

**CITY OF BANDON
BANDON, OREGON**

**ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED JUNE 30, 2022



Certified Public Accountants, LLP
audit | tax | advisory | wealth management | cfo

**CITY OF BANDON
BANDON, OREGON
YEAR ENDED JUNE 30, 2022**

CITY COUNCIL	TERM EXPIRES
Mary Schamehorn - Mayor	December 31, 2022
Peter Braun	December 31, 2022
Brian Vick	December 31, 2024
Chris Powell	December 31, 2022
Geri Procetto	December 31, 2024
Geoff Smith	December 31, 2024
Madeline Seymour – Council President	December 31, 2022

All council members and city personnel receive mail at the address listed below:

OFFICIALS
Dan Chandler, City Manager
&
Paula Burris, Finance Director
PO Box 67
Bandon, Oregon 97411

**CITY OF BANDON
BANDON, OREGON
YEAR ENDED JUNE 30, 2022**

Table of Contents

	<u>Page</u>
Independent Auditor’s Report	A-1–A-3
Management’s Discussion and Analysis	B-1–B-7
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Government Funds	3-4
Reconciliation of Balance Sheet to the Statement of Net Position	5
Statement of Revenues, Expenditures, and Changes in Fund Balances	6-7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	8
Statement of Net Position – Enterprise Funds	9
Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Funds	10
Statement of Cash Flows – Enterprise Funds	11
Notes to the Basic Financials Statements	12-49
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance –Budget and Actual:	
General Fund	50-51
Urban Renewal District No. 1 Fund	52
Schedule of the City’s Proportionate Share of Net Pension Liability / (Asset) and Schedule of the City’s Contributions for PERS	53
Schedule of the City’s Proportionate Share of the Net OPEB Liability / (Asset) and Schedule of Contributions – Retirement Health Insurance Account	54
Schedule of Changes in Total OPEB Liability and Related Ratios – Health Insurance Account	55
Other Supplementary Information	
Major Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (non-U.S. GAAP budgetary basis) and Actual	
12th Court LID Debt Service Fund	56
General Obligation Bonds Debt Service Fund	57
Local Option Street Fund	58
Nonmajor Governmental Funds	59–60
Combining Balance Sheet – Nonmajor Governmental Funds	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	62

Table of Contents (continued)

Page

Other Supplementary Information (continued)

Nonmajor Governmental Funds (continued)

Special Revenue Funds

Sub-Combining Balance Sheet	63-64
Sub-Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	65-66
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
State Tax Street Fund	67
Library Memorial Fund	68
Library Fund	69
Community Beautification Fund	70
State Revenue Sharing Fund	71
Block Grant Fund	72
Police Reserve Fund	73

Debt Service Funds

Sub-Combining Balance Sheet	74
Sub-Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
2000 Street & Sewer LID Fund	76
Local Improvement District Debt Service Fund	77

Capital Projects Funds

Sub-Combining Balance Sheet	78
Sub-Combining Statements of Revenues, Expenditures, and Changes in Fund Balance	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Capital Improvement Fund	80
Urban Renewal District No. 2 Fund	81
Parks and Recreation Development Fund	82
Street SDC Reimbursement Fund	83
Street SDC Improvement Fund	84
Storm Drain SDC Reimbursement Fund	85
Storm Drain SDC Improvement Fund	86

Enterprise Funds 87

Sewer Funds

Sub-Combining Schedule of Net Position	88
Sub-Combining Schedule of Revenues, Expenses, and Changes in Net Position	89
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (non- U.S. GAAP budgetary basis) and Actual:	
Sewer Fund	90
Sewer SDC Reimbursement Fund	91
Sewer SDC Improvement Fund	92
Sewer Plant Reserve Fund	93

Table of Contents (continued)

Page

Other Supplementary Information (continued)

Enterprise Funds (continued)

Water funds

Sub-Combining Schedule of Net Position 94

Sub-Combining Schedule of Revenues, Expenses, and Changes in Net Position 95

Schedule of Revenues, Expenses, and Changes in Net Position –

Budget (non- U.S. GAAP budgetary basis) and Actual:

