

City of Brookings

MEETING AGENDA

CITY COUNCIL

Monday, December 9, 2024, 7:00pm

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

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Oral Requests and Communications from the audience

(*Public Comments on non-agenda items – five (5) minute limit per person, please submit Public Comment Form in advance)

E. Consent Calendar

1. Approve Council minutes for November 25, 2024 [Pg. 1]
2. Approve Council minutes for December 2, 2024 [Pg. 3]
3. Accept Planning Commission minutes for November 5, 2024 [Pg. 4]
4. Approve Liquor License for new ownership – Black Trumpet [Pg. 6]

F. Staff Reports/Public Hearings/Ordinances/Resolutions/Final Orders

1. Audit Report for the fiscal year ended June 30, 2024 [Pg. 10]
 - a. June 30, 2024 Audit [Pg. 11]
2. Psilocybin Ordinance [Pg. 117]
 - a. Ordinance 24-O-815 [Pg. 118]

G. Informational Non-Action Items

1. November 2024 Vouchers [Pg. 119]

H. Remarks from Mayor, Councilors and City Manager

I. Adjournment

URBAN RENEWAL AGENCY

A. Call to Order

C. Roll Call

D. Consent Calendar

1. Approve Urban Renewal meeting Minutes for August 26, 2024 [Pg. 122]

E. Staff Reports

1. Audit Report for the fiscal year ended June 30, 2024 [Pg. 123]
 - a. June 30, 2024 Audit [Pg. 124]

F. Agency Remarks

G. Adjournment

*Public Comment forms and the agenda packet are available on-line at www.brookings.or.us, and at Brookings City Hall. Return completed Public Comment forms to the City Recorder before the start of the 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 541-469-1102 if you have any questions regarding this notice. You can view City Council meetings LIVE on television on Charter PEG Channel 181, or stream/view on the City's YouTube Channel: <https://www.youtube.com/@cityofbrookingsoregon8039> clicking on "Live" or search 'City of Brookings Oregon YouTube' in your browser.

City of Brookings
CITY COUNCIL MEETING MINUTES
City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415
Monday, November 25, 2024

Call to Order

Mayor Isaac Hodges called the meeting to order at 7:01 PM

Roll Call

Council Present: Mayor Isaac Hodges, Councilors Andy Martin, Kristi Fulton, Phoebe Pereda, and Clayton Malmberg; a quorum present

Staff present: City Manager Tim Rundel, Public Works and Development Services Director Tony Baron, City Recorder Brooklyn Osterhage

Media Present: None

Others Present: 2 audience members

Ceremonies/Appointments/Announcements

1. Fire Chief Jim Watson announced his resignation, after 33 years at the City with fifteen years as a volunteer and eighteen years as a career firefighter.

Council thanked Fire Chief Watson for his services.

Scheduled Public Appearances

1. None

Oral Requests and Communications from the Audience

1. None

Consent Calendar

1. Approve Council minutes for November 12, 2024
2. Receive monthly financial report for October 2024
3. Cancel December 23, 2024 meeting

Councilor Pereda moved, Councilor Malmberg seconded, and Council voted unanimously to approve the Consent Calendar.

Staff Reports and Public Hearings

1. South Coast Community Aquatics (SCCA) – Season Extension

Staff Report provided by Tony Baron.

Val Early, Dan Brattain and Siena Worthey provided an update on the proposed SCCA winter season.

Councilor Fulton moved, Mayor Hodges seconded, and Council voted unanimously to authorize South Coast Community Aquatics to extend the 2024 Brookings Municipal Pool season from December 1, 2024 to February 28, 2025.

2. Award System Development Charges Study

Staff Report provided by Tony Baron

Councilor Martin moved, Councilor Malmberg seconded, and Council voted unanimously to authorize the City Manager to execute a contract with Donovan Enterprises, Inc in the amount of \$31,450 to perform a technical analysis of the City's System Development Charges.

3. Repeal Benevolent Meal Service Ordinance

The public hearing regarding Ordinance 24-O-814, amending subsections of Brookings Municipal Code Chapter 17 Land Development Code repealing Ordinance Numbers 21-O-795 & 23-O-809 was opened at 7:27 pm.

Hearing no comments, the public hearing closed at 7:28 pm.

Councilor Malmberg moved, Councilor Pereda seconded, and Council voted unanimously to read Ordinance 24-O-814 for the first time by title only.

Ordinance 24-O-814 was read by title only.

Councilor Pereda moved, Councilor Fulton seconded, and Council voted unanimously to read Ordinance 24-O-814 for the second time by title only.

Ordinance 24-O-814 was read by title only.

Councilor Pereda moved, Councilor Martin seconded, and Council voted unanimously to adopt Ordinance 24-O-814.

Remarks from Mayor and Councilors

City Recorder Rundel mentioned that the City has been awarded a grant through the Oregon Department of Transportation's Carbon Reduction Program which will provide funding for the purchase of two new Ford Lightning Electric Trucks and the installation of a Level 2 charging station.

Adjournment

Mayor Isaac Hodges adjourned the meeting at 7:36 PM.

Respectfully submitted:

ATTESTED:

this 9th day of December, 2024:

Isaac Hodges, Mayor

Brooklyn Osterhage, City Recorder

City of Brookings
SPECIAL CITY COUNCIL MEETING MINUTES
City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415
Monday, December 2, 2024

Call to Order

Mayor Isaac Hodges called the meeting to order at 5:04 PM

Roll Call

Council Present: Mayor Isaac Hodges, Councilors Andy Martin, Kristi Fulton, Phoebe Pereda, and Clayton Malmberg; a quorum present

Staff present: City Manager Tim Rundel, Public Works and Development Services Director Tony Baron, City Recorder Brooklyn Osterhage

Media Present: None

Others Present: 2 audience members

Staff Reports

1. Certification of November 5, 2024 Election Abstract

Councilor Pereda requested that the Abstract of Votes be made part of the public record.

Councilor Martin moved, Councilor Fulton seconded, and Council voted unanimously to adopt Resolution 24-R-1267 authorizing accepting the Abstract of Votes regarding the ballots cast in the State of Oregon General Election held Tuesday, November 5, 2024; and directing the City Recorder to issue Certificates of Election.

Adjournment

Mayor Isaac Hodges adjourned the meeting at 5:08 PM.

Respectfully submitted:

ATTESTED:

this 9th day of December, 2024:

Isaac Hodges, Mayor

Brooklyn Osterhage, City Recorder

BROOKINGS PLANNING COMMISSION MINUTES
November 5, 2024

CALL TO ORDER

The regular meeting of the Brookings Planning Commission was called to order by Chair Watwood at 7:00 pm in the Council Chambers at Brookings City Hall followed by the Pledge of Allegiance.

ROLL CALL

Commissioners Present: Anthony Bond, Gerry Wulkowicz, Nicholas Chapman, Sage Bruce, Chair Skip Watwood

Commissioners Absent: Blake Peters

Staff Present: PWDS Director Tony Baron, PWDS Deputy Director Lauri Ziemer, PWDS Administrative Assistant Michelle Robidoux

Others Present: 4 audience members

PLANNING COMMISSION CHAIR PERSON ANNOUNCEMENTS - None

PUBLIC HEARINGS

- 4.1 In the matter of File No. CUP-9-24, a request for approval of a Conditional Use Permit to operate a Short Term Rental facility at 17334 W Blueberry Drive; Assessors Map & Tax Lot No. 4014-25CC-02404

Chair Watwood declared that he is a realtor and he represented the applicant in the purchase of the property located at 17334 W Blueberry Drive and he would be impartial. There was no other ex parte contact, bias, personal interest, or conflicts of interest declared and no objection to the jurisdiction of the Planning Commission to hear the matter. The public hearing was opened at 7:05 pm. PWDS Deputy Director Lauri Ziemer reviewed the staff report.

The applicant, Patricia Mae Walker, was present to answer any questions. No members of the public spoke in opposition and no participant requested additional time to submit materials. Public hearing was closed at 7:09 pm.

The Commission deliberated on the matter. **Motion made by Commissioner Wulkowicz to approve File No. CUP-9-24 a request for a Conditional Use Permit to operate a short term rental at 17334 W Blueberry Drive based on the findings and conclusions stated in the staff report and subject to the Conditions of Approval; motion seconded and with no further discussion by a 5-0 vote the motion carried.**

Motion made by Commissioner Bruce to approve the Final Order regarding file CUP-9-24, based on the findings and conclusions stated in the staff report and subject to the Conditions of Approval; motion seconded and with no further discussion by a 5-0 vote the motion carried.

- 4.2 In the matter of the File No. VAR-1-24, a request for approval of a variance to allow for a ten foot setback on the rear of the property located at 6877 Pacific Terrace Drive Assessor's Map & Tax Lot No. 4013-32CC-01533

There was no ex parte contact, bias, personal interest, or conflicts of interest declared and no objection to the jurisdiction of the Planning Commission to hear the matter. The public hearing was opened at 7:11 pm. PWDS Director Tony Baron reviewed the staff report.

The applicants, William and Alberta Ehorn, were present to answer any questions. No members of the public spoke in opposition and no participant requested additional time to submit materials. Public hearing was closed at 7:16 pm.

The Commission deliberated on the matter. **Motion made by Commissioner Bruce to approve File No. VAR-1-24, a request for a variance at 6877 Pacific Terrace to reduce the rear yard setback from the required 20 feet to 10 feet, based on the findings and conclusions stated in the staff report and subject to the conditions of approval; motion seconded and with no further discussion by a 5-0 vote the motion carried.**

Motion made by Commissioner Wulkowicz to approve the Final Order regarding file VAR-1-24, based on the findings and conclusions stated in the staff report and subject to the Conditions of Approval; motion seconded and with no further discussion by a 5-0 vote the motion carried.

- 4.3 In the matter of File No. M3-1-24, a request for a partition to divide a 1.69 acre parcel into three (3) parcels; located at 96633 West Harris Heights Road; Assessor's Map & Tax Lot No. 4014-36A-10100

There was no ex parte contact, bias, personal interest, or conflicts of interest declared and no objection to the jurisdiction of the Planning Commission to hear the matter. The public hearing was opened at 7:19 pm. PWDS Director Tony Baron reviewed the staff report.

The applicant Larry Hedberg Trustee of the Edna P Hedberg Trust was present by phone and the applicant's representative Shala M. Kudlac, Attorney at Law, was present to answer any questions. No members of the public spoke in opposition and no participant requested additional time to submit materials. Public hearing was closed at 7:41 pm.

The Commission deliberated on the matter. **Motion made by Commissioner Wulkowicz to approve File No. M3-1-24 a request for a Minor Partition to create three parcels at 96633 West Harris Heights Road, based on the findings and conclusions stated in the staff report subject to the conditions of approval including deletion of exhibits 4 & 5 from the record; motion seconded and with no further discussion by a 5-0 vote the motion carried.**

Motion made by Commissioner Bruce to approve the Final Order regarding file M3-1-24, based on the findings and conclusions stated in the staff report and subject to the conditions of approval; motion seconded and with no further discussion by a 5-0 vote the motion carried.

- 4.4 In the matter of File LDC-1-24, city initiated, revisions to the Brookings Municipal Code, Title 17 Land Development Code amending Chapters 17.20.040(V), 17.24.040(V), 17.28.040(T) and Chapter 17.124.050 Benevolent Meal Service

There was no ex parte contact, bias, personal interest, or conflicts of interest declared and no objection to the jurisdiction of the Planning Commission to hear the matter. The public hearing was opened at 7:43 pm. PWDS Director Tony Baron reviewed the staff report.

Public hearing was closed at 7:45 pm.

The Commission deliberated on the matter. **Motion made by Commissioner Bruce that Planning Commission recommend to City Council approval of File No. LDC-1-24 repealing Brookings Municipal Code, Title 17 Land Development Code amending Chapters 17.20.040(V), 17.24.040(V), 17.28.040(T) and Chapter 17.124.050 Benevolent Meal Service, based on the staff recommendation, motion seconded and with no further discussion, by a 4-1 vote, with Commissioner Bond voting nay, the motion carried.**

MINUTES FOR APPROVAL

- 5.1 Minutes of regular Planning Commission meeting of July 2, 2024.

Motion made by Commissioner Bruce to approve the Planning Commission minutes of July 2, 2024; motion seconded and with no further discussion by a 5-0 vote the motion carried.

UNSCHEDULED PUBLIC APPEARANCES - None

REPORT FROM THE PLANNING STAFF - None

COMMISSION FINAL COMMENTS - None

ADJOURNMENT

Chair Watwood adjourned the meeting at 7:49 pm.

Respectfully submitted,



Skip Watwood, Brookings Planning Commission Chair
Approved at the December 3, 2024 meeting

CITY OF BROOKINGS POLICE DEPARTMENT

Kelby McCrae, Chief of Police



To: Brookings City Council through City Manager Tim Rundel
From: Lieutenant Donny Dotson
Date: 11/21/2024
Subject: Liquor License Application

The Brookings Police Department found no **local** disqualifying information prohibiting **Nicolas Kidwell** with the attached **Change of Ownership** liquor license application. The business "**Black Trumpet Bistro**" is located at 625 Chetco Avenue, Brookings, Oregon. It is the recommendation of the Brookings Police Department the above mentioned applicants be granted their request with final approval coming from the **Oregon Liquor Control Commission**.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Donny Dotson", is written over a horizontal line.

Lieutenant Donny Dotson
Brookings Police Department





OREGON LIQUOR & CANNABIS COMMISSION
Local Government Recommendation – Liquor License

Annual Liquor License Types

Off-Premises Sales	Brewery-Public House
Limited On-Premises Sales	Brewery
Full On-Premises, Caterer	Distillery
Full On-Premises, Commercial	Grower Sales Privilege
Full On-Premises, For Profit Private Club	Winery
Full On-Premises, Non Profit Private Club	Wholesale Malt Beverage & Wine
Full On-Premises, Other Public Location	Warehouse
Full On-Premises, Public Passenger Carrier	

Section 1 – Submission – To be completed by Applicant:

License Information

Legal Entity/Individual Applicant Name(s): M & M United Inc, DBA Black Trumpet Bistro, Nicolas Kidwell

Proposed Trade Name: Black Trumpet Bistro

Premises Address: 625 Chetco Ave

Unit: 220

City: Brookings

County: Curry

Zip: 97415

Application Type: ☐ New License Application ☒ Change of Ownership ☐ Change of Location

License Type: Full On-Premises Sales - Commercial ☐ Additional Location for an Existing License

Application Contact Information

Contact Name: Nicolas Kidwell

Phone: [REDACTED]

Mailing Address: PO Box #7863 Brookings OR 97415

City: Brookings

State: OR

Zip: 97415

Email Address: [REDACTED]

Business Details

Please check all that apply to your proposed business operations at this location:

- ☐ Manufacturing/Production
☐ Retail Off-Premises Sales
☐ Retail On-Premises Sales & Consumption

If there will be On-Premises Consumption at this location:

- ☒ Indoor Consumption ☒ Outdoor Consumption
☐ Proposing to Allow Minors

Section 1 continued on next page



Local Government Recommendation – Liquor License

Section 1 Continued – Submission - To be completed by Applicant:

Legal Entity/Individual Applicant Name(s): M & M United Inc, DBA Black Trumpet Bistro, Nicolas Kidwell

Proposed Trade Name: Black Trumpet Bistro

IMPORTANT: You MUST submit this form to the local government PRIOR to submitting to OLCC.
Section 2 must be completed **by the local government** for this form to be accepted
with your CAMP application.

Section 2 – Acceptance - To be completed by Local Government:

Local Government Recommendation Proof of Acceptance

After accepting this form, please return a copy to the applicant with received and accepted information

City or County Name: Brookings

Optional Date Received Stamp

Date Application Received: 11-21-2024

Received by: Kim Kennedy

Section 3 – Recommendation - To be completed by Local Government:

- ☐ Recommend this license be granted
- ☐ Recommend this license be denied (Please include documentation that meets [OAR 845-005-0308](#))
- ☐ No Recommendation/Neutral

Name of Reviewing Official:

Title:

Date:

Signature:

After providing your recommendation and signature, please return this form to the applicant.



Local Government Recommendation – Liquor License

Per OAR 845-005-0304(3): The Commission requires an applicant for issuance of a new license issued under ORS chapter 471, to provide written notice of the application to the local government in the form of a complete, accurate, and legible Commission form.

The local government is as follows:

- (a) If the address of the premises proposed to be licensed is within a city's limits, the local government is the city.
- (b) If the address of the premises proposed to be licensed is not within a city's limits, the local government is the county.

INSTRUCTIONS:

Step 1: Applicant completes all of Section 1 (including top of Page 2).

Step 2: Applicant submits both pages of the form to the appropriate local government. NOTE: The local government may require additional forms and/or fees.

Step 3: Local government completes at least Section 2 and returns all pages of the form, or a copy thereof, to the applicant. The local government is allowed up to 45 days to complete Section 3.

Step 4: Applicant takes the form with at least Sections 1 and 2 completed and includes it with their CAMP application to meet the Local Government Recommendation document requirement. Submissions that do not have at least Sections 1 and 2 completed will not be accepted.

Step 5: The local government issues its final recommendation in Section 3 and returns the completed form to the applicant. If the applicant has already submitted their initial application via CAMP, they hold on to the final recommendation and provide it to their investigator, when requested. If they have not already submitted their application, they upload the fully completed Local Government Recommendation form with their initial application submission.

Applicants within the city of Portland ONLY: After completing the attached form, please follow these steps to complete the Local Government Recommendation process:

- Apply via the [City of Portland website](#).
- Once you have completed the application with the City of Portland, you will receive an email notifying you that your application has been accepted, usually within two business days. The email will contain an attachment titled "ABC Public Notice."
- Upload the ABC Public Notice document with your CAMP application to meet the Local Government Recommendation document requirement.

