

City of Brookings

MEETING AGENDA

CITY COUNCIL/URBAN RENEWAL AGENCY

Monday, December 9, 2019, 7:00pm

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

CITY COUNCIL

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Ceremonies/Announcements

1. Brookings-Harbor High School Girls' Soccer Team
 - a. Resolution 19-R-1169 [Pg. 3]

E. Scheduled Public Appearances

1. Introduction of new ODOT Area Manager Chris Hunter, Gary Milliman

F. Oral Requests and Communications from the audience

(Public Comments on non-agenda items – 5 minute limit per person.*)

G. Consent Calendar

1. Approve Council minutes for November 12, 2019 [Pg. 4]
2. Accept TPAC Committee minutes for October 10, 2019 [Pg. 6]
3. Accept Parks and Recreation Commission minutes for September 26, 2019 [Pg. 7]
4. Receive monthly financial report for October 2019 [Pg. 9]

H. Staff Reports

1. Acceptance of City's audit report for fiscal year ended June 30, 2019 [City Manager, Pg. 15]
 - a. June 30, 2019 Audit [Pg. 16]
2. RFP for Attorney Services [City Manager, Pg. 128]
 - a. Draft RFP for City Attorney Services [Pg. 129]
3. Travel & Adventure Show [City Manager, Pg. 136]
 - a. Proposal [Pg. 137]

I. Informational Non-Action Items

1. November Vouchers [Pg. 139]
2. Vacant Committee Positions [Pg. 142]

J. Remarks from Mayor and Councilors

K. Adjournment

URBAN RENEWAL AGENCY

A. Call to Order

B. Roll Call

C. Consent Calendar

1. Approve Urban Renewal Agency Minutes for May 28, 2019 [Pg. 143]

D. Public Comments

E. Staff Reports

1. Acceptance of Urban Renewal Agency audit report for fiscal year ended June 30, 2019 [City Manager, Pg. 145]
 - a. Audit report [Pg. 146]

F. Agency Remarks

G. Adjournment

*Obtain Public Comment Forms and view the agenda and packet information on-line at www.brookings.or.us, at City Hall and at the local library. Return completed Public Comment Forms to the City Recorder before the start of meeting or during regular business hours.

All public meetings are held in accessible locations. Auxiliary aids will be provided upon request with at least 72 hours advance notification. Please contact 469-1102 if you have any questions regarding this notice.

RESOLUTION OF COMMENDATION BROOKINGS-HARBOR HIGH SCHOOL GIRLS' SOCCER TEAM

RESOLUTION 19-R-1169 OF THE CITY COUNCIL OF THE CITY OF BROOKINGS
COMMENDING THE BROOKINGS-HARBOR HIGH SCHOOL GIRLS' SOCCER TEAM UPON THE
OCCASION OF A SUCCESSFUL 2019 SEASON

WHEREAS, the Brookings-Harbor High School Girls' Soccer Team who had an exceptional season in 2019 and earned the rank of No. 6 during the season on the OSAA 3A ranking; and

WHEREAS, the 2019 team are Far West League Champions; and

WHEREAS, the team ranked undefeated in league play at 8-0-1; and

WHEREAS, the teams overall record 12-2-1; and

WHEREAS, the team is led by Head Coach Kyla Siri who received the title of Far West League Co-Coach of the year and was nominated to coach the 2019 All-Star team; and

WHEREAS, 9 members of the team received all-league selections; and

WHEREAS, 4 members of the team were nominated for all-state selections; and

WHEREAS, 16 members of the team were recognized for their consistently high grade point averages; and

WHEREAS, the coaches have focused on program culture, return success and high expectation to spur on team success; and

WHEREAS, the coaches and team have brought great esteem upon themselves, their school, and our entire community.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Brookings does hereby commend Coach Kyla Siri and all the coaches and team members of the Brookings-Harbor High School Girls' Soccer Team and wishes to recognize them for their accomplishment, and moreover, encourages all the citizens of Brookings to join in congratulating the team.

Mayor Jake Pieper

Councilor Bill Hamilton

Councilor Brent Hodges

Councilor Ron Hedenskog

Councilor John McKinney

City of Brookings

CITY COUNCIL MEETING MINUTES

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

Tuesday, November 12, 2019

Call to Order

Mayor Pieper called the meeting to order at 7:00 PM

Roll Call

Council Present: Mayor Jake Pieper, Councilors Bill Hamilton, John McKinney and Ron Hedenskog; a quorum present

Absent: Councilor Brent Hodges

Staff present: Public Works and Development Services Director Anthony Baron and Deputy Recorder Rita Ritz.

Media Present: None present

Others Present: Approximately six audience members

Ceremonies

Worldwide Candle Lighting Day Proclamation

-Mayor Pieper read the proclamation and presented it to Jo Atherton.

-Ms. Cockerham addressed Council thanking them for their support and encouraged everyone to attend the 15th Annual Candle Lighting in Brookings.

Oral Requests and Communications from the audience

1. Chuck Chambers of 15532 Oceanview Drive addressed Council regarding storm drain issue at his property at 534 Railroad Ave.
2. James Paul of Brookings addressed Council regarding the increase of homelessness and trash that is gathering at Azalea Park.

Consent Calendar

1. Approve Council minutes for October 28, 2019
2. Approve Special Council minutes for November 4, 2019
3. Accept Planning Commission minutes for October 1, 2019
4. Accept Resignation from City Attorney

Councilor Hedenskog moved, Councilor Hamilton seconded, and Council voted unanimously to approve the Consent Calendar.

Staff Reports

5K Jingle Dash Fun Run Event Waiver

Public Works and Development Services Director Baron presented the staff report.

Councilor McKinney moved, Council Hedenskog seconded and Council voted unanimously to waive event permit fees in the amount of \$40 for the 5K Jingle Dash Fun Run.

City Attorney Services

Public Works and Development Services Director Baron presented the staff report.

Councilor Hedenskog moved, Councilor Hamilton seconded and Council voted unanimously to authorize the Mayor to sign agreement with Local Government Law Group for Interim City Attorney services.

Future City Attorney Services

Public Works and Development Services Director Baron presented the staff report.

Councilor Hedenskog moved, Councilor McKinney seconded and Council voted unanimously to direct City Manager to begin recruitment process for City Attorney and bring back Request for Proposal (RFP) to Council for approval.

Remarks from Mayor and Councilors

Councilor Hamilton thanked City Attorney Martha Rice for her services.

Adjournment

Councilor Hedenskog moved, Councilor McKinney seconded and with all Councilors in favor Mayor Pieper adjourned the meeting at 7:32 p.m.

Respectfully submitted:

ATTESTED:
this 9th day of December 2019:

Jake Pieper, Mayor

Janell K. Howard, City Recorder

TOURISM PROMOTION ADVISORY COMMITTEE (TPAC) MINUTES
Thursday – October 10, 2019

CALL TO ORDER

Meeting called to order at 4:00 PM

1. ROLL CALL

Present: Committee members Barbara Ciaramella, Tim Kennedy, Sonya Billington, Dane Tippman and Skip Watwood

Absent: Bob Pieper, Matt Honeycutt

Also present: Staff Committee Liaison Lauri Ziemer

2. APPROVAL OF MINUTES

Motion made by Tim Kennedy to approve the minutes of September 12, 2019; motion seconded by Dane Tippman, Committee voted and the motion carried 5-0.

3. PUBLIC COMMENT – None

4. ACTION ITEMS –

- a. Festival of Art Event Evaluation – Leslie Wilkinson provided a review of the event evaluation and thanked the committee for the \$1,000 in funds they provided. She advised they had a great event and turnout. TPAC funds were used for marketing and advertising which based on an informal survey they conducted reached residents from many different areas. She also said they had new signage on Hwy 101 that helped draw people to the event and for future evaluations suggested the evaluation form include organizers ask where if participants stayed the night. **Motion made by Dane Tippman to forward event evaluation to City Council for review; motion seconded by Skip Watwood. Committee voted and the motion carried unanimously.**

5. INFORMATIONAL ITEMS

- a. KTVL Donut Package update in agenda packet was reviewed. Leslie Wilkinson advised the first donut air date will be on October 15th and include the Mushroom Festival event.
- b. TPAC Budget - Committee reviewed budget numbers.

6. Committee Comments on Non-Agenda Items – None

7. SCHEDULE NEXT MEETING – Next meeting scheduled for November 14, 2019 will be the quarterly marketing meeting.

8. ADJOURNMENT – with no further business the meeting adjourned at 4:14 pm.

Respectfully submitted,



Skip Watwood, Chair
(approved at November 14, 2019 meeting)

MINUTES
BROOKINGS PARKS AND RECREATION COMMISSION
September 26, 2019

CALL TO ORDER

Chair Patt Brown called the meeting to order at 7:00 pm followed by the Pledge of Allegiance.

ROLL CALL - Introduction of RARE Participant Erik Orta from Urbana, IL. Erik will be with the City for 11 months and working on the Parks Master Plan update, an outdoor fitness area at Azalea Park and a tourism marketing study.

Present: Commissioners Brad Alcorn, Trace Kather, Lonnie Nalls, Lex Rau and Chair Patt Brown

Also present: Deputy PWDS Director Jay Trost and RARE participant Erik Orta

Approximately 10 audience

APPROVAL OF MINUTES

Motion made by Commissioner Alcorn to approve the minutes of July 25, 2019; motion seconded by Commissioner Nalls and Commission voted; the motion carried unanimously.

PUBLIC APPEARANCES – Mary Scaran, local Pickleball spokesperson advised commission that pickleball is the fastest rising sport and the Bud Cross courts are being used daily. The Pickleball group is requesting the possibility of creating indoor pickleball courts and encouraged the inclusion of pickleball courts in the upcoming Parks Master Plan.

COMMISSION BUSINESS

A. Rescheduling November meeting to November 21, 2019 – Because of Thanksgiving holiday, the November meeting will be moved to November 21st.

REGULAR AGENDA – None

INFORMATION UPDATES/DISCUSSION ITEMS

A. Softball Tournament Management - Jay updated commission on the success of the first summer softball rec season that consisted of seven teams, which is up three teams from last years' community rec league. A two month fall league is currently under way with six teams and requests are coming in for softball tournaments. The new softball fields and lights are being used and expect next years' use to increase. Softball tournaments bring additional income to the area and revenue to the parks but management needs to be addressed. The Slippery Banana Tournament scheduled in February traditionally uses Bud Cross fields and causes heavy damage before the start of Little League season in March. This next year they will not be permitted to use Bud Cross and they have adjusted their tournament schedule only playing on Azalea Park fields. Jay requested Commissioners ideas to establish long term policy uses of all the park field facilities including limiting the use of Bud Cross fields to youth oriented sports activities. Commissioners agreed with initiating a policy limiting the use of Bud Cross fields.

B. Parks Projects – Jay advised:

- 1) Two new full Azalea Park basketball courts will be poured 9-27 and will be a great addition for players in the area.
- 2) New Outdoor Fitness area being coordinated by Erik with Rotary is slated to be in area next to the basketball courts with low and high impact stations planned.

- 3) Dog park at Chetco Point where the horseshoe grass area was previously is being designed with a general dog area, a small dog area, and a dog training/fitness area. Should be finished in the spring.
- 4) Capella patio design is in the process.

C. Parks Update

- 1) Mill Beach restrooms were recently closed again because of vandalism, advised by the City Council to explore ways to preserve the restroom before taking additional steps.
- 2) State parks has asked for the City's support to close state beaches to camping from Memorial Day to Labor Day by proposing an ordinance also limiting beach access within City limits.
- 3) County is interested in pursuing a long term lease agreement with the City for the Social Security Bar access area. They are interested in establishing and managing a camping/rv campground with host. Meeting with them is planned in the next week to discuss further.

COMMISSIONER REPORTS/COMMENTS - None

ADJOURNMENT

Next meeting scheduled for November 21, 2019. With no further business, meeting adjourned at 7:45 pm.

Respectfully submitted,



Patt Brown, Chair

(Approved at November 21, 2019 meeting)

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
<u>REVENUE</u>					
TAXES	3,236,390.00	61,321.92	302,588.81	2,933,801.19	9.4
LICENSES AND PERMITS	128,000.00	11,111.72	73,750.36	54,249.64	57.6
INTERGOVERNMENTAL	286,800.00	21,780.60	69,631.10	217,168.90	24.3
CHARGES FOR SERVICES	246,000.00	7,967.21	144,928.11	101,071.89	58.9
OTHER REVENUE	197,383.00	26,761.89	87,073.08	110,309.92	44.1
TRANSFERS IN	517,067.00	.00	.00	517,067.00	.0
	4,611,640.00	128,943.34	677,971.46	3,933,668.54	14.7
<u>EXPENDITURES</u>					
JUDICIAL:					
PERSONAL SERVICES	31,872.00	2,597.18	8,349.38	23,522.62	26.2
MATERIAL AND SERVICES	12,850.00	945.25	2,320.48	10,529.52	18.1
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	44,722.00	3,542.43	10,669.86	34,052.14	23.9
FINANCE AND ADMINISTRATION:					
PERSONAL SERVICES	349,616.00	29,256.88	112,855.50	236,760.50	32.3
MATERIAL AND SERVICES	175,200.00	17,667.20	56,257.67	118,942.33	32.1
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	524,816.00	46,924.08	169,113.17	355,702.83	32.2
POLICE:					
PERSONAL SERVICES	2,240,968.00	188,688.38	728,766.09	1,512,201.91	32.5
MATERIAL AND SERVICES	183,300.00	10,639.43	66,722.46	116,577.54	36.4
CAPITAL OUTLAY	.00	13,000.00	13,000.00	(13,000.00)	.0
DEBT SERVICE	67,867.00	4,452.31	32,116.17	35,750.83	47.3
TRANSFERS OUT	.00	.00	.00	.00	.0
	2,492,135.00	216,780.12	840,604.72	1,651,530.28	33.7
FIRE:					
PERSONAL SERVICES	207,351.00	18,148.12	68,957.66	138,393.34	33.3
MATERIAL AND SERVICES	100,000.00	13,494.02	37,956.03	62,043.97	38.0
CAPITAL OUTLAY	.00	.00	.00	.00	.0
DEBT SERVICE	30,579.00	.00	.00	30,579.00	.0
TRANSFERS OUT	.00	.00	.00	.00	.0
	337,930.00	31,642.14	106,913.69	231,016.31	31.6

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
PLANNING AND BUILDING:					
PERSONAL SERVICES	228,662.00	17,554.13	70,561.28	158,100.72	30.9
MATERIAL AND SERVICES	90,800.00	773.88	8,353.20	82,446.80	9.2
CAPITAL OUTLAY	.00	.00	.00	.00	.0
TRANSFERS OUT	.00	.00	.00	.00	.0
	319,462.00	18,328.01	78,914.48	240,547.52	24.7
PARKS & RECREATION:					
PERSONAL SERVICES	270,876.00	20,860.49	85,346.05	185,529.95	31.5
MATERIAL AND SERVICES	105,500.00	18,761.18	41,821.62	63,678.38	39.6
CAPITAL OUTLAY	35,000.00	16,072.82	24,068.82	10,931.18	68.8
DEBT SERVICE	74,384.00	4,031.88	16,127.52	58,256.48	21.7
TRANSFERS OUT	.00	.00	.00	.00	.0
	485,760.00	59,726.37	167,364.01	318,395.99	34.5
FINANCE AND HUMAN RESOURCES:					
PERSONAL SERVICES	.00	.00	.00	.00	.0
MATERIAL AND SERVICES	.00	19.61	103.44	(103.44)	.0
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	.00	19.61	103.44	(103.44)	.0
SWIMMING POOL:					
PERSONAL SERVICES	71,087.00	.00	68,904.67	2,182.33	96.9
MATERIAL AND SERVICES	39,000.00	2,636.39	19,552.24	19,447.76	50.1
CAPITAL OUTLAY	.00	.00	919.97	(919.97)	.0
	110,087.00	2,636.39	89,376.88	20,710.12	81.2
NON-DEPARTMENTAL:					
MATERIAL AND SERVICES	161,600.00	11,113.69	28,128.11	133,471.89	17.4
CAPITAL OUTLAY	.00	.00	.00	.00	.0
TRANSFERS OUT	622,239.00	.00	.00	622,239.00	.0
CONTINGENCIES AND RESERVES	632,889.00	.00	.00	632,889.00	.0
	1,416,728.00	11,113.69	28,128.11	1,388,599.89	2.0
	5,731,640.00	390,712.84	1,491,188.36	4,240,451.64	26.0
	(1,120,000.00)	(261,769.50)	(813,216.90)	(306,783.10)	(72.6)

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

STREET FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
<u>REVENUE</u>					
INTERGOVERNMENTAL	795,000.00	41,448.73	162,125.55	632,874.45	20.4
OTHER REVENUE	14,650.00	.00	8,266.33	6,383.67	56.4
TRANSFER IN	.00	.00	.00	.00	.0
	<u>809,650.00</u>	<u>41,448.73</u>	<u>170,391.88</u>	<u>639,258.12</u>	<u>21.1</u>
<u>EXPENDITURES</u>					
EXPENDITURES:					
PERSONAL SERVICES	208,899.00	16,930.07	65,455.40	143,443.60	31.3
MATERIAL AND SERVICES	208,000.00	6,814.40	34,466.35	173,533.65	16.6
CAPITAL OUTLAY	329,450.00	.00	1,586.00	327,864.00	.5
DEBT SERVICE	22,149.00	1,506.76	6,027.04	16,121.96	27.2
TRANSFERS OUT	156,747.00	.00	.00	156,747.00	.0
CONTINGENCIES AND RESERVES	119,405.00	.00	.00	119,405.00	.0
	<u>1,044,650.00</u>	<u>25,251.23</u>	<u>107,534.79</u>	<u>937,115.21</u>	<u>10.3</u>
	<u>1,044,650.00</u>	<u>25,251.23</u>	<u>107,534.79</u>	<u>937,115.21</u>	<u>10.3</u>
	<u>(235,000.00)</u>	<u>16,197.50</u>	<u>62,857.09</u>	<u>(297,857.09)</u>	<u>26.8</u>

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
<u>REVENUE</u>					
SOURCE 03	.00	.00	.00	.00	.0
CHARGES FOR SERVICES	1,725,000.00	144,933.60	685,049.25	1,039,950.75	39.7
OTHER INCOME	53,000.00	5,642.25	22,672.07	30,327.93	42.8
TRANSFERS IN	.00	.00	.00	.00	.0
	<u>1,778,000.00</u>	<u>150,575.85</u>	<u>707,721.32</u>	<u>1,070,278.68</u>	<u>39.8</u>
<u>EXPENDITURES</u>					
WATER DISTRIBUTION:					
PERSONAL SERVICES	372,792.00	29,721.47	117,764.42	255,027.58	31.6
MATERIAL AND SERVICES	173,900.00	12,698.64	64,716.03	109,183.97	37.2
CAPITAL OUTLAY	50,000.00	.00	26,779.01	23,220.99	53.6
DEBT SERVICE	8,378.00	165.78	3,047.61	5,330.39	36.4
TRANSFERS OUT	24,000.00	.00	.00	24,000.00	.0
	<u>629,070.00</u>	<u>42,585.89</u>	<u>212,307.07</u>	<u>416,762.93</u>	<u>33.8</u>
WATER TREATMENT:					
PERSONAL SERVICES	25,442.00	2,093.47	8,136.52	17,305.48	32.0
MATERIAL AND SERVICES	470,608.00	37,321.91	132,687.08	337,920.92	28.2
CAPITAL OUTLAY	10,000.00	.00	.00	10,000.00	.0
DEBT SERVICE	3,712.00	165.78	3,047.61	664.39	82.1
TRANSFERS OUT	939,649.00	.00	.00	939,649.00	.0
CONTINGENCIES AND RESERVES	179,519.00	.00	.00	179,519.00	.0
	<u>1,628,930.00</u>	<u>39,581.16</u>	<u>143,871.21</u>	<u>1,485,058.79</u>	<u>8.8</u>
DEPARTMENT 24:					
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
	<u>2,258,000.00</u>	<u>82,167.05</u>	<u>356,178.28</u>	<u>1,901,821.72</u>	<u>15.8</u>
	<u>(480,000.00)</u>	<u>68,408.80</u>	<u>351,543.04</u>	<u>(831,543.04)</u>	<u>73.2</u>

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WASTEWATER FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
<u>REVENUE</u>					
SOURCE 03	(4,500.00)	.00	.00	(4,500.00)	.0
CHARGES FOR SERVICES	3,220,300.00	248,919.55	1,051,742.52	2,168,557.48	32.7
OTHER REVENUE	20,000.00	.00	2,685.35	17,314.65	13.4
TRANSFER IN	.00	.00	.00	.00	.0
	<u>3,235,800.00</u>	<u>248,919.55</u>	<u>1,054,427.87</u>	<u>2,181,372.13</u>	<u>32.6</u>
<u>EXPENDITURES</u>					
WASTEWATER COLLECTION:					
PERSONAL SERVICES	572,588.00	46,844.13	179,172.56	393,415.44	31.3
MATERIAL AND SERVICES	218,900.00	5,220.67	44,704.83	174,195.17	20.4
CAPITAL OUTLAY	15,000.00	.00	.00	15,000.00	.0
DEBT SERVICE	8,378.00	165.78	3,047.61	5,330.39	36.4
TRANSFERS OUT	189,319.00	.00	.00	189,319.00	.0
	<u>1,004,185.00</u>	<u>52,230.58</u>	<u>226,925.00</u>	<u>777,260.00</u>	<u>22.6</u>
WASTEWATER TREATMENT:					
PERSONAL SERVICES	38,478.00	3,140.98	12,206.16	26,271.84	31.7
MATERIAL AND SERVICES	929,139.00	78,704.18	252,453.77	676,685.23	27.2
CAPITAL OUTLAY	.00	.00	.00	.00	.0
DEBT SERVICE	3,712.00	165.78	3,047.61	664.39	82.1
TRANSFERS OUT	1,446,118.00	.00	.00	1,446,118.00	.0
CONTINGENCIES AND RESERVES	318,668.00	.00	.00	318,668.00	.0
	<u>2,736,115.00</u>	<u>82,010.94</u>	<u>267,707.54</u>	<u>2,468,407.46</u>	<u>9.8</u>
	<u>3,740,300.00</u>	<u>134,241.52</u>	<u>494,632.54</u>	<u>3,245,667.46</u>	<u>13.2</u>
	<u>(504,500.00)</u>	<u>114,678.03</u>	<u>559,795.33</u>	<u>(1,064,295.33)</u>	<u>111.0</u>

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

URBAN RENEWAL AGENCY FUND


	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
<u>REVENUE</u>					
TAXES	608,795.00	1,716.54	12,530.05	596,264.95	2.1
INTERGOVERNMENTAL	.00	.00	.00	.00	.0
OTHER REVENUE	2,000.00	.17	689.59	1,310.41	34.5
TRANSFERS IN	.00	.00	.00	.00	.0
	<u>610,795.00</u>	<u>1,716.71</u>	<u>13,219.64</u>	<u>597,575.36</u>	<u>2.2</u>
<u>EXPENDITURES</u>					
GENERAL:					
PERSONAL SERVICES	.00	.00	.00	.00	.0
MATERIAL AND SERVICES	35,000.00	1,969.32	1,969.32	33,030.68	5.6
CAPITAL OUTLAY	310,056.00	.00	.00	310,056.00	.0
DEBT SERVICE	.00	.00	.00	.00	.0
TRANSFERS OUT	450,739.00	.00	.00	450,739.00	.0
CONTINGENCIES AND RESERVES	.00	.00	.00	.00	.0
	<u>795,795.00</u>	<u>1,969.32</u>	<u>1,969.32</u>	<u>793,825.68</u>	<u>.3</u>
DEPARTMENT 20:					
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
DEPARTMENT 22:					
MATERIAL AND SERVICES	.00	.00	.00	.00	.0
DEBT SERVICE	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
DEPARTMENT 24:					
CONTINGENCIES AND RESERVES	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
	<u>795,795.00</u>	<u>1,969.32</u>	<u>1,969.32</u>	<u>793,825.68</u>	<u>.3</u>
	<u>(185,000.00)</u>	<u>(252.61)</u>	<u>11,250.32</u>	<u>(196,250.32)</u>	<u>6.1</u>

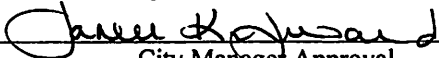
CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 9, 2019

Originating Dept: City Manager



Signature (submitted by)


City Manager Approval

Subject:

Audit Report for the fiscal year ended June 30, 2019

Recommended Motion:

Motion to accept the City's Audit for the fiscal year ended June 30, 2019.

