



CITY OF COTTAGE GROVE, OREGON
FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

CITY OF COTTAGE GROVE, OREGON
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2021
WITH
INDEPENDENT AUDITOR'S REPORT

REPORT PREPARED BY
CITY OF COTTAGE GROVE, FINANCE DEPARTMENT

CITY OF COTTAGE GROVE, OREGON
 Financial Statements and Supplemental Information
 For the Fiscal Year Ended June 30, 2021
 Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Principal City Officials	i
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 14
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	20
Balance Sheet - Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23 - 24
Notes to the Financial Statements	25 - 47
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Pension Liability	48
Schedule of Pension Contributions	48
Schedule of Proportionate Share of Net OPEB/RHIA (Asset) Liability	49
Schedule of OPEB Contributions	49
Notes to Required Supplementary Information	50
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	51
Street Fund	52
Other Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund	53

CITY OF COTTAGE GROVE, OREGON
 Financial Statements and Supplemental Information
 For the Fiscal Year Ended June 30, 2021

Table of Contents, continued

	<u>Page</u>
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	55
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	57
Nonmajor Capital Projects Funds:	
Combining Balance Sheet	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	59
Nonmajor Permanent Funds:	
Combining Balance Sheet	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	61
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Assessment Fund	62
Police Communication Fund	63
Bicycle and Footpath Fund	64
Rehabilitation Loan Fund	65
Narcotics Forfeiture Fund	66
Building Inspection Program Fund	67
Industrial Park Fund	68
Street Systems Development Fund	69
Parks Systems Development Fund	70
General Reserve Fund	71
Building Inspection Reserve Fund	72
Housing Development Cost Assistance Trust Fund	73
Special Trust Fund	74
Amory Trust Fund	75
Proprietary Funds:	
Water Operations:	
Combining Balance Sheet	76
Combining Statement of Revenues, Expenses, and Changes in Net Position	77
Combining Statement of Cash Flows	78 - 79

CITY OF COTTAGE GROVE, OREGON
 Financial Statements and Supplemental Information
 For the Fiscal Year Ended June 30, 2021

Table of Contents, continued

	<u>Page</u>
Wastewater Operations:	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenses, and Changes in Net Position	81
Combining Statement of Cash Flows	82 - 83
Storm Drain Operations:	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenses, and Changes in Net Position	85
Combining Statement of Cash Flows	86 - 87
Water Operations:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Water Fund	88
Water Systems Development Fund	89
Water Reserve Fund	90
Wastewater Operations:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Wastewater Fund	91
Wastewater Systems Development Charge Fund	92
Wastewater Reserve Fund	93
Storm Drain Operations:	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Storm Drainage Utility Fund	94
Storm Drainage Systems Development Fund	95
Storm Drainage Reserve Fund	96
STATISTICAL SECTION:	
Net Position by Component	97- 98
Changes in Net Position	99-102
Governmental Activities Tax Revenues by Source	103
Fund Balance of Governmental Funds	104 - 105
Changes in Fund Balance of Governmental Funds	106 - 107
General Governmental Tax Revenues by Source	108
Assessed Values and Estimated Real Market Value of Taxable Property	109

CITY OF COTTAGE GROVE, OREGON
Financial Statements and Supplemental Information
For the Fiscal Year Ended June 30, 2021
Table of Contents, continued

	<u>Page</u>
STATISTICAL SECTION, continued:	
Property Tax Rates	110
Principal Property Taxpayers	111 - 112
Property Tax Levies and Collections	113
Ratios of Outstanding Debt by Type	114
Ratios of General Bonded Debt Outstanding	115
Direct and Overlapping Governmental Activities Debt	116
Legal Debt Margin Information	117
Demographic and Economic Statistics	118
Full-Time Equivalent City Government Employees by Function	119
Operating Indicators by Function	120 - 121
Capital Assets Statistics by Function	122
Principal Employers	123
 COMPLIANCE SECTION	
Independent Auditor's Report Required by Oregon State Regulations	124-125

INTRODUCTORY SECTION

CITY OF COTTAGE GROVE, OREGON

Principal City Officials

June 30, 2021

ELECTED OFFICIALS

Mayor

Jeff Gowing
337 N. 9th Street
Cottage Grove, OR 97424

Term Expiration

December 31, 2022

Council Members

Chalice Savage
203 Pond Turtle Way
Cottage Grove, OR 97424

Ward 1

December 31, 2022

Jon Stinnett
2110 E. Main Street
Cottage Grove, OR 97424

Ward 2

December 31, 2024

Candace Solesbee
15 South 6th Street
Cottage Grove, OR 97424

Ward 3

December 31, 2022

Greg Ervin
1140 E. Van Buren Avenue
Cottage Grove, OR 97424

Ward 4

December 31, 2024

Kenneth Michael Roberts
731 Main Street, #6
Cottage Grove, OR 97424

At-Large

December 31, 2024

Mike Fleck
1125 E. Harrison
Cottage Grove, OR 97424

At-Large

December 31, 2022

ADMINISTRATIVE OFFICIALS

Richard Meyers

City Manager

Roberta Likens

Finance Director

FINANCIAL SECTION



1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Cottage Grove, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cottage Grove, Oregon ("City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cottage Grove as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgeted comparison schedules for the General Fund and Street Fund, the Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of Pension Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the Management's Discussion and Analysis, the Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of Pension Contributions in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules for the General and Street funds are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other 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 introductory section, combining and individual fund financial statements, and budget and actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical tables has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 27, 2021, 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 OAR 162-010-0000 to 162-10-0320. 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.

Isler CPA



By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
December 27, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

This discussion and analysis presents the highlights of financial activities and the financial position of the City of Cottage Grove (City). The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, debt administration, capital assets, budget changes, and variances from the budget, specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current-year activities and the resulting changes. Please read it in conjunction with the City's financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

Government-Wide

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$61,885,062 (reported as net position). Of this amount, (\$506,003) represents unrestricted net position, which may be used to meet the City's obligations to citizens and creditors.
- The City's net position increased \$680,042 in governmental activities and increased \$1,044,877 in business type activities resulting in a total increase of \$1,724,919.
- The City's total debt outstanding decreased \$1,880,426 or 7.86% this year. The City did not issue any new debt this year.
- The City's overall net pension liability increased from \$10.7 million to \$14.3 million.

Fund Level

- The City's governmental funds reported a combined fund balance of \$5.7 million, which is an increase of \$259,601 over the prior fiscal year. Of the fund balance reported, \$2.8 million is considered non-spendable, restricted, or committed. The remaining \$2.9 million is available for spending at the government's discretion.
- The proprietary funds – those used to account for programs which the City charges for the services it provides, reported a combined net position of \$24.4 million, an increase of \$1.0 million over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Cottage Grove's basic financial statements. The basic financial statements, combined with the supplementary information and other financial schedules provide both a government-wide view of the City's financial condition over time as well as detailed information relating to how the City's net position changed during the current fiscal year.

The change in net position over time is one indicator of whether the City's financial health is improving or deteriorating. However, other non-financial factors influence the City's fiscal health. These factors

may include changes in the economy, in the City's taxable assessed value, in population, and this year specifically, the Coronavirus Pandemic, as well as other events. This report includes a comparison to the prior year, in order to assist the reader in determining the status of the City's fiscal standing over time.

Basic financial statements include a Statement of Net Position, Statement of Activities, Fund Financial Statements and the notes to the financial statements. Statements of Net Position and Activities focus on a government-wide presentation, while Fund Financial Statements provide detailed information about the City's major governmental and proprietary funds.

Government-wide Financial Statements

- The Statement of Net position presents information on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the City owns; the liabilities it owes, the net difference (net position) and deferred outflows and inflows related to pensions. The net position is further separated into amounts restricted for specific purposes and unrestricted. This statement can serve as a useful indicator of whether the financial position of the City is improving or deteriorating over time.
- The Statement of Activities presents information on gross and net costs of City programs. This statement reflects how the City's net position changed during the most recent fiscal year, and summarizes the extent to which programs are self-supporting and/or subsidized by general tax or other revenues.
- Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, (business-type activities).

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 fund financial statements focus separately on the City's major governmental and proprietary funds.
- Governmental funds are reported using the modified accrual basis of accounting, which measures amounts using only cash and other short-term assets and liabilities (receivables and payables) that will soon be converted to cash or will soon be paid out with cash. The government fund statements provide a detailed short-term view of the governmental fund operations and the basic services it provides. These statements may be useful in assessing a government's near-term financing requirements.
- Major funds are defined as the General Fund and any other fund where the assets, liabilities, revenues, or expenditures/expenses exceed 10% of total governmental or total enterprise fund amounts and 5% of total government and enterprise fund amounts combined. Generally accepted accounting principles require that detailed information about major funds be separately disclosed. The General Fund, Street Fund, and Debt Service Fund are major governmental funds.
- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements and are reported using the full accrual basis of

accounting, which measures amounts using cash, all assets and liabilities (receivable and payables) regardless of when they will be converted to cash or paid out with cash. The City's enterprise funds primarily charge user fees to customers to cover the costs of providing the services on a continual basis. These funds represent three segments of operations: Water, Wastewater, and Storm Drainage.

Notes to the Basic Financial Statements

- Accompanying notes are an integral part of the financial statements. Notes provide additional details and statistical information about the figures represented, accounting basis, policies and procedures as well as compliance, stewardship and accountability.

Net Position as of June 30th

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$61,885,063 at the close of FY 2021. This represented a \$1,724,920 or 2.87 percent increase in net position from the prior year.

SUMMARY OF NET POSITION

	Governmental Activities		Business-type Activities		Total Government	
	2020	2021	2020	2021	2020	2021
Current & other assets	\$6,137,666	\$6,353,710	\$12,451,791	\$8,440,038	\$18,589,457	\$14,793,748
Capital assets, net	41,531,499	43,143,902	33,972,139	37,760,737	75,503,638	80,904,639
Total assets	<u>47,669,165</u>	<u>49,497,612</u>	<u>46,423,930</u>	<u>46,200,775</u>	<u>94,093,095</u>	<u>95,698,387</u>
Total deferred outflows of resources	<u>2,438,675</u>	<u>3,422,022</u>	<u>997,142</u>	<u>1,412,902</u>	<u>3,435,817</u>	<u>4,834,924</u>
Current liabilities	793,142	770,075	1,132,010	604,916	1,925,152	1,374,991
Long term liabilities	11,883,873	14,001,573	22,704,585	22,346,222	34,588,458	36,347,795
Total liabilities	<u>\$12,677,015</u>	<u>\$14,771,648</u>	<u>\$23,836,595</u>	<u>\$22,951,138</u>	<u>\$36,513,610</u>	<u>\$37,722,786</u>
Total deferred inflows of resources	<u>633,160</u>	<u>670,279</u>	<u>221,999</u>	<u>255,183</u>	<u>855,159</u>	<u>925,462</u>
Total liabilities and deferred inflows of resources	<u>13,310,175</u>	<u>15,503,437</u>	<u>24,058,594</u>	<u>23,206,321</u>	<u>37,368,769</u>	<u>38,648,248</u>
Net position:						
Net Investment in capital assets	\$37,497,971	\$39,496,530	\$14,099,451	\$19,382,317	\$51,597,422	\$58,878,847
Restricted	1,002,254	1,044,502	2,250,896	2,467,717	3,253,150	3,512,219
Unrestricted	(1,702,560)	(3,063,325)	7,012,131	2,557,322	5,309,571	(506,003)
Total Net Position	<u>\$36,797,665</u>	<u>\$37,477,707</u>	<u>\$23,362,478</u>	<u>\$24,407,356</u>	<u>\$60,160,143</u>	<u>\$61,885,063</u>

The largest portion of the City's net position, \$58,878,847, reflects the City's investment in capital assets (land, buildings, machinery and equipment), less any related outstanding debt used to acquire those assets. The City's investment in capital assets increased \$7,281,416 or 14.1 percent from June 30, 2020. The City's major capital assets investment is in infrastructure – the water, wastewater and storm water systems of treatments plants, collection/distribution facilities, and the street system. The City uses the capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that

the resources needed to repay the debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City's restricted net position totaled \$3,512,219 or 5.68 percent of the total net position representing resources that are subject to external restrictions on how they may be used. This represents an increase of \$259,069 in the City's restricted net position from June 30, 2020. The remaining balance of unrestricted net position, (\$506,003), may be used to meet the City's ongoing obligations to the community and creditors.

Unrestricted net position for governmental activities totaled (\$3,063,325) or (8.17) percent of the total net position for governmental activities. Ending the year with negative unrestricted net position is largely the result of reporting the City's share of the outstanding Oregon Public Employee Retirement System's (OPERS) unfunded liabilities. Business-type activities unrestricted net position totaled \$2,557,322 or 10.47 percent of the total net position for business-type activities. At the end of FY 2021, the City of Cottage Grove is able to report positive balances in two of three categories of net position, with the total unrestricted net position negative.

Statement of Activities as of June 30th

As with the Statement of Net Position, the Statement of Activities reports activities on a consolidated basis. A summary of significant activities follows the table below.

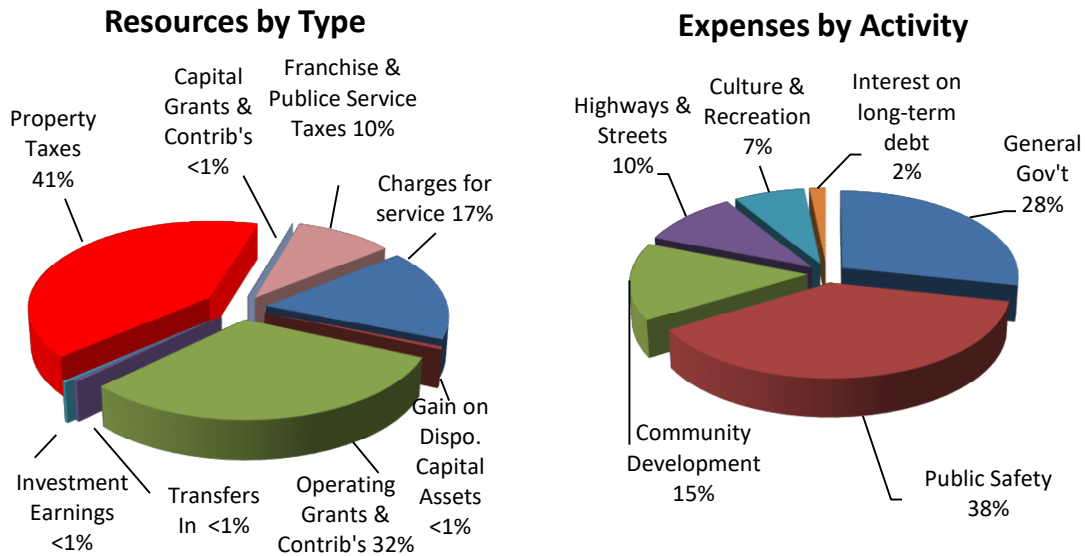
	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
REVENUES						
Program revenues						
Charges for services	\$ 1,937,968	2,120,853	\$ 8,072,268	8,250,992	\$ 10,010,236	10,371,845
Operating grants and contributions	3,220,534	3,913,456			3,220,534	3,913,456
Capital grants and contributions	151,486	160			151,486	160
General revenues						
Property taxes	4,898,499	5,103,734			4,898,499	5,103,734
Franchise fees	674,996	692,159			674,996	692,159
Alcoholic Beverage Taxes	190,311	198,017			190,311	198,017
Taxes and Other Revenues not restricted to specific programs	292,003	313,140	39,745		331,748	
Gain (loss) on disposition of Capital Assets	8,732	(59,200)			8,732	(59,200)
Interest	124,277	45,600	216,709	67,570	340,986	113,170
Total revenues	11,498,806	12,327,919	8,328,722	8,318,562	19,827,528	20,333,341
EXPENSES						
Governmental activities:						
General government	4,152,084	3,317,088			4,152,084	3,317,088
Public safety	3,962,770	4,443,303			3,962,770	4,443,303
Highways and streets	1,480,977	1,183,201			1,480,977	1,183,201
Culture and recreation	979,883	844,080			979,883	844,080
Community development	1,258,245	1,716,136			1,258,245	1,716,136
Interest on long-term debt	248,665	194,523			248,665	194,523
Business- type activities:						
Water			3,185,813	2,997,522	3,185,813	2,997,522
Wastewater			2,970,036	3,529,114	2,970,036	3,529,114
Storm drainage			651,219	696,595	651,219	696,595
Total Expenses	12,082,624	11,698,331	6,807,068	7,223,231	18,889,692	18,921,562
Change in Net Position before transfers	(583,818)	629,588	1,521,654	1,095,331	937,836	1,724,919
Transfers in (out)	0	50,454	0	(50,454)	0	0
Change in Net Position	(583,818)	680,042	1,521,654	1,044,877	937,836	1,724,919
Beginning Net Position	37,381,483	36,797,665	21,840,824	23,362,478	59,222,307	60,160,143
Ending Net Position	\$ 36,797,665	37,477,707	\$ 23,362,478	24,407,355	\$ 60,160,143	61,885,062

Governmental Activities

The net position for governmental activities increased \$680,042 from the prior year. Key factors include:

- Total governmental activity revenues increased \$829,113 approximately 7% more than the previous year. The most significant increase in revenue was in Highways and Streets. There was also a decrease of \$384,293 in expenditures, compared to the prior year, contributing to the increase in net position.
- Property taxes comprise approximately 41% of governmental operating revenue. For operating purposes, property tax revenues increased \$205,235. Property tax increases are controlled by state statute and allowed to increase by up to 3% per year, as well as taxes on new construction.
- Operating grants and contributions increased \$692,922 not including the Motor Fuel Taxes. The City is a pass-through agency for Transportation Grants for South Lane Wheels.
- Capital Grants and contributions slightly decreased \$151,326. The decrease of grant revenues is mainly due to the inability to provide transit service during the Coronavirus pandemic.
- Overall, expenditures increased, and revenue also increased, creating a change (increase) in Net Position of \$680,042.

Governmental Activities as of June 30, 2021

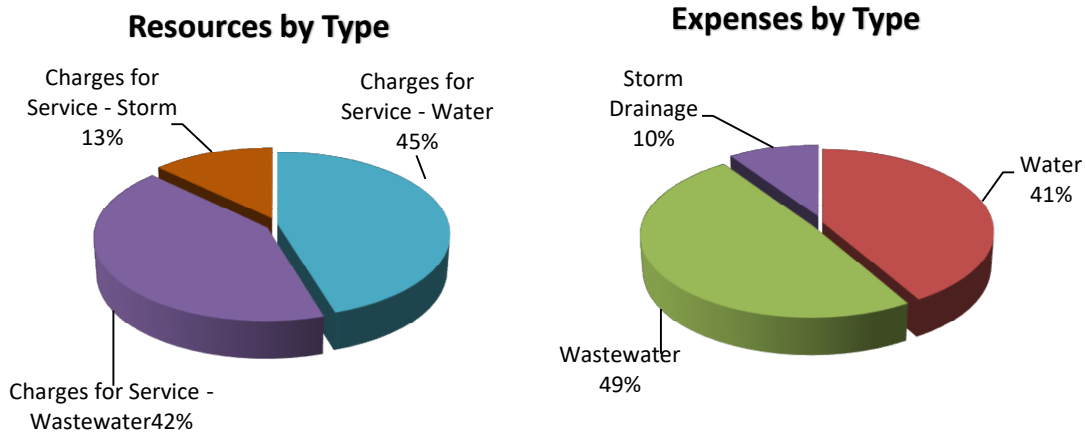


Business Activities

Business-type activities generated an increase to net position in the amount of \$1,044,878 from the prior year. Key activities during the fiscal year included:

- Charges for Water, Wastewater, and Storm drain were not changed in conjunction with a five-year plan developed by FCS Group and implemented by the City Council to meet the City's ongoing infrastructure demands. Charges for services increased by \$178,724.
- Expenses increased \$416,163 compared to last year. This is partially attributed to increased costs for materials and services. Transfers to the respective reserve funds in the water, wastewater, and storm drain operations were decreased by \$12,015.

Business Activities as of June 30, 2021



FUND FINANCIAL ANALYSIS

Governmental Funds

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

At the end of the fiscal year, the City of Cottage Grove's governmental funds reported combined ending fund balances of \$5,695,648. Approximately 51% of this total amount (\$2,883,445) constitutes unassigned fund balance. The remainder of the fund balance is restricted (\$980,894), or committed (\$1,831,309).

The main operating fund for the City is the General Fund. At the end of fiscal year 2021 the unassigned fund balance was \$2,883,445. It may be useful to compare the fund balance to the total fund

expenditures as a measure of the General Fund's liquidity. The unassigned fund balance represents approximately 41% of the total General Fund operating expenditures.

The general fund had an increase in total fund balance of \$329,961 during fiscal year 2021. Transfers to other funds were a total of \$1,182,932. Of that amount, \$501,135 was for operations of the Police Communications Fund, \$190,000 to the General Reserve Fund, \$75,000 to the Housing Assistance Trust Fund, and \$416,797 to the Debt Service Fund. Actual revenue received compared to budget estimates was 7.7% more than anticipated. Expenditures as a percent of budget were 82.5%, a 1.5% decrease compared to 2020.

In the Street Fund, the fund balance increased by \$155,378 during fiscal year 2021. Beginning fund balance was approximately \$46,399 less than budgeted, however, projects were completed in fiscal year 2021 that were not anticipated to be completed when the budget was developed. State highway taxes were less than budgeted amounts by approximately 5% and local fuel taxes were less than budget estimations by approximately 6%; Federal Urban Aid money was received in a slightly larger amount than anticipated as projects were able to be completed. Expenditures were 94.7% of the budgeted amount, an increase of 42% over the previous year. This was due to the Safe Routes to School Project completion.

The Industrial Park Fund ending fund balance was \$16,334; this is a decrease of \$102,311. No lots in the industrial park were sold in fiscal year 2020-21. Outstanding debt will continue to be addressed and paid as required. Property will be sold, including a residence, to pay for existing debt.

Proprietary Funds

The City's proprietary funds are comprised of the enterprise funds. An enterprise fund is used to account for activities for which a fee is charged to external users for services. These funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined water operations had an increase in total net position of \$755,059. The combined wastewater operations had a decrease in total net position of \$42,824. The operating revenues increased by \$19,679 over the prior year in water operations. Wastewater operations revenue increased over the prior year \$187,059. Utility rates for the funds were not changed. Sales in the water fund were \$4,605 more than anticipated and charges for service in the wastewater fund were \$34,748 more than anticipated. Of that amount, the Charges for Services from the operation of the golf course exceeded budget estimates by \$208,881 and installation fees for new services exceeded budget estimates by \$15,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary statement for the General Fund shows the original budget, final budget, actual revenues, expenditures, and transfers for the fiscal year ended June 30, 2021. By resolution of the City Council, funds in the amount of \$72,095 were transferred from the Non-Departmental Contingency line item, to various departments within the General Fund to meet expenditure requirements, leaving a balance of \$281,610 in the Contingency line item. The majority of the transfer, \$44,095, was transferred to the General Fund Maintenance Fund to fund a newly created maintenance worker position during the established budget years.

Significant variances between budget and actual activity can be summarized as follows:

- The General Fund revenues were more than projected by approximately 2.4% (\$240,865), not including cash carryover. General Fund Expenditures overall were 87% of the budgeted amount, not including the budgeted contingency and unappropriated ending fund balance.
- The Police Department under expended its budget by \$262,353. This can be attributed to personnel expense, with 92% of budgeted funds spent.
- General Fund department expenditures ranged from a low of 51% spent (Library Services) to a high of 99% spent (Maintenance Department and Broadband Services Department). The average spent was 85% of budgeted funds. In the Library Services Department, staff funding was less than anticipated due to the length of closure during the coronavirus pandemic exceeding expectations. This created a significant reduction in spending for the department.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets Net of Depreciation

The City of Cottage Grove’s investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$80,904,640 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, motor vehicles and equipment, office furniture and equipment, infrastructure and construction in progress.

Governmental activities and business type activities capital assets at June 30th were as follows:

	Governmental Activities		Business-type Activities		Total Government	
	2020	2021	2020	2021	2020	2021
Land	\$27,568,638	27,568,638	\$ 2,134,988	2,134,988	\$29,703,626	29,703,626
Buildings and improvements	4,546,649	5,453,352	2,425,599	2,671,134	6,972,248	8,124,486
Land improvements			125,875	41,880	125,875	41,880
Motor vehicles and equip	522,058	576,466	1,134,728	1,123,781	1,656,786	1,700,247
Office furniture and equip	122,218	127,942	18,869	12,989	141,087	140,931
Infrastructure	7,367,753	6,851,491	23,917,538	24,361,208	31,285,291	31,212,699
Construction in progress	1,404,183	2,566,013	4,214,542	7,414,757	5,618,725	9,980,770
Total	\$41,531,499	43,143,902	\$33,972,139	37,760,737	\$75,503,638	80,904,639

Major capital asset events during the current fiscal year included the following:

Governmental Activities-

- Building Improvements included the Community Center’s new flooring and heat pump in the kitchen area, City Hall roof project, the Temporary Emergency Shelters, the finalization of Phase 1 of the Armory Façade and Building Project, and the shared cost of the City Shop carport addition.
- Equipment purchases included the addition of Police Department mobile and handheld radios, the mobile Pedestrian Crossing signals/signs, the Backup Generator system for Public Works and

Police Department, the Montondo Shower Trailer, the Carryon 7 x 16' Enclosed trailer, the Interstate 6 x 12' trailer and the Halo air purifiers at various City locations.

- Computer and Equipment includes the purchase of several new laptops for the Police Department.
- Motor Vehicles include a 2014 Chevrolet Tahoe, 2017 Ford Interceptor and an Asset Forfeiture of a 2008 Chrysler 300 for the Police Department.
- Construction in Progress includes the River Path project; Community Center roof project; Streeteries/Parklets; South R street expansion; Armory Entry/Company room renovations and Safe Routes to School project.

Business Type Activities-

- Infrastructure includes the installation of the new AMI water meters, the South M Street sewer line, the Pipe-patch project, resurfacing of the Golf Course parking lot, resurfacing of the City Hall back parking lot, alley repair behind Axe and Fiddle, Storm Manhole repair project, the improvements to Gateway Blvd and Stage 1 of the Manhole lining project.
- Equipment includes three Military Emergency Generators, the Flygt submersible pump and the Wemco pump rebuild at the Wastewater Treatment plant, a PowerTrac 96" flail mower attachment at the Golf Course, the Golf Simulator equipment and new batteries for Golf Carts.
- Building Improvements includes the City shop carport addition, the Golf Course Simulator building, Golf Cart Storage facility and improvements to the Taylor Pump Station.
- Construction in Progress includes the Safe Routes to School project; Water Reservoir project; Wastewater Treatment Plant Effluent Use Expansion project; Water Treatment Plant Expansion project; Eastside Reservoir Project; and the Interchange Land Improvement Project near I-5.

	Change in Capital Assets					
	Governmental Activities		Business-type Activities		Total Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$41,531,499	\$40,010,388	\$33,972,139	\$31,369,811	\$75,503,638	\$71,380,199
Additions & Reclas.	3,295,948	3,416,964	6,478,545	4,210,508	9,774,494	7,627,471
Depreciation	(837,102)	(791,958)	(1,401,345)	(1,414,642)	(2,238,448)	(2,206,599)
Deletions & Reclas.	(846,443)	(1,103,895)	(1,288,602)	(193,538)	(2,135,044)	(1,297,433)
Ending balance	<u>\$43,143,902</u>	<u>\$41,531,499</u>	<u>\$37,760,737</u>	<u>\$33,972,139</u>	<u>\$80,904,639</u>	<u>\$75,503,638</u>

Further information may be found in Note 5 of the Notes to the Basic Financial Statements.

