

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF OAKRIDGE
LANE COUNTY, OREGON

2020-2021
ANNUAL FINANCIAL REPORT

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CITY OF OAKRIDGE
LANE COUNTY, OREGON

CITY COUNCIL

TERM EXPIRES

Kathy Holston	December 31, 2022
Christina Hollett	December 31, 2022
Bobbie Whitney	December 31, 2022
Audy Spliethof	January 31, 2025
Melissa Bjarnson	January 31, 2025
Michelle Coker	January 5, 2023
Dawn Kinyon	January 2, 2025

All Council members receive mail at the address listed below.

ADMINISTRATIVE

Bryan Cutchen, City Administrator
Eric Kytola, Finance Director

City of Oakridge
P.O. Box 1410
Oakridge, Oregon 97463

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Oakridge, Oregon 97463
CITY OF OAKRIDGE
LANE COUNTY, OREGON

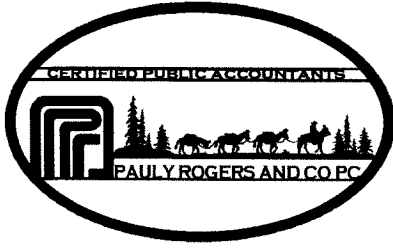
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**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

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May 2, 2022

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Oakridge, Oregon

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Oakridge, Oregon (the City) as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents. The financial statements as of the year ended June 30, 2021 were audited by other auditors whose report dated December 7, 2020 issued an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these basic 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the basic 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 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Oakridge, as of June 30, 2021, and the respective changes in financial position, and cash flows where applicable 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, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Management's Discussion and Analysis, the Schedules of Net Pension Liability, Net OPEB Asset, or Contributions for PERS or RHIA, or the Schedules of Funding Progress and Changes in Total OPEB Liability and Related Ratios for Health Insurance because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information


Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The listing of board members containing their term expiration dates, located before the table of contents, 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.

Reports on Legal and Other Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated May 2, 2022 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

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Management's Discussion and Analysis

The management of the City of Oakridge, Oregon, presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the City for the fiscal year ending June 30, 2021. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

Financial Highlights

- Emergency Services continues to receive attention from management and City Council to achieve stabilized funding and recover from a declining fund balance. With an implemented public safety fee the goal is to lessen the burden on the general fund to help supplement the Police and EMS services.
- ARPA funding was received and a large portion of it was set aside for I&I in our water treatment facility. The unspent portion has rolled over into the new fiscal year to be used for infrastructure projects.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other required supplementary information. The City's basic financial statements comprise three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

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

The Statement of Net Position presents information on the City's assets, deferred inflows, liabilities, and deferred outflows, as applicable, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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).

The governmental activities include:

- Administration
- Police
- Parks
- Library
- Willamette Activity Center
- Woodstove Replacement Funds
- Streets and Local Improvement Districts
- Emergency Services Department (Fire and Ambulance Funds)
- Oakridge Industrial Park
- Debt Reserves
- Capital Projects Funding

The business-type activities include:

- Water
- Wastewater
- Storm water

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

Governmental Funds: Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current resources available at the end of the fiscal year.

The City of Oakridge maintains three major governmental funds:

- General Fund
- Street Fund
- Emergency Services Fund

The City adopts an annual appropriated budget for all government funds. The City also maintains three non-major governmental programs:

- Industrial Park Fund
- Water Capital Reserve Fund
- Water Bond Reserve Fund

To demonstrate compliance with the budget, a “Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual” is included for these funds.

Business-Type Funds: Business-type funds are used to account for activities where the emphasis is placed on net income. The City maintains three business-type funds:

- Water Fund
- Wastewater Fund
- Storm Water Fund

A “Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual” is included for these funds.

Notes to basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons for the general fund, street fund, and emergency service fund, information about the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and budget to GAAP reconciliation schedule.

Government-wide Financial Analysis

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Current and Other Assets	\$ 1,752,412	\$ 1,329,053	\$ 749,953	\$ 686,387	\$ 2,502,365	\$ 2,015,440
Capital Assets, Net	2,905,076	2,943,915	6,395,699	6,544,489	9,300,775	9,488,404
Asset for Held for Sale	1,693,992	1,693,992	-	-	1,693,992	1,693,992
Total Assets	<u>6,351,480</u>	<u>5,966,960</u>	<u>7,145,652</u>	<u>7,230,876</u>	<u>13,497,132</u>	<u>13,197,836</u>
Deferred Outflows	<u>938,571</u>	<u>840,276</u>	<u>248,392</u>	<u>224,764</u>	<u>1,186,963</u>	<u>1,065,040</u>
Current Liabilities	452,049	500,615	372,719	328,596	824,768	829,211
Net Pension Liability	2,636,724	2,326,316	679,268	607,293	3,315,992	2,933,609
Other Long Term Liabilities	42,609	35,437	4,397,643	4,606,705	4,440,252	4,642,142
Total Liabilities	<u>3,131,382</u>	<u>2,862,368</u>	<u>5,449,630</u>	<u>5,542,594</u>	<u>8,581,012</u>	<u>8,404,962</u>
Deferred Inflows	<u>234,939</u>	<u>120,073</u>	<u>59,507</u>	<u>32,819</u>	<u>294,446</u>	<u>152,892</u>
Net Position:						
Net Investment in						
Capital Assets	2,849,314	2,859,900	1,831,114	1,821,804	4,680,428	4,681,704
Restricted	188,475	2,530,612	3,799	-	192,274	2,530,612
Unrestricted	885,941	(1,565,717)	50,005	58,423	935,946	(1,507,294)
Total Net Position	<u>\$ 3,923,730</u>	<u>\$ 3,824,795</u>	<u>\$ 1,884,918</u>	<u>\$ 1,880,227</u>	<u>\$ 5,808,648</u>	<u>\$ 5,705,022</u>

The largest portion of the City's net position reflects its net investment in capital assets (e.g. land and right-of-way, buildings, improvements, equipment, and infrastructure). The City uses these assets to provide services to its citizens. Consequently, these assets are not available for future spending. Resources to pay the related debt used in acquiring these assets must come from other sources.

Governmental activities. Generally, the assets, liabilities, and net position of the governmental activities did not change significantly from the prior year with the exception of substantial changes in the actuarial valuation of the City's unfunded pension liability and related deferred inflows and outflows. Changes in these balances resulted in an overall \$88,756 increase in net position of governmental activities during FY2020-21.

Business-type activities: The three business-type activities (Water, Wastewater, and Storm Water) remained fairly flat when compared to the prior year with the exception of substantial changes in the actuarial valuation of the City's unfunded pension liability and related deferred inflows and outflows, which resulted in an overall \$8,508 increase in net position of business-type Activities during FY2020-21.

Change in Net Position – Business-type Activities

Source	Water	Wastewater	Storm Water	Total
Revenues	\$ 1,127,038	\$ 730,365	\$ 28,291	\$ 1,885,694
Operating Expenses	600,765	533,599	17,353	1,151,717
Operating Income	526,273	196,766	10,938	733,977
Non-Operating Revenue (Expenses)	(199,191)	(51,499)	(5,774)	(256,464)
Transfers In (Out)	(429,731)	(46,968)	-	(476,699)
Change in Net Position	(102,649)	98,299	5,164	814
Beginning Net Position	1,085,380	644,988	153,736	1,884,104
Ending Net Position	\$ 982,731	\$ 743,287	\$ 158,900	\$ 1,884,918

Fund Financial Statement Analysis

Change in Fund Balance - Governmental Funds

Fund	Fund Balance		Change \$	Change %
	6/30/2021	6/30/2020		
General	\$ 268,989	\$ (49,471)	\$ 318,460	644%
Street Fund	173,279	103,040	70,239	68%
Emergency Services Fund	129,001	18,834	110,167	585%
Other Governmental Funds	720,588	761,822	(41,234)	-5%
Oakridge Industrial Park Fund	570,865	580,665	(9,800)	-2%
Total	\$ 1,862,722	\$ 1,414,890	\$ 447,832	1290%

The increase in Other Governmental Funds is primarily the result of the sale of a telecommunications lease and property at the Oakridge Industrial Park.

Capital Assets

Additions to capital assets include construction in progress for Water Improvement projects. The investment in capital assets includes land, right-of-way (included with land), buildings and improvements, improvements other than buildings (such as parks and park improvements), equipment and infrastructure including streets and utilities, all depreciated through normal accounting practice.

Debt Management

See Note 7 on pages 26-29 for additional information on debt facilities and balances.

General Fund Budgetary Highlights

General Fund Budgetary Highlights

The City's general fund budget includes adjustments made during the year by Council resolution and/or Supplemental Budget. All functional appropriations were within budgeted amounts.

Economic Factors and Next Year's Budget

During the preparation of the budget for the ensuing fiscal year, the primary objective was to maintain financial stability. Due to the combined effort of Council, community and staff the City is accountable for expending City funds and continues to watch its finances very closely. Stable funding for Emergency Services *continues to be a focus. The following are the major assumptions used in developing the FY 2021-22 budget:*

We do not anticipate any significant new types of revenue in FY 2022. Revenues in the General Fund are expected to remain essentially flat in FY 2022. We expect an increase of about 2%- 3% in property taxes based on an anticipated increase in assessed values. No other revenues are expected to grow other than to keep pace with cost-of-living increases. We expect the effects of the COVID-19 pandemic will continue to adversely affect revenues which are based on travel, tourism, and recreation such as transient taxes, fuel taxes, etc. Fees from intergovernmental services (Westfir, Lowell, Hazeldell) are expected to increase moderately, unless public safety service cuts lead to a reduction in intergovernmental revenues.

FY 2021 saw several significant challenges which will continue into FY 2022. Among them are:

- a. Providing essential public safety services, particularly EMS services, in the face of rising costs and insufficient revenues.
- b. The rate at which expenditures grow, is much higher than the growth rate of revenues.
- c. As deteriorating infrastructure and aging equipment surpasses the end of its useful life, it is not being replaced.

The Emergency Services Fund is projected to again operate at a deficit, increasing to \$608,000. The General Fund is projecting a deficit of \$258,000. Finding resources to supplement these over spent funds is challenging. In prior years there were other funds that had cash available; all those monies have been used. There is no longer "surplus" cash available from any funds. The only funds with the resources available to the city are the proprietary (enterprise) funds (Water, Wastewater, and Storm Water). However, it is critical to understand that those funds which are borrowed from the enterprise funds to support the governmental funds, such as the General Fund or Emergency Services Fund, creates a significant consequence. The enterprise funds are then left without the resources needed to replace infrastructure and equipment that has gone beyond its useful life. Attention needs to be given to this situation. These critical situations require difficult choices to be made by the budget committee, city council, and the citizens of Oakridge. Clear priorities from the citizens, a commitment to fund those priorities, and an honest understanding of the consequences of those choices are important.