Financial Impact:

None.

Background/Discussion:

Moss Adams LLP completed the City's audit for the fiscal year ending June 30, 2019. An electronic copy of the audit is attached to the packet that is received electronically, and is available on the City's website. A bound hard copy of the audit report has been put in the Mayor's and Councilors' boxes, and a copy is available for viewing at City Hall.

The City received an unqualified opinion on the June 30, 2019 audit; which means there were no exceptions, findings, or questioned costs.

Attachment:

June 30, 2019 Audit

CITY OF BROOKINGS



Brookings, Oregon ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2019

City of Brookings
Officers and Members of the Governing Body
For the Year Ended June 30, 2019

CITY MANAGER

Janell Howard

DEPUTY FINANCE DIRECTOR

Anella Ehlers

MAYOR

Jake Pieper
17163 Parkview Dr
Brookings, OR 97415

CITY COUNCIL

Bill Hamilton
417 Fern Ave
Brookings, OR 97415

Brent Hodges
Po Box 4970
Brookings, OR 97415

Ron Hedenskog
16956 Old County Road
Brookings, OR 97415

John McKinney
500 Velopa Court
Brookings, OR 97415

CITY ADDRESS

898 Elk Drive
Brookings, OR 97415

City of Brookings

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City of Brookings

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Report of Independent Auditors

Report of Independent Auditors

Honorable Mayor and Members of the City Council
City of Brookings, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, budgetary statement for the general fund and the aggregate remaining fund information of the City of Brookings, Oregon (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position, respective budgetary statements for the general fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv to x, schedule of the proportionate share of the net pension liability on page 46, schedule of contributions on page 47, schedule of the proportionate share of the net OPEB liability on page 48, and the schedule of contributions on page 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

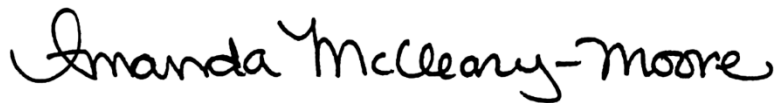
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules on pages 50 through 89 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 25, 2019 on our consideration of the City'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 compliance.

A handwritten signature in black ink that reads "Amanda McCleary-Moore". The signature is written in a cursive, flowing style.

Amanda McCleary-Moore, Partner for
Moss Adams LLP
Medford, Oregon
November 25, 2019

Management's Discussion and Analysis



City of Brookings

898 Elk Drive, Brookings, OR 97415

(541) 469-2163 Fax (541) 469-3650

www.brookings.or.us

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

This discussion and analysis presents the highlights of financial activities and financial position for the City of Brookings (City). The analysis focuses on significant issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- Total assets exceeded liabilities at June 30, 2019, by \$51.6 million. Of this amount, \$2.2 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4.0 million during the fiscal year due to an increase in net capital assets, including completion of the Azalea Park and Railroad Street projects, and purchase of the Airport property.
- The General Fund's fund balance is approximately \$1.5 million at the end of the fiscal year, or 35 percent of General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

The government activities include the following:

- General government
- Public safety
- Highways and streets
- Culture and Recreation

The business-type activities include the following:

- Water
- Wastewater

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance – related legal requirement. All funds can be divided into two categories: governmental or proprietary funds.

Governmental Funds. Governmental fund statements follow the more traditional presentation of financial statements. The City’s major governmental funds are presented in their own column and the remaining funds are combined into a column titled “Total Nonmajor Funds.” Page 6 presents a reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities.

The City adopts an annual appropriated budget for all its funds, except agency funds. To demonstrate compliance, budgetary comparison statements have been provided for all of the funds.

Proprietary Funds. The proprietary fund financial statements immediately follow the governmental fund financial statements. The City maintains two major propriety funds which are used to report the same functions presented as business type activities in the governmental-wide financial statements, only in more detail. Proprietary fund reports include statement of net assets, statement of revenues, expenses and changes in fund net assets and statement of cash flows.

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

Other Supplementary Information. Readers desiring additional information on non-major funds can find it in the combining statements of non-major funds and the budgetary comparison schedules.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Net Position at Fiscal Year End

(in thousands)

	Governmental Activities		Business-Type Activities		Totals
	2019	2018	2019	2018	2019
Assets					
Cash and investments	\$ 2,781	\$ 2,960	\$ 5,847	\$ 4,874	\$ 8,628
Capital assets, net	35,270	32,238	18,197	19,522	53,467
Other assets	1,139	1,218	766	813	1,905
Total assets	39,190	36,416	24,810	25,209	64,000
Deferred Outflows					
Pension related items	1,344	1,160	355	497	1,699
Liabilities					
Long-term liabilities	5,327	5,427	7,446	9,477	12,773
Other liabilities	155	193	373	389	528
Total liabilities	5,482	5,620	7,819	9,866	13,301
Deferred Inflows					
Pension related items	595	168	157	53	752
Net Position					
Net Investment in capital assets	33,924	30,514	11,769	11,543	45,693
Restricted	1,163	1,146	2,566	2,282	3,729
Unrestricted	(630)	128	2,854	1,962	2,224
Total net position	\$ 34,457	\$ 31,788	\$ 17,189	\$ 15,787	\$ 51,646

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$51.6 million as of June 30, 2019.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, building and improvements, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City's investments 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 balance of total net position invested in capital assets net of related debt was \$45.7 million at June 30, 2019.

An additional portion of net position represents resources that are subject to external restrictions on how they may be used. Restricted net position at June 30, 2019 were \$3.7 million. The remaining

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

balance of unrestricted net position, \$2.2 million, may be used to meet ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

	Governmental Activities		Business-type Activities		Totals
	2019	2018	2019	2018	2019
REVENUES					
Program revenues					
Charges for services	\$ 766	\$ 632	\$ 4,407	\$ 4,402	\$ 5,173
Grants and contributions	2,686	1,882	1,076	953	3,762
General revenues					
Taxes	3,866	3,750	-	-	3,866
Other	<u>821</u>	<u>941</u>	<u>157</u>	<u>110</u>	<u>978</u>
Total revenues	<u>8,139</u>	<u>7,205</u>	<u>5,640</u>	<u>5,465</u>	<u>13,779</u>
EXPENSES					
Governmental activities	5,819	5,579	-	-	5,819
Business-type activities	<u>-</u>	<u>-</u>	<u>3,889</u>	<u>4,479</u>	<u>3,889</u>
Total expenses	<u>5,819</u>	<u>5,579</u>	<u>3,889</u>	<u>4,479</u>	<u>9,708</u>
Net (expense) revenue	2,320	1,626	1,751	986	4,071
Transfers	<u>349</u>	<u>341</u>	<u>(349)</u>	<u>(341)</u>	<u>-</u>
Change in net position	2,669	1,967	1,402	645	4,071
Beginning net position	<u>31,788</u>	<u>29,821</u>	<u>15,787</u>	<u>15,142</u>	<u>47,575</u>
Ending net position	<u>\$ 34,457</u>	<u>\$ 31,788</u>	<u>\$ 17,189</u>	<u>\$ 15,787</u>	<u>\$ 51,646</u>

Governmental Activities. Governmental activities increased the City’s net position by \$2.7 million primarily due to increased net capital assets. Tax revenue increased \$116,000, which is property taxes from the General Fund. In total, expenses increased by \$240,000 compared to the prior year. This was primarily due to increased capital projects this year.

Business-type Activities. Business-type activities increased the City’s net position by \$1.4 million. Charges for services increased slightly by \$5,000 and grants and contributions increased by \$123,000. Expenditures decreased \$590,000 primarily due to decreased capital projects this year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's General Fund appropriations increased by approximately \$512,000 to \$5.3 million. The General Fund revenues were \$175,000 more than the budget. Actual expenditures within the General Fund were 79 percent of the final budget. The overall increase in the fund balance was \$227,000 due to revenues being slightly greater than expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2019, the City has invested \$53.5 million in capital assets as reflected in the following table. This represents a net increase for current year activity (additions, retirements, and depreciation) of \$1.8 million, primarily due to the purchase of the airport.

Capital Assets at Fiscal Year-End

(Net of Depreciation)

(in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land and non-depreciable assets	\$ 16.3	\$ 16.3	\$ 0.6	\$ 0.6	\$ 16.9	\$ 16.9
Building and improvements	4.6	2.5	3.9	4.2	8.5	6.7
Vehicles and equipment	1.3	0.9	0.8	1.0	2.1	1.9
Infrastructure	12.9	10.4	12.9	13.7	25.8	24.1
Construction in progress	0.2	2.1	-	-	0.2	2.1
Total	<u>\$ 35.3</u>	<u>\$ 32.2</u>	<u>\$ 18.2</u>	<u>\$ 19.5</u>	<u>\$ 53.5</u>	<u>\$ 51.7</u>

The following table reconciles the changes in capital assets. Additions include assets acquired or under construction at year-end. Reductions are for retirements and depreciation.

Change in Capital Assets

(in millions)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Beginning balance	\$ 32.2	\$ 19.5	\$ 51.7
Additions	6.0	-	6.0
Retirement	(2.1)	-	(2.1)
Depreciation	(0.8)	(1.3)	(2.1)
Ending balance	<u>\$ 35.3</u>	<u>\$ 18.2</u>	<u>\$ 53.5</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

For more information on the City’s capital assets, including a breakdown of the major asset categories by governmental and business-type activities, refer to page 22 of the notes to the financial statements.

Debt Outstanding. As of year end, the City had \$12.7 million in debt outstanding compared to \$14.9 million last year. \$2.4 million is due within one year.

	2019	2018
Governmental		
Notes payable	\$ 0.4	\$ 0.5
Loan payable	0.8	1.1
Capital lease	0.1	0.1
Net pension liability	3.8	3.4
Compensated absences	0.2	0.3
Sub-total	5.3	5.4
Business-type		
Loan payable - bank	6.4	8.0
Net pension liability	1.0	1.5
Compensated absences	-	-
Sub-total	7.4	9.5

For more detailed information on the City’s debt and amortization terms, refer to pages 25-28 of the notes to the financial statements.

ECONOMIC FACTORS

Like all cities in Oregon, the City operates under Measure 50, the tax limitation measure approved by voters on May 20, 1997. This measure rolled back assessed values to 1995-96 levels and effectively limited increased property tax revenues the City could anticipate in future years to a maximum of 3 percent, with permitted allowances for increasing valuations based on new construction and annexations. No substantive changes to the basic provisions of Measure 50 have been enacted during subsequent Oregon Legislative sessions. The City management team and staff continue to meet the challenge of quality service delivery with limited increases in property tax revenue.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

The City’s business-type activities are funded by utility charges for water and sewer services. Past revenue increases are needed to make the debt service payments on the City’s revenue secured loan which was used to upgrade the wastewater plant and construction and financing of a new sludge treatment process. In 2018-19, the City implemented a water rate increase of 3.9 percent and did not increase the wastewater rates. The City did not increase water or wastewater rates on July 1, 2019. The financial methodology is to be proactive instead of reactionary for vital capital improvement projects. The additional revenue was used to cover operating and maintenance costs and pay related debt payments. The system replacement fees are structured to and have increased by an inflationary factor each year.

REQUESTS FOR INFORMATION

The City’s financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City’s finances and to demonstrate the City’s accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed:

Janell K. Howard
City Manager/Finance Director
City of Brookings
898 Elk Drive
Brookings, Oregon 97415
jhoward@brookings.or.us.

Basic Financial Statements

City of Brookings
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 2,780,479	\$ 5,846,466	\$ 8,626,945
Receivables, net	1,138,964	497,533	1,636,497
Inventory	-	268,675	268,675
Net OPEB asset	22,269	5,881	28,150
Capital assets, not being depreciated			
Land	2,925,998	551,507	3,477,505
Construction in progress	215,961	-	215,961
Right of way	13,360,659	-	13,360,659
Capital assets (net of accumulated depreciation)			
Other capital assets	18,767,601	17,645,365	36,412,966
Total assets	39,211,931	24,815,427	64,027,358
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	1,313,506	346,989	1,660,495
OPEB related items	8,677	2,291	10,968
Total deferred outflows of resources	1,322,183	349,280	1,671,463
LIABILITIES			
Accounts payable and accrued liabilities	123,880	138,353	262,233
Accrued interest payable	12,201	14,578	26,779
Deposits	18,655	220,296	238,951
Noncurrent liabilities			
Due within one year	852,323	1,607,410	2,459,733
Due in more than one year	706,485	4,842,666	5,549,151
Net pension liability	3,768,477	995,521	4,763,998
Total liabilities	5,482,021	7,818,824	13,300,845
DEFERRED INFLOWS OF RESOURCES			
Pension related items	588,570	155,483	744,053
OPEB related items	6,346	1,676	8,022
Total deferred inflows of resources	594,916	157,159	752,075
NET POSITION			
Net investment in capital assets	33,924,001	11,769,421	45,693,422
Restricted for			
Highways and streets	318,411	-	318,411
Capital projects	205,945	1,113,398	1,319,343
Debt service	381,500	1,452,091	1,833,591
Other purposes	256,959	-	256,959
Unrestricted	(629,639)	2,853,814	2,224,175
Total net position	\$ 34,457,177	\$ 17,188,724	\$ 51,645,901

City of Brookings
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ 1,122,068	\$ 199,190	\$ -	\$ -	\$ (922,878)		\$ (922,878)
Public safety	2,984,239	263,885	174,954	-	(2,545,400)		(2,545,400)
Highways and streets	972,203	272,431	1,037,855	905,054	1,243,137		1,243,137
Culture and recreation	691,489	29,958	568,642	-	(92,889)		(92,889)
Interest on long-term obligations	49,409	-	-	-	(49,409)		(49,409)
Total governmental activities	5,819,408	765,464	1,781,451	905,054	(2,367,439)		(2,367,439)
BUSINESS-TYPE ACTIVITIES:							
Water	1,473,271	1,756,916	12,878	200,239		\$ 496,762	496,762
Wastewater	2,415,339	2,650,497	-	862,986		1,098,144	1,098,144
Total business-type activities	3,888,610	4,407,413	12,878	1,063,225		1,594,906	1,594,906
Total	\$ 9,708,018	\$ 5,172,877	\$ 1,794,329	\$ 1,968,279	(2,367,439)	1,594,906	(772,533)
General revenues							
Taxes levied for general purposes					3,321,654	-	3,321,654
Miscellaneous taxes					544,692	-	544,692
Franchise fees					332,029	-	332,029
Grants and contributions not restricted to specific programs					253,632	-	253,632
Unrestricted investment earnings					79,286	103,124	182,410
Miscellaneous					156,234	53,549	209,783
Transfers					349,451	(349,451)	-
Total general revenues and transfers					5,036,978	(192,778)	4,844,200
Change in net position					2,669,539	1,402,128	4,071,667
Net position - beginning					31,787,638	15,786,596	47,574,234
Net position - ending					\$ 34,457,177	\$ 17,188,724	\$ 51,645,901

City of Brookings
Balance Sheet
Governmental Funds
June 30, 2019

	General	Capital project funds Street System Development	Capital Projects Reserve	Total Nonmajor Funds	Total Government Funds
ASSETS					
Cash and investments	\$ 692,472	\$ -	\$ -	\$ 2,088,007	\$ 2,780,479
Receivables	428,347	10,056	503,295	197,266	1,138,964
Due from other funds	662,912	-	-	-	662,912
Total assets	<u>\$ 1,783,731</u>	<u>\$ 10,056</u>	<u>\$ 503,295</u>	<u>\$ 2,285,273</u>	<u>\$ 4,582,355</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 80,293	\$ 274	\$ 22,494	\$ 18,654	\$ 121,715
Payroll and related liabilities	2,165	-	-	-	2,165
Due to other funds	-	336,349	326,563	-	662,912
Consumer deposits	18,655	-	-	-	18,655
Total liabilities	<u>101,113</u>	<u>336,623</u>	<u>349,057</u>	<u>18,654</u>	<u>805,447</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>227,464</u>	<u>10,056</u>	<u>463,295</u>	<u>51,854</u>	<u>752,669</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for					
Highways and streets	-	-	-	318,411	318,411
Urban renewal projects	-	-	-	361,248	361,248
911 services	-	-	-	166,170	166,170
Tourism	-	-	-	33,421	33,421
Airport	-	-	-	57,368	57,368
Debt service	-	-	-	381,500	381,500
Capital projects	-	-	-	205,945	205,945
Committed for					
Capital projects	-	-	-	605,989	605,989
Police programs	-	-	-	71,347	71,347
Current and future health care programs	-	-	-	2,397	2,397
Fire equipment and training	-	-	-	10,969	10,969
Unassigned (deficit)	<u>1,455,154</u>	<u>(336,623)</u>	<u>(309,057)</u>	<u>-</u>	<u>809,474</u>
Total fund balances	<u>1,455,154</u>	<u>(336,623)</u>	<u>(309,057)</u>	<u>2,214,765</u>	<u>3,024,239</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,783,731</u>	<u>\$ 10,056</u>	<u>\$ 503,295</u>	<u>\$ 2,285,273</u>	<u>\$ 4,582,355</u>

City of Brookings **Reconciliation of the Balance Sheet of Governmental Funds** **To the Statement of Net Position** **June 30, 2019** ---

Total fund balances reported on the governmental funds balance sheet	\$ 3,024,239
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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 funds	35,270,221
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The government-wide statements report as a deferred outflow, contributions made to OPERS subsequent to the measurement date of June 30, 2018 and changes in assumptions and investment returns related to its participation in OPERS	1,322,183
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The government-wide statement report a deferred inflow related to changes in assumptions and investment returns related to its participation in OPERS	(594,916)
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Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds	752,669
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Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(5,317,219)</u>
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Net position of governmental activities	<u><u>\$ 34,457,177</u></u>
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City of Brookings

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Year Ended June 30, 2019**

	General	Capital project funds Street System Development	Capital Projects Reserve	Total Nonmajor Funds	Total Government Funds
REVENUES					
Property taxes	\$ 2,727,513	\$ -	\$ -	\$ 604,776	\$ 3,332,289
Transient tax	189,651	-	-	61,829	251,480
Local marijuana tax	109,017	-	-	-	109,017
Local gas tax	-	-	-	293,210	293,210
Franchise fees	223,012	-	-	-	223,012
Licenses, permits and fees	145,215	-	-	4,320	149,535
Fines and forfeitures	66,111	-	-	-	66,111
Charges for services	176,930	-	-	-	176,930
System development charges	-	39,269	-	60,301	99,570
System replacement charges	-	-	-	211,203	211,203
Intergovernmental	266,439	896,887	234,282	733,488	2,131,096
Interest	33,888	537	768	44,286	79,479
Miscellaneous	140,439	12,205	6,570	94,456	253,670
Total revenues	4,078,215	948,898	241,620	2,107,869	7,376,602
EXPENDITURES					
Current					
General government	863,888	1,892	-	76,060	941,840
Public safety	2,512,309	-	-	34,390	2,546,699
Highways and streets	-	-	-	327,058	327,058
Culture and recreation	444,211	-	742,761	42,075	1,229,047
Debt service	133,353	-	-	561,491	694,844
Capital outlay	236,633	946,434	380,196	725,877	2,289,140
Total expenditures	4,190,394	948,326	1,122,957	1,766,951	8,028,628
Excess (deficiency) of revenues over expenditures	(112,179)	572	(881,337)	340,918	(652,026)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	232,320	-	-	-	232,320
Transfers in	465,572	-	348,000	639,089	1,452,661
Transfers out	(358,907)	-	-	(711,471)	(1,070,378)
Total other financing sources (uses)	338,985	-	348,000	(72,382)	614,603
Net change in fund balances	226,806	572	(533,337)	268,536	(37,423)
Fund balances at beginning of year	1,228,348	(337,195)	224,280	1,946,229	3,061,662
Fund balances at end of year	\$ 1,455,154	\$ (336,623)	\$ (309,057)	\$ 2,214,765	\$ 3,024,239

City of Brookings

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(37,423)
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Amounts reported for governmental activities in the statement of activities are different because of the following:

Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

The difference between those two amounts is:

Acquisition of capital assets	\$	3,895,405	
Depreciation		<u>(862,771)</u>	3,032,634

The changes in net pension liability (asset) and deferred inflows and outflows related to the entity's participation in OPERS are reported as pension expense on the statement of activities	(630,685)
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The changes in net OPEB liability (asset) and deferred inflows and outflows related to the entity's participation in OPERS are reported as OPEB expense on the statement of activities	12,103
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(141,557)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued interest	2,640	
Compensated absences	<u>52,584</u>	55,224

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position.

