 40,677 | - |
| Total general revenues, special items, and transfers | | | 2,532,526 | 115,117 | 2,647,643 |
| Change in Net Position | | | 289,214 | 736,155 | 1,025,369 |
| Net Position, July 1, 2022 | | | 3,161,932 | 14,804,929 | 17,966,861 |
| Net Position, June 30, 2023 | | | \$ 3,451,145 | \$ 15,541,083 | \$ 18,992,229 |

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, 2023

| | <u>Component Unit</u> | | | |
|---|------------------------------|------------------------|--|---|
| | General Fund | Street Fund | Urban Renewal Agency Fund | Total Governmental Funds |
| <u>ASSETS:</u> | | | | |
| Cash and Investments | \$ 638,525 | \$ 921,290 | \$ 101,582 | \$ 1,661,397 |
| Receivables: | | | | |
| Accounts, net | 715 | 12,375 | - | 13,090 |
| System Development Charges | 29,997 | - | - | 29,997 |
| Property Tax | 31,594 | - | 15,407 | 47,001 |
| Total Assets | \$ 700,831 | \$ 933,665 | \$ 116,989 | \$ 1,751,485 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u> | | | | |
| LIABILITIES: | | | | |
| Accounts Payable | 67,385 | 22,713 | \$ - | \$ 90,098 |
| Payroll Payable | 123,063 | - | - | 123,063 |
| Total Liabilities | 190,448 | 22,713 | - | 213,161 |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Delinquent Property Tax Revenue Not Available | 28,530 | - | 14,009 | 42,539 |
| Uncollected SDC Revenue | 29,997 | (1,186) | - | 28,811 |
| Total Deferred Inflows of Resources | 58,527 | (1,186) | 14,009 | 71,350 |
| FUND BALANCES: | | | | |
| Restricted for: | | | | |
| Public Works | - | 664,215 | - | 664,215 |
| Systems Development | 192,958 | 636,162 | - | 829,120 |
| Urban Renewal Projects | - | - | 36,504 | 36,504 |
| Committed for: | | | | |
| Public Works | - | (1,682,712) | - | (1,682,712) |
| Community Development Projects | 3,213 | - | - | 3,213 |
| Unassigned | 255,685 | 1,294,473 | 66,476 | 1,616,634 |
| Total Fund Balances | 451,856 | 912,138 | 102,980 | 1,466,974 |
| Total Liabilities, Deferred Inflows of Resources & Fund Balances | \$ 700,831 | \$ 933,665 | \$ 116,989 | \$ 1,751,485 |

CITY OF COBURG
RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For the Fiscal Year Ended June 30, 2023

| | | |
|---|--------------------|----------------------------|
| Total Fund Balances - Governmental Funds | | \$ 1,466,974 |
| 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 - | \$ 5,600,654 | |
| The accumulated depreciation is - | <u>(1,284,856)</u> | |
| Net Value of Assets | | 4,315,798 |
| Net pension assets reported in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| | | 23,113 |
| Certain receivables that will not be available to pay for current-period expenditures are deferred in the governmental funds: | | |
| Property Taxes | 42,539 | |
| Assessments | <u>28,812</u> | |
| | | 71,351 |
| Deferred inflows and outflows of pension and opeb contributions and earnings are not reported in the governmental funds | | |
| Pension and OPEB Related Deferrals | | 225,784 |
| Interest Payable is not recorded in the governmental funds: | | |
| Accrued Compensated Absences are not recorded in the governmental funds: | | |
| | | (66,215) |
| Interest Payable is not recorded in the governmental funds: | | |
| | | (2,263) |
| 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>(2,583,396)</u> |
| Net Position of Governmental Activities | | <u>\$ 3,451,145</u> |

CITY OF COBURG
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

| | <u>Component Unit</u> | | | |
|--|------------------------------|---------------------------|---|--|
| | <u>General Fund</u> | <u>Street Fund</u> | <u>Urban Renewal Agency Fund</u> | <u>Total Governmental Funds</u> |
| <u>REVENUES:</u> | | | | |
| Taxes and Assessments | \$ 905,168 | \$ - | \$ 436,017 | \$ 1,341,185 |
| Intergovernmental | 74,980 | 400,306 | - | 475,286 |
| Franchise Taxes | 223,908 | - | - | 223,908 |
| Licenses & Permits | 170,558 | - | - | 170,558 |
| Charges for Service | 104,895 | - | - | 104,895 |
| Fines and Forfeitures | 11,865 | 9,410 | 7,154 | 28,429 |
| Investment Revenue | 130,687 | 140,000 | - | 270,687 |
| Grants and Donations | 200,767 | - | - | 200,767 |
| Interdepartmental Charges | 878,804 | - | - | 878,804 |
| Other Revenue | 54,331 | 209,335 | - | 263,666 |
| Total Revenues | <u>2,755,963</u> | <u>759,051</u> | <u>443,171</u> | <u>3,958,185</u> |
| <u>EXPENDITURES:</u> | | | | |
| Current Operating: | | | | |
| General Government | 1,116,035 | - | - | 1,116,035 |
| Public Safety | 928,865 | - | - | 928,865 |
| Public Works | 563,245 | 366,598 | - | 929,843 |
| Culture and Recreation | 24,825 | - | - | 24,825 |
| Urban Renewal Projects | - | - | 376,695 | 376,695 |
| Debt Service: | | | | |
| Principal | 15,000 | - | - | 15,000 |
| Interest | 15,149 | - | - | 15,149 |
| Capital Outlay | 79,857 | 1,437,387 | - | 1,517,244 |
| Total Expenditures | <u>2,742,976</u> | <u>1,803,985</u> | <u>376,695</u> | <u>4,923,656</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 12,987 | (1,044,934) | 66,476 | (965,471) |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Proceeds from Primmisory Note | - | 999,500 | - | 999,500 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>999,500</u> | <u>-</u> | <u>999,500</u> |
| Net Change in Fund Balances | 12,987 | (45,434) | 66,476 | 34,029 |
| Fund Balances - July 1, 2022 | 438,869 | 957,572 | 36,504 | 1,432,945 |
| Fund Balances - June 30, 2023 | <u>\$ 451,856</u> | <u>\$ 912,138</u> | <u>\$ 102,980</u> | <u>\$ 1,466,974</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, 2023

| | | |
|---|------------------|-----------------------|
| Net Changes in Fund Balances - Total Governmental Funds | \$ | 34,029 |
| 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 | \$ 1,583,545 | |
| Less current year depreciation | <u>(250,350)</u> | 1,333,195 |
| 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 reported as deferred revenue. However, some of these amounts are recorded as revenue in the Statement of Activities. | | |
| The changes in amounts deferred are as follows: | | |
| Property Taxes | (1,535) | |
| System Development Charges | <u>(44,119)</u> | (45,654) |
| Expense accruals in the governmental funds do not include accrued interest expense payable. The change in payables from the prior year to the current year is as follows - | | |
| Changes to certain accruals are reflected in expenses in the Statement of Activities as follows: | | |
| Employee benefits amounts | | (9,046) |
| Interest Payable | | 68 |
| Amortization of Bond Premium | | 236 |
| 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. This amount is adjusted for the proceeds received by the City at the time the promissory note was entered into. | | |
| | | (999,500) |
| 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 | | |
| General Obligations Bonds | <u>15,000</u> | 15,000 |
| Adjustment for pension costs not reported on the governmental fund financial statements on a modified accrual basis are included as adjustments to expenses on an accrued basis are as follows: | | |
| | | <u>(39,114)</u> |
| Change in Net Position of Governmental Activities | \$ | <u>289,214</u> |

BASIC FINANCIAL
STATEMENTS

Proprietary Fund
Financial Statements

CITY OF COBURG
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023

| | <u>Enterprise Funds</u> | | <u>Total Proprietary Funds</u> |
|--|----------------------------|-----------------------------|--|
| | <u>Water Fund</u> | <u>Sewer Fund</u> | |
| <u>ASSETS:</u> | | | |
| Current Assets: | | | |
| Cash and Investments | \$ 1,239,040 | \$ 1,432,323 | \$ 2,671,363 |
| Accounts Receivable, Net | 147,242 | 84,233 | 231,475 |
| LID Liens Receivable | - | 44,998 | 44,998 |
| SDCs Receivable | 28,721 | 87,018 | 115,739 |
| Total Current Assets | <u>1,415,003</u> | <u>1,648,572</u> | <u>3,063,575</u> |
| Restricted Assets: | | | |
| Sinking Funds for Debt Service | 31,960 | 640,201 | 672,161 |
| Net OPEB Asset (RHIA) | 517 | 1,493 | 2,010 |
| Total Restricted Assets | <u>32,477</u> | <u>641,694</u> | <u>674,171</u> |
| Capital Assets: | | | |
| Land | - | 217,293 | 217,293 |
| Depreciable Assets, Net of Depreciation | 6,460,676 | 21,041,426 | 27,502,102 |
| Total Capital Assets | <u>6,460,676</u> | <u>21,258,719</u> | <u>27,719,395</u> |
| Total Assets | <u>7,908,156</u> | <u>23,548,985</u> | <u>31,457,141</u> |
| <u>DEFERRED OUTFLOW OF RESOURCES:</u> | | | |
| Pension Related Deferrals | 9,519 | 39,532 | 49,051 |
| OPEB Related Deferrals - RHIA | 21 | 69 | 90 |
| OPEB Related Deferrals - CIS | 201 | 581 | 782 |
| Total Deferred Outflow of Resources | <u>9,741</u> | <u>40,182</u> | <u>49,923</u> |
| <u>LIABILITIES:</u> | | | |
| Current Liabilities: | | | |
| Accounts Payable | 260,586 | 10,732 | 271,318 |
| Interest Payable | 1,085 | 51,120 | 52,205 |
| Customer Deposits | 2,759 | - | 2,759 |
| Current Portion of Long-Term Liabilities: | | | |
| Notes Payable | - | 545,201 | 545,201 |
| Bonds Payable | 75,000 | 95,000 | 170,000 |
| Total Current Liabilities | <u>339,430</u> | <u>702,053</u> | <u>1,041,483</u> |
| Long-Term Liabilities: | | | |
| Noncurrent Portion of Long-Term Liabilities: | | | |
| Notes Payable | 2,104,262 | 6,892,322 | 8,996,584 |
| Bonds Payable, Net of Premium | 160,222 | 5,505,003 | 5,665,225 |
| Net OPEB Obligation - CIS | 958 | 2,769 | 3,727 |
| Net Pension Liability | 23,435 | 67,701 | 91,136 |
| Total Long-Term Liabilities | <u>2,288,877</u> | <u>12,467,795</u> | <u>14,756,672</u> |
| Total Liabilities | <u>2,628,307</u> | <u>13,169,848</u> | <u>15,798,155</u> |
| <u>DEFERRED INFLOW OF RESOURCES:</u> | | | |
| Receivables Currently not Collectable | 30,216 | 103,152 | 133,368 |
| Pension Related Deferrals | 8,197 | 23,680 | 31,877 |
| OPEB Related Deferrals - RHIA | 127 | 1,917 | 2,044 |
| OPEB Related Deferrals - CIS | 537 | - | 537 |
| Total Deferred Inflow of Resources | <u>39,077</u> | <u>128,749</u> | <u>167,826</u> |
| <u>NET POSITION:</u> | | | |
| Net Investment in Capital Assets | 4,121,192 | 8,221,193 | 12,342,385 |
| Restricted for Debt Service | 31,960 | 640,201 | 672,161 |
| Restricted for Systems Development | 28,721 | 1,230,364 | 1,259,085 |
| Restricted for Net OPEB Asset | 517 | 1,493 | 2,010 |
| Unrestricted | 1,068,123 | 197,319 | 1,265,442 |
| Total Net Position | <u>\$ 5,250,513</u> | <u>\$ 10,290,570</u> | <u>\$ 15,541,083</u> |

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, 2023

| | <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 | \$ 1,001,629 | \$ 1,119,438 | \$ 2,121,067 |
| Total Revenues | <u>1,001,629</u> | <u>1,119,438</u> | <u>2,121,067</u> |
| <u>OPERATING EXPENSES:</u> | | | |
| Personnel Services | 146,211 | 211,407 | 357,618 |
| Materials and Supplies | 280,009 | 368,228 | 648,237 |
| Depreciation Expense | 133,521 | 549,453 | 682,974 |
| Total Operating Expenses | <u>559,741</u> | <u>1,129,088</u> | <u>1,688,829</u> |
| Operating Income (Loss) | <u>441,888</u> | <u>(9,650)</u> | <u>432,238</u> |
| <u>NON-OPERATING REVENUES (EXPENSES):</u> | | | |
| Loan Fees | - | (39,890) | (39,890) |
| Other Revenue | 93,650 | 375,000 | 468,650 |
| Investment Revenue | 38,294 | 36,146 | 74,440 |
| Interest Expense | (16,176) | (223,785) | (239,961) |
| Total Non-Operating Revenues (Expenses) | <u>115,768</u> | <u>147,471</u> | <u>263,239</u> |
| Income Before Other Revenues, Expenses, and Transfers | 557,656 | 137,821 | 695,477 |
| <u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u> | | | |
| Transfers from Other Funds | - | 56,308 | 56,308 |
| Transfers to Other Funds | (15,631) | - | (15,631) |
| Total Capital Contributions and Transfers | <u>(15,631)</u> | <u>56,308</u> | <u>40,677</u> |
| Changes in Net Position | 542,025 | 194,129 | 736,154 |
| Net Position, July 1, 2022 | 4,708,488 | 10,096,441 | 14,804,929 |
| Net Position, June 30, 2023 | <u>\$ 5,250,513</u> | <u>\$ 10,290,570</u> | <u>\$ 15,541,083</u> |

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, 2023

| | <u>Enterprise Funds</u> | | <u>Total</u> |
|--|-----------------------------|-----------------------------|------------------------------------|
| | <u>Water</u> <u>Fund</u> | <u>Sewer</u> <u>Fund</u> | <u>Proprietary</u> <u>Funds</u> |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | | | |
| Cash Received from User Charges | \$ 1,253,386 | \$ 1,088,480 | \$ 2,341,866 |
| Cash Payments for Employee Services | (143,932) | (208,883) | (352,815) |
| Cash Payments to Suppliers & Service Providers | (58,898) | (367,050) | (425,948) |
| Net Cash Provided (Used) by Operating Activities | 1,050,556 | 512,547 | 1,563,103 |
| <u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u> | | | |
| Change in Customer Deposits | 399 | - | 399 |
| Non-Operating Receipts | 93,650 | 375,000 | 468,650 |
| Transfer to Other Funds | (15,631) | - | (15,631) |
| Transfer from Other Funds | - | 56,308 | 56,308 |
| Net Cash Provided (Used) by Non-capital Financing Activities | 78,418 | 431,308 | 509,726 |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u> | | | |
| Proceeds from Long-Term Debt | 810,234 | - | 810,234 |
| Acquisition of Capital Assets | (1,881,186) | (99,834) | (1,981,020) |
| Loan Fees Paid | - | (39,890) | (39,890) |
| Principal Paid on Long Term Debt | (170,000) | (630,542) | (800,542) |
| Interest Paid on Long Term Debt | (17,150) | (240,352) | (257,502) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (1,258,102) | (1,010,618) | (2,268,720) |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u> | | | |
| Investment Income | 38,294 | 36,146 | 74,440 |
| Net Cash Provided (Used) by Investing Activities | 38,294 | 36,146 | 74,440 |
| Cash and Cash Equivalents at July 1, 2022 | 1,361,834 | 2,124,956 | 3,486,790 |
| Cash and Cash Equivalents at June 30, 2023 | \$ 1,271,000 | \$ 2,094,339 | \$ 3,365,339 |
| <u>Reconciliation of Income (Loss) From Operations to Net Cash Provided (Used) by Operating Activities:</u> | | | |
| Income (Loss) from Operations | \$ 441,888 | \$ (9,650) | \$ 432,238 |
| Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation | 133,521 | 549,453 | 682,974 |
| Change in Assets, Liabilities and Deferred Amounts: | | | |
| Decrease (Increase) in Operating Receivables | 251,757 | (30,958) | 220,799 |
| Increase (decrease) in Payables | 221,111 | 1,178 | 222,289 |
| Increase (decrease) in Pension and OPEB Liabilities and Assets | 4,731 | 13,668 | 18,399 |
| Increase (decrease) in Pension and OPEB Deferred Inflows | (9,359) | (22,501) | (31,860) |
| (Increase) decrease in Deferred Outflows | 6,907 | 11,357 | 18,264 |
| Net Cash Provided (Used) by Operating Activities | \$ 1,050,556 | \$ 512,547 | \$ 1,563,103 |

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
For the Fiscal Year Ended June 30, 2023

| | Custodial 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 |

CITY OF COBURG
ADDITIONS, DEDUCTIONS & CHANGES IN
NET POSITION
FIDUCIARY FUND
For the fiscal year ended June 30, 2023

| | Custodial Fund |
|---------------------------|----------------------------|
| | Cash Evidence Held Fund |
| | |
| <u>ADDITIONS</u> | |
| Custodial funds received | - |
| Total Additions | \$ - |
| <u>DEDUCTIONS</u> | |
| Custodial funds Dispersed | \$ - |
| Total Deductions | \$ - |

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, 2023****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 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 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, 2023****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 funds 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, 2023**

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, 2023****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 on 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, 2023**

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 also recorded as expenditures when purchased.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****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.

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 principal 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, 2023****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 the fiscal year end.
- **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 systems development, public works projects, urban renewal projects, Net OPEB assets, 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 the end of the fiscal year.
- **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, 2023****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 on the 15th day of November, February, and May. Real property taxes become delinquent if not paid by May 15.

Inter-Fund Transactions

Internal service charges are reported as interdepartmental charges in the general fund and as part of operational expenditures in the funds charged for those services. 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 PERS reports them. 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 a 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. State statutes impose various restrictions on deposits and investments. 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 External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. If available, fair value is determined at the quoted market prices; 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. State of Oregon Local Government Investment Pool (LGIP) investments are stated at fair value.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****CASH AND INVESTMENTS (Cont.):**

Deposits - All cash is deposited in compliance with Oregon statutes. Banking regulations and Oregon law establish the insurance and collateral requirements for deposits. 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 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, 2023, the City's reported deposits were \$2,265,007; the bank balance was \$2,085,767, and \$438 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 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, 2023, the City's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

As of June 30, 2023, 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>\$ 2,915,055</u> | N/A |
| Total Investments | <u><u>\$ 2,915,055</u></u> | |

Investments in the LGIP and federal agency notes do not require disclosure of 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 investment.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****CAPITAL ASSETS:**

The following is a summary of capital assets for governmental activity for the fiscal year ended June 30, 2023:

**Depreciable Assets Schedule
For the Fiscal Year Ended June 30, 2023**

| <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 | 191,023 | 26,508 | - | 217,531 |
| Total of Capital Assets Not Being Depreciated | 508,254 | 26,508 | - | 534,762 |
| Assets Being Depreciated: | | | | |
| Building and Building Improvement | 888,150 | - | - | 888,150 |
| Machinery and Equipment | 601,923 | 253,678 | - | 855,601 |
| Infrastructure | 2,018,788 | 1,303,353 | - | 3,322,141 |
| Total Depreciable Assets | 3,508,861 | 1,557,031 | - | 5,065,892 |
| Less: Accumulated Depreciation | | | | |
| Building and Building Improvement | 151,167 | 27,548 | - | 178,715 |
| Machinery and Equipment | 413,574 | 51,548 | - | 465,122 |
| Infrastructure | 469,765 | 171,254 | - | 641,019 |
| Total Accumulated Depreciation | 1,034,506 | 250,350 | - | 1,284,856 |
| Net Value of Capital Assets Being Depreciated | 2,474,355 | 1,306,681 | - | 3,781,036 |
| Total Governmental Activities | | | | |
| -- Net Value of Capital Assets | <u>\$ 2,982,609</u> | <u>\$ 1,333,189</u> | <u>\$ -</u> | <u>\$ 4,315,798</u> |

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

| | |
|----------------------------|-------------------|
| General Government | \$ 32,110 |
| Public Safety | 14,472 |
| Public Works | 169,596 |
| Culture and Recreation | 34,173 |
| Total Depreciation Expense | <u>\$ 250,350</u> |

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****CAPITAL ASSETS (Cont.):**

The following is a summary of capital assets for business-type activity for the fiscal year ended June 30, 2023:

**Depreciable Assets Schedule
For the Fiscal Year Ended June 30, 2023**

| <u>Business-Type Activities</u> | Beginning Balances | Additions | Deletions | Ending Balances |
|--|-----------------------|---------------------|-------------|----------------------|
| Assets Not Being Depreciated: | | | | |
| Land | \$ 217,293 | \$ - | \$ - | 217,293 |
| Construction in Progress | 1,971,891 | 1,981,017 | - | 3,952,908 |
| Total | 2,189,184 | 1,981,017 | - | 4,170,201 |
| Assets Being Depreciated: | | | | |
| Utility Systems | 27,089,446 | - | - | 27,089,446 |
| Building and Building Improvement | 2,482,914 | - | - | 2,482,914 |
| Machinery and Equipment | 566,941 | - | - | 566,941 |
| Total Depreciable Assets | 30,139,301 | - | - | 30,139,301 |
| Less: Accumulated Depreciation | | | | |
| Utility Systems | 5,345,759 | 592,767 | - | 5,938,526 |
| Building and Building Improvement | 347,608 | 49,658 | - | 397,266 |
| Machinery and Equipment | 213,766 | 40,548 | - | 254,314 |
| Total Accumulated Depreciation | 5,907,133 | 682,973 | - | 6,590,106 |
| Net Value of Capital Assets Being Depreciated | 24,232,168 | (682,973) | - | 23,549,195 |
| Total Business-Type Activities | | | | |
| -- Net Value of Capital Assets | <u>\$ 26,421,352</u> | <u>\$ 1,298,043</u> | <u>\$ -</u> | <u>\$ 27,719,396</u> |
| Total Net Value of Capital Assets of Primary Government | <u>\$ 29,403,961</u> | <u>\$ 2,631,233</u> | <u>\$ -</u> | <u>\$ 32,035,194</u> |

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

| | |
|----------------------------|-------------------|
| Water | \$ 133,521 |
| Sewer | 549,452 |
| Total Depreciation Expense | <u>\$ 682,973</u> |

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023**

LONG-TERM DEBT:

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

Governmental Activities:

Full Faith & Credit Refunding Obligation Bonds, Series 2020, held by US Bank for refinancing and consolidation of debt. The bonds are \$6,565,000 and carry an interest rate between 3.0 and 4.0 %. The bonds are dated November 19, 2020. Liability and repayment of the debt are allocated between governmental activities, water activities, and sewer activities. The original balance of \$520,000 is the governmental activities portion. This portion will be fully retired in 2045. This bond is reported on the schedule as three separate amounts because it is reported by three different activities: governmental, water, and sewer.

On August 23, 2022, the City entered into a promissory note payable agreement with the Oregon Department of Transportation for financing street repair and maintenance projects. The promissory note amount is \$999,500 and carries an interest rate of 2.52 %. The first payment of \$114,400 is due September 1, 2023. Annual payments of \$114,400 are due every September. The final payment is due September 1, 2032.

Business-Type Activities:

Full Faith & Credit Refunding Obligation Bonds, Series 2020, held by US Bank for refinancing and consolidation of debt. The bonds are \$6,565,000 and carry an interest rate between 3.0 and 4.0 %. The bonds are dated November 19, 2020. Liability and repayment of the debt are allocated between governmental activities, water activities, and sewer activities. The original balance of \$5,135,000 is the sewer activities portion. This portion will be fully retired in 2055. This bond is reported on the schedule as three separate amounts because it is reported by three different activities: governmental, water, and sewer.