Debt Administration

At the end of the fiscal year, the City of Cottage Grove had total long-term debt outstanding of \$22,025,792 a decrease of \$1,880,426. Of that amount, \$1,339,999 is a general obligation bond to pay the City's unfunded actuarial liability in the Public Employees Retirement System. Several loans were paid off including the U.S. Bank loan for the Sweeper, Tiger Mower and John Deere Tractor and the Banner Bank loan for the Transtar Tractor with Sewer Camera. Compensated absences increased \$35,929. Further information may be found in Note 9 of the Notes to the Basic Financial Statements.

	Governmental Activities		Business-Type Activities		Total Government	
	2020	2021	2020	2021	2020	2021
Long-term obligations:						
Full Faith and Credit bond	\$1,436,144	1,354,326	\$16,653,855	15,425,673	\$18,089,999	16,779,999
Pension obligation bonds	1,224,738	1,120,238	240,260	219,760	1,464,998	1,339,998
Notes Payable	<u>1,176,484</u>	<u>987,071</u>	<u>898,508</u>	<u>765,519</u>	<u>2,074,992</u>	<u>1,752,590</u>
Total Obligation	\$3,837,366	3,461,635	\$17,792,623	16,410,952	\$21,629,989	19,872,587

State statutes limit the amount of general obligation debt an Oregon city may issue to 3% of total real market value of all taxable property within its boundary. The current debt limitation for the City of Cottage Grove is \$39,523,153. The outstanding debt of \$2,660,301 is counted within the statutory limitation, as the remaining debt, is either wholly or partially financed by revenues other than a general tax levy.

Key Economic Factors and Budget Information for the Future

As of June 30, 2021, Oregon's and Lane County's unemployment rates were 5.6 percent and 5.2 percent respectively. The unemployment rates were significantly greater due to the Coronavirus Pandemic and the continued temporary and permanent closure of business operations. In January of 2021, Oregon's unemployment rate was 6.2%, in April it decreased to a rate of 5.9%, and by June was at 5.6%. Tax collections in 2020-21 totaled \$ 5,111,185. The City's permanent tax rate remains at \$7.2087 per \$1,000 of valuation. The City's assessed value increase above the assessed property value cap of 3% due to new development and construction.

The governmental funds largest revenue sources are property taxes, franchise fees, state shared revenues, and charges for services. The State does not have a sales tax, resulting in local government's significant reliance on property taxes and other self-generated revenues. Assessed value growth for the 2020-21 budget preparation was projected at 2%, and anticipates an annexation value increase of \$105,130.

In all funds, personnel costs continue to rise due to cost of living wage increases and increased costs for medical and retirement benefits for employees. The City continues to pay a share of the employee retirements costs of the Oregon Public Employees Retirement System (PERS). Contribution rates are set by PERS for the biennium, with the rate increase to be effective July 2021. We are anticipating a significant increase effective July 2023, with the next actuarial performed by PERS. With these factors known, it is anticipated there will be a net pension liability increase in future fiscal years.

The Water, Wastewater, and Storm Drain Funds rely on user fees and system development charges. The City has contracted with FCS Group to develop a new 5-year financial plan for each utility in fiscal years 2021 through 2025. There were no rate increases budgeted for the 2020-21 fiscal year. The plan is a continuation from the last five-year plan, which has been followed during that time with rates adjusted accordingly. The water and wastewater rates are based on classifications. For water there are classifications for Residential, Industrial, Commercial and Irrigation users. The wastewater user classifications are Residential, Commercial, Industrial, and Schools. Storm Drain fees are the same rate for every customer, based upon the area of impervious surface. The financial plan increased the ability to upgrade utility infrastructure. Projects as recommend in the plan have been and will continue to be

funded either with City funds or with the acquisition of debt. It is noted that the financial plan can be impacted by any major emergency that is encountered.

System Development Charges are adjusted annually using the construction cost index of the previous 12-month period. Residential construction has increased significantly over the past year and is expected to continue to increase.

Requests for Information

This financial report is designed to provide a general overview of the City of Cottage Grove's financial condition and to demonstrate the City's accountability for the money it receives. If you have questions concerning any of the information provided in this report or requests for additional financial information, contact the Finance Director at 400 E. Main Street, Cottage Grove, OR 97424, telephone (541) 942-3346.

BASIC FINANCIAL STATEMENTS

CITY OF COTTAGE GROVE, OREGON

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,354,102	\$ 7,422,998	\$ 12,777,100
Receivables - net	977,354	832,641	1,809,995
Inventories	-	184,399	184,399
	<u>6,331,456</u>	<u>8,440,038</u>	<u>14,771,494</u>
Total current assets			
Noncurrent assets:			
Net OPEB/RHIA Asset	22,254	-	22,254
Capital assets not being depreciated	30,134,651	9,549,745	39,684,396
Capital assets, net of accumulated depreciation	13,009,251	28,210,992	41,220,243
	<u>43,166,156</u>	<u>37,760,737</u>	<u>80,926,893</u>
Total noncurrent assets			
	<u>49,497,612</u>	<u>46,200,775</u>	<u>95,698,387</u>
Total Assets			
	<u>3,422,022</u>	<u>1,412,902</u>	<u>4,834,924</u>
Deferred Outflow of Resources			
Liabilities			
Current Liabilities:			
Accounts Payable	289,761	181,356	471,117
Payroll and Related Accruals	76,423	28,380	104,803
Deposits	2,725	38,350	41,075
Unearned Revenue	-	58,570	58,570
Accrued interest payable	34,524	149,732	184,256
Compensated absences	366,642	148,529	515,171
	<u>770,075</u>	<u>604,917</u>	<u>1,374,992</u>
Total current liabilities			
Noncurrent liabilities:			
Net pension liability	10,354,201	3,967,803	14,322,004
Due within one year	370,198	1,446,263	1,816,461
Due in more than one year	3,277,174	16,932,156	20,209,330
	<u>14,001,573</u>	<u>22,346,222</u>	<u>36,347,795</u>
Total noncurrent liabilities			
	<u>14,771,648</u>	<u>22,951,139</u>	<u>37,722,787</u>
Total liabilities			
Deferred Inflow of Resources			
	<u>670,279</u>	<u>255,182</u>	<u>925,461</u>
Net Position			
Net investment in capital assets	39,496,530	19,382,317	58,878,847
Restricted for:			
Law enforcement	285,432	-	285,432
System development	-	2,467,717	2,467,717
Road maintenance	272,586	-	272,586
Permanent trust funds	418,426	-	418,426
Bicycle and Footpath	51,726	-	51,726
Industrial park	16,332	-	16,332
Unrestricted	(3,063,325)	2,557,322	(506,003)
	<u>\$ 37,477,707</u>	<u>\$ 24,407,356</u>	<u>\$ 61,885,063</u>
Total Net Position			

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Statement of Activities

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 3,376,288	\$ 986,603	\$ 1,278,785	\$ 160	\$ (1,110,740)	\$ -	\$ (1,110,740)
Public Safety	4,443,303	351,320	-	-	(4,091,983)	-	(4,091,983)
Highways and Streets	1,183,201	251,396	2,588,292	-	1,656,487	-	1,656,487
Culture and Recreation	844,080	-	46,379	-	(797,701)	-	(797,701)
Community Development	1,716,136	531,534	-	-	(1,184,602)	-	(1,184,602)
Debt Service - Interest	194,523	-	-	-	(194,523)	-	(194,523)
Total Governmental Activities	<u>11,757,531</u>	<u>2,120,853</u>	<u>3,913,456</u>	<u>160</u>	<u>(5,723,062)</u>	<u>-</u>	<u>(5,723,062)</u>
Business-type Activities							
Water Operations	2,997,522	3,727,317	-	-	-	729,795	729,795
Wastewater Operations	3,529,114	3,461,652	-	-	-	(67,462)	(67,462)
Strom Drainage Operations	696,595	1,062,023	-	-	-	365,428	365,428
Total Business-type Activities	<u>7,223,231</u>	<u>8,250,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,027,761</u>	<u>1,027,761</u>
Total Activities	<u>\$ 18,980,762</u>	<u>\$ 10,371,845</u>	<u>\$ 3,913,456</u>	<u>\$ 160</u>	<u>(5,723,062)</u>	<u>1,027,761</u>	<u>(4,695,301)</u>
General revenues:							
Property taxes					5,103,734	-	5,103,734
Franchise fees					692,159	-	692,159
Alcohol beverage taxes					198,017	-	198,017
Other taxes					278,732	-	278,732
Miscellaneous					10,899	-	10,899
Insurance proceeds					23,509	-	23,509
Interest and investment earnings					45,600	67,571	113,171
Transfers in (out)					50,454	(50,454)	-
Total general revenues and transfers					<u>6,403,104</u>	<u>17,117</u>	<u>6,420,221</u>
Change in net position					680,042	1,044,878	1,724,920
Net position, beginning					<u>36,797,665</u>	<u>23,362,478</u>	<u>60,160,143</u>
Net position, ending					<u>\$ 37,477,707</u>	<u>\$ 24,407,356</u>	<u>\$ 61,885,063</u>

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Governmental Funds

Balance Sheet

June 30, 2021

	General Fund (001)	Street Fund (004)	Debt Service Fund (817)	Nonmajor Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 2,770,670	\$ -	\$ -	\$ 2,644,944	\$ 5,415,614
Accounts receivable	249,044	293,158	-	43,145	585,347
Property Taxes Receivable	184,548	-	-	-	184,548
Grant/Contract receivables	125,107	63,607	-	-	188,714
Loans receivable	-	-	-	18,744	18,744
Total Assets	<u>\$ 3,329,369</u>	<u>\$ 356,765</u>	<u>\$ -</u>	<u>\$ 2,706,833</u>	<u>\$ 6,392,967</u>
Liabilities					
Accounts payable	\$ 200,202	\$ 79,803	\$ -	\$ 71,267	\$ 351,272
Payroll and Related Accruals	58,449	4,376	-	13,598	76,423
Deposits	2,725	-	-	-	2,725
Total Liabilities	<u>261,376</u>	<u>84,179</u>	<u>-</u>	<u>84,865</u>	<u>430,420</u>
Deferred Inflows of Resources					
Unavailable Revenues	<u>184,548</u>	<u>63,607</u>	<u>-</u>	<u>18,744</u>	<u>266,899</u>
Fund Balance					
Nonspendable	-	-	-	3,000	3,000
Restricted	-	208,979	-	768,915	977,894
Committed	-	-	-	1,831,309	1,831,309
Unassigned	<u>2,883,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,883,445</u>
Total Fund Balances	<u>2,883,445</u>	<u>208,979</u>	<u>-</u>	<u>2,603,224</u>	<u>5,695,648</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,329,369</u>	<u>\$ 356,765</u>	<u>\$ -</u>	<u>\$ 2,706,833</u>	<u>\$ 6,392,967</u>

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

Total Government Fund Balances		\$ 5,695,648
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources in governmental funds but are reported in the statement of net position at their net depreciated value:		
Capital assets not being depreciated	30,134,651	
Capital assets being depreciated	37,419,114	
Accumulated depreciation	<u>(24,409,863)</u>	43,143,902
Other resources are not available to pay for current-period expenditures and therefore are recognized in the governmental funds:		
Deferred inflow related to property taxes and loans receivable	203,292	
Deferred inflow related to grants	63,607	
Deferred inflow related to pensions	(665,916)	
Deferred inflow related to OPEB/RHIA	(4,363)	
Deferred outflow related to pensions	3,386,472	
Deferred outflow related to OPEB/RHIA	35,550	
Net OPEB obligation/asset	22,254	
Net pension asset/liability	<u>(10,354,201)</u>	(7,313,305)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds:		
Accrued interest payable	(34,524)	
Compensated absences	(366,642)	
Long-term debt	<u>(3,647,372)</u>	<u>(4,048,538)</u>
Net Position of Governmental Activities in the Statement of Net Position		<u>\$ 37,477,707</u>

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2021

	General Fund (001)	Street Fund (004)	Debt Service Fund (817)	Nonmajor Governmental Funds	Total
Revenues					
Property Taxes	\$ 5,111,185	\$ -	\$ -	\$ -	\$ 5,111,185
Franchise Taxes	692,159	-	-	-	692,159
Local Fuels Tax	-	377,392	-	-	377,392
Alcohol Taxes	198,017	-	-	-	198,017
Room Tax	95,508	-	-	-	95,508
Marijuana Tax	173,474	-	-	-	173,474
Other Taxes	19,433	-	-	-	19,433
Licenses and Permits	24,593	-	-	-	24,593
Intergovernmental revenues	253,272	860,257	-	202,038	1,315,567
Charges for services	36,445	-	-	530,628	567,073
Administration and Engineering Fees	769,746	-	-	-	769,746
Fines and forfeitures	150,285	-	-	5,316	155,601
Investment earnings	25,979	22	-	19,599	45,600
Contributions and Donations	-	-	-	20,300	20,300
Miscellaneous	155,742	251,397	-	5,157	412,296
Special assessments	-	-	-	117,334	117,334
Grants and contracts	865,566	1,208,932	-	137,680	2,212,178
Total Revenues	<u>8,571,404</u>	<u>2,698,000</u>	<u>-</u>	<u>1,038,052</u>	<u>12,307,456</u>
Expenditures					
Current:					
General Government	1,156,324	-	824	926,095	2,083,243
Public Safety	3,570,537	-	-	695,638	4,266,175
Highways and streets	-	2,552,586	-	27,722	2,580,308
Culture and recreation	697,781	-	-	6,200	703,981
Community Development	1,657,378	-	-	263,668	1,921,046
Debt service:					
Debt Service - Principal	-	-	375,729	-	375,729
Debt Service - Interest	-	-	191,337	-	191,337
Total Expenditures	<u>7,082,020</u>	<u>2,552,586</u>	<u>567,890</u>	<u>1,919,323</u>	<u>12,121,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,489,384</u>	<u>145,414</u>	<u>(567,890)</u>	<u>(881,271)</u>	<u>185,637</u>
Other Financing Sources (uses)					
Insurance Proceeds	23,509	-	-	-	23,509
Transfers in	-	50,455	567,890	851,135	1,469,480
Transfers out	<u>(1,182,932)</u>	<u>(40,491)</u>	<u>-</u>	<u>(195,602)</u>	<u>(1,419,025)</u>
Total Other Financing Source (Uses)	<u>(1,159,423)</u>	<u>9,964</u>	<u>567,890</u>	<u>655,533</u>	<u>73,964</u>
Net Change in Fund Balances	329,961	155,378	-	(225,738)	259,601
Beginning Fund Balance	<u>2,553,484</u>	<u>53,601</u>	<u>-</u>	<u>2,828,962</u>	<u>5,436,047</u>
Ending Fund Balance	<u>\$ 2,883,445</u>	<u>\$ 208,979</u>	<u>\$ -</u>	<u>\$ 2,603,224</u>	<u>\$ 5,695,648</u>

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Governmental Funds

Reconciliation of Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 259,601

Amounts reported for governmental activities in the statement of activities are different because of the following:

The statement of revenues, expenditures, and changes in fund balances reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Current year depreciation	\$ (837,102)	
Expenditures for capital assets	2,479,897	
Net book value of capital assets sold/disposal	<u>(30,390)</u>	1,612,405

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

Change in unavailable revenue - property taxes		(7,451)
Unavailable revenue in governmental funds is recognized in governmental activities		63,607

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.

Change in accrued interest		(3,186)
Change in accrued compensated absences		(13,390)
Change in bond premium		10,427
Change in net pension and OPEB assets/liabilities/deferred inflows and deferred outflows		(1,617,700)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Debt service principal payments	<u>375,729</u>	<u>375,729</u>
---------------------------------	----------------	----------------

Change in Net Position of Governmental Activities \$ 680,042

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Proprietary Funds

Balance Sheet

June 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water Operations</u>	<u>Wastewater Operations</u>	<u>Strom Drainage Operations</u>	<u>Total</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,962,171	\$ 2,204,656	\$ 2,256,171	\$ 7,422,998
Receivables - net	348,581	383,308	100,752	832,641
Inventories	<u>155,672</u>	<u>28,727</u>	<u>-</u>	<u>184,399</u>
Total current assets	<u>3,466,424</u>	<u>2,616,691</u>	<u>2,356,923</u>	<u>8,440,038</u>
Noncurrent assets:				
Capital assets	<u>17,094,955</u>	<u>16,899,882</u>	<u>3,765,900</u>	<u>37,760,737</u>
Total assets	<u>20,561,379</u>	<u>19,516,573</u>	<u>6,122,823</u>	<u>46,200,775</u>
Deferred outflow				
Related to pensions	630,982	564,669	102,069	1,297,720
Related to bond refunding	<u>71,300</u>	<u>33,734</u>	<u>10,148</u>	<u>115,182</u>
Total assets and deferred outflows	<u>\$ 21,263,661</u>	<u>\$ 20,114,976</u>	<u>\$ 6,235,040</u>	<u>\$ 47,613,677</u>
Liabilities and Net Position				
Liabilities				
Current liabilities:				
Accounts Payable	\$ 50,107	\$ 123,175	\$ 8,073	\$ 181,355
Payroll and Related Accruals	12,096	13,833	2,451	28,380
Accrued interest payable	81,825	57,547	10,360	149,732
Deposits	36,850	1,500	-	38,350
Compensated absences payable	62,256	71,760	14,513	148,529
Unearned Revenue	-	58,570	-	58,570
Current portion of long-term debt	<u>697,744</u>	<u>675,686</u>	<u>72,833</u>	<u>1,446,263</u>
Total current liabilities	<u>940,878</u>	<u>1,002,071</u>	<u>108,230</u>	<u>2,051,179</u>
Noncurrent liabilities:				
Long-term debt, net of current portion	8,070,866	7,981,341	879,949	16,932,156
Net pension liability	<u>1,929,240</u>	<u>1,726,485</u>	<u>312,078</u>	<u>3,967,803</u>
Total noncurrent liabilities	<u>10,000,106</u>	<u>9,707,826</u>	<u>1,192,027</u>	<u>20,899,959</u>
Total Liabilities	<u>10,940,984</u>	<u>10,709,897</u>	<u>1,300,257</u>	<u>22,951,138</u>
Deferred inflow				
Related to pensions	<u>124,076</u>	<u>111,036</u>	<u>20,071</u>	<u>255,183</u>
Net Position				
Net investment in capital assets	8,326,345	8,242,855	2,813,117	19,382,317
Restricted for system development	1,608,661	315,447	543,609	2,467,717
Unrestricted	<u>263,595</u>	<u>735,741</u>	<u>1,557,986</u>	<u>2,557,322</u>
Total Net Position	<u>10,198,601</u>	<u>9,294,043</u>	<u>4,914,712</u>	<u>24,407,356</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 21,263,661</u>	<u>\$ 20,114,976</u>	<u>\$ 6,235,040</u>	<u>\$ 47,613,677</u>

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water Operations</u>	<u>Wastewater Operations</u>	<u>Storm Drainage Operations</u>	<u>Total</u>
Operating Revenues				
Charges for services	\$ 3,692,597	\$ 3,419,766	\$ 1,048,957	\$ 8,161,320
Miscellaneous	<u>32,238</u>	<u>26,197</u>	<u>7,339</u>	<u>65,774</u>
Total Operating Revenues	<u>3,724,835</u>	<u>3,445,963</u>	<u>1,056,296</u>	<u>8,227,094</u>
Operating Expenses				
Personnel services	1,446,541	1,629,797	265,007	3,341,345
Materials and Services	704,521	981,886	153,078	1,839,485
Depreciation expense	<u>537,466</u>	<u>619,234</u>	<u>244,645</u>	<u>1,401,345</u>
Total Operating Expenses	<u>2,688,528</u>	<u>3,230,917</u>	<u>662,730</u>	<u>6,582,175</u>
Operating Income (Loss)	<u>1,036,307</u>	<u>215,046</u>	<u>393,566</u>	<u>1,644,919</u>
Non-operating revenues (expenses)				
Interest expense	(308,995)	(298,197)	(33,865)	(641,057)
Investment earnings	25,266	24,639	17,667	67,572
Grants and contracts	<u>2,482</u>	<u>15,688</u>	<u>5,728</u>	<u>23,898</u>
Total non-operating revenues (expenses)	<u>(281,247)</u>	<u>(257,870)</u>	<u>(10,470)</u>	<u>(549,587)</u>
Income (loss) before transfers	755,060	(42,824)	383,096	1,095,332
Transfers in	1,896,257	2,729,617	970,150	5,596,024
Transfers out	<u>(1,896,257)</u>	<u>(2,729,617)</u>	<u>(1,020,604)</u>	<u>(5,646,478)</u>
Change in Net Position	755,060	(42,824)	332,642	1,044,878
Beginning Net Position	<u>9,443,541</u>	<u>9,336,867</u>	<u>4,582,070</u>	<u>23,362,478</u>
Ending Net Position	<u>\$ 10,198,601</u>	<u>\$ 9,294,043</u>	<u>\$ 4,914,712</u>	<u>\$ 24,407,356</u>

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water Operations	Wastewater Operations	Storm Drain Operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 3,698,462	\$ 3,378,729	\$ 1,058,342	\$ 8,135,533
Cash payments to employees	(1,301,457)	(1,136,695)	(210,098)	(2,648,250)
Cash payments to suppliers for goods and services	<u>(668,577)</u>	<u>(946,417)</u>	<u>(152,538)</u>	<u>(1,767,532)</u>
Net cash provided (used) by operating activities	<u>1,728,428</u>	<u>1,295,617</u>	<u>695,706</u>	<u>3,719,751</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	100,000	59,000	121,864	280,864
Transfers out	(100,000)	(109,000)	(172,317)	(381,317)
Grants and contracts	<u>2,483</u>	<u>15,688</u>	<u>5,728</u>	<u>23,899</u>
Net cash provided (used) by noncapital financing activities	<u>2,483</u>	<u>(34,312)</u>	<u>(44,725)</u>	<u>(76,554)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(1,911,892)	(2,626,655)	(1,226,878)	(5,765,425)
Principal paid on capital debt	(543,871)	(772,814)	(64,987)	(1,381,672)
Interest paid on capital debt	(361,475)	(351,932)	(39,337)	(752,744)
Transfers related to capital outlay	<u>-</u>	<u>50,001</u>	<u>-</u>	<u>50,001</u>
Net cash provided (used) by capital and related financing activities	<u>(2,817,238)</u>	<u>(3,701,400)</u>	<u>(1,331,202)</u>	<u>(7,849,840)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>25,265</u>	<u>24,639</u>	<u>17,666</u>	<u>67,570</u>
Net change in cash and cash equivalents	(1,061,062)	(2,415,456)	(662,555)	(4,139,073)
Cash and cash equivalents at beginning of year	<u>4,023,233</u>	<u>4,620,112</u>	<u>2,918,726</u>	<u>11,562,071</u>
Cash and cash equivalents at end of year	<u>\$ 2,962,171</u>	<u>\$ 2,204,656</u>	<u>\$ 2,256,171</u>	<u>\$ 7,422,998</u>

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Proprietary Funds

Statement of Cash Flows, continued

For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water Operations	Wastewater Operations	Storm Drain Operations	Total
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ 1,036,307	\$ 215,046	\$ 393,566	\$ 1,644,919
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	537,466	619,234	244,645	1,401,345
(Increase) decrease in current assets:				
Receivables - net	(26,372)	(70,976)	2,046	(95,302)
Inventories	(35,943)	3,923	-	(32,020)
Increase (decrease) in current liabilities:				
Accounts payable	6,131	31,546	540	38,217
Other Liabilities	(4,500)	-	-	(4,500)
Payroll and Related Accruals	(5,242)	2,362	379	(2,501)
Compensated absences payable	5,967	13,941	2,628	22,536
Net pension liability	214,614	476,799	51,902	743,315
Unearned Revenue	-	3,742	-	3,742
Net cash provided (used) by operating activities	<u>\$ 1,728,428</u>	<u>\$ 1,295,617</u>	<u>\$ 695,706</u>	<u>\$ 3,719,751</u>

See accompanying notes to financial statements.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 1 - Summary of Significant Accounting Policies

A. Description of Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member council.

B. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally 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.

Government-wide statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include all the financial activities of the City. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include 1) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements - These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental and proprietary. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information.

C. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows, deferred outflows, reserves, fund equity, revenues and expenditures/expenses.

The City reports the following major governmental funds:

- *General Fund*. This is the City's primary operating fund. It accounts for all of the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise taxes, and state shared revenues. Primary expenditures are for police protection, maintenance of parks, operation of the library and community center, and general administration.
- *Street Fund*. This fund was established as a requirement of ORS 366.815. Monies received from the State of Oregon (gasoline tax apportionment) and Lane County are major sources of revenue. These monies are to be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets, and roadside rest areas in this state.
- *Debt Service Fund*. This fund is used to accumulate resources via transfers from other funds in order to make debt service principal and interest payments for all debt obligations of the City.

Additionally, the City reports the following nonmajor governmental funds within the governmental fund types:

- *Special Revenue Funds*. These funds account for revenues derived from specific taxes or other earmarked revenue sources, including state revenue sharing entitlements, which are restricted or committed to expenditures for specified purposes.
- *Capital Project Funds*. These funds are used to account for financial resources to be used for the acquisition or construction of major capital items and facilities not financed in the proprietary funds.
- *Permanent Funds*. These funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 1 - Summary of Significant Accounting Policies, continued

C. Basis of Presentation, continued

The City reports each of its three proprietary funds as major funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent three segments of operations – Water, Wastewater, and Storm Drain. The City reports the following proprietary funds:

- *Water Operations*

Water Fund. This fund accounts for the financial activities of the city-owned water utility operations. Sales of water and related charges are the major revenue sources.

Water Systems Development Fund. This fund accounts for monies accumulated from water systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.

Water Reserve Fund. This fund accounts for monies accumulated for capital improvements to the City's water system as well as for the purchase of capital equipment. Transfers are the major source of financing.

- *Wastewater Operations*

Wastewater Fund. This fund accounts for the financial activities of the city-owned sewer service. Wastewater charges are the major revenue sources.

Wastewater Systems Development Fund. This fund accounts for monies accumulated from wastewater systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.

Wastewater Reserve Fund. This fund accounts for monies accumulated for capital improvements to the City's wastewater system as well as for the purchase of capital equipment. Transfers as well as surcharges assessed to all wastewater customers are the major source of financing.

- *Storm Drain Operations*

Storm Drainage Utility Fund. This fund accounts for the financial activities of the city-owned storm drainage system. Revenues consist primarily of storm drain charges.

Storm Drainage Systems Development Fund. This fund accounts for monies accumulated from storm drainage systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.

Storm Drainage Reserve Fund. This fund accounts for monies accumulated for capital improvements to the City's storm drainage system as well as for the purchase of capital equipment. A surcharge assessed to all utility customers is the major source of financing.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

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

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 City considers property tax revenues to be available if they are collected before the end of the fiscal period. Federal and state grants (to the extent that eligible expenditures are incurred), licenses and all other revenues associated with the current fiscal period are all considered to be available and susceptible to accrual if they are collected within sixty days from the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences are recorded only when payment is due.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 1 - Summary of Significant Accounting Policies, continued

D. Measurement Focus and Basis of Accounting, continued

A deferred inflow of resources arises in the governmental funds balance sheet when the potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes and assessments not deemed available to financial operation of the current period. In the government-wide statement of net position, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability.