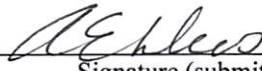
NOTE: This document only provides proof of submission. Once you receive your final recommendation from the City of Portland, you will need to provide that to your assigned OLCC investigator.

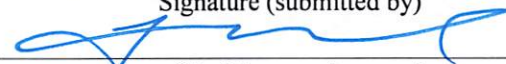
CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 9, 2024

Originating Dept: Finance & Admin



Signature (submitted by)


City Manager Approval

Subject:

Audit Report for the fiscal year ended June 30, 2024

Recommended Motion:

Motion to accept the City's Audit for the fiscal year ended June 30, 2024.

Financial Impact:

None.

Background/Discussion:

Moss Adams LLP completed the City's audit for the fiscal year ending June 30, 2024. A 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 is in the Mayor's and Councilors' boxes, and a copy will be available for viewing at City Hall.

The City received an unmodified opinion on the June 30, 2024 audit; which means that the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Attachment:

June 30, 2024 Audit

CITY OF BROOKINGS



Brookings, Oregon ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2024

City of Brookings
Officers and Members of the Governing Body
For the Year Ended June 30, 2024

CITY MANAGER

Tim Rundel

FINANCE DIRECTOR

Anella Ehlers

MAYOR

Isaac Hodges

CITY COUNCIL

Clayton Malmberg

Phoebe Pereda

Andy Martin

Kristi Fulton

City Council can receive mail at the City Address

CITY ADDRESS

898 Elk Drive
Brookings, OR 97415

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Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, budgetary statements for the general fund, urban renewal special revenue fund and airport special revenue fund, and the aggregate remaining fund information of City of Brookings, Oregon (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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's as of June 30, 2024, and the respective changes in financial position, respective budgetary statements for the general fund, urban renewal special revenue fund and airport special revenue 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note I.P to the financial statements, in 2024, the City adopted new accounting guidance Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of pension contributions, schedule of the proportionate share of the net OPEB liability (asset), and the schedule of OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management

about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

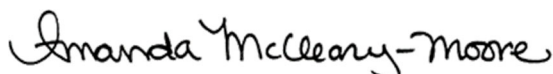
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund statements and the schedules, and are presented for purposes of additional analysis and are not a required 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 basic financial statements. The 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 statements and the schedules, and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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 21, 2024, 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 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations. 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.



Amanda McCleary-Moore, Partner for
Moss Adams LLP
Medford, Oregon
November 21, 2024



City of Brookings

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2024

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, 2024, by \$70 million. Of this amount, \$7.2 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3.8 million during the fiscal year due to an increase in net capital assets, cash and investments.
- The General Fund's fund balance is approximately \$2.3 million at the end of the fiscal year, or 37 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.

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 custodial 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 position, statement of revenues, expenses and changes in net position 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.

Net Position at Fiscal Year End						
(in thousands)						
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets						
Cash and investments	\$ 10,014	\$ 8,532	\$ 4,514	\$ 8,674	\$ 14,528	\$ 17,206
Capital assets, net	39,105	37,607	19,333	19,013	58,438	56,620
Other assets	1,516	1,765	5,821	815	7,337	2,580
Total assets	<u>50,635</u>	<u>47,904</u>	<u>29,668</u>	<u>28,502</u>	<u>80,303</u>	<u>76,406</u>
Deferred Outflows						
Pension and OPEB items	<u>2,354</u>	<u>2,061</u>	<u>523</u>	<u>496</u>	<u>2,877</u>	<u>2,557</u>
Liabilities						
Long-term liabilities	5,609	4,380	4,587	4,587	10,196	8,967
Other liabilities	<u>1,070</u>	<u>736</u>	<u>1,036</u>	<u>1,052</u>	<u>2,106</u>	<u>1,788</u>
Total liabilities	<u>6,679</u>	<u>5,116</u>	<u>5,623</u>	<u>5,639</u>	<u>12,302</u>	<u>10,755</u>
Deferred Inflows						
Leases	42	51	-	-	42	51
Pension and OPEB items	<u>614</u>	<u>1,540</u>	<u>136</u>	<u>370</u>	<u>750</u>	<u>1,910</u>
Deferred inflows	<u>656</u>	<u>1,591</u>	<u>136</u>	<u>370</u>	<u>792</u>	<u>1,961</u>
Net Position						
Net Investment in capital assets	38,420	36,661	15,471	14,901	53,891	51,562
Restricted	3,901	3,766	5,119	4,502	9,020	8,268
Unrestricted	<u>3,333</u>	<u>2,831</u>	<u>3,841</u>	<u>3,585</u>	<u>7,174</u>	<u>6,416</u>
Total net position	<u>\$ 45,654</u>	<u>\$ 43,258</u>	<u>\$ 24,431</u>	<u>\$ 22,988</u>	<u>\$ 70,085</u>	<u>\$ 66,246</u>

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 and deferred inflows of resources by \$70 million as of June 30, 2024.

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 \$53.9 million at June 30, 2024.

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, 2024 was \$10 million. The remaining balance of unrestricted net position, \$7.2 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 business-type activities.

Statement of Activities For Fiscal Year Ending
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program revenues						
Charges for services	\$ 1,797	\$ 2,040	\$ 5,448	\$ 5,170	\$ 7,245	\$ 7,210
Grants and contributions	1,328	1,441	531	913	1,859	2,354
General revenues						
Taxes	5,875	4,804	-	-	5,875	4,804
Other	1,649	1,475	589	265	2,238	1,740
Total revenues	10,649	9,760	6,568	6,348	17,217	16,108
EXPENSES						
Governmental activities	8,706	7,753	4,672	-	13,378	7,753
Business-type activities	-	-	-	4,351	-	4,351
Total expenses	8,706	7,753	4,672	4,351	13,378	12,104
Net (expense) revenue	1,943	2,007	1,896	1,997	3,839	4,004
Gain on sale of capital assets	-	-	-	-	-	-
Transfers	453	450	(453)	(450)	-	-
Change in net position	2,396	2,457	1,443	1,547	3,839	4,004
Beginning net position	43,258	40,801	22,988	21,441	66,246	62,242
Ending net position	\$ 45,654	\$ 43,258	\$ 24,431	\$ 22,988	\$ 70,085	\$ 66,246

Governmental Activities. Governmental activities increased the City's net position by \$2.4 million primarily due to increase in tax revenue increase of \$1.1 million, which is property taxes from the General Fund. In total, expenses increased by approximately \$953,000 compared to the prior year.

Business-type Activities. Business-type activities increased the City's net position by \$1.4 million. Charges for services increased by approximately \$278,000 and grants and contributions decreased by approximately \$382,000. Expenditures increased approximately \$321,000 primarily due to increased costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's General Fund appropriations increased by approximately \$829,000 to \$7.6 million. The General Fund revenues were \$443,000 more than the budget. Actual expenditures within the General Fund were 83 percent of the final budget. The overall increase in the fund balance was \$115,000 due to revenues being slightly higher than expenditures and transfers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2024, the City has invested \$58.5 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.

Capital Assets at Fiscal Year-End
(Net of Depreciation and Amortization)
(in millions)

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land and non-depreciable assets	\$ 16.3	\$ 16.3	\$ 0.6	\$ 0.6	\$ 16.9	\$ 16.9
Building and improvements	6.4	5.9	2.5	2.7	8.9	8.6
Vehicles and equipment	1.1	0.7	1.4	1.4	2.5	2.1
Infrastructure	13.7	13.9	12.9	12.6	26.6	26.5
Construction in progress	1.6	0.8	2.0	1.8	3.6	2.6
	<u>1.6</u>	<u>0.8</u>	<u>2.0</u>	<u>1.8</u>	<u>3.6</u>	<u>2.6</u>
Total	<u>\$ 39.1</u>	<u>\$ 37.6</u>	<u>\$ 19.4</u>	<u>\$ 19.1</u>	<u>\$ 58.5</u>	<u>\$ 56.7</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)

	Governmental Activities	Business-Type Activities	Totals
Beginning balance	\$ 37.6	\$ 19.1	\$ 56.7
Additions	3.4	3.0	6.4
Retirement	(0.7)	(1.3)	(2.0)
Depreciation	<u>(1.2)</u>	<u>(1.4)</u>	<u>(2.6)</u>
Ending balance	<u>\$ 39.1</u>	<u>\$ 19.4</u>	<u>\$ 58.5</u>

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 Note 4 of the notes to the financial statements.

Debt Outstanding. As of year end, the City had \$4.84 million in debt outstanding compared to \$5.4 million last year. \$1 million is due within one year.

Outstanding Debt at Fiscal Year End
(in millions)

	2024	2023
Governmental		
Loan payable	\$ 0.65	\$ 0.85
Lease liability	0.03	0.05
Compensated absences	0.30	0.36
Sub-total	0.98	1.26
Business-type		
Loan payable - bank	3.82	4.10
Compensated absences	0.04	0.03
Sub-total	3.86	4.13
Total	<u>\$ 4.84</u>	<u>\$ 5.39</u>

For more detailed information on the City's debt and amortization terms, refer to Note 7 of the notes to the financial statements.

ECONOMIC FACTORS

Like all cities in Oregon, the City continues to operate 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.

The City's business-type activities are funded by utility charges for water and sewer services. Revenue increases are needed to make the debt service payments on the City's revenue secured loans which are used to upgrade and expand infrastructure. The financial methodology is to be proactive instead of reactionary for vital capital improvement projects. Additional revenue from rate increases is used to cover operating and maintenance costs. 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:

Anella Ehlers
Finance Director
City of Brookings
898 Elk Drive
Brookings, Oregon 97415
lehlers@brookings.or.us.

City of Brookings
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 10,013,509	\$ 4,514,389	\$ 14,527,898
Cash and investments, restricted	-	4,905,307	4,905,307
Receivables, net	1,124,570	545,703	1,670,273
Prepays	350,546	-	350,546
Inventory	-	361,245	361,245
Net OPEB asset	41,109	8,178	49,287
Capital assets, not being depreciated or amortized			
Land	2,925,998	551,507	3,477,505
Construction in progress	1,580,091	2,024,951	3,605,042
Right of way	13,360,659	-	13,360,659
Capital assets being depreciated, net	21,238,183	16,756,856	37,995,039
Total assets	50,634,665	29,668,136	80,302,801
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	2,354,043	522,549	2,876,592
OPEB related items	120	22	142
Total deferred outflows of resources	2,354,163	522,571	2,876,734
LIABILITIES			
Accounts payable and accrued liabilities	532,980	306,000	838,980
Accrued interest payable	9,868	64,244	74,112
Deposits	51,325	222,125	273,450
Noncurrent liabilities			
Due within one year	475,784	443,204	918,988
Due in more than one year	522,750	3,458,431	3,981,181
Net pension liability	5,086,173	1,129,025	6,215,198
Total liabilities	6,678,880	5,623,029	12,301,909
DEFERRED INFLOWS OF RESOURCES			
Leases	42,075	-	42,075
Pension related items	610,053	135,420	745,473
OPEB related items	4,214	838	5,052
Total deferred inflows of resources	656,342	136,258	792,600
NET POSITION			
Net investment in capital assets	38,419,806	15,471,232	53,891,038
Restricted for			
Highways and streets	477,598	-	477,598
Capital projects	2,419,107	5,118,787	7,537,894
Debt service	511,500	-	511,500
Other purposes	492,479	-	492,479
Unrestricted	3,333,116	3,841,401	7,174,517
Total net position	\$ 45,653,606	\$ 24,431,420	\$ 70,085,026

See accompanying notes.

City of Brookings
Statement of Activities
For the Year Ended June 30, 2024

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	\$ 2,952,857	\$ 1,090,978	\$ 397,687	\$ -	\$ (1,464,192)		\$ (1,464,192)
Public safety	4,203,075	422,098	327,989	-	(3,452,988)		(3,452,988)
Highways and streets	743,629	269,309	552,944	-	78,624		78,624
Culture and recreation	795,158	14,962	49,114	-	(731,082)		(731,082)
Interest on long-term liabilities	11,291	-	-	-	(11,291)		(11,291)
Total governmental activities	8,706,010	1,797,347	1,327,734	-	(5,580,929)		(5,580,929)
BUSINESS-TYPE ACTIVITIES:							
Water	1,870,188	1,993,131	-	204,866		\$ 327,809	327,809
Wastewater	2,801,713	3,454,438	-	326,294		979,019	979,019
Total business-type activities	4,671,901	5,447,569	-	531,160		1,306,828	1,306,828
Total	\$ 13,377,911	\$ 7,244,916	\$ 1,327,734	\$ 531,160	(5,580,929)	1,306,828	(4,274,101)
General revenues							
Taxes levied for general purposes					4,226,110	-	4,226,110
Miscellaneous taxes					797,715	-	797,715
Franchise fees					851,181	-	851,181
Grants and contributions not restricted to specific programs					974,426	-	974,426
Unrestricted investment earnings					410,068	505,986	916,054
Miscellaneous					263,913	84,098	348,011
Transfers					453,446	(453,446)	-
Total general revenues and transfers					7,976,859	136,638	8,113,497
Change in net position					2,395,930	1,443,466	3,839,396
Net position - beginning					43,257,676	22,987,954	66,245,630
Net position - ending					\$ 45,653,606	\$ 24,431,420	\$ 70,085,026

See accompanying notes.

**City of Brookings
Balance Sheet
Governmental Funds
June 30, 2024**

	Special revenue funds			Capital project fund	Total	Total
	General	Urban Renewal	Airport	Capital Projects Reserve	Nonmajor Funds	Government Funds
ASSETS						
Cash and investments	\$ 1,864,496	\$ 1,206,775	\$ -	\$ 2,274,317	\$ 4,667,921	\$ 10,013,509
Receivables	408,257	37,709	491,303	-	187,301	1,124,570
Prepays	29,546	-	-	-	321,000	350,546
Due from other funds	266,849	-	-	-	-	266,849
Total assets	<u>\$ 2,569,148</u>	<u>\$ 1,244,484</u>	<u>\$ 491,303</u>	<u>\$ 2,274,317</u>	<u>\$ 5,176,222</u>	<u>\$ 11,755,474</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 68,735	\$ 9,410	\$ 13,415	\$ 409,323	\$ 31,221	\$ 532,104
Payroll and related liabilities	876	-	-	-	-	876
Due to other funds	-	-	266,849	-	-	266,849
Consumer deposits	51,150	-	175	-	-	51,325
Total liabilities	<u>120,761</u>	<u>9,410</u>	<u>280,439</u>	<u>409,323</u>	<u>31,221</u>	<u>851,154</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	42,075	-	-	42,075
Unavailable revenue	138,066	31,161	436,178	-	3,346	608,751
Total deferred inflows of resources	<u>138,066</u>	<u>31,161</u>	<u>478,253</u>	<u>-</u>	<u>3,346</u>	<u>650,826</u>
FUND BALANCES						
Nonspendable	29,546	-	-	-	321,000	350,546
Restricted for						
Highways and streets	-	-	-	-	477,598	477,598
Urban renewal projects	-	1,203,913	-	-	-	1,203,913
911 services	-	-	-	-	492,479	492,479
Debt service	-	-	-	-	511,500	511,500
Capital projects	-	-	-	-	1,215,194	1,215,194
Committed for						
Capital projects	-	-	-	1,864,994	1,710,523	3,575,517
Tourism	-	-	-	-	305,084	305,084
Police programs	-	-	-	-	92,139	92,139
Current and future health care programs	-	-	-	-	1,816	1,816
Fire equipment and training	-	-	-	-	14,322	14,322
Unassigned	<u>2,280,775</u>	<u>-</u>	<u>(267,389)</u>	<u>-</u>	<u>-</u>	<u>2,013,386</u>
Total fund balances	<u>2,310,321</u>	<u>1,203,913</u>	<u>(267,389)</u>	<u>1,864,994</u>	<u>5,141,655</u>	<u>10,253,494</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,569,148</u>	<u>\$ 1,244,484</u>	<u>\$ 491,303</u>	<u>\$ 2,274,317</u>	<u>\$ 5,176,222</u>	<u>\$ 11,755,474</u>

See accompanying notes.

City of Brookings
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

Total fund balances reported on the governmental funds balance sheet	\$ 10,253,494
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	39,104,931
The government-wide statements report as a deferred outflow, contributions made to OPERS subsequent to the measurement date of and changes in assumptions and investment returns related to its participation in OPERS	2,354,163
The government-wide statement report a deferred inflow related to changes in assumptions and investment returns related to its participation in OPERS	(614,267)
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds	608,751
OPEB asset, pension liability, compensated absences, and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(6,053,466)</u>
Net position of governmental activities	<u><u>\$ 45,653,606</u></u>

See accompanying notes.