Full Faith & Credit Refunding Obligation Bonds, Series 2020, held by US Bank for refinancing and consolidation of debt. The bonds are \$6,565,000 and carry an interest rate between 3.0 and 4.0 %. The bonds are dated November 19, 2020. Liability and repayment of the debt are allocated between governmental activities, water activities, and sewer activities. The original balance of \$555,000 is the water activities portion. This portion will be fully retired in 2026. This bond is reported on the schedule as three separate amounts because it is reported by three different activities: governmental, water, and sewer.

Note payable to Department of Environmental Quality to refinance outstanding debt with DEQ. Note is dated December 1, 2020, for a total amount of \$8,805,123 and carries an interest rate of .86%. Principal and interest payments are due the first day of August and February until paid off with payment of February 1, 2036.

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, 2023, 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, 2023****LONG-TERM DEBT (Cont.):**

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

CITY OF COBURG**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS****For the Fiscal Year Ended June 30, 2023**

| Governmental Long-Term Debt | Outstanding Balance July 1, 2022 | New Issues | Principal Paid | Interest Paid | Outstanding Balance June 30, 2023 | Due Within One Year |
|--|--|-------------------|-------------------|-------------------------|---|---------------------------|
| Bonds Payable: | | | | | | |
| US Bank Global Corp. Trust Services - Govnmtl. Portion | \$ 505,000 | \$ - | \$ 15,000 | \$ 15,149 | \$ 490,000 | \$ 15,000 |
| Total Bonds Payable | <u>505,000</u> | <u>-</u> | <u>15,000</u> | <u>15,149</u> | <u>490,000</u> | <u>15,000</u> |
| Notes from Direct Borrowing: | | | | | | |
| Oregon Department of Transportation | \$ - | \$ 999,500 | \$ - | \$ - | \$ 999,500 | \$ 92,060 |
| Total Notes Payable | <u>-</u> | <u>999,500</u> | <u>-</u> | <u>-</u> | <u>999,500</u> | <u>92,060</u> |
| | Unamortized Beginning | New Premiums | | Current Amortization | Unamortized Ending | |
| Bond Premium | 3,207 | - | | (236) | 2,971 | |
| Total Governmental Long-Term Debt, Net | <u>\$ 508,207</u> | <u>\$ 999,500</u> | <u>\$ 15,000</u> | <u>\$ 14,913</u> | <u>\$ 1,492,471</u> | <u>\$ 107,060</u> |
| Business-Type Long-Term Debt | Outstanding Balance July 1, 2022 | New Issues | Principal Paid | Interest Paid | Outstanding Balance June 30, 2023 | Due Within One Year |
| Bonds Payable: | | | | | | |
| US Bank Global Corp. Trust Services - Sewer Portion | \$ 5,050,000 | \$ - | 90,000 | \$ 172,900 | \$ 4,960,000 | \$ 95,000 |
| US Bank Global Corp. Trust Services - Water Portion | 405,000 | - | 170,000 | 12,150 | 235,000 | 75,000 |
| Total Bonds Payable | <u>5,455,000</u> | <u>-</u> | <u>260,000</u> | <u>185,050</u> | <u>5,195,000</u> | <u>170,000</u> |
| Notes from Direct Borrowing : | | | | | | |
| IFA Business Oregon #S19007 - In Drawdown | 1,294,028 | 810,234 | - | - | 2,104,262 | - |
| DEQ #R23045 Refinance Note | 7,978,065 | - | 540,542 | 67,452 | 7,437,523 | 545,201 |
| Total Notes from Direct Borrowing | <u>9,272,093</u> | <u>810,234</u> | <u>540,542</u> | <u>67,452</u> | <u>9,541,785</u> | <u>545,201</u> |
| | Unamortized Beginning | New Premiums | | Current Amortization | Unamortized Ending | |
| Bond Premium | 664,176 | - | | (23,951) | 640,225 | |
| Total Business-Type Long-Term Debt, Net | <u>\$ 15,391,269</u> | <u>\$ 810,234</u> | <u>\$ 800,542</u> | <u>\$ 228,551</u> | <u>\$ 15,377,010</u> | <u>\$ 715,201</u> |

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****LONG-TERM DEBT (Cont.):**

The debt service requirements on the above debt are as follows:

Bonds Payable:

| Due Fiscal Year Ending June 30, | Principal | Interest | Total |
|------------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 185,000 | \$ 191,950 | \$ 376,950 |
| 2025 | 190,000 | 186,400 | 376,400 |
| 2026 | 195,000 | 180,700 | 375,700 |
| 2027 | 115,000 | 174,850 | 289,850 |
| 2028 | 125,000 | 171,400 | 296,400 |
| 2029 - 2033 | 670,000 | 798,800 | 1,468,800 |
| 2034 - 2038 | 770,000 | 693,050 | 1,463,050 |
| 2039 - 2043 | 895,000 | 569,750 | 1,464,750 |
| 2044 - 2048 | 955,000 | 424,200 | 1,379,200 |
| 2049 - 2053 | 1,085,000 | 233,600 | 1,318,600 |
| 2054 - 2058 | 500,000 | 30,200 | 530,200 |
| Total | <u>\$ 5,685,000</u> | <u>\$ 3,654,900</u> | <u>\$ 9,339,900</u> |

Notes from Direct Borrowing:

| Due Fiscal Year Ending June 30, | Principal | Interest | Total |
|------------------------------------|---------------------|-------------------|---------------------|
| 2024 | \$ 637,261 | \$ 85,133 | \$ 722,394 |
| 2025 | 642,423 | 79,971 | 722,394 |
| 2026 | 648,504 | 73,890 | 722,394 |
| 2027 | 655,649 | 66,745 | 722,394 |
| 2028 | 662,895 | 59,499 | 722,394 |
| 2029 - 2033 | 3,421,160 | 185,142 | 3,606,301 |
| 2034 - 2038 | 1,769,131 | 26,416 | 1,795,547 |
| Total | <u>\$ 8,437,023</u> | <u>\$ 576,795</u> | <u>\$ 9,013,818</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 this report's Other Supplementary Data section.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN:**

The City of Coburg offers various retirement plans to qualified employees as described below.

Name of Pension Plan

The City of Coburg participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms**Plan Benefits**

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

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. Members may select 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. Police and Fire members may purchase increased benefits that are payable between the date of retirement and age 65.

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.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added, (\$210,582 as of January 1, 2022). This amount is indexed annually to the Consumer Price Index (CPI).

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN (Cont.):**

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$3,333/month in House Bill 2906 as of June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member's IAP contribution amount, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remainder will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

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.

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 (COLA). The COLA is capped at 2.0 percent.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN (Cont.):**

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.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added (\$210,582 as of January 1, 2022). This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$3,333/month in House Bill 2906 as of June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - OPSRP members: 0.75 percent of each member's contribution, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of the members contribution will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN (Cont.):**

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

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.

3. Individual Account Program (IAP).*Benefit Terms*

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400.

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 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.

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.

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 898 participating employers. 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 costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN (Cont.):****Description of Funding and Contributions for PERS Benefit Plans**

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The City's employer contributions for the year ended June 30, 2023 were \$202,463 excluding amounts to fund employer specific liabilities.

The contribution rates in effect for the period July 1, 2021 to June 30, 2023 are: Tier1/Tier2 – 17.54%, OPSRP General Service – 15.21%, and OPSRP Fire and Police – 19.57%.

Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2022-2023, approximately \$179,215 in employee IAP contributions were paid or picked up by the City.

Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB (Other Post Employment Benefit) Plans. Employer contribution rates during the period were based on the December 31, 2019, actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6%) contributions. Re-employed retirees do not accrue additional benefits while they work after retirement.

For **Oregon PERS Defined Benefit Plans**, Effective July 1, 2021, the contribution rate for State Agencies was 20.36%, the State and Local Government Rate Pool 28.08%, Schools 27.54%, Cities 28.64% and Judiciary 24.56% of PERS-covered salaries.

For **Oregon PERS OPSRP Benefit Plans**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Members of OPSRP are required to contribute 6.0% of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN (Cont.):**

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2023, PERS employers contributed 5.0% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at over 100% as of December 31, 2019. These rates were based on the December 31, 2019, actuarial valuation.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

ORS 238.415 established the Retiree Health Insurance Premium Account (RHIPA) and requires the Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by active state employees.

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR/ ACFR

Oregon PERS produces an independently audited ACFR which can be found at: [2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](#)

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the 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 by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

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 the same period of years.

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN (Cont.):****Actuarial Methods and Assumptions Used in Developing Total Pension Liability**

| Actuarial Methods and Assumptions Used in Developing Total Pension Liability: | |
|--|--|
| Valuation Date | December 31, 2020 |
| Measurement Date | June 30, 2022 |
| Experience Study | 2020, published July 24, 2021 |
| Actuarial cost method | Entry Age Normal |
| Actuarial assumptions: | |
| Inflation rate | 2.40 percent |
| Long-term expected rate of return | 6.90 percent |
| Discount rate | 6.90 percent |
| Projected salary increases | 3.40 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 | <p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> |

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN (Cont.):***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.

OIC Target and Actual Investment Allocation as of June 30, 2022

| <u>Asset Class/Strategy</u> | <u>OIC Policy Range</u> | <u>OIC Target Allocation</u> | <u>Asset Class/Strategy</u> | <u>Actual Allocation²</u> |
|------------------------------------|-------------------------|------------------------------|-----------------------------|--------------------------------------|
| Debt Securities | 15.0% - 25.0% | 20.0% | Debt Securities | 19.8% |
| Public Equity | 25.0% - 35.0% | 30.0% | Public Equity | 21.2% |
| Real Estate | 7.5% - 17.5% | 12.5% | Real estate | 13.6% |
| Private Equity | 15.0% - 27.5% | 20.0% | Private Equity | 28.0% |
| Risk Parity | 0.0% - 3.5% | 2.5% | Risk Parity | 2.0% |
| Real Assets | 2.5% - 10.0% | 7.5% | Real Assets | 7.9% |
| Diversifying Strategies | 2.5% - 10.0% | 7.5% | Diversifying Strategies | 4.9% |
| Opportunity Portfolio ¹ | 0.0% - 5.0% | 0.0% | Opportunity Portfolio | 2.6% |
| Total | | 100% | Total | 100% |

¹Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

²Based on the actual investment value at 6/30/2022.

³In October 2021 the Alternatives Portfolio was split into Real Assets and Diversifying Strategies.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN (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 June 2021 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>Long Term Expected Rate of Return</u> ¹ | Annual | | 20-Year | Annual |
|---|------------|---------------------|----------------|--------------|
| | Target | Arithmetic | Annualized | Standard |
| Asset Class | Allocation | Return ² | Geometric Mean | Deviation |
| Global Equity | 30.62% | 7.11% | 5.85% | 17.05% |
| Private Equity | 25.50% | 11.35% | 7.71% | 30.00% |
| Core Fixed Income | 23.75% | 2.80% | 2.73% | 3.85% |
| Real Estate | 12.25% | 6.29% | 5.66% | 12.00% |
| Master Limited Partnerships | 0.75% | 7.65% | 5.71% | 21.30% |
| Infrastructure | 1.50% | 7.24% | 6.26% | 15.00% |
| Commodities | 0.63% | 4.68% | 3.10% | 18.85% |
| Hedge Fund of Funds - Multistrategy | 1.25% | 5.42% | 5.11% | 8.45% |
| Hedge Fund Equity - Hedge | 0.63% | 5.85% | 5.31% | 11.05% |
| Hedge Fund - Macro | 5.62% | 5.33% | 5.06% | 7.90% |
| US Cash ³ | -2.50% | 1.77% | 1.76% | 1.20% |
| Assumed Inflation - Mean | | | 2.40% | 1.65% |

¹Based 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 June 2, 2021.

²The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

³Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

| | 1% Decrease | Discount Rate | 1% Increase |
|---|--------------|---------------|-------------|
| | 5.90% | 6.90% | 7.90% |
| Employer's proportionate share of the net pension liability | \$ 2,020,269 | \$ 1,139,198 | \$ 401,782 |

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2020 valuation, which was used in the 2022 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: [2020-Experience-Study.pdf \(oregon.gov\)](#)

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****PENSION PLAN (Cont.):****Changes in Actuarial Methods and Allocation Procedures**

There were no changes in actuarial methods and allocation procedures since the December 31, 2020 actuarial valuation.

Changes in Assumptions

The changes in assumptions since the December 31, 2020 actuarial valuation, were limited to non-annuitant Police and Fire Mortality, as shown below.

Mortality Rates

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

| Assumption | Recommended December 31, 2020 and 2021 Valuations | Recommended December 31, 2022 and 2023 Valuations |
|--|--|--|
| Healthy Annuitant Mortality | Pub-2010 Healthy Retiree, 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 | Blend 80% Teachers and 20% General Employees, no set back | No change |
| Other General Service male (and male beneficiary) | General Employees, set back 12 months | No change |
| Police & Fire male | Public Safety, no set back | No change |
| School District female | Teachers, no set back | No change |
| Other female (and female beneficiary) | General Employees, no set back | No change |
| Police & Fire female | Public Safety, set back 12 months | No change |
| Disabled Retiree Mortality | Pub-2010 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 | Blended 50% Public Safety, 50% Non-Safety, no set back | No change |
| Other General Service male | Non-Safety, set forward 24 months | No change |
| Police & Fire female | Blended 50% Public Safety, 50% Non-Safety, no set back | No change |
| Other General Service female | Non-Safety, set forward 12 months | No change |
| Non-Annuitant Mortality | Pub-2010 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 | 125% of same table and set back as Non-Disabled Annuitant assumption | No change |
| Other General Service male | 115% of same table and set back as Non-Disabled Annuitant assumption | No change |
| Police & Fire male | 100% of same table and set back as Non-Disabled Annuitant assumption | 125% of same table and set back as Non-Disabled Annuitant assumption |
| School District female | 100% of same table and set back as Non-Disabled Annuitant assumption | No change |
| Other General Service female | 125% of same table and set back as Non-Disabled Annuitant assumption | No change |
| Police & Fire female | 100% of same table and set back as Non-Disabled Annuitant assumption | No change |

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023**

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, 2022, 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, 2022 Oregon PERS ACFR. [2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](#).

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

On June 30, 2023, the employer reported a liability of \$1,139,198 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation 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, 2023****PENSION PLAN (Cont.):**

At June 30, 2022, the employer's proportion was 0.00743990%

For the year ended June 30, 2023, the employer recognized pension expense of \$184,634. As of June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 55,299 | \$ 7,104 |
| Changes of assumptions | 178,746 | 1,633 |
| Net difference between projected and actual earnings on investments | - | 203,667 |
| Changes in proportionate share | 228,692 | 34,722 |
| Differences between employer contributions and employer's proportionate share of system contributions | - | 151,336 |
| Total Deferred Outflows/Inflows | <u>\$ 462,737</u> | <u>\$ 398,462</u> |
| Post-measurement date contributions | 202,463 | N/A |
| Total Deferred Outflow/(Inflow) of Resources | <u>\$ 665,200</u> | <u>\$ 398,462</u> |
| Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions | | <u>\$ 64,275</u> |

Contributions of \$202,463, for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in 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:

| <u>Employer subsequent fiscal years</u> | <u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u> |
|---|--|
| 1st Fiscal Year | \$ 34,813 |
| 2nd Fiscal Year | 20,054 |
| 3rd Fiscal Year | (65,787) |
| 4th Fiscal Year | 85,586 |
| 5th Fiscal Year | (10,391) |
| Total | <u>\$ 64,275</u> |

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****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.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

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 [2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](https://sos.oregon.gov/audits/Documents/2022-Annual-Comprehensive-Financial-Report.pdf).

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB. For the fiscal year ended June 30, 2022, PERS employers contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2019, actuarial valuation.

Contributions

The City's contributions to OPERS' RHIA for the years ended June 30, 2023, 2022, and 2021 were \$171, \$174 and \$141 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, 2021. That independently audited report was dated February 25, 2022 and can be found at:

<https://sos.oregon.gov/audits/Documents/2022-09.pdf>

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

| Actuarial Methods and Assumptions - OPEB Plans - RHIA | |
|---|--|
| | RHIA |
| Valuation Date | December 31, 2020 |
| Measurement Date | June 30, 2022 |
| Experience Study | 2020, published July 20, 2021 |
| Actuarial cost method | Entry Age Normal |
| Actuarial assumptions: | |
| Inflation rate | 2.40 percent |
| Long-term expected rate of return | 6.90 percent |
| Discount rate | 6.90 percent |
| Projected salary increases | 3.40 percent |
| Retiree healthcare participation | Healthy retirees: 27.5% Disabled retirees: 15% |
| Healthcare cost trend rate | Not applicable |
| Mortality | <p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> |

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2022.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****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 June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Table 31 on page 74 shows Milliman's assumptions for each of the asset classes in which the plans were 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 on page 74. 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 PERS' audited financial statements at:

<https://sos.oregon.gov/audits/Documents/2022-09.pdf>

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

| | 1% Decrease 5.90% | Discount Rate 6.90% | 1% Increase 7.90% |
|--|----------------------|------------------------|----------------------|
| Employer's proportionate share of the net OPEB liability | \$ (22,642) | \$ (25,123) | \$ (27,248) |

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

At June 30, 2023, the City reported a net OPEB RHIA liability/(asset) of \$(25,123) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), The City's proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022, the City's proportion was 0.00707009 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2023 was \$(4,437).

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:**

On June 30, 2023, 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 | \$ - | \$ 681 |
| Changes of assumptions | 197 | 837 |
| Net difference between projected and actual earnings on investments | - | 1,916 |
| Changes in proportionate share | <u>799</u> | <u>2,737</u> |
| Total Deferred Outflows/Inflows | \$ 996 | \$ 6,171 |
| Post-measurement date contributions | 171 | N/A |
| Total Deferred Outflow/(Inflow) of Resources | <u>\$ 1,167</u> | <u>\$ 6,171</u> |
| Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions | | <u>\$ (5,175)</u> |

Contributions of \$171 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 (inflows) of resources related to OPEB, will be included as a reduction of the net OPEB liability in next fiscal year.

Deferred outflows of resources and deferred inflows of resources related to OPEB's will be recognized in OPEB 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 | \$ (2,502) |
| 2nd Fiscal Year | (2,078) |
| 3rd Fiscal Year | (1,209) |
| 4th Fiscal Year | <u>614</u> |
| Total | <u>\$ (5,175)</u> |

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2022 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, 2023****OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (IRSP):***Retiree Healthcare Insurance Premiums Subsidy*Plan Description

The City operates a single employer retiree benefit plan through the Citycounty 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.

At June 30, 2023, the City reported a net OPEB IRSP liability/(asset) of \$46,590 for its proportionate share of the net OPEB IRSP liability/(asset). The OPEB IRSP liability/(asset) was measured as of June 30, 2022, and the total OPEB IRSP liability/(asset) used to calculate the net OPEB IRSP liability/(asset) was determined by an actuarial valuation as of July 1, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), The City’s proportion of the net OPEB IRSP liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022, the City’s OPEB IRSP expense/(income) for the year ended June 30, 2023 was \$5,075.

Actuarial Methods and Assumptions - The City engaged an actuary to perform an evaluation as of July 1, 2022, 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:

| Fiscal Year Ending | June 30, 2022 | June 30, 2023 | June 30, 2024 |
|--|---|---|---|
| Discount Rate | 2.16% | 3.54% | 3.65% |
| Other Key Actuarial Assumptions and Methods | | | |
| Valuation date | July 1, 2020 | July 1, 2022 | July 1, 2022 |
| Measurement date | June 30, 2021 | June 30, 2022 | June 30, 2023 |
| Inflation | 2.50% | 2.40% | 2.40% |
| Salary increases | 3.50% | 3.40% | 3.40% |
| Withdrawal, retirement, and mortality rates | December 31, 2019 Oregon PERS valuation | December 31, 2021 Oregon PERS valuation | December 31, 2021 Oregon PERS valuation |
| Election and Lapse Rates | 40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate | 40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate | 40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate |
| Actuarial cost method | Entry Age Normal | Entry Age Normal | Entry Age Normal |

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (IRSP) (Cont.):****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, 2022 reporting date 2.16%, and the discount rate in effect for the June 30, 2023 reporting date is 3.54%.

Health Care Cost Trend

The assumed medical and vision costs will increase 4.25% in the first year (July 1, 2022 premiums compared with July 1, 2021 premiums). In future years, the medical and vision cost trend varies between 6.75% and 3.75%.

Withdrawal, Retirement and Mortality Rates

They are generally using the rates adopted by the Oregon Public Employees Retirement System (OPERS) for its December 31, 2021 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.

Sensitivity Analysis

The following presents the total OPEB IRSP liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB IRSP 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 2.54% | Discount Rate 3.54% | 1% Increase 4.54% |
|---|----------------------|------------------------|----------------------|
| Total OPEB liability from Implicit Rate Subsidy | \$ 51,570 | \$ 46,590 | \$ 42,026 |
| | <hr/> | | |
| | 1% Decrease | Trend Rate | 1% Increase |
| Total OPEB liability from Implicit Rate Subsidy | \$ 39,348 | \$ 46,590 | \$ 55,408 |

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (IRSP) (Cont.):****Participation**

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

| Members as of Valuation Date July 1, 2022 | PERS Police & Fire | PERS General Service | Total |
|--|-----------------------------------|---------------------------------|--------------|
| Number of Members | | | |
| Active | 5 | 11 | 16 |
| Retired Members | 0 | 0 | 0 |
| Spouses of Ineligible Retirees | 0 | 0 | 0 |
| Total Participants | 5 | 11 | 16 |
| Spouses of Eligible Retirees | 0 | 0 | 0 |

Changes in Net OPEB CIS IRSP Liability

| Changes in Total OPEB Implicit Subsidy Plan Liability | Increase (Decrease) Total OPEB Liability |
|--|---|
| Balance as of June 30, 2022 | \$ 42,319 |
| Changes for the year: | |
| Service Cost | 6,876 |
| Interest | 1,059 |
| Effect of economic/ demographic gains or losses | 9,651 |
| Effect of assumptions or other inputs | (12,952) |
| Benefit payments | (363) |
| Net OPEB Liability at June 30, 2023 | \$ 46,590 |

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023****OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (IRSP) (Cont.):**Components of OPEB IRSP Expense

| OPEB Implicit Subsidy Plan Expense | <u>July 1, 2022 to June 30, 2023</u> |
|--|--|
| Service cost | \$ 6,876 |
| Interest on total OPEB liability | 1,059 |
| Recognition of Deferred (Inflows)/Outflows of Resources | - |
| Recognition of economic/demographic (gains) or losses | (1,029) |
| Recognition of assumption changes | <u>(1,831)</u> |
| OPEB Expense | <u>\$ 5,075</u> |

Schedule of Deferred Inflows and Outflows of Resources for OPEB CIS IRSP

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 8,741 | \$ 10,763 |
| Changes of assumptions or inputs | <u>1,035</u> | <u>15,328</u> |
| (prior to post-measurement date contributions) | <u>\$ 9,776</u> | <u>\$ 26,091</u> |
| Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions | | <u>\$ (16,315)</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 IRSP 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 | \$ (2,860) |
| 2nd Fiscal Year | (2,860) |
| 3rd Fiscal Year | (2,860) |
| 4th Fiscal Year | (2,734) |
| 5th Fiscal Year | (2,547) |
| Thereafter | <u>(2,454)</u> |
| Total | <u>\$ (16,315)</u> |

CITY OF COBURG**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2023**

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 the grantor may disallow cannot be determined at this time, although the City expects such amount 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 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 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:

The City makes various interfund transfers to move resources between funds to provide resources for expenditures not supported by other revenues. The transfers are part of the City's budget preparation and adoption.