Loan proceeds	(232,320)	
Principal payments	<u>611,563</u>	379,243

Change in net position of governmental activities	\$	<u><u>2,669,539</u></u>
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City of Brookings
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget to Actual
General Fund
For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 2,672,993	\$ 2,672,993	\$ 2,727,513	\$ 54,520
Transient tax	159,000	159,000	189,651	30,651
Franchise fees	198,000	198,000	223,012	25,012
Local marijuana tax	75,000	75,000	109,017	34,017
Licenses, permits, and fees	117,000	117,000	145,215	28,215
Fines and forfeitures	100,000	100,000	66,111	(33,889)
Charges for services	161,000	161,000	176,930	15,930
Intergovernmental	273,000	273,000	266,439	(6,561)
Interest	30,000	30,000	33,888	3,888
Miscellaneous	89,383	117,530	140,439	22,909
Total revenues	3,875,376	3,903,523	4,078,215	174,692
EXPENDITURES				
Judicial	38,746	38,746	34,484	4,262
Legislative and administration	368,113	368,113	286,128	81,985
Police	2,407,383	2,408,208	2,208,205	200,003
Fire	288,291	313,613	304,104	9,509
Planning and building	271,115	271,115	196,764	74,351
Parks and recreation	385,699	387,699	335,968	51,731
Administrative services	260,145	260,145	231,938	28,207
Swimming pool	101,187	116,187	108,243	7,944
Non-departmental	148,000	148,000	114,574	33,426
Debt service	142,769	142,769	133,353	9,416
Capital outlay	242,500	242,500	236,633	5,867
Contingency and reserves	628,093	613,093	-	613,093
Total expenditures	5,282,041	5,310,188	4,190,394	1,119,794
Excess (deficiency) of revenues over expenditures	(1,406,665)	(1,406,665)	(112,179)	1,294,486
OTHER FINANCING SOURCES (USES)				
Loan proceeds	240,000	240,000	232,320	(7,680)
Transfers in	465,572	465,572	465,572	-
Transfers out	(358,907)	(358,907)	(358,907)	-
Total other financing sources (uses)	346,665	346,665	338,985	(7,680)
Net change in fund balance	(1,060,000)	(1,060,000)	226,806	1,286,806
Fund balance at beginning of year	1,060,000	1,060,000	1,228,348	168,348
Fund balance at end of year	\$ -	\$ -	\$ 1,455,154	1,455,154

City of Brookings
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities			
	Water	Wastewater	Total Nonmajor Funds	Total Enterprise Funds
ASSETS				
Current assets				
Cash and investments	\$ 597,956	\$ 693,759	\$ 4,554,751	\$ 5,846,466
Receivables, net	144,970	247,435	105,128	497,533
Inventory	210,171	58,504	-	268,675
Total current assets	953,097	999,698	4,659,879	6,612,674
Noncurrent assets				
Net OPEB asset	2,610	3,271	-	5,881
Capital assets				
Land	258,658	292,849	-	551,507
Other capital assets, net	7,658,542	9,986,823	-	17,645,365
Total capital assets	7,917,200	10,279,672	-	18,196,872
Total noncurrent assets	7,919,810	10,282,943	-	18,202,753
Total assets	8,872,907	11,282,641	4,659,879	24,815,427
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	154,086	192,903	-	346,989
OPEB related items	1,016	1,275	-	2,291
Total deferred outflows of resources	155,102	194,178	-	349,280
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	50,434	85,538	2,381	138,353
Accrued interest payable	4,077	3,311	7,190	14,578
Consumer deposits	220,296	-	-	220,296
Compensated absences	7,818	14,807	-	22,625
Long-term obligations due within one year	275,452	1,050,650	258,683	1,584,785
Total current liabilities	558,077	1,154,306	268,254	1,980,637
Long-term liabilities				
Long-term obligations due in more than one year	2,108,904	2,175,183	558,579	4,842,666
Net pension liability	442,077	553,444	-	995,521
Total liabilities	3,109,058	3,882,933	826,833	7,818,824
DEFERRED INFLOWS OF RESOURCES				
Pension related items	69,044	86,439	-	155,483
OPEB related items	743	933	-	1,676
Total deferred inflows of resources	69,787	87,372	-	157,159
NET POSITION				
Net investment in capital assets	5,532,844	7,053,839	-	12,586,683
Restricted for				
Capital projects	-	-	1,113,398	1,113,398
Debt service	-	-	1,452,091	1,452,091
Unrestricted	316,320	452,675	1,267,557	2,036,552
Total net position	\$ 5,849,164	\$ 7,506,514	\$ 3,833,046	\$ 17,188,724

City of Brookings
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities			
	Water	Wastewater	Total Nonmajor Funds	Totals Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 1,764,730	\$ 2,945,003	\$ -	\$ 4,709,733
OPERATING EXPENSES				
Personal services	340,157	354,069	-	694,226
Materials and services	653,966	996,396	-	1,650,362
Depreciation	414,285	939,044	-	1,353,329
Total operating expenses	1,408,408	2,289,509	-	3,697,917
Operating income	356,322	655,494	-	1,011,816
NONOPERATING REVENUES (EXPENSES)				
Interest income	20,972	32,516	49,634	103,122
Miscellaneous	53,549	186,022	-	239,571
Interest expense	(66,329)	(101,363)	(30,816)	(198,508)
Total nonoperating revenue (expenses)	8,192	117,175	18,818	144,185
Income before capital contributions and transfers	364,514	772,669	18,818	1,156,001
Capital grants and contributions	-	-	595,575	595,575
Transfers in	376,146	1,121,573	2,574,799	4,072,518
Transfers out	(711,650)	(1,687,282)	(2,023,034)	(4,421,966)
Change in net position	29,010	206,960	1,166,158	1,402,128
Net position – beginning	5,820,154	7,299,554	2,666,888	15,786,596
Net position – ending	\$ 5,849,164	\$ 7,506,514	\$ 3,833,046	\$ 17,188,724

City of Brookings
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities			
	Water	Wastewater	Total Nonmajor Funds	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,773,489	\$ 2,943,553	\$ -	\$ 4,717,042
Payments to suppliers	(637,332)	(973,189)	-	(1,610,521)
Payments to employees	(393,473)	(535,093)	-	(928,566)
Net cash provided by (used in) operating activities	742,684	1,435,271	-	2,177,955
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	376,146	1,121,573	2,574,799	4,072,518
Transfers out	(711,650)	(1,687,282)	(2,062,876)	(4,461,808)
Net cash provided by (used in) noncapital financing activities	(335,504)	(565,709)	511,923	(389,290)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
System development charges received	-	-	467,268	467,268
Capital grants	53,549	-	155,638	209,187
Other	-	186,022	-	186,022
Acquisition of capital assets	(18,432)	(9,100)	-	(27,532)
Principal paid on long-term obligations	(275,256)	(1,031,203)	(245,619)	(1,552,078)
Interest paid on long-term obligations	(66,796)	(102,424)	(33,116)	(202,336)
Net cash provided by (used in) capital and related financing activities	(306,935)	(956,705)	344,171	(919,469)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	20,972	32,516	49,635	103,123
Net increase in cash	121,217	(54,627)	905,729	972,319
Cash – beginning of year	476,739	748,386	3,649,022	4,874,147
Cash – end of year	\$ 597,956	\$ 693,759	\$ 4,554,751	\$ 5,846,466

City of Brookings
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended June 30, 2019

RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY (USED IN)
OPERATING ACTIVITIES

Operating income	\$ 356,322	\$ 655,494	\$ -	\$ 1,011,816
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation	414,285	939,044	-	1,353,329
Decrease (Increase) in assets and deferred outflows				
Receivables	8,759	(1,450)	-	7,309
Inventory	1,386	10,051	-	11,437
Net OPEB asset	(3,882)	(4,489)	-	(8,371)
Pension and OPEB related items	39,743	104,755	-	144,498
Increase (decrease) in liabilities and deferred inflows				
Accounts payable and accrued liabilities	9,638	13,156	-	22,794
Consumer deposits	5,020	-	-	5,020
Compensated absences payable	(749)	(1,301)	-	(2,050)
Net pension liability	(136,641)	(335,167)	-	(471,808)
Pension and OPEB related items	48,803	55,178	-	103,981
Net cash provided by (used in) operating activities	<u>\$ 742,684</u>	<u>\$ 1,435,271</u>	<u>\$ -</u>	<u>\$ 2,177,955</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Brookings (City) was organized under the general laws of the State of Oregon. Control of the City is vested in its Mayor and Council Members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Mayor and City Council. The chief administrative officer is the City Manager.

The accompanying financial statements present all activities, funds and the component unit for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

Brookings Urban Renewal Agency (the Agency) – The Agency was created in July 2003 under the provisions of state law as the agency responsible for rebuilding the infrastructure, public facilities, and parks in the boundaries of the city. The "tax increment financing" method is used to provide funds for the Agency. The City Council serves as the governing board of the Brookings Urban Renewal Agency. Therefore, the accounts of the agency are included in the financial statements of the City. A seven-member Advisory Committee appointed by the Agency makes recommendations on project priorities and plan amendments. The Agency's separate June 30, 2019 financial statements are available at the City's finance office.

Complete financial statements for the Brookings Urban Renewal Agency may be obtained from the City's finance department.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City (the primary government) and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The basis of accounting described above is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The City reports the following major governmental funds:

- *General* – accounts for all financial resources of the City, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations, public safety (police), and culture and recreation.
- *Street System Development* – accounts for street capital improvements that increase capacity. The principal source of revenue is system development charges.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *Capital Projects Reserve* – accounts major construction projects and equipment acquisition.

The City reports the following major proprietary funds:

- *Water* – accounts for the operation of the City's water system.
- *Wastewater* – accounts for the operation of the City's wastewater system.

The City also includes the following fund types as nonmajor governmental funds and nonmajor enterprise funds:

Special revenue – account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating fund authorized to make expenditures.

Debt service – account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Capital projects – account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from long-term obligations issued to finance capital acquisitions and improvements.

Enterprise – accounts for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

D. Budget Policies and Budgetary Control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the department or activity level.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Negative Fund Balances – The Street System Development and Capital Projects Reserve Funds have negative fund balances of (\$336,623) and (\$309,057). These balances will be positive when grant revenue is received, that was originally reported as a receivable as of June 30, 2019.

E. Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

F. Receivables

Receivables are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued. All receivables are shown net of an allowance for uncollectibles of \$0 as no allowance for doubtful accounts was deemed necessary.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or market. Inventory consists of expendable supplies held for consumption.

H. Capital Assets

Capital assets are recorded in the statement of net position at cost or estimated historical cost if purchased or constructed. Donated items are recorded at their estimated fair value at the date of donation. The City records capital assets for items with original cost, or estimated fair value if donated, of \$5,000 or more and an expected economic useful life of 3 years or more.

Public domain (infrastructure) capital assets (e.g., roads, bridges, sidewalks, storm sewers, and other assets that are immovable and of value to the City) that have been acquired or significantly reconstructed have been capitalized at estimated historical cost.

Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the change in net position. Depreciation taken on contributed capital assets is recorded as an expense of operations and charged to retained earnings.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives with prorated depreciation in the year of acquisition and prorated depreciation in the year of disposal.

<u>Assets</u>	<u>Years</u>
Land improvements	0 – 50
Buildings	25 – 50
Building improvements	20 – 40
Equipment	5 – 15
Infrastructure	25 – 40
Water and wastewater systems	25
Storm drains	25

I. Long-term Obligations

Long-term obligations consist of notes, bonds, compensated absences and net pension liability.

Long-term obligations expected to be repaid from proprietary funds are accounted for in the business-type activities and proprietary funds. Long-term obligations expected to be repaid from governmental funds are accounted for in the governmental activities.

J. Compensated Absences

Vacation and comp-time leave amounts are accrued as they are earned.

K. Pensions and OPEB

For purposes of measuring the net pension liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Oregon Public Employee Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. 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.

L. Deferred Outflows / Inflows of Resources

In addition to assets, the statements of net position 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. These include pension and OPEB related items.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amount that apply to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Pension and OPEB related items which are amortized over specified periods are reported as deferred inflows of resources.

The balance sheet of governmental funds will report as deferred inflows unavailable revenues from property taxes.

M. Fund Balance and Net Position

In the government-wide and proprietary fund financial statements equity is classified as net position and displayed in three components:

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 borrowings that are attributable to the acquisition, construction, or improvements of those assets.

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 and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental type fund balances are to be properly reported within one of the fund balance categories list below:

Non-spendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City Manager and Finance Director to assign fund balance amounts.

Unassigned – The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

N. Risk Management

The City is exposed to various risks of loss related to errors and omissions, automobile, damage to and destruction of assets, bodily injury, and worker's compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

2. DEPOSITS AND INVESTMENTS

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

Investments, including amounts held in pooled cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

2. DEPOSITS AND INVESTMENTS (continued)

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

As of June 30, 2019, the City had the following investments:

	<u>Maturities</u>	
State Treasurer's Investment Pool	N/A	\$ <u>7,210,080</u>

Interest Rate Risk – The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Concentration of Credit Risk – The City does not have a formal policy that places a limit on the amount that may be invested in any one issuer.

Custodial Credit Risk – Investments – This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits – This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2019, \$1,123,921 of the City's bank balances were exposed to custodial risk.

A. The City's deposits and investments at June 30, 2019 are as follows:

Total investments	\$ 7,210,080
Cash on hand	3,000
Deposits with financial institutions	<u>1,413,865</u>
Total deposits and investments	<u>\$ 8,626,945</u>

2. DEPOSITS AND INVESTMENTS (continued)

B. Cash and investments by fund at June 30, 2019:

GOVERNMENTAL ACTIVITIES/FUNDS

General	\$ 692,472
Capital Projects Reserve	-
Nonmajor governmental	<u>2,088,007</u>
Total governmental activities/funds	<u>2,780,479</u>

BUSINESS-TYPE ACTIVITIES/PROPRIETARY FUNDS

Water	597,956
Wastewater	693,759
Nonmajor enterprise	<u>4,554,751</u>
Total business-type activities/proprietary funds	<u>5,846,466</u>
Total cash and investments	<u><u>\$ 8,626,945</u></u>

3. RECEIVABLES

A. The City's receivables at June 30, 2019 are shown below:

	Governmental Activities / Funds				Totals
	General	Street	Capital Projects Reserve	Total Nonmajor	
User charges	\$ -	\$ -	\$ -	\$ 18,364	\$ 18,364
Property taxes	264,858	-	-	55,442	320,300
Accounts	162,394	49,427	-	69,024	280,845
System development charges	1,095	-	-	15,065	16,160
Grants	-	-	503,295	-	503,295
	<u>\$ 428,347</u>	<u>\$ 49,427</u>	<u>\$ 503,295</u>	<u>\$ 157,895</u>	<u>\$ 1,138,964</u>

3. RECEIVABLES (continued)

	Business-type Activities / Proprietary Funds			
	Water	Wastewater	Total Nonmajor	Totals
User charges	\$ 144,970	\$ 247,093	\$ -	\$ 392,063
Accounts	-	342	-	342
System replacement charges	-	-	28,071	28,071
System development charges	-	-	39,993	39,993
Grants	-	-	37,064	37,064
	<u>\$ 144,970</u>	<u>\$ 247,435</u>	<u>\$ 105,128</u>	<u>\$ 497,533</u>

B. Property taxes

i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15 and May 15. Curry County bills and collects property taxes for the City.

ii. Ensuing year's levy

The City's permanent tax rate is \$3.763 per \$1,000 assessed value as limited by the Constitution of the State of Oregon.

The Urban Renewal Agency levied 100 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term obligations principal and interest without making a special levy in 2018-19. The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect these levies.

4. LEASE RECEIVABLE

The City entered into an agreement with Early Management Team, Inc. (the Company) for operation of the golf course. As part of the agreement, the City agreed to lease golf carts for the Company to use. The Company agreed to reimburse the City for all lease payments made on the golf carts until the management agreement ends or the lease is paid in full and ownership of the golf carts transfers to the Company. The initial management agreement ended May 19, 2019 and was extended through December 31, 2020.

5. CAPITAL ASSETS

A. Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,923,798	\$ 2,200	\$ -	\$ 2,925,998
Right of way	13,360,659	-	-	13,360,659
Construction in progress	2,122,646	166,908	(2,073,595)	215,959
Total capital assets not being depreciated	18,407,103	169,108	(2,073,595)	16,502,616
Capital assets being depreciated				
Buildings and improvements	4,765,015	2,293,146	-	7,058,161
Equipment	3,609,026	651,650	-	4,260,676
Infrastructure	17,632,090	2,855,099	-	20,487,189
Total capital assets being depreciated	26,006,131	5,799,895	-	31,806,026
Less accumulated depreciation for				
Buildings and improvements	2,247,201	215,700	-	2,462,901
Equipment	2,735,800	206,090	-	2,941,890
Infrastructure	7,192,651	440,981	-	7,633,632
Total accumulated depreciation	12,175,652	862,771	-	13,038,423
Total capital assets being depreciated, net	13,830,479	4,937,124	-	18,767,603
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 32,237,582</u>	<u>\$ 5,106,232</u>	<u>\$ (2,073,595)</u>	<u>\$ 35,270,219</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 551,507	\$ -	\$ -	\$ 551,507
Total capital assets not being depreciated	551,507	-	-	551,507
Capital assets being depreciated				
Infrastructure	32,773,031	-	-	32,773,031
Buildings and improvements	9,313,289	18,432	-	9,331,721
Equipment and vehicles	1,864,886	9,100	-	1,873,986
Total capital assets being depreciated	43,951,206	27,532	-	43,978,738
Less accumulated depreciation for				
Infrastructure	19,008,645	903,491	-	19,912,136
Buildings and improvements	5,080,177	312,635	-	5,392,812
Equipment and vehicles	891,221	137,204	-	1,028,425
Total accumulated depreciation	24,980,043	1,353,330	-	26,333,373
Total capital assets being depreciated, net	18,971,163	(1,325,798)	-	17,645,365
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 19,522,670</u>	<u>\$ (1,325,798)</u>	<u>\$ -</u>	<u>\$ 18,196,872</u>

CAPITAL ASSETS (continued)

B. Depreciation expense was charged to functions/programs of the City as follows for the year ended June 30, 2019:

GOVERNMENTAL ACTIVITIES

General government	\$ 73,376
Public safety	126,322
Highways and streets	507,359
Culture and recreation	<u>155,714</u>

Total depreciation expense – governmental activities	<u><u>\$ 862,771</u></u>
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BUSINESS-TYPE ACTIVITIES

Water	\$ 414,286
Wastewater	<u>939,044</u>

Total depreciation expense - business-type activities	<u><u>\$ 1,353,330</u></u>
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6. UNAVAILABLE REVENUE

As of June 30, 2019, the City had the following unavailable revenue:

	Governmental Funds				Totals
	General	Street System Development	Capital Projects Reserve	Total Nonmajor	
Property taxes	\$ 227,464	\$ -	\$ -	\$ 47,143	\$ 274,607
Grants	-	-	463,295	-	463,295
System development charges	-	10,056	-	4,711	14,767
	<u>\$ 227,464</u>	<u>\$ 10,056</u>	<u>\$ 463,295</u>	<u>\$ 51,854</u>	<u>\$ 752,669</u>

7. INTERFUND TRANSACTIONS

The interfund transfers during the year ended June 30, 2019 were as follows:

	Transfer In	Transfer Out
GOVERNMENTAL		
General	\$ 465,572	\$ 358,907
Capital Projects Reserve	348,000	-
Nonmajor	542,076	711,471
	<u>\$ 1,355,648</u>	<u>\$ 1,070,378</u>
PROPREITARY FUNDS		
Water	\$ 376,146	\$ 711,650
Wastewater	1,121,573	1,687,282
Nonmajor	2,574,799	2,023,034
	<u>\$ 4,072,518</u>	<u>\$ 4,421,966</u>
Totals		

Governmental activities made additional transfers to the enterprise funds in the net amount of \$64,178 for the purchase of capital assets and repayment of long-term obligations. As part of the budget, the City anticipates making interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

8. LONG-TERM OBLIGATIONS

A. Changes in long-term obligations for the fiscal year ended June 30, 2019 were as follows:

	Outstanding July 1, 2018	Additions	Reductions	Outstanding June 30, 2019	Balances Due Within One Year
GOVERNMENTAL ACTIVITIES					
Notes from direct borrowings					
Storm system - Umpqua Bank	\$ 279,405	\$ -	\$ 53,048	\$ 226,357	\$ 54,411
Urban renewal - Umpqua Bank	814,997	-	402,383	412,614	412,614
Vehicles - Umpqua Bank	-	234,020	34,922	199,098	47,162
Fire truck - Rogue Credit Union	190,023	-	24,878	165,145	25,625
911 tower - Umpqua Bank	247,173	-	36,938	210,235	38,544
Street Sweeper - Rogue Credit Union	53,804	-	14,757	39,047	15,239
Capital lease					
Golf carts - Umpqua Bank	138,458	-	44,737	93,721	46,138
Total notes from direct borrowings	1,723,860	234,020	611,663	1,346,217	639,733
Other long-term obligations					
Net pension liability	3,435,858	332,619	-	3,768,477	-
Compensated absences	266,770	212,590	266,770	212,590	212,590
Total long-term obligations	<u>\$ 5,426,488</u>	<u>\$ 779,229</u>	<u>\$ 878,433</u>	<u>\$ 5,327,284</u>	<u>\$ 852,323</u>

9. LONG-TERM OBLIGATIONS (continued)

B. Changes in long-term obligations for the fiscal year ended June 30, 2019 were as follows:

	Outstanding July 1, 2018	Additions	Reductions	Outstanding June 30, 2019	Balances Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Notes from direct borrowings					
Wastewater - Umpqua Bank	\$ 4,244,156	\$ -	\$ 1,021,552	\$ 3,222,604	\$ 1,047,424
Storm system - Umpqua Bank	162,882	-	20,617	142,265	33,683
Water - Umpqua Bank	2,646,732	-	265,605	2,381,127	272,223
Wastewater - Umpqua Bank	460,000	-	115,000	345,000	115,000
Wastewater - Umpqua Bank	440,000	-	110,000	330,000	110,000
Ford vehicle - Rogue Credit Union	6,047	-	6,047	-	-
Dodge 1500 - Rogue Credit Union	3,732	-	3,732	-	-
Dodge vehicles - First Community	15,980	-	9,525	6,455	6,455
Total notes borrowings	7,979,529	-	1,552,078	6,427,451	1,584,785
Other long-term obligations					
Net pension liability	1,473,211	-	477,690	995,521	-
Compensated absences	24,675	22,625	24,675	22,625	22,625
Total long-term obligations	<u>\$ 9,477,415</u>	<u>\$ 22,625</u>	<u>\$ 2,054,443</u>	<u>\$ 7,445,597</u>	<u>\$ 1,607,410</u>

C. Governmental Activities

The City's outstanding notes from direct borrowings related to governmental activities contain certain provisions that in the event of default, outstanding amounts become immediately due if the City is unable to make payment.

Storm system – Umpqua Bank – The City borrowed \$850,000 for storm system improvements. Of the original \$850,000, \$525,000 was allocated to the governmental activities and \$325,000 to the business-type activities. Semi-annual payments of \$48,507 include interest at 2.58 percent.

Urban renewal – Umpqua Bank – The City borrowed \$2,685,000 to pay off the Urban Renewal Bonds previously issued. Semi-annual payments of \$211,497 include interest at 2.58 percent.