Unearned revenues arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures. These amounts are reported as unearned revenue on the statement of net position.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is necessary to explain the adjustments needed to transform the governmental fund financial statements into the governmental activities column of the government-wide presentation. This reconciliation is part of the financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods and services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water, Wastewater, and Storm Drain are charges to customers for sales and services. The Water, Wastewater, and Storm Drain Funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses / expenditures during the reporting period. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

For purposes of the statements of cash flows, the City considers cash equivalents as all highly liquid debt instruments purchased with maturity of three months or less.

Investments included in cash and cash equivalents are reported at fair value. The City invests in the State of Oregon Local Government Investment Pool, which is authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The City maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

G. Receivables and Payables

Real and personal property taxes are levied in July of each fiscal year. Property taxes attach as an enforceable lien on property as of July 1, and are payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Lane County and remitted to the City. Uncollected taxes, including delinquent amounts, are considered substantially collectible or recoverable through liens, and accordingly no allowance for uncollected taxes has been established.

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "interfund loans receivable/payable" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed. Management believes that any uncollectible accounts included in the governmental fund receivable balances are not significant. Receivables in proprietary funds are stated net of an allowance for uncollectible accounts.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 1 - Summary of Significant Accounting Policy, continued

H. Inventories

Inventories in the Water and Wastewater Funds consist of expendable supplies held for maintenance and improvements. Inventories are stated at cost on a first-in/first-out basis and charged to operations as used.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.) are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Infrastructure acquired prior to July 1, 1980 is not reported in capital assets. Donated capital assets are recorded at their estimated fair market value at the time received.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building	50
Land Improvements	15
Improvements	20
Utility Systems & Infrastructure	20 - 50
Vehicles	5 - 10
Furniture & Equipment	5 - 10

Gains or losses from sales or retirements of capital assets are included in nonoperating expenses of the current period.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as a an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows relating to pensions, other post employment benefits (OPEB) and bond refundings.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City reports unavailable revenue from property taxes and loans receivable as deferred inflows on the governmental funds balance sheet. The City also reports deferred amounts related to pensions and OPEB.

K. Pensions

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

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 1 - Summary of Significant Accounting Policy, continued

L. Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. Accumulated sick leave lapses when employees leave the employment of the City and, upon separation from service, no monetary obligation exists.

Funds used to liquidate accrued compensated absences include the General Fund, Street fund, Fire Service fund, Narcotics Forfeiture fund, Building Inspection fund, Water fund, Wastewater fund, and Storm Drainage fund.

M. Long-Term Obligations

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

In the governmental fund financial statements, bond premiums and discounts are recognized in the statement of revenue, expenditures, and changes in fund balance during the current period. The face amount of debt issued is reported as other financial sources while discounts or premiums on debt proceeds received are reported separately.

N. Net Position and Fund Equity

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net position invested in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. The nonexpendable portion of permanent funds is reported as a component of restricted net position.

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

Nonspendable - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, the fixed principal of the permanent fund and assets held for sale.

Restricted - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - the City Council passes an ordinance that places specific constraints on how the resources may be used. The City Council can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned - resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget.

Unassigned - resources that have not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

O. Use of Restricted Assets

When both restricted and unrestricted (committed, assigned, or unassigned) resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When an expenditure is incurred, where an unrestricted fund balance classification could be used, it is the City's policy to use committed resources first, assigned resources second, and then unassigned amounts as they are needed.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 1 - Summary of Significant Accounting Policy, continued

P. Interfund Services Provided and Used

Sales and purchases of goods and services between funds are reported at a price approximating their external exchange value. Engineering and administrative services are reported between functions and are included within materials and services.

Note 2 - Stewardship, Compliance, and Accountability

A - Budgetary Information

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. The budgetary level of control is appropriated by fund and department for the General Fund and Street Fund. All other funds are appropriated by object (i.e. personal services, materials and services, capital outlay, debt service, interfund transfers, and contingency) or by a mix of object (for non-departmental expenditures) and department. Appropriations lapse as of the year end.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publication in newspapers, and adoption by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may transfer budget amounts between individual line items within the object group, but cannot make changes to the object groups themselves, which is the legal level of control. During the year, the City modified its adopted budget with six resolutions; four of which were related to unexpected grant funding, one for transfers and another for an interfund loan .

Note 3 - Cash and Cash Equivalents

A - Deposits and investments

The City combines virtually all financial resources for investment purposes. Interest earned on investments is allocated to funds based on the amounts contributed by each fund. Each fund's portion is displayed in the basic financial statements as "Cash and cash equivalents."

Oregon Revised Statutes, Chapter 294, authorizes the City to invest in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by a qualified financial institution, commercial paper, corporate bonds, repurchase agreements, State of Oregon Local Government Investment Pool ("LGIP"), and various interest bearing bonds of Oregon municipalities.

The City is authorized to invest in the LGIP, an external investment pool, within prescribed limits. The LGIP is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. The LGIP is not rated by a national rating service. Additional information about the OSTF can be obtained at www.ost.state.or.us and www.oregon.gov/treasury.

At June 30, 2021 cash and cash equivalents consisted of the following:

	<u>Fair Value</u>
Investments in the State Treasurer's Local Government Investment Fund (LGIP)	\$ 10,773,765
Deposits in financial institutions	2,001,270
Cash on hand	<u>2,065</u>
Total cash and cash equivalents	<u>\$ 12,777,100</u>

B - Interest rate risk

While the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP. The weighted-average maturity of LGIP is less than one year.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 3 - Cash and Cash Equivalents, continued

C - Credit risk

The City has no investment policy for credit risk but follows State law. In practice, the City limits investments to the LGIP, which is not rated by any national rating service.

D - Custodial credit risk – deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk, but follows the requirements of ORS 295. Insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Where interest-bearing balances exceed the Federal Deposit Insurance amount of \$250,000, the balances are covered by collateral held in a multiple financial institution collateral pool (ORS 2295.015) administered by the Oregon Office of the State Treasurer in the Public Funds Collateralization Program (PFCP)

The City's total bank balance, at June 30, 2021, was \$2,001,270.

Of this amount, \$500,000 was covered by federal depository insurance. The remaining balance was covered by the PFCP. The financial institutions with which the City deposits funds participate in the PFCP.

Note 4 - Receivables

Receivables of the enterprise funds are reported net of an allowance for doubtful accounts as follows:

	Business-Type Activities		
	Receivable	Allowance	Net
Water sales	\$ 352,878	\$ (4,297)	\$ 348,581
Wastewater charges	385,795	(2,487)	383,308
Storm drain charges	101,749	(997)	100,752
Total	<u>\$ 840,422</u>	<u>\$ (7,781)</u>	<u>\$ 832,641</u>

Receivables of governmental funds are considered fully collectible; accordingly, no allowance for credit losses is recognized. Receivables include the following:

	Governmental Activities		
	Receivable	Allowance	Net
Accounts	\$ 585,348	-	\$ 585,348
Property Taxes	184,548	-	184,548
Grant/Contract	188,714	-	188,714
Loans	18,744	-	18,744
Total	<u>\$ 977,354</u>	<u>\$ -</u>	<u>\$ 977,354</u>

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Governmental Activities:			2021
	2020	Additions and Reclassifications	Deletions and Reclassifications	
Capital assets, not being depreciated:				
Land	\$ 27,568,638	\$ -	\$ -	\$ 27,568,638
Construction in progress	<u>1,404,183</u>	<u>1,977,883</u>	<u>(816,053)</u>	<u>2,566,013</u>
Total capital assets, not being depreciated	<u>28,972,821</u>	<u>1,977,883</u>	<u>(816,053)</u>	<u>30,134,651</u>
Capital assets being depreciated:				
Buildings and improvements	7,029,741	1,121,755	-	8,151,496
Motor vehicles and equipment	2,229,379	174,924	(231,074)	2,173,229
Office furniture and equipment	251,737	21,386	-	273,123
Infrastructure	<u>26,821,266</u>	<u>-</u>	<u>-</u>	<u>26,821,266</u>
Total capital assets being depreciated	<u>36,332,123</u>	<u>1,318,065</u>	<u>(231,074)</u>	<u>37,419,114</u>
Less accumulated depreciation for:				
Buildings and improvements	2,483,092	215,051	-	2,698,143
Motor vehicles and equipment	1,707,321	90,126	(200,684)	1,596,763
Office furniture and equipment	129,519	15,662	-	145,181
Infrastructure	<u>19,453,513</u>	<u>516,263</u>	<u>-</u>	<u>19,969,776</u>
Total accumulated depreciation	<u>23,773,445</u>	<u>837,102</u>	<u>(200,684)</u>	<u>24,409,863</u>
Total capital assets, being depreciated, net	<u>12,558,678</u>	<u>480,963</u>	<u>(30,390)</u>	<u>13,009,251</u>
Governmental activities capital assets, net	<u>\$ 41,531,499</u>	<u>\$ 2,458,846</u>	<u>\$ (846,443)</u>	<u>\$ 43,143,902</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ (307,335)
Highways and streets	(349,108)
Public safety	(35,960)
Culture and recreation	<u>(144,699)</u>
Total depreciation expense -governmental activities	<u>\$ (837,102)</u>

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 5 - Capital Assets, continued

	Business-type Activities:			2021
	2020	Additions and Reclassifications	Deletions and Reclassifications	
Capital assets, not being depreciated:				
Land	\$ 2,134,988	\$ -	\$ -	\$ 2,134,988
Construction in progress	4,214,542	4,488,817	(1,288,602)	7,414,757
Total capital assets, not being depreciated	6,349,530	4,488,817	(1,288,602)	9,549,745
Capital assets being depreciated:				
Land improvements	1,260,000	-	-	1,260,000
Infrastructure	42,633,287	1,497,334	-	44,130,621
Building and improvements	3,409,978	345,023	-	3,755,001
Equipment	2,315,518	147,371	-	2,462,889
Motor vehicles	819,933	-	(254,120)	565,813
Office furniture and equipment	31,394	-	-	31,394
Total capital assets being depreciated	50,470,110	1,989,728	(254,120)	52,205,718
Less accumulated depreciation for:				
Land improvements	1,134,125	83,996	-	1,218,121
Infrastructure	18,715,749	1,053,663	-	19,769,412
Building and improvements	984,379	99,488	-	1,083,867
Equipment	1,389,817	125,703	-	1,515,520
Motor vehicles	610,906	32,615	(254,120)	389,401
Office furniture and equipment	12,525	5,880	-	18,405
Total accumulated depreciation	22,847,501	1,401,345	(254,120)	23,994,726
Total capital assets, being depreciated, net	27,622,609	588,383	-	28,210,992
Business-type activities capital assets, net	\$ 33,972,139	\$ 5,077,200	\$ (1,288,602)	\$ 37,760,737

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

Water	\$ 537,466
Wastewater	619,234
Storm drain	244,645
Total depreciation expense -business-type activities	\$ 1,401,345

Note 6 - Deferred Inflows and Deferred Outflows

Deferred inflows and deferred outflows include the following in the Statement of Net Position:

	Deferred Outflows		Deferred Inflows	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Related to pensions	\$ 3,386,472	\$ 1,297,720	\$ 665,916	\$ 255,182
Related to OPEB/RHIA	35,550	-	4,363	-
Related to bond refunding	-	115,182	-	-
Total	\$ 3,422,022	\$ 1,412,902	\$ 670,279	\$ 255,182

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 7 - Fund Balances

On the Balance Sheet - Governmental Funds, balances were reported in the aggregate in the classifications defined by GASB Statement No. 54, Fund Balance Reporting and Governmental fund type definitions. Fund balances by classification for the year ended June 30, 2021 were as follows:

	<u>General</u>	<u>Street</u>	<u>Other Funds</u>	<u>Total</u>
Nonspendable:				
Permanent fund principal	\$ -	\$ -	\$ 3,000	\$ 3,000
Restricted:				
Street improvements	-	208,979	-	208,979
Police communications	-	-	217,025	217,025
Narcotics forfeitures	-	-	68,406	68,406
Bicycle path improvements	-	-	51,727	51,727
Industrial park	-	-	16,332	16,332
Housing trust	-	-	100,501	100,501
Special trust	-	-	16,010	16,010
Armory trust	-	-	298,914	298,914
Total restricted	<u>-</u>	<u>208,979</u>	<u>768,915</u>	<u>977,894</u>
Committed:				
Assessments	-	-	166,012	166,012
Rehabilitation loan funds	-	-	9,970	9,970
Building inspection	-	-	56,636	56,636
Streets system development	-	-	1,099,757	1,099,757
Parks system development	-	-	390,044	390,044
General reserves	-	-	30,046	30,046
Building inspection reserves	-	-	78,844	78,844
Total committed	<u>-</u>	<u>-</u>	<u>1,831,309</u>	<u>1,831,309</u>
Unassigned	<u>2,883,445</u>	<u>-</u>	<u>-</u>	<u>2,883,445</u>
Total fund balances	<u>\$ 2,883,445</u>	<u>\$ 208,979</u>	<u>\$ 2,603,224</u>	<u>\$ 5,695,648</u>

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 8 - Interfund Transfers

Interfund transfers between governmental and business-type activities are reported as net transfers in the statement of activities. Details of the transfers between governmental and business-type activities are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund (001)	\$ -	\$ 1,182,932
Street Fund (004)	50,455	40,491
Debt Service Fund (817)	<u>567,890</u>	<u>-</u>
Total Major Governmental Funds:	<u>618,345</u>	<u>1,223,423</u>
Nonmajor Governmental Funds:		
Industrial Park Fund (502)	-	102,751
Police Communication Fund (006)	501,135	14,218
Bicycle and Footpath Fund (011)	10,000	-
Narcotics Forfeiture (007)	-	1,873
Building Inspection Program (013)	-	76,760
General Reserve Fund (731)	190,000	-
Bldg Inspection Reserve Fund (738)	50,000	-
Housing Development Cost Assistance Trust Fund (823)	<u>100,000</u>	<u>-</u>
Total Nonmajor Governmental Funds	<u>851,135</u>	<u>195,602</u>
Proprietary Funds:		
Water Fund (202)	1,796,256	100,000
Water Systems Development Fund (602)	-	90,350
Water Reserve Fund (732)	100,000	1,705,906
Eliminate water operations sub-fund transfers	<u>(1,896,256)</u>	<u>(1,896,256)</u>
Total water operations major fund transfers	-	-
Wastewater Fund (302)	2,620,616	109,000
Wastewater Reserve Fund (735)	109,000	2,620,616
Eliminate wastewater operations sub-fund transfers	<u>(2,729,616)</u>	<u>(2,729,616)</u>
Total wastewater operations major fund transfers	-	-
Storm Drainage Utility Fund (402)	848,286	134,440
Storm Drainage Reserve Fund (736)	121,864	886,165
Eliminate storm drain operations sub-fund transfers	<u>(970,150)</u>	<u>(970,150)</u>
Total storm drain operations major fund transfers	<u>-</u>	<u>50,455</u>
Total Proprietary Funds	<u>-</u>	<u>50,455</u>
Total All Funds	<u>\$ 1,469,480</u>	<u>\$ 1,469,480</u>

Interfund transfers are used to provide funds for debt service, contribute toward the costs of capital projects, and to provide operational resources.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 9 - Long-Term Liabilities

A - Changes in Long-Term Liabilities

Transactions for the year ended June 30, 2021 are as follows:

	Beginning Balance	Additions	Payments / Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General obligation bonds:					
LOCAP - 2013	\$ 137,536	\$ -	\$ (50,000)	\$ 87,536	\$ 55,000
Refunding Obligations 2017	439,518	-	-	439,518	-
PERS bond	1,224,738	-	(104,500)	1,120,238	121,220
Bond Series 2019	859,090	-	(31,818)	827,272	33,117
Premium	196,164	-	(10,427)	185,737	-
Notes payable - direct borrowings	<u>1,176,482</u>	<u>-</u>	<u>(189,411)</u>	<u>987,071</u>	<u>160,861</u>
Total bonds and notes payable	4,033,528	-	(386,156)	3,647,372	370,198
Compensated absences	<u>353,248</u>	<u>366,642</u>	<u>(353,248)</u>	<u>366,642</u>	<u>366,642</u>
Total Governmental Activities	<u>\$ 4,386,776</u>	<u>\$ 366,642</u>	<u>\$ (739,404)</u>	<u>\$ 4,014,014</u>	<u>\$ 736,840</u>
Business-type Activities					
General obligation bonds:					
LOCAP 2013	\$ 2,907,465	\$ -	\$ (955,000)	\$ 1,952,465	\$ 995,000
Refunding Obligations 2017	7,990,482	-	(60,000)	7,930,482	65,000
PERS bond	240,260	-	(20,500)	219,760	23,780
Bond Series 2019	5,755,908	-	(213,182)	5,542,726	255,000
Premium	2,080,065	-	(112,599)	1,967,466	-
Notes payable - direct borrowings	<u>898,508</u>	<u>-</u>	<u>(132,989)</u>	<u>765,519</u>	<u>107,483</u>
Total bonds and notes payable	19,872,688	-	(1,494,270)	18,378,418	1,446,263
Compensated Absences	<u>125,994</u>	<u>148,529</u>	<u>(125,994)</u>	<u>148,529</u>	<u>148,529</u>
Total Business-type Activities	<u>\$ 19,998,682</u>	<u>\$ 148,529</u>	<u>\$ (1,620,264)</u>	<u>\$ 18,526,947</u>	<u>\$ 1,594,792</u>

All bonds and notes issued by the City are classified as direct borrowings.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 9 - Long-Term Liabilities, continued

B - Bond Obligations

Governmental Activities

During fiscal year 2012-13, the City of Cottage Grove issued, through the Local Oregon Capital Assets Program, certificates of participation of \$16,705,000 with an aggregate true interest rate of 3.59%. Interest is payable semi-annually on September 15 and March 15 of each year. Final maturity is March 15, 2033. In the event of default, the lender may declare all outstanding balances, including accrued interest and fees as due and payable. \$ 87,536

Full faith and credit refunding obligations series 2017. On December 13, 2017, the City advance refunded \$7,265,000 of the LOCAP 2013 financing agreement and current refunded the \$1,968,522 Business Oregon loan (2009). The refunding obligation of \$8,545,000 (par value) of full faith and credit refunding obligations, series 2017 have interest rates ranging between 3.00% and 5.00%. The refunding obligations were issued at a premium of \$1,451,818; issuance costs and underwriter discount and contingency was \$113,765 resulting in net proceeds of \$9,883,053. In addition, the City provided \$84,000 toward the closing of the transaction. A portion of the proceeds was used to provide funds to establish an irrevocable escrow deposit between the City and The Bank of New York Mellon Trust Company (escrow agent) to refund the Business Oregon loan and defease the 2013 LOCAP financing agreement. The advance refunding met the requirements of an in-substance debt defeasance and the refunded portion of the LOCAP financing agreement were removed from the City's financial statements during the year ending June 30, 2018. Governmental activities reports \$439,518 of the par value while enterprise funds report the remaining \$8,105,482. 439,518

During fiscal year 2001-02, the City issued \$1,860,891 of Limited Tax Pension Obligations, Series 2002A and Series 2002B. The Series 2002A are deferred interest obligations, while the Series 2002B are current interest obligations. The proceeds from these limited tax bonds were used to finance the estimated unfunded actuarial liability with the Oregon Public Employees Retirement System (PERS). The 2002A Obligations were issued as deferred interest obligations, with interest payable only at maturity, and compounded semiannually at June 1 and December 1. The 2002B obligations were issued as current interest obligations, with interest payable on June 1 and December 1 of each year until maturity or earlier prepayment. The bonds carry interest rates varying from 2.0 to 7.41%, with an average yield of about 7%. 1,120,238

Full Faith And Credit Obligations, Series 2019. On October 17, 2019, the city issued \$6,765,000 in bonds. Issuance costs related to the obligation were \$109,107, and the bonds were issued with a total premium of \$1,044,107, resulting in net proceeds of \$7,700,000. The proceeds from this issues are to be used to finance improvements to the city's armory, water system, and wastewater system. Payments are due semiannually on December 1 and June 1 of each year. The interest rate is 3.00% on origination, increasing to 4.00% as of the June 1, 2024 payment. Governmental activities report \$878,571 of the par value while enterprise funds report the remaining \$5,886,429. 827,272

Total Bond Obligations - Governmental activities \$ 2,474,564

Business-type Activities

During fiscal year 2012-13, the City of Cottage Grove issued, through the Local Oregon Capital Assets Program, certificates of participation of \$16,705,000 with an aggregate true interest rate of 3.59%. Interest is payable semi-annually on September 15 and March 15 of each year. Final maturity is March 15, 2033. Of this amount, \$15,405,000 is allocated to business-type activities to finance certain water, wastewater and storm drainage projects, as well as refund loans. In the event of default, the lender may declare all outstanding balances, including accrued interest and fees as due and payable. \$ 1,952,465

Full faith and credit refunding obligations series 2017 as described above. Of the total refunding, \$8,105,482 was allocated to enterprise funds (see description of terms above) 7,930,482

Limited Tax Pension Obligations, Series 2002A and Series 2002B. (See description of terms above). 219,760

Full Faith And Credit Obligations, Series 2019. (See description of terms above). 5,542,726

Total Bond Obligations - Business-type activities \$ 15,645,433

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 9 - Long-Term Liabilities, continued

Governmental activities bonded debt requirements are summarized below:

Year Ending June 30,	Governmental Activities							
	LOCAP 2013		2017 Full Faith and Credit Refunding		PERS Bond		2019 Full Faith and Credit	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 55,000	\$ 2,401	\$ -	\$ 14,579	\$ 121,220	\$ 76,297	\$ 33,117	\$ 32,422
2023	32,536	651	1,315	19,553	137,940	67,993	33,766	31,429
2024	-	-	38,914	18,554	154,660	58,545	35,065	30,416
2025	-	-	39,138	16,603	175,560	47,951	36,364	29,013
2026	-	-	39,177	14,645	196,460	36,364	37,662	27,558
2027-2031	-	-	220,100	43,739	334,398	30,637	212,338	113,974
2032-2036	-	-	100,874	4,430	-	-	257,792	68,026
2037-2041	-	-	-	-	-	-	181,168	14,701
Total	\$ 87,536	\$ 3,052	\$ 439,518	\$ 132,103	\$1,120,238	\$ 317,787	\$ 827,272	\$ 347,539

Enterprise fund bonded debt requirements are summarized below:

Year Ending June 30,	LOCAP 2013		2017 Full Faith and Credit Refunding		PERS Bond		2019 Full Faith and Credit	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2022	\$ 995,000	\$ 58,199	\$ 65,000	\$ 368,170	\$ 23,780	\$ 14,967	\$ 255,000
2023	957,465	19,149	138,865	364,098	27,060	13,339	226,234	210,571
2024	-	-	1,141,086	332,796	30,340	11,485	234,935	203,784
2025	-	-	1,200,863	274,247	34,440	9,407	243,636	194,387
2026	-	-	1,260,823	212,705	38,540	7,134	252,338	184,642
2027-2031	-	-	3,334,900	455,586	65,600	6,010	1,422,662	763,626
2032-2036	-	-	788,945	41,370	-	-	1,727,208	455,774
2037-2041	-	-	-	-	-	-	1,180,713	98,499
Total	\$1,952,465	\$ 77,348	\$7,930,482	\$2,048,972	\$ 219,760	\$ 62,342	\$5,542,726	\$2,328,511

C - Notes and Loans Payable - Governmental Activities

Note payable obligation for optical and wireless networking equipment, secured by the asset, payable in semi-annual installments of \$31,523 including interest at an effective rate of 4.8% per annum, maturing in fiscal year 2029. Upon default, the interest rate shall be increased to 20% or the maximum amount allowed by law. \$ 213,199

Capital lease obligation for radio equipment, secured by the asset, payable in annual installments of \$57,085 including interest at 3.65% per year, ending in fiscal year 2023. \$ 108,210

The City entered into a business loan agreement with Banner Bank dated November 7, 2018 for \$725,000 due in 80 quarterly payments of \$13,872 including 4.5% interest due November 9, 2038. If the City fails to make any payment when due or if any other event of default occurs, all commitments and obligations of lender under the loan agreement immediately will terminate (including any obligation to make further loan advances or disbursements), and, at lender's option, all indebtedness immediately will become due and payable, all without notice of any kind to borrower, except that in the case of an event of default of the type described in the "Insolvency", such acceleration shall be automatic and not optional. 665,662

Total notes and loans payable - Governmental Activities \$ 987,071

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 9 - Long-Term Liabilities, continued

Annual debt service requirements to maturity for the above notes and loans are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 160,861	\$ 43,346	\$ 204,207
2023	164,831	36,375	201,206
2024	81,587	29,165	110,752
2025	29,238	26,252	55,490
2026	30,595	24,895	55,490
2027-2031	175,573	101,876	277,449
2032-2036	220,278	57,171	277,449
2037-2041	124,108	8,338	132,446
Total	<u>\$ 987,071</u>	<u>\$ 327,418</u>	<u>\$ 1,314,489</u>

D - Notes and Loans Payable - Business-type activities

In June of 2007, the City received a \$375,000 loan for the purchase of a property adjacent to the Middlefield Golf Course and the residence thereon. This loan is repayable over 20 years in semiannual payments of approximately \$15,007, including interest at 4.975%. In the event of default, the lender may declare all outstanding balances, including accrued interest and fees as due and payable. The loan is unsecured.

\$ 164,703

In September 2007, the City received a \$1,350,000, 5.16%, Long-term Limited Obligation Revenue Note, Series 2007, from Wells Fargo Brokerage Services, LLC for the financing of payments to former, extraterritorial water customers disconnected from City water service. This is a 20-year note being re-paid from water and sewer surcharges. The City pledged for payment of the note, a pledge of surcharge revenues of the Water System and the full faith and credit of the City, not subject to annual appropriation.

594,470

On July 18, 2016, the City entered into a loan agreement with Banner Bank for \$60,000. The agreement requires semi-annual payments of \$6,427.47 including 2.47% interest beginning February 1, 2017, due August 1, 2021. The financing agreement is for the acquisition of a mower. In the event of default, the lender may declare all outstanding balances, including accrued interest and fees as due and payable. The lender may also repossess the piece of equipment and require payment from the City to cover any deficit after the sale and administrative costs.

6,346

Total loans payable - Business - type activities

\$ 765,519

Annual debt service requirements to maturity for the above notes and loans are as follows:

Year Ending June 30,	Business-type Activities		
	Principal	Interest	Total
2022	\$ 107,483	\$ 37,771	\$ 145,254
2023	106,395	32,432	138,827
2024	111,928	26,899	138,827
2025	117,736	21,091	138,827
2026	123,873	14,954	138,827
2027-2031	198,104	10,247	208,351
Total	<u>\$ 765,519</u>	<u>\$ 143,394</u>	<u>\$ 908,913</u>

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 10 - Employee Retirement Systems and Pension Plans

State of Oregon Employees Retirement System

Plan Description. Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at Oregon PERS website.