During the Fiscal year ended June 30, 2023 the URA Fund had interfund payables to the Sewer Fund in the form of Materials and Services in the amount of \$375,000.

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, 2023

| | <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 and Assessments | \$ 926,213 | \$ 926,213 | \$ 905,168 | \$ (21,045) |
| Intergovernmental | 84,340 | 84,340 | 74,980 | (9,360) |
| Franchise Fees | 280,008 | 280,008 | 223,908 | (56,100) |
| Licenses, Permits, & Misc Fees | 220,177 | 220,177 | 170,558 | (49,619) |
| Fines and Forfeitures | 124,648 | 124,648 | 104,895 | (19,753) |
| Investment Revenue | 16,114 | 16,114 | 11,865 | (4,249) |
| Grants and Donations | 671,907 | 671,907 | 130,687 | (541,220) |
| Charges for Services | 224,830 | 224,830 | 200,767 | (24,063) |
| Interdepartmental Charges | 878,804 | 878,804 | 878,804 | - |
| Other Revenue | 82,892 | 82,892 | 54,331 | (28,561) |
| Total Revenues | <u>3,509,933</u> | <u>3,509,933</u> | <u>2,755,963</u> | <u>(753,970)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Administration Department | 881,047 | 881,047 | 753,659 | (127,388) |
| Facility Management Department | 92,840 | 92,840 | 81,932 | (10,908) |
| Planning Department | 190,334 | 190,334 | 189,028 | (1,306) |
| Police Department | 930,000 | 930,000 | 828,728 | (101,272) |
| Municipal Court | 166,462 | 166,462 | 154,220 | (12,242) |
| Economic Development | 203,121 | 203,121 | 91,416 | (111,705) |
| Park | 247,215 | 247,215 | 50,599 | (196,616) |
| Public Works Administration | 612,928 | 612,928 | 563,245 | (49,683) |
| Not Allocated to an Organizational Unit: | | | | |
| Debt Service | 30,150 | 30,150 | 30,149 | (1) |
| Principal | 15,000 | 15,000 | 15,000 | - |
| Interest | 15,150 | 15,150 | 15,149 | (1) |
| Contingency | 200,000 | 200,000 | - | (200,000) |
| Total Expenditures | <u>3,554,097</u> | <u>3,554,097</u> | <u>2,742,976</u> | <u>(811,121)</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (44,164) | (44,164) | 12,987 | 57,151 |
| Net Change in Fund Balance | (44,164) | (44,164) | 12,987 | 57,151 |
| Fund Balance - July 1, 2022 | 705,000 | 705,000 | 438,869 | (266,131) |
| Prior Period Adjustment | - | - | - | - |
| Fund Balance - June 30, 2023 | <u>\$ 660,836</u> | <u>\$ 660,836</u> | <u>\$ 451,856</u> | <u>\$ (208,980)</u> |

CITY OF COBURG
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
STREET FUND
For the Fiscal Year Ended June 30, 2023

| | <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 | \$ 458,900 | \$ 458,900 | \$ 400,306 | \$ (58,594) |
| Grants | 100,000 | 100,000 | 140,000 | 40,000 |
| Investment Revenue | 1,848 | 1,848 | 9,410 | 7,562 |
| Miscellaneous Revenue | 267,004 | 267,004 | 209,335 | (57,669) |
| Total Revenues | 827,752 | 827,752 | 759,051 | (68,701) |
| <u>EXPENDITURES:</u> | | | | |
| Street | 200,109 | 200,109 | 121,273 | (78,836) |
| Street Capital | 2,025,706 | 2,025,706 | 1,682,712 | (342,994) |
| Contingency | 200,000 | 200,000 | - | (200,000) |
| Debt Service | 150,000 | 150,000 | - | (150,000) |
| Total Expenditures | 2,575,815 | 2,575,815 | 1,803,985 | (771,830) |
| Excess (Deficiency) of Revenues Over Expenditures | (1,748,063) | (1,748,063) | (1,044,934) | 703,129 |
| <u>OTHER FINANCING SOURCES / (USES):</u> | | | | |
| Proceeds from Bond Sales | 1,800,000 | 1,800,000 | 999,500 | 800,500 |
| Total Other Financing Sources (Uses) | 1,800,000 | 1,800,000 | 999,500 | 800,500 |
| Net Change In Fund Balance | 51,937 | 51,937 | (45,434) | 1,503,629 |
| Fund Balance - July 1, 2022 | 896,000 | 896,000 | 957,572 | 61,572 |
| Fund Balance - June 30, 2023 | \$ 947,937 | \$ 947,937 | \$ 912,138 | \$ 1,565,201 |

CITY OF COBURG
**Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual**
URBAN RENEWAL AGENCY FUND
(A Component Unit of the City of Coburg)
For the Fiscal Year Ended June 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget Over (Under) |
|--|-------------------------|------------------|---------------------------|--|
| | <u>Original</u> | <u>Final</u> | | <u>Amounts</u> |
| <u>REVENUES:</u> | | | | |
| Taxes and Assessments | \$ 382,000 | \$ 382,000 | \$ 436,017 | \$ 54,017 |
| Investment Revenue | 2,000 | 2,000 | 7,154 | 5,154 |
| Total Revenues | 384,000 | 384,000 | 443,171 | 59,171 |
| <u>EXPENDITURES:</u> | | | | |
| Materials and Supplies | 387,125 | 387,125 | 376,695 | (10,430) |
| Total Expenditures | 387,125 | 387,125 | 376,695 | (10,430) |
| Excess (Deficiency) of Revenues Over Expenditures | (3,125) | (3,125) | 66,476 | 69,601 |
| Net Change In Fund Balance | (3,125) | (3,125) | 66,476 | 69,601 |
| Fund Balance - July 1, 2022 | 27,642 | 27,642 | 36,504 | 8,862 |
| Fund Balance - June 30, 2023 | \$ 24,517 | \$ 24,517 | \$ 102,980 | \$ 78,463 |

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 |
|---------------------------------|--|---|---|--|--|
| 2023 | 0.00743990% | \$ 1,139,198 | \$ 1,072,660 | 106.20% | 84.5% |
| 2022 | 0.00757498% | 906,458 | 987,310 | 91.81% | 87.6% |
| 2021 | 0.00636919% | 1,389,976 | 722,383 | 192.42% | 75.8% |
| 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 |
|---------------------------|--|--|---|---|---|
| 2023 | \$ 266,822 | \$ 266,822 | \$ - | \$ 1,072,660 | 24.87% |
| 2022 | 240,630 | 240,630 | - | 987,310 | 24.37% |
| 2021 | 161,461 | 161,461 | - | 722,383 | 22.35% |
| 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% |

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 |
|---------------------------------|---|--|---|---|---|
| 2023 | 0.00707009% | \$ (25,123) | \$ 1,072,660 | -2.34% | 194.6% |
| 2022 | 0.00527308% | (18,108) | 987,310 | -1.83% | 183.9% |
| 2021 | 0.00687514% | (13,968) | 722,383 | -1.93% | 150.1% |
| 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 |
|---------------------------|--|--|---|---|---|
| 2023 | \$ 171 | \$ 171 | - | \$ 1,072,660 | 0.02% |
| 2022 | 174 | 174 | - | 987,310 | 0.02% |
| 2021 | 141 | 141 | - | 722,383 | 0.02% |
| 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***

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------------|------------|------------|------------|------------|------------|
| Total OPEB Liability | | | | | | |
| Service cost | \$ 6,876 | \$ 6,677 | \$ 5,227 | \$ 5,724 | \$ 5,558 | \$ 5,243 |
| Interest on total OPEB liability | 1,059 | 911 | 1,343 | 1,277 | 1,178 | 1,174 |
| Effect of changes to benefit terms | - | - | - | - | - | - |
| Effect of economic/demographic gains or (losses) | 9,651 | | (4,357) | - | (15,480) | - |
| Effect of assumption changes or inputs | (12,952) | 220 | (679) | 980 | (3,777) | (2,995) |
| Benefit payments | (363) | (86) | (178) | (827) | (680) | (143) |
| Net change in total OPEB liability ** | - | - | - | - | - | - |
| Total OPEB liability, beginning | 42,319 | 34,597 | 33,241 | 26,087 | 39,288 | 36,009 |
| Total OPEB liability, ending (a) ** | 46,590 | 42,319 | 34,597 | 33,241 | 26,087 | 39,288 |
| Covered payroll | \$1,072,660 | \$ 987,310 | \$ 722,383 | \$ 811,306 | \$ 746,600 | \$ 768,473 |
| Total OPEB liability as a % of covered payroll ** | 4.3% | 4.3% | 4.8% | 4.1% | 3.5% | 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.

SUPPLEMENTARY
INFORMATION

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, 2023

| | <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> | | | | |
| Charges for Services | \$ 1,073,444 | \$ 1,073,444 | \$ 1,001,629 | \$ (71,815) |
| Investment Revenue | 1,782 | 1,782 | 38,294 | 36,512 |
| Other Revenue | 4,500 | 4,500 | 93,650 | 89,150 |
| Total Revenues | <u>1,079,726</u> | <u>1,079,726</u> | <u>1,133,573</u> | <u>53,847</u> |
| <u>EXPENDITURES:</u> | | | | |
| Water | 415,180 | 415,180 | 412,744 | (2,436) |
| Contingency | 200,000 | 200,000 | - | (200,000) |
| Water Capital Outlay | 4,035,228 | 4,035,228 | 1,908,013 | (2,127,215) |
| Debt Service | | | | |
| Principal | 320,000 | 320,000 | 170,000 | (150,000) |
| Interest | 12,150 | 12,150 | 17,150 | 5,000 |
| Total Expenditures | <u>4,982,558</u> | <u>4,982,558</u> | <u>2,507,907</u> | <u>(2,474,651)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (3,902,832) | (3,902,832) | (1,374,334) | 2,528,498 |
| <u>OTHER FINANCING SOURCES / (USES):</u> | | | | |
| Loan Proceeds | 2,902,500 | 2,902,500 | 810,234 | (2,092,266) |
| Total Other Financing Sources (Uses) | <u>2,902,500</u> | <u>2,902,500</u> | <u>810,234</u> | <u>(2,092,266)</u> |
| Net Change In Fund Balance | (1,000,332) | (1,000,332) | (564,100) | 436,232 |
| Fund Balance - July 1,2022 | 1,567,000 | 1,567,000 | 1,717,502 | 150,502 |
| Fund Balance - June 30,2023 | <u>\$ 566,668</u> | <u>\$ 566,668</u> | <u>\$ 1,153,402</u> | <u>\$ 586,734</u> |

Reconciliation to generally accepted accounting principles basis

| | |
|---|-------------------|
| Net Change in Fund Balance - from above | \$ (564,100) |
| Change in personnel expense due to pension and OPEB accrual changes | (2,279) |
| Debt Principal Payments | 170,000 |
| Capital outlay that is capitalized | 1,896,816 |
| Loan Proceeds | (810,234) |
| Change in interest expense due to bond premium amortization and interest payable change | 974 |
| Equity Transfer related to debt | (15,631) |
| Depreciation Expense | (133,521) |
| Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenditures, and Changes in Net Position | <u>\$ 542,025</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, 2023

| | <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> | | | | |
| Charges for Services | \$ 1,178,564 | \$ 1,178,564 | \$ 1,119,438 | \$ (59,126) |
| Investment Revenue | 3,362 | 3,362 | 36,146 | 32,784 |
| Other Revenue | 470,000 | 470,000 | 375,000 | (95,000) |
| Total Revenues | 1,651,926 | 1,651,926 | 1,530,584 | (121,342) |
| <u>EXPENDITURES:</u> | | | | |
| Sewer | | | | |
| Personnel Services | 208,883 | 208,883 | 208,883 | - |
| Materials and Services | 386,426 | 386,426 | 370,028 | (16,398) |
| Capital Outlay | - | - | (1,800) | (1,800) |
| Sewer Capital | | | | |
| Materials and Services | 63,980 | 63,980 | - | (63,980) |
| Capital Outlay | 200,000 | 200,000 | 43,525 | (156,475) |
| Sewer Debt Service | | | | |
| Materials and Services | 42,390 | 42,390 | 39,890 | (2,500) |
| Debt Service: | | | | |
| Principal | 630,542 | 630,542 | 630,542 | - |
| Interest | 240,352 | 240,352 | 240,352 | - |
| Contingency for Debt | 200,000 | 200,000 | - | (200,000) |
| Total Expenditures | 1,972,573 | 1,972,573 | 1,531,420 | (441,153) |
| Excess (Deficiency) of Revenues Over Expenditures | (320,647) | (320,647) | (836) | 319,811 |
| Net Change In Fund Balance | (320,647) | (320,647) | (836) | 319,811 |
| Fund Balance - July 1, 2022 | 2,164,000 | 2,164,000 | 2,175,725 | 11,725 |
| Fund Balance - June 30, 2023 | \$ 1,843,353 | \$ 1,843,353 | \$ 2,174,889 | \$ 331,536 |

Reconciliation to generally accepted accounting principles basis

| | |
|---|-------------------|
| Net change in fund balance from above | \$ (836) |
| Change in Inventory | |
| Change in Accrued Interest | (7,195) |
| Change in Pension and Employee Benefit Expenses | (2,524) |
| Debt Principal Payments | 630,542 |
| Amortization of Bond Premium | 23,762 |
| Capital outlay that is capitalized | 43,525 |
| Equity transfer related to debt refinancing | 56,308 |
| Depreciation Expense | (549,453) |
| Change in Net Position as Reported in Combining Statement of Revenues, Expenses, and Changes in Net Position | <u>\$ 194,129</u> |

OTHER INFORMATION

Additional Supporting Schedules

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

IFA Business Oregon #S19007 - In Drawdown

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, 2021, the loan is in drawdown and therefore an amortization schedule has not been established. As of June 30, 2023 the forgivable loan balance is \$764,056 and the non-forgivable balance is \$1,340,206.

Current Year Activity:

| | Outstanding Balance July 1, 2022 | New Issues and Interest Matured | Principal and Interest Retired | Outstanding Balance June 30, 2023 | Due Within One Year |
|-----------|--|---------------------------------------|--------------------------------------|---|---------------------------|
| Principal | \$ 1,294,028 | \$ 810,234 | \$ - | \$ 2,104,262 | \$ - |
| Total | <u>\$ 1,294,028</u> | <u>\$ 810,234</u> | <u>\$ -</u> | <u>\$ 2,104,262</u> | <u>\$ -</u> |

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

US Bank Global Corp. Trust Services - Sewer Portion

Full Faith & Credit Refunding Obligation Bonds, Series 2020 held by US Bank for refinancing and consolidation of debt. The amount of the bonds is \$6,565,000 and carries an interest rate between 3.0 and 4.0 %. Bonds are dated November 19, 2020. Liability and repayment of the debt is allocated between governmental activities, water activities, and sewer activities. This is the sewer activities portion. This portion will be fully retired in 2055.

Current Year Activity:

| | Outstanding Balance July 1, 2022 | New Issues and Interest Matured | Principal and Interest Retired | Outstanding Balance June 30, 2023 | Due Within One Year |
|-----------|--|---------------------------------------|--------------------------------------|---|---------------------------|
| Principal | \$ 5,050,000 | \$ - | \$ 90,000 | \$ 4,960,000 | \$ 95,000 |
| Interest | - | 172,900 | 172,900 | - | 170,200 |
| Total | <u>\$ 5,050,000</u> | <u>\$ 172,900</u> | <u>\$ 262,900</u> | <u>\$ 4,960,000</u> | <u>\$ 265,200</u> |

Future Requirements:

| Fiscal Year Ended June 30, | Principal | Interest | Total | Interest Rate |
|-------------------------------|---------------------|---------------------|---------------------|---------------|
| 2024 | \$ 95,000 | \$ 170,200 | \$ 265,200 | 3.00% |
| 2025 | 95,000 | 167,350 | 262,350 | 3.00% |
| 2026 | 100,000 | 164,500 | 264,500 | 3.00% |
| 2027 | 100,000 | 161,500 | 261,500 | 3.00% |
| 2028 | 105,000 | 158,500 | 263,500 | 3.00% |
| 2029 | 110,000 | 155,350 | 265,350 | 3.00% |
| 2030 | 110,000 | 152,050 | 262,050 | 3.00% |
| 2031 | 115,000 | 148,750 | 263,750 | 3.00% |
| 2032 | 115,000 | 145,300 | 260,300 | 3.00% |
| 2033 | 120,000 | 141,850 | 261,850 | 3.00% |
| 2034 | 125,000 | 138,250 | 263,250 | 3.00% |
| 2035 | 130,000 | 134,500 | 264,500 | 3.00% |
| 2036 | 130,000 | 130,600 | 260,600 | 3.00% |
| 2037 | 135,000 | 126,700 | 261,700 | 3.00% |
| 2038 | 140,000 | 122,650 | 262,650 | 3.00% |
| 2039 | 145,000 | 118,450 | 263,450 | 3.00% |
| 2040 | 150,000 | 114,100 | 264,100 | 3.00% |
| 2041 | 155,000 | 109,600 | 264,600 | 3.00% |
| 2042 | 160,000 | 104,950 | 264,950 | 3.00% |
| 2043 | 160,000 | 100,150 | 260,150 | 3.00% |
| 2044 | 160,000 | 95,350 | 255,350 | 3.00% |
| 2045 | 165,000 | 90,550 | 255,550 | 3.00% |
| 2046 | 180,000 | 85,600 | 265,600 | 4.00% |
| 2047 | 185,000 | 78,400 | 263,400 | 4.00% |
| 2048 | 190,000 | 71,000 | 261,000 | 4.00% |
| 2049 | 200,000 | 63,400 | 263,400 | 4.00% |
| 2050 | 210,000 | 55,400 | 265,400 | 4.00% |
| 2051 | 215,000 | 47,000 | 262,000 | 4.00% |
| 2052 | 225,000 | 38,400 | 263,400 | 4.00% |
| 2053 | 235,000 | 29,400 | 264,400 | 4.00% |
| 2054 | 245,000 | 20,000 | 265,000 | 4.00% |
| 2055 | 255,000 | 10,200 | 265,200 | 4.00% |
| Total | <u>\$ 4,960,000</u> | <u>\$ 3,450,000</u> | <u>\$ 8,410,000</u> | |

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

DEQ #R23045 Refinance Note

Note payable to Department of Environmental Quality to refinance outstanding debt with DEQ. Note is dated December 1, 2020 for a total amount of \$8,805,123 and carries an interest rate of .86%. Principal and interest payments are due the first day of August and February until paid off with payment of February 1, 2036.

Current Year Activity:

| | <u>Outstanding Balance July 1, 2022</u> | <u>New Issues and Interest Matured</u> | <u>Principal and Interest Retired</u> | <u>Outstanding Balance June 30, 2023</u> | <u>Due Within One Year</u> |
|-----------|---|--|---|--|------------------------------------|
| Principal | \$ 7,978,065 | \$ - | \$ 540,542 | \$ 7,437,523 | \$ 545,201 |
| Interest | - | 67,452 | 67,452 | - | 62,793 |
| Total | <u>\$ 7,978,065</u> | <u>\$ 67,452</u> | <u>\$ 607,994</u> | <u>\$ 7,437,523</u> | <u>\$ 607,994</u> |

Future Requirements:

| | <u>Fiscal Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Interest Rate</u> |
|-------|---------------------------------------|---------------------|-------------------|---------------------|----------------------|
| | 2024 | \$ 545,201 | \$ 62,793 | \$ 607,994 | 0.86% |
| | 2025 | 549,900 | 58,094 | 607,994 | 0.86% |
| | 2026 | 554,640 | 53,354 | 607,994 | 0.86% |
| | 2027 | 559,420 | 48,574 | 607,994 | 0.86% |
| | 2028 | 564,241 | 43,753 | 607,994 | 0.86% |
| | 2029 | 569,103 | 38,891 | 607,994 | 0.86% |
| | 2030 | 574,008 | 33,986 | 607,994 | 0.86% |
| | 2031 | 578,956 | 29,038 | 607,994 | 0.86% |
| | 2032 | 583,945 | 24,049 | 607,994 | 0.86% |
| | 2033 | 588,978 | 19,018 | 607,996 | 0.86% |
| | 2034 | 594,054 | 13,940 | 607,994 | 0.86% |
| | 2035 | 599,174 | 8,820 | 607,994 | 0.86% |
| | 2036 | 575,903 | 3,656 | 579,559 | 0.86% |
| Total | | <u>\$ 7,437,523</u> | <u>\$ 437,966</u> | <u>\$ 7,875,489</u> | |

CITY OF COBURG
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

US Bank Global Corp. Trust Services - Water Portion

Full Faith & Credit Refunding Obligation Bonds, Series 2020, held by US Bank for refinancing and consolidation of debt. The amount of the bonds is \$6,565,000 and carries an interest rate between 3.0 and 4.0 %. Bonds are dated November 19, 2020. Liability and repayment of the debt is allocated between governmental activities, water activities, and sewer activities. This is the water activities portion. This portion will be fully retired in 2026.

Current Year Activity:

| | <u>Outstanding Balance July 1, 2022</u> | <u>New Issues and Interest Matured</u> | <u>Principal and Interest Retired</u> | <u>Outstanding Balance June 30, 2023</u> | <u>Due Within One Year</u> |
|-----------|---|--|---|--|------------------------------------|
| Principal | \$ 405,000 | \$ - | \$ 170,000 | \$ 235,000 | \$ 75,000 |
| Interest | - | 12,150 | 12,150 | - | 7,050 |
| Total | <u>\$ 405,000</u> | <u>\$ 12,150</u> | <u>\$ 182,150</u> | <u>\$ 235,000</u> | <u>\$ 82,050</u> |

Future Requirements:

| | <u>Fiscal Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Interest Rate</u> |
|-------|---------------------------------------|-------------------|------------------|-------------------|--------------------------|
| | 2024 | \$ 75,000 | \$ 7,050 | \$ 82,050 | 3.00% |
| | 2025 | 80,000 | 4,800 | 84,800 | 3.00% |
| | 2026 | 80,000 | 2,400 | 82,400 | 3.00% |
| Total | | <u>\$ 235,000</u> | <u>\$ 14,250</u> | <u>\$ 249,250</u> | |

For the Fiscal Year Ended June 30, 2023

US Bank Global Corp. Trust Services - Govmntl. Portion

Full Faith & Credit Refunding Obligation Bonds, Series 2020, held by US Bank for refinancing and consolidation of debt. The amount of the bonds is \$6,565,000 and carries an interest rate between 3.0 and 4.0 %. Bonds are dated November 19, 2020. Liability and repayment of the debt is allocated between governmental activities, water activities, and sewer activities. This is the governmental activities portion. This portion will be fully retired in 2045.