City of Brookings
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Year Ended June 30, 2024

		Special revenue funds		Capital project fund		Total	Total
	General	Urban Renewal	Airport	Capital Projects Reserve	Street System Replacement	Nonmajor Funds	Government Funds
REVENUES							
Property taxes	\$ 3,335,642	\$ 781,435	\$ -	\$ -		\$ -	\$ 4,117,077
Transient tax	721,914	-	-	-		108,975	830,889
Local marijuana tax	129,267	-	-	-		-	129,267
Local gas tax	-	-	-	-		345,017	345,017
Franchise fees	343,724	-	-	-		-	343,724
Licenses, permits, and fees	313,319	-	5,336	-		1,280	319,935
Fines and forfeitures	60,944	-	-	-		-	60,944
Charges for services	1,023,210	-	-	-		-	1,023,210
System development charges	-	-	-	-		37,446	37,446
System replacement charges	-	-	-	-		246,826	246,826
Intergovernmental	283,492	-	45,092	505,006		1,286,528	2,120,118
Interest	21,788	94,102	749	103,077		191,101	410,817
Miscellaneous	111,780	-	40,562	30,000		246,393	428,735
Total revenues	6,345,080	875,537	91,739	638,083		2,463,566	10,414,005
EXPENDITURES							
Current							
General government	1,970,354	213,096	23,124	-		39,337	2,245,911
Public safety	3,794,162	-	-	-		74,247	3,868,409
Highways and streets	-	-	-	-		484,379	484,379
Culture and recreation	521,646	-	-	-		94,120	615,766
Debt service	64,456	-	-	-		153,509	217,965
Capital outlay	-	338,230	384,211	1,784,409		363,893	2,870,743
Total expenditures	6,350,618	551,326	407,335	1,784,409		1,209,485	10,303,173
Excess (deficiency) of revenues over expenditures	(5,538)	324,211	(315,596)	(1,146,326)		1,254,081	110,832
OTHER FINANCING SOURCES (USES)							
Transfers in	695,695	-	-	490,000		328,300	1,513,995
Transfers out	(575,000)	-	-	-		(485,549)	(1,060,549)
Total other financing sources (uses)	120,695	-	-	490,000		(157,249)	453,446
Net change in fund balances	115,157	324,211	(315,596)	(656,326)		1,096,832	564,278
Fund balances at beginning of year as previously reported	2,195,164	879,702	-	2,521,320	131,201	3,961,829	9,689,216
Adjustment - change from nonmajor fund to major fund	-	-	48,207	-	-	(48,207)	-
Adjustment - change from major fund to nonmajor fund	-	-	-	-	(131,201)	131,201	-
Fund balances at beginning of year as restated	2,195,164	879,702	48,207	2,521,320	-	4,044,823	9,689,216
Fund balances at end of year	\$ 2,310,321	\$ 1,203,913	\$ (267,389)	\$ 1,864,994	\$ -	\$ 5,141,655	\$ 10,253,494

See accompanying notes.

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, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 564,278

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 and amortization
expense to allocate those expenditures over the life of the assets.

The difference between those two amounts is:

Acquisition and capital contribution of capital assets	\$ 2,669,956	
Depreciation and amortization	<u>(1,173,110)</u>	1,496,846

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	(175,192)
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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	9,322
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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	234,487
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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	3,810	
Compensated absences	<u>49,104</u>	52,914

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

Lease payment	10,410	
Principal payments	<u>202,865</u>	213,275

Change in net position of governmental activities	<u><u>\$ 2,395,930</u></u>
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See accompanying notes.

City of Brookings
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget to Actual
General Fund
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 3,201,050	\$ 3,201,050	\$ 3,335,642	\$ 134,592
Franchise Fees	470,000	470,000	721,914	251,914
Transient tax	225,000	225,000	343,724	118,724
Local marijuana tax	130,000	130,000	129,267	(733)
Licenses, permits, and fees	297,000	297,000	313,319	16,319
Fines and forfeitures	80,500	80,500	60,944	(19,556)
Charges for services	1,102,000	1,102,000	1,023,210	(78,790)
Intergovernmental	294,500	294,500	283,492	(11,008)
Interest	30,000	30,000	21,788	(8,212)
Miscellaneous	37,500	71,951	111,780	39,829
Total revenues	5,867,550	5,902,001	6,345,080	443,079
EXPENDITURES				
Judicial	51,085	51,085	46,131	4,954
Legislative and administration	652,368	832,368	797,910	34,458
Police	3,545,004	3,551,784	3,428,283	123,501
Fire	357,161	373,816	365,879	7,937
Planning and building	334,156	334,156	237,380	96,776
Parks and recreation	425,061	429,811	368,747	61,064
Swimming pool	168,822	175,088	152,899	22,189
Contract services	900,000	900,000	759,841	140,159
Non-departmental	175,600	175,600	129,092	46,508
Debt service	149,987	149,987	54,866	95,121
Contingency and reserves	829,411	649,411	-	649,411
Total expenditures	7,588,655	7,623,106	6,341,028	1,282,078
Excess (deficiency) of revenues over expenditures	(1,721,105)	(1,721,105)	4,052	1,725,157
OTHER FINANCING SOURCES (USES)				
Transfers in	686,105	686,105	686,105	-
Transfers out	(575,000)	(575,000)	(575,000)	-
Total other financing (uses)	111,105	111,105	111,105	-
Net change in fund balance	(1,610,000)	(1,610,000)	115,157	1,725,157
Fund balance at beginning of year	1,610,000	1,610,000	2,195,164	585,164
Fund balance at end of year	\$ -	\$ -	\$ 2,310,321	\$ 2,310,321

See accompanying notes.

City of Brookings
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget to Actual
Urban Renewal Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 724,170	\$ 781,435	\$ 57,265
Interest	<u>2,000</u>	<u>94,102</u>	<u>92,102</u>
Total revenues	<u>726,170</u>	<u>875,537</u>	<u>149,367</u>
EXPENDITURES			
Urban Renewal Program	<u>1,646,170</u>	<u>551,326</u>	<u>1,094,844</u>
Total expenditures	<u>1,646,170</u>	<u>551,326</u>	<u>1,094,844</u>
Excess (deficiency) of revenues over expenditures	<u>(920,000)</u>	<u>324,211</u>	<u>1,244,211</u>
Net change in fund balance	(920,000)	324,211	1,244,211
Fund balance at beginning of year	<u>920,000</u>	<u>879,702</u>	<u>(40,298)</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,203,913</u></u>	<u><u>\$ 1,203,913</u></u>

See accompanying notes.

City of Brookings
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget to Actual
Airport Fund
For the Year Ended June 30, 2024

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 352,000	\$ 45,092	\$ (306,908)
Licenses, permits and fees	3,100	5,336	2,236
Interest	500	749	249
Miscellaneous	34,000	37,238	3,238
Total revenues	389,600	88,415	(301,185)
EXPENDITURES			
Airport	420,910	407,335	13,575
Contingency	43,690	-	43,690
Total expenditures	464,600	407,335	57,265
Net change in fund balance	(75,000)	(318,920)	(243,920)
Fund balance at beginning of year	75,000	38,889	(36,111)
Fund balance at end of year	<u>\$ -</u>	(280,031)	<u>\$ (280,031)</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Lease receivable		54,717	
Deferred inflow - leases		(42,075)	
		<u>\$ (267,389)</u>	

See accompanying notes.

City of Brookings
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities		
	Water	Wastewater	Total Enterprise Funds
ASSETS			
Current assets			
Cash and investments	\$ 1,177,700	\$ 3,336,689	\$ 4,514,389
Cash and investments, restricted	1,015,751	3,889,556	4,905,307
Receivables, net	227,899	317,804	545,703
Inventory	287,479	73,766	361,245
Total current assets	2,708,829	7,617,815	10,326,644
Noncurrent assets			
Net OPEB asset	3,688	4,490	8,178
Capital assets			
Land and construction in progress	545,866	2,030,592	2,576,458
Other capital assets, net	9,891,856	6,865,000	16,756,856
Total capital assets	10,437,722	8,895,592	19,333,314
Total noncurrent assets	10,441,410	8,900,082	19,341,492
Total assets	13,150,239	16,517,897	29,668,136
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	216,440	306,109	522,549
OPEB related items	8	14	22
Total deferred outflows of resources	216,448	306,123	522,571
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	65,349	240,651	306,000
Accrued interest payable	64,175	69	64,244
Consumer deposits	222,125	-	222,125
Compensated absences	13,661	25,892	39,553
Long-term liabilities due within one year	382,594	21,057	403,651
Total current liabilities	747,904	287,669	1,035,573
Long-term liabilities			
Long-term liabilities due in more than one year	3,415,167	43,264	3,458,431
Net pension liability	467,643	661,382	1,129,025
Total liabilities	4,630,714	992,315	5,623,029
DEFERRED INFLOWS OF RESOURCES			
Pension related items	56,091	79,329	135,420
OPEB related items	377	461	838
Total deferred inflows of resources	56,468	79,790	136,258
NET POSITION			
Net investment in capital assets	6,639,961	8,831,271	15,471,232
Restricted for			
Capital projects	1,077,027	4,041,760	5,118,787
Unrestricted	962,517	2,878,884	3,841,401
Total net position	\$ 8,679,505	\$ 15,751,915	\$ 24,431,420

See accompanying notes.

City of Brookings
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities		Total Enterprise Funds
	Water	Wastewater	
OPERATING REVENUES			
Charges for services	\$ 1,993,131	\$ 3,454,438	\$ 5,447,569
OPERATING EXPENSES			
Personal services	456,425	660,346	1,116,771
Materials and services	790,172	1,285,135	2,075,307
Depreciation	551,617	852,175	1,403,792
Total operating expenses	1,798,214	2,797,656	4,595,870
Operating income	194,917	656,782	851,699
NONOPERATING REVENUES (EXPENSES)			
Interest income	116,108	389,878	505,986
Miscellaneous	79,222	4,876	84,098
Interest expense	(71,974)	(4,057)	(76,031)
Total nonoperating revenue (expenses)	123,356	390,697	514,053
Income before capital contributions and transfers	318,273	1,047,479	1,365,752
Capital grants and contributions	204,866	326,294	531,160
Transfers in	903,416	2,846,735	3,750,151
Transfers out	(1,116,687)	(3,086,910)	(4,203,597)
Change in net position	309,868	1,133,598	1,443,466
Net position – beginning	8,369,637	14,618,317	22,987,954
Net position – ending	\$ 8,679,505	\$ 15,751,915	\$ 24,431,420

See accompanying notes.

City of Brookings
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities		
	Water	Wastewater	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,965,524	\$ 3,432,979	\$ 5,398,503
Payments to suppliers	(455,597)	(1,311,994)	(1,767,591)
Payments to employees	(825,493)	(670,795)	(1,496,288)
Net cash provided by operating activities	684,434	1,450,190	2,134,624
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	903,416	2,915,285	3,818,701
Transfers out	(1,262,042)	(3,086,910)	(4,348,952)
Net cash provided by (used in) noncapital financing activities	(358,626)	(171,625)	(530,251)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants and contributions	13,167	-	13,167
System development charges received	283,416	-	283,416
Acquisition of capital assets	(146,645)	(1,577,501)	(1,724,146)
Proceeds from issuance of long-term debt	165,844	-	165,844
Principal paid on long-term liabilities	(389,397)	(26,455)	(415,852)
Interest paid on long-term liabilities	(26,438)	(4,079)	(30,517)
Net cash provided by (used in) capital and related financing activities	(100,053)	(1,264,417)	(1,364,470)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	116,108	389,877	505,985
Net change in cash	341,863	404,025	745,888
Cash – beginning of year	1,851,588	6,822,220	8,673,808
Cash – end of year	\$ 2,193,451	\$ 7,226,245	\$ 9,419,696

See accompanying notes.

City of Brookings
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities		
	Water	Wastewater	Total Enterprise Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income	\$ 194,917	\$ 656,782	\$ 851,699
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation	551,617	852,175	1,403,792
Decrease (increase) in assets and deferred outflows			
Receivables	(27,607)	(21,459)	(49,066)
Inventory	(49,663)	(12,665)	(62,328)
Net OPEB asset	(303)	467	164
Pension and OPEB related items	(15,297)	(11,755)	(27,052)
Increase (decrease) in liabilities and deferred inflows			
Accounts payable and accrued liabilities	7,796	(14,194)	(6,398)
Consumer deposits	6,546	-	6,546
Compensated absences payable	3,310	7,457	10,767
Net pension liability	107,014	133,639	240,653
Pension and OPEB related items	(93,896)	(140,257)	(234,153)
Net cash provided by operating activities	<u>\$ 684,434</u>	<u>\$ 1,450,190</u>	<u>\$ 2,134,624</u>

See accompanying notes.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Note 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, 2024 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.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

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.

Urban Renewal – 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.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Airport – accounts for the operation of the City's airport.

Capital Projects Reserve – accounts for 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 Street System Replacement Fund was previously reported as a major fund in the fiscal year 2023 financial statements because it met the requirements to be reported as major. The Airport Fund was previously reported as a nonmajor fund in the fiscal year 2023 financial statements because it did not meet the requirements to be reported as major. The effects of those changes are reported in the statement of revenues, expenditures, and changes in fund balances.

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 liabilities 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.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

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. The City reported an overexpenditure in the capital projects reserve fund for materials and services of \$400,000.

E. Cash and Investments

For purposes of reporting cash flows, cash includes 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 acquisition fair value at the date of donation. The City records capital assets for items with original cost, or estimated acquisition value if donated, of \$5,000 or more and an expected economic useful life of more than one year.

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 change in net position.

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

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

I. Long-term Liabilities

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

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

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. Leases and Subscription-based IT arrangements

Lessee and subscription-based IT arrangements

The City recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed \$10,000 that meet the definition of an other than short-term lease. The City uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the City's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Lessor

The City recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future receipts on the contract exceed \$10,000 that meet the definition of an other than short-term lease. The City uses the same interest rate it charges to lessee as the discount rate or that is implicit in the contract to the lessee. Short-term lease receipts and variable lease receipts not included in the measurement of the lease receivable are recognized as income when earned.

N. 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 amortization 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.

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.

City of Brookings
Notes to the Basic Financial Statements
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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.

O. 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.

P. New Accounting Pronouncements

The City implemented GASB No. 100 *Accounting Changes and Error Corrections* (GASB 100) as of July 1, 2023. The City has updated the presentation of the financial statements for changes in funds presentation as major or nonmajor as a result of the implementation of GASB 100.

Note 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 GASB Statement No. 72, *Fair Value Measurement and Application*, 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.

City of Brookings
Notes to the Basic Financial Statements
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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, 2024, the City had the following investments:

	<u>Maturities</u>	
State Treasurer's Investment Pool	N/A	<u>\$654,142</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 of \$18,654,769 as of June 30, 2024, are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution.

A. The City's deposits and investments at June 30, 2024 are as follows:

Cash on hand	\$ 3,000
Deposits with financial institutions	18,776,063
Local government investment pool	<u>654,142</u>
Total deposits and investments	<u><u>\$ 19,433,205</u></u>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

B. Cash and investments by fund at June 30, 2024:

GOVERNMENTAL ACTIVITIES/FUNDS

General	\$ 1,864,496
Urban Renewal	1,206,775
Capital Projects Reserve	2,274,317
Nonmajor governmental	<u>4,667,921</u>

Total governmental activities/funds	<u>10,013,509</u>
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BUSINESS-TYPE ACTIVITIES/PROPRIETARY FUNDS

Water	2,193,451
Wastewater	<u>7,226,245</u>

Total business-type activities/proprietary funds	<u>9,419,696</u>
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Total cash and investments	<u><u>\$ 19,433,205</u></u>
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City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Note 3 – Receivables

A. The City's receivables at June 30, 2024 are shown below:

	Governmental Activities / Funds				
	General	Urban Renewal	Airport	Total Nonmajor	Totals
Property taxes	\$ 165,958	\$ 37,709	\$ -	\$ -	\$ 203,667
Leases	-	-	54,717	-	54,717
Accounts	241,944	-	408	161,875	404,227
System development charges	355	-	-	25,426	25,781
Grants	-	-	436,178	-	436,178
	<u>\$ 408,257</u>	<u>\$ 37,709</u>	<u>\$ 491,303</u>	<u>\$ 187,301</u>	<u>\$ 1,124,570</u>
	<u>Business-type Activities / Proprietary Funds</u>				
			Water	Wastewater	Totals
User charges			\$ 161,309	\$ 285,390	\$ 446,699
Accounts			-	3,960	3,960
System replacement charges			15,960	17,836	33,796
System development charges			3,797	10,618	14,415
Grants			46,833	-	46,833
			<u>\$ 227,899</u>	<u>\$ 317,804</u>	<u>\$ 545,703</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 liabilities principal and interest without making a special levy in 2020-21. The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect these levies.

City of Brookings
Notes to the Basic Financial Statements
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C. Leases

The City is a lessor for noncancellable lease of airport hangars (nonregulated) with lease terms through 2036. For the year ending June 30, 2024, the City recognized \$8,615 in lease revenue released from the deferred inflows of resources related to the hangar leases. No inflows of resources were recognized in the year related to termination penalties or residual value guarantees during the fiscal year.