Benefits provided under ORS 238 - Tier One / Tier Two

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-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 PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes. After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes(COLA). All monthly pension and annuity benefits except unit purchases are eligible for post-retirement adjustments. As a result of the Senate Bills 822 and 861 and the Oregon Supreme Court Decision in *Moro v. State of Oregon*, automatic post-retirement adjustments are based on a blended COLA rate. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.0 percent. The COLA for creditable service after October 2013 is calculated at 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 10 - Employee Retirement Systems and Pension Plans, continued

Benefits provided under Chapter 238A - OPSRP Pension Program (OPSRP DB)

Pension Benefits. The Pension Program (ORS Chapter 238A) 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 for creditable service earned before October 2013 is 2.0 percent. The COLA for creditable service after October 2013 is calculated at 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

Defined Contribution Plan - OPSRP Individual Account Program (OPSRP IAP)

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

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

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

Recordkeeping. OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions. PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation which became effective July 1, 2019. The contribution rates in effect for the fiscal year ended June 30, 2020 were 25.27% for Tier One/Tier Two covered members, 13.87% for OPSRP Pension Program General Service Members, and 18.50% for OPSRP Pension Program Police and Fire Members. Employer contributions for the year ended June 30, 2021 were \$873,543, excluding amounts to fund employer specific liabilities.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 10 - Employee Retirement Systems and Pension Plans, continued

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

At June 30, 2021, the City reported a liability of \$14,322,004 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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 entities, actuarially determined. At June 30, 2021, the City's proportion was 0.06562671 percent, which was an increase from its proportion of 0.061755619 percent measured as of June 30, 2020.

For the year ended June 30, 2021, the City recognized pension expense of \$2,328,334. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 630,341	\$ -
Changes of assumptions	768,617	26,931
Net difference between projected and actual earnings on investments	1,684,082	-
Changes in proportionate share	700,228	78,874
Differences between employer contributions and employer's proportionate share of system contributions	-	<u>815,292</u>
Total (prior to post-MD contributions)	<u>3,783,268</u>	<u>921,097</u>
Contributions subsequent to MD	<u>900,924</u>	-
Total	<u>\$ 4,684,192</u>	<u>\$ 921,097</u>

Deferred outflows of resources related to pensions of \$900,924 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2022. Net deferred outflows (inflows) of resources of \$2,862,171 will be recognized in pension expense as follows:

Amortization Period	
2022	\$ 630,238
2023	831,585
2024	813,117
2025	578,214
2026	<u>9,017</u>
Total	<u>\$ 2,862,171</u>

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 10 - Employee Retirement Systems and Pension Plans, continued

Actuarial Assumptions. The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of 1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), 2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of 1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), 2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 2019
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.5%
Long-Term Expected Rate of Return	7.2%
Discount Rate	7.2%
Project Salary Increases	3.5%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 10 - Employee Retirement Systems and Pension Plans, continued

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

- PERS 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 return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

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

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate Share of Net Pension Liability (Asset)	\$ 21,266,995	\$ 14,322,004	\$ 8,498,310

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 11 - Other Post - Employment Benefits (OPEB) - Retirement Health Insurance Account Plan

Plan Description. The City contribute to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer other post-employment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700.

Benefits Provided. Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 38.410. To be eligible to receive this monthly payment toward the premium cost, the member must: 1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, 2) receive both Medicare Parts A and B coverage, and 3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she 1) is receiving a retirement benefit or allowance from PERS or 2) was insured at the time the member died and the member retired before May1, 1991.

Contributions. PERS funding policy provides for 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 for the period were based on the December 31, 2018 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The City's contribution rates for the period were 0.50% for Tier One/Tier Two members, and 0.43% for OPSRP members. The City's total contributions for the year ended June 30, 2021 were \$695.

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

At June 30, 2021, the City reported \$22,254 for its proportionate share of the net OPEB asset (liability). The net OPEB asset (liability) was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset (liability) was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net OPEB asset (liability) was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the City's proportion was 0.01092143 percent, which was a decrease from its proportion of 0.04260408 percent measured as of June 30, 2020. The OPEB asset is reported in Governmental Activities.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 11 - Other Post - Employment Benefits (OPEB) - Retirement Health Insurance Account Plan, continued

For the year ended June 30, 2021, the City recognized OPEB expense (income) of (\$32,680). At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	\$ 2,275
Changes of assumptions	-	1,183
Net difference between projected and actual earnings on investment	2,475	-
Changes in proportionate shares	32,380	905
Total (prior to post-MD contributions)	34,855	4,363
Contributions subsequent to the MD	695	-
	\$ 35,550	\$ 4,363

The \$695 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense (income) as follows:

Fiscal year ending June 30	Deferred outflows and (inflows) of resources
2022	\$ 14,037
2023	14,759
2024	915
2025	781
Total	\$ 30,492

Actuarial assumptions. See actuarial valuations included in Note 10. Pension plans except adding healthy retirees participation at 32% and disabled retirees participation at 20%.

Long-term expected rate of return. See long-term expected rate of return included in Note 8 F. Pension plans.

Depletion date projection. GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB 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 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) 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.

Discount rate. The discount rate used to measure the total OPEB liability was 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF COTTAGE GROVE, OREGON

Notes to Financial Statements

June 30, 2021

Note 11 - Other Post - Employment Benefits (OPEB) - Retirement Health Insurance Account Plan, continued

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of Net OPEB liability (asset)	\$ (17,966)	\$ (22,254)	\$ (25,920)

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 12 - Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for risks of loss including workers' compensation, property damage, general liability, automobile liability, boiler and machinery, inland marine, public official bond, and employee dishonesty coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Note 13 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed costs may constitute a liability to the City. Such amounts, if any, cannot be determined at this time and, accordingly, no liability is reflected in these financial statements.

Management of the City believes that total amount of liability, if any, which may arise from claims and lawsuits pending against the City beyond that which is covered by insurance would not have a material effect on the City's financial condition.

Note 14 - Tax Abatements

The City of Cottage Grove enters into property tax abatement agreements with local businesses under the Oregon Enterprise Zone Act. Under the Act, localities may grant property tax abatements of up to 50 percent of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

For the fiscal year ended June 30, 2021, the City abated property taxes totaling \$93,181 under this program, for the benefit of PakTech. Taxes without the exemption would have amounted to \$111,982.

Note 15 - Future adoption of GASB pronouncements

The City will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the following new GASB pronouncements will have a significant impact to the City's financial statements.

GASB Statement No. 87, *Leases*. This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the City for fiscal year ending June 30, 2022.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the statement are 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and 2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the City for fiscal year ending June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COTTAGE GROVE, OREGON

Required Supplementary Information

Year Ended June 30, 2021

Schedule of the Proportionate Share of the Net Pension Liability
Oregon Public Employees Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.066 %	0.062 %	0.059 %	0.060 %	0.059 %	0.058 %	0.054 %	0.054 %
Proportionate share of the net pension liability (asset)	\$ 14,322,004	\$ 10,682,242	\$ 8,945,068	\$ 8,205,352	\$ 8,789,141	\$ 3,341,340	\$ (1,229,962)	\$ 2,769,064
Covered payroll	\$ 5,253,433	\$ 4,857,657	\$ 4,457,525	\$ 4,198,300	\$ 4,038,370	\$ 4,152,782	\$ 4,058,662	\$ 4,087,108
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	272.62 %	219.91 %	200.67 %	195.44 %	217.64 %	80.46 %	(30.30)%	67.75 %
Plan net position as a percentage of the total pension liability	- %	80.20 %	82.07 %	83.10 %	80.50 %	91.90 %	103.60 %	91.97 %

Schedule of Pension Contributions
Oregon Public Employees Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,102,427	\$ 1,077,256	\$ 869,177	\$ 658,122	\$ 566,535	\$ 553,803	\$ 590,234	\$ 632,510
Contributions in relation to the contractually required contribution	<u>(1,102,427)</u>	<u>(1,077,256)</u>	<u>(869,177)</u>	<u>(658,122)</u>	<u>(566,535)</u>	<u>(553,803)</u>	<u>(590,234)</u>	<u>(632,510)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,358,996	\$ 5,253,433	\$ 4,857,657	\$ 4,457,525	\$ 4,198,300	\$ 4,038,370	\$ 4,152,782	\$ 4,058,662
Contributions as a percentage of covered employee payroll	20.57 %	20.51 %	17.89 %	14.76 %	13.49 %	13.71 %	14.21 %	15.58 %

Note: Only the information for the years available is presented in the above schedules.

CITY OF COTTAGE GROVE, OREGON

Required Supplementary Information

Year Ended June 30, 2021

Schedule of Proportionate Share of the Net OPEB RHIA (Asset) Liability
Oregon Public Employee Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the net OPEB (asset) liability	0.01 %	0.04 %	0.04 %	0.04 %	0.04 %
Proportionate share of the net OPEB liability (asset)	\$ 22,254	\$ 82,326	\$ 44,040	\$ (17,998)	\$ 11,281
Covered payroll	\$ 5,253,433	\$ 4,857,657	\$ 4,457,525	\$ 4,198,300	\$ 4,038,370
Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.42 %	1.57 %	0.91 %	(0.43)%	0.28 %
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	144.40 %	144.40 %	123.99 %	108.90 %	94.20 %

Schedule of OPEB Contributions
Oregon Public Employee Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractual required contribution	\$ 754	\$ 776	\$ 21,188	\$ 21,470	\$ 18,523
Contributions in relation to the contractually required contribution	(754)	(776)	(21,188)	(21,470)	(18,523)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	5,358,996	5,253,433	4,857,657	4,457,525	4,198,300
Contributions as a percentage of covered payroll	0.01 %	0.01 %	0.44 %	0.48 %	0.44 %

Note: Only the information for the years available is presented in the above schedules.

Notes to Required Supplementary Information

Measurement Period

Amounts presented are for the measurement period, which for FY 2021 is July 1, 2019 - June 30, 2020.

Changes in Benefit Term

Senate Bill 822 was enacted during the 2013 Oregon regular legislative session to lower the cap on the cost-of-living-adjustment (COLA) from 2 percent to 1.5 percent for 2013, and eliminated the tax remedy benefit for recipients who do not pay Oregon state income taxes because they do not reside in Oregon. Senate Bill 861 was enacted during the 2013 Oregon special legislative session, further lowering the post-retirement COLA for years beyond 2013 to 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000. The combined impact of these Senate Bills are reflected in the June 30, 2014 total pension liability, resulting in a net pension asset reported by the City for fiscal year 2015.

The Oregon Supreme Court (Court) ruled in *Moro V. State of Oregon* on April 30, 2015 that certain provisions of Senate Bill 822 and Senate Bill 861 were unconstitutional. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. The reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Changes of Assumptions

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 pension liability. For June 30, 2016, the changes included lowering the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

Ten Year Trend Information

10-year trend information required by GASB Statement 68 and 75 will be presented prospectively.

CITY OF COTTAGE GROVE, OREGON

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Property Taxes	\$ 4,831,990	\$ 4,831,990	\$ 5,111,185	\$ 279,195
Franchise Taxes	655,000	655,000	692,159	37,159
Alcohol Taxes	165,000	165,000	198,017	33,017
Room Tax	90,000	90,000	95,508	5,508
Marijuana Tax	85,000	85,000	173,474	88,474
Other Taxes	12,200	12,200	19,433	7,233
Licenses and Permits	24,650	24,650	24,593	(57)
Intergovernmental revenues	210,955	210,955	253,272	42,317
Charges for services	860,325	860,325	806,191	(54,134)
Fines and forfeitures	93,700	93,700	150,285	56,585
Investment earnings	31,000	31,000	25,979	(5,021)
Grants and contracts	806,965	1,181,928	865,566	(316,362)
Miscellaneous	112,300	112,300	155,742	43,442
Total revenues	<u>7,979,085</u>	<u>8,354,048</u>	<u>8,571,404</u>	<u>217,356</u>
Expenditures:				
General Government:				
City Council	52,350	59,785	35,282	24,503
City Manager	520,270	520,270	458,836	61,434
Finance	452,725	452,725	416,440	36,285
Public Safety:				
Police Operations	3,051,955	3,055,406	2,793,053	262,353
Municipal Court	93,520	96,560	88,642	7,918
Court Support Services	78,450	78,450	76,774	1,676
Youth Peer Court	32,415	32,415	26,390	6,025
Maintenance	488,865	592,217	585,678	6,539
Culture and Recreation:				
Engineering	384,045	384,045	351,799	32,246
Broadband Services	347,810	347,810	345,982	1,828
Community Development:				
Community Development	1,200,860	1,483,477	1,050,584	432,893
Library	478,485	478,968	243,942	235,026
Community Center	206,300	206,300	193,986	12,314
Community Promotions	168,500	188,500	168,866	19,634
Non-Departmental	294,000	320,680	245,766	74,914
Contingency	353,705	281,610	-	281,610
Total expenditures	<u>8,204,255</u>	<u>8,579,218</u>	<u>7,082,020</u>	<u>1,497,198</u>
Excess revenues over (under) expenditures	<u>(225,170)</u>	<u>(225,170)</u>	<u>1,489,384</u>	<u>1,714,554</u>
Other financing sources (uses):				
Transfers out	(1,183,005)	(1,183,005)	(1,182,932)	73
Insurance Proceeds	-	-	23,509	23,509
Total other financing sources (uses)	<u>(1,183,005)</u>	<u>(1,183,005)</u>	<u>(1,159,423)</u>	<u>23,582</u>
Net change in fund balances	(1,408,175)	(1,408,175)	329,961	1,738,136
Fund Balance:				
Beginning of year	<u>1,996,400</u>	<u>1,996,400</u>	<u>2,553,484</u>	<u>557,084</u>
End of year	<u>\$ 588,225</u>	<u>\$ 588,225</u>	<u>\$ 2,883,445</u>	<u>\$ 2,295,220</u>

CITY OF COTTAGE GROVE, OREGON

Street Fund (004)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local Fuels Tax	\$ 400,000	\$ 400,000	\$ 377,392	\$ (22,608)
Intergovernmental revenues	907,125	907,125	860,257	(46,868)
Miscellaneous	3,500	3,500	251,397	247,897
Investment earnings	1,000	1,000	22	(978)
Grants and contracts	1,272,145	1,272,541	1,208,932	(63,609)
	<u>2,583,770</u>	<u>2,584,166</u>	<u>2,698,000</u>	<u>113,834</u>
Total revenues				
Expenditures:				
Street Maintenance	565,580	571,576	509,947	61,629
Street Sweeping	76,570	76,570	69,412	7,158
Streets capital improvements	1,795,775	1,853,675	1,849,666	4,009
Non-departmental:				
Materials and Services	125,790	125,790	123,561	2,229
Contingency	130,000	66,500	-	66,500
	<u>2,693,715</u>	<u>2,694,111</u>	<u>2,552,586</u>	<u>141,525</u>
Total expenditures				
Excess of revenues over (under) expenditures	(109,945)	(109,945)	145,414	255,359
Other financing sources (uses):				
Transfers in	50,455	50,455	50,455	-
Transfers out	(40,510)	(40,510)	(40,491)	19
Interfund loan proceeds	-	63,880	-	(63,880)
	<u>(100,000)</u>	<u>(36,120)</u>	<u>155,378</u>	<u>191,498</u>
Net change in fund balance				
Beginning fund balance	100,000	100,000	53,601	(46,399)
Ending fund balance	<u>\$ -</u>	<u>\$ 63,880</u>	<u>\$ 208,979</u>	<u>\$ 145,099</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF COTTAGE GROVE, OREGON

Debt Service Fund (817)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:				
Non-departmental:				
Debt service - Principal	\$ 1,757,445	\$ 1,757,445	\$ 1,757,401	\$ 44
Debt service - Interest	<u>945,260</u>	<u>945,260</u>	<u>944,905</u>	<u>355</u>
Total expenditures	<u>2,702,705</u>	<u>2,702,705</u>	<u>2,702,306</u>	<u>399</u>
Excess of revenues over (under) expenditures	(2,702,705)	(2,702,705)	(2,702,306)	399
Other financing sources (uses):				
Transfers in	<u>2,702,705</u>	<u>2,702,705</u>	<u>2,702,306</u>	<u>(399)</u>
Net change in fund balance	-	-	-	-
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Reconciliation to GAAP basis:				
Principal			(1,381,672)	
Interest			(752,744)	
Transfers in			<u>2,134,416</u>	
GAAP fund balance - end of year			<u>\$ -</u>	

For budgetary basis, all debt service principal and interest payments are recognized as expenditures in the Debt Service Fund. For GAAP, the amounts relating to enterprise funds are reclassified to the enterprise fund with a corresponding decrease in transfers in from the enterprise funds.

CITY OF COTTAGE GROVE, OREGON

Other Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

These funds account for revenue derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities.

- **Assessment Fund** – This fund accounts for the receipts and expenditures for all local improvement districts of the City. The major revenue sources are proceeds from unbonded assessment principal and interest payments received.
- **Police Communication Fund** – This fund accounts for revenues received from the Oregon telephone excise tax, which is used for operation of the South Lane emergency phone system. Additionally, the City has consolidated its police support services with 911 operations and is funding police support services with a transfer from the General Fund.
- **Bicycle and Footpath Fund** – This fund was established to provide for the operational and capital improvement needs of the City's bike paths. Revenues and other financing sources consist primarily of 1% of the City's state gasoline tax and transfers from the Street Fund.
- **Rehabilitation Loan Fund** – This fund accounts for monies received from Community Development Block Grant. These monies are to provide assistance to homeowners that are disadvantaged by age, handicap, or income, to correct health, safety and/or structural hazards.
- **Narcotics Forfeiture** – This fund accounts for monies received from forfeitures. The monies must be used for drug enforcement activities and other drug enforcement programs.
- **Building Inspection Program** – This fund accounts for building permit revenues and the activities of the City's Building Permit Program. It was established because of State legislation mandating that building permit revenues not be used for any purpose other than building permit programs.
- **Industrial Park Operations Fund** – This fund was established to provide operations, maintenance and management services for the South Hwy 99 Industrial Park. Revenues and other financing sources are expected to consist primarily of lease revenues and transfers from the Industrial Development Fund.

Capital Projects Funds

These funds are used to account for financial resources to be used for the acquisition or construction of major capital items and facilities. Funds included in this category are:

- **Street Systems Development Fund** – This fund was established to accumulate monies derived from street systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.
- **Park Systems Development Fund** – This fund was established to accumulate monies derived from parks systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.
- **General Reserve Fund** – This fund was established for the purpose of accumulating monies to acquire equipment or vehicles, to make major emergency repairs and/or to contract for services related to General Fund activities or programs. Transfers are the major source of financing.
- **Building Inspection Reserve Fund** – This fund was established to accumulate funds to cover services or operations and be used to acquire vehicles and equipment necessary to perform building plan review and inspection services.

Permanent Funds

This fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

- **Housing Development Cost Assistance Trust Fund** -- This fund was established to assist non-profit and government agencies in developing new housing opportunities within the City. The money in this fund is used to pay a portion of the building permit fees and system development charges for eligible projects.
- **Ed Jenks and Memorial Tree Fund (Special Trust Fund)** – This fund was established to account for interest earnings on a fixed principal donation by a private individual. Disbursements are restricted to purchases of nonfiction books for the library and the purchases and maintenance of trees.
- **Armory Trust Fund** - This fund was established to account for donations, grants and proceeds to cover expenditures for renovation, maintenance, operation, equipment and supplies for the Cottage Grove Armory.

CITY OF COTTAGE GROVE, OREGON

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2021

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 613,452	\$ 1,604,867	\$ 426,625	\$ 2,644,944
Accounts receivable	43,078	-	67	43,145
Loans receivable	<u>18,744</u>	<u>-</u>	<u>-</u>	<u>18,744</u>
Total assets	<u>\$ 675,274</u>	<u>\$ 1,604,867</u>	<u>\$ 426,692</u>	<u>\$ 2,706,833</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 56,824	\$ 6,176	\$ 8,267	\$ 71,267
Payroll and Related Accruals	<u>13,598</u>	<u>-</u>	<u>-</u>	<u>13,598</u>
Total liabilities	<u>70,422</u>	<u>6,176</u>	<u>8,267</u>	<u>84,865</u>
Unavailable Revenues	<u>18,744</u>	<u>-</u>	<u>-</u>	<u>18,744</u>
Total deferred inflows of resources	<u>18,744</u>	<u>-</u>	<u>-</u>	<u>18,744</u>
Fund Balances				
Nonspendable	-	-	3,000	3,000
Restricted	353,490	-	415,425	768,915
Committed	<u>232,618</u>	<u>1,598,691</u>	<u>-</u>	<u>1,831,309</u>
Total fund balances	<u>586,108</u>	<u>1,598,691</u>	<u>418,425</u>	<u>2,603,224</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 675,274</u>	<u>\$ 1,604,867</u>	<u>\$ 426,692</u>	<u>\$ 2,706,833</u>

CITY OF COTTAGE GROVE, OREGON

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year ended June 30, 2021

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Grants and contracts	\$ -	\$ 137,680	\$ -	\$ 137,680
Intergovernmental revenues	202,038	-	-	202,038
Charges for services	530,628	-	-	530,628
Fines and forfeitures	5,316	-	-	5,316
Investment earnings	5,323	10,924	3,352	19,599
Contributions and Donations	-	-	20,300	20,300
Special assessments	-	117,334	-	117,334
Miscellaneous	2,134	2,244	779	5,157
Total Revenues	<u>745,439</u>	<u>268,182</u>	<u>24,431</u>	<u>1,038,052</u>
Expenditures:				
Current:				
General government	561,792	364,303	-	926,095
Public safety	695,639	-	-	695,639
Highway and streets	10,015	17,707	-	27,722
Culture and recreation	-	6,199	-	6,199
Community development	-	61,624	202,044	263,668
Total Expenditures	<u>1,267,446</u>	<u>449,833</u>	<u>202,044</u>	<u>1,919,323</u>
Excess of revenues over (under) expenditures	<u>(522,007)</u>	<u>(181,651)</u>	<u>(177,613)</u>	<u>(881,271)</u>
Other financing sources (uses)				
Transfers in	511,135	240,000	100,000	851,135
Transfers out	<u>(195,602)</u>	<u>-</u>	<u>-</u>	<u>(195,602)</u>
Total other financing sources (uses)	<u>315,533</u>	<u>240,000</u>	<u>100,000</u>	<u>655,533</u>
Net change in fund balance	(206,474)	58,349	(77,613)	(225,738)
Fund balance at beginning of year	<u>792,582</u>	<u>1,540,342</u>	<u>496,038</u>	<u>2,828,962</u>
Fund balance at end of year	<u>\$ 586,108</u>	<u>\$ 1,598,691</u>	<u>\$ 418,425</u>	<u>\$ 2,603,224</u>

CITY OF COTTAGE GROVE, OREGON

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2021

	Assessment Fund (005)	Police Communication Fund (006)	Bicycle and Footpath Fund (011)	Rehabilitation Loan Fund (020)	Narcotics Forfeiture (007)	Building Inspection Program (013)	Industrial Park Fund (502)	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 166,012	\$ 184,555	\$ 52,263	\$ 9,970	\$ 88,601	\$ 95,719	\$ 16,332	\$ 613,452
Accounts receivable	-	42,150	672	18,744	-	256	-	61,822
Total assets	<u>\$ 166,012</u>	<u>\$ 226,705</u>	<u>\$ 52,935</u>	<u>\$ 28,714</u>	<u>\$ 88,601</u>	<u>\$ 95,975</u>	<u>\$ 16,332</u>	<u>\$ 675,274</u>
Liabilities								
Accounts payable	\$ -	\$ 665	\$ 1,208	\$ -	\$ 20,195	\$ 34,756	\$ -	\$ 56,824
Payroll and Related Accruals	-	9,015	-	-	-	4,583	-	13,598
Total liabilities	<u>-</u>	<u>9,680</u>	<u>1,208</u>	<u>-</u>	<u>20,195</u>	<u>39,339</u>	<u>-</u>	<u>70,422</u>
Deferred Inflows of Resources								
Unavailable Revenues	-	-	-	18,744	-	-	-	18,744
Fund Balance								
Restricted	-	217,025	51,727	-	68,406	-	16,332	353,490
Committed	<u>166,012</u>	<u>-</u>	<u>-</u>	<u>9,970</u>	<u>-</u>	<u>56,636</u>	<u>-</u>	<u>232,618</u>
Total Fund Balances	<u>166,012</u>	<u>217,025</u>	<u>51,727</u>	<u>9,970</u>	<u>68,406</u>	<u>56,636</u>	<u>16,332</u>	<u>586,108</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 166,012</u>	<u>\$ 226,705</u>	<u>\$ 52,935</u>	<u>\$ 28,714</u>	<u>\$ 88,601</u>	<u>\$ 95,975</u>	<u>\$ 16,332</u>	<u>\$ 675,274</u>

CITY OF COTTAGE GROVE, OREGON

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year ended June 30, 2021

	Assessment Fund (005)	Police Communication Fund (006)	Bicycle and Footpath Fund (011)	Rehabilitation Loan Fund (020)	Narcotics Forfeiture (007)	Building Inspection Program (013)	Industrial Park Fund (502)	Total
Revenues:								
Intergovernmental revenues	\$ -	\$ 194,492	\$ 7,546	\$ -	\$ -	\$ -	\$ -	\$ 202,038
Charges for services	-	-	-	-	-	530,628	-	530,628
Investment earnings	1,233	1,260	303	72	652	1,365	438	5,323
Miscellaneous	-	1,228	-	-	-	906	-	2,134
Fines and forfeitures	-	-	-	-	5,316	-	-	5,316
Total Revenues	1,233	196,980	7,849	72	5,968	532,899	438	745,439
Expenditures:								
Current:								
General government	-	-	-	-	-	561,792	-	561,792
Public safety	-	656,579	-	-	39,060	-	-	695,639
Highway and streets	-	-	10,015	-	-	-	-	10,015
Total Expenditures	-	656,579	10,015	-	39,060	561,792	-	1,267,446
Revenues over (under) expenditures	1,233	(459,599)	(2,166)	72	(33,092)	(28,893)	438	(522,007)
Other financing sources (uses):								
Transfers in	-	501,135	10,000	-	-	-	-	511,135
Transfers out	-	(14,218)	-	-	(1,873)	(76,760)	(102,751)	(195,602)
Total other financing sources (uses)	-	486,917	10,000	-	(1,873)	(76,760)	(102,751)	315,533
Net change in fund balance	1,233	27,318	7,834	72	(34,965)	(105,653)	(102,313)	(206,474)
Beginning fund balance	164,779	189,707	43,893	9,898	103,371	162,289	118,645	792,582
Ending fund balance	\$ 166,012	\$ 217,025	\$ 51,727	\$ 9,970	\$ 68,406	\$ 56,636	\$ 16,332	\$ 586,108

CITY OF COTTAGE GROVE, OREGON

Nonmajor Capital Project Funds

Combining Balance Sheet

June 30, 2021

	<u>Street Systems Development Fund (608)</u>	<u>Parks Systems Development Fund (610)</u>	<u>General Reserve Fund (731)</u>	<u>Bldg Inspection Reserve Fund (738)</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets					
Cash and cash equivalents	\$ <u>1,099,757</u>	\$ <u>390,044</u>	\$ <u>36,222</u>	\$ <u>78,844</u>	\$ <u>1,604,867</u>
Liabilities					
Accounts payable	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,176</u>	\$ <u>-</u>	\$ <u>6,176</u>
Fund Balance					
Committed	<u>1,099,757</u>	<u>390,044</u>	<u>30,046</u>	<u>78,844</u>	<u>1,598,691</u>
Total Liabilities and Fund Balances	\$ <u><u>1,099,757</u></u>	\$ <u><u>390,044</u></u>	\$ <u><u>36,222</u></u>	\$ <u><u>78,844</u></u>	\$ <u><u>1,604,867</u></u>