In the proprietary funds (Water, Wastewater and Storm Water) revenue will increase in line with the rate increases based on the Consumer Price Index – West (CPI-W). Note the increase in water revenues in FY 2022 compared to last year's budget amount will be about \$50,500.

Emergency Services continues to receive attention from management and City Council, working with union officials, to look at ways to sustain funding for ambulance and fire services.

A portion of the contingency line in the General Fund has been designated for future PERS increases. Debt service costs will remain similar to the prior year as no new debt was incurred.

The City has incurred substantial debt over the years primarily for water projects and for some other public works buildings and projects. The City needs to take caution in increasing its debt levels, to ensure that it does not jeopardize its future financial stability by becoming overburdened with debt and debt service requirements

Requests for Information

This financial report is designed to provide a general overview of the City's finances and activities for those with an interest in government financing. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City Administrator
P.O. Box 1410
48318 E. First Street
Oakridge, Oregon 97463
541-782-2258

Please visit our website at www.ci.oakridge.or.us.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**STATEMENT OF NET POSITION
June 30, 2021**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,195,935	\$ 451,088	\$ 1,647,023
Restricted Cash and Investments	150,062	-	150,062
Receivables:			
Taxes	42,204	-	42,204
Accounts (Net)	298,744	211,066	509,810
Assessments	28,657	-	28,657
Notes Receivable	21,614	-	21,614
Interfund Loans Receivable	-	84,000	84,000
Capital Assets:			
Land, Land Improvements, and Construction in Progress	934,297	20,300	954,597
Other Capital Assets, Net	1,970,779	6,375,399	8,346,178
Net RHIA Asset	15,196	3,799	18,995
Assets Held for Sale	1,693,992	-	1,693,992
Total Assets	6,351,480	7,145,652	13,497,132
Deferred Outflows of Resources:			
Pension Related Deferrals - PERS	932,277	246,066	1,178,343
OPEB Related Deferrals - RHIA	3,838	1,724	5,562
OPEB Related Deferrals - Health Ins.	2,456	602	3,058
Total Assets and Deferred Outflows	7,290,051	7,394,044	14,684,095
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Liabilities:			
Accounts Payable	184,118	57,513	241,631
Payroll Liabilities	14,004	8,353	22,357
Due to Proprietary	84,000	-	84,000
Compensated Absences	107,399	39,421	146,820
Accrued Interest	-	24,688	24,688
Customer Deposits	-	75,802	75,802
Unearned Revenue	49,375	-	49,375
Current Portion of Long Term Liabilities	13,153	166,942	180,095
Long Term Liabilities:			
Net Pension Liability - PERS	2,572,690	662,452	3,235,142
OPEB Related Deferrals - Health Ins.	64,034	16,806	80,840
Due in More than One Year	42,609	4,397,643	4,440,252
Total Liabilities	3,131,382	5,449,620	8,581,002
Deferred Inflows of Resources:			
Net Pension Related Deferrals - PERS	186,310	46,822	233,132
OPEB Related Deferrals - RHIA	2,916	728	3,644
OPEB Related Deferrals - Health Ins.	45,713	11,956	57,669
Total Deferred Inflows	234,939	59,506	294,445
Net Position:			
Net Investment in Capital Assets	2,849,314	1,831,114	4,680,428
Net OPEB Asset - RHIA	15,196	3,799	18,995
Restricted: Streets	173,279	-	173,279
Unrestricted	885,941	50,005	935,946
Total Net Position	\$ 3,923,730	\$ 1,884,918	\$ 5,808,648

See accompanying notes to the basic financial statements

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 1,267,665	\$ 603,039	\$ 440,461	\$ -
Public Safety	2,420,661	515,789	-	-
Highways and Streets	280,987	10,925	-	-
Culture and Recreation	349,352	-	-	-
Interest on Long Term Debt	2,662	-	-	-
Total Governmental Activities	4,321,327	1,129,753	440,461	-
Business-Type Activities				
Water	736,295	1,121,798	-	-
Wastewater	567,534	725,961	-	-
Storm Water	23,127	28,291	-	-
Interest on Long Term Debt	81,225	-	-	-
Total Business-Type Activities	1,408,181	1,876,050	-	-
Total Primary Government	\$ 5,729,508	\$ 3,005,803	\$ 440,461	\$ -

See accompanying notes to the basic financial statements

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

	Net Revenue (Expense)		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs			
Primary Government			
Governmental Activities			
General Government	\$ (224,165)	\$ -	\$ (224,165)
Public Safety	(1,904,872)	-	(1,904,872)
Highways and Streets	(270,062)	-	(270,062)
Culture and Recreation	(349,352)	-	(349,352)
Interest on Long Term Debt	(2,662)	-	(2,662)
Total Governmental Activities	<u>(2,751,113)</u>	<u>-</u>	<u>(2,751,113)</u>
Business-Type Activities			
Water	-	385,503	385,503
Wastewater	-	158,427	158,427
Storm Water	-	5,164	5,164
Interest on Long Term Debt	-	(81,225)	(81,225)
Total Business-Type Activities	<u>-</u>	<u>467,869</u>	<u>467,869</u>
Total Primary Government	<u>(2,751,113)</u>	<u>467,869</u>	<u>(2,283,244)</u>
Property Taxes	1,141,361	-	1,141,361
Franchise and License Fees	188,864	-	188,864
Intergovernmental	270,105	-	270,105
License, Permits, and Misc. Taxes	591,375	-	591,375
Assesments	4,599	-	4,599
Interest and Miscellaneous	152,210	9,644	161,854
Interfund Loans and Transfers	477,721	(477,721)	-
Loan Repayment	9,157	1,022	10,179
Gain (Loss) on Sale of Property	70	-	70
Total	<u>2,835,462</u>	<u>(467,055)</u>	<u>2,368,407</u>
Change in Net Position	84,349	814	85,163
Beginning Net Position (Restated for GASB 75 - RHIA)	<u>3,839,381</u>	<u>1,884,104</u>	<u>5,723,485</u>
Ending Net Position	<u>\$ 3,923,730</u>	<u>\$ 1,884,918</u>	<u>\$ 5,808,648</u>

See accompanying notes to the basic financial statements

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2021

	SPECIAL REVENUE FUNDS				TOTAL
	GENERAL FUND	STREET FUND	EMERGENCY SERVICES FUND	OTHER GOVERNMENTAL FUNDS	
ASSETS:					
Cash and Investments	\$ 301,541	\$ 130,762	\$ 147,127	\$ 616,505	\$ 1,195,935
Restricted Cash and Investments	29,379	-	-	120,683	150,062
Receivables:					
Accounts, Net	147,144	56,204	92,376	3,020	298,744
Notes	-	-	-	21,614	21,614
Assessments	-	28,657	-	-	28,657
Taxes	42,204	-	-	-	42,204
Total Assets	<u>\$ 520,268</u>	<u>\$ 215,623</u>	<u>\$ 239,503</u>	<u>\$ 761,822</u>	<u>\$ 1,737,216</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 99,252	\$ 12,004	\$ 70,958	\$ 1,904	\$ 184,118
Payroll Liabilities	6,120	1,683	5,924	277	14,004
Due to Other Funds	84,000	-	-	-	84,000
Unearned Revenue	317	-	32,458	16,600	49,375
Total Liabilities	<u>189,689</u>	<u>13,687</u>	<u>109,340</u>	<u>18,781</u>	<u>331,497</u>
Deferred Inflows:					
Unavailable Assessment Revenues	-	28,657	-	-	28,657
Unavailable Revenue	19,967	-	1,162	-	21,129
Unavailable Notes Receivables	-	-	-	22,453	22,453
Unavailable Property Tax Revenues	41,623	-	-	-	41,623
Total Deferred Inflows	<u>61,590</u>	<u>28,657</u>	<u>1,162</u>	<u>22,453</u>	<u>113,862</u>
Fund Balances:					
Restricted for:					
Streets	-	173,279	-	-	173,279
Assigned	29,379	-	-	720,588	749,967
Unassigned	239,610	-	129,001	-	368,611
Total Fund Balances	<u>268,989</u>	<u>173,279</u>	<u>129,001</u>	<u>720,588</u>	<u>1,291,857</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 520,268</u>	<u>\$ 215,623</u>	<u>\$ 239,503</u>	<u>\$ 761,822</u>	<u>\$ 1,737,216</u>

See accompanying notes to the basic financial statements

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2021**

Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position.		
Fund Balances	\$	1,291,857
The net pension liability is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries. - PERS		(2,572,690)
The net OPEB liability is the difference between the total liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries. - Health Insurance		(64,034)
The net OPEB liability is the difference between the total liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries. - RHIA		15,196
Deferred Inflows and Outflows of resources related to the pension plan and OPEB include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred Outflows - PERS		932,277
Deferred Inflows - PERS		(186,310)
OPEB Deferred Outflows - Health Insurance		2,456
OPEB Deferred Inflows - Health Insurance		(45,713)
OPEB Deferred Outflows - RHIA		3,838
OPEB Deferred Inflows - RHIA		(2,916)
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole.		
Net Capital Assets		2,905,076
The cost of assets held for sale is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole.		
Assets Held for Sale		1,693,992
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Loans Payable		(55,762)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences		(107,399)
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds.		
Unavailable Assessment Revenues	\$	28,657
Unavailable Revenue		21,129
Unavailable Notes Receivables		22,453
Unavailable Property Tax Revenues		41,623
		113,862
Total Net Position	\$	3,923,730