Water Fund 96

Water SDC Reimbursement Fund 97

Water SDC improvement Fund 98

Water Plant Improvement Fund 99

Water Plant Reserve Fund 100

Electric fund

Schedule of Net Position 101

Schedule of Revenues, Expenses, and Changes in Net Position 102

Schedule of Revenues, Expenses, and Changes in Net Position – Budget (non- U.S. GAAP budgetary basis) and Actual – Electric Fund 103

Independent Auditor's Report Required by Oregon State Regulations

104-105

INDEPENDENT AUDITOR'S REPORT

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Bandon, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bandon, Oregon (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

The general fund and major special revenue fund budgetary comparison information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund and major special revenue fund budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the Table of Contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Oregon State Regulations

In accordance with Oregon State Regulations, we have also issued our report dated February 24, 2023 on our consideration of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-0000 through 162-10-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Donald F. Ewalt, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
February 24, 2023

THIS PAGE INTENTIONALLY LEFT BLANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF BANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The management of the City of Bandon, Oregon (City) presents this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. This Management's Discussion and Analysis is intended to be an easily readable analysis of the City's financial activities based on currently known facts, decisions, and conditions. It focuses on current year activities and should be read in conjunction with the financial statements that follow. The report consists of government-wide statements, fund financial statements, notes to the basic financial statements, and supplementary information.

Financial Highlights

Total assets of the City of Bandon exceeded its liabilities by \$41.9 million (reported as net position). Of this amount, \$3.8 million was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the City's ongoing obligations to citizens and creditors. The City's governmental funds reported combined ending fund balances of \$8.4 million, of which \$2.2 million was unassigned. During the current fiscal year, the City's net position increased by \$3.1 million while total debt increased by \$4.6 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The focus is on both the City as a whole (government-wide) and the major individual funds. The dual perspectives allow the reader to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

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

The statement of net position presents information on all of the City's assets and liabilities with the difference between the two reported as net position (or deficit net position if liabilities exceed assets). 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period (e.g., uncollected property taxes and earned but unused vacation time). The statement of activities is focused on both the gross and net cost of various activities (including governmental and business-type activities). This statement is intended to summarize and simplify the reader's analysis of the revenues and costs of various City activities and the degree to which activities are subsidized by general revenues.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include administrative and financial accounting services, library, culture and recreational services, planning and development, police, and public works (streets and storm drain projects). The business-type activities of the City include water, electric and wastewater utilities.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Urban Renewal Agency (URA) for which the City is financially accountable. Although legally separate, the URA's governing body is identical to the City's, and because the services of the URA are exclusively for the benefit of the City, it is included as an integral part of the primary government. Complete financial statements for the URA may be obtained from the City of Bandon, Finance Department, PO Box 67, Bandon, OR 97411. The government-wide financial statements can be found in the basic financial statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal 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 essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found in the basic financial statements.

The City maintains twenty-six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds and an aggregate total for all other non-major governmental funds. The City's major governmental funds are the General Fund, the Urban Renewal District No. 1 Fund, the Local Option Street Fund, the General Obligation Bond Fund, and the 12th Court Local Improvement Districts (LID) Debt Service Fund. Summary fund data by fund-type for the non-major governmental funds is provided in the form of combining statements and sub-combining schedules. Individual fund data for each of these non-major governmental funds is provided as other supplementary information.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for General Fund as required supplementary information. Budgetary comparisons for all other governmental funds have been provided as other supplementary information. The governmental fund financial statements can be found in the basic financial statements.

Proprietary funds. The City maintains one type of proprietary fund, enterprise funds. Enterprise funds are used to report the same functions that are presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, and electric utility operations. The enterprise funds are reported separately as proprietary fund financial statements in the basic financial statements.

The City adopts an annual appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise funds as other supplementary information. The proprietary fund financial statements can be found in the basic financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

Required supplementary information. In addition to this discussion and analysis, this report also presents required supplementary information of budgetary comparison for the General Fund.

Other supplementary information. The combining statements and schedules for the non-major funds, debt service funds, capital projects funds, and the enterprise funds follow the required supplementary information in this report.