CITY OF COTTAGE GROVE, OREGON

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year ended June 30, 2021

	<u>Street Systems Development Fund (608)</u>	<u>Parks Systems Development Fund (610)</u>	<u>General Reserve Fund (731)</u>	<u>Bldg Inspection Reserve Fund (738)</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:					
Investment earnings	\$ 7,604	\$ 2,635	\$ 380	\$ 305	\$ 10,924
Special assessments	70,955	46,379	-	-	117,334
Grants and contracts	-	-	137,680	-	137,680
Miscellaneous	<u>2,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,244</u>
Total Revenues	<u>80,803</u>	<u>49,014</u>	<u>138,060</u>	<u>305</u>	<u>268,182</u>
Expenditures:					
Current:					
General government	-	-	364,303	-	364,303
Highway and streets	17,707	-	-	-	17,707
Culture and recreation	-	6,199	-	-	6,199
Community development	<u>-</u>	<u>-</u>	<u>61,624</u>	<u>-</u>	<u>61,624</u>
Total Expenditures	<u>17,707</u>	<u>6,199</u>	<u>425,927</u>	<u>-</u>	<u>449,833</u>
Excess of revenues over (under) expenditures	<u>63,096</u>	<u>42,815</u>	<u>(287,867)</u>	<u>305</u>	<u>(181,651)</u>
Other financing sources (uses):					
Transfers in	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>50,000</u>	<u>240,000</u>
Net change in fund balance	63,096	42,815	(97,867)	50,305	58,349
Beginning fund balance	<u>1,036,661</u>	<u>347,229</u>	<u>127,913</u>	<u>28,539</u>	<u>1,540,342</u>
Ending fund balance	<u>\$ 1,099,757</u>	<u>\$ 390,044</u>	<u>\$ 30,046</u>	<u>\$ 78,844</u>	<u>\$ 1,598,691</u>

CITY OF COTTAGE GROVE, OREGON

Nonmajor Permanent Funds

Combining Balance Sheet

June 30, 2021

	Housing Development Cost Assistance Trust Fund (823)	Special Trust Fund (825)	Armory Trust Fund (827)	Total Nonmajor Permanent Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Cash and cash equivalents	\$ 100,501	\$ 19,185	\$ 306,939	\$ 426,625
Accounts receivable	-	67	-	67
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 100,501</u>	<u>\$ 19,252</u>	<u>\$ 306,939</u>	<u>\$ 426,692</u>
Liabilities				
Accounts payable	\$ -	\$ 242	\$ 8,025	\$ 8,267
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance				
Nonspendable	-	3,000	-	3,000
Restricted	100,501	16,010	298,914	415,425
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>100,501</u>	<u>19,010</u>	<u>298,914</u>	<u>418,425</u>
Total Liabilities and Fund Balances	<u>\$ 100,501</u>	<u>\$ 19,252</u>	<u>\$ 306,939</u>	<u>\$ 426,692</u>

CITY OF COTTAGE GROVE, OREGON

Nonmajor Permanent Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year ended June 30, 2021

	<u>Housing Development Cost Assistance Trust Fund (823)</u>	<u>Special Trust Fund (825)</u>	<u>Armory Trust Fund (827)</u>	<u>Total Nonmajor Permanent Funds</u>
Revenues:				
Investment earnings	\$ 282	\$ 131	\$ 2,939	\$ 3,352
Contributions and Donations	-	9,300	11,000	20,300
Miscellaneous	-	-	779	779
Total Revenues	<u>282</u>	<u>9,431</u>	<u>14,718</u>	<u>24,431</u>
Expenditures:				
Current:				
Community development	-	4,096	197,948	202,044
Excess of revenues over (under) expenditures	<u>282</u>	<u>5,335</u>	<u>(183,230)</u>	<u>(177,613)</u>
Other financing sources (uses):				
Transfers in	<u>100,000</u>	-	-	100,000
Net change in fund balance	100,282	5,335	(183,230)	(77,613)
Beginning fund balance	219	13,675	482,144	496,038
Ending fund balance	<u>\$ 100,501</u>	<u>\$ 19,010</u>	<u>\$ 298,914</u>	<u>\$ 418,425</u>

CITY OF COTTAGE GROVE, OREGON

Assessment Fund (005)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 820	\$ 820	\$ 1,233	\$ 413
Expenditures:				
Materials and services	216,450	216,450	-	216,450
Capital outlay	<u>1,138,235</u>	<u>1,138,235</u>	<u>-</u>	<u>1,138,235</u>
Total expenditures	<u>1,354,685</u>	<u>1,354,685</u>	<u>-</u>	<u>1,354,685</u>
Excess of revenues over (under) expenditures	(1,353,865)	(1,353,865)	1,233	1,355,098
Other financing sources (uses):				
Proceeds from Loans	<u>1,190,000</u>	<u>1,190,000</u>	<u>-</u>	<u>(1,190,000)</u>
Net change in fund balance	(163,865)	(163,865)	1,233	165,098
Beginning fund balance	<u>163,865</u>	<u>163,865</u>	<u>164,779</u>	<u>914</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,012</u>	<u>\$ 166,012</u>

CITY OF COTTAGE GROVE, OREGON

Police Communication Fund (006)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 147,000	\$ 147,000	\$ 194,492	\$ 47,492
Investment earnings	1,000	1,000	1,260	260
Miscellaneous	-	-	1,228	1,228
Total revenues	<u>148,000</u>	<u>148,000</u>	<u>196,980</u>	<u>48,980</u>
Expenditures:				
Police Support Services	492,265	492,265	405,888	86,377
911 Services	<u>307,650</u>	<u>307,650</u>	<u>250,691</u>	<u>56,959</u>
Total expenditures	<u>799,915</u>	<u>799,915</u>	<u>656,579</u>	<u>143,336</u>
Excess of revenues over (under) expenditures	(651,915)	(651,915)	(459,599)	192,316
Other financing sources (uses):				
Transfers in	501,135	501,135	501,135	-
Transfers out	<u>(14,220)</u>	<u>(14,220)</u>	<u>(14,218)</u>	<u>2</u>
Net change in fund balance	(165,000)	(165,000)	27,318	192,318
Beginning fund balance	<u>165,000</u>	<u>165,000</u>	<u>189,707</u>	<u>24,707</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,025</u>	<u>\$ 217,025</u>

CITY OF COTTAGE GROVE, OREGON

Bicycle and Footpath Fund (011)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 7,970	\$ 7,970	\$ 7,546	\$ (424)
Investment earnings	<u>100</u>	<u>100</u>	<u>303</u>	<u>203</u>
Total revenues	<u>8,070</u>	<u>8,070</u>	<u>7,849</u>	<u>(221)</u>
Expenditures:				
Materials and services	10,315	10,315	10,015	300
Capital outlay	<u>42,755</u>	<u>42,755</u>	<u>-</u>	<u>42,755</u>
Total expenditures	<u>53,070</u>	<u>53,070</u>	<u>10,015</u>	<u>43,055</u>
Excess of revenues over (under) expenditures	(45,000)	(45,000)	(2,166)	42,834
Other financing sources (uses):				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	(35,000)	(35,000)	7,834	42,834
Beginning fund balance	<u>35,000</u>	<u>35,000</u>	<u>43,893</u>	<u>8,893</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,727</u>	<u>\$ 51,727</u>

CITY OF COTTAGE GROVE, OREGON

Rehabilitation Loan Fund (020)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 50	\$ 50	\$ 72	\$ 22
Expenditures:				
Materials and Services	<u>9,895</u>	<u>9,895</u>	<u>-</u>	<u>9,895</u>
Net change in fund balance	(9,845)	(9,845)	72	9,917
Beginning fund balance	<u>9,845</u>	<u>9,845</u>	<u>9,898</u>	<u>53</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,970</u>	<u>\$ 9,970</u>

CITY OF COTTAGE GROVE, OREGON

Narcotics Forfeiture (007)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 450	\$ 450	\$ 652	\$ 202
Fines and forfeitures	<u>29,480</u>	<u>29,480</u>	<u>5,316</u>	<u>(24,164)</u>
Total revenues	<u>29,930</u>	<u>29,930</u>	<u>5,968</u>	<u>(23,962)</u>
Expenditures:				
Personnel services	16,175	16,175	-	16,175
Materials and services	37,865	37,865	8,865	29,000
Capital outlay	36,500	36,500	30,195	6,305
Contingency	<u>9,010</u>	<u>9,010</u>	<u>-</u>	<u>9,010</u>
Total expenditures	<u>99,550</u>	<u>99,550</u>	<u>39,060</u>	<u>60,490</u>
Excess of revenues over (under) expenditures	(69,620)	(69,620)	(33,092)	36,528
Other financing sources (uses):				
Transfers out	<u>(1,880)</u>	<u>(1,880)</u>	<u>(1,873)</u>	<u>7</u>
Net change in fund balance	(71,500)	(71,500)	(34,965)	36,535
Beginning fund balance	<u>71,500</u>	<u>71,500</u>	<u>103,371</u>	<u>31,871</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,406</u>	<u>\$ 68,406</u>

CITY OF COTTAGE GROVE, OREGON

Building Inspection Program (013)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 695,000	\$ 695,000	\$ 530,628	\$ (164,372)
Investment earnings	1,500	1,500	1,365	(135)
Miscellaneous	200	200	906	706
Total revenues	<u>696,700</u>	<u>696,700</u>	<u>532,899</u>	<u>(163,801)</u>
Expenditures:				
Personnel services	431,025	431,025	409,516	21,509
Materials and services	224,175	224,175	152,276	71,899
Contingency	124,735	124,735	-	124,735
Total expenditures	<u>779,935</u>	<u>779,935</u>	<u>561,792</u>	<u>218,143</u>
Excess of revenues over (under) expenditures	(83,235)	(83,235)	(28,893)	54,342
Other financing sources (uses):				
Transfers out	<u>(76,765)</u>	<u>(76,765)</u>	<u>(76,760)</u>	<u>5</u>
Net change in fund balance	(160,000)	(160,000)	(105,653)	54,347
Beginning fund balance	<u>160,000</u>	<u>160,000</u>	<u>162,289</u>	<u>2,289</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,636</u>	<u>\$ 56,636</u>

CITY OF COTTAGE GROVE, OREGON

Industrial Park Fund (502)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 438	\$ 138
Expenditures:				
Materials and Services	50,000	50,000	-	50,000
Contingency	<u>165,810</u>	<u>165,810</u>	<u>-</u>	<u>165,810</u>
Total expenditures	<u>215,810</u>	<u>215,810</u>	<u>-</u>	<u>215,810</u>
Excess of revenues over (under) expenditures	(215,510)	(215,510)	438	215,948
Other financing sources (uses):				
Transfers out	(102,780)	(102,780)	(102,751)	29
Proceeds from sale of capital assets	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Net change in fund balance	(118,290)	(118,290)	(102,313)	15,977
Beginning fund balance	<u>118,290</u>	<u>118,290</u>	<u>118,645</u>	<u>355</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,332</u>	<u>\$ 16,332</u>

CITY OF COTTAGE GROVE, OREGON

Street Systems Development Fund (608)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Special assessments	\$ 100,000	\$ 100,000	\$ 70,955	\$ (29,045)
Investment earnings	12,000	12,000	7,604	(4,396)
Miscellaneous	<u>10,800</u>	<u>10,800</u>	<u>2,244</u>	<u>(8,556)</u>
Total revenues	<u>122,800</u>	<u>122,800</u>	<u>80,803</u>	<u>(41,997)</u>
Expenditures:				
Materials and services	121,045	121,045	10,207	110,838
Capital outlay	<u>1,001,755</u>	<u>1,001,755</u>	<u>7,500</u>	<u>994,255</u>
Total expenditures	<u>1,122,800</u>	<u>1,122,800</u>	<u>17,707</u>	<u>1,105,093</u>
Net change in fund balance	(1,000,000)	(1,000,000)	63,096	1,063,096
Beginning fund balance	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,036,661</u>	<u>36,661</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,099,757</u>	<u>\$ 1,099,757</u>

CITY OF COTTAGE GROVE, OREGON
Parks Systems Development Fund (610)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Special assessments	\$ 40,000	\$ 40,000	\$ 46,379	\$ 6,379
Investment earnings	<u>2,500</u>	<u>2,500</u>	<u>2,635</u>	<u>135</u>
Total revenues	<u>42,500</u>	<u>42,500</u>	<u>49,014</u>	<u>6,514</u>
Expenditures:				
Materials and services	61,600	61,600	1,599	60,001
Capital outlay	<u>325,900</u>	<u>325,900</u>	<u>4,600</u>	<u>321,300</u>
Total expenditures	<u>387,500</u>	<u>387,500</u>	<u>6,199</u>	<u>381,301</u>
Net change in fund balance	(345,000)	(345,000)	42,815	387,815
Beginning fund balance	<u>345,000</u>	<u>345,000</u>	<u>347,229</u>	<u>2,229</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,044</u>	<u>\$ 390,044</u>

CITY OF COTTAGE GROVE, OREGON

General Reserve Fund (731)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 575	\$ 575	\$ 380	\$ (195)
Grants and contracts	<u>-</u>	<u>141,935</u>	<u>137,680</u>	<u>(4,255)</u>
Total revenues	<u>575</u>	<u>142,510</u>	<u>138,060</u>	<u>(4,450)</u>
Expenditures:				
Materials and Services	41,000	61,767	61,624	143
Capital Outlay	<u>264,575</u>	<u>385,743</u>	<u>364,303</u>	<u>21,440</u>
Total expenditures	<u>305,575</u>	<u>447,510</u>	<u>425,927</u>	<u>21,583</u>
Excess of revenues over (under) expenditures	(305,000)	(305,000)	(287,867)	17,133
Other financing sources (uses):				
Transfers in	<u>190,000</u>	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Net change in fund balance	(115,000)	(115,000)	(97,867)	17,133
Beginning fund balance	<u>115,000</u>	<u>115,000</u>	<u>127,913</u>	<u>12,913</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,046</u>	<u>\$ 30,046</u>

CITY OF COTTAGE GROVE, OREGON
 Building Inspection Reserve Fund (738)
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 250	\$ 250	\$ 305	\$ 55
Expenditures:				
Capital Outlay	78,250	78,250	-	78,250
Excess of revenues over (under) expenditures	(78,000)	(78,000)	305	78,305
Other financing sources (uses):				
Transfers in	50,000	50,000	50,000	-
Net change in fund balance	(28,000)	(28,000)	50,305	78,305
Beginning fund balance	28,000	28,000	28,539	539
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,844</u>	<u>\$ 78,844</u>

CITY OF COTTAGE GROVE, OREGON
Housing Development Cost Assistance Trust Fund (823)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	<u>-</u>	<u>-</u>	<u>\$ 282</u>	<u>\$ 282</u>
Expenditures:				
Materials and Services	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Excess of revenues over (under) expenditures	(100,000)	(100,000)	282	100,282
Other financing sources (uses):				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	-	-	100,282	100,282
Beginning fund balance	<u>-</u>	<u>-</u>	<u>219</u>	<u>219</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,501</u>	<u>\$ 100,501</u>

CITY OF COTTAGE GROVE, OREGON

Special Trust Fund (825)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 50	\$ 50	\$ 131	\$ 81
Contributions and Donations	<u>8,500</u>	<u>8,500</u>	<u>9,300</u>	<u>800</u>
Total revenues	<u>8,550</u>	<u>8,550</u>	<u>9,431</u>	<u>881</u>
Expenditures:				
Materials and Services	27,875	27,875	4,096	23,779
Capital outlay	<u>520</u>	<u>520</u>	<u>-</u>	<u>520</u>
Total expenditures	<u>28,395</u>	<u>28,395</u>	<u>4,096</u>	<u>24,299</u>
Net change in fund balance	(19,845)	(19,845)	5,335	25,180
Beginning fund balance	<u>22,845</u>	<u>22,845</u>	<u>13,675</u>	<u>(9,170)</u>
Ending fund balance	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 19,010</u>	<u>\$ 16,010</u>

CITY OF COTTAGE GROVE, OREGON

Armory Trust Fund (827)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 2,400	\$ 2,400	\$ 2,939	\$ 539
Contributions and Donations	27,000	27,000	11,000	(16,000)
Miscellaneous	<u>6,000</u>	<u>6,000</u>	<u>779</u>	<u>(5,221)</u>
Total revenues	<u>35,400</u>	<u>35,400</u>	<u>14,718</u>	<u>(20,682)</u>
Expenditures:				
Materials and Services	35,400	35,400	426	34,974
Capital outlay	<u>504,500</u>	<u>504,500</u>	<u>197,522</u>	<u>306,978</u>
Total expenditures	<u>539,900</u>	<u>539,900</u>	<u>197,948</u>	<u>341,952</u>
Net change in fund balance	(504,500)	(504,500)	(183,230)	321,270
Beginning fund balance	<u>504,500</u>	<u>504,500</u>	<u>482,144</u>	<u>(22,356)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,914</u>	<u>\$ 298,914</u>

CITY OF COTTAGE GROVE, OREGON

Proprietary Funds

Budgetary Comparison Schedules

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent three segments of operations - Water, Wastewater, and Storm Drain.

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual is displayed for each fund where legally adopted budgets are required.

Proprietary Budgetary Comparison schedules include the following:

Water Operations

Water Fund accounts for the financial activities of the city-owned water utility operations. Sales of water and related charges are the major revenue sources.

Water Systems Development Fund accounts for monies accumulated from water systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.

Water Reserve Fund accounts for monies accumulated for capital improvements to the City's water system as well as for the purchase of capital equipment. Transfers are the major source of financing.

Wastewater Operations

Wastewater Fund accounts for the financial activities of the city-owned sewer service. Wastewater charges are the major revenue sources.

Wastewater Systems Development Charge Fund accounts for monies accumulated from wastewater systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.

Wastewater Reserve Fund accounts for monies accumulated for capital improvements to the City's wastewater system as well as for the purchase of capital equipment. Transfers as well as surcharges assessed to all wastewater customers are the major source of financing.

Storm Drain Operations

Storm Drainage Utility Fund accounts for the financial activities of the city-owned storm drainage system. Revenues consist primarily of storm drain charges.

Storm Drainage Systems Development Fund accounts for monies accumulated from storm drainage systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.

Storm Drainage Reserve Fund accounts for monies accumulated for capital improvements to the City's storm drainage system as well as for the purchase of capital equipment. A surcharge assessed to all utility customers is the major source of financing.

For Generally Accepted Accounting Principles purposes, these aforementioned funds are consolidated and included as three separate Enterprise funds.

CITY OF COTTAGE GROVE, OREGON

Water Operations Combined

Combining Balance Sheet

June 30, 2021

	Water Fund (202)	Water Systems Development Fund (602)	Water Reserve Fund (732)	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 596,070	\$ 1,608,661	\$ 757,440	\$ 2,962,171
Receivables - net	194,223	-	154,358	348,581
Inventories	155,672	-	-	155,672
Total current assets	<u>945,965</u>	<u>1,608,661</u>	<u>911,798</u>	<u>3,466,424</u>
Noncurrent assets:				
Capital assets	17,094,955	-	-	17,094,955
Total assets	<u>18,040,920</u>	<u>1,608,661</u>	<u>911,798</u>	<u>20,561,379</u>
Deferred outflows				
Related to pensions	630,982	-	-	630,982
Related to bond refunding	-	-	71,300	71,300
Total deferred outflows	<u>630,982</u>	<u>-</u>	<u>71,300</u>	<u>702,282</u>
Total assets and deferred outflows	<u>\$ 18,671,902</u>	<u>\$ 1,608,661</u>	<u>\$ 983,098</u>	<u>\$ 21,263,661</u>
Liabilities and Net Position				
Liabilities				
Current liabilities:				
Accounts Payable	\$ 44,550	\$ -	\$ 5,558	\$ 50,108
Payroll and Related Accruals	12,096	-	-	12,096
Accrued interest payable	81,825	-	-	81,825
Deposits	36,850	-	-	36,850
Compensated absences payable	62,256	-	-	62,256
Current portion of long-term debt	89,284	-	608,461	697,745
Total current liabilities	<u>326,861</u>	<u>-</u>	<u>614,019</u>	<u>940,880</u>
Noncurrent liabilities:				
Long-term debt, net of current portion	623,642	-	7,447,224	8,070,866
Net pension liability	1,929,240	-	-	1,929,240
Total noncurrent liabilities	<u>2,552,882</u>	<u>-</u>	<u>7,447,224</u>	<u>10,000,106</u>
Total Liabilities	<u>2,879,743</u>	<u>-</u>	<u>8,061,243</u>	<u>10,940,986</u>
Deferred inflows				
Related to pensions	124,076	-	-	124,076
Net Position				
Net investment in capital assets	16,382,029	-	(8,055,685)	8,326,344
Restricted for system development	-	1,608,661	-	1,608,661
Unrestricted	(713,946)	-	977,541	263,595
Total Net Position	<u>15,668,083</u>	<u>1,608,661</u>	<u>(7,078,144)</u>	<u>10,198,600</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 18,671,902</u>	<u>\$ 1,608,661</u>	<u>\$ 983,099</u>	<u>\$ 21,263,662</u>

CITY OF COTTAGE GROVE, OREGON

Water Operations Combined

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

For the Year Ended June 30, 2021

	<u>Water Fund (202)</u>	<u>Water Systems Development Fund (602)</u>	<u>Water Reserve Fund (732)</u>	<u>Total</u>
Operating Revenues				
Charges for services	\$ 1,971,302	\$ 223,558	\$ 1,497,737	\$ 3,692,597
Miscellaneous	18,267	-	13,971	32,238
Total Operating Revenues	<u>1,989,569</u>	<u>223,558</u>	<u>1,511,708</u>	<u>3,724,835</u>
Operating Expenses				
Personnel services	1,446,541	-	-	1,446,541
Materials and Services	634,266	8,000	62,255	704,521
Depreciation expense	537,466	-	-	537,466
Total Operating Expenses	<u>2,618,273</u>	<u>8,000</u>	<u>62,255</u>	<u>2,688,528</u>
Operating Income (Loss)	<u>(628,704)</u>	<u>215,558</u>	<u>1,449,453</u>	<u>1,036,307</u>
Nonoperating revenues (expenses)				
Interest expense	(4,760)	-	(304,235)	(308,995)
Investment earnings	5,355	11,108	8,802	25,265
Grants and contracts	2,482	-	-	2,482
Total non-operating revenues (expenses)	<u>3,077</u>	<u>11,108</u>	<u>(295,433)</u>	<u>(281,248)</u>
Income (loss) before transfers	(625,627)	226,666	1,154,020	755,059
Transfers in	1,796,257	-	100,000	1,896,257
Transfers out	<u>(100,001)</u>	<u>(90,350)</u>	<u>(1,705,906)</u>	<u>(1,896,257)</u>
Change in Net Position	1,070,629	136,316	(451,886)	755,059
Beginning Net Position	<u>14,597,454</u>	<u>1,472,345</u>	<u>(6,626,258)</u>	<u>9,443,541</u>
Ending Net Position	<u>\$ 15,668,083</u>	<u>\$ 1,608,661</u>	<u>\$ (7,078,144)</u>	<u>\$ 10,198,600</u>

CITY OF COTTAGE GROVE, OREGON

Water Operations Combined

Combining Statement of Cash Flows

For the Year Ended June 30, 2021

	<u>Water Fund (202)</u>	<u>Water Systems Development Fund (602)</u>	<u>Water Reserve Fund (732)</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,962,010	\$ 223,558	\$ 1,512,894	\$ 3,698,462
Cash payments to employees	(1,231,202)	(8,000)	(62,255)	(1,301,457)
Cash payments to suppliers for goods and services	<u>(668,577)</u>	<u>-</u>	<u>-</u>	<u>(668,577)</u>
Net cash provided (used) by operating activities	<u>62,231</u>	<u>215,558</u>	<u>1,450,639</u>	<u>1,728,428</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	100,000	100,000
Transfers out	(24,785)	-	(75,215)	(100,000)
Grants and contracts	<u>2,483</u>	<u>-</u>	<u>-</u>	<u>2,483</u>
Net cash provided (used) by noncapital financing activities	<u>(22,302)</u>	<u>-</u>	<u>24,785</u>	<u>2,483</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(1,721,041)	-	(190,851)	(1,911,892)
Principal paid on capital debt	(86,266)	-	(457,605)	(543,871)
Interest paid on capital debt	(8,900)	-	(352,575)	(361,475)
Transfers related to capital outlay	<u>1,721,041</u>	<u>(90,350)</u>	<u>(1,630,691)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(95,166)</u>	<u>(90,350)</u>	<u>(2,631,722)</u>	<u>(2,817,238)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>5,355</u>	<u>11,108</u>	<u>8,802</u>	<u>25,265</u>
Net change in cash and cash equivalents	(49,882)	136,316	(1,147,496)	(1,061,062)
Cash and cash equivalents:				
Beginning of year	<u>645,952</u>	<u>1,472,345</u>	<u>1,904,936</u>	<u>4,023,233</u>
End of year	<u>\$ 596,070</u>	<u>\$ 1,608,661</u>	<u>\$ 757,440</u>	<u>\$ 2,962,171</u>

CITY OF COTTAGE GROVE, OREGON

Water Operations Combined

Combining Statement of Cash Flows, continued

For the Year Ended June 30, 2021

	<u>Water Fund (202)</u>	<u>Water Systems Development Fund (602)</u>	<u>Water Reserve Fund (732)</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (628,704)	\$ 215,558	\$ 1,449,453	\$ 1,036,307
Adjustments:				
Depreciation	537,466	-	-	537,466
Change in operating accounts:				
Receivables - net	(27,558)	-	1,186	(26,372)
Inventories	(35,943)	-	-	(35,943)
Accounts payable	6,131	-	-	6,131
Other liabilities	(4,500)	-	-	(4,500)
Payroll and Related Accruals	(5,242)	-	-	(5,242)
Compensated absences payable	5,967	-	-	5,967
Net pension liability	<u>214,614</u>	<u>-</u>	<u>-</u>	<u>214,614</u>
 Net cash provided (used) by operating activities	 <u>\$ 62,231</u>	 <u>\$ 215,558</u>	 <u>\$ 1,450,639</u>	 <u>\$ 1,728,428</u>