Current Year Activity:

| | Outstanding Balance July 1, 2022 | New Issues and Interest Matured | Principal and Interest Retired | Outstanding Balance June 30, 2023 | Due Within One Year |
|-----------|--|---------------------------------------|--------------------------------------|---|---------------------------|
| Principal | \$ 505,000 | \$ - | \$ 15,000 | \$ 490,000 | \$ 15,000 |
| Interest | - | 15,149 | 15,149 | - | 14,700 |
| Total | <u>\$ 505,000</u> | <u>\$ 15,149</u> | <u>\$ 30,149</u> | <u>\$ 490,000</u> | <u>\$ 29,700</u> |

Future Requirements:

| Fiscal Year Ended June 30, | Principal | Interest | Total | Interest Rate |
|-------------------------------|-------------------|-------------------|-------------------|---------------|
| 2024 | \$ 15,000 | \$ 14,700 | \$ 29,700 | 3.00% |
| 2025 | 15,000 | 14,250 | 29,250 | 3.00% |
| 2026 | 15,000 | 13,800 | 28,800 | 3.00% |
| 2027 | 15,000 | 13,350 | 28,350 | 3.00% |
| 2028 | 20,000 | 12,900 | 32,900 | 3.00% |
| 2029 | 20,000 | 12,300 | 32,300 | 3.00% |
| 2030 | 20,000 | 11,700 | 31,700 | 3.00% |
| 2031 | 20,000 | 11,100 | 31,100 | 3.00% |
| 2032 | 20,000 | 10,500 | 30,500 | 3.00% |
| 2033 | 20,000 | 9,900 | 29,900 | 3.00% |
| 2034 | 20,000 | 9,300 | 29,300 | 3.00% |
| 2035 | 20,000 | 8,700 | 28,700 | 3.00% |
| 2036 | 20,000 | 8,100 | 28,100 | 3.00% |
| 2037 | 25,000 | 7,500 | 32,500 | 3.00% |
| 2038 | 25,000 | 6,750 | 31,750 | 3.00% |
| 2039 | 25,000 | 6,000 | 31,000 | 3.00% |
| 2040 | 25,000 | 5,250 | 30,250 | 3.00% |
| 2041 | 25,000 | 4,500 | 29,500 | 3.00% |
| 2042 | 25,000 | 3,750 | 28,750 | 3.00% |
| 2043 | 25,000 | 3,000 | 28,000 | 3.00% |
| 2044 | 40,000 | 2,250 | 42,250 | 3.00% |
| 2045 | 35,000 | 1,050 | 36,050 | 3.00% |
| Total | <u>\$ 490,000</u> | <u>\$ 190,650</u> | <u>\$ 680,650</u> | |

REPORTS ON LEGAL
AND
REGULATORY REQUIREMENTS

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

As of June 30, 2023

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

We have audited the basic financial statements of the City of Coburg as of and for the year ended June 30, 2023 and have issued our report thereon dated March 9, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions, and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **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 our testing nothing came to our 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.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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, we 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 the 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
March 9, 2024

**THE URBAN RENEWAL AGENCY OF THE
CITY OF COBURG**

(A Component Unit of the City of Coburg)



ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

**THE URBAN RENEWAL AGENCY OF THE
CITY OF COBURG**

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

DISTRICT OFFICIALS

| | |
|---|----------|
| NANCY BELL PO Box 8316, Coburg, OR 97408 | Chairman |
| KYLE BLAIN PO Box 8316, Coburg, OR 97408 | Member |
| CLAIRE SMITH PO Box 8316, Coburg, OR 97408 | Member |
| JOHN LEHMAN PO Box 8316, Coburg, OR 97408 | Member |
| CATHY ENGBRETSON PO Box 8316, Coburg, OR 97408 | Member |
| ALAN WELLS PO Box 8316, Coburg, OR 97408 | Member |
| JOHN FOX PO Box 8316, Coburg, OR 97408 | Member |

ADMINISTRATION

| | |
|---|--------------------|
| ADAM HANKS PO Box 8316, Coburg, OR 97408 | City Administrator |
| GREGORY PECK PO Box 8316, Coburg, OR 97408 | Finance Director |

**THE URBAN RENEWAL AGENCY OF THE
CITY OF COBURG**

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

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and Members
of the Coburg Urban Renewal Agency Board -
the Urban Renewal Agency of the City of Coburg, Oregon
(A component unit of the City of Coburg)

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Coburg Urban Renewal Agency of the City of Coburg, Oregon, (the Agency), (a component unit of the City of Coburg), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Agency as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies and the reasonableness of significant accounting estimates made by management and the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-5, schedules of revenues, expenditures, and changes in fund balances – budget and actuals on page 24, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The schedules of revenues, expenditures, and changes in fund balances – budget and actuals described on page 24 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 our 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.

Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated March 9, 2024, on our consideration of the Agency'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 this report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the Agency's compliance.



Steve Tuhscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
March 9, 2024

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**Management's Discussion and Analysis (MD&A)****For the Fiscal Year Ended June 30, 2023**

The management discussion and analysis of the Urban Renewal Agency of the City of Coburg, Oregon, financial performance provides an overview of the Agency's financial activities for the fiscal year that ended June 30, 2023. This discussion and analysis evaluate the Agency's financial performance. Readers should also review the basic financial statements and notes to enhance their understanding of the Agency's financial performance.

The Urban Renewal Agency of the City of Coburg, Oregon (the agency), a component unit of the City of Coburg, Oregon (the City), was started in 2001 with the goals of (1) provision of adequate facilities and (2) water quality. At that point in time, Coburg did not have a municipal sewer system. Private on-site septic tanks and drain fields serve the City. This scenario contributed to groundwater contamination. Development in the industrial area had occurred with the expectation that a sewer system would be forthcoming. The Agency Plan and Report explains the goals of the Agency.

Vacant and underdeveloped properties in the Coburg Industrial Area were selected for inclusion in the Urban Renewal Area. This selection ensured that any future development would be done with adequate sewer facilities to protect water quality. It also enabled the safe and hygienic development of vacant and underdeveloped properties.

In 2015, the Sewer project was completed, and any loans from the agency to the project were paid back. The entity now operates for the purpose of supporting the sewer system with contributions annually to the Wastewater debt service.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2023, are as follows:

- The Agency's net position increased by \$66,444 (131.5%) as reported in the statement of activities. The net position at year's end was \$116,989.
- Total revenue for the Agency was \$443,139, reflecting an increase of 56,927 (15%) over the prior year. The Agency collected \$435,985 in taxes and assessments, and earned \$7,154 in interest and investment earnings.
- The Agency expended a total of \$376,695 for various Urban Renewal Project related activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduce the Agency's basic financial statements. The basic financial statements include: 1) governmental fund financial statements and (2) notes to the basic financial statements. This report also includes required supplementary information, other supplementary data, and accompanying information to supplement the basic financial statements.

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**Management's Discussion and Analysis (MD&A)****For the Fiscal Year Ended June 30, 2023**

Governmental Fund Financial Statements

Governmental funds 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 government-wide financial statements, these statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

The first of the governmental fund statements is the Statement of Net Position. This is the Agency statement of position presenting information that includes all the Agency's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the Agency's financial position is improving or deteriorating.

The second government-wide statement is the Statement of Activities which reports how the Agency'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 on property tax revenues.

Notes to the Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the governmental 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 Coburg Urban Renewal Agency Fund. The Required Supplementary Information section immediately follows the Notes to the Financial Statements.

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

FINANCIAL ANALYSIS OF THE AGENCY

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

The Agency's net position at fiscal year-end is \$116,989, a surplus of \$66,444 from the prior year, reflecting a 131.46% increase.

The Agency's net position reflects cash and investments of \$101,582 and Property Taxes Receivable of \$15,407. The Agency does not own Capital Assets. As of June 30, 2023, the Agency had no Liabilities.

The Agency's financial position is the product of several financial transactions, including the receipt of tax receipts, payment of administrative expenses, and an annual payments to the City of Coburg for debt service in the Sewer Fund.

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**Management's Discussion and Analysis (MD&A)****For the Fiscal Year Ended June 30, 2023**

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

Summary of Net Position

| | <u>Governmental Activities</u> | |
|--------------------------|--------------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Assets | | |
| Current and Other Assets | <u>\$ 116,989</u> | <u>\$ 53,882</u> |
| Total Assets | <u>116,989</u> | <u>53,882</u> |
| Liabilities | | |
| Current Liabilities | <u>-</u> | <u>3,337</u> |
| Total Liabilities | <u>-</u> | <u>3,337</u> |
| Net Position | | |
| Restricted | <u>116,989</u> | <u>50,545</u> |
| Total Net Position | <u>\$ 116,989</u> | <u>\$ 50,545</u> |

Summary of Changes in Net Position

| | <u>Governmental Activities</u> | |
|--------------------------------|--------------------------------|------------------|
| | <u>2022-23</u> | <u>2021-22</u> |
| Revenues | | |
| Taxes and Assessments | \$435,985 | \$384,742 |
| Interest & Investment Earnings | <u>7,154</u> | <u>1,470</u> |
| Total Revenues | <u>443,139</u> | <u>386,212</u> |
| Program Expenses | | |
| Urban Renewal Projects | <u>376,695</u> | <u>12,071</u> |
| Total Expenses | <u>376,695</u> | <u>12,071</u> |
| Transfers | <u>-</u> | <u>(375,000)</u> |
| Change in Net Position | <u>\$ 66,444</u> | <u>\$ 23,283</u> |

The Statement of Activities shows revenues received and the cost of Agency activities in its service to the City Urban Renewal District. These functions solely support the debt service of the Sewer Project.

As discussed previously, the focus of the Agency is to provide financial support to Urban Renewal Projects such as the City Sewer Project.

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**Management's Discussion and Analysis (MD&A)****For the Fiscal Year Ended June 30, 2023**

As the Agency completed the year, the ending fund balance was \$102,980, an increase of \$66,476 (55%) from the previous year. The fund balance constitutes restricted funds for Urban Renewal Projects.

Revenue – Taxes and Assessments revenue increased by \$51,243 (13%) from the prior year.

Expenses – represent the administrative costs of managing the Urban Renewal Agency and the annual budgeted transfer to wastewater debt. The Urban Renewal Projects accounted for the total expenses of \$376,695.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The URA's total budgeted appropriations for 2023-24 are \$385,425. From those funds, the agency budgeted \$10,425 for Materials and Services and a payment of \$375,000 to the City for Sewer Debt. The Agency indicates an additional \$108,575 of unappropriated funds.

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 inside City Hall at 91136 N. Willamette Street, Coburg, Oregon 97408.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

THE URBAN RENEWAL AGENCY OF THE
CITY OF COBURG

(A Component Unit of the City of Coburg)

STATEMENT OF NET POSITION

June 30, 2023

| | Governmental Activities |
|-----------------------------|------------------------------------|
| <u>ASSETS:</u> | |
| Current Assets: | |
| Cash and Investments | \$ 101,582 |
| Property Taxes Receivable | 15,407 |
| Total Assets | 116,989 |
| <u>LIABILITIES:</u> | |
| Current Liabilities: | |
| Accounts Payable | - |
| Total Liabilities | - |
| <u>NET POSITION:</u> | |
| Restricted For: | |
| Urban Renewal Projects | 116,989 |
| Total Net Position | \$ 116,989 |

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

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG

(A Component Unit of the City of Coburg)

STATEMENT OF ACTIVITIES**For the Fiscal Year Ended June 30, 2023**

| Functions / Programs | (Expenses) | Program Revenues | | Net (Expense) Revenue and Change in Net Position |
|--|-------------------|-------------------------------------|---|---|
| | | Charges for Services | Operating Grants and Contributions | |
| <u>GOVERNMENTAL ACTIVITIES:</u> | | | | |
| Urban Renewal Projects | \$ 376,695 | \$ - | \$ - | \$ (376,695) |
| Total Governmental Activities | \$ 376,695 | \$ - | \$ - | \$ (376,695) |

GENERAL REVENUES:

| | |
|--|-------------------|
| Taxes | |
| Property Taxes, Levied for Debt Servic | 435,985 |
| Interest and Investment Earnings | 7,154 |
| Transfer to Primary Government | - |
| Subtotal - General Revenues | 443,139 |
| Change in Net Position | 66,444 |
| Net Position, July 1, 2022 | 50,545 |
| Net Position, June 30, 2023 | \$ 116,989 |

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

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG

(A Component Unit of the City of Coburg)

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

| | Urban Renewal General Fund |
|--|---|
| <u>ASSETS:</u> | |
| Cash and Investments | \$ 101,582 |
| Property Taxes Receivable | 15,407 |
| Total Assets | <u><u>\$ 116,989</u></u> |
| <u>DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</u> | |
| DEFERRED INFLOWS OF RESOURCES: | |
| Deferred Property Tax Revenue | 14,009 |
| Total Deferred Inflows of Resources | <u><u>14,009</u></u> |
| FUND BALANCES: | |
| Restricted for: | |
| Urban Renewal Projects | 102,980 |
| Total Fund Balances | <u><u>102,980</u></u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u><u>\$ 116,989</u></u> |

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

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION****June 30, 2023**

Total Fund Balances - Governmental Funds **\$102,980****Amounts reported for governmental activities in the
Statement of Net Position are different because:**Property taxes receivables not collected within 60 days of the
current period ending date are deferred in the governmental funds. **14,009**

Net Position of Governmental Activities **\$116,989**

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

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE****GOVERNMENTAL FUNDS****For The Fiscal Year Ended June 30, 2023**

| | Urban Renewal General Fund |
|-------------------------------------|---|
| <u>REVENUES:</u> | |
| Taxes and Assessments | \$436,017 |
| Interest and Investment Earnings | 7,154 |
| Total Revenues | <u>443,171</u> |
| <u>EXPENDITURES:</u> | |
| Current Operating: | |
| Urban Renewal Projects | <u>376,695</u> |
| Total Expenditures | <u>376,695</u> |
| Net Change in Fund Balance | 66,476 |
| Fund Balance - July 1, 2022 | 36,504 |
| Fund Balance - June 30, 2023 | <u>\$102,980</u> |

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

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****RECONCILIATION OF THE STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES****For The Fiscal Year Ended June 30, 2023**

| | |
|--|------------------|
| Net changes in fund balances - total governmental funds | \$ 66,476 |
|--|------------------|

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

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 | <u>(32)</u> |
|----------------|-------------|

| | |
|---|--------------------------------|
| Changes in net position of governmental activities | <u><u>\$ 66,444</u></u> |
|---|--------------------------------|

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

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****NOTES TO THE BASIC FINANCIAL STATEMENTS****JUNE 30, 2023****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:****Reporting Entity**

The Urban Renewal Agency of the City of Coburg, Oregon (Agency) was established in 2001. The Agency is organized under general laws pertaining to urban renewal agencies in Oregon. The governing body is comprised of the Mayor and the Agency Board of the City of Coburg.

The Agency is a separate legal entity governed by the City of Coburg. The Agency Board has the ability to impose its will over the Agency as determined based on budget adoption, taxing authority, and funding for the Agency. Therefore, under the criteria set by the Governmental Accounting Standards Board, the Agency is considered a component unit of the City of Coburg, and the Agency's financial activities are included as a blended component unit in the basic financial statements of the City of Coburg.

Although a component unit of the City of Coburg, the Agency exists and operates separately from the City of Coburg. Accordingly, the Agency's financial statements will also be included in the financial statements of the City of Coburg.

The Agency has no potential component units.

Basis of Presentation

The Urban Renewal Agency's (Agency) financial statements for the City of Coburg have been prepared per Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Basic financial statements are presented at both the government-wide and fund financial levels. The Agency's activities are governmental and are normally supported by taxes and intergovernmental revenues.

Government-wide financial statements display information about the reporting government. The effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

Fund financial statements display information at the individual fund level. Each fund is a separate accounting entity. The Agency has only governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****NOTES TO THE BASIC FINANCIAL STATEMENTS****JUNE 30, 2023****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):****Basis of Presentation (Cont.)**

The financial transactions of the Agency are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Agency has elected to report its only fund, the General Fund, as a major fund to assist in compiling a complete and accurate picture of the financial position of the Agency.

General Fund - The General Fund is the general operating fund of the Agency. It is used to account for all the financial resources. The principal sources of revenue are tax increment revenues and interest on investments. Primary expenditures of the General Fund are used for the construction of and debt service (if required) for the sewer project of the City of Coburg.

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 positions 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 is 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.

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****NOTES TO THE BASIC FINANCIAL STATEMENTS****JUNE 30, 2023****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):****Measurement Focus/Basis of Accounting (Cont.)**

Similar to the way revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long-term portions of debt must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund-based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Agency's practice to use restricted resources first, then unrestricted resources when they are needed.

Cash and Investments

For 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 Agency has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the Agency 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 Agency'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 Agency'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. The fair value of the LGIP is the same as the Agency'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) established by the State Treasurer. In seeking to serve best the 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 on the management and investment options of the LGIP.

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****NOTES TO THE BASIC FINANCIAL STATEMENTS****JUNE 30, 2023**

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 on the 15th day of November, February, and May. Real property taxes become delinquent if not paid by May 15.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables." All other outstanding balances between funds are reported as "due to/from other funds."

Deferred Inflows of Resources:

In the governmental funds, property taxes that have not been collected within sixty days subsequent to year-end are not considered measurable and available and are not recognized as revenue but rather as deferred inflows of resources.

Capital Assets

All capital assets which include property and infrastructure assets (e.g., roads, bridges, sidewalks, etc.) become City of Coburg (primary government) capital assets and therefore are not reported on the Agency's Statement of Net Position.

Long-Term Obligations

The Agency has no long-term obligations.

Equity Classifications

Government-Wide Statements - Equity is classified as net position, which represents the difference between assets and liabilities. Net position is displayed in two components:

1. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
2. Unrestricted net position - All other net positions that do not meet the definition of "restricted".

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

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****NOTES TO THE BASIC FINANCIAL STATEMENTS****JUNE 30, 2023****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):**Equity Classifications (Cont.)*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 Agency 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 Agency did not have any nonspendable resources.
- 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 Agency has restricted funds for urban renewal projects.
- Committed: This classification includes fund balance amounts that are constrained for the specific purpose that is internally imposed by the government through the resolution of the highest level of decision-making authority, the Agency Board, and does not lapse at year-end. The Agency does not have committed resources.
- 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 Agency Board or through the Agency Board 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 Agency'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.

Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****NOTES TO THE BASIC FINANCIAL STATEMENTS****JUNE 30, 2023****STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:****Budgetary Information**

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 -Local Budget Law). The Agency is required to budget all funds. The budget is prepared for each fund on the modified accrual basis of accounting. For all fund types, inter-fund loans are budgeted as sources and used in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object. Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document. The process under which the budget is adopted is described in the following paragraphs.

In the early spring, a preliminary budget calendar, budget preparation manual, and budget worksheets are distributed to appropriate department directors. The City Administrator (Agency Director) and the Finance Director develop a proposed budget, after which the Agency Director publishes two notices of Budget Committee meetings. No less than five days, or more than thirty days after the notices are published, the Budget Committee (consisting of the Agency Board and an equal number of citizens of the City of Coburg) meets to consider the proposed budget. The Budget Message is delivered, explaining the proposed budget and any significant changes in the Agency's financial position.

The Budget Committee conducts public meetings to obtain citizens' comments, deliberate on, and subsequently approve the proposed budget, which includes any additions or deletions from the one originally presented by the Agency Director. The Budget Committee then submits the approved budget to the Agency Board for final adoption. The board may not increase the approved expenditure for each fund by more than 10% without returning it to the Budget Committee for a second approval. After the board adopts the budget and certifies the total of ad valorem taxes to be levied, as the budget committee approves, no additional tax levy may be made for that fiscal year.

The Agency Board legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund, and expenditures cannot legally exceed these appropriations. The level of control established by the resolution for each fund is the object group level (i.e., personal services, materials and services, capital outlay, and other expenditures). Appropriations lapse at the end of the year.

The Agency Board may change the budget throughout the year by resolution and adopting supplemental budgets authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget using a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the board. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted and for debt service on new debt issued during the budget year.

CASH AND INVESTMENTS:

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

The Agency follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. State statutes impose various restrictions on deposits and investments. These restrictions are summarized in the Cash and Investment note under the Summary of Significant Account Policies.

Investments are stated at fair value, including amounts held in pool cash and investments. 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

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****NOTES TO THE BASIC FINANCIAL STATEMENTS****JUNE 30, 2023****CASH AND INVESTMENTS (CONT.):**

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. State of Oregon Local Government Investment Pool (LGIP) investments are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. Banking regulations and Oregon law establish the insurance and collateral requirements for deposits. FDIC insurance of \$250,000 applies to the deposits in each depository. 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 on the state treasurer's website.

Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. Balances that are more than the FDIC insurance are considered exposed to custodial credit risk.

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

As of June 30, 2023, the Agency's reported deposits were \$25,233, and the bank balance was \$25,233. Of the bank balance, the entire amount was covered by federal depository insurance or by pledged securities with the qualifying depository banks.

Investments - Oregon statutes authorize the Agency 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 Agency has no credit risk 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, 2023, the Agency's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

As of June 30, 2023, the Agency'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) | \$ 76,349 | N/A |
| Total Investments | <u>\$ 76,349</u> | |

Investments in the LGIP and federal agency notes do not require disclosure of 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 Agency places no limit on the amount that may be invested in any one issuer. More than 5 percent of the Agency's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the Agency's total investment.

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**(A Component Unit of the City of Coburg)****NOTES TO THE BASIC FINANCIAL STATEMENTS****JUNE 30, 2023**

RISK MANAGEMENT:

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Agency carries commercial insurance. There has been no significant reduction in insurance coverage from the prior years. The Agency has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years. The Agency's insurance is provided in combination with the City of Coburg.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

The City and Agency make various interfund transfers to move resources between funds to provide resources for expenditures not supported by other revenues. The transfers are part of the Agency's budget preparation and adoption.

During the Fiscal year ended June 30, 2023 the URA Fund had interfund payables to the Sewer Fund in the form of Materials and Services in the amount of \$375,000.

REQUIRED
SUPPLEMENTARY
INFORMATION

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, 2023**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|------------------|-------------------|--|
| | Original | Final | | |
| <u>REVENUES:</u> | | | | |
| Taxes and Assessments | \$382,000 | \$382,000 | \$ 436,017 | \$ 54,017 |
| Investment Revenue | 2,000 | 2,000 | 7,154 | 5,154 |
| Total Revenues | 384,000 | 384,000 | 443,171 | 59,171 |
| <u>EXPENDITURES:</u> | | | | |
| Materials and Supplies | 387,125 | 387,125 | 376,695 | (10,430) |
| Total Expenditures | 387,125 | 387,125 | 376,695 | (10,430) |
| Excess (Deficiency) of Revenues Over Expenditures | (3,125) | (3,125) | 66,476 | 69,601 |
| Net Change In Fund Balance | (3,125) | (3,125) | 66,476 | 69,601 |
| Fund Balance - July 1, 2022 | 27,642 | 27,642 | 36,504 | 8,862 |
| Fund Balance - June 30, 2023 | \$ 24,517 | \$ 24,517 | \$ 102,980 | \$ 78,463 |

ACCOMPANYING
INFORMATION

THE URBAN RENEWAL AGENCY OF THE CITY OF COBURG**INDEPENDENT AUDITOR'S REPORT**
REQUIRED BY OREGON STATE REGULATIONS**As of June 30, 2023**

To the Governing Body of the Urban Renewal Agency of the City of Coburg
(A component unit of the City of Coburg)
Coburg, Oregon

We have audited the basic financial statements of the Urban Renewal Agency of the City of Coburg (A component unit of the City of Coburg) (the Agency) as of and for the year ended June 30, 2023, and have issued our report thereon dated March 9, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions, and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting. This report is intended solely for the information and use of the Board of Directors, the management of the Agency, and the Oregon Secretary of State. It is not intended to be and should not be used by anyone other than these parties.



Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
March 9, 2024

**City of Coburg
Balances
FY 2024
As of 2/29/2024**

Cash Balances

| | FY 2024 <u>Actual</u> | FY 2024 <u>Budget</u> | FY 2023 <u>Actual</u> | EOY <u>FY 2023</u> |
|-------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------------|
| General Fund | 728,701 | N/A | 801,405 | 638,087 |
| Street Fund | 1,499,032 | N/A | 955,915 | 950,820 |
| Water Fund | 1,706,860 | N/A | 2,040,070 | 1,271,001 |
| Sewer Fund | 1,417,779 | N/A | 1,654,280 | 2,068,764 |
| Total Cash | 5,352,371 | N/A | 5,451,670 | 4,928,671 |

Fund Balances

| | FY 2024 <u>Actual</u> | FY 2024 <u>Budget</u> | FY 2023 <u>Actual</u> | EOY <u>FY 2023</u> |
|---------------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------------|
| General Fund | 719,506 | 624,148 | 777,111 | 451,683 |
| Street Fund | 1,525,611 | 411,078 | 969,950 | 912,135 |
| Water Fund | 1,873,750 | 170,502 | 2,189,215 | 1,153,403 |
| Sewer Fund | 1,547,697 | 1,622,749 | 1,741,134 | 2,153,077 |
| Total Fund Balance | 5,666,563 | 2,828,477 | 5,677,410 | 4,670,298 |

**City of Coburg
Fund Statements
General Fund
FY 2024
As of 2/29/2024**

| | FY 2024 | | | FY 2023 | |
|------------------------------------|------------------|------------------|-------------|------------------|------------------|
| | Actual | Budget | % of B to A | Actual | EOY |
| Revenues: | | | | | |
| Taxes and Assessments | 895,766 | 989,000 | 91% | 863,161 | 905,168 |
| Intergovernmental | 37,337 | 59,125 | 63% | 28,517 | 74,980 |
| Franchise Fees | 139,232 | 279,400 | 13% | 122,577 | 223,908 |
| Licenses, Permits & Fees | 84,901 | 283,950 | 30% | 83,837 | 170,558 |
| Fines and Forfeitures | 56,034 | 85,000 | 66% | 78,545 | 104,895 |
| Investment Revenue | 10,700 | 2,500 | 428% | 5,237 | 11,865 |
| Grants and Donations | | 372,000 | 0% | 129,937 | 130,687 |
| Charges for Services | 120,866 | 55,780 | 217% | 95,770 | 55,691 |
| Charges for Services -SDC | 72,383 | 235,325 | 31% | 52,423 | 145,076 |
| Interdepartmental Charges | | - | N/A | | |
| Other Revenue | 7,630 | 8,500 | 90% | 7,867 | 54,331 |
| Transfer In - Admin Fee | 693,234 | 1,039,852 | 67% | 585,870 | 878,804 |
| Total Revenue | 2,118,084 | 3,410,432 | 62% | 2,053,739 | 2,755,963 |
| Expenditures | | | | | |
| Administration Department | 559,561 | 833,240 | 67% | 507,007 | 753,659 |
| Facility Management Department | 61,653 | 118,850 | 52% | 59,048 | 81,932 |
| Planning Department | 118,665 | 192,590 | 62% | 114,711 | 189,028 |
| Police Department | 492,606 | 891,131 | 55% | 521,124 | 828,728 |
| Municipal Court | 86,456 | 166,972 | 52% | 88,555 | 154,220 |
| Economic Development | 12,955 | 58,700 | 22% | 55,070 | 91,416 |
| Park | 129,939 | 381,416 | 34% | 27,423 | 50,599 |
| Public Works Administration | 388,426 | 613,685 | 63% | 342,586 | 563,245 |
| Debt Service: | | | | | |
| Principal | - | 15,000 | 0% | - | 15,000 |
| Interest | - | 14,700 | 0% | - | 15,149 |
| Contingency | | 150,000 | | | |
| Total Expenditures | 1,850,261 | 3,436,284 | 54% | 1,715,524 | 2,742,976 |
| Net Change | 267,823 | (25,852) | -1036% | 338,215 | 12,987 |
| Fund Balance - June 30, | 451,683 | 650,000 | 69% | 438,896 | 438,696 |
| Fund Balance | 719,506 | 624,148 | 115% | 777,111 | 451,683 |
| Fund Balance: | | | | | |
| Restricted for Park SDC | | 281,854 | | | |
| Unappropriated Ending Fund Balance | | 342,294 | | | |
| Fund Balance | | 624,148 | | | |

**City of Coburg
Fund Statements
Street Fund
FY 2024
As of 2/29/2024**

| | FY 2024 | | | FY 2023 | |
|------------------------------------|------------------|------------------|-------------|------------------|------------------|
| | Actual | Budget | % of B to A | Actual | EOY |
| Revenues: | | | | | |
| Taxes and Assessments | 104,797 | 170,000 | 62% | 107,931 | 155,171 |
| Intergovernmental | 72,731 | 105,000 | 69% | 47,713 | 80,038 |
| Investment Revenue | 6,038 | 7,900 | 76% | 2,200 | 3,520 |
| Grants and Donations | | 748,348 | 0% | 40,000 | 140,000 |
| Charges for Services | 108,421 | 165,000 | 66% | 107,629 | 161,577 |
| Charges for Services -SDC | 94,240 | 278,592 | 34% | 107,414 | 216,409 |
| Interdepartmental Charges | | - | N/A | | |
| Other Revenue | 257 | 500 | 0% | 2,336 | 2,336 |
| Bond Proceeds | 748,348 | 500,000 | 0% | 999,500 | 999,500 |
| Transfer In - | | | N/A | | |
| Total Revenue | 1,134,833 | 1,975,340 | 0% | 1,414,723 | 1,758,551 |
| Expenditures | | | | | |
| Administration Department | 304,646 | 2,135,245 | 14% | 1,254,052 | 1,581,549 |
| Transfer Out - | 102,311 | 153,467 | 67% | 148,291 | 222,436 |
| Debt Service: | | | | | |
| Principal | 92,060 | 114,400 | 80% | - | - |
| Interest | 22,340 | 21,350 | 105% | - | - |
| Contingency | | 100,000 | | | |
| Total Expenditures | 521,357 | 2,524,462 | 21% | 1,402,342 | 1,803,985 |
| Net Change | 613,475 | (549,122) | -112% | 12,381 | (45,434) |
| Fund Balance - June 30, | 912,135 | 960,200 | 95% | 957,569 | 957,569 |
| Fund Balance | 1,525,611 | 411,078 | 371% | 969,950 | 912,135 |
| Fund Balance: | | | | | |
| Restricted for Street SDC | | - | | | |
| Reserve for Tree Maintenance | | 12,000 | | | |
| Unappropriated Ending Fund Balance | | 399,078 | | | |
| Fund Balance | | 411,078 | | | |

**City of Coburg
Fund Statements
Water Fund
FY 2024
As of 2/29/2024**

| | FY 2024 | | | FY 2023 | |
|------------------------------------|------------------|------------------|-------------|------------------|------------------|
| | Actual | Budget | % of B to A | Actual | EOY |
| Revenues: | | | | | |
| Investment Revenue | 49,537 | 1,500 | 3302% | 18,714 | 38,294 |
| Grants and Donations | | | N/A | | |
| Charges for Services | 644,735 | 975,000 | 66% | 602,015 | 936,830 |
| Charges for Services -SDC | 64,177 | 222,262 | 29% | 58,940 | 154,799 |
| Interdepartmental Charges | | | N/A | | |
| Other Revenue | 648 | - | N/A | 150 | 3,650 |
| Bond Proceeds | 1,219,340 | 4,496,795 | 27% | 810,234 | 810,234 |
| Transfer In - | | | N/A | | |
| Total Revenue | 1,978,437 | 5,695,557 | 35% | 1,490,053 | 1,943,807 |
| Expenditures | | | | | |
| Administration Department | 948,347 | 6,163,172 | 15% | 800,470 | 2,010,563 |
| Transfer Out - | 303,222 | 454,833 | 67% | 206,796 | 310,194 |
| Debt Service: | | | | | |
| Principal | - | 82,050 | 0% | 5,000 | 170,000 |
| Interest | 6,522 | - | N/A | 6,075 | 17,150 |
| Contingency | | 200,000 | | | |
| Total Expenditures | 1,258,090 | 6,900,055 | 18% | 1,018,341 | 2,507,907 |
| Net Change | 720,347 | (1,204,498) | -60% | 471,712 | (564,100) |
| Fund Balance - June 30, | 1,153,403 | 1,375,000 | 84% | 1,717,503 | 1,717,503 |
| Fund Balance | 1,873,750 | 170,502 | 1099% | 2,189,215 | 1,153,403 |
| Fund Balance: | | | | | |
| Restricted for Water SDC | | - | | | |
| Unappropriated Ending Fund Balance | | 170,502 | | | |
| Fund Balance | | 170,502 | | | |

**City of Coburg
Fund Statements
Sewer Fund
FY 2024
As of 2/29/2024**

| | FY 2024 | | | FY 2023 | |
|------------------------------------|------------------|------------------|-------------|------------------|------------------|
| | Actual | Budget | % of B to A | Actual | EOY |
| Revenues: | | | | | |
| Taxes and Assessments | | | N/A | | |
| Intergovernmental | | 375,000 | 0% | | 375,000 |
| Investment Revenue | 914 | 12,500 | 7% | 471 | 36,146 |
| Grants and Donations | | - | N/A | | |
| Charges for Services | 615,017 | 903,488 | 68% | 605,603 | 847,931 |
| Charges for Services -SDC | 88,138 | 265,696 | 33% | 89,359 | 187,296 |
| Interdepartmental Charges | | | N/A | | |
| Other Revenue | 257 | 2,500 | 10% | | 62,398 |
| Bond Proceeds | | | N/A | | |
| Transfer In - | | | N/A | | |
| Total Revenue | <u>704,327</u> | <u>1,559,184</u> | 45% | <u>695,433</u> | <u>1,508,770</u> |
| Expenditures | | | | | |
| Administration Department | 295,503 | 738,677 | 40% | 164,909 | 274,462 |
| Transfer Out - | 287,701 | 431,551 | 67% | 230,783 | 346,175 |
| Debt Service: | | | | | |
| Principal | 626,522 | 640,201 | 98% | 540,542 | 630,542 |
| Interest | 99,981 | 270,181 | 37% | 193,792 | 280,242 |
| Contingency | | 200,000 | | | |
| Total Expenditures | <u>1,309,707</u> | <u>2,280,610</u> | 57% | <u>1,130,027</u> | <u>1,531,421</u> |
| Net Change | (605,380) | (721,426) | 84% | (434,593) | (22,650) |
| Fund Balance - June 30, | <u>2,153,077</u> | <u>2,344,175</u> | 92% | <u>2,175,727</u> | <u>2,175,727</u> |
| Fund Balance | <u>1,547,697</u> | <u>1,622,749</u> | 95% | <u>1,741,134</u> | <u>2,153,077</u> |
| Fund Balance: | | | | | |
| Restricted for Wastewater SDC | | 577,122 | | | |
| Unappropriated Ending Fund Balance | | <u>1,045,627</u> | | | |
| Fund Balance | | <u>1,622,749</u> | | | |

City of Coburg
Department Summary of Expenditures by Fund
FY 2024
As of 2/29/2024
Target 66.67%

| | FY 2024 | | | FY 2023 | |
|---------------------------------|---------|---------|-------------|---------|---------|
| | Actual | Budget | % of B to A | Actual | EOY |
| General Fund | | | | | |
| Administration Department | | | | | |
| Personnel Services | 383,658 | 595,975 | 64.37% | 318,429 | 508,075 |
| Material and Services | 175,903 | 237,265 | 74.14% | 188,578 | 245,584 |
| Total Administration Department | 559,561 | 833,240 | 67.15% | 507,007 | 753,659 |
| Facility Management Department | | | | | |
| Material and Services | 61,653 | 92,100 | 66.94% | 59,048 | 81,932 |
| Capital | - | 26,750 | 0.00% | | |
| Total Facility | 61,653 | 118,850 | 51.87% | 59,048 | 81,932 |
| Planning Department | | | | | |
| Personnel Services | 47,030 | 76,476 | 61.50% | 38,973 | 62,566 |
| Material and Services | 71,635 | 116,114 | 61.69% | 75,738 | 126,462 |
| Total Planning Department | 118,665 | 192,590 | 61.62% | 114,711 | 189,028 |
| Police Department | | | | | |
| Personnel Services | 395,912 | 689,702 | 57.40% | 408,393 | 630,476 |
| Material and Services | 80,567 | 189,429 | 42.53% | 75,485 | 144,169 |
| Capital Outlay | 16,128 | 12,000 | 134.40% | 37,247 | 54,083 |
| Total Police Department | 492,606 | 891,131 | 55.28% | 521,124 | 828,728 |
| Municipal Court | | | | | |
| Personnel Services | 72,614 | 127,532 | 56.94% | 75,707 | 119,593 |
| Material and Services | 13,842 | 39,440 | 35.10% | 12,848 | 34,627 |
| Total Municipal Court | 86,456 | 166,972 | 51.78% | 88,555 | 154,220 |
| Economic Development | | | | | |
| Personnel Services | 240 | - | N/A | 25,915 | 32,385 |
| Material and Services | 12,714 | 58,700 | 21.66% | 29,155 | 59,031 |
| Total Economic Department | 12,955 | 58,700 | 22.07% | 55,070 | 91,416 |

City of Coburg
Department Summary of Expenditures by Fund
FY 2024
As of 2/29/2024
Target 66.67%

| | FY 2024 | | | FY 2023 | |
|--|------------------|------------------|---------------|------------------|------------------|
| | Actual | Budget | % of B to A | Actual | EOY |
| Park | | | | | |
| Material and Services | 9,117 | 48,916 | 18.64% | 25,424 | 24,825 |
| Capital | 120,822 | 332,500 | 36.34% | 1,999 | 25,774 |
| Total Park | 129,939 | 381,416 | 34.07% | 27,423 | 50,599 |
| Public Works Administration | | | | | |
| Personnel Services | 388,426 | 613,685 | 63.29% | 342,586 | 563,245 |
| Material and Services | - | - | N/A | - | - |
| Total Public Works | 388,426 | 613,685 | 63.29% | 342,586 | 563,245 |
| Debt Service: | | | | | |
| Principal | | 15,000 | 0.00% | | 15,000 |
| Interest | | 14,700 | 0.00% | | 15,149 |
| Total Debt | | 29,700 | 0.00% | | 30,149 |
| Total General Fund Expenditures | 1,850,261 | 3,286,284 | 56.30% | 1,715,524 | 2,742,976 |

City of Coburg
Department Summary of Expenditures by Fund
FY 2024
As of 2/29/2024
Target 66.67%

| | FY 2024 | | | FY 2023 | |
|---------------------------------------|----------------|------------------|---------------|------------------|------------------|
| | Actual | Budget | % of B to A | Actual | EOY |
| <u>Street Fund</u> | | | | | |
| Administration Department | | | | | |
| Material and Services | 141,235 | 123,175 | 114.66% | 69,075 | 121,273 |
| Capital | 45,021 | 40,000 | 112.55% | - | - |
| Transfer Out | 102,311 | 153,467 | 66.67% | 148,291 | 222,436 |
| Total Administration Department | 288,567 | 316,642 | 91.13% | 217,366 | 343,709 |
| Public Works Administration | | | | | |
| Material and Services | 10,110 | 76,430 | 13.23% | 12,377 | 1,460,276 |
| Capital | 108,280 | 1,923,500 | 5.63% | 1,172,599 | - |
| Total Public Works | 118,390 | 1,999,930 | 5.92% | 1,184,976 | 1,460,276 |
| Debt Service: | | | | | |
| Principal | 92,060 | 114,400 | 80.47% | - | - |
| Interest | 22,340 | 21,350 | 104.64% | - | - |
| Total Debt | 114,400 | 135,750 | 84.27% | - | - |
| Total Street Fund Expenditures | 521,357 | 2,452,322 | 21.26% | 1,402,342 | 1,803,985 |

City of Coburg
Department Summary of Expenditures by Fund
FY 2024
As of 2/29/2024
Target 66.67%

| | FY 2024 | | | FY 2023 | |
|--------------------------------------|------------------|------------------|---------------|------------------|------------------|
| | Actual | Budget | % of B to A | Actual | EOY |
| <u>Water Fund</u> | | | | | |
| Administration Department | | | | | |
| Material and Services | 92,940 | 106,265 | 87.46% | 56,201 | 102,549 |
| Transfer Out | 303,222 | 454,833 | 66.67% | 206,796 | 310,194 |
| Total Administration Department | 396,162 | 561,098 | 70.60% | 262,996 | 412,743 |
| Public Works Administration | | | | | |
| Material and Services | 14,711 | 38,613 | 38.10% | 6,819 | 11,200 |
| Capital | 840,697 | 6,018,294 | 13.97% | 737,450 | 1,896,814 |
| Total Public Works | 855,407 | 6,056,907 | 14.12% | 744,269 | 1,908,014 |
| Debt Service: | | | | | |
| Principal | | 82,050 | 0.00% | 5,000 | 170,000 |
| Interest | 6,522 | - | N/A | 6,075 | 17,150 |
| Total Debt | 6,522 | 82,050 | 7.95% | 11,075 | 187,150 |
| Total Water Fund Expenditures | 1,258,090 | 6,700,055 | 18.78% | 1,018,341 | 2,507,907 |

City of Coburg
Department Summary of Expenditures by Fund
FY 2024
As of 2/29/2024
Target 66.67%

| | FY 2024 | | | FY 2023 | |
|--------------------------------------|------------------|-------------------|---------------|------------------|------------------|
| | Actual | Budget | % of B to A | Actual | EOY |
| <u>Sewer Fund</u> | | | | | |
| Administration Department | | | | | |
| Material and Services | 197,718 | 257,892 | 76.67% | 140,274 | 229,136 |
| Capital | - | | N/A | | 1,800 |
| Transfer Out | 287,701 | 431,551 | 66.67% | 230,783 | 346,175 |
| Total Administration Department | 485,418 | 689,443 | 70.41% | 371,058 | 577,111 |
| Public Works Administration | | | | | |
| Material and Services | | 80,785 | 0.00% | | 43,525 |
| Capital | 97,785 | 400,000 | 24.45% | 24,635 | - |
| Total Public Works | 97,785 | 480,785 | 20.34% | 24,635 | 43,525 |
| Debt Service: | | | | | |
| Principal | 626,522 | 640,201 | 97.86% | 540,542 | 630,542 |
| Interest | 99,981 | 270,181 | 37.01% | 193,792 | 280,242 |
| Total Debt | 726,503 | 910,382 | 79.80% | 734,334 | 910,784 |
| Total Sewer Fund Expenditures | 1,309,707 | 2,080,610 | 62.95% | 1,130,027 | 1,531,421 |
| Total City Expenditure | 4,939,415 | 14,519,271 | 34.02% | 5,266,234 | 8,586,288 |

City of Coburg
Budgetary Compliance
FY 2024
Resolution 2023-11
As of 2/29/2024
Target 66.67%

| | <u>Actual</u> | <u>Budget</u> | <u>% of B to A</u> | <u>Balance</u> |
|--------------------------------|------------------|------------------|--------------------|------------------|
| General Fund | | | | |
| Administration Department | 559,561 | 833,240 | 67% | 273,679 |
| Facility Management Department | 61,653 | 118,850 | 52% | 57,197 |
| Planning Department | 118,665 | 192,590 | 62% | 73,925 |
| Police Department | 492,606 | 891,131 | 55% | 398,525 |
| Municipal Court | 86,456 | 166,972 | 52% | 80,516 |
| Economic Development | 12,955 | 58,700 | 22% | 45,745 |
| Park | 129,939 | 381,416 | 34% | 251,477 |
| Public Works Administration | 388,426 | 613,685 | 63% | 225,259 |
| Debt Service | - | 29,700 | 0% | 29,700 |
| Contingency | - | 150,000 | | 150,000 |
| Total General Fund | <u>1,850,261</u> | <u>3,436,284</u> | | <u>1,586,023</u> |
| Street Fund | | | | |
| Administration Department | 406,957 | 2,288,712 | 18% | 1,881,755 |
| Debt Service | 114,400 | 135,750 | 84% | 21,350 |
| Contingency | - | 100,000 | | 100,000 |
| Total Street Fund | <u>521,357</u> | <u>2,524,462</u> | | <u>2,003,105</u> |
| Water Fund | | | | |
| Administration Department | 1,251,569 | 6,618,005 | 19% | 5,366,436 |
| Debt Service: | 6,522 | 82,050 | 8% | 75,528 |
| Contingency | - | 200,000 | | 200,000 |
| Total Water Fund | <u>1,258,090</u> | <u>6,900,055</u> | | <u>5,641,965</u> |

**City of Coburg
Budgetary Compliance
FY 2024
Resolution 2023-11
As of 2/29/2024
Target 66.67%**

| | <u>Actual</u> | <u>Budget</u> | <u>% of B to A</u> | <u>Balance</u> |
|------------------------------|------------------|-------------------|--------------------|-------------------|
| Wastewater Fund | | | | |
| Administration Department | 583,204 | 1,170,228 | 50% | 587,024 |
| Debt Service | 726,503 | 910,382 | 80% | 183,879 |
| Contingency | - | 200,000 | | 200,000 |
| Total Wastewater Fund | <u>1,309,707</u> | <u>2,280,610</u> | | <u>970,903</u> |
| | | | | |
| Total Appropriations | <u>4,939,415</u> | <u>15,141,411</u> | 33% | <u>10,201,996</u> |



COBURG CITY COUNCIL ACTION ITEM

Adoption of 2024-25 Council Goals (Framework for Continued Progress)

| Meeting Date | Staff Contact | Email |
|----------------|--------------------------------|--|
| March 12, 2024 | Adam Hanks, City Administrator | Adam.Hanks@ci.coburg.or.us |

REQUESTED COUNCIL ACTION

Staff requests Council approval to formally adopt its Council Goals for Fiscal Year 2024-25 titled “City of Coburg Framework for Continued Progress. The framework contains five categories and 20 objectives (four for each category) that will guide the work of Council and staff over the next fiscal year and likely well beyond.

Suggested Motion

I move to adopt the City of Coburg Framework for Continued Progress as the common Goals and Objectives to be utilized as the basis for future Council, staff and financial planning over the course of the upcoming 2024-25 fiscal year.

BACKGROUND

At its February 10, 2024 full day retreat, Council spent considerable time reviewing the proposed framework document alongside the current year, adopted Council Goals and workplan. The staff recommendation was to “elevate” the Council goals process and document to function as a stepping stone to a more robust strategic plan process for 2025.

The framework is intended to provide Council, staff and the community with an understanding of the full scope of the work necessary to move forward the policy and project directives and desires of the Council, as informed by staff and the community.

The document differs from prior years in that the categories have been reduced from seven to five and the objectives have been drafted to enable individual tasks and actions to be better organized under more comprehensive and strategic plans, strategies and projects.

As part of the Council retreat, Councilors were asked to list their top three issues/projects/concerns in each of three categories: Urgent/Current (1-2 years), Mid Term (3-5 years and Long Term (7 + years). In reviewing the board, discussing the items to ensure group clarity of the individual comment, Council and staff sorted and group the responses and compared them against the proposed Framework Objectives and collectively determined that all of the issues/projects/concerns were able to fit or be somehow nested within the framework

objectives. The exercise and resulting discussion solidified the collective agreement to move the draft framework forward to a Council business meeting for final review and adoption.

RECOMMENDATION

Staff recommends adoption of the framework and objectives as the initial broad basis for future work planning at both the Council and staff levels.