Note 4 – Capital Assets

A. Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated or amortized				
Land	\$ 2,925,998	\$ -	\$ -	\$ 2,925,998
Right of way	13,360,659	-	-	13,360,659
Construction in progress	815,152	1,499,379	(734,440)	1,580,091
	<u>17,101,809</u>	<u>1,499,379</u>	<u>(734,440)</u>	<u>17,866,748</u>
Total capital assets not being depreciated or amortized				
	<u>17,101,809</u>	<u>1,499,379</u>	<u>(734,440)</u>	<u>17,866,748</u>
Capital assets being depreciated or amortized				
Lease asset - land	67,297	-	-	67,297
Buildings and improvements	9,627,549	923,635	-	10,551,184
Equipment	4,464,407	634,076	-	5,098,483
Infrastructure	23,536,081	347,306	-	23,883,387
	<u>37,695,334</u>	<u>1,905,017</u>	<u>-</u>	<u>39,600,351</u>
Total capital assets being depreciated or amortized				
	<u>37,695,334</u>	<u>1,905,017</u>	<u>-</u>	<u>39,600,351</u>
Less accumulated depreciation/amortization for				
Leased asset - land	21,252	10,626	-	31,878
Buildings and improvements	3,777,749	372,313	-	4,150,062
Equipment	3,770,523	242,680	-	4,013,203
Infrastructure	9,619,534	547,491	-	10,167,025
	<u>17,189,058</u>	<u>1,173,110</u>	<u>-</u>	<u>18,362,168</u>
Total accumulated depreciation/amortization				
	<u>17,189,058</u>	<u>1,173,110</u>	<u>-</u>	<u>18,362,168</u>
Total capital assets being depreciated or amortized, net				
	<u>20,506,276</u>	<u>731,907</u>	<u>-</u>	<u>21,238,183</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 37,608,085</u>	<u>\$ 2,231,286</u>	<u>\$ (734,440)</u>	<u>\$ 39,104,931</u>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 551,507	\$ -	\$ -	\$ 551,507
Construction in progress	1,791,167	1,559,550	(1,325,766)	2,024,951
Total capital assets not being depreciated	2,342,674	1,559,550	(1,325,766)	2,576,458
Capital assets being depreciated				
Infrastructure	35,914,743	1,325,766	-	37,240,509
Buildings and improvements	9,343,002	63,968	-	9,406,970
Equipment and vehicles	2,851,043	100,627	-	2,951,670
Total capital assets being depreciated or amortized	48,108,788	1,490,361	-	49,599,149
Less accumulated depreciation for				
Infrastructure	23,310,854	947,575	-	24,258,429
Buildings and improvements	6,633,369	311,440	-	6,944,809
Equipment and vehicles	1,494,278	144,777	-	1,639,055
Total accumulated depreciation/amortization	31,438,501	1,403,792	-	32,842,293
Total capital assets being depreciated or amortized, net	16,670,287	86,569	-	16,756,856
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 19,012,961	\$ 1,646,119	\$ (1,325,766)	\$ 19,333,314

B. Depreciation expense was charged to functions/programs of the City as follows for the year ended June 30, 2024:

GOVERNMENTAL ACTIVITIES	
General government	\$ 538,659
Public safety	197,665
Public works	230,339
Culture and recreation	206,447
Total depreciation/amortization expense – governmental activities	<u>\$ 1,173,110</u>
BUSINESS-TYPE ACTIVITIES	
Water	\$ 551,617
Wastewater	852,175
Total depreciation expense – business-type activities	<u>\$ 1,403,792</u>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Note 5 – Unavailable Revenue

As of June 30, 2024, the City had the following unavailable revenue:

	Governmental Funds				
	General	Urban Renewal	Airport	Total Nonmajor	Totals
Property taxes	\$ 138,066	\$ 31,161	\$ -	\$ -	\$ 169,227
Leases	-	-	42,075	-	42,075
Grants	-	-	436,178	-	436,178
System development charges	-	-	-	3,346	3,346
	<u>\$ 138,066</u>	<u>\$ 31,161</u>	<u>\$ 478,253</u>	<u>\$ 3,346</u>	<u>\$ 650,826</u>

Note 6 – Interfund Transactions

The interfund transfers during the year ended June 30, 2024 were as follows:

	Transfer In	Transfer Out
GOVERNMENTAL		
General	\$ 695,695	\$ 575,000
Capital Projects Reserve	490,000	-
Nonmajor	328,300	485,549
	<u>\$ 1,513,995</u>	<u>\$ 1,060,549</u>
 PROPRIETARY FUNDS		
Water	\$ 903,416	\$ 1,116,687
Wastewater	2,846,735	3,086,910
	<u>\$ 3,750,151</u>	<u>\$ 4,203,597</u>
 Totals		

The principal purpose of the interfund transfers is to move funds from one fund to another without requiring repayment or the return of equivalent assets or services. Each of the operating funds transfers out to the General Fund, Technology Fund and Capital Projects Fund for support operations in those funds. Transfers are made to the Debt Service Funds to make debt payments. Transfers are also made within the Proprietary Funds (operating and sub-funds).

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Note 7 – Long-Term Liabilities

A. Changes in long-term liabilities for the fiscal year ended June 30, 2024 were as follows:

	Outstanding June 30, 2023	Additions	Reductions	Outstanding June 30, 2024	Balances Due Within One Year
GOVERNMENTAL ACTIVITIES					
Notes from direct borrowings					
Lease liability	\$ 47,137	\$ -	\$ 10,408	\$ 36,729	\$ 10,684
Oregon department of transportation	705,141	-	114,650	590,491	113,170
Vehicles - Umpqua Bank	4,451	-	4,451	-	-
Fire truck - Rogue Credit Union	57,954	-	28,840	29,114	29,114
911 tower - Umpqua Bank	45,701	-	45,701	-	-
Parks and Recreation - Business Oregon	38,014	-	9,223	28,791	9,407
Total notes from direct borrowings	898,398	-	213,273	685,125	162,375
Other long-term liabilities					
Net pension liability	3,694,251	1,391,922	-	5,086,173	-
Compensated absences	362,512	313,409	362,512	313,409	313,409
Total long-term liabilities	<u>\$ 4,955,161</u>	<u>\$ 1,705,331</u>	<u>\$ 575,785</u>	<u>\$ 6,084,707</u>	<u>\$ 475,784</u>
	Outstanding June 30, 2023	Additions	Reductions	Outstanding June 30, 2024	Balances Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Notes from direct borrowings					
Water - Umpqua Bank	\$ 1,249,375	\$ -	\$ 301,172	\$ 948,203	\$ 308,931
Wastewater - Rogue Credit Union	114,328	-	61,722	52,606	52,606
First Community Credit Union #0003	8,139	-	7,076	1,063	1,063
First Community Credit Union #0004	8,139	-	6,981	1,158	1,158
First Community Credit Union #0156	165,274	-	38,854	126,420	39,892
Business Oregon OBDD SDWLF	2,566,787	165,844	-	2,732,631	-
Total notes and direct borrowings	4,112,042	165,844	415,805	3,862,081	403,650
Other long-term liabilities					
Net pension liability	888,372	240,653	-	1,129,025	-
Compensated absences	30,009	39,554	30,009	39,554	39,554
Total long-term liabilities	<u>\$ 5,030,423</u>	<u>\$ 446,051</u>	<u>\$ 445,814</u>	<u>\$ 5,030,660</u>	<u>\$ 443,204</u>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

B. 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.

Oregon Department of Transportation (ODOT) – The City borrowed \$650,000 for widening of Railroad Street in fiscal year 2021. In February 2022 ODOT authorized an increase to the loan amount and the City obtained an additional loan of \$250,000. Annual installment payments of \$125,255 include interest at 2.05%. The note matures October 1, 2028.

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%. Paid off as of June 30, 2024.

Fire truck – Rogue Credit Union – The City borrowed \$365,000 to purchase a fire truck. Annual payments of \$30,579 include interest at 3%. The note matures December 1, 2024.

911 Tower – Umpqua Bank – The City borrowed \$540,000 to build a 911 tower. Annual payments of \$47,690 include interest at 4.35%. Paid off as of June 30, 2024.

Parks and Recreation – Oregon Business Development Department (OBDD) – The City borrowed \$65,000 to finance the Salmon Run Golf Course Event Center. Annual payments of \$9,946 included interest at 1.99%. The note matures December 1, 2026.

Lease liability – The City is a lessee for noncancellable lease of land with lease terms through 2028. There are no residual value guarantees included in the measurement of City's lease liability nor recognized as an expense for the year ended June 30, 2024. The City does not have any commitments that were incurred at the commencement of the leases.

C. 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.

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%. Semi-annual payments of \$165,513 include interest. The note matures June 5, 2027.

Wastewater – Rogue Federal Credit Union – The City borrowed \$300,000 for wastewater meters. Monthly payments of \$5,322 include interest at 2.48%. The note matures April 15, 2025.

City of Brookings
Notes to the Basic Financial Statements
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Wastewater – First Community Credit Union #0003 – The City borrowed \$25,634 for a vehicle. Monthly payments of \$551 include interest at 1.49%. The note matures September 2024.

Wastewater – First Community Credit Union #0004 – The City borrowed \$25,634 for a vehicle. Monthly payments of \$551 include interest at 1.49%. The note matures September 2024.

Water and Wastewater – First Community Credit Union #0156 – The City borrowed \$200,000 for a Vactor Vacuum Truck. Monthly payments of \$3,561 include interest at 2.625%. The note matures July 15, 2027.

Water – Oregon Business Development Department (OBDD) Project S22005 – In November of 2021, the City entered into a loan agreement with the State of Oregon via OBDD for Safe Drinking Water Revolving Loan S22005 in the amount of \$4,175,000, of which \$280,000 is considered forgivable, at 1.7% interest to finance construction of two water reservoirs. As of June 30, 2024, the City has submitted and received \$2,685,798 in reimbursable expenses. Loan payments, in annual installments of principal and interest over 29 years will commence following completion of the construction project, which is estimated to occur in 2026.

D. Future maturities – governmental activities are as follows:

Fiscal Year	Notes from Direct Borrowings					
	Parks and Recreation		Fire Truck		Oregon Department of Transportation	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 9,407	\$ 879	\$ 29,114	\$ 876	\$ 113,170	\$ 12,085
2026	9,594	666	-	-	115,490	9,765
2027	9,790	448	-	-	117,857	7,398
2028	-	-	-	-	120,253	5,001
2029	-	-	-	-	123,721	2,497
	<u>\$ 28,791</u>	<u>\$ 1,993</u>	<u>\$ 29,114</u>	<u>\$ 876</u>	<u>\$ 590,491</u>	<u>\$ 36,746</u>

Fiscal Year	Leases		Totals	
	Principal	Interest	Principal	Interest
2025	\$ 10,684	\$ 836	\$ 162,375	\$ 14,676
2026	10,967	552	136,051	10,983
2027	11,259	261	138,906	8,107
2028	3,819	21	124,072	5,022
2029	-	-	123,721	2,497
	<u>\$ 36,729</u>	<u>\$ 1,670</u>	<u>\$ 685,125</u>	<u>\$ 41,285</u>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

E. Future maturities – business-type activities are as follows:

Fiscal Year	Notes from Direct Borrowings					
	Water Loan		Wastewater		Vehicle	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 308,931	\$ 22,095	\$ 52,606	\$ 2,137	\$ 1,063	\$ -
2026	316,811	14,214	-	-	-	-
2027	322,461	6,134	-	-	-	-
	<u>\$ 948,203</u>	<u>\$ 42,443</u>	<u>\$ 52,606</u>	<u>\$ 2,137</u>	<u>\$ 1,063</u>	<u>\$ -</u>

Fiscal Year	Notes from Direct Borrowings					
	Vehicle		Vehicle		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,158	\$ -	\$ 39,892	\$ 2,840	\$ 403,650	\$ 27,072
2026	-	-	40,944	1,781	357,755	15,995
2027	-	-	42,032	694	364,493	6,828
2028	-	-	3,552	8	3,552	8
	<u>\$ 1,158</u>	<u>\$ -</u>	<u>\$ 126,420</u>	<u>\$ 5,323</u>	<u>\$ 1,129,450</u>	<u>\$ 49,903</u>

Note 8 – 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 Annual Comprehensive 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.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

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.

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 an OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the cost-of-living increases are 2.0 percent.

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

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

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.

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, 2021 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2023.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Tier 1/tier 2 employer contribution rates are 28.09% and the OPSRP employer contribution rates are 21.17% for general service employees and 25.96% for public safety employees. Employer contributions for the year ended June 30, 2024 were \$844,037, excluding amounts to fund employer specific liabilities.

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

At June 30, 2024, the City reported a liability of \$5,086,173 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. 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:

iii. **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.

iv. **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.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

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.

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, 2023 measurement date, the City's proportion was 0.03318%.

For the year ended June 30, 2024, the City recognized pension expense of \$1,006,634.

At June 30, 2024, 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
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 303,942	\$ 24,644
Changes of assumptions	552,122	4,117
Net difference between projected and actual earnings on pension plan investments	111,713	-
Changes in proportion share	1,062,234	308,381
Differences between City's contributions and proportionate share of contributions	<u>2,544</u>	<u>408,331</u>
Subtotal	2,032,555	745,473
City's contributions subsequent to the measurement date	<u>844,037</u>	<u>-</u>
	<u><u>\$ 2,876,592</u></u>	<u><u>\$ 745,473</u></u>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Deferred outflows of resources of \$844,037 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, 2025. 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:

Year ending June 30,	2025	\$	128,276
	2026		8,037
	2027		795,211
	2028		309,187
	2029		46,371
			<u>1,287,082</u>
		\$	<u>1,287,082</u>

E. Actuarial Valuations

The December 31, 2021 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, 2023, 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, 2013. 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.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

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.

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

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, published July 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected Salary Increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00 percent COLA and graded COLA (1.25%/.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

City of Brookings

Notes to the Basic Financial Statements

June 30, 2024

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

Discount rate

The discount rate used to measure the total pension liability was 6.90% 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 June 2021 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.

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.

<u>Long-Term Expected Rate of Return</u> ¹				
Asset Class	Target Allocation	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

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

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

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.

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.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

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 6.90 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
City's proportionate share of net pension liability	\$ 10,266,342	\$ 6,215,198	\$ 2,824,826

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.

Note 9 – Defined Contribution Plan

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, 2024 were \$173,102.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Note 10 – 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>

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, 2023 measurement date was \$11.

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

At June 30, 2024, City of Brookings reported an asset of \$49,287 for its proportionate share of the net OPEB asset. The City's proportionate share as of the June 30, 2023 measurement date was 0.01346%.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

For the year ended June 30, 2024, the City recognized OPEB income of \$9,740 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	\$ -	\$ 1,237
Changes of assumptions	-	531
Net difference between projected and actual earnings on OPEB investments	142	-
Changes in proportion share	-	3,284
	<u>\$ 142</u>	<u>\$ 5,052</u>

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:

2025	\$ (4,990)
2026	(2,397)
2027	1,822
2028	655
	<u>\$ (4,910)</u>

Actuarial methods and assumptions

The total OPEB liability based on the December 31, 2021 actuarial valuation date and rolled forward to the June 30, 2023 measurement date. The actuarial assumptions and other inputs are included in Note 9.

Discount rate

The discount rate used to measure the total OPEB liability at June 30, 2023 was 6.90%. 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.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

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 Note 8.

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

The following presents the County's proportionate share of the net OPEB asset, as well as what the County's proportionate share of the net OPEB liability (asset) would be if calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current discount rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1 % Increase (7.90%)
Net OPEB liability (asset)	\$ (44,803)	\$ (49,287)	\$ (53,137)

OPEB plan fiduciary net position

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

Note 11 – 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, 2027. The Agreement must be evaluated at the end of each 12-month period. Following the evaluation either party may cancel the Agreement by giving a six month 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.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2024

Note 12 – 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 \$ 477,598

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 \$ 2,419,107

Other purposes – the State of Oregon restricts the use of 911 taxes \$ 492,479

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 \$ 5,118,787

Note 13 – 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 were \$400,000 for the year ended June 30, 2024 which is reported in the Capital Projects Reserve fund and is reported in the accrued liabilities.

Note 14 – Commitments

As of June 30, 2024, the City does not have any commitments.

Note 15 – 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, 2024.

Required Supplementary Information

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

Measurement date, June 30:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the collective net pension liability (asset)	0.03318192%	0.02992831%	0.02683662%	0.02245053%	0.03031819%	0.03144827%	0.03641733%	0.03794972%	0.03862112%	0.03790856%
Proportionate share of the collective net pension liability (asset)	\$ 6,215,198	\$ 4,582,623	\$ 3,211,398	\$ 4,899,478	\$ 5,376,423	\$ 4,763,998	\$ 4,909,069	\$ 5,697,134	\$ 2,217,417	\$ (859,279)
Covered payroll	\$ 3,409,286	\$ 3,217,755	\$ 2,952,303	\$ 2,695,551	\$ 2,567,429	\$ 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	182%	142%	109%	182%	209%	169%	166%	201%	78%	-32%
Pension plan's fiduciary net position as a percentage of the total pension liability	82%	85%	88%	76%	80%	82%	83%	81%	92%	104%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 844,037	\$ 713,133	\$ 673,749	\$ 573,767	\$ 524,435	\$ 382,803	\$ 437,927	\$ 367,477	\$ 386,346	\$ 349,482
Contractually required contributions recognized by the pension plan	844,037	713,133	673,749	573,767	524,435	382,803	437,927	367,477	386,346	349,482
Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,725,108	\$ 3,409,286	\$ 3,217,755	\$ 2,952,303	\$ 2,695,551	\$ 2,567,429	\$ 2,818,163	\$ 2,965,101	\$ 2,835,306	\$ 2,827,965
Contractually required contributions as a percentage of covered payroll	22.66%	20.92%	20.94%	19.43%	19.46%	14.91%	15.54%	12.39%	13.63%	12.36%

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

Measurement date, June 30:	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the collective net OPEB liability (asset)	0.01346066%	0.01211173%	0.01029272%	0.00955562%	2.15321900%	0.02521776%	0.02710102%	0.02926486%
Proportionate share of the collective net OPEB liability (asset)	\$ (49,287)	\$ (43,037)	\$ (35,346)	\$ (19,471)	\$ (41,608)	\$ (28,150)	\$ (11,310)	\$ 7,947
Covered payroll	\$ 3,409,286	\$ 3,217,755	\$ 2,952,303	\$ 2,695,551	\$ 2,567,429	\$ 2,818,163	\$ 2,965,101	\$ 2,835,306
Proportionate share of the collective net OPEB liability (asset) as a percentage of the covered payroll	-1%	-1%	-1%	-1%	-2%	-1%	0%	0%
OPEB's fiduciary net position as a percentage of the total OPEB liability	201.6%	194.6%	183.9%	150.1%	144.4%	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, *