CITY OF COTTAGE GROVE, OREGON

Wastewater Operations Combined

Combining Balance Sheet

June 30, 2021

	Wastewater Fund (302)	Wastewater Systems Development Charge Fund (604)	Wastewater Reserve Fund (735)	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 673,518	\$ 315,447	\$ 1,215,691	\$ 2,204,656
Receivables - net	188,982	-	194,326	383,308
Inventories	<u>28,727</u>	-	-	<u>28,727</u>
Total current assets	<u>891,227</u>	<u>315,447</u>	<u>1,410,017</u>	<u>2,616,691</u>
Noncurrent assets:				
Capital assets	<u>16,899,882</u>	-	-	<u>16,899,882</u>
Total assets	<u>17,791,109</u>	<u>315,447</u>	<u>1,410,017</u>	<u>19,516,573</u>
Deferred outflows				
Related to pensions	564,669	-	-	564,669
Related to bond refunding	-	-	33,734	33,734
Total deferred outflows	<u>564,669</u>	-	<u>33,734</u>	<u>598,403</u>
Total assets and deferred outflows	<u>\$ 18,355,778</u>	<u>\$ 315,447</u>	<u>\$ 1,443,751</u>	<u>\$ 20,114,976</u>
Liabilities and Net Position				
Liabilities				
Current liabilities:				
Accounts Payable	\$ 51,294	\$ -	\$ 71,881	\$ 123,175
Payroll and Related Accruals	13,833	-	-	13,833
Accrued interest payable	57,547	-	-	57,547
Deposits	1,500	-	-	1,500
Unearned Revenue	58,570	-	-	58,570
Compensated absences payable	71,760	-	-	71,760
Current portion of long-term debt	<u>37,647</u>	-	<u>638,038</u>	<u>675,685</u>
Total current liabilities	<u>292,151</u>	-	<u>709,919</u>	<u>1,002,070</u>
Noncurrent liabilities:				
Long-term debt, net of current portion	208,930	-	7,772,412	7,981,342
Net pension liability	<u>1,726,485</u>	-	-	<u>1,726,485</u>
Total noncurrent liabilities	<u>1,935,415</u>	-	<u>7,772,412</u>	<u>9,707,827</u>
Total Liabilities	<u>2,227,566</u>	-	<u>8,482,331</u>	<u>10,709,897</u>
Deferred inflows				
Related to pensions	<u>111,036</u>	-	-	<u>111,036</u>
Net Position				
Net investment in capital assets	16,653,305	-	(8,410,450)	8,242,855
Restricted for system development	-	315,447	-	315,447
Unrestricted	<u>(636,129)</u>	-	<u>1,371,870</u>	<u>735,741</u>
Total Net Position	<u>16,017,176</u>	<u>315,447</u>	<u>(7,038,580)</u>	<u>9,294,043</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 18,355,778</u>	<u>\$ 315,447</u>	<u>\$ 1,443,751</u>	<u>\$ 20,114,976</u>

CITY OF COTTAGE GROVE, OREGON

Wastewater Operations Combined

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

For the Year Ended June 30, 2021

	Wastewater Fund (302)	Wastewater Systems Development Charge Fund (604)	Wastewater Reserve Fund (735)	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating Revenues				
Charges for services	\$ 2,227,573	\$ 40,113	\$ 1,152,080	\$ 3,419,766
Miscellaneous	<u>26,197</u>	<u>-</u>	<u>-</u>	<u>26,197</u>
Total Operating Revenues	<u>2,253,770</u>	<u>40,113</u>	<u>1,152,080</u>	<u>3,445,963</u>
Operating Expenses				
Personnel services	1,629,797	-	-	1,629,797
Materials and Services	904,594	30	77,262	981,886
Depreciation expense	<u>619,234</u>	<u>-</u>	<u>-</u>	<u>619,234</u>
Total Operating Expenses	<u>3,153,625</u>	<u>30</u>	<u>77,262</u>	<u>3,230,917</u>
Operating Income (Loss)	<u>(899,855)</u>	<u>40,083</u>	<u>1,074,818</u>	<u>215,046</u>
Nonoperating revenues (expenses)				
Interest expense	(25,906)	-	(272,291)	(298,197)
Grants and contracts	15,688	-	-	15,688
Investment earnings	<u>4,868</u>	<u>2,082</u>	<u>17,689</u>	<u>24,639</u>
Total non-operating revenues (expenses)	<u>(5,350)</u>	<u>2,082</u>	<u>(254,602)</u>	<u>(257,870)</u>
Income (loss) before transfers	(905,205)	42,165	820,216	(42,824)
Transfers in	2,620,617	-	109,000	2,729,617
Transfers out	<u>(109,000)</u>	<u>-</u>	<u>(2,620,617)</u>	<u>(2,729,617)</u>
Change in Net Position	1,606,412	42,165	(1,691,401)	(42,824)
Beginning Net Position	<u>14,410,764</u>	<u>273,282</u>	<u>(5,347,179)</u>	<u>9,336,867</u>
Ending Net Position	<u>\$ 16,017,176</u>	<u>\$ 315,447</u>	<u>\$ (7,038,580)</u>	<u>\$ 9,294,043</u>

CITY OF COTTAGE GROVE, OREGON

Wastewater Operations Combined

Combining Statement of Cash Flows

For the Year Ended June 30, 2021

	<u>Wastewater Fund (302)</u>	<u>Wastewater Systems Development Charge Fund (604)</u>	<u>Wastewater Reserve Fund (735)</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,259,267	\$ 40,113	\$ 1,079,349	\$ 3,378,729
Cash payments to employees	(1,136,695)	-	-	(1,136,695)
Cash payments to suppliers for goods and services	<u>(869,125)</u>	<u>(30)</u>	<u>(77,262)</u>	<u>(946,417)</u>
Net cash provided (used) by operating activities	<u>253,447</u>	<u>40,083</u>	<u>1,002,087</u>	<u>1,295,617</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	59,000	59,000
Transfers out	(109,000)	-	-	(109,000)
Grants and contracts	<u>15,688</u>	<u>-</u>	<u>-</u>	<u>15,688</u>
Net cash provided (used) by noncapital financing activities	<u>(93,312)</u>	<u>-</u>	<u>59,000</u>	<u>(34,312)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(2,620,617)	-	(6,038)	(2,626,655)
Principal paid on capital debt	(28,483)	-	(744,331)	(772,814)
Interest paid on capital debt	(30,494)	-	(321,438)	(351,932)
Transfers related to capital outlay	<u>2,620,617</u>	<u>-</u>	<u>(2,570,616)</u>	<u>50,001</u>
Net cash provided (used) by capital and related financing activities	<u>(58,977)</u>	<u>-</u>	<u>(3,642,423)</u>	<u>(3,701,400)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>4,868</u>	<u>2,082</u>	<u>17,689</u>	<u>24,639</u>
Net change in cash and cash equivalents	106,026	42,165	(2,563,647)	(2,415,456)
Cash and cash equivalents:				
Beginning of year	<u>567,492</u>	<u>273,282</u>	<u>3,779,338</u>	<u>4,620,112</u>
End of year	<u>\$ 673,518</u>	<u>\$ 315,447</u>	<u>\$ 1,215,691</u>	<u>\$ 2,204,656</u>

CITY OF COTTAGE GROVE, OREGON

Wastewater Operations Combined

Combining Statement of Cash Flows, continued

For the Year Ended June 30, 2021

	<u>Wastewater Fund (302)</u>	<u>Wastewater Systems Development Charge Fund (604)</u>	<u>Wastewater Reserve Fund (735)</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (899,855)	\$ 40,083	\$ 1,074,818	\$ 215,046
Adjustments:				
Depreciation	619,234	-	-	619,234
Change in operating accounts:				
Receivables - net	1,755	-	(72,731)	(70,976)
Unearned Revenue	3,742	-	-	3,742
Inventories	3,923	-	-	3,923
Net pension liability	476,799	-	-	476,799
Accounts Payable	31,546	-	-	31,546
Compensated absences payable	13,941	-	-	13,941
Payroll and Related Accruals	<u>2,362</u>	<u>-</u>	<u>-</u>	<u>2,362</u>
 Net cash provided (used) by operating activities	 <u>\$ 253,447</u>	 <u>\$ 40,083</u>	 <u>\$ 1,002,087</u>	 <u>\$ 1,295,617</u>

CITY OF COTTAGE GROVE, OREGON

Storm Drain Operations Combined

Combining Balance Sheet

June 30, 2021

	Storm Drainage Utility Fund (402)	Storm Drainage Systems Development Charge Fund (606)	Storm Drainage Reserve Fund (736)	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 93,493	\$ 543,609	\$ 1,619,069	\$ 2,256,171
Receivables - net	40,133	-	60,619	100,752
Total current assets	<u>133,626</u>	<u>543,609</u>	<u>1,679,688</u>	<u>2,356,923</u>
Noncurrent assets:				
Capital assets	3,765,900	-	-	3,765,900
Total assets	<u>3,899,526</u>	<u>543,609</u>	<u>1,679,688</u>	<u>6,122,823</u>
Deferred outflows				
Related to pensions	102,069	-	-	102,069
Related to bond refunding	-	-	10,148	10,148
Total deferred outflows	<u>102,069</u>	<u>-</u>	<u>10,148</u>	<u>112,217</u>
Total assets and deferred outflows	<u>\$ 4,001,595</u>	<u>\$ 543,609</u>	<u>\$ 1,689,836</u>	<u>\$ 6,235,040</u>
Liabilities and Net Position				
Liabilities				
Current liabilities:				
Accounts Payable	\$ 1,493	\$ -	\$ 6,579	\$ 8,072
Payroll and related accruals	2,451	-	-	2,451
Accrued interest payable	10,360	-	-	10,360
Compensated absences payable	14,513	-	-	14,513
Current portion of long-term debt	1,663	-	71,170	72,833
Total current liabilities	<u>30,480</u>	<u>-</u>	<u>77,749</u>	<u>108,229</u>
Noncurrent liabilities:				
Long-term debt, net of current portion	17,768	-	862,182	879,950
Net pension liability	312,078	-	-	312,078
Total noncurrent liabilities	<u>329,846</u>	<u>-</u>	<u>862,182</u>	<u>1,192,028</u>
Total Liabilities	<u>360,326</u>	<u>-</u>	<u>939,931</u>	<u>1,300,257</u>
Deferred inflows				
Related to pensions	20,071	-	-	20,071
Net Position				
Net investment in capital assets	3,746,469	-	(933,352)	2,813,117
Restricted for system development	-	543,609	-	543,609
Unrestricted	(125,271)	-	1,683,257	1,557,986
Total Net Position	<u>3,621,198</u>	<u>543,609</u>	<u>749,905</u>	<u>4,914,712</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 4,001,595</u>	<u>\$ 543,609</u>	<u>\$ 1,689,836</u>	<u>\$ 6,235,040</u>

CITY OF COTTAGE GROVE, OREGON

Storm Drain Operations Combined

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

For the Year Ended June 30, 2021

	Storm Drainage Utility Fund (402)	Storm Drainage Systems Development Charge Fund (606)	Storm Drainage Reserve Fund (736)	Total
Operating Revenues				
Charges for services	\$ 401,557	\$ 34,638	\$ 612,762	\$ 1,048,957
Miscellaneous	<u>7,339</u>	<u>-</u>	<u>-</u>	<u>7,339</u>
Total Operating Revenues	<u>408,896</u>	<u>34,638</u>	<u>612,762</u>	<u>1,056,296</u>
Operating Expenses				
Personnel services	265,007	-	-	265,007
Materials and Services	129,967	30	23,081	153,078
Depreciation expense	<u>244,645</u>	<u>-</u>	<u>-</u>	<u>244,645</u>
Total Operating Expenses	<u>639,619</u>	<u>30</u>	<u>23,081</u>	<u>662,730</u>
Operating Income (Loss)	<u>(230,723)</u>	<u>34,608</u>	<u>589,681</u>	<u>393,566</u>
Nonoperating revenues (expenses)				
Interest expense	(1,082)	-	(32,782)	(33,864)
Investment earnings	1,329	3,732	12,605	17,666
Grants and contracts	<u>5,728</u>	<u>-</u>	<u>-</u>	<u>5,728</u>
Total non-operating revenues (expenses)	<u>5,975</u>	<u>3,732</u>	<u>(20,177)</u>	<u>(10,470)</u>
Income (loss) before transfers	(224,748)	38,340	569,504	383,096
Transfers in	848,286	-	121,864	970,150
Transfers out	<u>(134,440)</u>	<u>-</u>	<u>(886,164)</u>	<u>(1,020,604)</u>
Change in Net Position	489,098	38,340	(194,796)	332,642
Beginning Net Position	<u>3,132,100</u>	<u>505,269</u>	<u>944,701</u>	<u>4,582,070</u>
Ending Net Position	<u>\$ 3,621,198</u>	<u>\$ 543,609</u>	<u>\$ 749,905</u>	<u>\$ 4,914,712</u>

CITY OF COTTAGE GROVE, OREGON

Storm Drain Operations Combined

Combining Statement of Cash Flows

For the Year Ended June 30, 2021

	Storm Drainage Utility Fund (402)	Storm Drainage Systems Development Charge Fund (606)	Storm Drainage Reserve Fund (736)	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 409,526	\$ 34,638	\$ 614,178	\$ 1,058,342
Cash payments to employees	(210,098)	-	-	(210,098)
Cash payments to suppliers for goods and services	<u>(129,427)</u>	<u>(30)</u>	<u>(23,081)</u>	<u>(152,538)</u>
Net cash provided (used) by operating activities	<u>70,001</u>	<u>34,608</u>	<u>591,097</u>	<u>695,706</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	121,864	121,864
Transfers out	(134,439)	-	(37,878)	(172,317)
Grants and contracts	<u>5,728</u>	<u>-</u>	<u>-</u>	<u>5,728</u>
Net cash provided (used) by noncapital financing activities	<u>(128,711)</u>	<u>-</u>	<u>83,986</u>	<u>(44,725)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(848,286)	-	(378,592)	(1,226,878)
Principal paid on capital debt	(1,813)	-	(63,174)	(64,987)
Interest paid on capital debt	(1,459)	-	(37,878)	(39,337)
Transfer related to capital outlay	<u>848,286</u>	<u>-</u>	<u>(848,286)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(3,272)</u>	<u>-</u>	<u>(1,327,930)</u>	<u>(1,331,202)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>1,329</u>	<u>3,732</u>	<u>12,605</u>	<u>17,666</u>
Net change in cash and cash equivalents	(60,653)	38,340	(640,242)	(662,555)
Cash and cash equivalents:				
Beginning of year	<u>154,146</u>	<u>505,269</u>	<u>2,259,311</u>	<u>2,918,726</u>
End of year	<u>\$ 93,493</u>	<u>\$ 543,609</u>	<u>\$ 1,619,069</u>	<u>\$ 2,256,171</u>

CITY OF COTTAGE GROVE, OREGON

Storm Drain Operations Combined

Combining Statement of Cash Flows, continued

For the Year Ended June 30, 2021

	Storm Drainage Utility Fund (402)	Storm Drainage Systems Development Charge Fund (606)	Storm Drainage Reserve Fund (736)	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (230,723)	\$ 34,608	\$ 589,681	\$ 393,566
Adjustments:				
Depreciation	244,645	-	-	244,645
Change in operating accounts				
Receivables - net	630	-	1,416	2,046
Accounts payable	540	-	-	540
Deferred Outflows of Resources	(30,865)	-	-	(30,865)
Payroll and Related Accruals	379	-	-	379
Compensated absences	2,628	-	-	2,628
Deferred Inflows of Resources	1,944	-	-	1,944
Net pension liability	80,823	-	-	80,823
Net cash provided (used) by operating activities	<u>\$ 70,001</u>	<u>\$ 34,608</u>	<u>\$ 591,097</u>	<u>\$ 695,706</u>

CITY OF COTTAGE GROVE, OREGON

Water Fund (202)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 1,939,500	\$ 1,939,500	\$ 1,971,657	\$ 32,157
Grants and contracts	-	2,482	2,482	-
Investment earnings	9,000	9,000	5,355	(3,645)
Miscellaneous	<u>900</u>	<u>900</u>	<u>18,267</u>	<u>17,367</u>
Total revenues	<u>1,949,400</u>	<u>1,951,882</u>	<u>1,997,761</u>	<u>45,879</u>
Expenditures:				
Water Distribution	1,168,470	1,170,053	1,082,643	87,410
Water Production	749,965	750,864	640,934	109,930
Non-departmental:				
Materials and Services	188,540	188,540	172,590	15,950
Contingency	<u>372,470</u>	<u>372,470</u>	<u>-</u>	<u>372,470</u>
Total expenditures	<u>2,479,445</u>	<u>2,481,927</u>	<u>1,896,167</u>	<u>585,760</u>
Excess of revenues over (under) expenditures	(530,045)	(530,045)	101,594	631,639
Other financing sources (uses):				
Transfers out	<u>(119,955)</u>	<u>(119,955)</u>	<u>(119,950)</u>	<u>5</u>
Net change in fund balance	(650,000)	(650,000)	(18,356)	631,644
Beginning fund balance	<u>650,000</u>	<u>650,000</u>	<u>715,511</u>	<u>65,511</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	697,155	<u>\$ 697,155</u>
Reconciliation to GAAP basis:				
Inventories			155,672	
Capital assets			17,094,955	
Deferred outflow related to pensions			630,982	
Accrued interest payable			(81,825)	
Net pension liability			(1,929,240)	
Long-term debt			(712,926)	
Compensated absences payable			(62,256)	
Deferred inflow related to pensions			<u>(124,431)</u>	
GAAP net position - end of year			<u>\$ 15,668,086</u>	

CITY OF COTTAGE GROVE, OREGON
Water Systems Development Fund (602)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 223,558	\$ 23,558
Investment earnings	<u>20,000</u>	<u>20,000</u>	<u>11,108</u>	<u>(8,892)</u>
Total revenues	<u>220,000</u>	<u>220,000</u>	<u>234,666</u>	<u>14,666</u>
Expenditures:				
Materials and Services	358,000	358,000	8,000	350,000
Capital Outlay	<u>1,220,000</u>	<u>1,220,000</u>	<u>90,350</u>	<u>1,129,650</u>
Total expenditures	<u>1,578,000</u>	<u>1,578,000</u>	<u>98,350</u>	<u>1,479,650</u>
Net change in fund balance	(1,358,000)	(1,358,000)	136,316	1,494,316
Beginning fund balance	<u>1,358,000</u>	<u>1,358,000</u>	<u>1,472,345</u>	<u>114,345</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,608,661</u>	<u>\$ 1,608,661</u>

CITY OF COTTAGE GROVE, OREGON

Water Reserve Fund (732)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 1,460,000	\$ 1,460,000	\$ 1,497,737	\$ 37,737
Investment earnings	20,000	20,000	8,802	(11,198)
Miscellaneous	<u>-</u>	<u>-</u>	<u>13,971</u>	<u>13,971</u>
Total revenues	<u>1,480,000</u>	<u>1,480,000</u>	<u>1,520,510</u>	<u>40,510</u>
Expenditures:				
Materials and Services	293,370	293,370	62,161	231,209
Capital Outlay	2,160,000	2,160,000	1,630,785	529,215
Contingency	<u>41,155</u>	<u>41,155</u>	<u>-</u>	<u>41,155</u>
Total expenditures	<u>2,494,525</u>	<u>2,494,525</u>	<u>1,692,946</u>	<u>801,579</u>
Excess of revenues over (under) expenditures	(1,014,525)	(1,014,525)	(172,436)	842,089
Other financing sources (uses):				
Transfers in	100,000	100,000	100,000	-
Transfers out	<u>(885,475)</u>	<u>(885,475)</u>	<u>(885,396)</u>	<u>79</u>
Net change in fund balance	(1,800,000)	(1,800,000)	(957,832)	842,168
Beginning fund balance	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,864,071</u>	<u>64,071</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	906,239	<u>\$ 906,239</u>
Reconciliation to GAAP basis:				
Deferred outflow related to bond refunding			71,300	
Long-term Liabilities			<u>(8,055,684)</u>	
GAAP net position - end of year			<u>\$ (7,078,145)</u>	

CITY OF COTTAGE GROVE, OREGON

Wastewater Fund (302)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 1,983,945	\$ 1,983,945	\$ 2,227,572	\$ 243,627
Grants and contracts	-	15,687	15,688	1
Investment earnings	2,250	2,250	4,868	2,618
Miscellaneous	<u>15,400</u>	<u>15,400</u>	<u>26,197</u>	<u>10,797</u>
Total revenues	<u>2,001,595</u>	<u>2,017,282</u>	<u>2,274,325</u>	<u>257,043</u>
Expenditures:				
Wastewater Collections	482,115	495,943	469,446	26,497
Wastewater Treatment Plant	809,825	811,448	805,820	5,628
Middlefield Golf Course	553,225	553,461	550,363	3,098
Non-departmental:				
Materials and Services	215,500	215,500	214,099	1,401
Contingency	<u>228,920</u>	<u>228,920</u>	<u>-</u>	<u>228,920</u>
Total expenditures	<u>2,289,585</u>	<u>2,305,272</u>	<u>2,039,728</u>	<u>265,544</u>
Excess of revenues over (under) expenditures	(287,990)	(287,990)	234,597	522,587
Other financing sources (uses):				
Transfers out	<u>(168,010)</u>	<u>(168,010)</u>	<u>(167,976)</u>	<u>34</u>
Net change in fund balance	(456,000)	(456,000)	66,621	522,621
Beginning fund balance	<u>456,000</u>	<u>456,000</u>	<u>670,680</u>	<u>214,680</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	737,301	<u>\$ 737,301</u>
Reconciliation to GAAP basis:				
Inventories			28,727	
Noncurrent Assets			16,899,882	
Deferred outflow related to pensions			564,669	
Accrued interest payable			(57,547)	
Net pension liability			(1,726,485)	
Long-term debt			(246,577)	
Compensated absences payable			(71,760)	
Deferred inflow related to pensions			<u>(111,036)</u>	
GAAP net position - end of year			<u>\$ 16,017,174</u>	

CITY OF COTTAGE GROVE, OREGON

Wastewater Systems Development Charge Fund (604)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 50,000	\$ 50,000	\$ 40,112	\$ (9,888)
Investment earnings	<u>2,500</u>	<u>2,500</u>	<u>2,082</u>	<u>(418)</u>
Total revenues	<u>52,500</u>	<u>52,500</u>	<u>42,194</u>	<u>(10,306)</u>
Expenditures:				
Materials and Services	159,030	159,030	30	159,000
Capital Outlay	<u>153,470</u>	<u>153,470</u>	<u>-</u>	<u>153,470</u>
Total expenditures	<u>312,500</u>	<u>312,500</u>	<u>30</u>	<u>312,470</u>
Net change in fund balance	(260,000)	(260,000)	42,164	302,164
Beginning fund balance	<u>260,000</u>	<u>260,000</u>	<u>273,282</u>	<u>13,282</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,446</u>	<u>\$ 315,446</u>

CITY OF COTTAGE GROVE, OREGON

Wastewater Reserve Fund (735)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 1,150,000	\$ 1,150,000	\$ 1,152,083	\$ 2,083
Investment earnings	15,000	15,000	17,689	2,689
Miscellaneous	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Total revenues	<u>1,165,100</u>	<u>1,165,100</u>	<u>1,169,772</u>	<u>4,672</u>
Expenditures:				
Materials and Services	118,490	118,490	74,532	43,958
Capital Outlay	3,149,745	3,149,745	2,623,347	526,398
Contingency	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total expenditures	<u>3,308,235</u>	<u>3,308,235</u>	<u>2,697,879</u>	<u>610,356</u>
Excess of revenues over (under) expenditures	(2,143,135)	(2,143,135)	(1,528,107)	615,028
Other financing sources (uses):				
Transfers in	59,000	59,000	59,000	-
Transfers out	<u>(1,015,865)</u>	<u>(1,015,865)</u>	<u>(1,015,770)</u>	<u>95</u>
Net change in fund balance	(3,100,000)	(3,100,000)	(2,484,877)	615,123
Beginning fund balance	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,823,013</u>	<u>723,013</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	1,338,136	<u>\$ 1,338,136</u>
Reconciliation to GAAP basis:				
Deferred outflow related to bond refunding			33,734	
Long-term debt			<u>(8,410,450)</u>	
GAAP net position - end of year			<u>\$ (7,038,580)</u>	

CITY OF COTTAGE GROVE, OREGON

Storm Drainage Utility Fund (402)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 410,000	\$ 410,000	\$ 401,557	\$ (8,443)
Grants and contracts	-	5,729	5,728	(1)
Investment earnings	2,000	2,000	1,329	(671)
Miscellaneous	<u>700</u>	<u>700</u>	<u>7,339</u>	<u>6,639</u>
Total revenues	<u>412,700</u>	<u>418,429</u>	<u>415,953</u>	<u>(2,476)</u>
Expenditures:				
Materials and Services	128,055	133,784	129,967	3,817
Personnel services	230,775	230,775	210,480	20,295
Contingency	<u>49,150</u>	<u>49,150</u>	<u>-</u>	<u>49,150</u>
Total expenditures	<u>407,980</u>	<u>413,709</u>	<u>340,447</u>	<u>73,262</u>
Excess of revenues over (under) expenditures	4,720	4,720	75,506	70,786
Other financing sources (uses):				
Transfers out	<u>(137,720)</u>	<u>(137,720)</u>	<u>(137,712)</u>	<u>8</u>
Net change in fund balance	(133,000)	(133,000)	(62,206)	70,794
Beginning fund balance	<u>133,000</u>	<u>133,000</u>	<u>191,885</u>	<u>58,885</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	129,679	<u>\$ 129,679</u>
Reconciliation to GAAP basis:				
Capital assets			3,765,900	
Deferred outflow related to pensions			102,069	
Accrued interest payable			(10,360)	
Net pension liability			(312,078)	
Long-term debt			(19,430)	
Compensated absences payable			(14,513)	
Deferred inflow related to pensions			<u>(20,071)</u>	
GAAP net position - end of year			<u>\$ 3,621,196</u>	

CITY OF COTTAGE GROVE, OREGON

Storm Drainage Systems Development Charge Fund (606)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 40,000	\$ 40,000	\$ 34,637	\$ (5,363)
Investment earnings	<u>7,500</u>	<u>7,500</u>	<u>3,732</u>	<u>(3,768)</u>
Total revenues	<u>47,500</u>	<u>47,500</u>	<u>38,369</u>	<u>(9,131)</u>
Expenditures:				
Materials and Services	259,030	259,030	30	259,000
Capital Outlay	<u>296,470</u>	<u>296,470</u>	<u>-</u>	<u>296,470</u>
Total expenditures	<u>555,500</u>	<u>555,500</u>	<u>30</u>	<u>555,470</u>
Net change in fund balance	(508,000)	(508,000)	38,339	546,339
Beginning fund balance	<u>508,000</u>	<u>508,000</u>	<u>505,269</u>	<u>(2,731)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 543,608</u>	<u>\$ 543,608</u>

CITY OF COTTAGE GROVE, OREGON

Storm Drainage Reserve Fund (736)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 590,000	\$ 590,000	\$ 612,762	\$ 22,762
Investment earnings	<u>14,000</u>	<u>14,000</u>	<u>12,605</u>	<u>(1,395)</u>
Total revenues	<u>604,000</u>	<u>604,000</u>	<u>625,367</u>	<u>21,367</u>
Expenditures:				
Materials and Services	314,580	314,580	23,081	291,499
Capital Outlay	2,473,325	2,409,445	848,286	1,561,159
Contingency	<u>98,985</u>	<u>98,985</u>	<u>-</u>	<u>98,985</u>
Total expenditures	<u>2,886,890</u>	<u>2,823,010</u>	<u>871,367</u>	<u>1,951,643</u>
Excess of revenues over (under) expenditures	(2,282,890)	(2,219,010)	(246,000)	1,973,010
Other financing sources (uses):				
Transfers in	83,985	83,985	83,985	-
Transfers out	<u>(101,095)</u>	<u>(164,975)</u>	<u>(101,052)</u>	<u>63,923</u>
Net change in fund balance	(2,300,000)	(2,300,000)	(263,067)	(2,036,933)
Beginning fund balance	<u>2,300,000</u>	<u>2,300,000</u>	<u>1,936,175</u>	<u>(363,825)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	1,673,108	<u>\$ 1,673,108</u>
Reconciliation to GAAP basis:				
Long-term debt			(933,352)	
Deferred outflow related to bond refunding			<u>10,148</u>	
GAAP net position - end of year			<u>\$ 749,904</u>	