Vehicles – Umpqua Bank – The City borrowed \$264,000 to purchase 5 police cars and 2 SUV's. Semi-annual payments of \$27,896 include interest at 2 percent.

Fire truck – Rogue Credit Union – The City borrowed \$365,000 to purchase a fire truck. Annual payments of \$30,579 include interest at 3 percent.

8. LONG-TERM OBLIGATIONS (continued)

C. Governmental Activities

911 Tower – Umpqua Bank – The City borrowed \$540,000 to build a 911 tower. Annual payments of \$47,690 include interest at 4.35 percent.

Golf carts – Umpqua Bank – The noncancellable lease agreement for the golf carts qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Gross assets of \$224,475 and accumulated depreciation of \$135,961 have been recorded under capital lease as of June 30, 2019.

Street sweeper – Rogue Credit Union – The City borrowed \$75,000 to purchase a street sweeper. Monthly payments of \$1,357 included interest at 3.24 percent.

D. Business-Type Activities

The City's outstanding notes from direct borrowings related to business-type activities contain certain provisions that in the event of default, outstanding amounts become immediately due if the City is unable to make payment.

Wastewater – Umpqua Bank – The City borrowed \$9,880,000 for wastewater system improvements. Semi-annual payments of \$561,358 include interest at 2.50 percent.

Storm system – Umpqua Bank – The City borrowed \$850,000 for storm system improvements. Of the original \$850,000, \$525,000 was allocated to the governmental activities and \$325,000 to the business-type activities. Semi-annual payments of \$48,507 include interest at 2.58 percent.

Water – Umpqua Bank – The City borrowed \$3,650,000 for water system improvements. Interest varies depending on the maturity of the principal amount from 2.5 to 4 percent. Semi-annual payments of \$165,513 include interest.

Ford vehicle – Rogue Federal Credit Union – The City borrowed \$42,995 to purchase a new Ford F-450 dump truck. Monthly payments of \$763 include interest at 2.49 percent.

Dodge 1500 – Rogue Federal Credit Union – The City borrowed \$21,281 to purchase a new vehicle. Monthly payments of \$378 include interest at 2.49 percent.

Dodge vehicles – First Community Credit Union – The City borrowed \$46,386 to purchase two Dodge 1500's. Monthly payments of \$813 include interest at 1.99 percent.

8. LONG-TERM OBLIGATIONS (continued)

Water system replacement – Umpqua Bank – The City borrowed \$575,000 for water system improvements. Annual payments of \$57,500 include interest at 2.026 percent.

Wastewater system replacement – Umpqua Bank – The City borrowed \$550,000 for wastewater system improvements. Annual payments of \$55,000 include interest at 2.026 percent.

E. Future maturities - governmental activities are as follows:

Fiscal Year	Notes from Direct Borrowings					
	Storm System		Urban Renewal		Police Vehicles	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 54,411	\$ 5,508	\$ 412,614	\$ 8,025	\$ 47,162	\$ 6,397
2021	55,838	4,082	-	-	48,862	4,697
2022	57,288	2,632	-	-	50,596	2,963
2023	58,820	1,144	-	-	52,478	1,159
2024	-	-	-	-	-	-
2025-29	-	-	-	-	-	-
	<u>\$ 226,357</u>	<u>\$ 13,366</u>	<u>\$ 412,614</u>	<u>\$ 8,025</u>	<u>\$ 199,098</u>	<u>\$ 15,217</u>

Fiscal Year	Notes from Direct Borrowings					
	Fire Truck		Street Sweeper		911 Tower	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 25,625	\$ 4,954	\$ 15,240	\$ 1,043	\$ 38,544	\$ 9,145
2021	26,382	4,197	15,743	540	40,221	7,469
2022	27,185	3,394	8,064	8,219	41,971	5,719
2023	28,000	2,579	-	-	43,797	3,893
2024	28,840	1,739	-	-	45,702	1,988
2025-29	29,113	876	-	-	-	-
	<u>\$ 165,145</u>	<u>\$ 17,739</u>	<u>\$ 39,047</u>	<u>\$ 9,801</u>	<u>\$ 210,235</u>	<u>\$ 28,214</u>

Fiscal Year	Capital Lease Umpqua Bank		Totals	
	Golf Carts			
	Principal	Interest	Principal	Interest
2020	\$ 46,138	\$ 2,244	\$ 639,734	\$ 37,316
2021	47,583	799	234,629	21,784
2022	-	-	185,104	22,927
2023	-	-	183,095	8,775
2024	-	-	74,542	3,727
2025-29	-	-	29,113	876
	<u>\$ 93,721</u>	<u>\$ 3,043</u>	<u>\$ 1,346,217</u>	<u>\$ 95,405</u>

8. LONG-TERM OBLIGATIONS (continued)

F. Future maturities - business-type activities are as follows:

Fiscal Year	Notes from Direct Borrowings					
	Wastewater		Wastewater		Storm System	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,047,424	\$ 75,292	\$ 55,000	\$ 5,126	\$ 33,683	\$ 3,410
2021	1,074,331	48,387	55,000	4,482	34,567	2,527
2022	1,100,849	20,983	55,000	3,987	35,464	1,629
2023	-	-	55,000	3,361	38,551	708
2024	-	-	110,000	8,500	-	-
2025-29	-	-	-	-	-	-
	<u>\$ 3,222,604</u>	<u>\$ 144,662</u>	<u>\$ 330,000</u>	<u>\$ 25,456</u>	<u>\$ 142,265</u>	<u>\$ 8,274</u>

Fiscal Year	Notes from Direct Borrowings					
	Water Loan		Water Loan		Dodge Vehicles	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 272,223	\$ 58,801	\$ 115,000	\$ 5,359	\$ 6,455	\$ 49
2021	279,324	51,702	115,000	6,491	-	-
2022	286,449	44,577	115,000	4,142	-	-
2023	293,755	37,270	-	1,767	-	-
2024	301,172	29,853	-	-	-	-
2025-29	948,204	42,443	-	-	-	-
	<u>\$ 2,381,127</u>	<u>\$ 264,646</u>	<u>\$ 345,000</u>	<u>\$ 17,759</u>	<u>\$ 6,455</u>	<u>\$ 49</u>

Fiscal Year	Totals	
	Principal	Interest
2020	\$ 1,529,785	\$ 148,037
2021	1,558,222	113,589
2022	1,592,762	75,318
2023	387,306	43,106
2024	411,172	38,353
2025-29	948,204	42,443
	<u>\$ 6,427,451</u>	<u>\$ 460,846</u>

9. DEFINED BENEFIT PENSION PLAN

A. Plan Description

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A.

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan.

OPERS produces an independently audited Comprehensive Annual Financial Report which can be found at: <http://www.oregon.gov/pers/pages/index.aspx>

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

B. Description of Benefit Terms

Plan Benefits

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

- i. Tier one/tier two retirement benefit (Chapter 238). Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60.

9. DEFINED BENEFIT PENSION PLAN (continued)

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 a 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 a OPERS-covered job, or
- the member was on an official leave of absence from a 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. The cap on the cost-of-living increases are 2.0 percent.

- ii. Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP DB)

Pension benefits

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

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.

9. DEFINED BENEFIT PENSION PLAN (continued)

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

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement

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

C. Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2015.

Tier 1/tier 2 employer contribution rates are 16.72 percent and the OPSRP employer contribution rates are 10.19 percent for general service employees and 14.30 percent for public safety employees. Employer contributions for the year ended June 30, 2019 were \$382,803, excluding amounts to fund employer specific liabilities.

9. DEFINED BENEFIT PENSION PLAN (continued)

D. Pension asset or liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2019, the City reported a liability of \$4,763,998 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Employers' long-term contribution efforts are based on projected rates that have two major components:

i. **Normal Cost Rate:** The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

ii. **UAL Rate:** If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is equal to the UAL. The UAL represents the portion of the projected long-term contribution effort related to past service.

The UAL has Tier 1/Tier 2 and OPSRP pieces. The Tier 1/Tier 2 piece is based on the employer's Tier 1/Tier 2 pooling arrangement. If an employer participates in one of the two large Tier 1/Tier 2 rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier 1/Tier 2 UAL is their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier 1/Tier 2 pooling arrangement, who are referred to as "Independent Employers", have their Tier 1/Tier 2 UAL tracked separately in the actuarial valuation.

9. DEFINED BENEFIT PENSION PLAN (continued)

The projected long-term contribution effort is the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At the June 30, 2018 measurement date, the City's proportion was 0.03145%, which is a decrease of 0.00497% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$780,956. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 162,057	\$ -
Changes of assumptions	1,107,621	-
Net difference between projected and actual earnings on pension plan investments		211,548
Changes in proportion share	3,894	509,647
Differences between City's contributions and Proportionate share of contributions	4,120	22,858
Subtotal	1,277,692	744,053
City's contributions subsequent to the measurement date	382,803	-
	<u>\$ 1,660,495</u>	<u>\$ 744,053</u>

\$382,803 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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>Year ending June 30,</u>	
2020	\$ 455,172
2021	287,826
2022	(171,382)
2023	(46,369)
2024	8,392
	<u>\$ 533,639</u>

9. DEFINED BENEFIT PENSION PLAN (continued)

E. Actuarial Valuations

The December 31, 2015 actuarial valuation used the following actuarial methods and valuation procedures in determining the Tier One/Tier Two contribution rates.

Actuarial cost method

The employer contribution rates effective July 1, 2016, through June 30, 2019, were set using the entry age normal actuarial cost method. Under this actuarial cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

Tier One/Tier Two unfunded actuarial accrued liability amortization

The Tier 1/Tier 2 UAL amortization period is reset to 20 years as of December 31, 2014. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of combined valuation payroll (Tier 1/Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized.

Retiree healthcare unfunded actuarial accrued liability amortization

The UAL for Retiree Health Care as of December 31, 2007 is amortized as a level percentage of combined valuation payroll (Tier 1/Tier 2 plus OPSRP payroll) over a closed 10-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over a closed 10-year period from the valuation in which they are first recognized.

Asset valuation method

The actuarial value of assets equals the market value of assets, excluding the Contingency and Capital Preservation Reserves, and the Rate Guarantee Reserve when it is in positive surplus status. Market values are reported to the actuary by PERS.

Contribution rate stabilization method

Contribution rates for a rate pool (e.g. Tier 1/Tier 2 SLGRP, Tier 1/Tier 2 School Districts, OPSRP) are confined to a collared range based on the prior contribution rate (prior to application of side accounts, pre-SLGRP liabilities, and 6 percent Independent Employer minimum). The new contribution rate will generally not increase or decrease from the prior contribution rate by more than the greater of 3 percentage points or 20 percent of the prior contribution rate. If the funded percentage excluding side accounts drops below 60% or increases above 140%, the size of the collar doubles. If the funded percentage excluding side accounts is between 60% and 70% or between 130% and 140%, the size of the rate collar is increased on a graded scale.

9. DEFINED BENEFIT PENSION PLAN (continued)

Allocation of liability for service segments

For active Tier 1/Tier 2 members who have worked for multiple PERS employers over their career, the calculated actuarial accrued liability is allocated among the employers based on a weighted average of the Money Match methodology, which uses account balance, and the Full Formula methodology, which uses service. The allocation is 30% (5% for police & fire) based on account balance with each employer and 70% (95% for police & fire) based on service with each employer. The entire normal cost is allocated to the current employer.

Allocation of benefits-in-force reserve

The reserve is allocated to each rate pool in proportion to the retiree liability attributable to the rate pool.

Retirement assumptions

Probability tables based on age of member, years of service and employment type with all police and fire retired by age 65 and all others retired by age 70, election to receive a lump sum option at retirement, disability assumptions, termination assumptions and Oregon post-retirement.

Salary increase assumptions

Salary increase assumptions, in addition to general payroll growth, include merit increase, unused sick leave and vacation pay.

The December 31, 2016 actuarial valuation for OPSRP generally used the same actuarial methods and valuation procedures as Tier One/Tier Two contribution rates except as follows.

OPSRP unfunded actuarial accrued liability amortization

The UAL as of December 31, 2007 is amortized as a level percentage of combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

Economic assumptions

An additional amount for administrative expenses is added to the normal cost.

Retirement assumptions

Probability tables are different but still based on age of member, years of service and employment type with all police and fire retired by age 65 and all others retired by age 70, election to receive a lump sum option at retirement, disability assumptions, termination assumptions and Oregon post-retirement residency assumptions.

9. DEFINED BENEFIT PENSION PLAN (continued)

F. Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study Report	2015, published September 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00 percent COLA and graded COLA (1.25%/0.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

9. DEFINED BENEFIT PENSION PLAN (continued)

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 2015 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2016 the PERS Board reviewed long-term assumptions developed by both the actuary'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 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 asset class, calculated using both arithmetic and geometric means, see PERS audited financial statements.

9. DEFINED BENEFIT PENSION PLAN (continued)

The table below presents the assumptions for each of the asset classes in which the Plan was invested at the time based on the OIC's long-term target asset allocation.

Long-Term Expected Rate of Return				
Asset Class	Target Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Core Fixed Income	8.00 %	4.10 %	4.00 %	4.68 %
Short-Term Bonds	8.00	3.65	3.61	2.74
Bank/Leveraged Loans	3.00	5.69	5.42	7.82
High Yield Bonds	1.00	6.67	6.20	10.28
Large/Mid Cap US Equities	15.75	7.96	6.70	17.07
Small Cap US Equities	1.31	8.93	6.99	21.35
Micro Cap US Equities	1.31	9.37	7.01	23.72
Developed Foreign Equities	13.13	8.34	6.73	19.40
Emerging Market Equities	4.12	10.56	7.25	28.45
Non-US Small Cap Equities	1.88	9.01	7.22	20.55
Private Equity	17.50	11.60	7.97	30.00
Real Estate (Property)	10.00	6.48	5.84	12.00
Real Estate (REITS)	2.50	8.74	6.69	22.02
Hedge Fund of Funds – Diversified	2.50	4.94	4.64	8.09
Hedge Fund – Event-driven	0.63	7.07	6.72	8.90
Timber	1.88	6.60	5.85	13.00
Farmland	1.88	7.11	6.37	13.00
Infrastructure	3.75	8.31	7.13	16.50
Commodities	1.88	6.07	4.58	18.40
Assumed Inflation - Mean			2.50 %	1.85 %
* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of December 3, 2014. The revised allocation was adopted at the June 3, 2015 OIC meeting.				

Depletion Date Projection

GASB 68 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 (fair market value of assets) 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 asset values. 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.

9. DEFINED BENEFIT PENSION PLAN (continued)

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 68 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 OPERS 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.

G. Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

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

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
City's proportionate share of net pension liability	\$ 7,961,542	\$ 4,763,998	\$ 2,124,689

10. DEFINED CONTRIBUTION PLAN

Individual Account Program (IAP)

Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

10. DEFINED CONTRIBUTION PLAN (continued)

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

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

Contributions

The City makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2019 were \$144,219.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

11. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT

Plan Description

The Oregon Public Employee Retirement System (OPERS) administers the Retirement Health Insurance Account (RHIA) cost-sharing multiple-employer defined benefit OPEB plan (the Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan.

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 (Board) to administer and manage OPERS. All members of the board are appointed by the governor and confirmed by the State Senate. The governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree, and three members must have experience in business management, pension management, or investing.

RHIA was established by ORS 238.420 and is administered and managed by the Board. The Plan was closed to new entrants hired on or after August 29, 2003.

OPERS issues a publicly available financial report online at:

<http://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>

11. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT (continued)

Benefits Provided

The RHIA provides a monthly premium subsidy available to Medicare entitled (enrolled in Medicare Parts A and B) retirees that are receiving either a PERS service or disability retirement allowance and have had either eight or more years of qualifying service time at retirement or is receiving a PERS disability retirement allowance that is computed as if the retiree had eight or more years of creditable service time.

Contributions

Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. Employer proportions are determined as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. Ultimate authority for setting and changing the laws governing contributions rest with the Oregon Legislature. Employees are not required to contribute to the OPEB plan. The contribution, as determined by the proportionate share, as of the June 30, 2018 measurement date was \$10,672.

Assets, liabilities, deferred outflows of resources and deferred inflows of resources, and expense related to OPEB

At June 30, 2019, City of Brookings reported an asset of \$28,150 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of December 31, 2016. The City's proportionate share as of the June 30, 2018 measurement date was .02521%. The proportionate share prior to the June 30, 2017 measurement date was .02710%.

For the year ended June 30, 2019, the City recognized OPEB income of \$2,673 and deferred outflows of resources and inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,595
Changes of assumptions	-	89
Net difference between projected and actual earnings on OPEB investments	-	6,069
Changes in proportion share	294	269
Subtotal	294	8,022
City's contributions subsequent to the measurement date	10,674	-
	<u>\$ 10,968</u>	<u>\$ 8,022</u>

11. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ended June 30:

2020	\$ (2,585)
2021	(2,537)
2022	(2,004)
2023	<u>(602)</u>
	<u>\$ (7,728)</u>

Actuarial methods and assumptions

The total OPEB liability based on the December 31, 2016 actuarial valuation date and rolled forward to the June 30, 2018 measurement date. The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified, were used:

Actuarial assumptions

Inflation rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Salary changes	3.50%
Healthcare cost trend rates	Not applicable

Mortality rates are based on the RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs. For active members mortality rates are a percentage of healthy retiree rates that vary by group. For disables members, mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Discount rate

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

Long term expected rate of return

The long-term expected rate of return was determined by a review of the long-term assumptions developed by Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table showing Milliman's assumptions for each of the asset classes in which the Plan was invested at the time based on OIC's long-term target asset allocation can be found in section E.2 on page 44.

11. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT (continued)

Sensitivity of proportionate share of the net OPEB liability to changes in the discount rate

The following presents the County's proportionate share of the net OPEB liability, as well as what the County's proportionate share of the net OPEB liability would be if calculated using a discount rate that is 1-percentage-point lower (6.2%) or 1-percentage-point higher (8.2%) than the current discount rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1 % Increase (8.2%)
Net OPEB liability (asset)	\$ (16,390)	\$ (28,150)	\$ (38,160)

OPEB plan fiduciary new position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPERS financial report.

12. INTERGOVERNMENTAL AGREEMENT

The City has an intergovernmental agreement with the Upper Chetco Rural Fire Protection District (the District), to provide fire protection. The Agreement was extended through June 30, 2022. The Agreement must be evaluated at the end of each 12-month period. Following the evaluation either party may cancel the Agreement by giving one year written notice of termination.

The City agrees to provide fire protection to the District, including the use of available pumpers, tankers and sufficient personnel to operate fire protection apparatus. The District pays the City an annual fee equal to 90 percent of the property taxes collected by the District.

13. NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION

The amount of net position restricted by enabling legislation is as follows:

Governmental Activities

Highways and streets – Article IX, Section 3a of the Oregon State Constitution restricts the use of revenue from taxes on motor vehicle fuel use	\$318,411
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Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$205,945
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Other purposes – the State of Oregon restricts the use of 911 taxes	\$166,170
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Business-type Activities

Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$1,113,398
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14. RISK MANAGEMENT

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

15. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City has issued revenue bonds to finance water and wastewater systems. The two systems are accounted for in eight enterprise funds.

Summary financial information for the water and wastewater systems for the year ended June 30, 2019 is as follows:

A. Condensed statement of net position

	Water	Wastewater
ASSETS		
Current	\$ 2,080,198	\$ 4,532,476
Capital assets, net	7,917,200	10,279,672
Total assets	9,997,398	14,812,148
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	1,016	1,275
LIABILITIES		
Current	681,303	1,299,334
Noncurrent	2,791,304	3,046,883
Total liabilities	3,472,607	4,346,217
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB related items	743	933
NET POSITION		
Net investment in capital assets	5,878,200	7,053,839
Restricted	418,196	2,147,293
Unrestricted	316,320	1,374,876
TOTAL NET POSITION	\$ 6,612,716	\$ 10,576,008

15. SEGMENT INFORMATION FOR ENTERPRISE FUNDS (continued)**B. Condensed statement of revenues, expenses and changes in net position**

	Water	Wastewater
Operating revenue	\$ 1,764,730	\$ 2,945,003
Depreciation expense	414,285	939,044
Other operating expenses	994,123	1,350,465
Operating (loss)	356,322	655,494
Nonoperating revenues (expenses)	12,657	131,528
(Loss) before transfers and capital contributions	368,979	787,022
Capital contributions	213,117	382,458
Transfers in	1,178,454	2,894,064
Transfers out	(1,340,087)	(3,081,879)
Change in net position	420,463	981,665
Net position – beginning	6,192,252	9,594,343
Net position – ending	<u>\$ 6,612,715</u>	<u>\$ 10,576,008</u>

C. Condensed statement of cash flows

	Water	Wastewater
Net cash provided by (used in)		
Operating activities	\$ 742,684	\$ 1,435,271
Non-capital financing activities	(178,035)	(211,255)
Capital and related financing activities	(218,113)	(701,356)
Investing activities	31,790	71,333
Net increase in cash	378,326	593,993
Cash and cash equivalents - beginning	1,291,699	3,582,448
Cash and cash equivalents - ending	<u>\$ 1,670,025</u>	<u>\$ 4,176,441</u>

16. Commitments

As of June 30, 2019, the City does not have any commitments.

17. Tax Abatements

The City has entered into no tax abatement programs. There are no tax abatement programs entered into by another government reducing the City's property tax revenues for the year ended June 30, 2019.