See accompanying notes to the basic financial statements

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021**

	SPECIAL REVENUE FUNDS				TOTAL
	GENERAL FUND	STREET FUND	EMERGENCY SERVICES FUND	OTHER GOVERNMENTAL FUNDS	
REVENUES:					
Property Taxes	\$ 1,139,368	\$ -	\$ -	\$ -	\$ 1,139,368
Franchise and License Fees	188,864	-	-	-	188,864
Rental Revenue	15,599	-	-	83,458	99,057
Licenses, Permits, and Misc. Taxes	238,731	352,644	-	-	591,375
Intergovernmental	177,066	-	93,039	-	270,105
Charges for Services	595,900	14,500	554,413	-	1,164,813
Fines and Forfeitures	42,842	-	-	-	42,842
Grants and Donations	440,461	-	-	-	440,461
Loan Repayment	-	-	-	9,157	9,157
Assessments	-	4,599	-	-	4,599
Interest and Miscellaneous	66,234	10,171	59,440	24,998	160,843
Total Revenues	2,905,065	381,914	706,892	117,613	4,111,484
EXPENDITURES:					
Current:					
General Government	1,032,939	-	-	129,924	1,162,863
Public Safety	1,092,678	-	1,171,138	-	2,263,816
Highways and Streets	-	309,404	-	-	309,404
Culture and Recreation	319,195	-	-	-	319,195
Capital Outlay	-	315	38,738	-	39,053
Total Expenditures	2,444,812	309,719	1,209,876	129,924	4,094,331
Excess of Revenues Over, (Under) Expenditures	460,253	72,195	(502,984)	(12,311)	17,153
Other Financing Sources, (Uses)					
Interfund Loan Proceeds	405,000	-	-	-	405,000
Interfund Loan Payments	(95,000)	-	-	-	(95,000)
Transfers In	179,292	44	613,151	8,319	800,806
Transfers Out	(631,085)	(2,000)	-	-	(633,085)
Total Other Financing Sources, (Uses)	(141,793)	(1,956)	613,151	8,319	477,721
Net Change in Fund Balance	318,460	70,239	110,167	(3,992)	494,874
Fund Balance - Beginning of Year	(49,471)	103,040	18,834	724,580	796,983
Fund Balance - End of Year	\$ 268,989	\$ 173,279	\$ 129,001	\$ 720,588	\$ 1,291,857

See accompanying notes to the basic financial statements

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide Statement of Activities is as follows:

Net Change in Fund Balance	\$	494,874
<p>The pension expense represents the changes in net pension asset liability from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		(323,761)
<p>The benefit expense represents the changes in net OPEB - Health Insurance liability from year to year due to changes in total benefit liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		(4,140)
<p>The benefit revenue represents the changes in net OPEB - RHIA asset from year to year due to changes in total benefit asset and the fair value of pension plan net position available to pay pension benefits.</p>		
		1,532
<p>Governmental funds report 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 outlays in the current period.</p>		
Capital Asset Additions	129,993	
Depreciation Expense	(168,832)	
Net Adjustment	(38,839)	(38,839)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.</p>		
Payments on Long Term Obligations		28,253
Compensated Absences		(16,041)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property Taxes	1,993	
Notes, Assessments and Other Receivables	(59,522)	
Net Adjustment	(57,529)	(57,529)
Change in Net Position	\$	84,349

See accompanying notes to the basic financial statements

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2021

	WATER FUND	WASTEWATER FUND	NON-MAJOR STORM WATER FUND	TOTAL
ASSETS AND DEFERRED OUTFLOWS:				
Cash and Investments	\$ 103,632	\$ 309,520	\$ 37,936	\$ 451,088
Accounts Receivable, Net	151,822	56,250	2,994	211,066
Due from Other Funds	4,500	79,500	-	84,000
Net RHIA Asset	1,596	2,203	-	3,799
Capital Assets:				
Land	6,300	-	14,000	20,300
Other Capital Assets, Net	5,498,226	773,203	103,970	6,375,399
Total Assets	5,766,076	1,220,676	158,900	7,145,652
Deferred Outflows of Resources:				
Pension Related Deferrals - PERS	117,564	128,502	-	246,066
OPEB Related Deferrals - Health Ins.	289	313	-	602
OPEB Related Deferrals - RHIA	724	1,000	-	1,724
Total Assets and Deferred Outflows	\$ 5,884,653	\$ 1,350,491	\$ 158,900	\$ 7,394,044
LIABILITIES, DEFERRED INFLOWS AND NET ASSETS:				
Current Liabilities:				
Accounts Payable	\$ 26,096	\$ 31,417	\$ -	\$ 57,513
Payroll Liabilities	3,686	4,667	-	8,353
Compensated Absences	24,187	15,234	-	39,421
Accrued Interest	24,688	-	-	24,688
Customer Deposits	75,802	-	-	75,802
Bonds Payable, due within one year	156,942	10,000	-	166,942
Total Current Liabilities	311,401	61,318	-	372,719
Long Term Liabilities:				
Bonds Payable, due in more than one year	4,237,643	160,000	-	4,397,643
Net Pension Liability - PERS	316,512	345,940	-	662,452
Net Pension Liability - OPEB (Health)	8,039	8,767	-	16,806
Total Long Term Liabilities	4,562,194	514,707	-	5,076,901
Total Liabilities	4,873,595	576,025	-	5,449,620
Deferred Inflows of Resources:				
Pension Related Deferrals - PERS	22,312	24,510	-	46,822
OPEB Related Deferrals - Health Ins.	5,709	6,247	-	11,956
OPEB Related Deferrals - RHIA	306	422	-	728
Total Inflows of Resources	28,327	31,179	-	59,506
Net Position:				
Net Investment in Capital Assets	1,109,941	603,203	117,970	1,831,114
Net OPEB Asset - RHIA	1,596	2,203	-	3,799
Unrestricted	(128,806)	137,881	40,930	50,005
Total Net Position	982,731	743,287	158,900	1,884,918
Total Liabilities, Deferred Inflows and Net Position	\$ 5,884,653	\$ 1,350,491	\$ 158,900	\$ 7,394,044

See accompanying notes to the basic financial statements

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021**

	WATER FUND	WASTEWATER FUND	NON-MAJOR STORM WATER FUND	TOTAL
OPERATING REVENUES				
Charges for Services	\$ 1,121,798	\$ 725,961	\$ 28,291	\$ 1,876,050
Other Revenues	5,240	4,404	-	9,644
Total Revenues	1,127,038	730,365	28,291	1,885,694
OPERATING EXPENSES				
Personnel Services	262,965	292,525	-	555,490
Materials and Services	337,195	236,050	17,353	590,598
Capital Outlay	605	5,024	-	5,629
Total Operating Expenses	600,765	533,599	17,353	1,151,717
Income, (Loss) From Operations	526,273	196,766	10,938	733,977
NONOPERATING REVENUES (EXPENSES)				
Interest Expense	(63,661)	(17,564)	-	(81,225)
Depreciation	(135,530)	(33,935)	(5,774)	(175,239)
Total Nonoperating Expenses	(199,191)	(51,499)	(5,774)	(256,464)
Income, (Loss) Before Transfers	327,082	145,267	5,164	477,513
Loan Proceeds	1,022	-	-	1,022
Interfund Loan Proceeds	-	95,000	-	95,000
Interfund Loan Payments	(255,000)	(150,000)	-	(405,000)
Transfers In	7,347	8,032	-	15,379
Transfer Out	(183,100)	-	-	(183,100)
Total Transfers	(429,731)	(46,968)	-	(476,699)
Change in Net Position	(102,649)	98,299	5,164	814
Beginning Net Position (Restated for GASB 75)	1,085,380	644,988	153,736	1,884,104
Ending Net Position	\$ 982,731	\$ 743,287	\$ 158,900	\$ 1,884,918

See accompanying notes to the basic financial statements

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2021**

	WATER FUND	WASTEWATER FUND	NON-MAJOR STORM WATER FUND	TOTAL
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 1,175,973	\$ 730,986	\$ 28,257	\$ 1,935,216
Cash Payments to Suppliers	(339,093)	(218,104)	(17,353)	(574,550)
Cash Payments to Employees & Related Payroll Costs	(232,189)	(255,664)	-	(487,853)
Net Cash From Operations	604,691	257,218	10,904	872,813
Cash Flows From Capital and Related Financing Activities:				
Payment of Principal of Bonds, Contracts Payable	(150,600)	(7,500)	-	(158,100)
Capital Asset Additions	-	(26,449)	-	(26,449)
Interest Paid	(260,985)	(17,564)	-	(278,549)
Interfund Transfer to Reserve Fund	-	-	-	-
Net Cash From Capital and Related Financing Activities	(411,585)	(51,513)	-	(463,098)
Cash Flows From Non-Capital and Related Financing Activities:				
Transfers In from Other Funds	7,347	8,032	-	15,379
Loan Proceeds	1,022	95,000	-	96,022
Short-term Loan to Governmental Funds	(255,000)	(150,000)	-	(405,000)
Net Cash From Non-Capital and Related Financing Activities	(246,631)	(46,968)	-	(293,599)
Net Increase (Decrease) In Cash and Investments	(53,525)	158,737	10,904	116,116
Cash and Investments at Beginning of Year	157,157	150,783	27,032	334,972
Cash and Investments at End of Year	<u>\$ 103,632</u>	<u>\$ 309,520</u>	<u>\$ 37,936</u>	<u>\$ 451,088</u>
Reconciliation of Cash Flows From Operating Activities to Operating Income				
Operating Income	\$ 526,273	\$ 196,766	\$ 10,938	\$ 733,977
Adjustments				
(Increase), Decrease in Accounts Receivable	43,624	12,759	(34)	56,349
Increase, (Decrease) in Accounts Payable	(1,293)	22,970	-	21,677
Increase, (Decrease) in Payroll Liabilities	(7,903)	(7,634)	-	(15,537)
Increase, (Decrease) in Unearned Revenues	-	(12,138)	-	(12,138)
Increase, (Decrease) in Pension / OPEB Related Activities	35,735	39,367	-	75,102
Increase, (Decrease) in Compensated Absences	2,944	5,128	-	8,072
Increase, (Decrease) in Customer Deposits	5,311	-	-	5,311
Net Cash From Operations	\$ 604,691	\$ 257,218	\$ 10,904	\$ 872,813

See accompanying notes to the basic financial statements

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE FINANCIAL REPORTING ENTITY

The City of Oakridge is a municipal corporation governed by a mayor and an elected council who comprise the City Council. The daily functioning is under the supervision of the City Administrator. As required by Generally Accepted Accounting Principles, all activities of the City have been included in these basic financial statements.

The basic financial statements include all financial activities, organizations, and functions for which the City Council has financial accountability as defined by GASB Statement No. 61. The financial reporting entity consists of (a) the primary government (City), (b) organizations for which the City is financially accountable, and (c) governmental organizations for which the City is not financially accountable, but for which the nature and significance of their financial relationship with the City are such that exclusion would cause the basic financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the City are financially accountable. In addition, component units can be governmental organizations for which the City is not financially accountable, but for which the nature and significance of their financial relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. No organizational units meet the criteria for inclusion as a component unit.

BASIC FINANCIAL STATEMENTS

The 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 financial statements display information about the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

Fund financial 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 or proprietary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplementary information.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

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

There are stated minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Management can designate a fund as major even if it does not meet these criteria. Non-major funds are combined in one column in the fund financial statements and detailed in the supplementary section.