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contributions	\$ 10	\$ 265	\$ 299	\$ 275	\$ 683	\$ 10,672	\$ 12,212	\$ 13,630
Contractually required contributions recognized by OPEB	10	265	299	275	683	10,672	12,212	13,630
Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,725,108	\$ 3,409,286	\$ 3,217,755	\$ 2,952,303	\$ 2,695,551	\$ 2,567,429	\$ 2,818,163	\$ 2,965,101
Contractually required contributions as a percentage of covered payroll	0.00%	0.01%	0.01%	0.01%	0.03%	0.42%	0.43%	0.46%

* Information will be accumulated annually until 10 years is presented

Combining and Individual Fund Statements and Schedules

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, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 586,056	\$ 616,056	\$ 505,006	\$ (111,050)
Interest	2,000	2,000	103,077	101,077
Miscellaneous	-	-	30,000	30,000
	<u>588,056</u>	<u>618,056</u>	<u>638,083</u>	<u>20,027</u>
EXPENDITURES				
Materials and services	-	-	400,000	(400,000)
Capital outlay	3,608,056	3,638,056	1,384,409	2,253,647
	<u>3,608,056</u>	<u>3,638,056</u>	<u>1,784,409</u>	<u>(1,853,647)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,020,000)</u>	<u>(3,020,000)</u>	<u>(1,146,326)</u>	<u>1,873,674</u>
OTHER FINANCING SOURCES				
Transfers in	490,000	490,000	490,000	-
	<u>490,000</u>	<u>490,000</u>	<u>490,000</u>	<u>-</u>
Net change in fund balance	(2,530,000)	(2,530,000)	(656,326)	1,873,674
Fund balance at beginning of year	2,530,000	2,530,000	2,521,320	(8,680)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,864,994</u>	<u>\$ 1,864,994</u>

City of Brookings
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS				
Cash and investments	\$ 1,270,789	\$ 511,500	\$ 2,885,632	\$ 4,667,921
Receivables	132,103	-	55,198	187,301
Prepaid deposit	-	-	321,000	321,000
Total assets	<u>\$ 1,402,892</u>	<u>\$ 511,500</u>	<u>\$ 3,261,830</u>	<u>\$ 5,176,222</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 19,454	\$ -	\$ 11,767	\$ 31,221
Total liabilities	<u>19,454</u>	<u>-</u>	<u>11,767</u>	<u>31,221</u>
DEFERRED INFLOWS OF RESOURCES				
Leases	-	-	-	-
Unavailable revenue	-	-	3,346	3,346
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>3,346</u>	<u>3,346</u>
FUND BALANCES				
Nonspendable	-	-	321,000	321,000
Restricted for				
Highways and streets	477,598	-	-	477,598
911 services	492,479	-	-	492,479
Debt service	-	511,500	-	511,500
Capital projects	-	-	1,215,194	1,215,194
Airport	-	-	-	-
Committed for				
Capital projects	-	-	1,710,523	1,710,523
Police programs	92,139	-	-	92,139
Tourism	305,084	-	-	305,084
Current and future health care programs	1,816	-	-	1,816
Fire equipment and training	14,322	-	-	14,322
Total fund balances	<u>1,383,438</u>	<u>511,500</u>	<u>3,246,717</u>	<u>5,141,655</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,402,892</u>	<u>\$ 511,500</u>	<u>\$ 3,261,830</u>	<u>\$ 5,176,222</u>

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES				
Local gas tax	\$ -	\$ -	\$ 345,017	\$ 345,017
Transient tax	108,975	-	-	108,975
Licenses, permits and fees	1,280	-	-	1,280
System development charges	-	-	37,446	37,446
System replacement charges	-	-	246,826	246,826
Intergovernmental	885,544	-	400,984	1,286,528
Interest	70,755	-	120,346	191,101
Miscellaneous	121,138	125,255	-	246,393
Total revenues	1,187,692	125,255	1,150,619	2,463,566
EXPENDITURES				
Current				
General government	-	-	39,337	39,337
Public health	-	-	-	-
Public safety	74,247	-	-	74,247
Highways and streets	484,379	-	-	484,379
Culture and recreation	94,120	-	-	94,120
Debt service	28,254	125,255	-	153,509
Capital outlay	18,439	-	345,454	363,893
Total expenditures	699,439	125,255	384,791	1,209,485
Excess (deficiency) of revenues over expenditures	488,253	-	765,828	1,254,081
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	-	228,300	328,300
Transfers out	(420,049)	-	(65,500)	(485,549)
Total other financing sources (uses)	(320,049)	-	162,800	(157,249)
Net change in fund balances	168,204	-	928,628	1,096,832
Fund balances at beginning of year as previously reported	1,263,441	511,500	2,186,888	3,961,829
Adjustment - change from nonmajor fund to major fund	(48,207)	-	-	(48,207)
Adjustment - change from major fund to nonmajor fund	-	-	131,201	131,201
Fund balance at beginning of year as restated	1,215,234	511,500	2,318,089	4,044,823
Fund balances at end of year	\$ 1,383,438	\$ 511,500	\$ 3,246,717	\$ 5,141,655

City of Brookings
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	Street Fund	911	Special Police	Health Fair	Special Fire	Tourism	Totals
ASSETS							
Cash and investments	\$ 439,821	\$ 413,051	\$ 95,564	\$ 1,816	\$ 14,322	\$ 306,215	\$ 1,270,789
Receivables	52,675	79,428	-	-	-	-	132,103
TOTAL ASSETS	\$ 492,496	\$ 492,479	\$ 95,564	\$ 1,816	\$ 14,322	\$ 306,215	\$ 1,402,892
LIABILITIES							
Accounts payable and accrued liabilities	\$ 14,898	\$ -	\$ 3,425	\$ -	\$ -	\$ 1,131	\$ 19,454
Total liabilities	14,898	-	3,425	-	-	1,131	19,454
FUND BALANCES							
Restricted for							
Highways and streets	477,598	-	-	-	-	-	477,598
911 services	-	492,479	-	-	-	-	492,479
Tourism	-	-	-	-	-	305,084	305,084
Committed for							
Police programs	-	-	92,139	-	-	-	92,139
Current and future health care programs	-	-	-	1,816	-	-	1,816
Fire equipment and training	-	-	-	-	14,322	-	14,322
Total fund balances	477,598	492,479	92,139	1,816	14,322	305,084	1,383,438
TOTAL LIABILITIES AND FUND BALANCES	\$ 492,496	\$ 492,479	\$ 95,564	\$ 1,816	\$ 14,322	\$ 306,215	\$ 1,402,892

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Street Fund	911	Special Police	Health Fair	Special Fire	Tourism	Airport	Totals
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Transient tax	-	-	-	-	-	108,975		108,975
Licenses, permits and fees	-	-	-	-	1,280	-		1,280
Intergovernmental	552,943	323,198	9,403	-	-	-		885,544
Interest	30,260	22,864	4,980	-	829	11,822		70,755
Miscellaneous	13,750	-	39,710	-	-	67,678		121,138
Total revenues	596,953	346,062	54,093	-	2,109	188,475		1,187,692
EXPENDITURES								
Current								
Public safety	-	27,242	42,700	-	4,305	-		74,247
Highways and streets	484,379	-	-	-	-	-		484,379
Culture and recreation	-	-	-	-	-	94,120		94,120
Debt service	4,409	23,845	-	-	-	-		28,254
Capital outlay	-	18,439	-	-	-	-		18,439
Total expenditures	488,788	69,526	42,700	-	4,305	94,120		699,439
Excess (deficiency) of revenues over expenditures	108,165	276,536	11,393	-	(2,196)	94,355		488,253
OTHER FINANCING SOURCES (USES)								
Transfers in	100,000	-	-	-	-	-		100,000
Transfers out	(234,087)	(168,300)	-	-	-	(17,662)		(420,049)
Total other financing sources (uses)	(134,087)	(168,300)	-	-	-	(17,662)	-	(320,049)
Net change in fund balances	(25,922)	108,236	11,393	-	(2,196)	76,693	-	168,204
Fund balances at beginning of year as previously reported	503,520	384,243	80,746	1,816	16,518	228,391	48,207	1,263,441
Adjustment - change from nonmajor fund to major fund	-	-	-	-	-	-	(48,207)	(48,207)
Fund balance at beginning of year as restated	503,520	384,243	80,746	1,816	16,518	228,391	-	1,215,234
Fund balances at end of year	\$ 477,598	\$ 492,479	\$ 92,139	\$ 1,816	\$ 14,322	\$ 305,084	\$ -	\$ 1,383,438

City of Brookings
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2024

	Urban Renewal Debt Service	Governmental Loan	Totals
ASSETS			
Cash and investments	\$ 511,500	\$ -	\$ 511,500
FUND BALANCES			
Restricted for debt service	\$ 511,500	\$ -	\$ 511,500

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2024

	Urban Renewal Debt Service	Governmental Loan	Totals
REVENUES			
Miscellaneous	\$ -	\$ 125,255	\$ 125,255
Total revenues	-	125,255	125,255
EXPENDITURES			
Debt service	-	125,255	125,255
Net change in fund balances	-	-	-
Fund balances at beginning of year	511,500	-	511,500
Fund balances at end of year	\$ 511,500	\$ -	\$ 511,500

City of Brookings
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2024

	Technology Reserve	Street System Replacement	Street System Development	Stormwater System Replacement	Parks and Recreation System Development	Stormwater System Development	Totals
ASSETS							
Cash and investments	\$ 16,446	\$ 668,744	\$ 366,708	\$ 1,307,896	\$ 244,423	\$ 281,415	\$ 2,885,632
Receivables	-	29,772	1,200	22,080	1,342	804	55,198
Prepaid deposit	-	-	321,000	-	-	-	321,000
Total assets	<u>\$ 16,446</u>	<u>\$ 698,516</u>	<u>\$ 688,908</u>	<u>\$ 1,329,976</u>	<u>\$ 245,765</u>	<u>\$ 282,219</u>	<u>\$ 3,261,830</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 2,607	\$ 9,160	\$ -	\$ -	\$ -	\$ -	\$ 11,767
Total liabilities	<u>2,607</u>	<u>9,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,767</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	1,200	-	1,342	804	3,346
FUND BALANCES							
Nonspendable	-	-	321,000	-	-	-	321,000
Restricted for capital projects	-	689,356	-	-	244,423	281,415	1,215,194
Committed for capital projects	13,839	-	366,708	1,329,976	-	-	1,710,523
Total fund balances	<u>13,839</u>	<u>689,356</u>	<u>687,708</u>	<u>1,329,976</u>	<u>244,423</u>	<u>281,415</u>	<u>3,246,717</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 16,446</u>	<u>\$ 698,516</u>	<u>\$ 688,908</u>	<u>\$ 1,329,976</u>	<u>\$ 245,765</u>	<u>\$ 282,219</u>	<u>\$ 3,261,830</u>

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2024

	Technology Reserve	Street System Replacement	Street System Development	Stormwater System Replacement	Parks and Recreation System Development	Stormwater System Development	Totals
REVENUES							
Local gas tax	\$ -	\$ 345,017	\$ -	\$ -	\$ -	\$ -	\$ 345,017
System development charges	-	-	13,390	-	14,963	9,093	37,446
System replacement charges	-	-	-	246,826	-	-	246,826
Intergovernmental	-	400,984	-	-	-	-	400,984
Interest	71	15,562	16,065	61,973	12,285	14,390	120,346
Total revenues	71	761,563	29,455	308,799	27,248	23,483	1,150,619
EXPENDITURES							
Current							
General government	39,337	-	-	-	-	-	39,337
Capital outlay	17,046	328,408	-	-	-	-	345,454
Total expenditures	56,383	328,408	-	-	-	-	384,791
Excess (deficiency) of revenues over expenditures	(56,312)	433,155	29,455	308,799	27,248	23,483	765,828
OTHER FINANCING SOURCES (USES)							
Transfers in	103,300	125,000	-	-	-	-	228,300
Transfers out	(65,500)	-	-	-	-	-	(65,500)
Total other financing sources (uses)	37,800	125,000	-	-	-	-	162,800
Net change in fund balances	(18,512)	558,155	29,455	308,799	27,248	23,483	928,628
Fund balances at beginning of year as previously reported	32,351	-	658,253	1,021,177	217,175	257,932	2,186,888
Adjustment - change from major fund to nonmajor fund	-	131,201	-	-	-	-	131,201
Fund balance at beginning of year as restated	32,351	131,201	658,253	1,021,177	217,175	257,932	2,318,089
Fund balances at end of year	\$ 13,839	\$ 689,356	\$ 687,708	\$ 1,329,976	\$ 244,423	\$ 281,415	\$ 3,246,717

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, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 552,943	\$ 52,943
Interest	4,000	4,000	30,260	26,260
Miscellaneous	18,000	18,000	13,750	(4,250)
Total revenues	522,000	522,000	596,953	74,953
EXPENDITURES				
Street maintenance	564,662	564,662	484,379	80,283
Debt service	4,409	4,409	4,409	-
Capital outlay	15,000	15,000	-	15,000
Contingency	118,842	118,842	-	118,842
Total expenditures	702,913	702,913	488,788	214,125
Excess (deficiency) of revenues over expenditures	(180,913)	(180,913)	108,165	289,078
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Transfers out	(234,087)	(234,087)	(234,087)	-
Net change in fund balance	(315,000)	(315,000)	(25,922)	289,078
Fund balance at beginning of year	315,000	315,000	503,520	188,520
Fund balance at end of year	\$ -	\$ -	\$ 477,598	\$ 477,598

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, 2024

	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 260,000	\$ 260,000	\$ 323,198	\$ 63,198
Interest	2,000	2,000	22,864	20,864
Total revenues	262,000	262,000	346,062	84,062
EXPENDITURES				
911 Division	31,100	31,100	27,242	3,858
Contingency	138,754	138,754	-	138,754
Debt Service	23,846	23,846	23,845	1
Capital outlay	115,000	115,000	18,439	96,561
Total expenditures	308,700	308,700	69,526	239,174
Excess (deficiency) of revenues over expenditures	(46,700)	(46,700)	276,536	323,236
OTHER FINANCING SOURCES (USES)				
Transfers out	(168,300)	(168,300)	(168,300)	-
Net change in fund balance	(215,000)	(215,000)	108,236	323,236
Fund balance at beginning of year	215,000	215,000	384,243	169,243
Fund balance at end of year	\$ -	\$ -	\$ 492,479	\$ 492,479

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, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 5,000	\$ 7,596	\$ 9,403	\$ 1,807
Interest	500	500	4,980	4,480
Miscellaneous	21,800	52,255	39,710	(12,545)
Total revenues	27,300	60,351	54,093	(6,258)
EXPENDITURES				
Special police				
K9	66,000	89,647	17,647	72,000
Safety city	8,300	8,300	2,182	6,118
Police reserves	16,800	16,800	-	16,800
Police VIPS	100	100	-	100
Grants program	11,100	30,579	22,871	7,708
Total expenditures	102,300	145,426	42,700	102,726
Net change in fund balance	(75,000)	(85,075)	11,393	(96,468)
Fund balance at beginning of year	75,000	85,075	80,746	4,329
Fund balance at end of year	\$ -	\$ -	\$ 92,139	\$ 92,139

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Rentals	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Health fair program	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Total expenditures	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Net change in fund balance	(1,800)	-	1,800
Fund balance at beginning of year	<u>1,800</u>	<u>1,816</u>	<u>16</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,816</u></u>	<u><u>\$ 1,816</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, 2024

	Budget	Actual	Variance
REVENUES			
Licenses and permits	\$ 2,000	\$ 1,280	\$ (720)
Interest	100	829	729
	<u>2,100</u>	<u>2,109</u>	<u>9</u>
Total revenues			
EXPENDITURES			
Fire program	17,900	4,305	13,595
	<u>17,900</u>	<u>4,305</u>	<u>13,595</u>
Total expenditures			
Net change in fund balance	(15,800)	(2,196)	13,604
Fund balance at beginning of year	15,800	16,518	718
	<u>15,800</u>	<u>16,518</u>	<u>718</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 14,322</u>	<u>\$ 14,322</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, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Transient tax	\$ 90,000	\$ 90,000	\$ 108,975	\$ 18,975
Interest	500	500	11,822	11,322
Miscellaneous	-	-	67,678	67,678
Total revenues	90,500	90,500	188,475	97,975
EXPENDITURES				
Tourism	134,838	134,838	94,120	40,718
Contingency	30,000	30,000	-	30,000
Total expenditures	164,838	164,838	94,120	70,718
Excess (deficiency) of revenues over expenditures	(74,338)	(74,338)	94,355	168,693
OTHER FINANCING SOURCES (USES)				
Transfers out	(17,662)	(17,662)	(17,662)	-
Net change in fund balance	(92,000)	(92,000)	76,693	168,693
Fund balance at beginning of year	92,000	92,000	228,391	136,391
Fund balance at end of year	\$ -	\$ -	\$ 305,084	\$ 305,084

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	\$ -	\$ -	\$ -
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	511,500	511,500
Fund balance at end of year	<u>\$ -</u>	<u>\$ 511,500</u>	<u>\$ 511,500</u>

City of Brookings
Governmental Loan – Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Miscellaneous	<u>\$ 125,256</u>	<u>\$ 125,255</u>	<u>\$ 1</u>
EXPENDITURES			
Debt service	<u>125,256</u>	<u>125,255</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</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, 2024