STATISTICAL SECTION

CITY OF COTTAGE GROVE, OREGON
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities				
Invested in capital assets, net of related debt	\$ 35,973,257	\$ 35,599,103	\$ 35,425,482	\$ 35,229,350
Restricted	805,891	766,498	1,584,366	1,838,990
Other Purposes	4,949	14,667	19,659	
Unrestricted	4,836,062	3,997,853	3,465,695	2,633,406
Total governmental activities net position	<u>\$ 41,620,159</u>	<u>\$ 40,378,121</u>	<u>\$ 40,495,202</u>	<u>\$ 39,701,746</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 14,444,336	\$ 13,312,344	\$ 14,708,476	\$ 14,618,868
Restricted	710,379	829,834	764,561	733,569
Unrestricted	1,872,314	3,780,807	2,827,641	3,077,375
Total business-type activities net position	<u>\$ 17,027,029</u>	<u>\$ 17,922,985</u>	<u>\$ 18,300,678</u>	<u>\$ 18,429,812</u>
Primary government				
Invested in capital assets, net of related debt	\$ 50,417,593	\$ 48,911,447	\$ 50,133,958	\$ 49,848,218
Restricted	1,516,270	1,596,332	2,348,927	2,572,559
Other Purposes	4,949	14,667	19,659	-
Unrestricted	6,708,376	7,778,660	6,293,336	5,710,781
Total primary government net position	<u>\$ 58,647,188</u>	<u>\$ 58,301,106</u>	<u>\$ 58,795,880</u>	<u>\$ 58,131,558</u>

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 36,817,152	\$ 35,086,905	\$ 35,720,441	\$ 36,816,321	\$ 37,497,971	\$ 39,496,530	
1,372,398	1,614,882	1,078,331	320,395	346,679	502,458	
184,448	79,811	141,568	306,893	655,575	486,484	
(309,129)	757,030	331,308	(62,126)	(1,702,560)	(3,007,765)	
<u>\$ 38,064,869</u>	<u>\$ 37,538,628</u>	<u>\$ 37,271,648</u>	<u>\$ 37,381,483</u>	<u>\$ 36,797,665</u>	<u>\$ 37,477,707</u>	
\$ 14,447,980	\$ 15,683,125	\$ 15,946,460	\$ 16,921,238	\$ 14,099,451	\$ 19,382,318	
862,302	1,204,780	1,542,694	1,754,367	2,250,896	2,467,717	
3,060,286	2,513,405	2,647,024	3,165,219	7,012,131	2,557,321	
<u>\$ 18,370,568</u>	<u>\$ 19,401,310</u>	<u>\$ 20,136,178</u>	<u>\$ 21,840,824</u>	<u>\$ 23,362,478</u>	<u>\$ 24,407,356</u>	
\$ 51,265,132	\$ 50,770,030	\$ 51,666,901	\$ 53,737,559	\$ 51,597,422	\$ 58,878,848	
2,234,700	2,819,662	2,621,025	2,074,762	2,597,575	2,970,175	
184,448	79,811	141,568	306,893	655,575	486,484	
2,751,157	3,270,435	2,978,332	3,103,093	5,309,571	(450,444)	
<u>\$ 56,435,437</u>	<u>\$ 56,939,938</u>	<u>\$ 57,407,826</u>	<u>\$ 59,222,307</u>	<u>\$ 60,160,143</u>	<u>\$ 61,885,063</u>	

CITY OF COTTAGE GROVE, OREGON
CHANGES IN NET POSITION
Last Ten Fiscal Years *
(accrual basis of accounting)

Expenses	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
General government	\$ 1,772,391	\$ 1,834,455	\$ 1,810,323	\$ 1,524,403
Public safety	2,979,798	3,782,641	3,070,327	2,479,277
Highways and streets	1,277,414	1,275,209	989,497	920,968
Community development	1,325,868	620,952	769,788	488,539
Culture and recreation	757,802	648,486	790,727	612,112
Interest on long-term debt	137,821	137,568	148,221	199,442
Total governmental activities expenses	8,251,094	8,299,311	7,578,883	6,224,741
Business-type activities:				
Water	2,312,176	2,558,125	2,548,815	2,301,645
Wastewater	2,550,110	2,294,964	2,512,944	2,351,358
Storm drainage	362,008	418,119	672,082	580,226
Total business-type activities expenses	5,224,294	5,271,208	5,733,841	5,233,229
Total primary government expenses	\$ 13,475,388	\$ 13,570,519	\$ 13,312,724	\$ 11,457,970
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 344,564	\$ 296,898	\$ 966,751	\$ 776,566
Public safety	49,748	80,337	320,898	240,333
Highways and streets	53,407	43,864	4,333	1,712
Culture and recreation	10,736	41,003	-	-
Community development	17,351	16,156	226,347	143,617
Operating grants and contributions	-	-	1,105,422	1,159,534
Capital grants and contributions	1,067,423	190,470	-	-
Total governmental activities program revenues	\$ 1,543,229	\$ 668,728	\$ 2,623,751	\$ 2,321,762
Business-type activities:				
Charges for services:				
Water	\$ 2,564,014	\$ 2,840,960	\$ 3,011,946	\$ 3,009,353
Wastewater	2,676,021	2,451,418	2,471,466	2,562,466
Storm drainage	346,029	542,107	607,599	690,106
Operating grants and contributions	-	-	-	-
Capital grants and contributions	991,403	317,118	-	-
Total business-type activities program revenues	6,577,467	6,151,603	6,091,011	6,261,925
Total primary government program revenues	\$ 8,120,696	\$ 6,820,331	\$ 8,714,762	\$ 8,583,687
Net(expense)/revenue				
Governmental activities	\$ (6,707,865)	\$ (7,630,583)	\$ (4,955,132)	\$ (3,902,979)
Business-type activities	1,353,173	880,395	357,170	1,028,696
Total primary government net expense	\$ (5,354,692)	\$ (6,750,188)	\$ (4,597,962)	\$ (2,874,283)

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	3,489,638	\$	3,082,853	\$	2,980,437	\$	4,419,131	\$	4,152,084	\$	3,376,288
	3,271,855		3,384,138		3,455,840		3,380,322		3,962,770		4,443,303
	1,140,654		1,133,836		1,208,005		524,345		1,480,977		1,183,201
	930,662		607,323		693,475		757,611		1,258,245		1,716,136
	825,482		877,160		923,553		618,368		979,883		844,080
	204,197		204,315		200,046		271,638		248,665		194,523
	9,862,488		9,289,625		9,461,356		9,971,415		12,082,624		11,757,531
	3,088,737		2,853,816		2,809,454		2,755,906		3,185,813		2,997,522
	2,904,620		2,498,603		2,958,077		2,767,564		2,970,036		3,529,114
	681,966		672,598		663,601		602,887		651,219		696,595
	6,675,323		6,025,017		6,431,132		6,126,357		6,807,068		7,223,231
\$	16,537,811	\$	15,314,642	\$	15,892,488	\$	16,097,772	\$	18,889,692	\$	18,980,762
\$	681,206	\$	787,310	\$	823,378	\$	824,010	\$	857,843	\$	986,603
	279,168		296,693		287,265		312,471		317,632		351,320
	4,894		24,376		6,183		11,018		56,580		251,396
			-		-		-		-		-
	180,924		551,762		350,810		621,910		705,913		531,534
	1,213,917		1,296,836		1,460,155		1,615,783		3,220,534		3,913,456
	218,374		21,931		27,079		29,615		151,486		160
\$	2,578,483	\$	2,978,908	\$	2,954,870	\$	3,414,807	\$	5,309,988	\$	6,034,469
\$	3,105,868	\$	3,364,986	\$	3,441,936	\$	3,547,853	\$	3,744,514	\$	3,727,317
	2,746,677		2,806,561		2,987,944		3,175,348		3,258,904		3,461,652
	742,924		842,313		898,895		964,620		1,068,850		1,062,023
	-		-		-		-		-		-
	-		-		-		-		-		-
	6,595,469		7,013,860		7,328,775		7,687,821		8,072,268		8,250,992
\$	9,173,952	\$	9,992,768	\$	10,283,645	\$	11,102,628	\$	13,382,256	\$	14,285,461
\$	(7,284,005)	\$	(6,310,717)	\$	(6,506,486)	\$	(6,556,608)	\$	(6,772,636)	\$	(5,723,062)
	(79,854)		988,843		897,643		1,561,464		1,265,200		1,027,761
\$	(7,363,859)	\$	(5,321,874)	\$	(5,608,843)	\$	(4,995,144)	\$	(5,507,436)	\$	(4,695,301)

CITY OF COTTAGE GROVE, OREGON
CHANGES IN NET POSITION - CONTINUED
Last Ten Fiscal Years *
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	\$ 3,891,324	\$ 3,819,989	\$ 3,903,846	\$ 4,082,673
Franchise fees	437,997	421,508	529,161	560,874
Alcoholic Beverage Taxes **	124,249	130,042	150,146	154,582
Motor Fuel Taxes**	344,222	343,817	353,461	336,873
Unrestricted grants and contributions	-	-	-	-
Taxes & Other Revenues not restricted to specific programs **	1,540,749	1,636,307	103,775	111,681
Donations	-	-	-	-
Interest and investment earnings	38,982	36,882	31,824	33,646
Miscellaneous	-	-	-	0
Gain(loss) on sale of capital assets	(17,660)	-	-	(16,534)
Insurance Proceeds	-	-	-	-
Transfers	-	-	-	0
Total governmental activities	\$ 6,359,863	\$ 6,388,545	\$ 5,072,213	\$ 5,263,795
Business-type activities:				
Unrestricted grants and contributions	-	-	-	-
Investment earnings	12,889	15,561	20,523	16,680
Gain on sale of capital assets	(287,480)	-	-	-
Insurance Proceeds	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	(274,591)	15,561	20,523	16,680
Total primary government	\$ 6,085,272	\$ 6,404,106	\$ 5,092,736	\$ 5,280,475
Change in Net Position				
Governmental activities	\$ (348,002)	\$ (1,242,038)	\$ 117,081	\$ 1,360,816
Business-type activities	1,078,582	895,956	377,693	1,045,376
Total primary government	\$ 730,580	\$ (346,082)	\$ 494,774	\$ 2,406,192

* Information is presented for years ended subsequent to the implementation of GASB 33

** Classified seperately for 2009-10 fiscal year.

***Motor fuel taxes was reclassified and is included in Highways & Streets Program Revenues

Fiscal Year						
2016	2017	2018	2019	2020	2021	
	\$ 4,371,032	\$ 4,455,279	\$ 4,729,399	\$ 4,898,499	\$ 5,103,734	
	613,890	619,491	836,753	674,996	692,159	
	164,010	170,209	177,580	190,311	198,017	
	424,795	405,419	417,126	***	***	
-	-	-	-	-	-	
	142,378	238,699	245,393	270,011	278,732	
-	-	-	-	-	-	
	65,434	101,673	151,685	124,277	45,600	
	-	74	6,978	8,250	10,899	
	2,937	(2,911)	87,319	8,732		
	-	11,399	14,207	13,742	23,509	
	-	240,169	-	-	50,454	
\$ -	\$ 5,784,476	\$ 6,239,501	\$ 6,666,440	\$ 6,188,818	\$ 6,403,104	
70,703						
	41,899	77,393	136,094	216,709	67,570	
	-	-	-	-	-	
	-	-	7,089	39,745	-	
	-	(240,169)	-	-	(50,454)	
-	41,899	(162,776)	143,183	256,454	17,116	
\$ -	\$ 5,826,375	\$ 6,076,725	\$ 6,809,623	\$ 6,445,272	\$ 6,420,220	
	\$ (526,241)	\$ (266,985)	\$ 109,832	\$ (583,818)	\$ 680,042	
	\$ 1,030,742	\$ 734,867	\$ 1,704,647	\$ 1,521,654	\$ 1,044,877	
\$ -	\$ 504,501	\$ 467,882	\$ 1,814,479	\$ 937,836	\$ 1,724,919	

CITY OF COTTAGE GROVE, OREGON
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Franchise Tax	Motor Fuel Taxes (State and Local)	Alcoholic Beverage Tax	Total
2012	\$ 3,891,324	\$ 437,997	\$ 868,617	\$ 124,249	\$ 5,322,187
2013	\$ 3,819,989	\$ 421,508	\$ 872,206	\$ 130,042	\$ 5,243,745
2014	\$ 3,903,846	\$ 529,161	\$ 906,617	\$ 136,989	\$ 5,476,613
2015	\$ 4,082,673	\$ 560,874	\$ 898,156	\$ 154,582	\$ 5,696,285
2016	\$ 4,205,016	\$ 594,996	\$ 989,947	\$ 154,675	\$ 5,944,634
2017	\$ 4,371,032	\$ 613,890	\$ 1,010,183	\$ 164,010	\$ 6,159,115
2018	\$ 4,455,279	\$ 619,491	\$ 1,038,078	\$ 170,209	\$ 6,283,057
2019	\$ 4,729,399	\$ 836,753	\$ 1,140,406	\$ 177,580	\$ 6,884,138
2020	\$ 4,898,499	\$ 674,996	\$ 1,821,204	\$ 179,338	\$ 7,574,037
2021	\$ 5,103,734	\$ 692,159	\$ 1,237,649	\$ 198,017	\$ 7,231,559

CITY OF COTTAGE GROVE, OREGON
FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years *
(modified accrual basis of accounting)

	Fiscal Year					
	2012	2013	2014	2015	2016	2017
General Fund						
Reserved	n/a	n/a	n/a	n/a	n/a	n/a
Unreserved	n/a	n/a	n/a	n/a	n/a	n/a
Nonspendable	-	-	-	-	-	-
Unassigned	1,514,668	1,514,936	1,690,104	2,083,278	1,921,803	2,073,846
Total General Fund	\$ 1,514,668	\$ 1,514,936	\$ 1,690,104	\$ 2,083,278	\$ 1,921,803	\$ 2,073,846
Street Fund						
Restricted for:						
Road Maintenance	\$ 524,948	\$ 607,075	\$ 714,240	\$ 881,073	\$ 1,114,462	\$ 1,295,566
City Debt Service Fund						
Assigned to:						
Debt Service	\$ 3,352	\$ 2,859	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds						
Reserved	n/a	n/a	n/a	n/a	n/a	n/a
Unreserved, reported in:						
Special revenue funds	n/a	n/a	n/a	n/a	n/a	n/a
Capital project funds	n/a	n/a	n/a	n/a	n/a	n/a
Trust funds	n/a	n/a	n/a	n/a	n/a	n/a
Permanent funds	n/a	n/a	n/a	n/a	n/a	n/a
Nonspendable						
Prepays and deposits	3,289	22,310	3,952	-	-	-
Permanent balance	3,000	3,000	3,000	3,000	3,000	3,000
Restricted for:						
Emergency phone system	47,887	74	1,067	21,275	69,304	137,720
Drug Enforcement training	185,022	155,293	215,076	196,096	188,632	181,596
Building Permit programs	573	6,139	215	-	-	-
Industrial park management	347,816	241,103	139,689	93,536	129,701	36,724
Urban Renewal debt service	88,110	-	-	-	-	-
Bicycle and Footpath	-	-	-	-	-	20,720
Special Trust	-	-	-	-	54,747	22,367
Armory Trust	-	-	-	-	-	-
Housing Trust	-	-	-	-	-	-
Committed to:						
Local improvement districts	150,901	151,690	152,311	152,866	153,696	155,180
Small business loans	-	-	-	-	-	-
Construction rehabilitation loans	446,789	430,382	450,966	375,591	9,355	9,331
Building Inspection Program	-	-	-	7,727	95	91,356
Capital projects	1,396,850	766,498	870,156	1,019,546	1,240,125	1,490,546
Assigned to:						
Library books and trees	1,949	11,667	16,659	-	-	-
Unassigned	(129,123)	(108,744)	(94,782)	16,079	(14,876)	-
Total all other governmental funds	\$ 2,543,063	\$ 1,679,412	\$ 1,758,309	\$ 1,885,716	\$ 1,833,779	\$ 2,148,540

* Information is presented for years ended subsequent to the implementation of GASB 34

** As of fiscal year 2010-11, the City implemented GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions.

2018	2019	2020	2021
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
-	-	-	-
2,422,358	2,826,318	2,553,484	2,883,445
\$ 2,422,358	\$ 2,826,318	\$ 2,553,484	\$ 2,883,445

\$ 770,723 \$ 113,390 \$ 53,601 \$ 208,979

\$ - \$ - \$ - \$ -

n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
-	-	-	-
3,000	3,000	3,000	3,000
118,647	96,991	189,707	217,025
188,961	110,015	103,371	68,406
-	-	-	-
116,209	220,535	118,644	16,332
-	-	-	-
-	584	43,892	51,727
25,357	19,202	10,676	16,010
-	66,574	482,144	298,914
		219	100,501
157,596	161,363	164,780	166,012
-	-	-	-
9,477	9,699	9,898	9,970
127,528	136,545	162,299	56,636
1,619,164	1,581,402	1,540,342	1,598,691
-	-	-	-
(49,358)	-	-	-
\$ 2,316,581	\$ 2,405,910	\$ 2,828,972	\$ 2,603,224

CITY OF COTTAGE GROVE, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years *
(modified accrual basis of accounting)

	Fiscal year		
	2012	2013	2014
Revenues			
Taxes	\$ 4,709,821	\$ 4,666,685	\$ 4,889,839
Licenses and permits	3,941	6,232	24,541
Intergovernmental	1,229,343	1,208,297	1,234,722
Charges for services	294,462	285,412	258,174
Fines	117,659	106,373	115,733
Special assessments	59,744	80,244	152,723
Miscellaneous	615,411	695,288	1,013,939
Total revenues	7,030,381	7,048,531	7,689,671
Expenditures			
General government	1,356,810	1,472,582	1,455,898
Public safety	2,921,818	3,712,699	3,005,086
Highways and streets	611,648	634,986	758,244
Community development	823,465	803,295	769,788
Culture and recreation	696,155	717,527	725,677
Capital outlay	418,580	411,039	198,904
Debt service			
Principal	430,698	469,883	275,371
Interest	137,791	133,722	148,221
Loan Fee	-	750	-
Total expenditures	7,396,965	8,356,483	7,337,189
Excess of revenues over (under) expenditures	(366,584)	(1,307,952)	352,482
Other financing sources (uses)			
Donations	266,509	15,398	5,889
Sale of capital assets	-	-	-
Transfers in	1,014,533	748,029	697,499
Transfers out	(1,014,533)	(748,029)	(697,499)
Issuance of Debt/Refunding of Debt	-	506,605	-
Loan/Insurance Proceeds	-	4,200	-
Total other financing sources (uses)	266,509	526,203	5,889
Net change in fund balances	\$ (100,075)	\$ (781,749)	\$ 358,371
Debt service as a percentage of noncapital expenditures	8.9%	8.2%	6.3%

* Information is presented for years ended subsequent to the implementation of GASB 34

		Fiscal year											
		2015	2016	2017	2018	2019	2020	2021					
\$	5,250,189	\$	5,482,881	\$	5,692,324	\$	5,950,209	\$	6,488,365	\$	6,398,956	\$	6,667,168
	23,386		15,270		34,343		25,576		26,964		25,877		24,593
	909,739		922,756		975,104		990,378		1,106,080		2,007,955		1,315,567
	164,973		203,728		613,914		347,495		556,914		673,369		567,073
	107,735		138,197		133,769		140,171		147,403		159,162		155,601
	84,631		174,494		157,847		130,396		107,307		290,773		117,334
	1,063,699		943,573		1,128,202		1,421,394		1,627,247		1,911,289		3,460,120
	7,604,352		7,880,899		8,735,503		9,005,619		10,060,280		11,467,381		12,307,456
	1,467,192		1,638,610		2,176,101		2,346,479		2,800,599		1,739,848		2,083,243
	3,148,926		3,080,866		3,170,257		3,350,426		3,456,624		4,005,132		4,266,175
	695,238		919,789		800,573		1,638,241		1,897,174		2,354,863		2,580,308
	555,109		916,587		668,444		690,276		1,685,751		2,937,104		1,921,046
	677,298		745,302		781,300		722,009		740,111		738,510		703,981
	95,480		476,744		-		-		-		-		-
	181,948		259,308		286,605		276,471		364,921		374,909		375,729
	199,441		204,198		204,315		200,046		214,783		248,665		191,337
	-		-		-		-		-		-		-
	7,020,632		8,241,404		8,087,595		9,223,948		11,159,963		12,399,031		12,121,819
	583,720		(360,505)		647,908		(218,329)		(1,099,683)		(931,650)		185,637
	-		-		-		-		-		-		-
	42,334		126,925		-		111,786		196,056		-		-
	810,450		721,478		730,305		1,251,422		1,485,248		1,599,997		1,469,480
	(810,450)		(721,478)		(730,305)		(1,251,423)		(1,485,248)		(1,599,997)		(1,419,025)
	61,359		253,557		-		(1)		-		-		-
	-		-		-		98,249		739,207		1,022,079		23,509
	103,693		380,482		-		210,033		935,263		1,022,079		73,964
\$	687,413	\$	19,977	\$	647,908	\$	(8,296)	\$	(164,420)	\$	90,429	\$	259,601
	5.8%		6.3%		6.5%		5.4%		5.5%		5.3%		4.9%

CITY OF COTTAGE GROVE, OREGON
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years *
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Local Fuel Tax</u>	<u>Room Tax</u>	<u>Total</u>
2012	\$ 3,837,013.00	\$ 437,997.00	\$ 344,222.00	\$ 90,589.00	\$ 4,709,821
2013	\$ 3,815,122.00	\$ 421,507.88	\$ 343,817.00	\$ 86,238.00	\$ 4,666,685
2014	\$ 3,903,442.00	\$ 529,161.00	\$ 353,461.00	\$ 103,775.00	\$ 4,889,839
2015	\$ 4,084,937.00	\$ 560,874.00	\$ 336,873.00	\$ 111,681.00	\$ 5,094,365
2016	\$ 4,199,845.00	\$ 594,996.00	\$ 412,476.00	\$ 119,708.00	\$ 5,327,025
2017	\$ 4,346,087.00	\$ 613,890.00	\$ 424,795.00	\$ 130,894.00	\$ 5,515,666
2018	\$ 4,515,181.00	\$ 619,491.00	\$ 405,419.00	\$ 124,683.00	\$ 5,664,774
2019	\$ 4,810,334.00	\$ 836,753.00	\$ 417,126.00	\$ 132,588.00	\$ 6,196,801
2020	\$ 4,883,715.00	\$ 674,996.00	\$ 378,689.00	\$ 112,372.00	\$ 6,049,772
2021	\$ 5,111,185.00	\$ 692,159.00	\$ 377,392.00	\$ 95,508.00	\$ 6,276,244

*Information is presented for years ended subsequent to the implementation of GASB 34

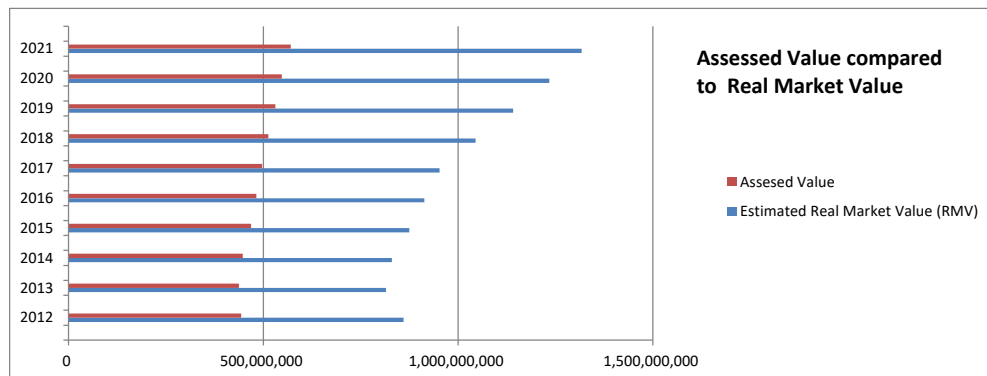
CITY OF COTTAGE GROVE, OREGON
ASSESSED VALUES AND ESTIMATED REAL MARKET VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Assessed Value				Total	Total Direct Tax Rate	Estimated Real Market Value (RMV)	Assessed Value as a Percentage of RMV
	Real Property	Personal Property	Manufactured Structures	Utilities				
2012 (1)	417,306,658	9,963,424	2,709,457	12,784,650	442,764,189	7.2087	860,172,306	51.5%
2013 (1)	414,068,539	9,915,797	2,401,682	10,766,400	437,152,418	7.2087	814,720,984	53.7%
2014 (1)	424,158,044	9,801,473	2,098,380	11,401,830	447,459,727	7.2087	829,729,611	53.9%
2015 (1)	442,102,755	12,186,239	2,253,173	11,978,200	468,520,367	7.2087	874,926,818	53.5%
2016 (1)	453,292,219	12,747,431	2,399,642	13,786,300	482,225,592	7.2087	913,338,883	52.8%
2017 (1)	468,174,832	12,567,997	2,524,669	13,372,100	496,639,598	7.2087	952,300,790	52.2%
2018 (1)	481,830,413	12,046,375	2,816,110	15,956,015	512,648,913	7.2087	1,044,878,838	49.1%
2019 (1)	497,827,262	12,415,209	2,882,335	17,927,000	531,051,806	7.2087	1,141,650,948	46.5%
2020 (1)	514,692,604	12,275,719	2,921,295	17,813,300	547,702,918	7.2087	1,234,441,910	44.4%
2021 (1)	535,165,561	12,220,503	3,093,977	19,576,400	570,056,441	7.2087	1,317,438,448	43.3%

(1) Includes values of Row River Road Urban Renewal District

Note: Property in Oregon is assessed annually within the 3 percent limits of Measure 50. Counties assess new property at approximately 67 percent of estimated real market value for all types of real and personal property. Tax rates are per \$1,000 of assessed value. The City's full tax rate was not levied in 2003, 2004, and 2005.

Source: Lane County Department of Assessment and Taxation



CITY OF COTTAGE GROVE, OREGON
PROPERTY TAX RATES
Last Ten Fiscal Years

Fiscal Year Ended June 30,	City of Cottage Grove Direct Rates		Overlapping Rates***				Total Rate	
	Permanent Rate	Total Direct	South Lane School District 45J3	Lane County Education Service District	Lane Community College	Lane County	South Lane County Fire & Rescue	Total Direct and Overlapping
2012	7.21	7.21	6.39	0.22	0.88	1.39	1.03	17.12
2013	7.21	7.21	6.35	0.22	0.86	1.39	1.03	17.06
2014	7.21	7.21	6.50	0.22	0.86	1.94	1.50	18.23
2015	7.21	7.21	6.29	0.22	0.86	1.93	1.50	18.01
2016	7.21	7.21	6.19	0.22	0.82	1.83	1.50	17.77
2017	7.21	7.21	6.89	0.22	0.84	1.68	1.80	18.64
2018	7.21	7.21	6.62	0.22	0.85	1.67	1.80	18.37
2019	7.21	7.21	6.48	0.22	0.85	1.81	1.78	18.35
2020	7.21	7.21	6.16	0.22	0.84	1.85	1.76	18.04
2021	7.21	7.21	6.50	0.22	0.96	1.84	1.77	18.50

Tax rates expressed in dollars and cents per \$1,000 of assessed value of taxable property

Source: Lane County Department of Assessment and Taxation, Tax Rate Comparisons

*** Overlapping rates are those of local and county governments that apply to property owners within the City of Cottage Grove.