BUDGET / FINANCIAL IMPACT

Adoption of the Framework does not, in of itself, have budget impacts aside from staff time in the document preparation and facilitation of the Council discussion of the document. The framework does provide a roadmap for a number of initiatives that will have significant budgetary and financial impacts for the upcoming fiscal year and beyond.

PUBLIC INVOLVEMENT

The initial framework concept was provided to Council and briefly discussed at the January 9, 2024 Council meeting. The complete Framework with objectives was provided to Council in advance of the February 10, 2024 Full day retreat. Both meeting packets were posted to the City website and available to the community. Additional public involvement is a critical component to the success of the Framework and will be developed in coordination with Council as the Framework further evolves to a Strategic Plan. See below for specific Framework Objectives that will further public involvement in shaping and supporting future planning for the City of Coburg as an organization and as a community.

- I Our Community - #2 Community Communication and Engagement Plan
- III Our Government - #4 Strategic Planning

NEXT STEPS

Upon adoption, staff will incorporate the framework into its work planning efforts and will expand the document by adding objective tasks/actions, priority/timelines, costs as applicable, etc with a longer term goal of evolving the document and process into a formal Strategic Plan.

ATTACHMENTS

1. City of Coburg Framework for Continued Progress - Draft



City of Coburg

Framework for Continued Progress

The Coburg City Council exists to support the needs and desires of the community by providing critical core services such as clean drinking water, wastewater treatment, public safety and transportation and parks systems. The Council is responsible for ensuring all operations and infrastructure funds are maximized to meet the current and future needs of the community.

To meet these objectives, the 2024 City Council has organized the City's work into the following categories and intends to develop a measurement and reporting system to track and communicate the effectiveness of Council, staff, community and regional partners in its progress over this year and beyond.

Our Community

Community Safety, Economy, Livability & Engagement

Our Natural Resources

Water, Trees & Hazard Mitigation

Our Government

Organizational Health, Development & Effectiveness

Our Utility Systems

Infrastructure Planning, Investment & Management

Our Financial Resources

Financial Planning & Management

I. Our Community

Community Safety, Economy,
Livability & Engagement

1) Emergency Management & Response

Continued and ongoing education, training and acquisition of tools, equipment and technology is critical to ensure City staff are as prepared and equipped to respond both directly and in a support role to all types and scales of emergencies that occur and impact residents and businesses of Coburg. A review of the City's existing Emergency Operations Plan and Continuity of Operations Plan along with the development and implementation of a schedule of event scenario trainings should be prioritized.

2) Community Communication & Engagement Plan

Effective communication and community engagement is an ever-evolving objective. The development of an updated comprehensive communication plan provides a review of existing communication channels (website, social media, etc), identifies inconsistency in the use of the channels and the tools used to develop and distribute content (document templates, videos, signage, etc). Engagement techniques to be reviewed and developed include community surveys, town halls, recognition/appreciation events, City committee structure, scope and duration.

3) Code Compliance Review and Strategy

The development of an agreed upon strategy and structure to equitably, efficiently and effectively achieve compliance with various City ordinances will provide City Council and the community with clarity on the process utilized to prioritize compliance efforts, differentiate proactive vs. reactive (complaint based) compliance and clearly label when efforts transition from compliance to enforcement. The review and resulting strategy will also identify the resources needed to operate the program based on the level of service determined by Council.

4) Economic Support and Development Strategy

Coburg benefits greatly from the economic development efforts of its regional and state-level partners. Development of a local staff level strategy provides base level support for existing and future Coburg businesses and gives Council and staff a clear understanding of its role as well as the level of staff resources required to implement the program at the level selected by Council. The recent establishment of Coburg Main Street provides renewed opportunity for engagement and programming to support and expand retail, food service and other business sectors. The recently annexed 107acre light industrial lands to the east of I-5 provide an opportunity to examine and plan for water and wastewater infrastructure expansion to support valuable job and valuation growth in Coburg's light industrial sector.

II. Our Natural Resources

Water, Trees &
Hazard Mitigation

1) Parks and Open Space Master Plan Review

Coburg has developed and utilized a Parks and Open Space Master Plan to guide the development of its existing and future park and open space lands. The full plan was adopted in 2005 and was most recently updated in 2019. Continued success, support and enjoyment of Coburg's park system requires periodic review of the master plan to evaluate policy outcomes, management/maintenance discoveries and issues to resolve, prior and future demographic forecasts, regulatory changes and funding/resources required to maintain the level of service desired and expected from the Council and the community. Options available to Council and the community for continued investment in the care, maintenance and desired expansion of the park system should also be a component of this review.

2) Long Range Planning – Land Use and Transportation

Coburg must soon resolve its current state land use challenges relating to its availability of lands, primarily residential, for future growth. All local jurisdictions in Oregon must plan for and maintain lands available for inclusion into their city limits via annexation through the use of an urban growth boundary. Coburg does not currently have any lands designated for future urban growth (city limits boundary line = urban growth boundary line). The first step in determining the need, scale and type of land needed is by completing a Buildable Lands Inventory (BLI). This analysis examines the full build-out potential for lands already within the City limits and calculates the amount of residential, commercial and/or industrial land that must be created within the urban growth boundary.

The BLI analysis feeds into the transportation future planning needs of the City, culminating in the Transportation System Plan (TSP). Future growth and its impact on transportation, water/wastewater infrastructure, public safety and parks systems all converge in the City's Comprehensive Plan, a state mandated long range planning tool that both Staff and the Planning Commission will be reviewing with the objective of prioritizing potential revisions and updates that it will recommend Council consider undertaking in future years.

3) Tree Management and Maintenance Plan – Public and Private Property

Short- and long-term community impacts of wind and ice weather events are heavily influenced and affected by tree related damage. Downed trees and major tree limbs cause power and internet outages, obstruct travel lanes for emergency vehicles and pose significant risk to human life. An action plan and funding to evaluate, remove and trim the tree canopy throughout the community is a valuable community risk reduction opportunity. Emergency management/Risk Reduction Grant funding may be a potential source of funds.

4) Vegetation Management and Maintenance Plan

Significant resources are expended to manage vegetation within all public lands in Coburg, primarily in three categories; formal, landscaped park lands, open space (wetlands, trails) and unimproved rights of way and natural storm water areas. To maintain current desired service levels for vegetation management, a different approach and deployment of resources will need to be developed. A management and maintenance plan examines current conditions, develops options for physical alterations that improves the efficiency of maintenance operations while maintaining or enhancing an areas visual and functional appeal and establishes schedules, costs and priorities for whatever level of resources are allocated to this program.

III. Our Government

Organizational Health, Development & Effectiveness

1) Technology Assessment and Action Plan

While not typically seen by Council or the community, the operations of the City rely heavily on technology. A technology assessment and action plan provides for a comprehensive review of the existing software, hardware and associated equipment currently in use, its lifecycle value and replacement cost and ongoing service/subscription/maintenance fees.

Assessment categories include: Network and workstation hardware/software, mobile/field devices, financial systems software, Water and Wastewater system SCADA (Supervisory control and data acquisition), software PD body cameras, communications systems, facilities monitoring (alarm, camera, locks). Action plan includes evaluation and budget strategy of alternative technologies, new tech implementation, replacement schedules, etc

2) Codification of Ordinances

Coburg is one of a relatively small number of local municipal governments in Oregon that has not assembled its ordinances and regulations into a formal, unified Municipal Code. The ordinances, resolutions, contracts and other foundational documents that set and guide the operations of the City and regulate a variety of matters throughout the community are all currently properly maintained, stored and retained consistent with state law. The purpose of codification is to organize the disparate ordinances under a cohesive, logical framework of chapters and sections bringing uniformity, ease of access and further transparency of local governance.

3) Human Resources Assessment and Action Plan

Human capital, i.e. City Staff, is the single largest annual financial investment in the annual operating budget. An HR Assessment and Action Plan involves a review and proposed updates to the Employee Handbook, compensation plan, job descriptions, performance review program, as well as the development of an employee wellness program. The Action Plan will include recommendations for both administrative and Council policy level decision making and implementation.

4) Strategic Planning

The annual Council goal setting and workplan retreat and document adoption form a solid base to move the organization and community forward to the development of a Strategic Plan. Formally connecting vision, goals, objectives and actions over a multi-year timeframe that includes measurable benchmarks for tracking progress, cost and outcome is a natural next step in effectively delivering high levels of service that support, protect and enhance the livability of Coburg.

IV. Our Utility Systems

Infrastructure Planning,
Investment & Management

1) Capital Improvements Plan (CIP)

A strong Capital Improvements Plan is a foundational financial planning document for all non-operating investments made by the City for the benefit of the community. The CIP is a multi-year (typically 5-year) plan for any capital infrastructure investments above and beyond operational repair and maintenance. CIP projects typically come from utility infrastructure master plans and other similar long-range system analysis documents. CIP categories include Water System, Wastewater System, Transportation (Streets) System, Storm Drain System, Parks and Open Space, Facilities and major equipment/technology.

A CIP provides Council and the community with a clear understanding of the major investments, timing, costs and reasons for the projects that impact the rates and fees charged to maintain, upgrade and/or replace infrastructure the community relies on as part of their daily lives. The CIP is presented to Council each spring prior to the annual budget process to shape the proposed annual budget presented by the City Administrator to the Budget Committee and ultimately City Council.

2) Wastewater Facility Plan

An update to the full Wastewater System Plan will commence in the spring of 2024 and will continue into the coming fiscal year. This facility plan update will provide staff and Council with a review of the condition of the treatment plant, its current excess capacity, its expected upcoming necessary capital investments and an estimate of it reaching its full capacity requiring an expansion of the plant to add new capacity. This will directly connect with the FY25-26 CIP as a key component of long-term utility infrastructure planning.

3) Storm Water Master Plan

Currently in development, the Storm Water Master Plan will provide similar data and planning forecasts as the above-mentioned Wastewater Plan. The plan will also contain plans for maintaining compliance with increasing state and federal levels of storm drain system regulations. Future infrastructure improvement projects will require funding sources that do not currently exist and this plan will provide baseline costs and will inform rate making decisions that will need to be discussed and determined within the next 18-24 months.

4) Street Preservation and Improvement Strategy Plan

With the successful creation of two local funding sources, the transportation utility fee and the local gas tax, Coburg has implemented aggressive street preservation and improvement work. Costs associated with both preservation and improvement have steadily increased requiring a review of the complete pavement management system analysis of the local street infrastructure to reset the project priorities, reduce the annual project list or determine the required additional funding necessary to maintain the current level of preservation and improvement projects and road miles treated.

V. Our Financial Resources

Financial Planning & Management

1) Financial System Training and Utilization

The City's current financial system has the capacity to be further leveraged to improve operational efficiency, ease of financial reporting and housing of more activities and programs within its system that are currently being done in outdated and ineffective ways. To fully utilize the tools available within the system, additional staff training for Finance, Administration and the full management team will be necessary.

2) Debt Service Review and Strategy

The City utilizes debt services for the majority of its infrastructure projects, with most debt located in the water and wastewater funds. Smaller debt service exists in the street fund for road/sidewalk improvement projects and in the general fund for the City Hall facility. While several debt instruments were recently refinanced, a review of the terms of the refinanced debt and an assessment of available refinancing opportunities would be prudent, as well as the development of a debt strategy by fund to maintain maximum flexibility to utilize additional debt service to fund necessary infrastructure projects prior to the retirement date of the existing debt.

3) Financial Policies and Procedures Update

The current Financial Policies and Accounting Procedures document has recently been reviewed by the Finance/Audit committee and staff intends to incorporate their input and recommendations into its review and updating of the document. The setting of minimum fund balance targets, a discussion of the benefits/implications of a Reserve Fund and the separation of Financial Policies (resolution of Council) from Accounting Procedures (internal) are some of the key issues of the update process.

4) Long-term (10 yr) Revenue Needs Forecast

As noted in the prior year budget cycle, revenues across all funds will continue to strain to maintain current levels of service and may be limited in the amount of additional debt service each fund can take on to facilitate needed infrastructure projects. This is most acute in the general fund, as revenue streams do not keep pace with the rise in expenditures needed to maintain status quo operations for Police, Parks, Planning, Municipal Court and general government (Admin).

A long-term revenue needs forecast examines the diminishing ratio of revenue to expense in each fund and estimates when the fund goes "in the red" if no changes are made to either the revenue or expense trajectory of each fund. In parallel to this forecast, new revenue sources for each fund are identified and inserted into the long-term budget with multiple scenarios to provide Council with a sense of the scale of options available for the generation of new revenue and its impact on service levels and capital projects.



CITY OF COBURG
CAPITAL IMPROVEMENT PROJECT PLAN

Spring 2024
Update

INTRODUCTION

The City of Coburg's Capital Improvement Plan (CIP) is a multi-year citywide infrastructure financial planning document that lists and describes scheduled improvements to the City of Coburg's general government and utility infrastructure across all City departments. More detailed and technical analysis, project objectives and scheduling can be found in specific master plan documents for the City's water and wastewater utilities.

The CIP provides the Council, staff and community with a clear understanding of the timing, costs and funding sources and guides financial planning decision making to ensure adequate funds are available or obtained to ensure the successful completion of the project. Because of the significant costs of many infrastructure projects, the use of debt service impacts not only the individual project but the ability for future projects to be funded, further highlighting the importance and need for a comprehensive and regularly updated CIP document.

Annual review and updating of the CIP occur prior to the budget development process then integrated into the current proposed budget as well as the future years budget forecasts. Capital project budgets are shown in their associated funds where the revenues utilized to fund the project are located. Projects are typically funded in one or more ways, including "cash-funding" with prior year savings and/or annual revenues, grants, debt service (loans) and systems development charges (SDC's)

In order to ensure that priority projects are planned, funded and constructed in a timely manner, this document provides for projected years of engineering and construction completion. When possible, specific revenue sources are attached to the projects so that planning and facilitation can take place for grant and loan applications well in advance of beginning the project. Therefore, there may be engineering costs associated with projects prior to the actual construction schedule.

CAPITAL IMPROVEMENT PROGRAM GOALS

Goals of this CIP Program include:

1. Responsible and efficient financial planning
2. Clear and inclusive planning, engineering and construction timelines
3. Establishment of funding mechanisms for Capital projects and planning for funding applications
4. Local economic development support

- 5. Planning and providing for community growth
- 6. Enhanced safety, access and increased mobility of transportation modes
- 7. Consideration and compliance with environmental standards and improving environmental quality
- 8. High quality and cost-effective maintenance and improvements to existing infrastructure
- 9. Protect Public Health and Safety through regulatory compliance and industry best practices

CAPITAL IMPROVEMENT PROGRAM DEVELOPMENT PROCESS

- December/January: Staff Review and Update to Prior Year CIP
- January/February: CIP Draft Document Provided to Council (retreat or work session)
- March: Adopted by City Council – Public Comment is available
- May/June: CIP incorporated into the Budget Document and Presented

Spending authority (appropriations) occurs only through the budget review/approval process. The prior approval and adoption of the CIP does not convey spending authority. Although the CIP is a starting point for the annual Capital Budget, the projects budgeted each year can vary somewhat in timing and costs from those proposed in the CIP, due to engineering, permitting, contract bidding, seasonal scheduling, grant requirements, etc.

PROJECT CATEGORIZATION

Projects in the CIP are grouped by infrastructure system including:

| | |
|---------------------------|--|
| ○ Administration | ○ Water |
| ○ Parks/Trails/Open Space | ○ Wastewater |
| ○ Street | ○ <i>Equipment/Fleet (future category)</i> |

Project funding is listed as a category column in the project lists. Funding streams include:

| | |
|------------------------------------|-------------------------------|
| ○ User Fees | ○ Grants |
| ○ Tax Revenues (property, gas tax) | ○ Loans (Debt Service) |
| ○ Special Assessments | ○ Systems Development Charges |

In some instances, funding may be listed as TBD or “to be determined”. Any project scheduled within the two-year budget should have a funding source listed.

GUIDING DOCUMENTS

This document is supported by multiple guiding documents of the City as follows:

1. Coburg Comprehensive Plan – Dated 5/8/2018

Comprehensive planning is a process that determines community goals and aspirations in terms of community development. The result is called a comprehensive plan, and expresses and regulates public policies on transportation, utilities, land use, recreation, and housing. Comprehensive plans typically encompass large geographical areas, a broad range of topics, and cover a long-term time horizon.

Comprehensive Plan Amendments take place when the City anticipates a change in zoning, or any form of change in development regulations either mandated by the State or determined by the City as necessary for the future progress of the City.

2. Coburg Community Vision – Dated 7/3/2017

The Community vision statement describes the current and future objectives of the City. The vision statement is a guide to help the City make decisions that align with its philosophy and declared set of goals.

3. City of Coburg Development code – 11, 2019

The Coburg Development Code contains detailed descriptions of zoning districts and specifies what uses are allowed, prohibited, and conditional in each zone. The Development Code is intended to cover almost all types of land use issues which may arise, but in cases where a land use is not listed, a process for interpretation of the code is provided.

4. Master Plans

Master plans represent the long range (10 years or more) plan for the City's development of infrastructure. The master plan, and the facilities shown on it, may be built over a period of many years. Therefore, what is shown in a plan may not yet exist in the City. A lot of time and resource is needed to update a master plan. Therefore, adopted capital project lists can serve as the approved projects for the City. Projects can be updated when the master plans are updated. At the City of Coburg, the following Master Plans exist:

- Park and Open Space Master Plan
- Transportation System Plan
- Water Master Plan
- Wastewater Management Plan

Copies of any of the documents listed below are available on the City of Coburg website and can also be obtained by request of the City Administration office.

CITY OF COBURG

Capital Improvements Plan

2025 to 2030 Planning Period



| Administration/General Government | | | | | | TOTAL |
|---|---|--------------------------|----------------|-------------|--------|------------|
| PROJECT TITLE/LOCATION | DESCRIPTION | FUNDING SOURCE | EST COST | FISCAL YEAR | PER FY | |
| 1 - City Hall Improvements - HVAC | System Replacement (including ducting) | General Fund Taxes/Fees* | \$ 125,000 | 2025-26 | | |
| 2 - City Hall Improvements - Flooring | Full carpet replacement (upstairs/downstairs) | General Fund Taxes/Fees* | \$ 25,000 | 2025-26 | | \$ 150,000 |
| 3 - City Hall Improvements - Façade | Willamette frontage and parking/landscaping | General Fund Taxes/Fees* | \$ 50,000 | 2026-27 | | |
| 4 - Network/Facilities Security Systems Integration | | General Fund Taxes/Fees* | \$ 75,000 | 2026-27 | | \$ 125,000 |
| TOTAL | | | 275,000 | | | |

* Portion of project costs will be allocated to enterprise funds based on approved Cost Allocation Methodology

| Parks | | | | | | TOTAL |
|--|---|-------------------------------------|------------------|-------------|--------|--------------|
| PROJECT TITLE/LOCATION | DESCRIPTION | FUNDING SOURCE | EST COST | FISCAL YEAR | PER FY | |
| 1 - Pavilion Park Expansion & Improvements | New Restrooms, fountain, irrigation, lighting | Oregon Parks Grant + General Fund | \$ 400,000 | 2024-25 | | |
| 2 - Coburg Loop Path #4 | Industrial Wy - Sarah path to Trails End Park | Gas Tax, TUF, SDC, MPO | \$ 600,000 | 2024-25 | | \$ 1,000,000 |
| 3 - Cobug Creek Park | New Park Facility | Undetermined Grant + Park SDC | \$ 250,000 | 2026-27 | | \$ 250,000 |
| 4 - Trails End Park - Phase II | Viewing platforms, paths, benches, signage | Undetermined Grant + Park SDC | \$ 250,000 | 2029-30 | | \$ 250,000 |
| 5 - Julia Morneau Heritage Park | New park (no land purchase) | Undetermined Grant + Park SDC | \$ 250,000 | 2030 + | | |
| 6 - Southside Neighborhood Park | New Park (land + improvements) | Undetermined Grant + Park SDC | \$ 350,000 | 2030 + | | |
| 7 - Northside Neighborhood Park | New Park (land + improvements) | Undetermined Grant + Park SDC | \$ 350,000 | 2030 + | | |
| 8 - Westside Mini-Park | New Park (land + improvements) | Undetermined Grant + Park SDC | \$ 150,000 | 2030 + | | |
| 9 - Southwest Mini-Park | New Park (land + improvements) | Undetermined Grant + Park SDC | \$ 150,000 | 2030 + | | |
| 10 - Coburg Loop 5 | Path extension south to Eugene | Undetermined Grant + Park/Trans SDC | \$ 1,500,000 | 2030 + | | \$ 2,750,000 |
| TOTAL | | | 4,250,000 | | | |

| Transportation | | | | | | TOTAL |
|--|--|------------------------|------------|-------------|--------|--------------|
| PROJECT TITLE/LOCATION | DESCRIPTION | FUNDING SOURCE | EST COST | FISCAL YEAR | PER FY | |
| 1 - Street Preservation | Crack Sealing | Gas Tax, TUF | \$ 48,000 | 2024-25 | | |
| 2 - Street Preservation | Seal Coating | Gas Tax, TUF | \$ 25,000 | 2024-25 | | |
| 3 - Industrial Way | Two Inch Overlay/Dig out | Gas Tax, TUF, SDC, MPO | \$ 300,000 | 2024-25 | | |
| 4 - N Willamette/Macy/Harrison | Street Reconstruction | Gas Tax, TUF, SCA, SDC | \$ 700,000 | 2024-25 | | |
| 5 - Collector Street Project - Phase I (N Coleman) | Street Reconstruction | Gas Tax, TUF, SDC, MPO | \$ 500,000 | 2024-25 | | |
| 6 - PW Operations Building | Multi-Dept Operations/Storage Building | Gas Tax, TUF | \$ 100,000 | 2024-25 | | |
| 7 - PW Operations Center | Citywide Fuel Storgae/Pump System | Gas Tax, TUF | \$ 50,000 | 2024-25 | | \$ 1,723,000 |
| 8 - Street Preservation | Crack Sealing | Gas Tax, TUF | \$ 27,000 | 2025-26 | | |
| 9 - Street Preservation | Seal Coating | Gas Tax, TUF | \$ 21,000 | 2025-26 | | |
| 10 - Harrison St - Mill to Locust | Two Inch Overlay/Dig out | Gas Tax, TUF | \$ 250,000 | 2025-26 | | |
| 11 - Locust St - Diamond to Skinner | Two Inch Overlay/Dig out | Gas Tax, TUF | \$ 125,000 | 2025-26 | | |
| 12 - Mill St- Emerald to Coleman | Two Inch Overlay/Dig out | Gas Tax, TUF | \$ 150,000 | 2025-26 | | \$ 573,000 |

| | | | | | |
|--|---------------------------------------|------------------------|---------------------|---------|--------------|
| 13 - Street Preservation | Crack Sealing | Gas Tax, TUF | \$ 14,000 | 2026-27 | |
| 14 - Street Preservation | Seal Coating | Gas Tax, TUF | \$ 98,000 | 2026-27 | |
| 15 - Locust St - Willamette to Harrison | Street Reconstruction, curb, sidewalk | Gas Tax, TUF, SCA, SDC | \$ 250,000 | 2026-27 | |
| 16 - Lincoln St - Skinner to Coleman | Two Inch Overlay/Dig out | Gas Tax, TUF | \$ 100,000 | 2026-27 | |
| 17 - Mckenzie - Harrison to Diamond | Two Inch Overlay/Dig out | Gas Tax, TUF | \$ 100,000 | 2026-27 | |
| 18 - Mckenzie - Skinner to Coleman | Two Inch Overlay/Dig out | Gas Tax, TUF | \$ 100,000 | 2026-27 | |
| 19 - Mckenzie - Coleman to Miller | Two Inch Overlay/Dig out | Gas Tax, TUF | \$ 100,000 | 2026-27 | \$ 762,000 |
| 20 - Street Preservation | Crack Sealing | Gas Tax, TUF | \$ 77,000 | 2027-28 | |
| 21 - Street Preservation | Seal Coating | Gas Tax, TUF | \$ 77,000 | 2027-28 | |
| 22 - Roberts Rd - South end to Roberts Ct | Two Inch Overlay | Gas Tax, TUF | \$ 150,000 | 2027-28 | |
| 23 - Roberts Ct - Huntly Ct to west dead end | Two Inch Overlay/Leveling | Gas Tax, TUF | \$ 150,000 | 2027-28 | \$ 454,000 |
| 24 - Street Preservation | Crack Sealing | Gas Tax, TUF | \$ 96,000 | 2028-29 | |
| 25 - Street Preservation | Seal Coating | Gas Tax, TUF | \$ 16,000 | 2028-29 | |
| 26 - Collector Street Project - Phase II (S Coleman) | Street Reconstruction | Gas Tax, TUF, SDC, MPO | \$ 900,000 | 2028-29 | \$ 1,012,000 |
| 27 - Street Preservation | Crack Sealing | Gas Tax, TUF | \$ 32,000 | 2029-30 | |
| 28 - Street Preservation | Seal Coating | Gas Tax, TUF | \$ 16,000 | 2029-30 | |
| 29 - Skinner St - Pearl to Lincoln | Two Inch Overlay/Dig out | Gas Tax, TUF | \$ 100,000 | 2029-30 | |
| 30 - Skinner St - Mckenzie to Mill | Two Inch Overlay/Dig out | Gas Tax, TUF | \$ 100,000 | 2029-30 | |
| 31 - Skinner St - Maple to Dixon | Street Reconstruction | Gas Tax, TUF | \$ 100,000 | 2029-30 | |
| 32 - Skinner St - Delaney to Pearl | Street Reconstruction | Gas Tax, TUF | \$ 100,000 | 2029-30 | |
| 33 - Skinner St - Lincoln to Mckenzie | Street Reconstruction | Gas Tax, TUF | \$ 100,000 | 2029-30 | \$ 548,000 |
| TOTAL | | | \$ 5,072,000 | | |