Required Supplementary Information

City of Brookings

Schedule of the Proportionate Share of the Net Pension Liability
Oregon Public Employees Retirement System
Last 10 Years Ended June 30, *

	2019	2018	2017	2016	2015
Proportion of the collective net pension liability (asset)	0.03144827%	0.03641733%	0.03794972%	0.03862112%	0.03790856%
Proportionate share of the collective net pension liability (asset)	\$ 4,763,998	\$ 4,909,069	\$ 5,697,134	\$ 2,217,417	\$ (859,279)
Covered payroll	\$ 2,818,163	\$ 2,965,101	\$ 2,835,306	\$ 2,827,965	\$ 2,663,955
Proportionate share of the collective net pension liability (asset) as a percentage of the covered payroll	169%	166%	201%	78%	-32%
Pension plan's fiduciary net position as a percentage of the total pension liability	83%	83%	81%	92%	104%

*Information will be accumulated annually until 10 years is presented

City of Brookings
Schedule of Contributions – Pension
Oregon Public Employees Retirement System
Last 10 Years Ended June 30, *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 382,803	\$ 437,927	\$ 367,477	\$ 386,346	\$ 349,482
Contractually required contributions recognized by the pension plan	<u>382,803</u>	<u>437,927</u>	<u>367,477</u>	<u>386,346</u>	<u>349,482</u>
Difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,567,429</u>	<u>\$ 2,818,163</u>	<u>\$ 2,965,101</u>	<u>\$ 2,835,306</u>	<u>\$ 2,827,965</u>
Contractually required contributions as a percentage of covered payroll	<u>14.91%</u>	<u>15.54%</u>	<u>12.39%</u>	<u>13.63%</u>	<u>12.36%</u>

*Information will be accumulated annually until 10 years is presented

City of Brookings
Schedule of the Proportionate Share of the Net OPEB Liability
Oregon Public Employees Retirement System
Last 10 Years Ended June 30, *

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the collective net OPEB liability (asset)	0.02521776%	0.02710102%	0.02926476%
Proportionate share of the collective net OPEB liability (asset)	\$ (28,150)	\$ (11,310)	\$ 7,947
Covered payroll	\$ 2,818,163	\$ 2,965,101	\$ 2,827,965
Proportionate share of the collective net OPEB liability (asset) as a percentage of the covered payroll	-1%	0%	0%
OPEB's fiduciary net position as a percentage of the total OPEB liability	124.0%	94.2%	108.9%

*Information will be accumulated annually until 10 years is presented

City of Brookings
Schedule of Contributions - OPEB
Oregon Public Employees Retirement System
Last 10 Years Ended June 30, *

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 10,672	\$ 12,212	\$ 13,630
Contractually required contributions recognized by OPEB	<u>10,672</u>	<u>12,212</u>	<u>13,630</u>
Difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,567,429</u>	<u>\$ 2,818,163</u>	<u>\$ 2,965,101</u>
Contractually required contributions as a percentage of covered payroll	<u>0.42%</u>	<u>0.43%</u>	<u>0.46%</u>

* Information will be accumulated annually until 10 years is presented

Combining and Individual Fund Statements and Schedules

City of Brookings
Street System Development – Capital Projects Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Improvement fees	\$ 15,000	\$ 15,000	\$ 31,539	\$ 16,539
Reimbursement fees	4,000	4,000	7,730	3,730
Grant revenue	-	1,528,437	896,887	(631,550)
Interest	1,000	1,000	537	(463)
Miscellaneous	-	-	12,205	12,205
Total revenues	20,000	1,548,437	948,898	(599,539)
EXPENDITURES				
Street Program	70,000	1,598,437	948,326	650,111
Total expenditures	70,000	1,598,437	948,326	650,111
Net change in fund balance	(50,000)	(50,000)	572	50,572
Fund balance at beginning of year	50,000	50,000	(337,195)	(387,195)
Fund balance at end of year	\$ -	\$ -	\$ (336,623)	\$ (336,623)

City of Brookings
Capital Projects Reserve – Capital Projects Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,707,988	\$ 1,802,988	\$ 234,282	\$ (1,568,706)
Interest	1,500	1,500	768	(732)
Miscellaneous	-	6,570	6,570	-
Total revenues	1,709,488	1,811,058	241,620	(1,569,438)
EXPENDITURES				
Parks and recreation program	759,060	759,060	742,761	16,299
Public safety	110,000	110,000	-	110,000
Capital outlay	1,703,428	1,804,998	380,196	1,424,802
Total expenditures	2,572,488	2,674,058	1,122,957	(1,551,101)
Excess (deficiency) of revenues over expenditures	(863,000)	(863,000)	(881,337)	(18,337)
OTHER FINANCING SOURCES				
Transfers in	348,000	348,000	348,000	-
Total other financing sources (uses)	348,000	348,000	348,000	-
Net change in fund balance	(515,000)	(515,000)	(533,337)	(18,337)
Fund balance at beginning of year	515,000	515,000	224,280	(290,720)
Fund balance at end of year	\$ -	\$ -	\$ (309,057)	\$ (309,057)

City of Brookings
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS				
Cash and investments	\$ 926,807	\$ 381,500	\$ 779,700	\$ 2,088,007
Receivables	147,807	-	49,459	197,266
Total assets	<u>\$ 1,074,614</u>	<u>\$ 381,500</u>	<u>\$ 829,159</u>	<u>\$ 2,285,273</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 6,140	-	\$ 12,514	\$ 18,654
Total liabilities	<u>6,140</u>	<u>-</u>	<u>12,514</u>	<u>18,654</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>47,143</u>	<u>-</u>	<u>4,711</u>	<u>51,854</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for				
Highways and streets	318,411	-	-	318,411
Urban renewal projects	361,248	-	-	361,248
911 services	166,170	-	-	166,170
Tourism	33,421	-	-	33,421
Airport	57,368	-	-	57,368
Debt service	-	381,500	-	381,500
Capital projects	-	-	205,945	205,945
Committed for				
Capital projects	-	-	605,989	605,989
Police programs	71,347	-	-	71,347
Current and future health care programs	2,397	-	-	2,397
Fire equipment and training	10,969	-	-	10,969
Total fund balances	<u>1,021,331</u>	<u>381,500</u>	<u>811,934</u>	<u>2,214,765</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,074,614</u>	<u>\$ 381,500</u>	<u>\$ 829,159</u>	<u>\$ 2,285,273</u>

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES				
Property taxes	\$ 604,776	\$ -	\$ -	\$ 604,776
Transient tax	61,829	-	-	61,829
Local gas tax	-	-	293,210	293,210
Licenses, permits and fees	4,320	-	-	4,320
System development charges	-	-	60,301	60,301
System replacement charges	-	-	211,203	211,203
Intergovernmental	733,488	-	-	733,488
Interest	21,701	4,426	18,159	44,286
Miscellaneous	91,955	-	2,501	94,456
Total revenues	1,518,069	4,426	585,374	2,107,869
EXPENDITURES				
Current				
General government	54,897	-	21,163	76,060
Public safety	34,390	-	-	34,390
Highways and streets	327,058	-	-	327,058
Culture and recreation	42,075	-	-	42,075
Debt service	43,739	517,752	-	561,491
Capital outlay	118,780	-	607,097	725,877
Total expenditures	620,939	517,752	628,260	1,766,951
Excess (deficiency) of revenues over expenditures	897,130	(513,326)	(42,886)	340,918
OTHER FINANCING SOURCES (USES)				
Transfers in	28,407	547,752	62,930	639,089
Transfers out	(606,351)	-	(105,120)	(711,471)
Total other financing sources (uses)	(577,944)	547,752	(42,190)	(72,382)
Net change in fund balances	319,186	34,426	(85,076)	268,536
Fund balances at beginning of year	702,145	347,074	897,010	1,946,229
Fund balances at end of year	\$ 1,021,331	\$ 381,500	\$ 811,934	\$ 2,214,765

City of Brookings
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	Street Fund	Urban Renewal	911	Special Police	Health Fair	Special Fire	Tourism	Airport	Totals
ASSETS									
Cash and investments	\$ 273,485	\$ 352,949	\$ 123,556	\$ 71,948	\$ 2,397	\$ 10,969	\$ 33,921	\$ 57,582	\$ 926,807
Receivables	49,427	55,442	42,640	-	-	-	-	298	147,807
TOTAL ASSETS	\$ 322,912	\$ 408,391	\$ 166,196	\$ 71,948	\$ 2,397	\$ 10,969	\$ 33,921	\$ 57,880	\$ 1,074,614
LIABILITIES									
Accounts payable and accrued liabilities	\$ 4,501	\$ -	\$ 26	\$ 601	\$ -	\$ -	\$ 500	\$ 512	\$ 6,140
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	-	47,143	-	-	-	-	-	-	47,143
FUND BALANCES									
Restricted for									
Highways and streets	318,411	-	-	-	-	-	-	-	318,411
Urban renewal projects	-	361,248	-	-	-	-	-	-	361,248
911 services	-	-	166,170	-	-	-	-	-	166,170
Tourism	-	-	-	-	-	-	33,421	-	33,421
Airport	-	-	-	-	-	-	-	57,368	57,368
Committed for									
Police programs	-	-	-	71,347	-	-	-	-	71,347
Current and future health care programs	-	-	-	-	2,397	-	-	-	2,397
Fire equipment and training	-	-	-	-	-	10,969	-	-	10,969
Total fund balance	318,411	361,248	166,170	71,347	2,397	10,969	33,421	57,368	1,021,331
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 322,912	\$ 408,391	\$ 166,196	\$ 71,948	\$ 2,397	\$ 10,969	\$ 33,921	\$ 57,880	\$ 1,074,614

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2019

REVENUES										
	Street Fund	Urban Renewal	911	Special Police	Health Fair	Special Fire	Tourism	Airport	Totals	
Property taxes	\$ -	\$ 604,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 604,776	
Transient tax	-	-	-	-	-	-	61,829	-	61,829	
Licenses, permits and fees	-	-	-	-	-	1,150	-	3,170	4,320	
Intergovernmental	560,898	-	171,765	825	-	-	-	-	733,488	
Interest	4,181	10,894	4,422	1,389	-	197	423	195	21,701	
Miscellaneous	16,328	-	-	27,286	-	-	-	48,341	91,955	
Total revenues	581,407	615,670	176,187	29,500	-	1,347	62,252	51,706	1,518,069	
EXPENDITURES										
Current										
General government	-	32,152	-	-	-	-	-	22,745	54,897	
Public safety	-	-	14,054	20,336	-	-	-	-	34,390	
Highways and streets	327,058	-	-	-	-	-	-	-	327,058	
Culture and recreation	-	-	-	-	-	-	42,075	-	42,075	
Debt service	19,894	-	23,845	-	-	-	-	-	43,739	
Capital outlay	-	-	118,780	-	-	-	-	-	118,780	
Total expenditures	346,952	32,152	156,679	20,336	-	-	42,075	22,745	620,939	
Excess (deficiency) of revenues over expenditures	234,455	583,518	19,508	9,164	-	1,347	20,177	28,961	897,130	
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	28,407	28,407	
Transfers out	(46,612)	(450,739)	(102,100)	-	-	-	(6,900)	-	(606,351)	
Total other financing sources (uses)	(46,612)	(450,739)	(102,100)	-	-	-	(6,900)	28,407	(577,944)	
Net change in fund balances	187,843	132,779	(82,592)	9,164	-	1,347	13,277	57,368	319,186	
Fund balances at beginning of year	130,568	228,469	248,762	62,183	2,397	9,622	20,144	-	702,145	
Fund balances at end of year	\$ 318,411	\$ 361,248	\$ 166,170	\$ 71,347	\$ 2,397	\$ 10,969	\$ 33,421	\$ 57,368	\$ 1,021,331	

City of Brookings
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2019

	Urban Renewal Debt Service	Storm Loan	Totals
ASSETS			
Cash and investments	<u>\$ 381,500</u>	<u>\$ -</u>	<u>\$ 381,500</u>
FUND BALANCES			
Restricted for debt service	<u>\$ 381,500</u>	<u>\$ -</u>	<u>\$ 381,500</u>

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2019

	Urban Renewal Debt Service	Storm Loan	Totals
REVENUES			
Interest	\$ 4,426	\$ -	\$ 4,426
EXPENDITURES			
Debt service	420,739	97,013	517,752
Excess (deficiency) of revenues over expenditures	(416,313)	97,013	(319,300)
OTHER FINANCING SOURCES (USES)			
Transfers in	450,739	97,013	547,752
Total other financing sources (uses)	450,739	97,013	547,752
Net change in fund balances	34,426	-	34,426
Fund balances at beginning of year	347,074	-	347,074
Fund balances at end of year	<u>\$ 381,500</u>	<u>\$ -</u>	<u>\$ 381,500</u>

City of Brookings
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019

	Technology Reserve	Street System Replacement	Stormwater System Replacement	Parks and Recreation System Development	Stormwater System Development	Totals
ASSETS						
Cash and investments	\$ 42,781	\$ 191,649	\$ 339,325	\$ 59,475	\$ 146,470	\$ 779,700
Receivables	-	26,384	18,364	1,342	3,369	49,459
Total assets	<u>\$ 42,781</u>	<u>\$ 218,033</u>	<u>\$ 357,689</u>	<u>\$ 60,817</u>	<u>\$ 149,839</u>	<u>\$ 829,159</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 2,596	\$ 9,918	\$ -	\$ -	\$ -	\$ 12,514
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>2,596</u>	<u>9,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,514</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	1,342	3,369	4,711
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted for capital projects	-	-	-	59,475	146,470	205,945
Committed for capital projects	40,185	208,115	357,689	-	-	605,989
Total fund balances	<u>40,185</u>	<u>208,115</u>	<u>357,689</u>	<u>59,475</u>	<u>146,470</u>	<u>811,934</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 42,781</u>	<u>\$ 218,033</u>	<u>\$ 357,689</u>	<u>\$ 60,817</u>	<u>\$ 149,839</u>	<u>\$ 829,159</u>

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2019

	Technology Reserve	Street System Replacement	Stormwater System Replacement	Parks and Recreation System Development	Stormwater System Development	Totals
REVENUES						
Local gas tax	\$ -	\$ 293,210	\$ -	\$ -	\$ -	\$ 293,210
System development charges	-	-	-	27,458	32,843	60,301
System replacement charges	-	9,410	201,793	-	-	211,203
Interest	754	6,173	4,896	3,609	2,727	18,159
Miscellaneous	-	-	-	2,501	-	2,501
Total revenues	754	308,793	206,689	33,568	35,570	585,374
EXPENDITURES						
Current						
General government	21,163	-	-	-	-	21,163
Capital outlay	23,510	321,115	-	262,472	-	607,097
Total expenditures	44,673	321,115	-	262,472	-	628,260
Excess (deficiency) of revenues over expenditures	(43,919)	(12,322)	206,689	(228,904)	35,570	(42,886)
OTHER FINANCING SOURCES (USES)						
Transfers in	62,930	-	-	-	-	62,930
Transfers out	(45,200)	(4,914)	(55,006)	-	-	(105,120)
Total other financing sources (uses)	17,730	(4,914)	(55,006)	-	-	(42,190)
Net change in fund balances	(26,189)	(17,236)	151,683	(228,904)	35,570	(85,076)
Fund balances at beginning of year	66,374	225,351	206,006	288,379	110,900	897,010
Fund balances at end of year	\$ 40,185	\$ 208,115	\$ 357,689	\$ 59,475	\$ 146,470	\$ 811,934

City of Brookings
Street Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 520,000	\$ 520,000	\$ 560,898	\$ 40,898
Interest	2,400	2,400	4,181	1,781
Miscellaneous	12,250	12,250	16,328	4,078
Total revenues	534,650	534,650	581,407	46,757
EXPENDITURES				
Street maintenance	507,076	507,076	327,058	180,018
Debt service	22,238	22,238	19,894	2,344
Contingency	118,724	118,724	-	118,724
Total expenditures	648,038	648,038	346,952	301,086
Excess (deficiency) of revenues over expenditures	(113,388)	(113,388)	234,455	347,843
OTHER FINANCING SOURCES (USES)				
Transfers out	(46,612)	(46,612)	(46,612)	-
Net change in fund balance	(160,000)	(160,000)	187,843	347,843
Fund balance at beginning of year	160,000	160,000	130,568	(29,432)
Fund balance at end of year	\$ -	\$ -	\$ 318,411	\$ 318,411

City of Brookings
Urban Renewal – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 586,211	\$ 586,211	\$ 604,776	\$ 18,565
Interest	2,000	2,000	10,894	8,894
Total revenues	588,211	588,211	615,670	27,459
EXPENDITURES				
Urban Renewal Division	35,000	35,000	32,152	2,848
Capital outlay	842,472	1,282,472	-	1,282,472
Total expenditures	877,472	1,317,472	32,152	1,285,320
Excess (deficiency) of revenues over expenditures	(289,261)	(729,261)	583,518	1,312,779
OTHER FINANCING SOURCES (USES)				
Loan proceeds	650,000	1,000,000	-	1,000,000
Transfers out	(450,739)	(450,739)	(450,739)	-
Total other financing sources (uses)	199,261	549,261	(450,739)	1,000,000
Net change in fund balance	(90,000)	(180,000)	132,779	1,312,779
Fund balance at beginning of year	90,000	180,000	228,469	48,469
Fund balance at end of year	\$ -	\$ -	\$ 361,248	\$ 361,248

City of Brookings
911 – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 168,000	\$ 171,765	\$ 3,765
Interest	3,000	4,422	1,422
Total revenues	171,000	176,187	5,187
EXPENDITURES			
911 Division	175,055	14,054	161,001
Contingency	100,000	-	100,000
Debt Service	23,845	23,845	-
Capital outlay	-	118,780	(118,780)
Total expenditures	298,900	156,679	142,221
Excess (deficiency) of revenues over expenditures	(127,900)	19,508	147,408
OTHER FINANCING SOURCES (USES)			
Transfers out	(102,100)	(102,100)	-
Net change in fund balance	(230,000)	(82,592)	147,408
Fund balance at beginning of year	230,000	248,762	18,762
Fund balance at end of year	\$ -	\$ 166,170	\$ 166,170

City of Brookings
Special Police – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 5,000	\$ 825	\$ (4,175)
Interest	-	1,389	1,389
Miscellaneous	20,500	27,286	6,786
Total revenues	25,500	29,500	4,000
EXPENDITURES			
Special police			
K9	44,500	17,128	27,372
Safety city	11,000	3,208	7,792
Federal restitution	4,166	-	4,166
State restitution	1,390	-	1,390
Police reserves	18,000	-	18,000
Police VIPS	750	-	750
Grants program	11,500	-	11,500
Total expenditures	91,306	20,336	70,970
Excess (deficiency) of revenues over expenditures	(65,806)	9,164	74,970
Net change in fund balance	(65,806)	9,164	74,970
Fund balance at beginning of year	65,806	62,183	(3,623)
Fund balance at end of year	\$ -	\$ 71,347	71,347

City of Brookings
Health Fair – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Rentals	\$ 1,500	\$ -	\$ (1,500)
Total revenues	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
EXPENDITURES			
Health fair program	2,500	-	2,500
Contingency	<u>1,300</u>	<u>-</u>	<u>1,300</u>
Total expenditures	<u>3,800</u>	<u>-</u>	<u>3,800</u>
Net change in fund balance	(2,300)	-	2,300
Fund balance at beginning of year	<u>2,300</u>	<u>2,397</u>	<u>97</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,397</u></u>	<u><u>\$ 2,397</u></u>

City of Brookings
Special Fire – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 1,000	\$ 1,150	\$ 150
Interest	100	197	97
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	<u>2,100</u>	<u>1,347</u>	<u>(753)</u>
EXPENDITURES			
Fire program	<u>11,100</u>	<u>-</u>	<u>11,100</u>
Total expenditures	<u>11,100</u>	<u>-</u>	<u>11,100</u>
Net change in fund balance	(9,000)	1,347	10,347
Fund balance at beginning of year	<u>9,000</u>	<u>9,622</u>	<u>622</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 10,969</u>	<u>\$ 10,969</u>

City of Brookings
Tourism – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget	Actual	Variance
REVENUES			
Transient tax	\$ 53,000	\$ 61,829	\$ 8,829
Interest	200	423	223
Total revenues	53,200	62,252	9,052
EXPENDITURES			
Tourism	56,300	42,075	14,225
Total expenditures	56,300	42,075	14,225
Excess (deficiency) of revenues over expenditures	(3,100)	20,177	23,277
OTHER FINANCING SOURCES (USES)			
Transfers out	(6,900)	(6,900)	-
Net change in fund balance	(10,000)	13,277	23,277
Fund balance at beginning of year	10,000	20,144	10,144
Fund balance at end of year	\$ -	\$ 33,421	\$ 33,421

City of Brookings
Airport Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget	Actual	Variance
REVENUES			
Licenses, permits and fees	\$ 2,900	\$ 3,170	\$ 270
Interest	-	195	195
Miscellaneous	31,300	48,341	17,041
Total revenues	34,200	51,706	17,506
EXPENDITURES			
Airport	62,607	22,745	39,862
Total expenditures	62,607	22,745	39,862
Excess (deficiency) of revenues over expenditures	(28,407)	28,961	57,368
OTHER FINANCING SOURCES (USES)			
Transfers in	28,407	28,407	-
Net change in fund balance	-	57,368	57,368
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 57,368	\$ 57,368

City of Brookings
Urban Renewal Debt Service – Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ -</u>	<u>\$ 4,426</u>	<u>\$ 4,426</u>
EXPENDITURES			
Debt service	450,739	420,739	30,000
Contingency	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total expenditures	<u>750,739</u>	<u>420,739</u>	<u>330,000</u>
Excess (deficiency) of revenues over expenditures	(750,739)	(416,313)	334,426
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>450,739</u>	<u>450,739</u>	<u>-</u>
Net change in fund balance	(300,000)	34,426	334,426
Fund balance at beginning of year	<u>300,000</u>	<u>347,074</u>	<u>47,074</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 381,500</u></u>	<u><u>\$ 381,500</u></u>

City of Brookings
Storm Loan – Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	<u>\$ 97,013</u>	<u>\$ 97,013</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>97,013</u>	<u>97,013</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Brookings
Technology Reserve – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ 1,200</u>	<u>\$ 754</u>	<u>\$ (446)</u>
EXPENDITURES			
Technology program	67,930	44,673	23,257
Contingency	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>77,930</u>	<u>44,673</u>	<u>33,257</u>
Excess (deficiency) of revenues over expenditures	<u>(76,730)</u>	<u>(43,919)</u>	<u>32,811</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	62,930	62,930	-
Transfers out	<u>(45,200)</u>	<u>(45,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>17,730</u>	<u>17,730</u>	<u>-</u>
Net change in fund balance	(59,000)	(26,189)	32,811
Fund balance at beginning of year	<u>59,000</u>	<u>66,374</u>	<u>7,374</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 40,185</u>	<u>\$ 40,185</u>

City of Brookings
Street System Replacement – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Local gas tax	\$ 285,000	\$ 285,000	\$ 293,210	\$ 8,210
Interest	500	500	6,173	5,673
System replacement fees	-	-	9,410	9,410
Total revenues	285,500	285,500	308,793	23,293
EXPENDITURES				
Capital outlay	295,586	324,586	321,115	3,471
Excess (deficiency) of revenues over expenditures	(10,086)	(39,086)	(12,322)	26,764
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,914)	(4,914)	(4,914)	-
Total other financing sources (uses)	(4,914)	(4,914)	(4,914)	-
Net change in fund balance	(15,000)	(44,000)	(17,236)	26,764
Fund balance at beginning of year	15,000	44,000	225,351	181,351
Fund balance at end of year	\$ -	\$ -	\$ 208,115	\$ 208,115

City of Brookings
Stormwater System Replacement – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget	Actual	Variance
REVENUES			
System replacement fees	\$ 200,000	\$ 201,793	\$ 1,793
Interest	5,000	4,896	(104)
Total revenues	205,000	206,689	1,689
EXPENDITURES			
Capital outlay	339,994	-	339,994
Total expenditures	339,994	-	339,994
Excess (deficiency) of revenues over expenditures	(134,994)	206,689	341,683
OTHER FINANCING SOURCES (USES)			
Transfers out	(55,006)	(55,006)	-
Total other financing sources (uses)	(55,006)	(55,006)	-
Net change in fund balance	(190,000)	151,683	341,683
Fund balance at beginning of year	190,000	206,006	16,006
Fund balance at end of year	\$ -	\$ 357,689	\$ 357,689