These are the major governmental funds:

General Fund – This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes, franchise fees, fines and forfeitures, planning fees, charges for services and interest on investments.

Street Fund – This fund accounts for the maintenance, construction or reconstruction of streets and sidewalks. These costs are paid primarily from moneys received pursuant to the State of Oregon Gas Tax Apportionment, from Lane County road funds and Lane Electric franchise fees.

Emergency Services Fund – This fund is a combination of the ambulance and fire departments. Costs are paid primarily from ambulance user charges and a transfer from the general fund.

These are the major proprietary funds:

Water Fund - This fund accounts for the revenues and expenses of the water utility. The primary revenue source is fees for services.

Wastewater Fund - This fund accounts for the revenues and expenses of the sewer utility. The primary revenue source is fees for services.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Government-wide Financial Statements and Proprietary Funds Financial Statements are presented on a full accrual basis of accounting with an economic resource measurement focus. An economic resource focus concentrates on equity or a fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of the timing of related cash inflows and outflows.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Governmental Funds Financial Statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. This focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within two months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Property taxes, franchise fees, licenses and permits, and interest associated with the current financial period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received within thirty-one days of year end. All other revenues are considered to be measurable and available only when cash is received.

An unavailable revenue liability arises in the Governmental Funds Balance Sheet when 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 finance operations of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue is recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Fund Balance Sheet for unavailable revenue is eliminated.

Unavailable revenues arise outside the scope of measurement focus and basis of accounting, such as when resources are received before there is legal claim to them. For instance, when grant moneys are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due. Vested compensated absences and pension costs are recorded as expenditures only to the extent that they are expected to be liquidated with expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the City are recognized. Thus, the expense and related accrued liability for long-term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is provided to explain the differences between the fund based financial statements and the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

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

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2021, there were deferred outflows representing PERS pension, OPEB-RHIA, and OPEB-Health Insurance related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items which qualify for reporting in this category. At June 30, 2021 there were also deferred inflows reported in the Statement of Net Position representing PERS pension and OPEB-RHIA related deferrals.

BUDGETS

A budget is prepared for all funds in accordance with a modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. For governmental fund types, the budgetary basis of accounting is the same as generally accepted accounting principles, except for the differences noted under the measurement focus and basis of accounting footnote above. The budget process begins early in each fiscal year with the establishment of the Budget Committee. Recommendations are developed through late winter with the Budget Committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Council may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

Expenditure budgets are allocated to, and appropriated by, program or organizational unit when possible. Expenditure budgets that are not allocated to a program or organizational unit are appropriated at the following levels of control: Debt Service, Contingency, and Transfers Out.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS (CONTINUED)

The General Fund and some other funds are appropriated at the department level along with transfers and contingencies. Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Council approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the City Council approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original appropriations and supplemental appropriations if they occur. Expenses of the various funds were within authorized appropriations except for the following:

<u>Fund</u>	<u>Overexpended by:</u>
General Fund	
Police Department	\$ 24,781
Library Department	4,002
Not Allocated	21,807
Emergency Services Fund	94,476
Woodstove Replacement Fund	1,010
Water Fund	
Debt Service	1,185
Transfers Out	30,292
Wastewater Fund	
Interfund Loan Payments	20,000

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ESTIMATES

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and cash equivalents

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables and payables

Activity between funds that represent short-term lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds". All other outstanding balances between funds are reported as "interfund loans receivable/payable".

Recorded property taxes receivable that are collected within two months after year-end are considered measurable and available and, therefore, are recognized as revenue in the fund financial statements. The remaining balance is recorded as unavailable revenue. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are shown in the government-wide Statement of Net Position. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Receivables of the enterprise funds are recognized as revenue when earned, including services provided but not billed. Receivables in governmental and enterprise funds are stated net of any allowance for uncollectibles.

Supply Inventories and prepaid items

Detailed supply inventory records are not maintained. Supply inventories are considered to be immaterial by management at year end.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	20-30 years
Infrastructure	33-50 years
Furniture, equipment and vehicles	10 years

Assets held for sale

Various properties located in the Oakridge Industrial Park are currently held for sale/lease by the City.

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net position.

Compensated absences

It is the policy to permit employees to accumulate earned but unused vacation and sick leave. All vacation leave is accrued when incurred in the government-wide and proprietary financial statements. Sick leave may or may not be accrued based on whether there is a liability to pay such amounts upon termination. A liability for compensated absences is not reported in governmental funds in accordance with Governmental Accounting Standards Board Statement No. 16 Accounting for Compensated Absences, except when matured.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Retirement Plans

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. 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 OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

Net position

Net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories.

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned.

- Non-spendable represents amounts that are not in a spendable form.
- Restricted represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The authority to classify portions of ending fund balances as assigned has been granted to the City Administrator.
- Unassigned is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as Unassigned.

The order of spending regarding fund balance categories is as follows: restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

There were no non-spendable or committed fund balances at June 30, 2021.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

A cash pool is maintained that is available for use by all funds. Cash and cash equivalents consisted of:

Deposits with Financial Institutions:	
Demand Deposits and Cash on Hand	\$ 1,704,531
Local Government Investment Pool	<u>92,554</u>
Total Cash and Investments	<u>\$ 1,797,085</u>
Reconciliation of Cash Reported In:	
Governmental	\$ 1,345,997
Business Type	<u>451,088</u>
Total Cash and Investments	<u>\$ 1,797,085</u>
Restricted and Unrestricted Cash:	
* Restricted Cash	\$ 150,062
Unrestricted Cash	<u>1,647,023</u>
Total Cash and Cash Equivalents	<u>\$ 1,797,085</u>

*Cash restricted for Woodstove Replacement, Bicycle/Pedestrian Paths, and Water Bond Reserve Funds.

Deposits

Deposits with financial institutions include bank demand deposits. The total bank balance per the bank statements as of June 30, 2021 was \$1,872,895, of which \$250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be recovered. There is no deposit policy for custodial credit risk. As of June 30, 2021, all deposits are insured or at qualified institutions.

Investments

Policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

As of June 30, 2021, there were the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-17</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$ 92,554	\$ 92,554	\$ -	\$ -
Total	<u>\$ 92,554</u>	<u>\$ 92,554</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the value of the deposit will not be recovered. There is no formal investment policy for custodial credit risk. All of the investments are with the LGIP. Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss due to a large portion of investments with a single issuer. To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. State statutes do not limit the percentage of investments in the LGIP. As of June 30, 2021, 100% of the investments were in the LGIP.

3. ACCRUED COMPENSATED ABSENCES

The compensated absences balances at June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Ending Balance</u>
Governmental	\$ 93,744	\$ 107,399
Business Type	27,832	39,421
	<u>\$ 121,576</u>	<u>\$ 146,820</u>

All are considered by management to be current liabilities.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

4. NOTES RECEIVABLE

In fiscal year 2020, the City entered into an agreement for a \$23,200 loan as partial consideration for the purchase of property in the Oakridge Industrial Park. The note bears interest at 6.00 % per annum and is to be paid monthly over 15 years. The balance due on June 30, 2021 is \$21,614.

At June 30, 2021, expected future payments on notes receivable consisted of:

<u>Year Ending</u>		
2022	\$	1,547
2023		1,547
2024		1,547
2025		1,547
2026		1,547
2027-2031		7,733
2032-2035		<u>6,146</u>
Total notes receivable	\$	<u>21,614</u>

5. CAPITAL ASSETS

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

	<u>GOVERNMENTAL CAPITAL ASSETS</u>			
	<u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Non-Depreciable Capital Assets				
Land and Land Improvements	\$ 850,560	\$ -	\$ -	\$ 850,560
Construction in Progress	4,381	79,356	-	83,737
Total Non-Depreciable	<u>854,941</u>	<u>79,356</u>	<u>-</u>	<u>934,297</u>
Depreciable Capital Assets				
Buildings and Improvements	2,096,393	14,224	-	2,110,617
Vehicles and Equipment	1,882,202	36,413	5,000	1,913,615
Infrastructure	726,101,849	-	-	726,101,849
Total Depreciable	<u>730,080,444</u>	<u>50,637</u>	<u>5,000</u>	<u>730,126,081</u>
Accumulated Depreciation				
Buildings and Improvements	973,183	37,467	-	1,010,650
Vehicles and Equipment	1,334,149	83,513	5,000	1,412,662
Infrastructure	725,684,138	47,852	-	725,731,990
Total Accumulated Depreciation	<u>727,991,470</u>	<u>168,832</u>	<u>5,000</u>	<u>728,155,302</u>
Net Depreciable Capital Assets	<u>2,088,974</u>			<u>1,970,779</u>
Total Governmental Activities	<u>\$ 2,943,915</u>			<u>\$ 2,905,076</u>

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (CONTINUED)

Depreciation Expense for governmental activities is charged to functions as follows:

General Government	\$	43,020
Public Safety		104,659
Highways and Streets		16,681
Culture and Recreation		4,472
Total	\$	<u>168,832</u>

Capital asset activity for business-type activities for the year ended June 30, 2021 was as follows:

BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Non-Depreciable Capital Assets				
Land and Improvements	\$ 20,300	\$ -	\$ -	\$ 20,300
Construction in Progress	-	-	-	-
Total Non-Depreciable	<u>20,300</u>	<u>-</u>	<u>-</u>	<u>20,300</u>
Depreciable Capital Assets				
Buildings and Improvements	1,809,536	5,835	-	1,815,371
Furniture, Equipment and Vehicles	695,331	-	50,250	645,081
Infrastructure	6,889,923	20,613	-	6,910,536
Total Depreciable	<u>9,394,790</u>	<u>26,448</u>	<u>50,250</u>	<u>9,370,988</u>
Accumulated Depreciation				
Buildings and Improvements	886,409	33,782	-	920,191
Furniture, Equipment and Vehicles	618,331	11,550	50,250	579,631
Infrastructure	1,365,861	129,907	-	1,495,768
Total Accumulated Depreciation	<u>2,870,601</u>	<u>175,239</u>	<u>50,250</u>	<u>2,995,590</u>
Net Depreciable Capital Assets	<u>6,524,189</u>			<u>6,375,398</u>
Total Business-Type Activities	<u>\$ 6,544,489</u>			<u>\$ 6,395,698</u>

Depreciation Expense for business-type activities is charged as follows:

Water	\$	135,530
Wastewater		33,935
Storm Water		5,774
Total	\$	<u>175,239</u>

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. ASSESSMENTS RECEIVABLE

Assessments receivable represents the uncollected amounts levied against benefited properties for the costs of local improvements. Since the assessments are liens against the properties, an allowance for uncollectible amounts is not deemed necessary. Assessments are payable over a period of ten years and bear interest at 7% to 10.64%. At June 30, 2021, the assessments receivable totaled \$28,657.