All overlapping rates apply to Cottage Grove property owners.

Note: Two initiatives approved by Oregon voters have imposed constitutional limitations on property tax rates and assessed values of property. Measure 5 (1990) places a maximum tax rate for non-school governments of \$10 per \$1,000 of real market value on each parcel of property. Measure 50 (1997) put into place different values for real market value and assessed value and set permanent tax rates for each unit of local government. Assessed value for each parcel is limited to an annual 3% increase. Total assessed value can also increase by an amount for new development and can decrease based on reductions in real market value to below assessed value, including reductions due to depreciation on industrial property. Local governments may temporarily increase their tax rate with voter approval of a local option levy. In addition, levies for voter approved general obligation debt are not subject to any constitutional limits on taxes. The City's permanent tax rate is \$7.21 per \$1,000 of assessed value.

CITY OF COTTAGE GROVE, OREGON
PRINCIPAL PROPERTY TAXPAYERS
Last Ten Fiscal Years *

Taxpayer:	2021			2020			2019		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-mart Real Estate Business Trust	11,153,105	1	19.62%	10,828,258	1	20.14%	10,512,872	1	20.64%
Safeway Stores, Inc.	-	-	-	5,555,293	4	10.33%	5,393,489	3	10.59%
Centurylink	-	-	-	3,651,000	10	6.79%	4,427,000	7	8.69%
Northwest Natural Gas	4,189,000	9	7.37%	-	-	0.00%	3,653,000	10	7.17%
Magnolia Gardens Assisted Living	5,898,197	2	10.38%	5,682,517	3	10.57%	4,350,302	5	8.54%
Charter Communications	5,873,100	4	10.33%	6,149,900	2	11.44%	5,902,900	2	11.59%
Whittaker-Northwest Partners	-	-	-	3,937,687	7	7.32%	3,822,999	8	7.50%
ACI Real Estate SPE 128 LLC	5,139,436	7	9.04%	-	-	-	-	-	-
Pacificorp (PP&L)	5,424,000	5	9.54%	3,859,000	9	-	-	-	-
Starfire Lumber Co	6,189,586	3	10.89%	5,433,755	5	10.11%	4,465,144	6	8.77%
Hone Investments LLC	-	-	-	-	-	0.00%	3,640,764	9	7.15%
Hillsboro West Plaza LLC	3,862,485	10	6.79%	3,749,986	8	-	-	-	-
PAPP Cottage Grove LLC	4,055,817	8	7.13%	-	-	-	-	-	-
Gregory Falk LLC	5,061,535	6	8.90%	4,914,112	6	9.14%	4,770,983	4	9.37%
Totals	\$ 56,846,261		7.80%	\$ 53,761,508		7.69%	\$ 50,939,453		7.57%
Total for City of Cottage Grove	\$ 729,186,938			\$ 698,841,593			\$ 673,134,127		

Taxpayer:	2018			2017			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-mart Real Estate Business Trust	10,206,672	1	21.47%	9,909,390	1	20.43%	9,620,767	1	21.58%
Safeway Stores, Inc.	5,236,397	3	11.02%	5,083,880	2	10.48%	5,023,597	3	11.27%
Village Green Resort, LLC	-	-	-	-	-	-	-	-	-
Spring Investments, LLC	-	-	-	-	-	-	-	-	-
Magnolia Gardens Assisted Living	4,223,594	5	8.88%	4,100,877	4	8.46%	3,981,143	5	8.93%
Sunrise Ridge LLC	-	-	-	-	-	-	-	-	-
Charter Communications	5,399,500	2	11.36%	3,900,700	5	8.04%	5,031,700	2	11.29%
Gann Family Ventures LLC	-	-	-	-	-	-	-	-	-
Whittaker-Northwest Partners	3,711,650	6	7.81%	3,603,543	6	7.43%	3,577,356	6	8.02%
Gregory Falk LLC	4,632,022	4	9.74%	4,497,109	3	9.27%	4,366,125	4	9.79%
Hone Investments LLC	3,534,722	7	7.44%	3,431,769	7	7.08%	3,331,815	7	7.47%
Wal-mart Stores Inc	-	-	-	-	-	-	-	-	-
GE Business Loan Pass Through Cert	-	-	-	\$ -	-	-	3,447,441	8	7.73%
Pacificorp (PP&L)	3,533,000	9	7.43%	3,366,000	9	6.94%	3,121,000	9	7.00%
Starfire Lumber Co	3,566,851	8	-	\$ -	-	-	3,077,816	10	6.90%
Borg Commerical Properties LLC	-	-	-	\$ 3,455,042	8	7.12%	-	-	-
Northwest Natural Gas	3,494,000	10	7.35%	\$ 3,248,000	10	6.70%	-	-	-
K & M Holdings, LLC	-	-	-	-	-	-	-	-	-
Totals	\$ 47,538,408		7.37%	\$ 48,499,027		7.75%	\$ 44,580,776		7.36%
Total for City of Cottage Grove	\$ 645,351,175			\$ 625,835,385			\$ 605,342,912		

Source: Lane County Department of Assessment and Taxation

**CITY OF COTTAGE GROVE, OREGON
PRINCIPAL PROPERTY TAXPAYERS
Last Ten Fiscal Years ***

Taxpayer:	2015			2014			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-mart Stores, Inc.	3,250,996	9	6.49%	8,434,643	1	18.12%	6,340,355	1	14.43%
Safeway Stores, Inc.	5,008,961	3	10.00%	4,863,073	4	10.45%	4,896,072	4	11.14%
Village Green Resort, LLC	5,841,658	2	11.66%	5,680,006	2	12.21%	5,525,855	2	12.57%
Spring Investments, LLC	-	-	0.00%	5,481,837	3	11.78%	5,322,172	3	12.11%
Northwest Natural Gas	-	-	0.00%	-	-	0.00%	-	-	-
Magnolia Gardens Assisted Living	3,865,187	5	7.72%	3,752,608	7	8.06%	3,643,309	7	8.29%
K & M Holdings, LLC	3,194,061	10	6.38%	-	-	0.00%	3,260,325	9	7.42%
Sunrise Ridge LLC	-	-	0.00%	4,454,123	5	9.57%	4,637,574	5	10.55%
Charter Communications	3,647,100	6	7.28%	3,242,500	9	6.97%	-	-	-
Engineered Solutions LP	-	-	0.00%	-	8	0.00%	-	-	-
Whittaker-Northwest Partners	3,473,161	7	6.93%	3,372,001	8	7.25%	3,273,787	8	7.45%
Gregory Falk LLC	9,238,956	4	18.44%	4,115,491	6	8.84%	3,995,622	6	9.09%
Hone Investments LLC	3,234,772	8	6.46%	-	-	-	-	-	-
Wal-Mart Real Estate Business Trust	9,340,550	1	18.65%	-	-	-	-	-	-
Gann Family Ventures LLC	-	-	0.00%	3,140,555	10	6.75%	3,049,083	10	6.94%
Totals	\$ 50,095,402		8.55%	\$ 46,536,837		8.32%	\$ 43,944,154		8.04%
Total for City of Cottage Grove	585,890,795			559,169,501			546,268,728		

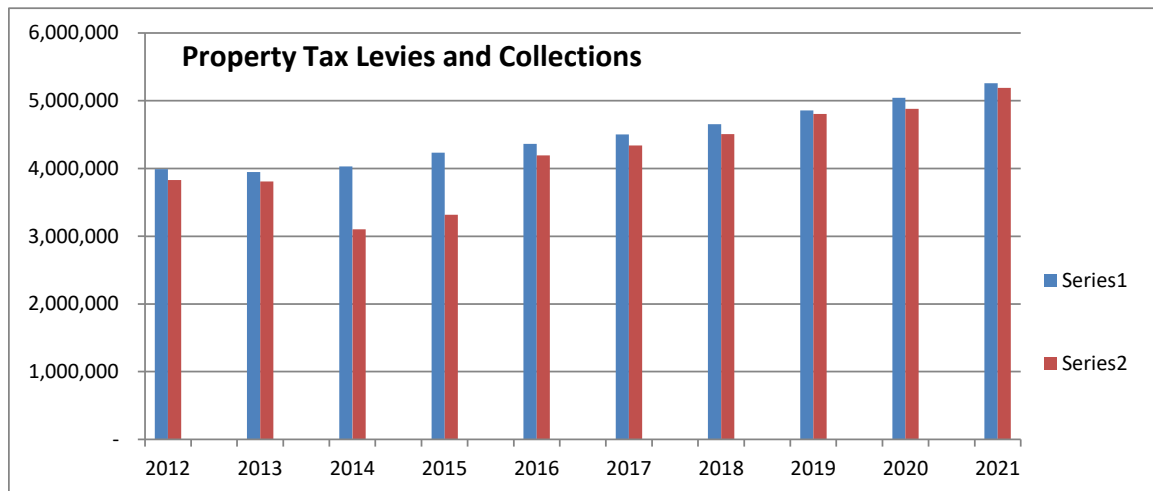
Taxpayer:	2012			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-mart Stores, Inc.	6,155,684	1	14.29%	5,976,392	1	13.77%
Safeway Stores, Inc.	4,753,468	3	11.04%	4,615,017	3	10.63%
Village Green Resort, LLC	5,376,008	2	12.48%	5,232,096	2	12.05%
Spring Investments, LLC	5,234,808	4	12.15%	5,082,338	5	11.71%
Northwest Natural Gas	4,041,000	7	9.38%	4,056,000	6	9.34%
Magnolia Gardens Assisted Living	3,537,193	9	8.21%	3,434,168	8	7.91%
Sunrise Ridge LLC	4,514,943	5	10.48%	5,082,338	4	11.71%
Charter Communications	3,340,800	10	7.76%	-	-	-
Engineered Solutions LP	2,241,914	6	5.20%	-	-	-
Whittaker-Northwest Partners	-	-	0.00%	3,085,858	9	7.11%
Gregory Falk LLC	3,879,245	8	9.01%	3,766,257	7	8.68%
Gann Family Ventures LLC	-	-	-	-	-	-
Total for City of Cottage Grove	\$ 43,075,063		7.82%	\$ 43,403,633		8.07%
Total for City of Cottage Grove	\$ 551,007,682			\$ 537,670,091		

Source: Lane County Department of Assessment and Taxation

CITY OF COTTAGE GROVE, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of Levy Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2012	3,991,237	3,768,954	94.4	60,769	3,829,723	96.0	273,075	6.8
2013	3,946,045	3,716,503	94.2	92,548	3,809,051	96.5	279,455	7.1
2014	4,031,471	3,798,211	94.2	99,510	3,102,344	77.0	279,859	6.9
2015	4,232,747	3,871,293	91.5	208,489	3,316,060	78.3	277,595	6.6
2016	4,365,156	4,108,070	94.1	86,355	4,194,425	96.1	293,106	6.7
2017	4,502,699	4,257,817	94.6	82,664	4,340,481	96.4	318,051	7.1
2018	4,654,870	4,437,518	95.3	72,182	4,509,700	96.9	258,149	5.5
2019	4,855,296	4,622,704	95.2	183,989	4,806,693	99.0	177,215	3.6
2020	5,044,856	4,801,741	95.2	77,732	4,879,473	96.7	191,999	3.8
2021	5,260,099	5,106,336	97.1	85,852	5,192,188	98.7	184,548	3.5

Source: Lane County Department of Assessment and Taxation



CITY OF COTTAGE GROVE, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years *

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Percent of Assessed Value**	Notes and Contracts		
			Loans	Capital Leases	Per Capita ***
2012	2,327,366	0.42%	1,785,935		183
2013	3,042,792	0.56%	1,138,155	-	116
2014	2,931,730	0.52%	973,846	-	99
2015	2,564,029	0.44%	946,449	-	96
2016	2,461,721	0.41%	1,040,214	-	105
2017	2,354,845	0.38%	857,549	-	86
2018	2,037,989	0.32%	742,792	-	74
2019	1,958,975	0.29%	1,444,027		142
2020	2,857,046	0.41%	1,176,484		116
2021	2,660,301	0.36%	987,071		97

Business-Type Activities

Fiscal Year Ended June 30,	Revenue Bonds and Notes	Per Capita ***
2012	17,989,813	1,846
2013	19,971,567	2,041
2014	18,916,405	1,922
2015	18,251,651	1,848
2016	17,389,335	1,758
2017	16,362,302	1,649
2018	15,615,673	1,561
2019	14,448,573	1,425
2020	19,872,688	1,957
2021	18,378,419	1,810

* Information is presented for years ended subsequent to the implementation of GASB 34

** Percent of Assessed Value is calculated using the using the General Obligation Bond divided by the total assessed value shown on Ratios of General Bonded Debt Outstanding Schedule

*** Per Capita is calculated using the total debt for the category divided by population shown on Ratios of General Bonded Debt Outstanding Schedule

CITY OF COTTAGE GROVE, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years *

Fiscal Year Ended June 30,	(1) Population	(2) Assessed Value	(3) Estimated Actual Value	(4) Gross General Obligation Bonded Debt	(5) Less Debt Service Fund	(6) Debt Payable from Other Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2012	9,745	551,007,682	860,172,306	2,327,366	-	617,679	1,709,687	0.31%	0.20%	175.44
2013	9,785	546,268,728	814,720,984	3,042,792	-	1,300,000	1,742,792	0.32%	0.21%	178.11
2014	9,840	559,169,501	829,729,611	2,931,730	-	1,220,000	1,711,730	0.31%	0.21%	173.96
2015	9,875	585,890,795	874,926,818	2,564,029	-	1,150,000	1,414,029	0.24%	0.16%	143.19
2016	9,890	605,342,912	913,338,883	2,461,721	-	1,075,000	1,386,721	0.23%	0.15%	140.21
2017	9,920	623,835,385	925,300,790	2,354,845	-	995,000	1,359,845	0.22%	0.15%	137.08
2018	10,005	645,351,175	1,044,878,838	2,037,989	-	677,054	1,360,935	0.21%	0.13%	136.03
2019	10,140	673,134,127	1,141,650,948	1,958,975	-	627,053	1,331,922	0.20%	0.12%	131.35
2020	10,155	698,841,593	1,234,441,910	2,857,046	-	577,053	2,279,993	0.33%	0.18%	224.52
2021	10,155	729,186,938	1,317,438,448	1,172,811	-	527,053	645,758	0.09%	0.05%	63.59

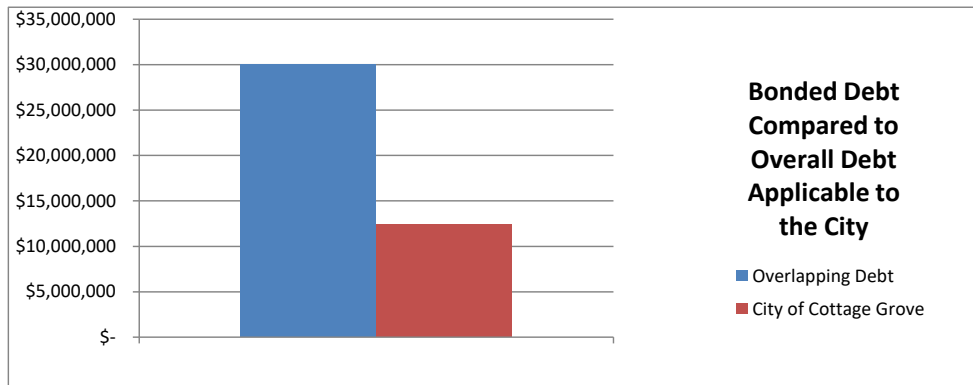
- (1) Source: Portland State University
- (2) and (3) Source: Lane County Department of Assessment and Taxation
- (4) Amount does not include bancroft bonds
- (5) Amount available for repayment of general obligation bonds
- (6) These amounts include the general obligation bonds that are being repaid from water revenues, lease revenues from the Industrial Park, donations, and proceeds from the sale of property.

CITY OF COTTAGE GROVE, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2021

Jurisdiction	Total Net Debt	Percent Within City	City's Pro Rata Share
Direct:			
City of Cottage Grove	\$ 879,338	100%	\$ 879,338
Overlapping:			
Lane County School District 45J3	25,540,424	44.80%	11,442,110
Lane County	468,931	3.76%	17,632
Lane Community College	2,950,894	1.86%	54,887
Lane Education Service District	113,347	1.89%	2,142
South Lane County Fire & Rescue	98,781	33.51%	33,102
Totals	\$ 30,051,715		\$ 12,429,211

Source: Oregon State Treasury - Overlapping Debt Schedule

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.



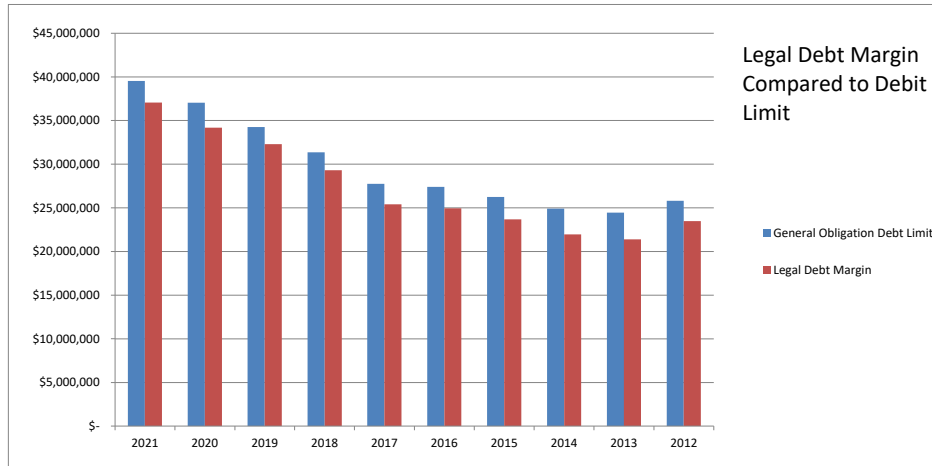
**CITY OF COTTAGE GROVE, OREGON
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years ***

ORS 287.004 provides a debt limit of 3 percent of the real market value of all taxable property within City boundaries

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Real Market Value (1)	\$ 1,317,438,448	\$ 1,234,441,910	\$ 1,141,650,948	\$ 1,044,878,838	\$ 925,300,790	\$ 913,338,883	\$ 874,926,818	\$ 829,729,611	\$ 814,720,984	\$ 860,172,306
Debt Limit of Real Market Value	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
General obligation debt limit	\$ 39,523,153	\$ 37,033,257	\$ 34,249,528	\$ 31,346,365	\$ 27,759,024	\$ 27,400,166	\$ 26,247,805	\$ 24,891,888	\$ 24,441,630	\$ 25,805,169
Gross bonded debt	2,474,565	2,857,046	1,958,975	2,037,989	2,354,845	2,461,721	2,564,029	2,931,730	3,042,792	2,327,366
Legal debt margin (amount for future indebtedness)	\$ 37,048,588	\$ 34,176,211	\$ 32,290,553	\$ 29,308,376	\$ 25,404,179	\$ 24,938,445	\$ 23,683,776	\$ 21,960,158	\$ 21,398,838	\$ 23,477,803

(1) Source: Lane County Department of Assessment Taxation

* Information is presented for years ended subsequent to the implementation of GASB 34



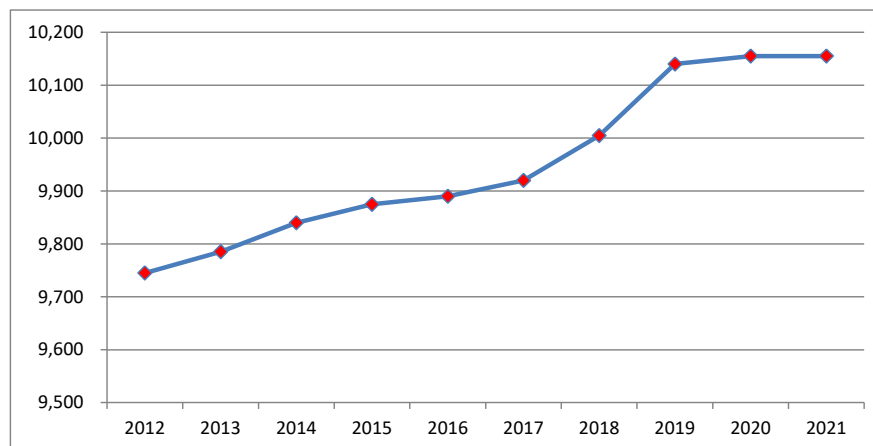
CITY OF COTTAGE GROVE, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	City of Cottage Grove Population	Lane County Population	Personal Income (amounts expressed in thousands)**	Per Capita Personal Income **	School Enrollment	Unemployment Rate
2012	9,745	353,416	12,214,410	34,561	2,718	8.9%
2013	9,785	356,125	12,760,064	35,878	2,639	8.5%
2014	9,840	358,076	13,867,878	38,729	2,732	7.2%
2015	9,875	362,047	14,909,371	41,181	2,613	5.8%
2016	9,890	369,061	15,594,472	42,254	2,743	5.0%
2017	9,920	375,617	16,512,047	43,960	2,514	4.3%
2018	10,005	379,611	17,431,415	45,919	2,495	4.1%
2019	10,140	378,880	17,996,042	47,498	2,559	4.2%
2020	10,155	381,365	18,053,819	47,340	2,542	7.5%
2021	10,155	389,103	16,707,539	43,729	2,495	5.2%

* Information not available

** Metropolitan Statistical Area - Eugene-Springfield

Sources: Portland State University Center for Population Research and Census
Oregon Employment Department
South Lane School District 45J3
Bureau of Labor and Statistics, U.S. Department of Labor
Bureau of Economic Analysis - U.S. Department of Commerce



CITY OF COTTAGE GROVE, OREGON
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION
Last Ten Fiscal Years *

Function	Full-time Equivalent Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Employees (excluding police)										
Full-time	42	37	36	39	37	39	45	47	47	54
Part-time	10.99	23	21	23	20	18	21	20	13	15
Public Safety										
Police	25	31	29	27	26	27	25	28	28	27
Total	77.99	91	86	89	83	84	91	95	88	96

* Information is presented for years ended subsequent to the implementation of GASB 34

CITY OF COTTAGE GROVE, OREGON
OPERATING INDICATORS BY FUNCTION
EMPLOYEES BY FUNCTION
Last Ten Fiscal Years *

Function	Fiscal Year				
	2012	2013	2014	2015	2016
Police:					
Number of law violations:					
Arrests	527	913	527	527	957
Traffic violations	369	376	369	369	396
Parking violations	296	310	296	296	192
Wastewater System:					
Number of service connections	3644**	3,685	3,644	3,644	3,584
Daily average treatment in gallons:					
Summer: May - October	1,223,000	1,500,000	1,200,000	1,200,000	1,000,000
Winter: November - April	3,343,000	3,400,000	3,300,000	3,300,000	3,300,000
Water System:					
Number of service connections	3983**	3,910	3,983	3,983	3,721
Number of fire hydrants	401	401	401	401	539
Daily average consumption in gallons:					
Summer: May - October	1,837,000	1,700,000	1,840,000	1,840,000	1,600,000
Winter: November - April	871,667	1,100,000	871,000	871,000	1,000,000
Design capacity of plant in gallons	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

* Information is presented for years ended subsequent to the implementation of GASB 34

** Includes both active and idle connections

***Correction made from last years totals.

**CITY OF COTTAGE GROVE, OREGON
 OPERATING INDICATORS BY FUNCTION
 EMPLOYEES BY FUNCTION, continued
 Last Ten Fiscal Years ***

Function	Fiscal Year				
	2017	2018	2019	2020	2021
Police:					
Number of law violations:					
Arrests	957	750	993	457	478
Traffic violations	396	318	412	346	386
Parking violations	192	99	184	154	69
Wastewater System:					
Number of service connections	3,584	3,611	3,693	3,693	3,720
Daily average treatment in gallons:					
Summer: May - October	1,000,000	1,230,000	1,230,000	1,220,000	1,220,000
Winter: November - April	3,300,000	3,611,000	3,340,000	2,300,000	2,300,000
Water System:					
Number of service connections	3,721	3,897	3,844	3,844	3,894
Number of fire hydrants	539	456	460	460	461
Daily average consumption in gallons:					
Summer: May - October	1,600,000	1,600,000	1,900,000	1,600,000	1,900,000
Winter: November - April	1,000,000	1,000,000	1,000,000	1,100,000	1,200,000
Design capacity of plant in gallons	4,000,000	4,000,000	4,000,000	4,000,000	6,000,000

CITY OF COTTAGE GROVE, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
EMPLOYEES BY FUNCTION
Last Ten Fiscal Years *

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Area - square miles	3.98	3.98	3.98	3.98	3.98	3.98	3.98	3.98	3.98	3.89*
City of Cottage Grove facilities and services:										
Miles of streets	45.66	45.66	45.66	45.66	45.66	45.66	45.66	45.66	45.66	45.66
Parks (developed)	22	22			32	32	32	32	34	34
Park acreage (developed)	243.58	243.58	243.58	243.58	243.58	243.58	243.58	243.58	245.72	245.72
Willamette Greenway (miles along river)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Library:										
Value of collection	\$ 850,240	\$ 865,000	N/A	N/A	\$933,883	\$936,401	\$937,275	\$934,634	\$847,823	\$847,823
Books circulated	84,615	61,865	N/A	N/A	80,805	48,416	65,645	49,503	44,905	44,905
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Wastewater System:										
Miles of sanitary sewers	45.72	45.72	45.72	45.72	45.72	45.72	45.72	45.95	45.95	45.95
Miles of storm sewers	30.85	30.85	30.85	30.85	30.85	30.85	30.85	30.89	30.96	30.96
Design capacity of treatment plant in gallons	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Water System:										
Miles of water mains	49.05	49.05	49.05	49.05	49.05	49.2	49.2	49.4	49.4	49.4

* Updated information was provided by LCOG using new GIS technology for the most accurate accounting of area.

CITY OF COTTAGE GROVE, OREGON
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago

Employer	2021		2010*	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
PeaceHealth Corp	5,347	3.54%	-	0.00%
University of Oregon	5,038	3.34%	-	0.00%
Eugene 4J School District	2,347	1.56%	-	0.00%
City of Eugene	1,733	1.15%	-	0.00%
U.S. Government	1,813	1.20%	-	0.00%
Oregon State Government	1,805	1.20%	-	0.00%
Lane County Government	1,552	1.03%	-	0.00%
Springfield School District	1,130	0.75%	-	0.00%
Lane Community College	1,721	1.14%	-	0.00%
McKenzie Willamette Medical	1,060	0.70%	-	0.00%
Total	<u>23,546</u>		<u>-</u>	

*Data was not available for 2010

Sources:

Eugene Chamber of Commerce

State of Oregon Employment Department

COMPLIANCE SECTION



1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and City Council
City of Cottage Grove, Oregon

We have audited the basic financial statements of the City of Cottage Grove, Oregon ("City") as of and for the year ended June 30, 2021, and have issued our report thereon dated December 27, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses, or significant deficiencies.

This report is intended solely for the information and use of management, the audit committee, and the Honorable Mayor and Council and the Secretary of State, Audits Division, of the State of Oregon. However, this report is a matter of public record and its distribution is not limited.

ISLER CPA

A handwritten signature in cursive script that reads "Gatlin C. Hawkins".

By: Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
December 27, 2021