City of Brookings

Parks and Receptions System Development – Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual For the Year Ended June 30, 2019

	Budget	Actual	Variance
REVENUES			
Improvement fees	\$ 6,000	\$ 23,373	\$ 17,373
Reimbursement fees	2,000	4,085	2,085
Miscellaneous	-	2,501	2,501
Interest	2,000	3,609	1,609
Total revenues	10,000	33,568	23,568
EXPENDITURES			
Parks and recreation program	300,000	262,472	37,528
Total expenditures	300,000	262,472	37,528
Net change in fund balance	(290,000)	(228,904)	61,096
Fund balance at beginning of year	290,000	288,379	(1,621)
Fund balance at end of year	\$ -	\$ 59,475	\$ 59,475

City of Brookings
Stormwater System Development – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget	Actual	Variance
REVENUES			
Improvement fees	\$ 4,000	\$ 20,650	\$ 16,650
Reimbursement fees	5,000	12,193	7,193
Interest	1,500	2,727	1,227
	<u>10,500</u>	<u>35,570</u>	<u>25,070</u>
Total revenues			
EXPENDITURES			
Stormwater system	115,500	-	115,500
	<u>115,500</u>	<u>-</u>	<u>(115,500)</u>
Total expenditures			
Net change in fund balance	(105,000)	35,570	140,570
Fund balance at beginning of year	105,000	110,900	5,900
	<u>\$ -</u>	<u>\$ 146,470</u>	<u>\$ 146,470</u>
Fund balance at end of year			

City of Brookings
Water – Enterprise Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 1,661,000	\$ 1,661,000	\$ 1,764,730	\$ 103,730
Interest	12,000	12,000	20,972	8,972
Other	39,000	46,500	53,549	7,049
Total revenues	1,712,000	1,719,500	1,839,251	119,751
EXPENDITURES				
Water distribution	649,362	656,862	531,703	125,159
Water treatment	503,349	511,349	485,339	26,010
Debt service	15,111	15,111	12,758	2,353
Contingency	177,528	169,528	-	169,528
Total expenditures	1,345,350	1,352,850	1,029,800	323,050
Excess (deficiency) of revenues over expenditures	366,650	366,650	809,451	442,801
OTHER FINANCING SOURCES (USES)				
Transfers out	(711,650)	(711,650)	(711,650)	-
Total other financing sources (uses)	(711,650)	(711,650)	(711,650)	-
Net change in fund balance	(345,000)	(345,000)	97,801	442,801
Fund balance at beginning of year	345,000	345,000	374,396	29,396
Fund balance at end of year	\$ -	\$ -	472,197	\$ 472,197
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Inventory			210,171	
Capital assets, net			7,917,200	
Pension related items			(357,035)	
Accrued interest payable			(4,077)	
Compensated absences payable			(7,818)	
Long-term obligations			(2,384,356)	
OPEB related items			2,882	
Net position at end of year			\$ 5,849,164	

City of Brookings
Wastewater – Enterprise Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 2,986,000	\$ 2,986,000	\$ 2,945,003	\$ (40,997)
Interest	15,000	15,000	32,517	17,517
Other	197,300	197,300	186,022	(11,278)
Total revenues	3,198,300	3,198,300	3,163,542	(34,758)
EXPENDITURES				
Wastewater collection	845,536	845,536	609,175	236,361
Wastewater treatment	935,103	938,103	920,660	17,443
Debt service	15,111	15,111	12,758	2,353
Contingency	315,268	315,268	-	315,268
Total expenditures	2,111,018	2,114,018	1,542,593	571,425
Excess (deficiency) of revenues over expenditures	1,087,282	1,084,282	1,620,949	536,667
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,687,282)	(1,687,282)	(1,687,282)	-
Total other financing sources (uses)	(1,687,282)	(1,687,282)	(1,687,282)	-
Net change in fund balance	(600,000)	(603,000)	(66,333)	536,667
Fund balance at beginning of year	600,000	600,000	921,989	321,989
Fund balance at end of year	\$ -	\$ (3,000)	855,656	\$ 858,656
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Inventory			58,501	
Capital assets, net			10,279,672	
Pension related items			(446,980)	
Accrued interest payable			(3,310)	
Compensated absences payable			(14,807)	
Long-term obligations			(3,225,833)	
OPEB related items			3,615	
Net position at end of year			\$ 7,506,514	

City of Brookings
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2019

	Water System Replacement	Wastewater Loan	Wastewater System Replacement	Water System Development
ASSETS				
Current assets				
Cash and investments	\$ 658,551	\$ 1,121,064	\$ 1,370,704	\$ 82,491
Receivables	50,354	-	14,781	4,678
	<u>708,905</u>	<u>1,121,064</u>	<u>1,385,485</u>	<u>87,169</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	2,381	-	-	-
Accrued interest payable	3,254	-	3,936	-
Long-term obligations due within one year	117,591	-	141,092	-
	<u>123,226</u>	<u>-</u>	<u>145,028</u>	<u>-</u>
Long-term obligations due in more than one year	240,323	-	318,256	-
	<u>363,549</u>	<u>-</u>	<u>463,284</u>	<u>-</u>
NET POSITION				
Restricted for				
Capital projects	-	-	-	87,169
Debt service	-	1,121,064	-	-
Unrestricted	345,356	-	922,201	-
	<u>\$ 345,356</u>	<u>\$ 1,121,064</u>	<u>\$ 922,201</u>	<u>\$ 87,169</u>

City of Brookings
Combining Statement of Net Position
Nonmajor Enterprise Funds (continued)
June 30, 2019

	Wastewater System Development	Water Loan	Wastewater Treatment System Development	Totals
ASSETS				
Current assets				
Cash and investments	\$ 478,872	\$ 331,027	\$ 512,042	\$ 4,554,751
Receivables	35,315	-	-	105,128
Total assets	514,187	331,027	512,042	4,659,879
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	-	-	-	2,381
Accrued interest payable	-	-	-	7,190
Long-term obligations due within one year	-	-	-	258,683
Total current liabilities	-	-	-	268,254
Long-term obligations due in more than one year	-	-	-	558,579
Total liabilities	-	-	-	826,833
NET POSITION				
Restricted for				
Capital projects	514,187	-	512,042	1,113,398
Debt service	-	331,027	-	1,452,091
Unrestricted	-	-	-	1,267,557
Total net position	\$ 514,187	\$ 331,027	\$ 512,042	\$ 3,833,046

City of Brookings
Combining Statement of Revenues, Expenses, And Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2019

	Water System Replacement	Wastewater Loan	Wastewater System Replacement	Water System Development
NONOPERATING REVENUES (EXPENSES)				
Interest income	\$ 10,764	\$ -	\$ 20,628	\$ 53
Interest expense	(6,352)	-	(24,464)	-
Total nonoperating revenues (expenses)	4,412	-	(3,836)	53
Income (loss) before capital contributions and transfers	4,412	-	(3,836)	53
Capital contributions	158,971	-	161,788	54,146
Transfers in	347,429	1,241,185	531,306	-
Transfers out	(173,558)	(1,241,185)	(152,709)	-
	332,842	-	540,385	54,146
Change in net position	337,254	-	536,549	54,199
Total net position at beginning of year	8,102	1,121,064	385,652	32,970
Total net position at end of year	<u>\$ 345,356</u>	<u>\$ 1,121,064</u>	<u>\$ 922,201</u>	<u>\$ 87,169</u>

CITY OF BROOKINGS

Combining Statement of Revenues, Expenses, And Changes in Net Position

Nonmajor Enterprise Funds (continued)

For the Year Ended June 30, 2019

	Wastewater System Development	Water Loan	Wastewater Treatment System Development	Totals
NONOPERATING REVENUES (EXPENSES)				
Interest income	\$ 8,662	\$ -	\$ 9,527	\$ 49,634
Interest expense	-	-	-	(30,816)
	<u>8,662</u>	<u>-</u>	<u>9,527</u>	<u>18,818</u>
Total nonoperating revenues (expenses)	<u>8,662</u>	<u>-</u>	<u>9,527</u>	<u>18,818</u>
Income (loss) before capital contributions and transfers	<u>8,662</u>	<u>-</u>	<u>9,527</u>	<u>18,818</u>
Capital contributions	189,295	-	31,375	595,575
Transfers in	-	454,879	-	2,574,799
Transfers out	(703)	(454,879)	-	(2,023,034)
	<u>188,592</u>	<u>-</u>	<u>31,375</u>	<u>1,147,340</u>
Change in net position	197,254	-	40,902	1,166,158
Total net position at beginning of year	<u>316,933</u>	<u>331,027</u>	<u>471,140</u>	<u>2,666,888</u>
Total net position at end of year	<u>\$ 514,187</u>	<u>\$ 331,027</u>	<u>\$ 512,042</u>	<u>\$ 3,833,046</u>

City of Brookings
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2019

	Water System Replacement	Wastewater Loan	Wastewater System Replacement	Water System Development
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances to other fund	\$ -	\$ -	\$ -	\$ -
Transfers in	347,429	1,241,185	531,306	-
Transfers out	(189,960)	(1,241,185)	(152,844)	-
Net cash provided by (used in) noncapital financing activities	157,469	-	378,462	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
System development charges received	-	-	161,288	55,613
Capital grants	155,638	-	-	-
Principal paid on long-term obligations	(115,000)	-	(130,619)	-
Interest paid on long-term obligations	(7,429)	-	(25,687)	-
Net cash provided by (used in) capital and related financing activities	33,209	-	4,982	55,613
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	10,765	-	20,628	53
Net increase (decrease) in cash	201,443	-	404,072	55,666
Cash - beginning of year	457,108	1,121,064	966,632	26,825
Cash - end of year	<u>\$ 658,551</u>	<u>\$ 1,121,064</u>	<u>\$ 1,370,704</u>	<u>\$ 82,491</u>

City of Brookings
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Year Ended June 30, 2019

	Wastewater System Development	Water Loan	Wastewater Treatment System Development	Totals
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances to other fund	\$ -	\$ -	\$ -	\$ -
Transfers in	-	454,879	-	2,574,799
Transfers out	(24,008)	(454,879)	-	(2,062,876)
Net cash provided by (used in) noncapital financing activities	(24,008)	-	-	511,923
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
System development charges received	218,992	-	31,375	467,268
Capital grants	-	-	-	155,638
Principal paid on long-term obligations	-	-	-	(245,619)
Interest paid on long-term obligations	-	-	-	(33,116)
Net cash provided by (used in) capital and related financing activities	218,992	-	31,375	344,171
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	8,662	-	9,527	49,635
Net increase (decrease) in cash	203,646	-	40,902	905,729
Cash - beginning of year	275,226	331,027	471,140	3,649,022
Cash - end of year	<u>\$ 478,872</u>	<u>\$ 331,027</u>	<u>\$ 512,042</u>	<u>\$ 4,554,751</u>

City of Brookings
Water System Replacement – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Grants	\$ 72,500	\$ 480,313	\$ 39,965	\$ (440,348)
System replacement fees	145,000	145,000	146,093	1,093
Interest	3,000	3,000	10,764	7,764
Total revenues	220,500	628,313	196,822	(431,491)
EXPENDITURES				
Water system maintenance	838,793	1,246,606	46,851	1,199,755
Excess (deficiency) of revenues over expenditures	(618,293)	(618,293)	149,971	768,264
OTHER FINANCING SOURCES (USES)				
Issuance of long-term obligations	225,000	225,000	-	(225,000)
Transfers in	-	-	225,000	225,000
Transfers out	(126,707)	(126,707)	(126,707)	-
Total other financing sources (uses)	98,293	98,293	98,293	-
Net change in fund balance	(520,000)	(520,000)	248,264	768,264
Fund balance at beginning of year	520,000	520,000	451,196	(68,804)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	699,460	<u>\$ 699,460</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Accrued interest payable			(3,254)	
Unavailable revenue			7,064	
Long-term obligations			(357,914)	
Net position at end of year			<u>\$ 345,356</u>	

City of Brookings
Wastewater Loan – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	<u>\$ 1,241,185</u>	<u>\$ 1,241,185</u>	<u>-</u>
Total expenditures	<u>1,241,185</u>	<u>1,241,185</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,241,185)</u>	<u>(1,241,185)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,241,185</u>	<u>1,241,185</u>	<u>-</u>
Total other financing sources (uses)	<u>1,241,185</u>	<u>1,241,185</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>1,122,716</u>	<u>1,121,064</u>	<u>(1,652)</u>
Fund balance at end of year	<u><u>\$ 1,122,716</u></u>	<u><u>\$ 1,121,064</u></u>	<u><u>\$ (1,652)</u></u>

City of Brookings
Wastewater System Replacement – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System replacement fees	\$ 161,000	\$ 161,788	\$ 788
Interest	10,000	20,628	10,628
Total revenues	<u>171,000</u>	<u>182,416</u>	<u>11,416</u>
EXPENDITURES			
Wastewater system maintenance	<u>1,363,291</u>	<u>-</u>	<u>1,363,291</u>
Total expenditures	<u>1,363,291</u>	<u>-</u>	<u>1,363,291</u>
Excess (deficiency) of revenues over expenditures	<u>(1,192,291)</u>	<u>182,416</u>	<u>1,374,707</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	375,000	375,000	-
Transfers out	<u>(152,709)</u>	<u>(152,709)</u>	<u>-</u>
Total other financing sources (uses)	<u>222,291</u>	<u>222,291</u>	<u>-</u>
Net change in fund balance	(970,000)	404,707	1,374,707
Fund balance at beginning of year	<u>970,000</u>	<u>980,778</u>	<u>10,778</u>
Fund balance at end of year	<u>\$ -</u>	<u>1,385,485</u>	<u>\$ 1,385,485</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Accrued interest payable		(3,936)	
Long-term obligations		<u>(459,348)</u>	
Net position at end of year		<u>\$ 922,201</u>	

City of Brookings
Water System Development – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 15,000	\$ 46,724	\$ 31,724
Reimbursement fees	3,000	8,889	5,889
Interest	-	53	53
	<u>18,000</u>	<u>55,666</u>	<u>37,666</u>
Total revenues			
EXPENDITURES			
Water system	<u>37,000</u>	-	<u>37,000</u>
	<u>37,000</u>	-	<u>37,000</u>
Total expenditures			
Net change in fund balance	(19,000)	55,666	74,666
Fund balance at beginning of year	<u>19,000</u>	<u>26,825</u>	<u>7,825</u>
Fund balance at end of year	<u><u>\$ -</u></u>	82,491	<u><u>\$ 82,491</u></u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Unavailable revenue		<u>4,678</u>	
Net position at end of year		<u><u>\$ 87,169</u></u>	

City of Brookings
Wastewater System Development – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 30,000	\$ 75,832	\$ 45,832
Reimbursement fees	20,000	143,160	123,160
Interest	<u>4,000</u>	<u>8,662</u>	<u>4,662</u>
Total revenues	<u>54,000</u>	<u>227,654</u>	<u>173,654</u>
EXPENDITURES			
Wastewater system	<u>274,000</u>	<u>703</u>	<u>273,297</u>
Total expenditures	<u>274,000</u>	<u>703</u>	<u>273,297</u>
Net change in fund balance	(220,000)	226,951	446,951
Fund balance at beginning of year	<u>220,000</u>	<u>251,921</u>	<u>31,921</u>
Fund balance at end of year	<u>\$ -</u>	<u>478,872</u>	<u>\$ 478,872</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Unavailable revenue		<u>35,315</u>	
Net position at end of year		<u>\$ 514,187</u>	

City of Brookings
Water Loan – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	<u>\$ 454,880</u>	<u>\$ 454,879</u>	<u>\$ 1</u>
Excess (deficiency) of revenues over expenditures	<u>(454,880)</u>	<u>(454,879)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>454,880</u>	<u>454,879</u>	<u>(1)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>331,026</u>	<u>331,027</u>	<u>1</u>
Fund balance at end of year	<u><u>\$ 331,026</u></u>	<u><u>\$ 331,027</u></u>	<u><u>\$ 1</u></u>

City of Brookings

Wastewater Treatment System Development – Enterprise Fund

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

For the Year Ended June 30, 2019

	Budget	Actual	Variance
REVENUES			
System development fees	\$ 50,000	\$ 31,375	\$ (18,625)
Interest	4,500	9,527	5,027
Total revenues	54,500	40,902	(13,598)
EXPENDITURES			
Wastewater system	504,500	-	504,500
Total expenditures	504,500	-	504,500
Net change in fund balance	(450,000)	40,902	490,902
Fund balance at beginning of year	450,000	471,140	21,140
Fund balance at end of year	\$ -	\$ 512,042	\$ 512,042

City of Brookings
Schedule of Property Tax Transactions
For the Year Ended June 30, 2019

CITY OF BROOKINGS

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2018</u>	<u>Current Levy</u>	<u>Discounts and Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2019</u>
2018-19		\$ 2,798,651	\$ (69,775)	\$ (2,641,940)	\$ 86,936
2017-18	\$ 98,322	-	5,339	(51,348)	52,313
2016-17	50,284	-	4,784	(21,029)	34,039
2015-16	35,642	-	6,803	(21,421)	21,024
2014-15	20,751	-	2,741	(7,679)	15,813
2013-14	12,974	-	282	(683)	12,573
2012-13	11,851	-	289	(626)	11,514
Prior years	30,634	-	305	(293)	30,646
	<u>\$ 260,458</u>	<u>\$ 2,798,651</u>	<u>\$ (49,232)</u>	<u>\$ (2,745,019)</u>	<u>\$ 264,858</u>

BROOKINGS URBAN RENEWAL AGENCY

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2018</u>	<u>Current Levy</u>	<u>Discounts and Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2019</u>
2018-19		\$ 622,808	\$ (15,528)	\$ (587,933)	\$ 19,347
2017-18	\$ 21,625	-	1,174	(11,294)	11,505
2016-17	10,377	-	987	(4,340)	7,024
2015-16	6,302	-	1,203	(3,787)	3,718
2014-15	3,568	-	471	(1,320)	2,719
2013-14	2,759	-	60	(145)	2,674
2012-13	2,418	-	59	(128)	2,349
Prior years	5,866	-	298	(58)	6,106
	<u>\$ 52,915</u>	<u>\$ 622,808</u>	<u>\$ (11,276)</u>	<u>\$ (609,005)</u>	<u>\$ 55,442</u>

**Report of Independent Auditors Required by
Oregon State Regulations**

Report of Independent Auditors on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards*

Honorable Mayor and Members of the City Council
City of Brookings, Oregon

We have audited the basic financial statements of City of Brookings, Oregon (the City) as of and for the year ended June 30, 2019 and have issued our report thereon dated November 25, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2019 and 2020.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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. The results of our tests disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

Internal Control over Financial Reporting

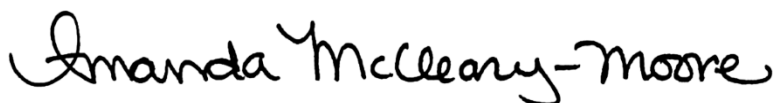
In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Amanda McCleary-Moore". The signature is written in a cursive, flowing style.

Amanda McCleary-Moore, Partner for
Moss Adams LLP
Medford, Oregon
November 25, 2019

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 9, 2019

Originating Dept: City Manager

Signature (submitted by)


City Manager Approval

Subject:

Request for Proposal (RFP) for City Attorney Services

Recommended Motion:

1. Request public input – to allow public the opportunity to comment on the employment of City Attorney.
2. Adopt regular hiring procedures included within the RFP.
3. Authorize City Manager to issue Request for Proposal for City Attorney services.

Financial Impact:

Minimal advertising cost.

Background/Discussion:

City Attorney Martha Rice submitted her resignation September 24, 2019, effective 60 days from that date. Council took action on November 12, 2019 to appoint Christy Monson of Local Government Law Group as an interim City Attorney while we recruit for a permanent replacement. At the same meeting Council directed the City Manager to begin the RFP process.

The attached draft RFP includes qualifications, scope of work, specific requirements and sets approximate timeline for advertising, interviews, and appointment.

The City Council can consider the employment of a public officer, employee, staff member, or individual agent in executive session, per ORS 192.610 to 192.690, if they advertise the vacancy, adopt hiring procedures, and allow the public an opportunity to comment. I am recommending that the Council complete these steps tonight prior to authorizing the City Manager to issue the RFP, similar to the attached draft, for City Attorney services.

Attachment:

- a. Draft RFP for City Attorney services

**CITY OF BROOKINGS
REQUEST FOR PROPOSALS
CITY ATTORNEY SERVICES
Proposal Due Date: January 31, 2020**

The City of Brookings invites proposals for contracted City Attorney services. Proposals must be received by the City Manager not later than 4:00 p.m., Friday, January 31, 2020. The City seeks services encompassing the traditional scope of work including legal counsel, opinions, consultation and coordination with special counsel. Attendance at a variety of meetings may be required, including staff meetings and Council meetings, as specified. In most situations attending a meeting by phone will be acceptable. For questions, contact the City Manager, Janell Howard, by phone, 541-469-1102 or e-mail jhoward@brookings.or.us.

Delivery: Proposals may be mailed or hand-delivered to:

City of Brookings
City Manager
898 Elk Drive
Brookings, OR 97415,

Emailed proposals will not be accepted. Please review the RFP document for complete information regarding delivery.

Pre-Proposal Conference: A Pre-Proposal Conference will be held at City of Brookings, Council Chambers, 898 Elk Drive, Monday, January 6, 2020, 10:00 a.m. Attendance by interested Proposers is not mandatory and will not be required in order to submit a proposal. Driving directions are available by calling 541-469-1102.

Communications: All communications regarding the RFP are to be directed to the City Manager's Office.

Minimum Qualifications:

1. Each attorney in the proposed team must possess a Juris Doctorate degree and have graduated from a law school accredited by the American Bar Association;
2. Each attorney in the proposed team must be a member in good standing of the Oregon State Bar Association;
3. The proposed designated City Attorney must have a minimum of five years experience. Municipal experience is preferred, including land use, municipal utilities, contracts, citizen initiatives, and public work construction. The City of Brookings reserves the right to reject any or all proposals, waive technicalities or irregularities, and to accept any proposal if such action is believed to be in the best interest of the City.

Publish: Curry Coastal Pilot, the League of Oregon Cities, Oregon State Bar Bulletin.

OVERVIEW

Introduction

For information about the City of Brookings, visit <http://www.brookings.or.us>.

The City of Brookings has 43 full time employees, and operates under a Council-Manager form of government. The City Council consists of four members elected at large and a separately elected Mayor. The Mayor serves as the head of the Council. The City Manager directs all City operations. The City has utilized the services of the Law Offices of Black & Rice LLP, for ten years. The City anticipates the permanent replacement to be selected through this process and available no later than April 1, 2020. Mrs. Rice typically worked an average of 12+ hours per month on City matters, which included one to two Council meetings each month.