	Original	Final	Actual	Variance
REVENUES				
Interest	\$ 150	\$ 150	\$ 71	\$ (79)
EXPENDITURES				
Technology program	65,000	65,000	56,383	8,617
Contingency	4,450	4,450	-	4,450
Total expenditures	69,450	69,450	56,383	13,067
Excess (deficiency) of revenues over expenditures	(69,300)	(69,300)	(56,312)	12,988
OTHER FINANCING SOURCES (USES)				
Transfers in	103,300	103,300	103,300	-
Transfers out	(65,500)	(65,500)	(65,500)	-
Total other financing sources (uses)	37,800	37,800	37,800	-
Net change in fund balance	(31,500)	(31,500)	(18,512)	12,988
Fund balance at beginning of year	31,500	31,500	32,351	851
Fund balance at end of year	\$ -	\$ -	\$ 13,839	\$ 13,839

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, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Local gas tax	\$ 375,000	\$ 375,000	\$ 345,017	\$ (29,983)
Miscellaneous	-	-	400,984	400,984
Interest	2,000	2,000	15,562	13,562
Total revenues	377,000	377,000	761,563	384,563
EXPENDITURES				
Capital outlay	502,000	502,000	328,408	173,592
Total expenditures	502,000	502,000	328,408	173,592
Excess (deficiency) of revenues over expenditures	(125,000)	(125,000)	433,155	558,155
OTHER FINANCING SOURCES (USES)				
Transfers in	125,000	125,000	125,000	-
Total other financing sources (uses)	125,000	125,000	125,000	-
Net change in fund balance	-	-	558,155	558,155
Fund balance at beginning of year	-	-	131,201	131,201
Fund balance at end of year	\$ -	\$ -	\$ 689,356	\$ 689,356

City of Brookings
Street System Development – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Improvement fees	\$ 24,000	\$ 24,000	\$ 10,754	\$ (13,246)
Reimbursement fees	6,000	6,000	2,636	(3,364)
Grant revenue	2,844,600	2,844,600	-	(2,844,600)
Interest	5,000	5,000	16,065	11,065
Total revenues	2,879,600	2,879,600	29,455	(2,850,145)
EXPENDITURES				
Street Program	2,944,600	2,944,600	-	2,944,600
Net change in fund balance	(65,000)	(65,000)	29,455	94,455
Fund balance at beginning of year	65,000	65,000	658,253	593,253
Fund balance at end of year	\$ -	\$ -	\$ 687,708	\$ 687,708

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, 2024

	Budget	Actual	Variance
REVENUES			
System replacement fees	\$ 230,000	\$ 246,826	\$ 16,826
Interest	4,000	61,973	57,973
Total revenues	234,000	308,799	74,799
EXPENDITURES			
Capital outlay	1,006,000	-	1,006,000
Total expenditures	1,006,000	-	1,006,000
Excess (deficiency) of revenues over expenditures	(772,000)	308,799	1,080,799
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(772,000)	308,799	1,080,799
Fund balance at beginning of year	772,000	1,021,177	249,177
Fund balance at end of year	\$ -	\$ 1,329,976	\$ 1,329,976

City of Brookings
Parks and Recreations System Development – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Improvement fees	\$ 20,000	\$ 20,000	\$ 12,737	\$ (7,263)
Reimbursement fees	4,000	4,000	2,226	(1,774)
Interest	1,000	1,000	12,285	11,285
Total revenues	25,000	25,000	27,248	2,248
EXPENDITURES				
Parks and recreation program	245,000	245,000	-	245,000
Total expenditures	245,000	245,000	-	245,000
Net change in fund balance	(220,000)	(220,000)	27,248	(247,248)
Fund balance at beginning of year	220,000	220,000	217,175	(2,825)
Fund balance at end of year	\$ -	\$ -	\$ 244,423	\$ 244,423

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 7,000	\$ 3,799	\$ (3,201)
Reimbursement fees	8,000	5,294	(2,706)
Interest	1,000	14,390	13,390
	<u>16,000</u>	<u>23,483</u>	<u>7,483</u>
EXPENDITURES			
Stormwater system	271,000	-	271,000
	<u>271,000</u>	<u>-</u>	<u>(271,000)</u>
Net change in fund balance	(255,000)	23,483	278,483
Fund balance at beginning of year	255,000	257,932	2,932
	<u> </u>	<u> </u>	<u> </u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 281,415</u>	<u>\$ 281,415</u>

City of Brookings
Combining Statement of Net Position – Water Fund
Enterprise Funds
June 30, 2024

	Water	Water System Replacement	Water System Development	Water Loan	Totals
ASSETS					
Current assets					
Cash and investments	\$ 342,669	\$ -	\$ -	\$ 835,031	\$ 1,177,700
Cash and investments, restricted	-	705,849	309,902	-	1,015,751
Receivables, net	161,308	62,793	3,798	-	227,899
Inventory	287,479	-	-	-	287,479
Total assets	791,456	768,642	313,700	835,031	2,708,829
Noncurrent assets					
Net OPEB asset	3,688	-	-	-	3,688
Capital assets					
Land and construction in progress	545,866	-	-	-	545,866
Other capital assets, net	9,891,856	-	-	-	9,891,856
Total capital assets	10,437,722	-	-	-	10,437,722
Total noncurrent assets	10,441,410	-	-	-	10,441,410
Total assets	11,232,866	768,642	313,700	835,031	13,150,239
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	216,440	-	-	-	216,440
OPEB related items	8	-	-	-	8
Total deferred outflows of resources	216,448	-	-	-	216,448
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	60,034	5,315	-	-	65,349
Accrued interest payable	64,175	-	-	-	64,175
Consumer deposits	222,125	-	-	-	222,125
Compensated absences	13,661	-	-	-	13,661
Long-term liabilities due within one year	382,594	-	-	-	382,594
Total current liabilities	742,589	5,315	-	-	747,904
Long-term liabilities					
Long-term liabilities due in more one year	3,415,167	-	-	-	3,415,167
Net pension liability	467,643	-	-	-	467,643
Total liabilities	4,625,399	5,315	-	-	4,630,714
DEFERRED INFLOWS OF RESOURCES					
Pension related items	56,091	-	-	-	56,091
OPEB related items	377	-	-	-	377
Total deferred inflows of resources	56,468	-	-	-	56,468
Net investment in capital assets	6,639,961	-	-	-	6,639,961
Restricted for					
Capital projects	-	763,327	313,700	-	1,077,027
Unrestricted	127,486	-	-	835,031	962,517
Total net position	\$ 6,767,447	\$ 763,327	\$ 313,700	\$ 835,031	\$ 8,679,505

City of Brookings
Combining Statement of Revenues, Expenses, And Changes in Net Position –
Water Fund
Enterprise Funds
Year Ended June 30, 2024

	Water	Water System Replacement	Water System Development	Water Loan	Totals
OPERATING REVENUES					
Charges for services	\$ 1,993,131	\$ -	\$ -	\$ -	\$ 1,993,131
OPERATING EXPENSES					
Personal services	456,425	-	-	-	456,425
Materials and services	790,172	-	-	-	790,172
Depreciation	551,617	-	-	-	551,617
Total operating expenses	1,798,214	-	-	-	1,798,214
Operating income	194,917	-	-	-	194,917
NONOPERATING REVENUES (EXPENSES)					
Interest income	65,479	35,140	15,489	-	116,108
Miscellaneous	79,222	-	-	-	79,222
Interest expense	(71,974)	-	-	-	(71,974)
Total nonoperating revenues (expenses)	72,727	35,140	15,489	-	123,356
Income (loss) before capital contributions and transfers	267,644	35,140	15,489	-	318,273
Capital contributions	-	178,535	26,331	-	204,866
Transfers in	158,389	182,135	-	562,892	903,416
Transfers out	(553,818)	(167,980)	-	(394,889)	(1,116,687)
	(395,429)	192,690	26,331	168,003	(8,405)
Change in net position	(127,785)	227,830	41,820	168,003	309,868
Total net position at beginning of year	6,895,232	535,497	271,880	667,028	8,369,637
Total net position at end of year	\$ 6,767,447	\$ 763,327	\$ 313,700	\$ 835,031	\$ 8,679,505

City of Brookings
Combining Statement of Cash Flows – Water Fund
Enterprise Funds
For the Year Ended June 30, 2024

	Water	Water System Replacement	Water System Development	Water Loan	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,965,524	\$ -	\$ -	\$ -	\$ 1,965,524
Payments to suppliers	(455,597)	-	-	-	(455,597)
Payments to employees	(825,493)	-	-	-	(825,493)
Net cash provided by (used in) operating activities	684,434	-	-	-	684,434
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	158,389	182,135	-	562,892	903,416
Transfers out	(553,818)	(313,335)	-	(394,889)	(1,262,042)
Net cash provided by (used in) noncapital financing activities	(395,429)	(131,200)	-	168,003	(358,626)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital grants	-	13,167	-	-	13,167
System development fees and other	79,222	177,864	26,330	-	283,416
Acquisition of capital assets	(146,645)	-	-	-	(146,645)
Proceeds from issuance of long-term debt	165,844	-	-	-	165,844
Principal paid on long-term liabilities	(389,397)	-	-	-	(389,397)
Interest paid on long-term liabilities	(10,147)	(16,291)	-	-	(26,438)
Net cash provided by (used in) capital and related financing activities	(301,123)	174,740	26,330	-	(100,053)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	65,479	35,140	15,489	-	116,108
Net increase (decrease) in cash	53,361	78,680	41,819	168,003	341,863
Cash - beginning of year	289,308	627,169	268,083	667,028	1,851,588
Cash - end of year	\$ 342,669	\$ 705,849	\$ 309,902	\$ 835,031	\$ 2,193,451

City of Brookings
Combining Statement of Cash Flows – Water Fund
Enterprise Funds (Continued)
Year Ended June 30, 2024

	Water	Water System Replacement	Water System Development	Water Loan	Totals
OPERATING ACTIVITIES					
Operating income	\$ 194,917	\$ -	\$ -	\$ -	\$ 194,917
Adjustments to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation	551,617	-	-	-	551,617
Decrease (increase) in assets and deferred outflows					
Receivables	(27,607)	-	-	-	(27,607)
Inventory	(49,663)	-	-	-	(49,663)
Deposits	6,546	-	-	-	6,546
Net OPEB asset	(303)	-	-	-	(303)
Change in deferred outflows	(15,297)	-	-	-	(15,297)
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	7,796	-	-	-	7,796
Compensated absences payable	3,310	-	-	-	3,310
Net pension liability	107,014	-	-	-	107,014
Change in deferred inflows	(93,896)	-	-	-	(93,896)
Net cash provided by (used in) operating activities	<u>\$ 684,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,434</u>

City of Brookings
Combining Statement of Net Position – Wastewater Fund
Enterprise Funds
June 30, 2024

	Wastewater	Wastewater Loan	Wastewater System Replacement	Wastewater System Development	Totals
ASSETS					
Current assets					
Cash and investments	\$ 825,670	\$ 2,235,065	\$ 260,042	\$ 15,912	\$ 3,336,689
Cash and investments, restricted	-	-	1,195,772	2,693,784	3,889,556
Receivables	289,350	-	17,836	10,618	317,804
Inventory	73,766	-	-	-	73,766
Total assets	1,188,786	2,235,065	1,473,650	2,720,314	7,617,815
Noncurrent assets					
Net OPEB asset	4,490	-	-	-	4,490
Capital assets					
Land and construction in progress	2,030,592	-	-	-	2,030,592
Other capital assets, net	6,865,000	-	-	-	6,865,000
Total capital assets	8,895,592	-	-	-	8,895,592
Total noncurrent assets	8,900,082	-	-	-	8,900,082
Total assets	10,088,868	2,235,065	1,473,650	2,720,314	16,517,897
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	306,109	-	-	-	306,109
OPEB related items	14	-	-	-	14
Total deferred outflows of resources	306,123	-	-	-	306,123
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	88,447	-	138,939	13,265	240,651
Accrued interest payable	69	-	-	-	69
Compensated absences	25,892	-	-	-	25,892
Long-term liabilities due within one year	21,057	-	-	-	21,057
Total current liabilities	135,465	-	138,939	13,265	287,669
Long-term liabilities					
Long-term liabilities due in more than one year	43,264	-	-	-	43,264
Net pension liability	661,382	-	-	-	661,382
Total liabilities	840,111	-	138,939	13,265	992,315
DEFERRED INFLOWS OF RESOURCES					
Pension related items	79,329	-	-	-	79,329
OPEB related items	461	-	-	-	461
Total deferred inflows of resources	79,790	-	-	-	79,790
NET POSITION					
Net investment in capital assets	8,831,271	-	-	-	8,831,271
Restricted for					
Capital projects	-	-	1,334,711	2,707,049	4,041,760
Unrestricted	643,819	2,235,065	-	-	2,878,884
Total net position	\$ 9,475,090	\$ 2,235,065	\$ 1,334,711	\$ 2,707,049	\$ 15,751,915

City of Brookings
Combining Statement of Revenues, Expenses, And Changes in Net Position –
Wastewater Fund
Enterprise Funds
Year Ended June 30, 2024

	Wastewater	Wastewater Loan	Wastewater System Replacement	Wastewater System Development	Totals
OPERATING REVENUES					
Charges for services	\$ 3,454,438	\$ -	\$ -	\$ -	\$ 3,454,438
OPERATING EXPENSES					
Personal services	660,346	-	-	-	660,346
Materials and services	1,285,135	-	-	-	1,285,135
Depreciation	852,175	-	-	-	852,175
Total operating expenses	2,797,656	-	-	-	2,797,656
Operating income (loss)	656,782	-	-	-	656,782
NONOPERATING REVENUES (EXPENSES)					
Interest income	138,819	-	113,988	137,071	389,878
Miscellaneous	4,876	-	-	-	4,876
Interest expense	(4,057)	-	-	-	(4,057)
Total nonoperating revenues (expenses)	139,638	-	113,988	137,071	390,697
Income (loss) before capital contributions and transfers	796,420	-	113,988	137,071	1,047,479
Capital contributions	-	-	198,628	127,666	326,294
Transfers in	1,622,734	1,114,000	110,001	-	2,846,735
Transfers out	(1,464,176)	-	(1,622,734)	-	(3,086,910)
Change in net position	954,978	1,114,000	(1,200,117)	264,737	1,133,598
Total net position at beginning of year	8,520,112	1,121,065	2,534,828	2,442,312	14,618,317
Total net position at end of year	\$ 9,475,090	\$ 2,235,065	\$ 1,334,711	\$ 2,707,049	\$ 15,751,915

City of Brookings
Combining Statement of Cash Flows – Wastewater Fund
Enterprise Funds
For the Year Ended June 30, 2024

	<u>Wastewater</u>	<u>Wastewater Loan</u>	<u>Wastewater System Replacement</u>	<u>Wastewater System Development</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,432,979	\$ -	\$ -	\$ -	\$ 3,432,979
Payments to suppliers	(1,311,994)	-	-	-	(1,311,994)
Payments to employees	(670,795)	-	-	-	(670,795)
Net cash provided by (used in) operating activities	<u>1,450,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,450,190</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	1,622,734	1,114,000	178,551	-	2,915,285
Transfers out	(1,464,176)	-	(1,622,734)	-	(3,086,910)
Net cash provided by (used in) noncapital financing activities	<u>158,558</u>	<u>1,114,000</u>	<u>(1,444,183)</u>	<u>-</u>	<u>(171,625)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
System development charges and other	4,876	-	197,811	140,931	343,618
Acquisition of capital assets	(1,577,501)	-	-	-	(1,577,501)
Principal paid on long-term liabilities	(26,455)	-	-	-	(26,455)
Interest paid on long-term liabilities	(4,080)	-	-	-	(4,080)
Net cash provided by (used in) capital and related financing activities	<u>(1,603,160)</u>	<u>-</u>	<u>197,811</u>	<u>140,931</u>	<u>(1,264,418)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	<u>138,819</u>	<u>-</u>	<u>113,988</u>	<u>137,071</u>	<u>389,878</u>
Net increase (decrease) in cash	144,407	1,114,000	(1,132,384)	278,002	404,025
Cash - beginning of year	<u>681,263</u>	<u>1,121,065</u>	<u>2,588,198</u>	<u>2,431,694</u>	<u>6,822,220</u>
Cash - end of year	<u>\$ 825,670</u>	<u>\$ 2,235,065</u>	<u>\$ 1,455,814</u>	<u>\$ 2,709,696</u>	<u>\$ 7,226,245</u>

City of Brookings
Combining Statement of Cash Flows – Wastewater Fund
Enterprise Funds (Continued)
For the Year Ended June 30, 2024

	<u>Wastewater</u>	<u>Wastewater Loan</u>	<u>Wastewater System Replacement</u>	<u>Wastewater System Development</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income	\$ 656,782	\$ -	\$ -	\$ -	\$ 656,782
Adjustments to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation	852,175	-	-	-	852,175
Decrease (increase) in assets and deferred outflows					
Receivables	(21,459)	-	-	-	(21,459)
Inventory	(12,665)	-	-	-	(12,665)
Net OPEB asset	467	-	-	-	467
Pension and OPEB related items	(11,755)	-	-	-	(11,755)
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	(14,194)	-	-	-	(14,194)
Consumer deposits	-	-	-	-	-
Compensated absences payable	7,457	-	-	-	7,457
Net pension liability	133,639	-	-	-	133,639
Pension and OPEB related items	<u>(140,257)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(140,257)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,450,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,450,190</u>