Water

TOTAL

| PROJECT TITLE/LOCATION | DESCRIPTION | FUNDING SOURCE | EST COST | FISCAL YEAR | PER FY |
|--|---|------------------------------------|----------------------|-------------|--------------|
| 1 - Stallings Lane Water Supply | Well #3 Treatment systems & SCADA | Water Debt Service (rate revenues) | \$ 250,000 | 2024-25 | |
| 2 - PW Operations Building | Multi-Dept Operations/Storage Building | Water Rate Revenues | \$ 200,000 | 2024-25 | |
| 3 - PW Operations Center | Citywide Fuel Storgae/Pump System | Water Rate Revenues | \$ 50,000 | 2024-25 | \$ 500,000 |
| 4 - Stallings Lane Water Supply | Transmission line (connection to existing system) | Water Debt Service (rate revenues) | \$ 500,000 | 2025-26 | |
| 5 - Coburg Industrial Waterline | 12 inch waterline intertie | Water Rate Revenues | \$ 160,000 | 2025-26 | |
| 6 - Pioneer Valley Estates Distribution System | Replacement of existing distribution system | Fed Grant/Water Revenues | \$ 750,000 | 2025-26 | |
| 7 - E Dixon St Waterline Replacement | Diamond St to East End - Waterline Replacement | Water Debt Service (rate revenues) | \$ 650,000 | 2025-26 | \$ 2,060,000 |
| 8 - Water Supply Wells #1, #2 Rehabilitation | System upgrades and rehab to existing wells | Water Rate Revenues | \$ 100,000 | 2026-27 | |
| 9 - Christian Wy Waterline Replacement | 6 Ince pipeline replacement | Water Debt Service (rate revenues) | \$ 300,000 | 2026-27 | |
| 10 - Delaney St Waterline Replacement | Willamette St to Stuart St - Waterline Replacement | Water Debt Service (rate revenues) | \$ 100,000 | 2026-27 | \$ 500,000 |
| 11 - Existing Water Storage Tanks Rehab | Replace/Retrofit (seismic) existing (2) 500k/gl tanks | Grant/Loan (rate revenues) | \$ 3,000,000 | 2027-28 | |
| 12 - Maple St Waterline Replacement | Coleman St to East End - Waterline Replacement | Water Debt Service (rate revenues) | \$ 250,000 | 2027-28 | \$ 3,250,000 |
| 13 - New Water Reservoir | 750,000 Gallon elevated Reservoir | Grant/Loan (rate revenues) | \$ 7,000,000 | 2028-29 | \$ 7,000,000 |
| 14 - Van Duyn St Waterline | 12 inch waterline intertie | Water Rate Revenues | \$ 175,000 | 2030 + | |
| 15 - Vintage St Waterline | 12 inch waterline intertie | Water Rate Revenues | \$ 175,000 | 2030 + | |
| 16 - Waterline Pipeline Replacements | 6 inch pipeline replacements in various locations | Grant/Loan (rate revenues) | \$ 1,000,000 | 2030 + | |
| 17 - I-5 Transmission Line (new) | East/West Transmission Loop Line - North of Exit 199 | Grant/Loan (rate revenues) | \$ 2,500,000 | 2030 + | \$ 3,850,000 |
| TOTAL | | | \$ 17,160,000 | | |

WasteWater

TOTAL

| PROJECT TITLE/LOCATION | DESCRIPTION | FUNDING SOURCE | EST COST | FISCAL YEAR | PER FY |
|------------------------|-------------|----------------|----------|-------------|--------|
|------------------------|-------------|----------------|----------|-------------|--------|

| | | | | | |
|---|--|----------------------------|---------------------|---------|--------------|
| 1 - PW Operations Building | Multi-Dept Operations/Storage Building | WW Rate Revenues | \$ 350,000 | 2024-25 | |
| 2 - PW Operations Center | Citywide Fuel Storage/Pump System | WW Rate Revenues | \$ 50,000 | 2024-25 | \$ 400,000 |
| 3 - Premier RV Septic Tank Improvement | Replacement of existing (aged/mis-sized) Septic Tank | WW Rate Revenues | \$ 450,000 | 2025-26 | \$ 450,000 |
| 4 - Wastewater Master Plan Update | Complete Update of 20 Year Infrastructure Plan | WW Rate Revenues | \$ 100,000 | 2026-27 | \$ 100,000 |
| 5 - WW Treatment Plant - Facilities Improvements | Headworks Structure | Grant/Loan (rate revenues) | \$ 120,000 | TBD * | |
| 6 - WW Treatment Plant - Facilities Improvements | Additional Membrane(s) | Grant/Loan (rate revenues) | \$ 600,000 | TBD * | |
| 7 - WW Treatment Plant - Facilities Improvements | Additional Treatment Basin | Grant/Loan (rate revenues) | \$ 900,000 | TBD * | |
| 8 - WW Treatment Plant - Facilities Improvements | Bridge Crane (Membrane maint) | Grant/Loan (rate revenues) | \$ 175,000 | TBD * | |
| 9 - WW Treatment Plant - Facilities Improvements | Effluent Storage/Holding Pond | Grant/Loan (rate revenues) | \$ 250,000 | TBD * | |
| 10 - WW Treatment Plant - Facilities Improvements | Effluent Cooling Systems | Grant/Loan (rate revenues) | \$ 150,000 | TBD * | \$ 2,195,000 |
| TOTAL | | | \$ 3,145,000 | | |

* Timing/order of improvements dependent on final recommendations of capacity and facilities study currently underway

CITY OF COBURG

Capital Improvements Plan



Projects By Fiscal Year

| Fund | Project Title/Location | Description | Funding Source | FY | Est Cost |
|-----------------------------|---|--|------------------------------------|---------|---------------------|
| Parks | Pavilion Park Expansion & Improvements | New Restrooms, fountain, irrigation, lighting | Oregon Parks Grant + General Fund | 2024-25 | \$ 400,000 |
| Parks | Coburg Loop Path #4 | Industrial Wy - Sarah path to Trails End Park | Gas Tax, TUF, SDC, MPO | 2024-25 | \$ 600,000 |
| Street | Street Preservation | Crack Sealing | Gas Tax, TUF | 2024-25 | \$ 48,000 |
| Street | Street Preservation | Seal Coating | Gas Tax, TUF | 2024-25 | \$ 25,000 |
| Street | Industrial Way | Two Inch Overlay/Dig out | Gas Tax, TUF, SDC, MPO | 2024-25 | \$ 300,000 |
| Street | N Willamette/Macy/Harrison | Street Reconstruction | Gas Tax, TUF, SCA, SDC | 2024-25 | \$ 700,000 |
| Street | Collector Street Project - Phase I (N Coleman) | Street Reconstruction | Gas Tax, TUF, SDC, MPO | 2024-25 | \$ 500,000 |
| Street | PW Operations Building | Multi-Dept Operations/Storage Building | Gas Tax, TUF | 2024-25 | \$ 100,000 |
| Street | PW Operations Center | Citywide Fuel Storgae/Pump System | Gas Tax, TUF | 2024-25 | \$ 50,000 |
| Water | Stallings Lane Water Supply | Well #3 Treatment systems & SCADA | Water Debt Service (rate revenues) | 2024-25 | \$ 250,000 |
| Water | PW Operations Building | Multi-Dept Operations/Storage Building | Water Rate Revenues | 2024-25 | \$ 200,000 |
| Water | PW Operations Center | Citywide Fuel Storgae/Pump System | Water Rate Revenues | 2024-25 | \$ 50,000 |
| Sewer | PW Operations Building | Multi-Dept Operations/Storage Building | WW Rate Revenues | 2024-25 | \$ 350,000 |
| Sewer | PW Operations Center | Citywide Fuel Storage/Pump System | WW Rate Revenues | 2024-25 | \$ 50,000 |
| TOTAL for FY 2024-25 | | | | | \$ 3,623,000 |
| Admin | City Hall Improvements - HVAC | System Replacement (including ducting) | General Fund Taxes/Fees* | 2025-26 | \$ 125,000 |
| Admin | City Hall Improvements - Flooring | Full carpet replacement (upstairs/downstairs) | General Fund Taxes/Fees* | 2025-26 | \$ 25,000 |
| Streets | Street Preservation | Crack Sealing | Gas Tax, TUF | 2025-26 | \$ 27,000 |
| Streets | Street Preservation | Seal Coating | Gas Tax, TUF | 2025-26 | \$ 21,000 |
| Streets | Harrison St - Mill to Locust | Two Inch Overlay/Dig out | Gas Tax, TUF | 2025-26 | \$ 250,000 |
| Streets | Locust St - Diamond to Skinner | Two Inch Overlay/Dig out | Gas Tax, TUF | 2025-26 | \$ 125,000 |
| Streets | Mill St- Emerald to Coleman | Two Inch Overlay/Dig out | Gas Tax, TUF | 2025-26 | \$ 150,000 |
| Water | Stallings Lane Water Supply | Transmission line (connection to existing system) | Water Debt Service (rate revenues) | 2025-26 | \$ 500,000 |
| Water | Coburg Industrial Waterline | 12 inch waterline intertie | Water Rate Revenues | 2025-26 | \$ 160,000 |
| Water | Pioneer Valley Estates Distribution System | Replacement of existing distribution system | Fed Grant/Water Revenues | 2025-26 | \$ 750,000 |
| Water | E Dixon St Waterline Replacement | Diamond St to East End - Waterline Replacement | Water Debt Service (rate revenues) | 2025-26 | \$ 650,000 |
| Sewer | Premier RV Septic Tank Improvement | Replacement of existing (aged/mis-sized) Septic Tank | WW Rate Revenues | 2025-26 | \$ 450,000 |
| TOTAL for FY2025-26 | | | | | \$ 3,233,000 |
| Admin | City Hall Improvements - Façade | Willamette frontage and parking/landscaping | General Fund Taxes/Fees* | 2026-27 | \$ 50,000 |
| Admin | Network/Facilities Security Systems Integration | | General Fund Taxes/Fees* | 2026-27 | \$ 75,000 |
| Parks | Cobug Creek Park | New Park Facility | Undetermined Grant + Park SDC | 2026-27 | \$ 250,000 |
| Street | Street Preservation | Crack Sealing | Gas Tax, TUF | 2026-27 | \$ 14,000 |
| Street | Street Preservation | Seal Coating | Gas Tax, TUF | 2026-27 | \$ 98,000 |
| Street | Locust St - Willamette to Harrison | Street Reconstruction, curb, sidewalk | Gas Tax, TUF, SCA, SDC | 2026-27 | \$ 250,000 |

| | | | | | | |
|----------------------------|---|---|-------------------------------------|---------|----|---------------------|
| Street | Lincoln St - Skinner to Coleman | Two Inch Overlay/Dig out | Gas Tax, TUF | 2026-27 | \$ | 100,000 |
| Street | Mckenzie - Harrison to Diamond | Two Inch Overlay/Dig out | Gas Tax, TUF | 2026-27 | \$ | 100,000 |
| Street | Mckenzie - Skinner to Coleman | Two Inch Overlay/Dig out | Gas Tax, TUF | 2026-27 | \$ | 100,000 |
| Street | Mckenzie - Coleman to Miller | Two Inch Overlay/Dig out | Gas Tax, TUF | 2026-27 | \$ | 100,000 |
| Water | Water Supply Wells #1, #2 Rehabilitation | System upgrades and rehab to existing wells | Water Rate Revenues | 2026-27 | \$ | 100,000 |
| Water | Christian Wy Waterline Replacement | 6 Ince pipeline replacement | Water Debt Service (rate revenues) | 2026-27 | \$ | 300,000 |
| Water | Delaney St Waterline Replacement | Willamette St to Stuart St - Waterline Replacement | Water Debt Service (rate revenues) | 2026-27 | \$ | 100,000 |
| Sewer | Wastewater Master Plan Update | Complete Update of 20 Year Infrastructure Plan | WW Rate Revenues | 2026-27 | \$ | 100,000 |
| TOTAL for FY2026-27 | | | | | | \$ 1,737,000 |
| Street | Street Preservation | Crack Sealing | Gas Tax, TUF | 2027-28 | \$ | 77,000 |
| Street | Street Preservation | Seal Coating | Gas Tax, TUF | 2027-28 | \$ | 77,000 |
| Street | Roberts Rd - South end to Roberts Ct | Two Inch Overlay | Gas Tax, TUF | 2027-28 | \$ | 150,000 |
| Street | Roberts Ct - Huntly Ct to west dead end | Two Inch Overlay/Leveling | Gas Tax, TUF | 2027-28 | \$ | 150,000 |
| Water | Existing Water Storage Tanks Rehab | Replace/Retrofit (seismic) existing (2) 500k/gl tanks | Grant/Loan (rate revenues) | 2027-28 | \$ | 3,000,000 |
| Water | Maple St Waterline Replacement | Coleman St to East End - Waterline Replacement | Water Debt Service (rate revenues) | 2027-28 | \$ | 250,000 |
| TOTAL for FY2027-28 | | | | | | \$ 3,704,000 |
| Street | Street Preservation | Crack Sealing | Gas Tax, TUF | 2028-29 | \$ | 96,000 |
| Street | Street Preservation | Seal Coating | Gas Tax, TUF | 2028-29 | \$ | 16,000 |
| Street | Collector Street Project - Phase II (S Coleman) | Street Reconstruction | Gas Tax, TUF, SDC, MPO | 2028-29 | \$ | 900,000 |
| Water | New Water Reservoir | 750,000 Gallon elevated Reservoir | Grant/Loan (rate revenues) | 2028-29 | \$ | 7,000,000 |
| TOTAL for FY2028-29 | | | | | | \$ 8,012,000 |
| Parks | Trails End Park - Phase II | Viewing platforms, paths, benches, signage | Undetermined Grant + Park SDC | 2029-30 | \$ | 250,000 |
| Street | Street Preservation | Crack Sealing | Gas Tax, TUF | 2029-30 | \$ | 32,000 |
| Street | Street Preservation | Seal Coating | Gas Tax, TUF | 2029-30 | \$ | 16,000 |
| Street | Skinner St - Pearl to Lincoln | Two Inch Overlay/Dig out | Gas Tax, TUF | 2029-30 | \$ | 100,000 |
| Street | Skinner St - Mckenzie to Mill | Two Inch Overlay/Dig out | Gas Tax, TUF | 2029-30 | \$ | 100,000 |
| Street | Skinner St - Maple to Dixon | Street Reconstruction | Gas Tax, TUF | 2029-30 | \$ | 100,000 |
| Street | Skinner St - Delaney to Pearl | Street Reconstruction | Gas Tax, TUF | 2029-30 | \$ | 100,000 |
| Street | Skinner St - Lincoln to Mckenzie | Street Reconstruction | Gas Tax, TUF | 2029-30 | \$ | 100,000 |
| TOTAL for FY2029-30 | | | | | | \$ 798,000 |
| Parks | Julia Morneau Heritage Park | New park (no land purchase) | Undetermined Grant + Park SDC | 2030 + | \$ | 250,000 |
| Parks | Southside Neighborhood Park | New Park (land + improvements) | Undetermined Grant + Park SDC | 2030 + | \$ | 350,000 |
| Parks | Northside Neighborhood Park | New Park (land + improvements) | Undetermined Grant + Park SDC | 2030 + | \$ | 350,000 |
| Parks | Westside Mini-Park | New Park (land + improvements) | Undetermined Grant + Park SDC | 2030 + | \$ | 150,000 |
| Parks | Southwest Mini-Park | New Park (land + improvements) | Undetermined Grant + Park SDC | 2030 + | \$ | 150,000 |
| Parks | Coburg Loop 5 | Path extesion south to Eugene | Undetermined Grant + Park/Trans SDC | 2030 + | \$ | 1,500,000 |
| Water | Van Duyn St Waterline | 12 inch waterline intertie | Water Rate Revenues | 2030 + | \$ | 175,000 |
| Water | Vintage St Waterline | 12 inch waterline intertie | Water Rate Revenues | 2030 + | \$ | 175,000 |
| Water | Waterline Pipeline Replacements | 6 inch pipeline replacements in various locations | Grant/Loan (rate revenues) | 2030 + | \$ | 1,000,000 |
| Water | I-5 Transmission Line (new) | East/West Transmission Loop Line - North of Exit 199 | Grant/Loan (rate revenues) | 2030 + | \$ | 2,500,000 |

| | | | | | | |
|------------------------|--|-------------------------------|----------------------------|-------|-----------|------------------|
| Sewer | WW Treatment Plant - Facilities Improvements | Headworks Structure | Grant/Loan (rate revenues) | TBD * | \$ | 120,000 |
| Sewer | WW Treatment Plant - Facilities Improvements | Additional Membrane(s) | Grant/Loan (rate revenues) | TBD * | \$ | 600,000 |
| Sewer | WW Treatment Plant - Facilities Improvements | Additional Treatment Basin | Grant/Loan (rate revenues) | TBD * | \$ | 900,000 |
| Sewer | WW Treatment Plant - Facilities Improvements | Bridge Crane (Membrane maint) | Grant/Loan (rate revenues) | TBD * | \$ | 175,000 |
| Sewer | WW Treatment Plant - Facilities Improvements | Effluent Storage/Holding Pond | Grant/Loan (rate revenues) | TBD * | \$ | 250,000 |
| Sewer | WW Treatment Plant - Facilities Improvements | Effluent Cooling Systems | Grant/Loan (rate revenues) | TBD * | \$ | 150,000 |
| TOTAL for 2030+ | | | | | \$ | 8,795,000 |

City Administration Report



March 12, 2024

This report is intended to provide Council with an overview of current activities, project status updates and previews of select upcoming issues and activities of Council and Staff.

Featured Items

1. **Veterans Memorial Park Project** – Public Works staff, with collaboration and assistance from the Parks & Tree Committee, recently completed an upgrade project at the flag pole area at Norma Pfeiffer Park as a Veterans' Memorial. The project was designed in house by Tom Beatty, the now Chair of the Parks and Trees Committee. Tom's design was for a star shaped with walking path with rose beds for each of the 5 branches of service, consisting of brick pavers and crushed granite walking surface. With help from Public Works, the plan started to take shape in the Spring of 2023 with the initial purchase of materials. Sod removal and lining out the walk paths occurred in the fall, followed by the brick pavers and crushed granite for the pathways. Over the winter, the planting beds were restored and irrigation replaced.

In February of 2024 the parks and Tree Committee planted 55 roses of different varieties and also 15 box hedges. PW staff finished the project with final drip irrigation and bark over the rose beds. Total project costs are estimated at \$25,000. The final design element of this project is the placement of medallions for each of the five service branches of the Military. Funding has yet to be identified, with community donations being the preferred method if there is community interest and support.



2. **2024 State of the Cities Report** - The League of Oregon Cities (LOC) recently published its biennial State of the Cities Report. The report provides an overview of the general fiscal condition of cities in Oregon. As you may expect, financial uncertainty is a common theme, with revenue streams not keeping pace with the rising costs to provide the same levels of service. A related finding from the survey was that 68% of cities reported an increase in service demand, making lack of adequate revenues even more challenging.

The quote at the bottom of page one seems to capture the frustrations shared by Council, staff and community across the state pointing to one significant challenge relating to funding uncertainties.

“Our biggest challenge.... Is maintaining aging facilities. We just do not have financial capacity to timely address facility issues. This isn’t just buildings, but parks, streets, sidewalks, etc” – City of Coos Bay

The full report is attached for your reference.

3. **Fiber Grant for Public Works Operations Center** – A grant award from the spring of 2023 was recently executed that will connect the existing Wastewater Treatment Plant and the currently under construction PW Operations Center buildings to the City’s network. The \$25,000 grant from the Regional Fiber Consortium will fund a DFN dark fiber line installation that results in two separate “home runs” to connect each building independently to the City’s existing IT network at City Hall. The City will own the fiber for its own operational needs.

Lane Council of Governments, the City’s IT support provider, is coordinating with City staff to ensure the new construction incorporates the equipment necessary to take full advantage of this opportunity.

4. **A RARE opportunity** - Oregon DEQ announced funding available to cover host organization fees to support members of the University of Oregon's [Resource Assistance for Rural Environments \(RARE\) AmeriCorps Program](#), for Willamette Mercury TMDL (Total maximum Daily Load) Designated Management Entities implementation. If selected, DEQ will cover the community match cost (approximately \$25,000) to support a RARE member in our community.

The RARE AmeriCorps Program helps build the capacity of rural communities to improve their economic, social, and environmental conditions, through the assistance of trained graduate-level members who live and work in communities for 11 months. In this instance, RARE members will provide onsite capacity to develop, deliver, and implement site-specific projects supporting implementation of the Willamette Mercury TMDL. RARE member placements and projects supported by this funding may be used to implement best management practices outlined in the Willamette Mercury TMDL WQMP. RARE host organization applications are due in early April 2024. RARE members are placed with communities for 11-month terms beginning in September 2024.