It is anticipated that these City Attorney services could demand 10 to 15 hours per month. Attendance at Council meetings would be on an as needed basis and likely via telephone. The City anticipates that submitted proposals will identify a lead City Attorney that works virtually on an as requested basis on City business and will maintain central responsibility, and further anticipates one or multiple assisting attorney(s), depending upon the size, structure, specialties and preferences of the proposing firm. Proposers are welcome to submit alternative approaches, but this is the model that the City anticipates to be most successful to City practices. The City has three central departments: Finance and Administration, Public Works and Development Services, and Public Safety. Each department works actively with the City Attorney for advice and counsel. Individual departments may frequently initiate the work, although the City Manager retains the core responsibility for legal functions, coordination/prioritization (as needed) of these services, and the legal budget.

Scope of Work

1. Provides legal advice, counsel, services, training, consultation, and opinions to the City Manager, City Council, Commissions/Committees, and all levels of the City's government, on a wide variety of civil assignments, including but not limited to: land use planning, laws against discrimination, construction of public works, purchasing and procurement, leasing, purchase and sale of property, employment legal matters, public disclosure issues, open records law, and tort law. The City Attorney's advice includes methods to avoid civil litigation.
2. Furnishes legal representation at City Council business meetings as needed.
3. Appears before courts and administrative agencies to represent the City's interests.
4. Prepares/reviews ordinances and resolutions, contracts and other documents for legal correctness and acceptability.
5. Coordinates with other special counsel, as needed, to assure proper management of legal issues, and proper coordination and transition of legal issues among special counsel.
6. Assists City officials and employees in to maintain awareness of ethical standards and appearance of fairness standards, and to avoid potential conflicts of interest, prohibited transactions, and the appearance of prohibited transactions.
7. Assists City officials and employees to understand the legal roles and duties of their respective offices and interrelationships with others.
8. Provides the Mayor and City Council with guidance as to the City's Adopted Council Procedures and related procedural matters relating to Council meetings.

9. Prepares legal opinions at the request of the City or the Council.
10. Provides the City Manager, Mayor and City Council administrative advice and a legal perspective on various governmental issues.
11. Performs other legal services and tasks, as assigned by the City Manager.

Specifications

1. The appointed City Attorney attends City Council business meetings on an as needed basis in person or via telephone. These are scheduled for the second and fourth Monday night of each month, at 7:00 p.m.
2. The City Attorney attends staff-led meetings as requested in person or by telephone. Ideally, this would be the designated City Attorney, who is a key member of the City Management Team.
3. The City Attorney's services must be readily available by phone, cell phone and e-mail.
4. Timeliness of response and accessibility to the City Attorney is an important aspect of the service. Accessibility and responsiveness for the proposed designated City Attorney is of greatest importance, although these elements will also be considered in relation to assistant attorney(s) as well.

Contract Term

The City anticipates a two-year contract, with options for two-year renewals. Renewal of the contract will require Council reauthorization.

Schedule

The City provides the following schedule. This is for information only and will be adjusted as needed. Proposers are encouraged to reserve flexibility for interviews from February 8, 2020 to February 15, 2020, as the City will not be able to allow much advance notice when scheduling initial interviews.

RFP Release Date:	December 16, 2019
RFP Conference:	January 6, 2020
RFP Submission:	January 31, 2020
Interviews:	February 8-15, 2020
Council Consideration:	February 25, 2020
Anticipated Start Date:	March 1 – April 1, 2020

HOW TO RESPOND

Please provide seven sets of your proposal, responding to each inquiry in the order below. Please attach one set of business cards for your team along with the original.

1. Vendor Business History. Please complete and submit Attachment A.
2. Firm Experience
 - A. Provide a narrative description of the firm.
 - B. Describe the general experience of the firm.
 - C. Identify other municipal clients.
 - D. Identify experience with municipal issues including land use, zoning, growth management, and environmental law, complicated agreements including interlocal agreements, public works, personnel, and other municipal specialties.

3. Proposed Attorney, Team
 - A. Name and describe the attorney(s) and/or team proposed. Clearly identify the lead City Attorney and name assisting attorney(s).
 - B. Provide a resume or similar description for each team member, with considerable detail in the experience and qualifications of the lead City Attorney and any significant assisting attorney(s).
 - C. Specify the organization structure applicable to this contract, including who the lead City Attorney is, and the relationship of any assisting attorney(s) to that lead City Attorney.
 - D. If specialty attorney(s) or additional resources are available through your firm (in addition to the named team) to meet special or unusual needs, please identify such individuals and specialties as well.
4. Accessibility and Responsiveness
 - A. Identify the accessibility of the proposed designated City Attorney, and the response time that the individual offers to the City. Specifically identify the lead-time required for attending scheduled or ad-hoc meetings.
 - B. Identify the same for any assisting attorney(s).
5. Proposed Fee Structure.
 - A. Propose a compensation package, inclusive of all service costs. The City is open to a variety of approaches, including hourly rates or a flat monthly rate with add-ons.
 - B. The City will select the finalist by considering the proposed compensation as a “best and final offer,” although the City reserves the right to negotiate terms as needed to improve elements of the proposal to best meet the needs of the City, including cost.
6. References
 - A. Provide three references for the lead City Attorney. The City prefers references that include municipal government experience.
 - B. Inclusion of the reference in your proposal is also agreement that the City may contact the named reference.
 - C. The City may contact any companies or individuals, whether offered as references or others, to obtain information that will assist the City in evaluating the Proposer. The City retains the right to use such information to make selection decisions. Submittal of a proposal is agreement that the City may contact and utilize such information.

EVALUATION AND SELECTION

Evaluation Process

The City reserves the right to award the contract to that proposal that best meets the needs and interest of the City. The following steps are anticipated.

- Step 1: Receipt and review of minimum qualifications
- Step 2: City Committee review of written proposals
- Step 3: Initial reference and information checks
- Step 4: City Council and City Manager interviews
- Step 5: City Council Confirmation process

Contract Negotiations: The City of Brookings reserves the right to negotiate all elements which comprise the apparent successful proposal to ensure that the best possible consideration is afforded to all concerned. City representatives and the selected finalist will review in detail, all aspects of the requirements and the proposal. During the review of the most favorable, apparent successful proposal, the Proposer may offer and the City may accept revisions to the proposal.

DRAFT

ATTACHMENT A: SUBMITTAL FORM
Business Statement

To be completed and submitted with your proposal response.

1. Name of Business:
2. Business Address:
3. Phone: Business Fax:
E-Mail (Proposer):
4. Business Classification (check all that apply): Individual: ☐ Partnership: ☐
Corporation: ☐ Women or Minority Owned: ☐.
5. Federal Tax Number (or SSN):
6. Name of Owner:
7. Does firm maintain insurance in amounts specified below? Yes: ☐ No: ☐
If no, describe differences.
A. *General Liability insurance of at least \$1,000,000 per occurrence; \$1,000,000 aggregate, Combined Single Limit (CSL); Automobile liability of at least \$1,000,000 per accident CSL Professional Liability of at least \$1,000,000*
8. Are there claims that are pending against this insurance policy? Yes: ☐ No: ☐
If yes, describe.
9. During the past five years, has the firm, business, or any attorney in the firm or business, been involved in any (1) bond forfeiture, (2) litigation personally involving the firm, business or any attorney in the firm or business (other than dissolution of marriage), or (3) claims filed with any insurance carrier concerning the firm, business, or any attorney in the firm or business, and/or (4) Bar Association complaints?
Yes: ☐ No: ☐ If yes, attach an explanation.
10. Has company been in bankruptcy, reorganization or receivership in last five years?
Yes: ☐ No: ☐
11. Has company been disqualified or terminated by any public agency? Yes: ☐ No: ☐
12. Has the proposed designated City Attorney practiced municipal law a minimum of 5 years? Yes: ☐ No: ☐
13. Is each proposed attorney accredited and in good standing with the State bar?
Yes: ☐ No: ☐

14. Proposal Offers shall be good and valid until the City completes award or rejections of quotes. Failure to concur with this condition may result in rejection of the offer. Does the firm accept this condition? Yes: ☐ No: ☐ If no, state the desired exception:

Having carefully examined all the documents of this solicitation, including the instructions, the undersigned proposes to perform all work in strict compliance with the above-named documents, as well as in compliance with all submitted proposal information.

FIRM NAME: _____

SIGNATURE: _____

PRINT NAME: _____

DRAFT

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 9, 2019

Originating Dept: City Manager

Signature (submitted by)


City Manager Approval

Subject:

Transient Occupancy Tax Fund Allocation for the 2020 Travel & Adventure Show Promotion

Recommended Motion:

Motion to allocate \$1,000 to participate in the Travel & Adventure Show Promotion.

Financial Impact:

\$1,000 allocated from Transient Occupancy Tax revenues set-aside for tourism promotion and approximately \$1,000 from general fund administration.

Background/Discussion:

The City of Brookings participated in the 2018 and 2019 Travel and Adventure Show in the San Francisco Bay Area by sending a staff representative in conjunction with other representatives from Gold Beach, Bandon, Coos Bay and Reedsport. The collaborative booth promotes the entire South Coast region as the Southern Oregon Coast.

Specific to the Southern Oregon Coast booth, Gold Beach puts together over 1,000 give-away bags. Based on the dissemination of bags and by an informal booth staff survey, it is estimated that the booth is visited by up to 3,000 people.

Conversations with visitors to the booth typically involve an explanation of the represented area, which gives booth staff the opportunity to promote the South Coast region, amenities, sightseeing opportunities and discussion of the scenic travel route along the 101 to encourage a visit.

Tourism Promotion Advisory Committee (TPAC) unanimously approved \$1,000 allocated from the TPAC budget on November 14, 2019.

Attachment(s):

- a. Proposal



Travel Southern Oregon Coast (TSOC)
Participation in the March 21-22, 2020 San Francisco Show
DMO Co-Op Opportunity
travelshows.com

The **Travel & Adventure Show in the San Francisco Bay Area** provides Oregon's South Coast an opportunity to reach an audience of **more than 20,000 travel enthusiasts and active adventurers** seeking their next vacation destination. With a direct flight from SFO to OTH, these travelers can arrive quickly and begin exploring and experiencing all the coast has to offer.

The Plan: Combine three spaces into a 30x10 space to promote the **ENTIRE** South Coast with display/banners to represent the various major areas of the region – approximately 8-9 banners to hang from the back of the booth (see last page for example of last year's display.)

TSOC and the Network support attending the Travel Show as a region and have developed a Co-Op plan to help offset your cost.

How it Works: TSOC, Oregon's Adventure Coast (OAC-Coos Bay, North Bend, and Charleston), Gold Beach and the Southwest Oregon Regional Airport (OTH) have committed to attending the show and representing the South Coast Region.

Can You Attend: The more representation from the South Coast the better. We want you! Join the South Coast team and make a difference.

Opportunity:

Option 1 – Full attendance at event

\$500

This will include one banner depicting an activity or experience in your destination. All we need from you is a photo and TSOC will take care of the creative. (Limited banner space) A personal representative from your destination to attend the show and distribution of your materials in the booth. You represent the region first and then your destination. *This fee does not include travel expenses, but will cover transportation of your materials to the booth site.*

Option 2 – Brochure distribution only

\$250

This includes transportation of your materials to the booth space. The attendees in the booth will represent your destination as part of the entire South Coast region.

Cost: The cost of the three booth spaces is \$10,500. This reflects a discount for registering at early. For most DMO's this is out of reach but when we work together we can make it happen.

How TSOC and the OSCRTN Network are Making a Difference: TSOC along with OAC, Gold Beach and OTH will cover the majority of the booth fee. TSOC will cover transportation of materials, creative and regional collateral production while OSCRTN will provide organization and management.

What It Does Not Cover: It is important to note that travel, lodging and food are not covered. You can expect an additional \$1,500 to \$2,000 on top of your opportunity cost.

Example 2019 Booth Space



Pressing Sand!

Oregon South Coast Regional Tourism Network (OSCRTN) making a difference on by collaborating to enhance economic development through sustainable tourism

Report Criteria:

Report type: Summary

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/19	11/07/2019	83912	5876	Advanced Reporting LLC	10-00-2005	74.83
11/19	11/07/2019	83913	5893	Austin Electric LLC	50-00-2005	10,632.00
11/19	11/07/2019	83914	5941	Shaun Barbic	10-00-2005	250.00
11/19	11/07/2019	83915	5966	BNT Promotional Products	10-00-2005	127.00
11/19	11/07/2019	83916	147	Brookings Glass Inc	10-00-2005	342.00
11/19	11/07/2019	83917	5048	Brookings Harbor Medical Center	25-00-2005	200.00
11/19	11/07/2019	83918	313	Brookings Vol Firefighters	10-00-2005	2,250.00
11/19	11/07/2019	83919	715	Budge McHugh Supply	50-00-2005	5,094.55
11/19	11/07/2019	83920	2364	C & S Fire-Safe Services LLC	15-00-2005	495.25
11/19	11/07/2019	83921	5567	CAL/OR Insurance Specialists Inc	30-00-2005	683.33
11/19	11/07/2019	83922	193	Central Equipment Co, Inc	10-00-2005	439.33
11/19	11/07/2019	83923	5822	Chaves Consulting Inc	49-00-2005	370.20
11/19	11/07/2019	83924	5952	Chetco Auto Marine & Industrial Supply	25-00-2005	87.35
11/19	11/07/2019	83925	4928	CIS Trust	20-00-2005	5,000.00
11/19	11/07/2019	83926	3834	Clean Sweep Janitorial Service	25-00-2005	175.00
11/19	11/07/2019	83927	4736	C-More Pipe Services Co.	53-00-2005	22,100.00
11/19	11/07/2019	83928	4882	Coastal Heating & Air	50-00-2005	570.00
11/19	11/07/2019	83929	5827	Coastal Investments LLC	10-00-2005	1,130.00
11/19	11/07/2019	83930	5899	Curry County Tax Collector	10-00-2005	4,458.82
11/19	11/07/2019	83931	284	Day Management Corp	30-00-2005	909.84
11/19	11/07/2019	83932	185	Del Cur Supply	10-00-2005	277.82
11/19	11/07/2019	83933	1	Jarrett Arpin	20-00-2005	202.97
11/19	11/07/2019	83934	1	Alec Graves	20-00-2005	67.82
11/19	11/07/2019	83935	1	Sherri Meas	20-00-2005	184.76
11/19	11/07/2019	83936	484	DMV	10-00-2005	11.50
11/19	11/07/2019	83937	4894	Anella Ehlers	10-00-2005	314.30
11/19	11/07/2019	83938	5432	First Community Credit Union	25-00-2005	812.99
11/19	11/07/2019	83939	4646	Frontier	30-00-2005	360.69
11/19	11/07/2019	83940	5004	Galls, LLC	10-00-2005	270.00
11/19	11/07/2019	83941	139	Harbor Logging Supply	20-00-2005	116.30
11/19	11/07/2019	83942	5932	Harden Psychological Associates PC	10-00-2005	395.00
11/19	11/07/2019	83943	199	Richard Harper	10-00-2005	400.00
11/19	11/07/2019	83944	5942	Donald Hobbs	10-00-2005	300.00
11/19	11/07/2019	83945	5043	JB's Painting & Drywall, LLC	50-00-2005	3,500.00
11/19	11/07/2019	83946	162	Kerr Hardware	10-00-2005	685.67
11/19	11/07/2019	83947	328	Les Schwab Tire Center	25-00-2005	369.04
11/19	11/07/2019	83948	4443	Napa Auto Parts-Golder's	10-00-2005	478.28
11/19	11/07/2019	83949	4487	Net Assets Corporation	10-00-2005	504.00
11/19	11/07/2019	83950	5886	Office Depot Inc	10-00-2005	638.43
11/19	11/07/2019	83951	3561	Oil Can Henry's	10-00-2005	91.73
11/19	11/07/2019	83952	279	One Call Concepts, Inc	25-00-2005	55.86
11/19	11/07/2019	83953	5008	Online Information Services	10-00-2005	163.60
11/19	11/07/2019	83954	252	Paramount Pest Control	10-00-2005	55.00
11/19	11/07/2019	83955	322	Postmaster	25-00-2005	850.00
11/19	11/07/2019	83956	4105	Jennifer Bodman	10-00-2005	40.00
11/19	11/07/2019	83957	5768	Proficient Auto Center Inc	20-00-2005	70.50
11/19	11/07/2019	83958	4815	Platt	50-00-2005	1,900.74
11/19	11/07/2019	83959	1840	Rogue Credit Union	15-00-2005	1,356.89
11/19	11/07/2019	83960	4542	Umpqua Bank	10-00-2005	8,484.19
11/19	11/07/2019	83961	4448	United Rentals INC	50-00-2005	1,078.26
11/19	11/07/2019	83962	990	UPS	20-00-2005	22.33
11/19	11/07/2019	83963	2122	Cardmember Service	61-00-2005	5,486.86
11/19	11/07/2019	83964	169	Waste Connections Inc	10-00-2005	232.00

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/19	11/07/2019	83965	4220	Woof's Dog Bakery	61-00-2005	83.00
11/19	11/14/2019	83966	5908	Amazon Capital Services	49-00-2005	56.97
11/19	11/14/2019	83967	4734	Aramark Uniform Services	10-00-2005	150.00
11/19	11/14/2019	83968	4939	BI- Mart Corporation	10-00-2005	30.75
11/19	11/14/2019	83969	5070	Canon Solutions America	10-00-2005	119.22
11/19	11/14/2019	83970	1373	Cascade Fire Equipment	10-00-2005	2,588.70
11/19	11/14/2019	83971	5858	CH2M Hill OMI	25-00-2005	109,487.15
11/19	11/14/2019	83972	3834	Clean Sweep Janitorial Service	50-00-2005	200.00
11/19	11/14/2019	83973	4882	Coastal Heating & Air	10-00-2005	568.00
11/19	11/14/2019	83974	183	Colvin Oil Company	20-00-2005	2,711.79
11/19	11/14/2019	83975	5899	Curry County Tax Collector	33-00-2005	160.69
11/19	11/14/2019	83976	173	Curry Equipment	10-00-2005	444.24
11/19	11/14/2019	83977	4876	D'Sinez Signs & Graphics LLC	10-00-2005	37.00
11/19	11/14/2019	83978	4646	Frontier	25-00-2005	1,261.80
11/19	11/14/2019	83979	5085	L-Com Global Connectivity	49-00-2005	90.96
11/19	11/14/2019	83980	3781	Tracy LeJeune	10-00-2005	52.00
11/19	11/14/2019	83981	5255	Gavin McVay	10-00-2005	52.00
11/19	11/14/2019	83982	4269	Gary Milliman	10-00-2005	15.66
11/19	11/14/2019	83983	5089	Monoprice, Inc	49-00-2005	125.31
11/19	11/14/2019	83984	3159	NorthCoast Health Screening	10-00-2005	130.00
11/19	11/14/2019	83985	3561	Oil Can Henry's	10-00-2005	91.73
11/19	11/14/2019	83986	3220	Radar Shop, The	10-00-2005	706.00
11/19	11/14/2019	83987	4815	Platt	50-00-2005	420.56
11/19	11/14/2019	83988	3487	Tailored Solutions Corp	10-00-2005	721.00
11/19	11/14/2019	83989	142	Tidewater Contractors Inc	51-00-2005	49,536.31
11/19	11/14/2019	83990	861	Village Express Mail Center	10-00-2005	20.48
11/19	11/14/2019	83991	169	Waste Connections Inc	33-00-2005	186.29
11/19	11/14/2019	83992	5943	Jesus Zamora	10-00-2005	50.00
11/19	11/21/2019	83993	5908	Amazon Capital Services	49-00-2005	63.24
11/19	11/21/2019	83994	4363	Black Rice & Luna LLP	10-00-2005	974.00
11/19	11/21/2019	83995	4788	Bureau of Labor & Industries	51-00-2005	361.18
11/19	11/21/2019	83996	2364	C & S Fire-Safe Services LLC	10-00-2005	54.75
11/19	11/21/2019	83997	5070	Canon Solutions America	10-00-2005	182.27
11/19	11/21/2019	83998	3015	Charter Communications	30-00-2005	594.98
11/19	11/21/2019	83999	183	Colvin Oil Company	10-00-2005	2,701.18
11/19	11/21/2019	84000	317	DCBS - Fiscal Services	10-00-2005	445.62
11/19	11/21/2019	84001	484	Oregon DMV	10-00-2005	127.50
11/19	11/21/2019	84002	484	Oregon DMV	10-00-2005	6.00
11/19	11/21/2019	84003	2640	Dyer Partnership Inc., The	50-00-2005	5,800.32
11/19	11/21/2019	84004	5951	Executech Utah LLC	49-00-2005	29.65
11/19	11/21/2019	84005	3342	Fastenal	15-00-2005	87.50
11/19	11/21/2019	84006	5886	Office Depot Inc	10-00-2005	176.24
11/19	11/21/2019	84007	3561	Oil Can Henry's	10-00-2005	74.38
11/19	11/21/2019	84008	5101	Pitney Bowes Reserve Acct	10-00-2005	500.00
11/19	11/21/2019	84009	5768	Proficient Auto Center Inc	25-00-2005	97.50
11/19	11/21/2019	84010	5957	Projectus Inc	50-00-2005	6,400.00
11/19	11/21/2019	84011	3	Stacy Patton	20-00-2005	37.84
11/19	11/21/2019	84012	3	Premier Property Management	20-00-2005	41.73
11/19	11/21/2019	84013	4815	Platt	50-00-2005	4,589.75
11/19	11/21/2019	84014	1840	Rogue Credit Union	10-00-2005	30,579.01
11/19	11/21/2019	84015	3369	Schwabe Williamson & Wyatt PC	20-00-2005	693.00
11/19	11/21/2019	84016	5967	Sinclair Broadcast Group Inc	32-00-2005	500.00
11/19	11/21/2019	84017	5457	Speer Hoyt LLC	10-00-2005	399.50
11/19	11/21/2019	84018	169	Waste Connections Inc	25-00-2005	629.15
11/19	11/21/2019	84019	5900	Wells Fargo Equipment Finance	25-00-2005	1,291.67
11/19	11/27/2019	84020	5966	BNT Promotional Products	10-00-2005	521.82

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/19	11/27/2019	84021	5048	Brookings Harbor Medical Center	10-00-2005	150.00
11/19	11/27/2019	84022	5567	CAL/OR Insurance Specialists Inc	25-00-2005	4,636.00
11/19	11/27/2019	84023	3015	Charter Communications	10-00-2005	144.98
11/19	11/27/2019	84024	1745	Coastal Paper & Supply, Inc	10-00-2005	249.10
11/19	11/27/2019	84025	5968	Coastline West Insulation Inc	50-00-2005	6,988.00
11/19	11/27/2019	84026	1740	Code Publishing Company Inc	10-00-2005	402.90
11/19	11/27/2019	84027	182	Coos-Curry Electric	10-00-2005	4,945.16
11/19	11/27/2019	84028	259	Da-Tone Rock Products	15-00-2005	708.44
11/19	11/27/2019	84029	1	Janet Clark	20-00-2005	5.83
11/19	11/27/2019	84030	1	Alene Congdon	20-00-2005	18.14
11/19	11/27/2019	84031	1	George & Judith Fernandez	20-00-2005	24.16
11/19	11/27/2019	84032	2186	Ferguson Waterworks #3011	20-00-2005	395.14
11/19	11/27/2019	84033	3961	Grizzly Fence & Construction	10-00-2005	800.00
11/19	11/27/2019	84034	4954	John Deere Financial	15-00-2005	207.82
11/19	11/27/2019	84035	142	Tidewater Contractors Inc	15-00-2005	634.53
11/19	11/27/2019	84036	5864	WRK Engineers	50-00-2005	12,272.00
Grand Totals:						<u>345,806.62</u>

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Report Criteria:

Report type: Summary

Committee Vacancies

Date: December 9, 2019

Re: Vacant Volunteer Positions

Following is a list of all Commission/Committee positions and terms currently vacant:

Position	Held By	Month/ Day	Year Expires	Term/ Years
Planning Commission #2	VACANT	4/1	2020	4

City of Brookings Urban Renewal Agency Meeting MINUTES

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

Tuesday, May 28, 2019

Call to Order

Chair Pieper called the meeting to order at 7:40 PM, immediately following the City Council meeting.