City of Brookings
Water – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 2,039,000	\$ 2,039,000	\$ 1,993,131	\$ (45,869)
Interest	8,000	8,000	65,479	57,479
Other	40,000	40,000	79,222	39,222
Total revenues	2,087,000	2,087,000	2,137,832	50,832
EXPENDITURES				
Water distribution	666,004	690,004	668,614	21,390
Water treatment	614,557	638,557	605,483	33,074
Debt service	30,540	30,540	30,537	3
Contingency	174,327	126,327	-	126,327
Total expenditures	1,485,428	1,485,428	1,304,634	180,794
Excess (deficiency) of revenues over expenditures	601,572	601,572	833,198	231,626
OTHER FINANCING SOURCES (USES)				
Transfers out	(766,572)	(766,572)	(766,572)	-
Total other financing sources (uses)	(766,572)	(766,572)	(766,572)	-
Net change in fund balance	(165,000)	(165,000)	66,626	231,626
Fund balance at beginning of year	165,000	165,000	155,192	(9,808)
Fund balance at end of year	\$ -	\$ -	221,818	\$ 221,818
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Inventory			287,479	
Capital assets, net			10,437,722	
Pension related items			(307,294)	
Accrued interest payable			(64,175)	
Compensated absences payable			(13,661)	
Long-term liabilities			(3,797,761)	
OPEB related items			3,319	
Net position at end of year			\$ 6,767,447	

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, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Grants	\$ -	\$ -	\$ 60,000	\$ 60,000
System replacement fees	166,000	166,000	178,535	12,535
Interest	2,000	2,000	35,140	33,140
Total revenues	168,000	168,000	273,675	105,675
EXPENDITURES				
Water system maintenance	655,000	655,000	167,980	487,020
Excess (deficiency) of revenues over expenditures	(487,000)	(487,000)	105,695	592,695
OTHER FINANCING SOURCES (USES)				
Issuance of debt proceeds	-	-	165,844	165,844
Total other financing sources (uses)	-	-	165,844	165,844
Net change in fund balance	(487,000)	(487,000)	271,539	758,539
Fund balance at beginning of year	487,000	487,000	491,788	4,788
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 763,327</u>	<u>\$ 763,327</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, 2024

	Budget	Actual	Variance
REVENUES			
Improvement fees	\$ 40,000	\$ 22,122	\$ (17,878)
Reimbursement fees	7,000	4,209	(2,791)
Interest	1,000	15,489	14,489
Total revenues	48,000	41,820	(6,180)
EXPENDITURES			
Water system	328,000	-	328,000
Total expenditures	328,000	-	328,000
Net change in fund balance	(280,000)	41,820	321,820
Fund balance at beginning of year	280,000	268,083	(11,917)
Fund balance at end of year	\$ -	309,903	\$ 309,903
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Unavailable revenue		3,797	
Net position at end of year		\$ 313,700	

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	<u>\$ 562,892</u>	<u>\$ 394,889</u>	<u>\$ 168,003</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>562,892</u>	<u>562,892</u>	<u>-</u>
Net change in fund balance	-	168,003	168,003
Fund balance at beginning of year	<u>-</u>	<u>667,028</u>	<u>667,028</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 835,031</u>	<u>\$ 835,031</u>

City of Brookings
Wastewater – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 3,570,800	\$ 3,570,800	\$ 3,454,438	\$ (116,362)
Interest	15,000	15,000	138,819	123,819
Total revenues	3,585,800	3,585,800	3,598,133	12,333
EXPENDITURES				
Wastewater collection	980,798	980,798	753,336	227,462
Wastewater treatment	1,279,490	1,279,490	1,170,026	109,464
Debt service	30,540	30,540	30,535	5
Contingency	256,296	256,296	-	256,296
Total expenditures	2,547,124	2,547,124	1,953,897	593,227
Excess (deficiency) of revenues over expenditures	1,038,676	1,038,676	1,644,236	605,560
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,464,176)	(1,464,176)	(1,464,176)	-
Total other financing sources (uses)	(1,464,176)	(1,464,176)	(1,464,176)	-
Net change in fund balance	(425,500)	(425,500)	180,060	605,560
Fund balance at beginning of year	430,000	430,000	846,513	416,513
Fund balance at end of year	\$ 4,500	\$ 4,500	1,026,573	\$ 1,022,073
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Inventory			73,766	
Capital assets, net			8,895,592	
Pension related items			(434,602)	
Accrued interest payable			(69)	
Compensated absences payable			(25,892)	
Long-term liabilities			(64,321)	
OPEB related items			4,043	
Net position at end of year			\$ 9,475,090	

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	<u>\$ 1,114,000</u>	<u>\$ -</u>	<u>\$ 1,114,000</u>
Total expenditures	<u>1,114,000</u>	<u>-</u>	<u>1,114,000</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,114,000</u>	<u>1,114,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,114,000</u>	<u>1,114,000</u>	<u>-</u>
Net change in fund balance	-	1,114,000	1,114,000
Fund balance at beginning of year	<u>1,122,716</u>	<u>1,121,065</u>	<u>(1,651)</u>
Fund balance at end of year	<u><u>\$ 1,122,716</u></u>	<u><u>\$ 2,235,065</u></u>	<u><u>\$ 1,112,349</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, 2024

	Budget	Actual	Variance
REVENUES			
System replacement fees	\$ 188,000	\$ 198,628	\$ 10,628
Interest	10,000	113,988	103,988
Total revenues	198,000	312,616	114,616
EXPENDITURES			
Wastewater system maintenance	30,687,000	1,622,734	29,064,266
Total expenditures	30,687,000	1,622,734	29,064,266
Excess (deficiency) of revenues over expenditures	(30,489,000)	(1,310,118)	29,178,882
OTHER FINANCING SOURCES (USES)			
Issuance of long-term obligations	27,565,000	-	(27,565,000)
Transfers in	110,000	110,000	-
Transfers out	-	-	-
Total other financing sources (uses)	27,675,000	110,000	(27,565,000)
Net change in fund balance	(2,814,000)	(1,200,118)	1,613,882
Fund balance at beginning of year	2,814,000	2,534,829	(279,171)
Fund balance at end of year	\$ -	\$ 1,334,711	\$ 1,334,711

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 70,000	\$ 34,606	\$ (35,394)
Reimbursement fees	150,000	93,060	(56,940)
Interest	5,000	137,071	132,071
Total revenues	<u>225,000</u>	<u>264,737</u>	<u>39,737</u>
EXPENDITURES			
Wastewater system	<u>2,625,000</u>	<u>-</u>	<u>2,625,000</u>
Total expenditures	<u>2,625,000</u>	<u>-</u>	<u>2,625,000</u>
Net change in fund balance	(2,400,000)	264,737	2,664,737
Fund balance at beginning of year	<u>2,400,000</u>	<u>2,431,694</u>	<u>31,694</u>
Fund balance at end of year	<u>\$ -</u>	<u>2,696,431</u>	<u>\$ 2,696,431</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Unavailable revenue		<u>10,618</u>	
Net position at end of year		<u>\$ 2,707,049</u>	

City of Brookings
Schedule of Property Tax Transactions
For the Year Ended June 30, 2024

CITY OF BROOKINGS

Tax Year	Taxes Receivable July 1, 2023	Current Levy	Discounts and Adjustments	Collections	Taxes Receivable June 30, 2024
2023-24	\$ -	\$ 3,427,730	\$ (95,518)	\$ (3,247,801)	\$ 84,411
2022-23	92,044	-	(1,541)	(49,605)	40,898
2021-22	33,628	-	(522)	(14,642)	18,464
2020-21	16,328	-	(426)	(7,454)	8,448
2019-20	8,747	-	(327)	(5,683)	2,737
2018-19	2,402	-	(189)	(960)	1,253
2017-18	1,266	-	(131)	(314)	821
Prior years	9,466	-	(134)	(406)	8,926
	<u>\$ 163,881</u>	<u>\$ 3,427,730</u>	<u>\$ (98,788)</u>	<u>\$ (3,326,865)</u>	<u>\$ 165,958</u>

BROOKINGS URBAN RENEWAL AGENCY

Tax Year	Receivable July 1, 2023	Current Levy	Discounts and Adjustments	Collections	Receivable June 30, 2024
2023-24	\$ -	\$ 804,069	\$ (22,406)	\$ (761,862)	\$ 19,801
2022-23	20,915	-	(350)	(11,272)	9,293
2021-22	7,035	-	(109)	(3,063)	3,863
2020-21	3,661	-	(95)	(1,671)	1,895
2019-20	1,785	-	(67)	(1,160)	558
2018-19	535	-	(42)	(214)	279
2017-18	278	-	(29)	(69)	180
Prior years	1,954	-	(28)	(86)	1,840
	<u>\$ 36,163</u>	<u>\$ 804,069</u>	<u>\$ (23,126)</u>	<u>\$ (779,397)</u>	<u>\$ 37,709</u>

Compliance Section

Report of Independent Auditors Required by Oregon State Regulations

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, budgetary statement for the general fund, urban renewal special revenue fund and airport special revenue fund, and the aggregate remaining fund information of the City of Brookings, Oregon (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Brookings, Oregon's basic financial statements, and have issued our report thereon dated November 21, 2024.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Highway funds
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as described in Note 1D, Budget Policies and Budgetary Control, the results of testing indicated an instance of non-compliance related to excess expenditures over appropriations.

Internal Control Over Financial Reporting

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

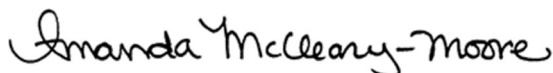
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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. Accordingly, this communication is not suitable for any other purpose.

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



Amanda McCleary-Moore, Partner
for Moss Adams LLP
Medford, Oregon
November 21, 2024

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, budgetary statement for the general fund, urban renewal special revenue fund and airport special revenue fund, and the aggregate remaining fund information of City of Brookings, Oregon (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 21, 2024.

Report on Internal Control Over Financial Reporting

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

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Medford, Oregon
November 21, 2024

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 9, 2024

Originating Dept: City Manager

Signature (submitted by)

City Manager Approval

Subject:

Psilocybin Ordinance

Recommended Motion:

Adopt uncodified Ordinance 24-O-815, declaring a prohibition on psilocybin product and manufacturers and psilocybin service center operators within the jurisdiction of the City of Brookings, Oregon upon voter approval on the November 5, 2024 General Election.

Background/Discussion:

Measure 109 allows for the manufacture, delivery, and administration of psilocybin at license facilities. The Oregon Health Authority has initiated a rulemaking process to implement the states psilocybin's regulatory program.

Council voted to adopt Resolution 24-R-1266 placing a measure on the November 5, 2024 election ballot prohibiting the manufacture and service centers.

The attached Ordinance is the counterpart to the Resolution, it further stipulates the Ordinance takes affect if a majority of the city electorate voting in the general election vote in favor of declaring prohibition on psilocybin product manufacturing and service centers within the City of Brooking.

Attachment(s):

- a. Ordinance 24-O-815

IN AND FOR THE CITY OF BROOKINGS
STATE OF OREGON
ORDINANCE 24-O-815

IN THE MATTER OF ORDINANCE 24-O-815, AN UNCODIFIED ORDINANCE DECLARING A PROHIBITION ON PSILOCYBIN PRODUCT MANUFACTURERS AND PSILOCYBIN SERVICE CENTER OPERATORS WITHIN THE JURISDICTION OF THE CITY OF BROOKINGS, OREGON UPON VOTER APPROVAL ON THE NOVEMBER 5, 2024 GENERAL ELECTION.

Sections:

- Section 1. Ordinance identified.
- Section 2. Explanation.
- Section 3. Effective Date.

The City of Brookings ordains as follows:

Section 1. Ordinance Identified This ordinance Operative December 9, 2024, upon voter approval of the City's Measure prohibiting the sale and establishment of certain psilocybin activities in the area subject to the jurisdiction of the City.

Section 2. Explanation In November 2020, Oregon voters approved Ballot Measure 109, known as the Oregon Psilocybin Service Act (codified as ORS chapter 475A), which allows for the manufacture, delivery, and administration of psilocybin at licensed facilities

ORS 475A.235 provides that the Oregon Health Authority will regulate the manufacturing, transportation, delivery, sale, and purchase of psilocybin products and the provision of psilocybin services in the state.

The Oregon Health Authority initiated a rulemaking process to implement the state's psilocybin regulatory program. Under Measure 109, cities may place referendums on local ballots to prohibit psilocybin product manufacturers and/or psilocybin service centers within their jurisdictions.

On September 12, 2022, the City Council of Brookings adopted a resolution to prohibit such uses in Brookings City limits until December 31, 2024. On the November 5, 2024 General Election ballot, voters of the City of Brookings approved that psilocybin product manufacturers and psilocybin service centers be prohibited within the City of Brookings' jurisdictional boundaries.

Section 3. Effective Date This ordinance shall take effect immediately following its passage.

First Reading: _____ Passage: _____

Second Reading: _____ Effective Date: _____

Signed by me in authentication of its passage this _____, day of _____, 2024

Mayor Isaac Hodges

City Recorder Brooklyn Osterhage

Report Criteria:

Report type: Summary

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/24	11/06/2024	90902	4746	Curry County Treasurer	10-00-2005	48.00- V
11/24	11/07/2024	92561	5908	Amazon Capital Services	20-00-2005	3,288.35
11/24	11/07/2024	92562	4939	Bi - Mart Corporation	10-00-2005	333.67
11/24	11/07/2024	92563	313	Brookings Vol Firefighters	10-00-2005	2,250.00
11/24	11/07/2024	92564	2364	C & S Fire-Safe Services LLC	10-00-2005	237.00
11/24	11/07/2024	92565	5567	CAL/OR Insurance Agency	30-00-2005	683.33
11/24	11/07/2024	92566	193	Central Equipment Co, Inc	10-00-2005	55.13
11/24	11/07/2024	92567	5822	Chaves Consulting Inc	49-00-2005	370.20
11/24	11/07/2024	92568	5952	Chetco Auto Marine & Industrial Supply	15-00-2005	250.40
11/24	11/07/2024	92569	5827	Coastal Investments LLC	10-00-2005	960.00
11/24	11/07/2024	92570	6078	Curry County Reporter	20-00-2005	971.25
11/24	11/07/2024	92571	4746	Curry County Treasurer	10-00-2005	48.00
11/24	11/07/2024	92572	284	Day Management Corp	10-00-2005	255.00
11/24	11/07/2024	92573	185	Del Cur Supply	20-00-2005	159.00
11/24	11/07/2024	92574	5432	First Community Credit Union	25-00-2005	3,560.00
11/24	11/07/2024	92575	5004	Galls LLC	10-00-2005	363.58
11/24	11/07/2024	92576	282	Gov't Finance Officers Assn	10-00-2005	160.00
11/24	11/07/2024	92577	6265	H&S Energy Group	10-00-2005	3,224.65
11/24	11/07/2024	92578	6030	Hartwick Automotive LLC	10-00-2005	72.04
11/24	11/07/2024	92579	5976	Kellum's Floors & More	50-00-2005	910.70
11/24	11/07/2024	92580	6221	Kittelson & Associates Inc	75-00-2005	663.75
11/24	11/07/2024	92581	5860	Lane Council of Governments	10-00-2005	345.00
11/24	11/07/2024	92582	328	Les Schwab Tire Center	20-00-2005	1,357.89
11/24	11/07/2024	92583	6065	Local Government Law Group PC	10-00-2005	1,093.00
11/24	11/07/2024	92584	4269	Gary Milliman	10-00-2005	325.00
11/24	11/07/2024	92585	5954	Morel Ink	10-00-2005	253.68
11/24	11/07/2024	92586	4443	Napa Auto Parts-Golder's	20-00-2005	378.22
11/24	11/07/2024	92587	252	Paramount Pest Control	10-00-2005	225.00
11/24	11/07/2024	92588	4	Anna Cubillos	10-00-2005	258.00
11/24	11/07/2024	92589	322	Postmaster	25-00-2005	1,200.00
11/24	11/07/2024	92590	322	Postmaster	20-00-2005	950.00
11/24	11/07/2024	92591	5768	Proficient Auto Center Inc	20-00-2005	366.50
11/24	11/07/2024	92592	207	Quill Corporation	10-00-2005	187.27
11/24	11/07/2024	92593	612	Strahm's Sealcoat & Striping	15-00-2005	500.00
11/24	11/07/2024	92594	4542	Umpqua Bank	45-00-2005	5,322.00
11/24	11/07/2024	92595	432	USA BlueBook	25-00-2005	361.49
11/24	11/07/2024	92596	4734	Vestis Services LLC	10-00-2005	150.00
11/24	11/07/2024	92597	861	Village Express Mail Center	10-00-2005	52.05
11/24	11/07/2024	92598	2122	Cardmember Service	10-00-2005	2,946.58
11/24	11/07/2024	92599	169	Waste Connections Inc	10-00-2005	154.20
11/24	11/07/2024	92600	5992	Zipty Fiber	30-00-2005	358.70
11/24	11/14/2024	92601	5908	Amazon Capital Services	10-00-2005	20.73
11/24	11/14/2024	92602	6121	AutoZone Inc	10-00-2005	39.40
11/24	11/14/2024	92603	5450	Complete Wireless Technologies	10-00-2005	237.68
11/24	11/14/2024	92604	5939	Country Media Inc	10-00-2005	78.93
11/24	11/14/2024	92605	5224	Department of Administrative Services	25-00-2005	900.00
11/24	11/14/2024	92606	5951	Executech Utah LLC	49-00-2005	32.76
11/24	11/14/2024	92607	2186	Ferguson Waterworks #3011	20-00-2005	1,847.12
11/24	11/14/2024	92608	269	Grainger	20-00-2005	662.41
11/24	11/14/2024	92609	1130	H.D. Fowler	20-00-2005	1,565.98
11/24	11/14/2024	92610	5858	Jacobs Engineering Group Inc	53-00-2005	51,925.58
11/24	11/14/2024	92611	5858	Jacobs Engineering Group Inc	25-00-2005	140,880.83
11/24	11/14/2024	92612	3978	KLB Enterprises	15-00-2005	408.65