7. LONG-TERM DEBT

In the following section, long-term debt information is presented separately with respect to governmental and business-type activities. The table below presents current year changes in those obligations, and the current portions due for each issue.

Issue	Interest Rates	Outstanding July 1, 2020	Issued	Matured And Redeemed	Outstanding June 30, 2021	Due Within One Year
<u>Governmental</u>						
Oregon DEQ Note Payable	0.00%	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -
Capital Lease - Motorola	3.89%	64,015	-	8,253	55,762	13,153
Total Governmental		\$ 84,015	\$ -	\$ 28,253	\$ 55,762	\$ 13,153
<u>Business-Type</u>						
OECD Water Loan (Water Fund)	1.00%	\$ 2,131,690	\$ -	\$ 100,980	\$ 2,030,710	\$ 101,990
IFA Safe Drinking Water Loan	1.00%	2,228,000	-	41,828	2,186,172	43,713
IFA New Source Well Study	1.99%	7,995	1,022	1,314	7,703	1,239
2009A Series LOCAP Bonds (Water Fund 50%)	1.25-6.00%	177,500	-	7,500	170,000	10,000
2009A Series LOCAP Bonds (WasteWater 50%)	1.25-6.00%	177,500	-	7,500	170,000	10,000
Total Business-Type		\$ 4,722,685	\$ 1,022	\$ 159,122	\$ 4,564,585	\$ 166,942

Governmental Activities

Oregon DEQ Note Payable – Based on an intergovernmental agreement entered into with the Oregon Department of Environmental Quality on June 5, 1995, the City was obligated to repay the Oregon DEQ \$180,000 for funds borrowed to help plan and develop the Bald Knob Mill site. This loan was non-interest bearing. The balance of \$20,000 was paid in full in 2020-2021.

Capital Lease – Motorola – In October 2017, the City executed a City-wide lease for cell phone equipment. The original capital lease liability for governmental activities was \$88,744, which will be paid over six (6) years at 3.89% starting October 2018. Future annual requirements are as follows:

	Principal	Interest	Total
2022	13,153	2,169	15,322
2023	13,665	1,657	15,322
2024	14,196	1,126	15,322
2025	14,748	574	15,322
	\$ 55,762	\$ 5,526	\$ 61,288

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

Business-Type Activities

OECD Loan – Proceeds from this loan were used to improve the water systems and the quality of the drinking water in the City. The total amount of the original loan was \$3,406,383, but the City was granted \$250,000 in loan forgiveness. The loan repayment term is 30 years with an interest rate of 1.00%. Future annual requirements are as follows:

	Principal	Interest	Total
2022	101,990	20,307	122,297
2023	103,010	19,287	122,297
2024	104,040	18,257	122,297
2025	105,080	17,217	122,297
2026	106,131	16,166	122,297
2027-31	546,790	64,696	611,486
2032-36	574,682	36,804	611,486
2037-40	388,987	9,506	398,493
Total	\$2,030,710	\$202,240	\$2,232,950

Under the terms of the OECD loan and related Promissory Notes, the City pledges in full faith and credit and taxing power within the Oregon Constitution to pay amounts due. Amounts due OECD are payable from all legally available funds of the City including the net revenues of the water system. Event of default include 1) failing to make loan payments when due, 2) failing to make required payments on any other loan made by the State of Oregon or any other Financing Document if the default is not cured within the grace period, 3) proceedings or petitions filed by or against the City under bankruptcy or insolvency laws and similar actions such as appointment of a receiver, and 4) failure of the City’s governing body to appropriate sufficient funds to fully fund all of its obligations to make loan repayments. In the event of default of OECD may 1) declare the Note due and any other amounts due and payable immediately, 2) foreclose liens or security interests, 3) bar the City from future awards, or 4) the State of Oregon may withhold amounts otherwise due the City and apply them to payments due under these loans.

2009A Series LOCAP Bonds – On June 18, 2009 the City entered into a purchase contract to participate in the League of Oregon Cities Cooperative Asset Financing Program Certificates of Participation, Series 2009A. This issue calls for annual repayments which include interest at 1.25 to 6%. Future annual debt service requirements to maturity for this bond issue are as follows:

	Principal	Interest	Total
2022	20,000	19,780	39,780
2023	20,000	18,660	38,660
2024	20,000	17,540	37,540
2025	20,000	16,420	36,420
2026	25,000	15,300	40,300
2027-31	135,000	54,900	189,900
2032-34	100,000	12,300	112,300
Total	\$ 340,000	\$154,900	\$ 494,900

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Under the terms of the Contract and related Financial Agreement events of default include 1) failing to make loan payments when due and 2) proceedings or petitions filed by or against the City under bankruptcy or insolvency laws and similar actions such as appointment of a receiver. In the event of default the Trustee may 1) without terminating the agreement declare payable all installment payments past due or due until the end of the City’s current budget year and 2) terminate the Agreement or accelerate all outstanding payments past due requiring the City to defease the agreement in its entirety.

IFA Safe Drinking Water Loan – In December 2015 the City entered in to a financing contract (the Contract) with the Infrastructure Financing Authority. Proceeds from the loan are being used for the 2017 Water Improvement Project, a project that is expected to be completed in the upcoming fiscal year. The total amount of the original loan was \$2,653,000 evidence by two Promissory Notes (the Notes). Upon completion of the project and satisfaction of certain other conditions, \$765,000 of the loan was forgiven.

The City received an extension of the loan beyond the original completion date of December 2018 and received an additional \$340,000 in loan proceeds from IFA to fund payments agreed to under mediation with contractors on the project primarily related to contractor claims of extra costs incurred by the contractors based on conditions occurring during construction.

The loan repayment term is 30 years with an interest rate of 1.00%. Repayment of principal on the loan is expected to begin in December, 2020 based on the extension of the loan and final draws under the original Contract. Future annual requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	43,713	43,505	87,218
2023	44,582	42,635	87,217
2024	45,470	41,748	87,218
2025	46,374	40,843	87,217
2026	47,297	39,920	87,217
2027-31	250,985	185,102	436,087
2032-36	276,972	159,115	436,087
2037-41	305,650	130,437	436,087
2042-46	337,296	98,790	436,086
2047-56	787,833	89,194	877,027
Total	<u>\$ 2,186,172</u>	<u>\$ 871,289</u>	<u>\$ 3,057,461</u>

Under the terms of the Contract with IFA and related Promissory Notes and City pledges its full faith and credit and taxing power within the Oregon Constitution to pay amounts due. Amounts due IFA are payable from all legally available funds of the City including the net revenues of the water system. The City is required to maintain a debt service ratio in the Water Fund on an annual basis based on the ratio of net operating revenue to debt service requirements on the IFA loans, debt senior to the IFA loans and certain other types of debt obligations.

Events of default include 1) failing to make loan payments when due, failing to make required payments on any other loan made by the State of Oregon or on any other Financing Document if the default is not cured within the grace period and 2) proceedings or petitions filed by or against the City under bankruptcy or insolvency laws and similar actions such as appointment of a receiver. In the event of default the IFA may terminate its obligation to make

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

further payments under the Contract, declare the Note due and any other amounts due and payable immediately, foreclose liens or security interests or bar the City from future awards.

IFA New Source Well Feasibility Study Loan – In September 2020, the City entered in to a financing contract with the Infrastructure Financing Authority (IFA) to finance a feasibility study for a new source well. The Study was completed. The total amount of the contract was \$40,000, \$20,000 of which was a grant and \$20,000 of which was loan proceeds.

The loan repayment term is 6 years with an interest rate of 1.99%. The project is expected to be completed in Fall 2020, with repayment of principal beginning in December, 2020 based on the extension of the loan and final draws under the original contract. The amount due under the loan portion of this arrangement was \$7,703 at June 30, 2021.

Under the terms of the Contract with IFA and related Promissory Notes the City pledges its full faith and credit and taxing power within the Oregon Constitution to pay amounts due. Amounts due IFA are payable from all legally available funds of the City including the net revenues of the water system. The recipient irrevocably pledges and grants to the lender a security interest in the net revenues to pay all of its obligations under this contract and the other financing documents. The City shall not incur, without the prior written consent of the lender, any obligation payable from or secured by a lien on and pledge of the net revenues that is on parity or superior to the lender's lien.

The City shall charge rates and fees in connection with the operation of the water system which, when combined with other gross revenues, are adequate to generate net revenues each fiscal year at least equal to one hundred twenty

percent (120%) of the annual debt service due in the fiscal year on (i) the Loan; and (ii) any outstanding obligations payable from or secured by a lien on and pledge of net revenues that is on parity with the lender's lien.

Events of default include 1) failing to make loan payments when due, failing to make required payments on any other loan made by the State of Oregon or on any other Financing Document if the default is not cured within the grace period and 2) proceedings or petitions filed by or against the City under bankruptcy or insolvency laws and similar actions such as appointment of a receiver. In the event of default the lender may terminate its obligation to make further payments under the contract, declare the note due and any other amounts due and payable immediately, foreclose liens or security interests or bar the City from future awards.

The City has no lines of credit or loan or financing commitments from other parties as of June 30, 2021.

8. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i. **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, and 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 benefits 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 1 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 2 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.
- ii. **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 contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **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.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

A member of the 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.

- ii. **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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **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.

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. The 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 state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$381,273, excluding amounts to fund employer specific liabilities. In addition approximately \$81,408 in employee contributions were paid or picked up by the City in fiscal 2021.

Pension Asset or Liability – At June 30, 2021, the City reported a net pension liability of \$3,235,142 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020 and 2019, the City's proportion was .015 percent and .016 percent, respectively. Pension expense for the year ended June 30, 2021 was \$398,823.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rates in effect for the year ended June 30, 2021 were:

- (1) Tier 1/Tier 2 – 34.57%
- (2) OPSRP general services – 28.18%

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 142,385	\$ -
Changes in assumptions	173,620	6,083
Net difference between projected and actual earnings on pension plan investments	380,411	-
Net changes in proportionate share	68,143	203,871
Differences between City contributions and proportionate share of contributions	<u>32,511</u>	<u>23,178</u>
Subtotal - Amortized Deferrals (below)	797,070	233,132
City contributions subsequent to measuring date	<u>381,273</u>	<u>-</u>
Deferred outflow (inflow) of resources	<u>\$ 1,178,343</u>	<u>\$ 233,132</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

Subtotal amounts related to pension as deferred outflows of resources, \$797,070, and deferred inflows of resources, (\$233,132), net to \$563,938 and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 145,822
2023	190,244
2024	154,202
2025	85,664
2026	(11,994)
Thereafter	-
Total	<u>\$ 563,938</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal 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 (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) 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.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded 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 with 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 Disabled 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 value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS CAFR; p. 102)

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. 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.