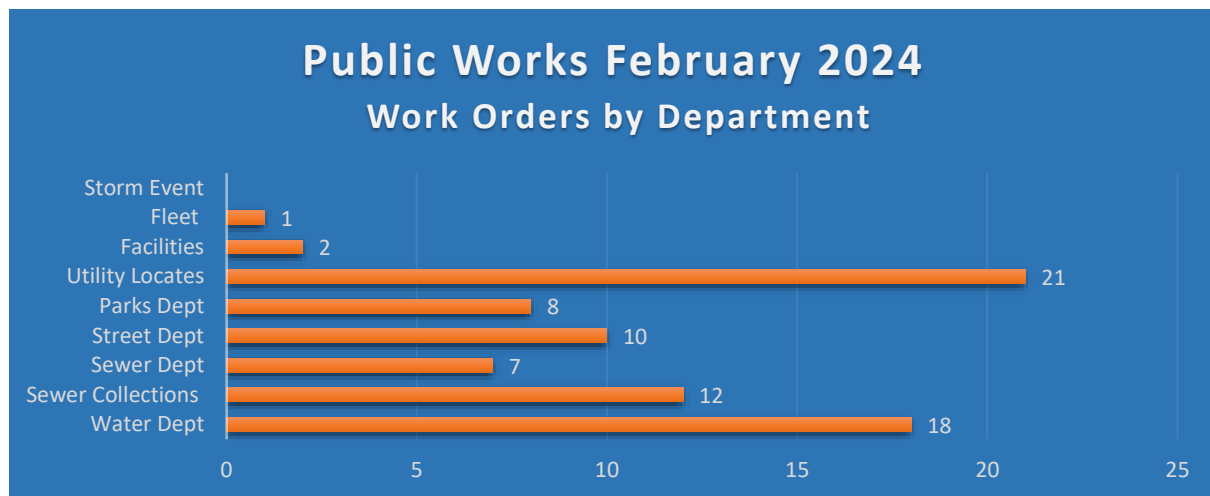
The City of Coburg plans to partner with the Muddy Creek Irrigation Project on the application to maximize the impact of the RARE member and make our application more competitive.

Department Activity & Statistics

Staff maintains various activity, work order and case log type records that are utilized for a variety of required reporting to other agencies and/or for day-to-day oversight and management of their operations. Some of the data comes from third party software systems and typically not always in a format that is easily summarized or customized.

Staff will continue to refine the statistics and work to provide Council and the community with useful, relevant activity indicators and will also work towards the development of service level indicators that can often better connect the City funds (taxes, rates, fees) with the type and quality of the services provided.

Public Works



Public Works February Highlights

Parks:

Installed new warning/caution signs on unpaved trails at Booth Kelly and Trails End
 Installed five yards of playground chips at Norma Pfeiffer Park
 Completed Veterans Memorial project at Norma Pfeiffer Park

Streets:

Staff replaced shoulder rock on N Skinner St to shore up road base adjacent to pavement

Sewer:

Six septic tanks were pumped based on regularly scheduled need.

Planning

- SUB 02-20 & SUB 01-22: Coburg Creek Subdivision: One new dwelling permit and one certificates of occupancy issued in February;
- Nine Structural/Plumbing/Mechanical/Electrical permits issued in February;

- Attended regional transportation meetings including Transportation Planning Committee, Safe Lane Transportation Coalition, Transportation Options Advisory Committee, Lane ACT and Technical Advisory Sub-Committee (of MPC);
- Attended DEQ/RARE webinar;
- Planning Commission began reviewing the Coburg Comprehensive Plan;
- Submitted CLG grant application for historic preservation projects.

Municipal Court

February 2024 Activity Measures:

- Citations (Crimes and Violations)
 - New Citations for February 6, 2024 Court Date: 11
- February 2024 Receipts Including Collections,
 - **Total Fines:** \$4,792.85 (total monies taken in for the month, nothing deducted), *compared to \$ 8,276.16 in February of 2023*
 - **Net Fines:** \$ 2,887.00 (City share only, NOT including collections), *compared to \$6,195.00 in February of 2023*
- February 2024 Professional Credit Service Collections:
 - **Total Collection Revenue:** \$ 1,905.85 *compared to \$2,081.16 in February of 2023*
 - **Turned over to collection:** \$0 *compared to \$8,090.00 in February of 2023*

Comparisons should only be considered when viewing the year-to-date amounts as court dates are not consistently held on the same dates each month, nor is there consistent cases presented to the court.

| | | |
|----------------------|----------------|-----------------------|
| Upcoming Court Date: | March 5, 2024 | Regular Court Session |
| | March 27, 2024 | Jury Trial |
| | April 9, 2024 | Regular Court Session |

Police

- Officer took a report of a missing male who subsequently returned home.
- Officer took a report of a missing person.
- Officer arrested a male for a felony warrant on a traffic stop.
- Officer assisted the fire department with a motor vehicle accident on the freeway.
- Officer took a report of a stolen vehicle; the vehicle was returned, and the suspect was arrested.
- Officer took a report of child abuse; hospital staff determined it was unfounded.
- Officer arrested a male for violating his release agreement.
- Officer responded to a suspicious male who trespassed; officer identified him later.
- Officer arrested a male for violating a restraining order and his release agreement.
- Officers investigated a juvenile for menacing his family with a knife.
- Officers investigated a hit and run; the driver later crashed in another county.

- Officers investigated a male for DUII and determine he was having a diabetic emergency.
- Officers investigated a traffic crash, and it was settled with a civil compromise.
- Officers investigated a stolen vehicle which was returned the next week.
- Officers cited a male for careless driving for an off-duty officer.
- Officer cited a male for two misdemeanor warrants.
- Officers enforced several illegal parking issues.
- Officers used the CHETT program to purchase a bus ticket for a stranded pedestrian.
- Officers responded to a house fire.
- Officer interviewed a suspicious person.
- Officer took a report of stolen lottery tickets.
- Officer cited a male for a contempt of court warrant.

Upcoming Events:

Department Range

SFST training

2024 State of the Cities Report

Item 8.

Every two years, the League of Oregon Cities (LOC) conducts a survey to gauge the general fiscal condition of the cities in Oregon. Sixty-eight percent of cities have seen an increase in service demand, compared to 56% in 2021. Additionally, the financial outlook is significantly more distressing. In the past, 90% of cities were better able or able to meet their financial needs compared to the previous year. This year's survey shows only 70% respond in the same way. Overall, this year's survey indicated a considerable lack of certainty for cities across the state.

For most cities, the primary sources of revenue are property taxes and utility franchise fees. Studies by the LOC since 2016 reveal franchise fee revenues often do not keep pace with inflation. Additionally, the property tax constraints from Measures 5 and 50 have created a system that limits the amount of taxable revenue available to local governments. This means that traditional revenue sources for cities are steadily shrinking, forcing local governments to either rely on alternative revenues, cut spending, or eliminate services.

While most cities reported financial conditions as stable or improving over the last year, a marked decline in optimism for future fiscal health is evident. Cities have reacted by adjusting their financial practices; the majority increased fees, charges, and licenses, while maintaining or slightly increasing service levels and city employee numbers. There is a clear trend of operating cost hikes, likely due to inflation, with some cities also reporting staff and service cuts in departments such as city hall, libraries, and social services. These adjustments have not been uniformly sufficient.

This survey collected data between November 6, 2023, and December 1, 2023, with 73 cities responding. The respondents represent only 972,806 city residents, or 32% of the city residents in Oregon. In addition, survey respondents were over-represented by cities in the 4th and 5th Quintiles¹ and cities in South Willamette Valley, and Central Oregon regions.

RESULTS

Nineteen percent of responding cities reported they were better able to meet financial needs, as opposed to 39% in 2021. This shows a significant change as the responses to this

KEY FINDINGS

- The “2024 State of the Cities” survey indicates that 68% of Oregon cities have seen an increase in service demand, up from 56% in 2021, with a concerning decrease in the number of cities reporting improved financial capability compared to previous years.
- Traditional revenue sources for cities, like property taxes and utility franchise fees, are not keeping pace with inflation, compelling cities to either cut spending, eliminate services, or rely on alternative revenues.
- A significant number of cities have raised fees, charges, and licenses to cope with fiscal pressures, while maintaining or increasing service levels and city employee numbers, amidst a trend of rising operating costs.
- Survey responses were skewed towards cities with larger populations and those in certain regions, like South Willamette Valley and Central Oregon, where the fiscal challenges and service demand increases were most pronounced.
- The housing shortage and homelessness have strained city services, with a significant part of law enforcement resources being allocated to address these issues, leading to new roles such as homeless liaisons, and increased public safety spending.

question had been relatively stable for the previous six years (2017, 2019, 2021 surveys). Cities with a population greater than 3,276 were more likely to answer, “better able.” This was also more likely in South Willamette Valley, South Coast, and regions east of the Cascades. Thirty-two percent of respondent cities reported being “less able” to meet their financial needs in 2023 than in 2022. This is a substantial increase from the 10% of cities that responded the

“Our biggest challenge ... is maintaining aging facilities. We just do not have financial capacity to timely address facility issues. This isn't just buildings, but parks, streets, sidewalks, etc.” – *City of Coos Bay*

same way two years ago. These cities were mostly cities with a population less than 500, as well as in the South Willamette and Southern Oregon regions. The difference between cities being “better able” and “less able” to meet needs in the same regions indicates the financial health of cities is often specific to that city and to that region.

When asked about the anticipated state of their finances in the next fiscal year, cities were as pessimistic as ever recorded by this survey. Forty-nine percent of cities anticipated general fund revenue would keep pace or exceed current needs in the future. This is far less than the 72% of cities anticipating this outcome in 2019, and the 61% in 2021, indicating not only growing pessimism about future revenue sources but an accelerating decline in city optimism. A total of 59% of cities anticipated current revenue sources will fall short in the future (compared to 36% in 2021); the overwhelming majority of these cities have populations greater than 3,276. Overall, 68% of cities statewide have witnessed demand increases and expect these demands to continue increasing in the future. This is much higher than the 58% reporting an expected

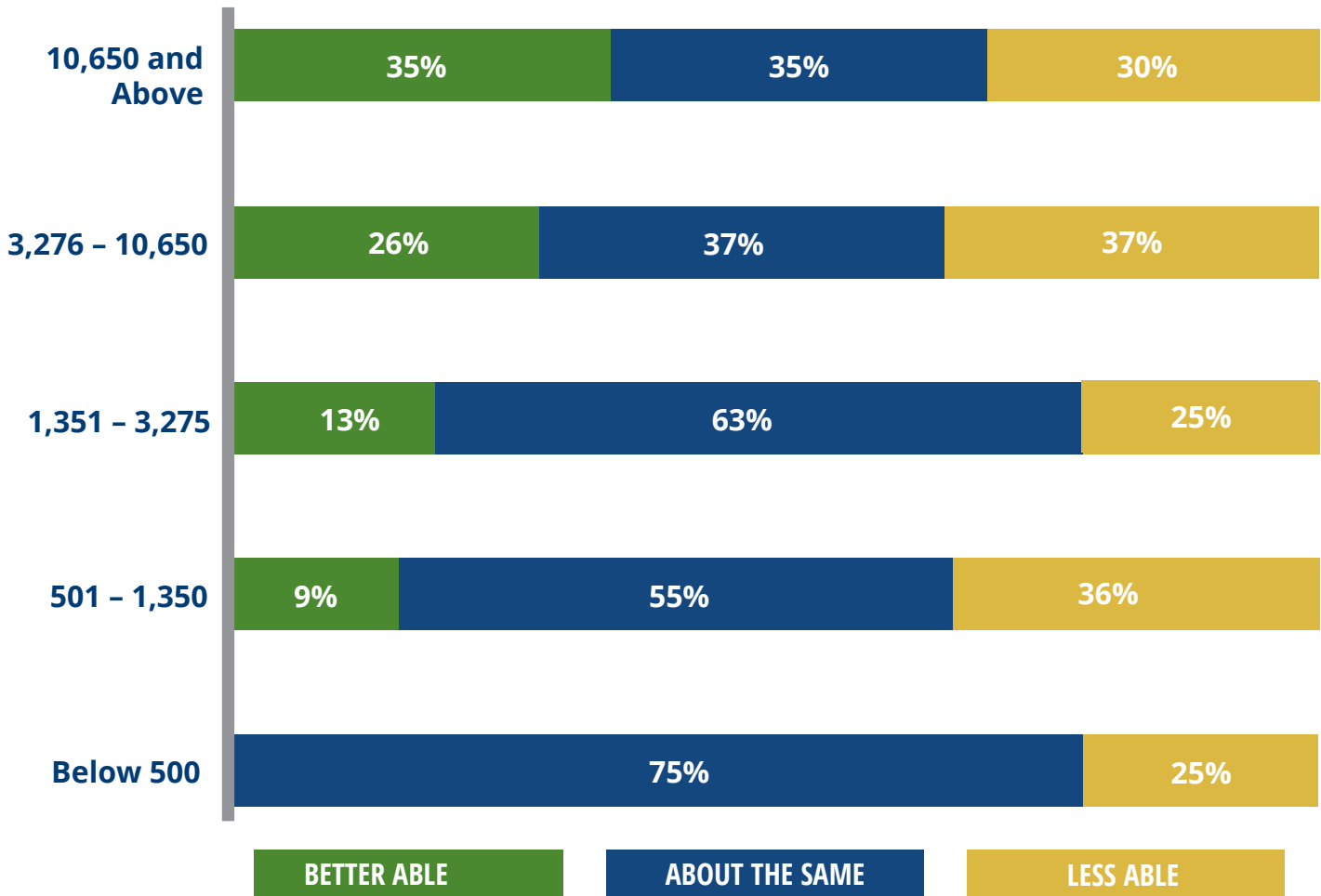
increase in 2019 or the 56% in 2021. This demand increase is most commonly seen in South Willamette, South Coast, Southern Oregon and Central Oregon regions.

Cities maintained or increased their financial practices from the previous year, depending on the activity. Among the surveyed actions taken in FY2023, the majority of cities:

- Increased fees/charges/licenses (59%)
- Maintained overall service levels (78%)
- Maintained city FTEs (59%)
- Maintained transportation infrastructure spending (49%)
- Increased water infrastructure spending (44%)
- Maintained safety spending (47%)
- Increased operating spending (84%)
- Increased employee wages (84%)
- Maintained employee contributions to health insurance (67%)

(continued on page 3)

OVERALL, IS YOUR CITY BETTER ABLE TO MEET ITS FINANCIAL NEEDS THAN LAST FISCAL YEAR? (BY POPULATION)



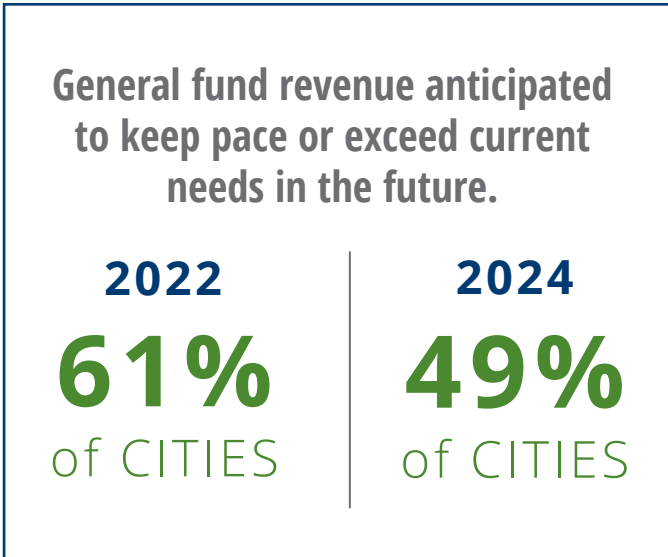
“The addition of ARPA dollars to the city’s general fund reserve balance has helped keep the city afloat. However, as these get spent, the city will once again be scraping by, and we will have to return to looking for other sources of revenue for the General Fund.” – *City of Canby*

These results indicate significant increases in operating costs and wages, potentially due to inflation. Further, the inability of other revenue sources to keep pace has resulted in an increase in fees, charges, and licenses to fill the gap. Yet other questions in this survey suggest this is not enough.

Cities with a population greater than 1,325 were most likely to increase charges and fees. Due to a more cautious approach among member cities, spending patterns have remained relatively identical since 2017. Only 22% of responding cities added new revenue sources in FY2023. These include a potential transient room tax and gas tax, increased public safety and wastewater fees, new car rental and construction excise taxes, higher business license and franchise fees, and miscellaneous charges such as dumping fees for RVs and increased fees for public passenger vehicle licenses. Cities in the 4th and 5th Quintiles were most likely to take on new revenue sources.

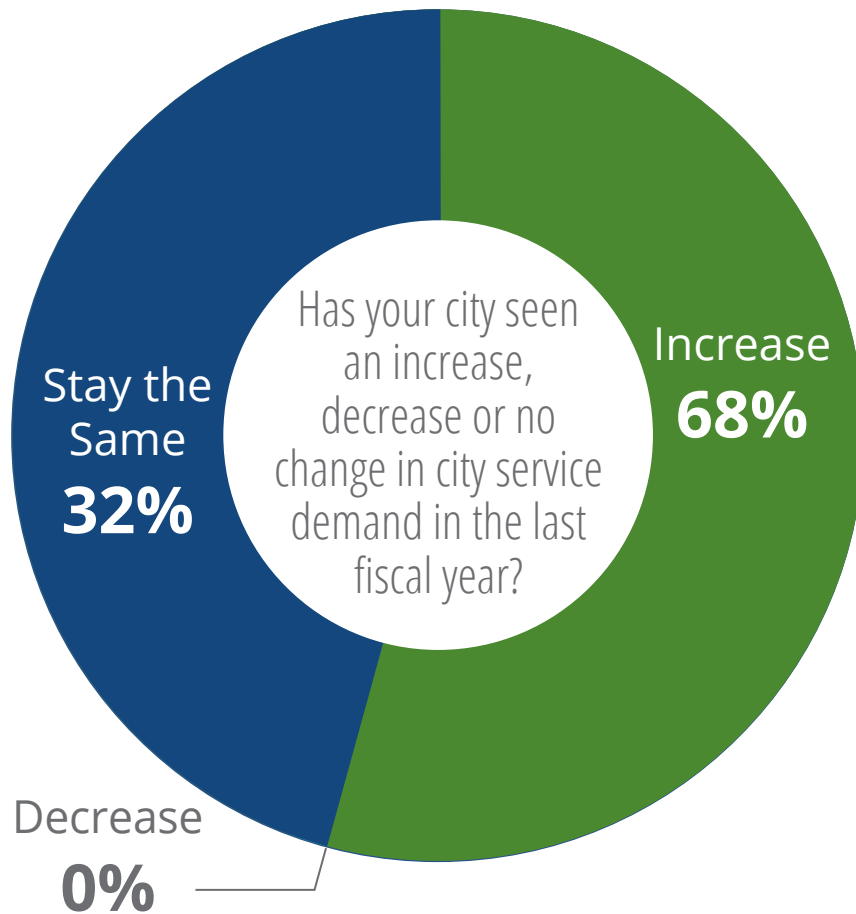
Member cities are also reducing hours and staffing levels at about the same rate as in 2021. Police, fire, and social services showed the only increase in staff reductions in 2023. Respondent cities reduced staffing, services, and/or hours of operation in the following areas:

- City Hall (14% of cities, previously 17%)
- Libraries (9%, previously 17%)
- Senior Services (7%, previously 9%)
- Planning/Permitting (6%, previously 10%)
- Public events/arts/etc. (12%, previously 28%)
- Police (10%, previously 5%)
- Fire Services (3%, previously 1%)
- Social Services (6%, previously 1%)
- Transit/transportation services (3%, consistent with 2021)
- Recreational facilities and/or activities (10%, previously 19%)
- Parks/green spaces/natural areas (10%, previously 9%)



“The biggest challenge for us has been in recruiting a talented workforce. We also easily lose employees to [smaller] communities. I know this has been true for many of the businesses in our community and for our partners at the school district.” – *City of Lake Oswego*

68% of responding cities saw increases in service demand.



The fiscal health of cities statewide is also reflected in their end-of-year general fund balances. Fifty-two percent of cities saw an increase in their general fund balance in FY2021, more than in 2021, while 26% of cities also saw a decrease. Cities with a population greater than 3,275, as well as cities in the Metro, South Willamette Valley, Central Oregon, and Northeastern regions were most likely to have increasing fund balances.

The fiscal health of cities is also determined by the demand for services. In the last year, the majority of cities (68%) saw increases in service demand, particularly those in the Willamette Valley, Metro, and Central Oregon regions, as well as those with a population of more than 1,350 people. Further, 78% of cities expect demand to continue increasing in the future. Both responses are significantly higher than in previous years. Not a single respondent noted a decrease in demand.

When asked to rank the most important factors in their city's financial health, LOC members listed wages, infrastructure, and "other" as the highest cost drivers. This is the first year in which PERS was not in the top three (it is now fifth). Law enforcement ranked fourth, as was the case in 2021. Marijuana once again was the least important cost driver

among respondent cities and averaged eighth place among the 10 cost drivers (*see page 20*).

Finally, cities were asked about housing and homelessness. These open-ended questions provided a rich narrative about the impact of housing shortages and homelessness in Oregon. The scarcity of affordable housing is a significant obstacle for settling in the affected areas, which ultimately hinders economic development and strains industries. Smaller cities struggle to attract and keep talent, particularly in key professions, due to limited housing options. The shortage has not only escalated housing prices but also increased homelessness, contributing to a higher cost of living, and reduced public involvement in city planning.

Homelessness has taxed city services significantly according to the respondents. Law enforcement dedicates a large share of its time to related issues, leading to the creation of specialized positions and tasks. Financial impacts are significant, as cities divert budgets to cover increased policing, sanitation operations, emergency medical responses, and social services. The negative public perception of safety and cleanliness has forced some cities to invest in community education and outreach efforts.

(continued on page 5)

Yet, some cities report minimal impact, attributing this to their small size or lack of a homeless population.

CONCLUSION

The 2024 State of the Cities survey reveals a complex fiscal landscape for Oregon cities, with a notable shift from previous years. While most cities’ financial conditions are stable or improved, there is an increasing concern for the future, with a significant drop in the number of cities reporting improved financial capability and growing pessimism about future revenues. Larger cities are more likely to report being “better able” financially, whereas smaller cities and certain regions are struggling more. Wages and operating costs appear to be a significant factor in this pessimism.

In response to these challenges, cities are raising fees and maintaining service levels, but approximately one quarter have introduced new revenue sources in 2023. Service demands are increasing across the board, with 68% of cities noting higher demands, particularly in areas affected by the housing crisis and homelessness, which are stretching city services and resources thin, leading to increased law enforcement duties and specialized responses. Despite these challenges, some cities report minimal impact, suggesting that the effects are unevenly distributed and highlighting the need for targeted solutions. ■

¹ To provide a more accurate comparison, cities are divided into population quintiles, or groups of cities representing roughly one-fifth of the 241 total cities. If the LOC randomly selected cities from each quintile, we would expect 20% to come from each of the five quintiles. See the quintile population chart [here](#).



CITY COST DRIVERS

1. Wages/Salary Cost
2. Infrastructure Maintenance/Repair
3. Other
4. Law Enforcement
5. PERS Contributions
6. Employee Healthcare
7. Fire/Ambulance Service
8. Debt Service
9. City Insurance
10. MJ Legalization

Small Deposit, Big Return

For 50 years, Oregon’s first-in-the-nation Bottle Bill has helped dramatically reduce litter and improve the state’s environment by keeping bottles and cans out of our waterways, natural areas, and city streets. It pushes us to deliver strong circular recycling outcomes, with some of the best results in the nation and the world. We’re proud to serve as the steward and operator of America’s original EPR program, ensuring 2 billion containers are returned for Grade-A recycling each year.