Government-wide Financial Analysis

City of Bandon Net Position

The statement of net position provides a focus on the assets and liabilities related to the City's governmental activities.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 9,023,943	\$ 7,917,707	\$ 14,585,096	\$ 7,196,066	\$ 23,609,039	\$ 15,113,773
Capital Assets, Net	17,149,406	16,799,184	16,887,498	17,357,657	34,036,904	34,156,841
Total Assets	26,173,349	24,716,891	31,472,594	24,553,723	57,645,943	49,270,614
Deferred Outflows of Resources	624,044	658,000	890,782	930,426	1,514,826	1,588,426
Long-term Liabilities	11,018,618	7,438,893	2,659,923	4,015,624	13,678,541	11,454,517
Other Liabilities	354,620	389,093	931,470	350,514	1,286,090	739,607
Total Liabilities	11,373,238	7,827,986	3,591,393	4,366,138	14,964,631	12,194,124
Deferred Inflows of Resources	1,116,795	217,852	1,167,240	108,861	2,284,035	326,713
Net Position						
Net Investment in						
Capital Assets	7,103,976	11,502,231	15,864,011	16,273,931	22,967,987	27,776,162
Restricted	6,108,121	6,296,840	8,999,986	3,406,375	15,108,107	9,703,215
Unrestricted	1,095,263	(470,018)	2,740,746	1,328,844	3,836,009	858,826
Total Net Position	\$ 14,307,360	\$ 17,329,053	\$ 27,604,743	\$ 21,009,150	\$ 41,912,103	\$ 38,338,203

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City of Bandon, total net position (total assets less total liabilities) was \$41.9 million as of June 30, 2022. A portion of the City's net position (\$23.0 million or 54.8%) reflects its investment in capital assets (e.g., land and right-of-ways, buildings, improvements, equipment and infrastructure, net of accumulated depreciation less any related debt used to acquire those assets that are still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Of the remaining net position, 2.0% is restricted for debt service, 24.2% is restricted for capital projects, 5.3% is restricted for streets, 4.5% is restricted for urban renewal districts, and the remaining 9.2% is unrestricted.

City of Bandon Statement of Activities

The statement of activities focuses on the program costs and their matching resources. To the extent a program's costs are not recovered by grants and direct charges, the costs are paid from general taxes and other resources. As previously mentioned, the City's activities are divided between governmental and business-type activities. The majority of support for governmental activities comes from taxes, while the business-type activities are supported primarily through user charges.

Governmental activities. Governmental activities resulted in a net decrease in the City's net position of \$3.3 million. The main reasons for this decrease are issuance of General Obligation bonds during the current year and transfers of those bond proceeds (\$5.4 million) to the business-type activities for capital project expenditures; this decrease in net position was mainly offset by a reduction of General Government and Culture and Recreation program expenses of \$1.1 million and \$300 thousand, respectively. The basic financial statements include a reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities.

Business-type activities. Business-type activities increased the City's net position by \$6.4 million, primarily due to transfers from the governmental activities (\$5.4 million) along with charges for services exceeding business-type expenses by \$1.0 million.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues						
Charges for Services and Contracts	\$ 226,156	\$ 987,042	\$ 9,206,354	\$ 8,984,550	\$ 9,432,510	\$ 9,971,592
Operating Grants and Contributions	882,202	-	-	-	882,202	-
General Revenues						
Taxes	3,738,465	2,892,737	-	-	3,738,465	2,892,737
Contributions in Lieu of Taxes	494,322	494,836	-	-	494,322	494,836
Franchise Fees	143,133	70,660	-	-	143,133	70,660
Gain on Sale of Property	2,593	-	-	-	2,593	-
Miscellaneous Revenue	9,123	-	-	-	9,123	-
Unrestricted Investment Earnings	46,475	865,513	115,788	51,552	162,263	917,065
Total Revenues	5,542,469	5,310,788	9,322,142	9,036,102	14,864,611	14,346,890
EXPENSES						
General Government	1,025,979	2,104,825	-	-	1,025,979	2,104,825
Public Safety	1,383,741	1,446,607	-	-	1,383,741	1,446,607
Highways and Streets	274,288	190,928	-	-	274,288	190,928
Economic Development	-	-	-	-	-	-
Culture and Recreation	535,944	838,465	-	-	535,944	838,465
Interest on Long-Term Obligations	201,666	200,393	-	-	201,666	200,393
Water Utility	-	-	1,213,874	1,126,275	1,213,874	1,126,275
Sewer Utility	-	-	1,115,690	1,031,044	1,115,690	1,031,044
Electric Utility	-	-	6,029,626	6,409,670	6,029,626	6,409,670
Total Expenses	3,421,618	4,781,218	8,359,190	8,566,989	11,780,808	13,348,207
Transfers	(5,413,536)	30,000	5,413,536	(30,000)	-	-
Change in Net Position	(3,292,685)	559,570	6,376,488	439,113	3,083,803	998,683
Net Position, July 1	17,329,053	16,769,483	21,009,150	20,570,037	38,338,203	37,339,520
Prior Period Adjustment	270,992	-	219,105	-	490,097	-
Net Position, June 30	\$ 14,307,360	\$ 17,329,053	\$ 27,604,743	\$ 21,009,150	\$ 41,912,103	\$ 38,338,203