Asset	Target Allocatio	Compound (Geometric)
Core Fixed	9.60	4.07
Short-Term	9.60	3.68
Bank/Leveraged	3.60	5.19
High Yield	1.20	5.74
Large/Mid Cap US	16.17	6.30
Small Cap US	1.35	6.68
Micro Cap US	1.35	6.79
Developed Foreign	13.48	6.91
Emerging Market	4.24	7.69
Non-US Small Cap	1.93	7.25
Private	17.50	8.33
Real Estate	10.00	5.55
Real Estate	2.50	6.69
Hedge Fund of Funds -	1.50	4.06
Hedge Fund - Event-		5.59
Timbe	1.13	5.61
Farmlan	1.13	6.12
Infrastructur	2.25	6.67
Commoditi	1.13	3.79
<i>Assumed Inflation -</i>		<i>2.50%</i>

(Source: June 30, 2020 PERS CAFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 percent for both years for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the 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 calculated using the discount rate of 7.20 percent,

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 4,803,918	\$ 3,235,142	\$ 1,919,650

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available. There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP 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.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions:

Employees of the City pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSERP members earning \$2,500 or more per month will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSERP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The City did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

9. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (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 after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

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 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. 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 OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFIT PLAN – RHIA (CONTINUED)

fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The City's contributions to RHIA are included in PERS contributions for all reporting years and equaled the required contributions each year.

At June 30, 2021, the City reported a net OPEB liability/(asset) of (\$18,995) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), the City's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2020 and 2019, the City's proportion was .034 and .026 percent respectively. OPEB revenue for the year ended June 30, 2021 was \$2,450.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$	(3,055)
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		1,195
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	<u>\$</u>	<u>(1,860)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	1,942
Changes in assumptions	-	1,010
Net difference between projected and actual earnings on pension plan investments	2,112	-
Net changes in proportionate share and differences between City contributions and proportionate share of contributions	3,451	693
Differences between employer contributions and proportionate share of contributions	-	-
Subtotal - Amortized deferrals (below)	<u>\$ 5,563</u>	<u>3,645</u>
City contributions subsequent to measurement date	N/A	-
Net deferred outflow (inflow) of resources	<u>\$ 5,563</u>	<u>\$ 3,645</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2022.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFIT PLAN – RHIA (CONTINUED)

Subtotal amounts related to OPEB as deferred outflows of resources, \$5,563, and deferred inflows of resources, (\$3,645), net to \$1,918 and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2022	\$ (700)
2023	1,172
2024	781
2025	665
2026	-
Thereafter	-
Total	\$ 1,918

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2020. That independently audited report was dated March 12, 2021 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. 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 Disabled 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 value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFIT PLAN – RHIA (CONTINUED)

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 and 7.20 percent, respectively. 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.

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. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS CAFR; p. 74)

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFIT PLAN – RHIA (CONTINUED)

Sensitivity of the City’s proportionate share of the net OPEB liability/(asset) 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 pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	Decrease (6.20%)	Rate (7.20%)	Increase (8.20%)
City's proportionate share of the net OPEB liability (asset)	\$ (15,336)	\$ (18,995)	\$ (22,125)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HEALTH BENEFITS

The City operates a single-employer retiree benefit plan that provides access to post-employment health benefits to eligible employees and their spouses. Benefits and eligibility for members are established through the collective bargaining agreements.

The City’s post-retirement health insurance program was established in accordance with ORS 243.303. ORS stipulates that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree health insurance premiums, represents the City’s implicit employer contribution. The plan is currently unfunded in accordance with GASB Statement No. 75.

At June 30, 2021, the following employees were covered by the benefit terms:

Active Employees	22
Eligible Employees	0
Soupuces of Ineligible Retirees	0
Total Participants	22

The City’s total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HEALTH BENEFITS (CONTINUED)

Valuation Date	July 1, 2019 rolled forward to June 30, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.21% for results as of June 30, 2020 measurement date. Which reflects the Bond Buyer 20-year General Obligation Bond Index. Reporting Dates follow measurement dates by one full year.
Health Care Cost Trend	Dental and Vision: 4.00% per year Health cost trend affects both the projected health care costs as well as the projected health care premiums.
Annual Premium Increase Rate	6.5% increase in 2019-20 which later increases reducing annually by 0.1% to 5.0% and stable thereafter.
Inflation Rate	2.5% per year, used to develop other economic assumptions
Salary Scale	3.5% per year

Changes in Total OPEB Liability:

Total OPEB Liability at June 30, 2020	\$87,466
Changes for the year:	
Service Cost	10,711
Interst	3,405
Changes of Benefit Terms	-
Differences between expected and actual experience	(18,191)
Changes of assumption or other inputs	(749)
Benefit Payments	<u>(1,802)</u>
Net Changes	<u>(6,626)</u>
Total OPEB Liability at June 30, 2021	<u>\$80,840</u>

Sensitivity of the total OPEB Liability to changes in discount rate: the following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate 1 percentage point higher and lower than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HEALTH BENEFITS (CONTINUED)

Discount Rate Sensitivity:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability, as of June 30, 2021	\$ 88,448	\$ 80,840	\$ 73,748
	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability, as of June 30, 2021	\$ 69,427	\$ 80,840	\$ 94,650

Schedule of Deferred Inflows and Outflows of Resources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (46,257)	\$ -
Changes in assumptions	(11,412)	2,134
Benefit Payments	-	924
Total as of June 30, 2021	\$ (57,669)	\$ 3,058

Subtotal amounts related to OPEB as deferred outflows of resources, \$2,134, and deferred inflows of resources, (\$57,669), net to \$(55,535) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2022	\$ (8,094)
2023	(8,094)
2024	(8,094)
2025	(8,094)
2026	(8,094)
Thereafter	(15,065)
Total	\$ (55,535)

Actuarial calculations of the OPEB plan reflect a long-term perspective and actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

11. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for the past three fiscal years.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

12. INTERFUND TRANSFERS AND BALANCES

Transfers were made during the year to fund operations and reserves. Interfund loans were made and repaid during the year to fund operations and capital outlay. Transfers and interfund loan balances are comprised as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 631,085	\$ 179,292	\$ -	\$ 84,000
Street Fund	2,000	44	-	-
Emergency Services Fund	-	613,151	-	-
Other Governmental Funds	-	8,319	-	-
Water Fund	183,100	7,347	4,500	-
Wastewater Fund	-	8,032	79,500	-
	<u>\$ 816,185</u>	<u>\$ 816,185</u>	<u>\$ 84,000</u>	<u>\$ 84,000</u>

13. PROPERTY TAX LIMITATIONS

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. The limitation provides that property taxes for non-school operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. An additional limit reduces the amount of operating property tax revenues available. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

14. COMMITMENTS & CONTINGENCIES

Substantially all amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the management expects such amounts, if any, to be immaterial.

As of June 30, 2021, the City did not have any outstanding contract commitments or contingencies.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the City's finances is not determinable.

CITY OF OAKRIDGE
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. RESTATEMENT OF NET POSITION

Due to the current actuarial valuation of City's OPEB-RHIA benefits for GASB Statement No. 75, a restatement of the prior year net position was required to record the RHIA asset at the prior measurement date. The restatement is as follows:

Net Position - Beginning as previously reported	\$ 5,705,022
Change in June 30, 2020 RHIA Asset	<u>18,463</u>
Net Position - Beginning as restated	<u>\$ 5,723,485</u>

CITY OF OAKRIDGE
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS**

For the Year Ended June 30, 2021

<u>GENERAL FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Property Taxes	\$ 1,096,000	\$ 1,096,000	\$ 1,139,368	\$ 43,368
Franchise and License Fees	198,000	198,000	188,864	(9,136)
Charges for Services	595,900	595,900	595,900	-
Licenses, Permits, Miscellaneous Taxes	223,200	223,200	238,731	15,531
Intergovernmental Revenues	186,400	186,400	177,066	(9,334)
Planning Fees	2,000	2,000	30	(1,970)
Fines and Forfeitures	88,000	88,000	42,842	(45,158)
Interest	7,000	7,000	13,246	6,246
Grants and Donations	163,000	163,000	440,461	277,461
Rentals and Leases	18,000	18,000	15,599	(2,401)
Miscellaneous	12,800	12,800	52,958	40,158
Total Revenue	<u>2,590,300</u>	<u>2,590,300</u>	<u>2,905,065</u>	<u>314,765</u>
EXPENDITURES:				
Administrative	872,100	872,100	(1) 771,877	100,223
Building/Planning	111,500	111,500	(1) 105,841	5,659
Police	1,057,897	1,057,897	(1) 1,092,678	(34,781)
Library	34,300	34,300	(1) 38,302	(4,002)
Parks	253,500	253,500	(1) 220,711	32,789
Willamette Activity Center (WAC)	65,500	65,500	(1) 60,182	5,318
Municipal Court	83,200	83,200	(1) 73,404	9,796
Not Allocated:				
Materials & Services	59,000	59,000	(1) 80,807	(21,807)
Total Expenditures	<u>2,536,997</u>	<u>2,536,997</u>	<u>2,443,802</u>	<u>93,195</u>
Excess of Revenues Over, (Under) Expenditures	<u>53,303</u>	<u>53,303</u>	<u>461,263</u>	<u>407,960</u>
OTHER FINANCING SOURCES, (USES):				
Interfund Loan Proceeds	565,297	565,297	405,000	(160,297)
Interfund Loan Payments	(144,000)	(144,000)	(1) (95,000)	49,000
Transfers In	120,000	120,000	177,292	57,292
Transfers Out	(619,600)	(619,600)	(1) (631,085)	(11,485)
Total Other Financing Sources, (Uses)	<u>(78,303)</u>	<u>(78,303)</u>	<u>(143,793)</u>	<u>(65,490)</u>
Net Change in Fund Balance	(25,000)	(25,000)	317,470	342,470
Beginning Fund Balance	25,000	25,000	6,140	(18,860)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>323,610</u>	<u>\$ 323,610</u>

Reconciliation to Governmental Fund Balance as required by GASB 54 - Ending Fund Balance:

Interfund Loan to Water/Sewer	(84,000)
Woodstove Replacement Fund	21,303
Bicycle / Pedestrian Path Fund	8,076
Fund Balance as required by GASB 54	<u>\$ 268,989</u>