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/24	11/14/2024	92613	6304	Mid-America Pool Renovation Inc	50-00-2005	173,235.00
11/24	11/14/2024	92614	5789	Moss Adams LLP	75-00-2005	7,500.00
11/24	11/14/2024	92615	4781	OHA Cashier	20-00-2005	200.00
11/24	11/14/2024	92616	4	Tyler Korin	10-00-2005	266.00
11/24	11/14/2024	92617	207	Quill Corporation	10-00-2005	10.78
11/24	11/26/2024	92618	1840	Rogue Credit Union	10-00-2005	.00 V
11/24	11/14/2024	92619	486	State Forester	10-00-2005	1,399.00
11/24	11/14/2024	92620	142	Tidewater Contractors Inc	25-00-2005	832.01
11/24	11/14/2024	92621	6264	Tradewind Signs LLC	10-00-2005	466.00
11/24	11/14/2024	92622	6312	Joe Ulics	10-00-2005	4,274.50
11/24	11/14/2024	92623	169	Waste Connections Inc	10-00-2005	1,242.32
11/24	11/14/2024	92624	5992	Ziply Fiber	30-00-2005	138.75
11/24	11/21/2024	92625	5908	Amazon Capital Services	49-00-2005	14.22
11/24	11/21/2024	92626	5871	BALCO Uniform Co Inc	10-00-2005	144.27
11/24	11/21/2024	92627	5070	Canon Solutions America	10-00-2005	746.45
11/24	11/21/2024	92628	5313	City of Brookings	61-00-2005	853.00
11/24	11/21/2024	92629	4882	Coastal Heating & Air	10-00-2005	284.90
11/24	11/21/2024	92630	6078	Curry County Reporter	10-00-2005	393.75
11/24	11/21/2024	92631	173	Curry Equipment	15-00-2005	537.94
11/24	11/21/2024	92632	1	Kaleb Barnes	20-00-2005	164.92
11/24	11/21/2024	92633	371	Dept of Environmental Quality	25-00-2005	1,573.52
11/24	11/21/2024	92634	6305	Global Diving & Salvage Inc	53-00-2005	1,032.74
11/24	11/21/2024	92635	6265	H&S Energy Group	10-00-2005	3,464.66
11/24	11/21/2024	92636	6030	Hartwick Automotive LLC	10-00-2005	1,422.42
11/24	11/21/2024	92637	5754	iFocus Consulting Inc	49-00-2005	2,575.00
11/24	11/21/2024	92638	6221	Kittelson & Associates Inc	75-00-2005	801.25
11/24	11/21/2024	92639	202	League of Oregon Cities	10-00-2005	190.00
11/24	11/21/2024	92640	5954	Morel Ink	10-00-2005	318.75
11/24	11/21/2024	92641	4901	Mountain View Paving, Inc	15-00-2005	4,602.25
11/24	11/21/2024	92642	3159	NorthCoast Health Screening	25-00-2005	100.00
11/24	11/21/2024	92643	5008	Online Information Services	10-00-2005	168.15
11/24	11/21/2024	92644	5155	Oregon Department of Revenue	10-00-2005	297.00
11/24	11/21/2024	92645	6313	Public Safety Software LLC	30-00-2005	648.00
11/24	11/21/2024	92646	207	Quill Corporation	10-00-2005	422.47
11/24	11/21/2024	92647	6236	Roberson Motors Inc	10-00-2005	452.74
11/24	11/21/2024	92648	380	Stadelman Electric Inc	15-00-2005	321.00
11/24	11/21/2024	92649	6262	Stateline Tires LLC	20-00-2005	1,470.00
11/24	11/21/2024	92650	956	Suiter's Paint & Body	10-00-2005	500.00
11/24	11/21/2024	92651	861	Village Express Mail Center	25-00-2005	35.15
11/24	11/21/2024	92652	169	Waste Connections Inc	61-00-2005	138.00
11/24	11/21/2024	92653	5071	Wes' Towing	20-00-2005	87.00
11/24	11/21/2024	92654	5992	Ziply Fiber	10-00-2005	46.28
11/24	11/27/2024	92655	5908	Amazon Capital Services	10-00-2005	44.58
11/24	11/27/2024	92656	1745	Coastal Paper & Supply Inc	10-00-2005	896.58
11/24	11/27/2024	92657	6078	Curry County Reporter	50-00-2005	288.75
11/24	11/27/2024	92658	1	Kayla Ledford	20-00-2005	149.73
11/24	11/27/2024	92659	2640	Dyer Partnership	52-00-2005	34,945.00
11/24	11/27/2024	92660	298	Freeman Rock, Inc	15-00-2005	745.20
11/24	11/27/2024	92661	4980	iSecure Inc	10-00-2005	36.30
11/24	11/27/2024	92662	4487	Net Assets Corporation	10-00-2005	300.00
11/24	11/27/2024	92663	5584	Northwoods Overhead Door	50-00-2005	3,647.00
11/24	11/27/2024	92664	4781	Oregon Health Authority	10-00-2005	275.00
11/24	11/27/2024	92665	5101	Pitney Bowes Reserve Acct	10-00-2005	500.00
11/24	11/27/2024	92666	5768	Proficient Auto Center Inc	20-00-2005	215.00
11/24	11/27/2024	92667	207	Quill Corporation	10-00-2005	854.04
11/24	11/27/2024	92668	3	Danielle King	20-00-2005	119.04

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/24	11/27/2024	92669	3	Laurel Petrevics	20-00-2005	13.34
11/24	11/27/2024	92670	1840	Rogue Credit Union	10-00-2005	29,678.72
11/24	11/27/2024	92671	3369	Schwabe Williamson & Wyatt PC	20-00-2005	183.00
11/24	11/27/2024	92672	380	Stadelman Electric Inc	50-00-2005	166.74
11/24	11/27/2024	92673	6264	Tradewind Signs LLC	10-00-2005	162.49
Grand Totals:						520,743.40

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Report Criteria:
Report type: Summary

City of Brookings

URBAN RENEWAL AGENCY MEETING MINUTES

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

Monday, August 26, 2024

Call to Order

Chair Hodges called the meeting to order at 7:48 PM

Roll Call

Agency Present: Chair Isaac Hodges, Directors Clayton Malmberg, Phoebe Pereda, Andy Martin, and Kristi Fulton; a quorum present

Staff present: City Manager Tim Rundel, Public Works and Development Services Director Tony Baron, and Deputy City Recorder Brooklyn Osterhage

Media Present: 0

Others Present: 1

Consent Calendar

1. Approve Urban Renewal meeting Minutes for August 14, 2023
2. Approve Urban Renewal meeting Minutes for December 11, 2023
3. Approve Urban Renewal meeting Minutes for June 24, 2024

Director Pereda moved, Chair Hodges seconded, and Agency voted unanimously to approve the Consent Calendar.

Agency Remarks

Director Malmberg spoke about the Urban Renewal Agency expiration in 2028 and would like to set up a plan over the next four years to utilize the agency the best way possible.

Adjournment

Chair Hodges moved and Agency voted unanimously to adjourn the meeting at 7:53 PM.

Respectfully submitted:

ATTESTED:

this 9th day of December, 2024:

Isaac Hodges, URA Chair


Brooklyn Osterhage, City Recorder

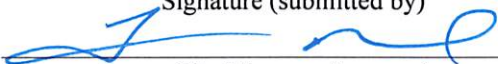
BROOKINGS URBAN RENEWAL AGENCY

AGENDA REPORT

Meeting Date: December 9, 2024

Originating Dept: Finance & Admin



Signature (submitted by)


City Manager Approval

Subject:

Audit Report for the fiscal year ended June 30, 2024.

Recommended Motion:

Motion to accept the Brookings Urban Renewal Agency's Audit for the fiscal year ended June 30, 2024.

Financial Impact:

None.

Background/Discussion:

Moss Adams LLP completed the Urban Renewal Agency's audit for the fiscal year ending June 30, 2024. A 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 is in the Mayor's and Councilors' boxes and a copy will be available for viewing at City Hall.

The Urban Renewal Agency received an unmodified opinion on the June 30, 2024 audit; which means that the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Attachment:

June 30, 2024 Audit



Annual Financial Report

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

For the Year Ended June 30, 2024



MOSSADAMS

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, 2024

CITY MANAGER

Tim Rundel

FINANCE DIRECTOR

Anella Ehlers

MAYOR

Isaac Hodges

CITY COUNCIL

Clayton Malmberg

Phoebe Pereda

Andy Martin

Kristi Fulton

All City Council receive mail at the City office

CITY ADDRESS

898 Elk Drive
Brookings, OR 97415

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Report of Independent Auditors

Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and budgetary statement for the general (special revenue) fund of the Brookings Urban Renewal Agency (the Agency), a component unit of the City of Brookings, Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Brookings Urban Renewal Agency as of June 30, 2024, and the respective changes in financial position and budgetary statement for the general (special revenue) fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Financial Reporting Entity

As discussed in Note 1, the financial statements present only the Agency and do not purport to, and do not, present fairly the financial position of the City of Brookings, Oregon as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

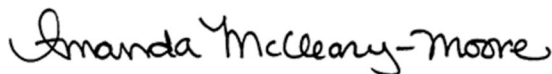
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brookings Urban Renewal Agency's basic financial statements. The budgetary comparison for the debt service (major fund) and schedule of property tax transactions (collectively the supplementary information) are presented for purposes of additional analysis and are 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 21, 2024 on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



Amanda McCleary-Moore, Partner,
for Moss Adams LLP
Medford, Oregon
November 21, 2024

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, 2024

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 position of the Agency increased by \$345,270 from \$1,401,304 to \$1,746,574 at June 30, 2024.
- Governmental activities revenue increased by \$127,811 to \$896,596. This is due to an increase in property tax revenues and interest earnings.
- Overall, expenditures decreased by \$487,849 to \$551,326. This is due to the completion of infrastructure projects in the Urban Renewal District.

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 Position, Statement of Activities, and Changes in Net Position, fund financial statements, and notes to the financial statements. Statements of Net Position 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 Net Position 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 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. The focus is on Agency revenues and expenditures, the net of which equals change in net position.

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.

Statements of Net Position at June 30, 2024 and 2023:

Table 1
Net Position at Fiscal Year End
Governmental Activities

	<u>2024</u>	<u>2023</u>
Assets		
Cash and investments	\$ 1,718,275	\$ 1,365,443
Other assets	<u>37,709</u>	<u>35,861</u>
Total Assets	<u>1,755,984</u>	<u>1,401,304</u>
Liabilities		
Accounts payable	<u>9,410</u>	<u>-</u>
Total Liabilities	<u>9,410</u>	<u>-</u>
Net Position		
Unrestricted	<u><u>\$ 1,746,574</u></u>	<u><u>\$ 1,401,304</u></u>

As of June 30, 2024, the Agency had no long-term liabilities. 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 position increased by \$345,270 from \$1,401,304 to \$1,746,574, primarily due to decreased expenditures.

Statement of Activities for the Years Ended June 30, 2024 and 2023:

Table 2
Governmental Activities For Fiscal Year Ending

	<u>2024</u>	<u>2023</u>
REVENUES		
General revenues		
Taxes	\$ 802,494	\$ 728,321
Investment earnings	<u>94,102</u>	<u>40,464</u>
Total revenues	896,596	768,785
 EXPENSES		
Program	<u>551,326</u>	<u>1,039,175</u>
 Change in net position	345,270	(270,390)
Beginning net position	<u>1,401,304</u>	<u>1,671,694</u>
 Ending net position	<u><u>\$ 1,746,574</u></u>	<u><u>\$ 1,401,304</u></u>

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

Program expenses included \$551,326 for Agency management, audit expense and capital projects.

BUDGETARY HIGHLIGHTS

No changes were made from the original 2023-24 adopted General Fund budget.

DEBT ADMINISTRATION

As of June 30, 2024, the Agency had no outstanding debt.

ECONOMIC FACTORS

Like all municipalities in Oregon, the Agency continues to operate 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:

Anella Ehlers
City of Brookings
Finance Director
898 Elk Drive
Brookings, OR 97415
(541) 469-2163
lehlers@brookings.or.us

Basic Financial Statements

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,718,275
Receivables	<u>37,709</u>
Total assets	<u>1,755,984</u>
LIABILITIES	
Accounts payable	<u>9,410</u>
Total liabilities	<u>9,410</u>
NET POSITION	
Restricted for urban renewal projects and debt service	<u><u>\$ 1,746,574</u></u>

See accompanying notes.

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Statement of Activities
For the Year Ended June 30, 2024

	Governmental Activities
PROGRAM EXPENSES	
General government	\$ 551,326
Total program expenses	<u>551,326</u>
GENERAL REVENUES	
Property taxes, levied for debt service	802,494
Unrestricted investment earnings	<u>94,102</u>
Total general revenues	<u>896,596</u>
Change in net position	345,270
NET POSITION - beginning	<u>1,401,304</u>
NET POSITION - ending	<u><u>\$ 1,746,574</u></u>

See accompanying notes.

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Balance Sheet
Governmental Funds
June 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 1,206,775	\$ 511,500	\$ 1,718,275
Receivables	<u>37,709</u>	<u>-</u>	<u>37,709</u>
Total assets	<u><u>\$ 1,244,484</u></u>	<u><u>\$ 511,500</u></u>	<u><u>\$ 1,755,984</u></u>
LIABILITIES			
Accounts payable	<u>\$ 9,410</u>	<u>\$ -</u>	<u>\$ 9,410</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>31,161</u>	<u>-</u>	<u>31,161</u>
FUND BALANCES			
Restricted for			
Urban renewal projects	1,203,913	-	1,203,913
Debt service	<u>-</u>	<u>511,500</u>	<u>511,500</u>
Total fund balances	<u>1,203,913</u>	<u>511,500</u>	<u>1,715,413</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 1,244,484</u></u>	<u><u>\$ 511,500</u></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:

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.

31,161

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 1,746,574

See accompanying notes.

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	General	Debt Service	Totals
REVENUES			
Property taxes	\$ 781,435	\$ -	\$ 781,435
Interest	94,102	-	94,102
Total revenues	875,537	-	875,537
EXPENDITURES			
Current			
General government	213,096	-	213,096
Capital outlay	338,230	-	338,230
Total expenditures	551,326	-	551,326
Net change in fund balances	324,211	-	324,211
Fund balances at beginning of year	879,702	511,500	1,391,202
Fund balances at end of year	<u>\$ 1,203,913</u>	<u>\$ 511,500</u>	<u>\$ 1,715,413</u>

See accompanying notes.

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
Year Ended June 30, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 324,211
--	------------

*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	21,059
-------	--------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 345,270
---	------------

See accompanying notes.

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
Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 724,170	\$ 724,170	\$ 781,435	\$ (57,265)
Interest	2,000	2,000	94,102	(92,102)
Total revenues	726,170	726,170	875,537	(149,367)
EXPENDITURES				
Urban renewal program	1,646,170	1,646,170	551,326	1,094,844
Total expenditures	1,646,170	1,646,170	551,326	1,094,844
Net change in fund balance	(920,000)	(920,000)	324,211	(1,244,211)
Fund balance at beginning of year	920,000	920,000	879,702	(40,298)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,203,913</u>	<u>\$ 1,203,913</u>

See accompanying notes.

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Notes to Basic Financial Statements
June 30, 2024

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.

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Notes to Basic Financial Statements
June 30, 2024

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 are recognized in the fiscal year for which the taxes are levied. Revenues 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.

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

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Notes to Basic Financial Statements
June 30, 2024

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.

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.

Brookings Urban Renewal Agency
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June 30, 2024

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.

Note 2 – Cash 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.

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, 2024 are shown below:

Property taxes	<u>\$37,709</u>
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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.

Brookings Urban Renewal Agency
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Note 4 – Unavailable Revenue

Resource owned by the Agency, which are measurable, but not available, and therefore, unavailable in the funds, consist of the following at June 30, 2024:

Property taxes	<u>\$31,161</u>
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Note 5 – 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, 2024.

Supplementary 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
Year Ended June 30, 2024**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	511,500	511,500
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511,500</u>	<u>\$ 511,500</u>

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Schedule of Property Tax Transactions
Year Ended June 30, 2024

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2023</u>	<u>Current Levy</u>	<u>Discounts and Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2024</u>
2023-24	\$ -	\$ 804,069	\$ (22,406)	\$ (761,862)	\$ 19,801
2022-23	20,915	-	(350)	(11,272)	9,293
2021-22	7,035	-	(109)	(3,063)	3,863
2020-21	3,661	-	(95)	(1,671)	1,895
2019-20	1,785	-	(67)	(1,160)	558
2018-19	535	-	(42)	(214)	279
2017-18	278	-	(29)	(69)	180
Prior years	1,954	-	(28)	(86)	1,840
	<u>\$ 36,163</u>	<u>\$ 804,069</u>	<u>\$ (23,126)</u>	<u>\$ (779,397)</u>	<u>\$ 37,709</u>

Report of Independent Auditors Required by Oregon State Regulations

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

We have audited, in accordance with auditing standards generally accepted in the United States of America the financial statements of the governmental activities, each major fund, and the budgetary statement for the general (special revenue) fund of the Brookings Urban Renewal Agency (the Agency) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Brookings Urban Renewal Agency's basic financial statements, and have issued our report thereon dated November 21, 2024.

Compliance

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

- Accounting records and internal control
- Public fund deposits
- Budget
- Insurance and fidelity bonds
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

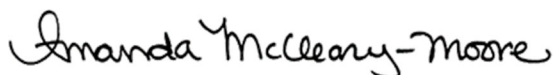
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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. Accordingly, this communication is not suitable for any other purpose.

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



Amanda McCleary-Moore, Partner,
for Moss Adams LLP
Medford, Oregon
November 21, 2024



MOSSADAMS