

# CITY OF COBURG

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

### LONG-TERM DEBT:

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

#### Governmental Activities:

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

On August 23, 2022, the City entered into a promissory note payable agreement with the Oregon Department of Transportation for financing street repair and maintenance projects. The promissory note amount is \$999,500 and carries an interest rate of 2.52 %. The first payment of \$114,400 is due September 1, 2024. Annual payments of \$114,400 are due every September. The final payment is due September 1, 2032.

#### Business-Type Activities:

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

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

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

IFA Loan with Oregon Business Development Department loan #S19007 Safe Drinking Water Revolving Loan Fund for Water System Improvements. Original balance \$6,530,000 with forgivable amount of \$780,000. Interest rate 1.00%. Dated December 27, 2018. As of June 30, 2024, the loan is in drawdown and therefore not included in the future debt service requirements tables below.

# CITY OF COBURG

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

### LONG-TERM DEBT (Cont.):

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

<u>Governmental Long-Term Debt</u>	Outstanding Balance July 1, 2023	New Issues	Principal Reductions	Interest Paid	Outstanding Balance June 30, 2024	Due Within One Year
<b>Bonds Payable:</b>						
US Bank Global Corp. Trust Services - Govmntl. Portion	\$ 490,000	\$ -	\$ 15,000	\$ 14,700	\$ 475,000	\$ 15,000
<b>Total Bonds Payable</b>	<u>490,000</u>	<u>-</u>	<u>15,000</u>	<u>14,700</u>	<u>475,000</u>	<u>15,000</u>
<b>Notes from Direct Borrowing:</b>						
Oregon Department of Transportation	\$ 999,500	\$ -	\$ 92,060	\$ 22,340	\$ 907,440	\$ 92,523
<b>Total Notes Payable</b>	<u>999,500</u>	<u>-</u>	<u>92,060</u>	<u>22,340</u>	<u>907,440</u>	<u>92,523</u>
	Unamortized Beginning	New Premiums		Current Amortization	Unamortized Ending	
Bond Premium	2,971	-		(229)	2,742	
<b>Total Governmental Long-Term Debt, Net</b>	<u>\$ 1,492,471</u>	<u>\$ -</u>	<u>\$ 107,060</u>	<u>\$ 36,811</u>	<u>\$ 1,385,182</u>	<u>\$ 107,523</u>
<u>Business-Type Long-Term Debt</u>	Outstanding Balance July 1, 2023	New Issues	Principal Reductions	Interest Paid	Outstanding Balance June 30, 2024	Due Within One Year
<b>Bonds Payable:</b>						
US Bank Global Corp. Trust Services - Sewer Portion	\$ 4,960,000	\$ -	95,000	\$ 170,200	\$ 4,865,000	\$ 95,000
US Bank Global Corp. Trust Services - Water Portion	235,000	-	75,000	7,050	160,000	80,000
<b>Total Bonds Payable</b>	<u>5,195,000</u>	<u>-</u>	<u>170,000</u>	<u>177,250</u>	<u>5,025,000</u>	<u>175,000</u>
<b>Notes from Direct Borrowing :</b>						
IFA Business Oregon #S19007 - In Drawdown	2,104,262	2,009,621	768,433	-	3,345,450	107,585
DEQ #R23045 Refinance Note	7,437,523	-	545,201	62,793	6,892,322	549,900
<b>Total Notes from Direct Borrowing</b>	<u>9,541,785</u>	<u>2,009,621</u>	<u>1,313,634</u>	<u>62,793</u>	<u>10,237,772</u>	<u>657,485</u>
	Unamortized Beginning	New Premiums		Current Amortization	Unamortized Ending	
Bond Premium	640,225	-		(23,830)	616,395	
<b>Total Business-Type Long-Term Debt, Net</b>	<u>\$ 15,377,010</u>	<u>\$ 2,009,621</u>	<u>\$ 1,483,634</u>	<u>\$ 216,213</u>	<u>\$ 15,879,167</u>	<u>\$ 832,485</u>

The reduction in principal for the IFA Business Oregon #s19007 note payable in drawdown is the portion of the loan proceeds over that last three years that have been identified as qualifying for the debt forgiveness portion of the proceeds, that are recognized during the current fiscal year as likely to be forgiven.

Item 1.

**CITY OF COBURG**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2024**

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

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

**Bonds Payable:**

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 190,000	\$ 186,400	\$ 376,400
2026	195,000	180,700	375,700
2027	115,000	174,850	289,850
2028	125,000	171,400	296,400
2029	130,000	167,650	297,650
2030 - 2034	685,000	778,700	1,463,700
2035 - 2039	795,000	669,950	1,464,950
2040 - 2044	925,000	542,900	1,467,900
2045 - 2049	955,000	390,000	1,345,000
2050 - 2054	1,130,000	190,200	1,320,200
2055 - 2059	255,000	10,200	265,200
Total	<u>\$ 5,500,000</u>	<u>\$ 3,462,950</u>	<u>\$ 8,962,950</u>

**Notes from Direct Borrowing:**

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 750,008	\$ 94,562	\$ 844,570
2026	757,167	87,403	844,570
2027	765,402	79,168	844,570
2028	773,749	70,821	844,570
2029	782,209	62,361	844,570
2030 - 2034	3,921,859	180,922	4,102,781
2035 - 2039	1,535,268	18,806	1,554,074
Total	<u>\$ 9,285,662</u>	<u>\$ 594,043</u>	<u>\$ 9,879,705</u>

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

The City has no unused lines of credit.

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

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

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