(1) Appropriation Level

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS**

For the Year Ended June 30, 2021

	<u>STREET FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Gas Taxes	\$ 235,000	\$ 235,000	\$ 243,149	\$ 8,149
Licenses, Permits, Miscellaneous Taxes	60,000	60,000	109,495	49,495
Charges for Services	13,000	13,000	14,500	1,500
Assesments	5,400	5,400	4,599	(801)
Miscellaneous	<u>101,500</u>	<u>101,500</u>	<u>10,171</u>	<u>(91,329)</u>
Total Revenues	<u>414,900</u>	<u>414,900</u>	<u>381,914</u>	<u>(32,986)</u>
EXPENDITURES:				
Personal Services	130,500	130,500	113,361	17,139
Materials & Services	260,400	260,400	196,043	64,357
Capital Outlay	<u>145,000</u>	<u>145,000</u>	<u>315</u>	<u>144,685</u>
Total Street Program	<u>535,900</u>	<u>535,900</u>	(1) <u>309,719</u>	<u>(226,181)</u>
Excess of Revenues Over, (Under) Expenditures	<u>(121,000)</u>	<u>(121,000)</u>	<u>72,195</u>	<u>193,195</u>
OTHER FINANCING SOURCES, (USES):				
Transfer In	82,000	82,000	44	(81,956)
Transfer Out	<u>(2,000)</u>	<u>(2,000)</u>	(1) <u>(2,000)</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>80,000</u>	<u>80,000</u>	<u>(1,956)</u>	<u>(81,956)</u>
Net Change in Fund Balance	(41,000)	(41,000)	70,239	111,239
Beginning Fund Balance	<u>41,000</u>	<u>41,000</u>	<u>103,040</u>	<u>62,040</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,279</u>	<u>\$ 173,279</u>

(1) Appropriation Level

CITY OF OAKRIDGE
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2021

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>BUDGET</u>	<u>BUDGET</u>		<u>TO FINAL</u>
				<u>BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<u>EMERGENCY SERVICES FUND</u>				
REVENUES:				
Charges for Services	\$ 437,000	\$ 437,000	\$ 554,413	\$ 117,413
Intergovernmental Revenue	91,800	91,800	93,039	1,239
Interest	-	-	35	35
Miscellaneous	22,000	22,000	59,405	37,405
Total Revenues	<u>550,800</u>	<u>550,800</u>	<u>706,892</u>	<u>156,092</u>
EXPENDITURES:				
Personal Services	671,800	671,800	695,264	(23,464)
Materials & Services	427,000	427,000	475,874	(48,874)
Capital Outlay	16,600	16,600	38,738	(22,138)
Total Emergency Medical Services	<u>1,115,400</u>	<u>1,115,400</u>	<u>1,209,876</u>	<u>(94,476)</u>
Excess of Revenues Over, (Under) Expenditures	<u>(564,600)</u>	<u>(564,600)</u>	<u>(502,984)</u>	<u>61,616</u>
OTHER FINANCING SOURCES, (USES):				
Transfers In	<u>564,600</u>	<u>564,600</u>	<u>613,151</u>	<u>48,551</u>
Total Other Financing Sources, (Uses)	<u>564,600</u>	<u>564,600</u>	<u>613,151</u>	<u>48,551</u>
Net Change in Fund Balance	-	-	110,167	110,167
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>18,834</u>	<u>18,834</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,001</u>	<u>\$ 129,001</u>

(1) Appropriation Level

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.015 %	\$ 3,235,142	\$ 1,396,650	231.6 %	75.8 %
2020	0.016	2,846,143	1,292,592	220.2	80.2
2019	0.016	2,463,547	1,217,781	202.3	82.1
2018	0.015	2,023,247	1,179,331	171.6	83.1
2017	0.016	2,335,232	1,131,680	206.4	80.5

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 381,273	\$ 381,273	\$ -	\$ 1,395,668	27.3 %
2020	356,340	356,340	-	1,396,650	25.5
2019	329,874	329,874	-	1,292,592	25.5
2018	218,306	218,306	-	1,217,781	17.9
2017	214,396	214,396	-	1,179,331	18.2

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY) FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/(liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/(liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.009 %	\$ 18,995	\$ 1,396,650	1.36 %	150.1 %
2020	0.013	24,519	1,292,592	1.90	144.4
2019	0.010	11,466	1,217,781	0.94	124.0
2018	0.011	4,653	1,179,331	0.39	108.9
2017	0.011	(3,232)	N/A	N/A	90.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Amounts for covered payroll (c) use the prior year's data to match the measurement data used by the OPEB plan for each year.

SCHEDULE OF CONTRIBUTIONS FOR RHIA

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ N/A	\$ N/A	\$ N/A	\$ 1,395,668	N/A %
2020	N/A	N/A	N/A	1,396,650	N/A
2019	N/A	N/A	N/A	1,292,592	N/A
2018	N/A	N/A	N/A	1,217,781	N/A
2017	N/A	N/A	N/A	1,179,331	N/A

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

All statutorily required contributions were made and are included within PERS contributions (see p. 49).

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Health Insurance OPEB:

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Experience Gain/Loss	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2021	\$ 87,466	\$ 10,711	\$ 3,405	\$ -	\$ (749)	\$ (18,191)	\$ (1,802)	\$ 80,840	\$ 1,395,668	5.8%
2020	72,493	9,601	3,167	-	2,712	-	(507)	87,466	1,396,650	6.3%
2019	108,969	14,003	4,366	-	(8,801)	(44,007)	(2,037)	72,493	1,292,592	5.6%
2018	99,538	14,929	3,251	-	(7,916)	-	(833)	108,969	1,217,781	8.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2021	\$ N/A	\$ N/A	\$ N/A	\$ 1,395,668	N/A
2020	N/A	N/A	N/A	1,396,650	N/A
2019	N/A	N/A	N/A	1,292,592	N/A
2018	N/A	N/A	N/A	1,217,781	N/A

The above table presents the most recent actuarial valuations for the District's post-retirement pension stipend and it provides information that approximates the funding

CITY OF OAKRIDGE
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS**

June 30, 2021

	<u>CAPITAL PROJECTS FUNDS</u>		<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
	<u>INDUSTRIAL PARK FUND</u>	<u>WATER CAPITAL RESERVE FUND</u>	<u>WATER BOND RESERVE FUND</u>	
ASSETS:				
Cash and Investments	\$ 587,465	\$ 29,040	\$ -	\$ 616,505
Restricted Cash and Investments	-	-	120,683	120,683
Accounts Receivable	3,020	-	-	3,020
Note Receivable	21,614	-	-	21,614
Total Assets	<u>\$ 612,099</u>	<u>29,040</u>	<u>120,683</u>	<u>\$ 761,822</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 1,904	\$ -	\$ -	\$ 1,904
Payroll Liabilities	277	-	-	277
Unearned Revenue	16,600	-	-	16,600
Total Liabilities	<u>18,781</u>	<u>-</u>	<u>-</u>	<u>18,781</u>
Deferred Inflows:				
Unavailable Revenue - Notes Receivable	22,453	-	-	22,453
Total Deferred Inflows	<u>22,453</u>	<u>-</u>	<u>-</u>	<u>22,453</u>
Fund Balances:				
Assigned	570,865	29,040	120,683	720,588
Total Fund Balances	<u>570,865</u>	<u>29,040</u>	<u>120,683</u>	<u>720,588</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 612,099</u>	<u>\$ 29,040</u>	<u>\$ 120,683</u>	<u>\$ 761,822</u>

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021**

	<u>CAPITAL PROJECTS FUNDS</u>		<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
	<u>INDUSTRIAL PARK FUND</u>	<u>WATER CAPITAL RESERVE FUND</u>	<u>WATER BOND RESERVE FUND</u>	
REVENUES:				
Interest	\$ 1,347	\$ -	\$ -	\$ 1,347
Rental Income	83,458	-	-	83,458
Miscellaneous	23,651	-	-	23,651
Loan Receivable - Tanner Rite	9,157	-	-	9,157
Total Revenues	<u>117,613</u>	<u>-</u>	<u>-</u>	<u>117,613</u>
EXPENDITURES:				
Personal Services	16,481	-	-	16,481
Materials & Services	89,607	-	-	89,607
Capital Outlay	23,836	-	-	23,836
Total Expenditures	<u>129,924</u>	<u>-</u>	<u>-</u>	<u>129,924</u>
Excess of Revenues Over, (Under) Expenditures	<u>(12,311)</u>	<u>-</u>	<u>-</u>	<u>(12,311)</u>
OTHER FINANCING SOURCES, (USES):				
Transfers In	2,511	5,808	-	8,319
Total Other Financing Sources, (Uses)	<u>2,511</u>	<u>5,808</u>	<u>-</u>	<u>8,319</u>
Net Change in Fund Balance	<u>(9,800)</u>	<u>5,808</u>	<u>-</u>	<u>(3,992)</u>
Beginning Fund Balance	<u>580,665</u>	<u>23,232</u>	<u>120,683</u>	<u>724,580</u>
Ending Fund Balance	<u>\$ 570,865</u>	<u>\$ 29,040</u>	<u>\$ 120,683</u>	<u>\$ 720,588</u>

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2021**

<u>OAKRIDGE INDUSTRIAL PARK FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Interest	\$ 1,800	\$ 1,800	\$ 1,347	\$ (453)
Loan Repayments	11,000	11,000	9,157	(1,843)
Rental Income	71,000	71,000	83,458	12,458
Miscellaneous	-	-	23,651	23,651
Total Revenues	83,800	83,800	117,613	33,813
EXPENDITURES:				
Oakridge Industrial Park	-	-	-	-
Personal Services	19,100	19,100	16,481	2,619
Materials & Services	80,000	80,000	89,607	(9,607)
Capital Outlay	184,800	184,800	23,836	160,964
Contingency	40,000	40,000	-	40,000
Total Expenditures	323,900	323,900 (1)	129,924	193,976
Excess of Revenues Over, (Under) Expenditures	(240,100)	(240,100)	(12,311)	227,789
OTHER FINANCING SOURCES, (USES):				
Proceeds from Sale of Assets	500	500	-	500
Transfer In	144,000	144,000	2,511	141,489
Transfer Out	(180,000)	(180,000) (1)	-	180,000
Total Other Financing Sources, (Uses)	(35,500)	(35,500)	2,511	321,989
Net Change in Fund Balance	(275,600)	(275,600)	(9,800)	265,800
Beginning Fund Balance	457,000	457,000	580,665	123,665
Ending Fund Balance	\$ 181,400	\$ 181,400	\$ 570,865	\$ 389,465