Roll Call

Agency present: Chair Jake Pieper, Directors Bill Hamilton, Brent Hodges, Ron Hedenskog and John McKinney; a quorum present.

Staff present: City Manager Janell Howard, City Attorney Martha Rice, Public Works and Development Services Director Tony Baron, Deputy Finance and Human Resource Director Lu Ehlers and Deputy Recorder Rita Ritz.

Agency minutes

Director Hedenskog moved, Director Hamilton seconded and Council voted unanimously to approve the December 10, 2018 Agency minutes as written.

Staff Reports

Public Hearing and Approval of Agency Appropriations for the 2019-20, Fiscal Year Budget

Deputy Finance and Human Resource Director Lu Ehlers provided the staff report.

Chair Pieper opened the Public Hearing regarding adoption of the Agency budget and making appropriations for fiscal year 2018-19 at 7:42 p.m.

With no one present to address the Agency on the matter, Chair Pieper closed the Public Hearing at 7:43 p.m.

Director Hedenskog moved, Director Hodges seconded and the Agency voted unanimously to adopt Resolution 19-R-1159, adopting the Brookings' Urban Renewal Agency's budget, declaring tax increment funding as provided under Section 1c, Article IX of the Oregon Constitution and ORS Chapter 457, and making appropriations for the 2019-20fiscal year.

Agency Comments

There were no agency comments.

Adjourn

Director Hedenskog moved, Director Hodges seconded and Council voted unanimously by voice to adjourn at 7:44 PM.

Respectfully submitted:

Jake Pieper, Chair

ATTESTED:
this 9th day of December 2019:

Janell K Howard, City Recorder

BROOKINGS URBAN RENEWAL AGENCY

COUNCIL AGENDA REPORT

Meeting Date: December 9, 2019



Signature (submitted by)

Originating Dept: City Manager



City Manager Approval

Subject:

Audit Report for the fiscal year ended June 30, 2019.

Recommended Motion:

Motion to accept the Brookings Urban Renewal Agency's Audit for the fiscal year ended June 30, 2019.

Financial Impact:

None.

Background/Discussion:

Moss Adams LLP completed the Urban Renewal Agency's audit for the fiscal year ending June 30, 2019. An electronic copy of the audit is attached to the packet that is received electronically, and is available on the City's website. A bound hard copy of the audit report has been put in the Agency Members' boxes, and a copy is available for viewing at City Hall.

The Urban Renewal Agency received an unqualified opinion on the June 30, 2019 review; which means there were no exceptions, findings, or questioned costs.

Attachment:

June 30, 2019 Audit



ANNUAL FINANCIAL REPORT

BROOKINGS URBAN RENEWAL AGENCY
A COMPONENT UNIT OF CITY OF BROOKINGS, OREGON

For the Year Ended June 30, 2019



Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon

Officers and Members of the Governing Body
For the Year Ended June 30, 2019

CITY MANAGER

Janell Howard

DEPUTY FINANCE DIRECTOR

Anella Ehlers

MAYOR

Jake Pieper
17163 Parkview Dr
Brookings, OR 97415

CITY COUNCIL

Bill Hamilton
417 Fern Ave
Brookings OR 97415

Ron Hedenskog
16956 Old County Rd
Brookings, OR 97415

Brent Hodges
Po Box 4970
Brookings OR 97415

John McKinney
500 Velopa Court
Brookings, OR 97415

CITY ADDRESS

898 Elk Drive
Brookings, OR 97415

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Review Report of Independent Accountants

Review Report of Independent Accountants

Honorable Mayor and Members of the City Council
Brookings Urban Renewal Agency

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the budgetary statement of Brookings Urban Renewal Agency (the Agency), a component unit of City of Brookings, Oregon, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents as of and for the year ended June 30, 2019. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Agency's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

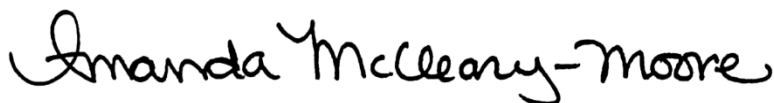
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii through vii be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information, and we do not express an opinion, a conclusion, nor provide any assurance on it.

Supplementary Information

The accompanying supplementary information included on pages 13-14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Other Information

The management representation of fiscal affairs on page 15 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. We have not audited or reviewed such information, and accordingly, we do not express an opinion, a conclusion, or provide any assurance on it.

A handwritten signature in black ink that reads "Amanda McCleary-Moore". The signature is written in a cursive, flowing style.

Amanda McCleary-Moore, Partner for
Moss Adams LLP
Medford, Oregon
November 25, 2019

Management's Discussion and Analysis



Brookings Urban Renewal Agency

898 Elk Drive, Brookings, OR 97415

(541) 469-2163 Fax (541) 469-3650

www.brookings.or.us

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

This discussion and analysis presents the highlights of financial activities and financial position for the Brookings Urban Renewal Agency (Agency), component unit of the City of Brookings, Oregon. The analysis focuses on significant issues, major financial activities and resulting changes in financial position, budget changes, and variances from the budget, and specific issues related to funds and the economic factors affecting the Agency.

Management's Discussion and Analysis (MD&A) focuses on the current year activities and resulting changes from the prior year. Please read it in conjunction with the Agency's financial statements (beginning on page 1).

FINANCIAL HIGHLIGHTS

- The net assets of the Agency increased by \$569,278 from (\$192,526) to \$376,752 at June 30, 2019.
- Governmental activities revenue increased by \$23,662 (4%) to \$619,467. This is due to an increase in property tax revenues.
- Overall, expenditures decreased by \$228,203 to \$50,189. This is due to the completion of Railroad Street capital improvements in the prior year.

REPORT LAYOUT

The Agency's annual financial report consists of several sections. Taken together they provide a comprehensive look at the Agency. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview, and economic factors affecting the Agency.

Basic Financial Statements. Includes statement of Net Assets, Statement of Activities, and Changes in Net Assets, fund financial statements, and notes to the financial statements. Statements of Net Assets and Activities focus on entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Agency.

The Statement of Assets focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the Agency owns, the liabilities it owns and the net difference. The net differences if further separated into amounts restricted for specific purposes and unrestricted amounts.

The Statement of Activities presents information showing how the Agency's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on Agency revenues and expenditures, the net of which equals change in net assets.

Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The Agency's General Fund is presented here along with budgetary comparisons.

The notes to the basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Agency's financial condition.

Other Supplementary Information. The report includes other financial information, comments, and disclosures from the independent certified public accountants, as required by Oregon Statutes.

AGENCY AS A WHOLE

Government-Wide Financial Statements

Statement of Net Position at June 30, 2019:

Table 1							
Net Position at Fiscal Year End							
Governmental Activities							
			2019		2018		
	Assets						
	Cash and investments	\$	734,449		\$	570,398	
	Other assets		<u>55,442</u>			<u>52,916</u>	
	Total Assets		<u>789,891</u>			<u>623,314</u>	
	Liabilities						
	Long-term liabilities		412,714			814,997	
	Other liabilities		<u>425</u>			<u>843</u>	
	Total Liabilities		<u>413,139</u>			<u>815,840</u>	
	Net Position:						
	Unrestricted	\$	<u>376,752</u>		\$	<u>(192,526)</u>	

As of June 30, 2019, the Agency had current liabilities of \$425, and long-term liabilities of \$412,714. Projects completed and assets purchased by the Agency become assets of the City; however, the debt remains with the Agency.

Governmental Activities

The Agency's net assets increased by \$569,278 from (\$192,526) to \$376,752 primarily due to the decrease in long term debt.

Statement of Activities for the Year Ended June 30, 2019:

Table 2							
Governmental Activities For Fiscal Year Ending							
			2019		2018		
REVENUES							
General revenues							
Taxes			\$ 604,147		\$ 582,721		
Investment earnings			<u>15,320</u>		<u>13,084</u>		
Total revenues			619,467		595,805		
EXPENSES							
Program			<u>50,189</u>		<u>278,392</u>		
Change in net position			569,278		317,413		
Beginning net position			<u>(192,526)</u>		<u>(509,939)</u>		
Ending net assets			<u>\$ 376,752</u>		<u>\$ (192,526)</u>		

Nearly all of the general revenue was tax increment funding. The remainder was from investment earnings.

Program expenses included \$32,151 for agency management and audit expense, and \$18,038 for interest on long term debt obligations.

BUDGETARY HIGHLIGHTS

One change was made from the original 2018-19 adopted General Fund budget, increasing capital outlay \$440,000 on the Railroad Street project.

DEBT ADMINISTRATION

As of June 30, 2019, the Agency had \$412,714 of outstanding debt compared to \$814,997 in the prior year. \$412,714 is due within one year. On July 22, 2008, the Agency sold \$3.4 million in bonds at 4.66% interest. The agency refinanced this debt in July 2013 at 2.53%, maturing June 2020.

			Table 3					
			Outstanding Debt at Fiscal Year End					
			2019		2018			
	Governmental							
	Tax Increment Bonds	\$	412,714		\$	814,997		

ECONOMIC FACTORS

Like all municipalities in Oregon, the Agency is operating under Measure 50, the tax limitation measure approved by voters on May 20, 1997. This measure rolled back assessed values to 1995-96 levels and effectively limited increased property tax revenues the City could anticipate in future years to a maximum of 3%, with permitted allowances for increasing valuations based on new construction and annexations. No substantive changes to the basic provisions of Measure 50 have been enacted during subsequent Oregon Legislative sessions.

As an urban renewal agency, the Agency receives tax increment revenues; calculated on the assessed value over the frozen base, which was set at the time the urban renewal district was formed. When the Agency completes projects, it is actually investing in itself; as the value of property increases in the district, the tax increment revenues increases.

REQUEST FOR INFORMATION

The Agency's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with the general overview of the Agency's finances and to demonstrate the Agency's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Janell K. Howard
City of Brookings
City Manager/Finance Director
898 Elk Drive
Brookings, OR 97415
(541) 469-2163
jhoward@brookings.or.us

Basic Financial Statements

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 734,449
Receivables	<u>55,442</u>
Total assets	<u>789,891</u>
LIABILITIES	
Accrued interest payable	425
Long-term obligations due within one year	<u>412,714</u>
Total liabilities	<u>413,139</u>
NET POSITION	
Unrestricted	<u><u>\$ 376,752</u></u>

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Statement of Activities
For the Year Ended June 30, 2019

	Governmental Activities
PROGRAM EXPENSES	
General government	\$ 32,151
Interest on long-term obligations	<u>18,038</u>
Total program expenses	<u>50,189</u>
GENERAL REVENUES	
Property taxes, levied for debt service	604,147
Unrestricted investment earnings	<u>15,320</u>
Total general revenues	<u>619,467</u>
Change in net position	569,278
NET POSITION (DEFICIT) - beginning	<u>(192,526)</u>
NET POSITION - ending	<u><u>\$ 376,752</u></u>

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Balance Sheet
Governmental Funds
June 30, 2019

	General	Debt Service	Totals
ASSETS			
Cash and investments	\$ 352,949	\$ 381,500	\$ 734,449
Receivables	55,442	-	55,442
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 408,391</u>	<u>\$ 381,500</u>	<u>\$ 789,891</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	47,143	-	47,143
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Restricted for			
Urban renewal projects	361,248	-	361,248
Debt service	-	381,500	381,500
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>361,248</u>	<u>381,500</u>	<u>742,748</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 408,391</u>	<u>\$ 381,500</u>	

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

Amounts reported for governmental activities in the statement net position are different because:

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(413,139)
Long-term assets which are not available for current-period expenditures are reported as unavailable revenue in the funds. However, such amounts are recognized as revenue in the government-wide financial statements.	<u>47,143</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 376,752</u></u>

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General	Debt Service	Totals
REVENUES			
Property taxes	\$ 604,776	\$ -	\$ 604,776
Interest	10,894	4,426	15,320
Total revenues	615,670	4,426	620,096
EXPENDITURES			
Current			
General government	32,152	-	32,152
Debt service	-	420,739	420,739
Total expenditures	32,152	420,739	452,891
Excess (deficiency) of revenues over expenditures	583,518	(416,313)	167,205
OTHER FINANCING SOURCES (USES)			
Transfer in	-	450,739	450,739
Transfer out	(450,739)	-	(450,739)
Total other financing sources (uses)	(450,739)	450,739	-
Net change in fund balances	132,779	34,426	167,205
Fund balances at beginning of year	228,469	347,074	575,543
Fund balances at end of year	\$ 361,248	\$ 381,500	\$ 742,748

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 167,205
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*Amounts reported for governmental activities in the statement of activities
are different because of the following:*

Revenues in the statement of activities that do not
provide current financial resources are not reported
as revenues in the funds as follows:

Taxes	(628)
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Repayment of long-term obligations principal is an expenditure
in the governmental funds, but the repayment reduces
long-term obligations in the statement of net position.

402,283

Interest accrued on long-term obligations is an expense
on the statement of activities; however, only amounts
actually paid are expenditures in the funds

<u>418</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 569,278</u></u>
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Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
General (Special Revenue) Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 586,211	\$ 586,211	\$ 604,776	\$ (18,565)
Interest	2,000	2,000	10,894	(8,894)
Total revenues	588,211	588,211	615,670	(27,459)
EXPENDITURES				
Materials and services	35,000	35,000	32,152	2,848
Capital outlay	842,472	1,282,472	-	1,282,472
Total expenditures	877,472	1,317,472	32,152	1,285,320
Excess (deficiency) of revenues over expenditures	(289,261)	(729,261)	583,518	(1,312,779)
OTHER FINANCING SOURCES (USES)				
Loan proceeds	650,000	1,000,000	-	1,000,000
Transfers out	(450,739)	(450,739)	(450,739)	-
Net change in fund balance	(90,000)	(180,000)	132,779	(312,778)
Fund balance at beginning of year	90,000	180,000	228,469	48,469
Fund balance at end of year	\$ -	\$ -	\$ 361,248	\$ 361,248

Note 1 – Summary of Significant Accounting Policies

Organization

The Brookings Urban Renewal Agency (the Agency), a component unit of the City of Brookings, was organized in July 2003 under ORS 457 and is a municipal corporation created by the City of Brookings to facilitate urban renewal within the boundaries of the City. The City Council serves as the governing body and is accountable for the fiscal matters of the Agency.

Urban renewal areas

Tax allocation bonds for urban renewal plan areas are authorized by state law to 1) eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas.

Projects are financed in urban renewal plan areas as follows:

- The Agency (City Council) selects an urban renewal plan area and defines its boundaries.
- The County Assessor "freezes" the assessed value of property within the urban renewal area. This is referred to as the "frozen" value.
- Any increase in assessed value above the frozen value is called the "incremental value." The tax revenue generated by the tax rate times the incremental value is provided for use in paying the principal and interest on any indebtedness incurred to finance Urban Renewal Projects.
- Urban Renewal Tax Increment revenues are used to repay the indebtedness of the Agency. The proceeds of the indebtedness finance the Agency's activities.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of \$15,825,000.

Basis of presentation, measurement focus, and basis of accounting

Government-wide financial statements – The statement of net position and the statement of activities display information about the Agency, including all of its financial activities. Governmental activities are financed primarily through property taxes and proceeds from borrowings.

The statement of activities presents a comparison between direct expenses and program revenues for the Agency's program. The Agency does not allocate indirect expenses. Program revenues include grants and contributions that are restricted to meeting operational requirements. Revenues that are not classified as program revenues, including property taxes, earnings on investments and the gain on sale of property, are presented as general revenues.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund financial statements – The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The General Fund accounts for general administration of the Agency's urban renewal areas, for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas.

The Debt Service Fund accounts for repayment of debt incurred by the Agency.

Measurement focus and 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. Nonexchange transactions, in which the Agency 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. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Agency considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent they have been incurred. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt are reported as other financing sources.

Net position classification

Government-wide statements – Equity is classified as net position and displayed in three components:

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 borrowings that are attributable to the acquisition, construction, or improvements of those assets.

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 and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Note 1 – Summary of Significant Accounting Policies (continued)

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government wide financial statements when both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Governmental fund type fund balance reporting – Governmental type fund balances are to be reported within the fund balance categories listed below:

Non-spendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the Agency. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the Administrative Services Director to assign fund balance amounts.

Unassigned – The residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balances in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Budget policies and budgetary control – Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

Note 1 – Summary of Significant Accounting Policies (continued)

The Agency begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The governing body adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally overexpended.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The governing body established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The governing body must authorize all appropriation transfers and supplementary budgetary appropriations.

Long-term obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 2 – Deposits and Investments

The Agency invests its cash in the City of Brookings, Oregon's cash and investment management pool, which is available for use by all City funds and is unrated. The cash and investment management pool has the general characteristic of a demand deposit account in that City funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. Interest earned from pooled investments is allocated to each fund based on each fund's portion of the total investment balance calculated on a daily basis.

State statutes authorize the County to invest in the State of Oregon Local Government Investment Pool. The LGIP operates in accordance with appropriate State laws. It is not practical to determine the investment risk, collateral, or insurance coverage for the Agency's share of these pooled investments.

Note 2 – Deposits and Investments (continued)

Information about the pooled investments, including investment risk, collateral, and insurance coverage, is included in the City's annual financial report and may be obtained by contacting the City's Finance Department at 898 Elk Drive, Brookings, Oregon 97415.

Note 3 – Receivables

The Agency's receivables at June 30, 2019 are shown below:

Property taxes \$55,442

Collection procedures – Taxes are levied on July 1 and are payable in three installments due November 15, February 15, and May 5. Curry County bills and collects property taxes for the Agency.

Ensuing year's levy – The Agency will levy 100 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term obligations principal and interest without making a special levy.

The tax rate limit of \$10 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect this levy.

Note 4 – Unavailable Revenue

Resources owned by the Agency, which are measurable, but not available, and therefore, unavailable in the funds, consist of the following at June 30, 2019:

Property taxes \$47,143

Note 5 – Long-Term Obligations

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

	Outstanding June 30, 2018	Additions	Reductions	Outstanding June 30, 2019	Balances Due Within One Year
Long-term debt obligations					
Loans					
Umpqua Bank	<u>\$ 814,997</u>	<u>\$ -</u>	<u>\$ 402,283</u>	<u>\$ 412,714</u>	<u>\$ 412,714</u>

Note 5 – Long-Term Obligations (continued)**Governmental activities long-term debt obligations**

Umpqua Bank – The Agency borrowed \$2,685,000 to pay off the Urban Renewal Bonds previously issued. Semi-annual payments of \$210,370 include interest at 2.58 percent.

Future matures of long-term obligations are as follows:

<u>Fiscal Year</u>	<u>Umpqua Bank</u>	
	<u>Principal</u>	<u>Interest</u>
2020	<u>\$ 412,714</u>	<u>\$ 8,025</u>
	<u><u>\$ 412,714</u></u>	<u><u>\$ 8,025</u></u>

Note 6 – Tax Abatements

The Agency has entered into no tax abatement programs. There are no tax abatement programs entered into by another government reducing the Agency's property tax revenues for the year ended June 30, 2019.

Supplemental Information

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Debt Service Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
For the Year Ended June 30, 2019

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 4,426	\$ 4,426
EXPENDITURES				
Debt service	450,739	450,739	420,739	30,000
Contingency	300,000	300,000	-	300,000
Total expenditures	750,739	750,739	420,739	330,000
Excess (deficiency) of revenues over expenditures	(750,739)	(750,739)	(416,313)	334,426
OTHER FINANCING SOURCES (USES)				
Transfers in	450,739	450,739	450,739	-
Net change in fund balance	(300,000)	(300,000)	34,426	334,426
Fund balance at beginning of year	300,000	300,000	347,074	47,074
Fund balance at end of year	\$ -	\$ -	\$ 381,500	\$ 381,500

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Schedule of Property Tax Transactions
For the Year Ended June 30, 2019

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2018</u>	<u>Current Levy</u>	<u>Discounts and Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2019</u>
2018-19		\$ 622,808	\$ (15,528)	\$ (587,933)	\$ 19,347
2017-18	\$ 21,625	-	1,174	(11,294)	11,505
2016-17	10,377	-	987	(4,340)	7,024
2015-16	6,302	-	1,203	(3,787)	3,718
2014-15	3,568	-	471	(1,320)	2,719
2013-14	2,759	-	60	(145)	2,674
2012-13	2,418	-	59	(128)	2,349
Prior years	5,866	-	298	(58)	6,106
	<u>\$ 52,915</u>	<u>\$ 622,808</u>	<u>\$ (11,276)</u>	<u>\$ (609,005)</u>	<u>\$ 55,442</u>

**Management Representation of Fiscal Affairs
Required by Oregon State Regulations**



City of Brookings

898 Elk Drive, Brookings, OR 97415

(541) 469-2163 Fax (541) 469-3650

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November 25, 2019

Management Representation of Fiscal Affairs

Required by Oregon Regulation

The Brookings Urban Renewal Agency (the Agency), a component unit of the City of Brookings, Oregon is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, division 40) including, but not limited to:

- (a) Deposits of public funds with financial institutions (ORS Chapter 295).
- (b) Indebtedness limitations, restrictions, and repayment.
- (c) Budgets legally required (ORS Chapter 294).
- (d) Insurance and fidelity bonds in force or required by law.
- (e) Programs funded from outside sources.
- (f) Highway revenues used for public highways and roads (ORS Chapters 294, 368 & 373).
- (g) Authorized investment of surplus funds (ORS Chapter 294).
- (h) Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of the Agency is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.


Janell K. Howard
City Manager


Anella L. Ehlers
Deputy Finance Director