(1) Appropriation Level

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2021**

<u>WATER CAPITAL RESERVE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
OTHER FINANCING SOURCES, (USES):				
Transfers In	\$ 5,808	\$ 5,808	\$ 5,808	\$ -
Total Other Financing Sources, (Uses)	<u>5,808</u>	<u>5,808</u>	<u>5,808</u>	<u>-</u>
Net Change in Fund Balance	5,808	5,808	5,808	-
Beginning Fund Balance	<u>23,232</u>	<u>23,232</u>	<u>23,232</u>	<u>-</u>
Ending Fund Balance	<u>\$ 29,040</u>	<u>\$ 29,040</u>	<u>\$ 29,040</u>	<u>\$ -</u>

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2021**

	<u>WATER BOND RESERVE FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	<u>120,683</u>	<u>120,683</u>	<u>120,683</u>	<u>-</u>
Ending Fund Balance	<u>\$ 120,683</u>	<u>\$ 120,683</u>	<u>\$ 120,683</u>	<u>\$ -</u>

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2021**

<u>WOODSTOVE REPLACEMENT FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
EXPENDITURES				
Materials & Services	\$ -	\$ - (1)	\$ 1,010	\$ (1,010)
Total Expenditures	-	-	1,010	(1,010)
Excess of Revenues, Over (Under) Expenditures	-	-	(1,010)	(1,010)
Net Change in Fund Balance	-	-	(1,010)	(1,010)
Beginning Fund Balance	17,312	17,312	22,313	5,001
Ending Fund Balance	<u>\$ 17,312</u>	<u>\$ 17,312</u>	<u>\$ 21,303</u>	<u>\$ 3,991</u>

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 because there were no substantial restricted or committed revenues.

(1) Appropriation Level

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2021**

<u>BICYCLE / PEDESTRIAN PATH FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
Contingency	\$ 8,076	\$ 8,076 (1)	\$ -	\$ 8,076
Total Expenditures	<u>8,076</u>	<u>8,076</u>	<u>-</u>	<u>8,076</u>
Excess of Revenues Over, (Under) Expenditures	<u>(8,076)</u>	<u>(8,076)</u>	<u>-</u>	<u>(8,076)</u>
OTHER FINANCING SOURCES, (USES):				
Transfer In	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net Change in Fund Balance	(6,076)	(6,076)	2,000	8,076
Beginning Fund Balance	<u>6,076</u>	<u>6,076</u>	<u>6,076</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,076</u>	<u>\$ 8,076</u>

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 because there were no substantial restricted or committed revenues.

(1) Appropriation Level

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2021**

	<u>WATER FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Charges for Services	\$ 1,179,000	\$ 1,179,000	\$ 1,121,798	\$ (57,202)
Miscellaneous	1,500	1,500	5,240	3,740
Total Revenues	<u>1,180,500</u>	<u>1,180,500</u>	<u>1,127,038</u>	<u>(53,462)</u>
EXPENDITURES:				
Personal Services	240,400	240,400	224,286	16,114
Materials & Services	366,200	366,200	337,195	29,005
Capital Outlay	750,000	750,000	605	749,395
Total Water Utility	1,356,600	1,356,600	(1) 562,086	794,514
Debt Service	227,300	227,300	(1) 228,485	(1,185)
Contingency	48,792	48,792	(1) -	48,792
Total Expenditures	<u>1,632,692</u>	<u>1,632,692</u>	<u>790,571</u>	<u>842,121</u>
Excess of Revenues Over, (Under) Expenditures	<u>(452,192)</u>	<u>(452,192)</u>	<u>336,467</u>	<u>788,659</u>
OTHER FINANCING SOURCES, (USES):				
Loan Proceeds	750,000	750,000	1,022	(748,978)
Interfund Loan Payments	(255,297)	(255,297)	(1) (255,000)	297
Transfers In	-	-	7,347	7,347
Transfer Out	(152,808)	(152,808)	(1) (183,100)	(30,292)
Total Other Financing Sources	<u>341,895</u>	<u>341,895</u>	<u>(429,731)</u>	<u>(771,626)</u>
Net Change in Fund Balance	<u>(110,297)</u>	<u>(110,297)</u>	<u>(93,264)</u>	<u>17,033</u>
Beginning Fund Balance	<u>214,000</u>	<u>214,000</u>	<u>243,134</u>	<u>29,134</u>
Ending Fund Balance	<u>\$ 103,703</u>	<u>\$ 103,703</u>	<u>149,870</u>	<u>\$ 46,167</u>
Reconciliation to Net Position:				
Capital Assets, net of depreciation			5,504,526	
Interfund Loan to PD			4,500	
Net Pension Liability			(316,512)	
Pension Related Deferred Outflows			117,564	
Pension Related Deferred Inflows			(22,312)	
Net OPEB Liability			(8,039)	
OPEB Related Deferred Outflows			289	
OPEB Related Deferred Inflows			(5,709)	
Net RHIA Asset			1,596	
RHIA Related Deferred Outflows			724	
RHIA Related Deferred Inflows			(306)	
Accrued Interest			(24,688)	
Long Term Debt			(4,394,585)	
Compensated Absences			(24,187)	
Total Net Position			<u>\$ 982,731</u>	

(1) Appropriation Level

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2021**

<u>WASTEWATER FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Charges for Service	\$ 728,400	\$ 728,400	\$ 725,961	\$ (2,439)
Miscellaneous	2,500	2,500	4,404	1,904
Total Revenues	<u>730,900</u>	<u>730,900</u>	<u>730,365</u>	<u>(535)</u>
EXPENDITURES:				
Personal Services	276,700	276,700	248,030	28,670
Materials & Services	269,000	269,000	236,050	32,950
Capital Outlay	147,000	147,000	38,959	108,041
Total Wastewater Utility	<u>692,700</u>	<u>692,700</u> (1)	523,039	169,661
Debt Service	17,800	17,800	(1) 17,578	222
Contingency	37,000	37,000	(1) -	37,000
Total Expenditures	<u>747,500</u>	<u>747,500</u>	<u>540,617</u>	<u>206,883</u>
Excess of Revenues Over, (Under) Expenditures	<u>(16,600)</u>	<u>(16,600)</u>	<u>189,748</u>	<u>206,348</u>
OTHER FINANCING SOURCES, (USES):				
Interfund Loan Proceeds	-	-	95,000	95,000
Interfund Loan Payments	(130,000)	(130,000)	(1) (150,000)	(20,000)
Transfers In	-	-	8,032	8,032
Total Other Financing Sources, (Uses)	<u>(130,000)</u>	<u>(130,000)</u>	<u>(46,968)</u>	<u>83,032</u>
Net Change in Fund Balance	<u>(146,600)</u>	<u>(146,600)</u>	<u>142,780</u>	<u>289,380</u>
Beginning Fund Balance	<u>200,000</u>	<u>200,000</u>	<u>186,906</u>	<u>(13,094)</u>
Ending Fund Balance	<u>\$ 53,400</u>	<u>\$ 53,400</u>	<u>329,686</u>	<u>\$ 276,286</u>
Reconciliation to Net Position:				
Capital Assets, net of depreciation			773,204	
Interfund Loan to GF			79,500	
Net Pension Liability			(345,940)	
Pension Related Deferred Outflows			128,502	
Pension Related Deferred Inflows			(24,510)	
Net OPEB Liability			(8,767)	
OPEB Related Deferred Outflows			313	
OPEB Related Deferred Inflows			(6,247)	
Net RHIA Asset			2,203	
RHIA Related Deferred Outflows			1,000	
RHIA Related Deferred Inflows			(423)	
Long Term Debt			(170,000)	
Compensated Absences			(15,234)	
Total Net Position			<u>\$ 743,287</u>	

(1) Appropriation Level

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2021**

<u>STORM WATER FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Charges for Services	\$ 27,600	\$ 27,600	\$ 28,291	\$ 691
Total Revenues	<u>27,600</u>	<u>27,600</u>	<u>28,291</u>	<u>691</u>
EXPENDITURES:				
Materials & Services	<u>19,800</u>	<u>19,800</u>	<u>17,353</u>	<u>2,447</u>
Total Stormwater Utility	19,800	19,800 (1)	17,353	2,447
Contingency	<u>22,800</u>	<u>22,800</u> (1)	<u>-</u>	<u>22,800</u>
Total Expenditures	<u>42,600</u>	<u>42,600</u>	<u>17,353</u>	<u>25,247</u>
Net Change in Fund Balance	(15,000)	(15,000)	10,938	25,938
Beginning Fund Balance	<u>15,000</u>	<u>15,000</u>	<u>29,992</u>	<u>14,992</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,930</u>	<u>\$ 40,930</u>
Reconciliation to Net Position:				
Capital Assets, net of depreciation			<u>117,970</u>	
Total Net Position			<u>\$ 158,900</u>	

(1) Appropriation Level

**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2021**

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
Current:					
CURRENT: 2020-21	\$ 1,175,915	31,290	(2,978)	1,122,339	\$ 19,714
PRIOR:					
2019-20	21,757	(22)	(1,695)	10,053	10,806
2018-19	9,223	(8)	(1,212)	4,645	4,235
2017-18	4,957	(2)	(1,039)	2,919	1,827
2016-17	2,112	(1)	(532)	1,274	745
PRIOR:	5,090	-	(983)	503	4,877
Total Prior	43,139	(33)	(5,461)	19,394	22,490
Total All Funds	\$ 1,219,054	\$ 31,257	\$ (8,439)	\$ 1,141,733	\$ 42,204

RECONCILIATION TO REVENUE:	GENERAL FUND
Cash Collections by County Treasurer Above	\$ 1,141,733
Accrual of Receivables:	
June 30, 2020	(4,542)
June 30, 2021	2,428
Other adjustments	1,742
Total Revenue	\$ 1,141,361

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**CITY OF OAKRIDGE
LANE COUNTY, OREGON**

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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May 2, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Oakridge as of and for the year ended June 30, 2021, and have issued our report thereon dated May 2, 2022. 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 basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of basic 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.**
- **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).**
- **Programs funded from outside sources.**

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

1. When reviewing the 2021-22 budget, it was noted that the City published a notice of the Budget hearing on June 14, 2021 when the Budget Hearing was held on June 17, 2021. Oregon Budget Law requires that the notice of a Budget Hearing be advertised 5-30 days prior to the meeting according to ORS 294.448(2).
2. Expenditures were within authorized appropriations except as noted on page 17.

OAR 162-10-0230 Internal Control

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

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated May 2, 2022.

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



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.