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

City of Bandon General Fund. The General Fund is the chief operating fund of the City. At June 30, 2022, total fund balance for the General Fund equaled \$2.2 million, which was all unassigned. Unassigned fund balance is the amount considered available to spend. At June 30, 2021, the fund balance of the City's General Fund was \$876 thousand. The increase in fund balance of \$1.0 million is primarily related increases in taxes and intergovernmental revenues.

Change in Fund Balance - Governmental Funds				
	Fund Balance		\$ Change	% Change
	June 30, 2022	(as restated) June 30, 2021		
General Fund	\$ 2,186,662	\$ 1,147,670	\$ 1,038,992	90.5%
Urban Renewal District No. 1 Fund	925,464	1,472,883	(547,419)	-37.2%
Local Option Street Fund	1,708,034	1,712,871	(4,837)	-0.3%
General Obligation Fund	457,060	407,828	49,232	12.1%
12th Court LID Debt Service Fund	226,781	225,494	1,287	0.6%
Other Governmental Funds	2,941,838	2,636,027	305,811	11.6%
Total	\$ 8,445,839	\$ 7,602,773	\$ 843,066	11.1%
General Fund Summary				
	June 30, 2022	June 30, 2021	\$ Change	% Change
Revenues				
Taxes	\$ 1,892,289	\$ 1,548,188	\$ 344,101	22.2%
Payments in Lieu of Taxes	494,322	477,756	16,566	3.5%
Reimbursements	510,936	408,855	102,081	25.0%
Other Revenues	1,257,421	545,974	711,447	130.3%
Total Revenues	4,154,968	2,980,773	1,174,195	39.4%
Expenditures				
General Government	1,276,398	1,125,393	151,005	13.4%
Public Safety	1,332,872	1,245,165	87,707	7.0%
Highways and Streets	168,446	131,315	37,131	28.3%
Culture and Recreation	229,687	222,698	6,989	3.1%
Other Expenditures	61,000	-	61,000	0.0%
Total Expenditures	3,068,403	2,724,571	343,832	12.6%
Other Financing Sources (Uses)				
Transfers In	25,464	62,600	(37,136)	-59.3%
Transfers Out	(5,580,852)	(17,353)	(5,563,499)	32060.7%
Proceeds From Issuance of Bonds	5,500,000	-	5,500,000	0.0%
Sale of Property	7,815	-	7,815	0.0%
Total Other Financing Sources (Uses)	(47,573)	45,247	(92,820)	-205.1%
Change in Fund Balance	1,038,992	301,449	737,543	244.7%
Beginning Fund Balance (As Restated)	1,147,670	575,229	572,441	99.5%
Ending Fund Balance	\$ 2,186,662	\$ 876,678	\$ 1,309,984	149.4%

City of Bandon Other Major Governmental Funds. The Urban Renewal District No. 1 Fund, Local Option Street Tax Fund, General Obligation Bond Fund, and 12th Court LID Debt Service Fund are the other major governmental funds. During the Fiscal Year 2021, the Urban Renewal District No. 1 Fund had an increase in its fund balance of \$148 thousand, Local Option Street Fund increased by \$383 thousand, General Obligation Bond Fund increased by \$42 thousand, and the 12th Court Local Improvement District Fund decreased by \$14 thousand during the year.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The Sewer Fund, Water Fund, and Electric Fund are the City's major proprietary funds. For fiscal year 2022, the sewer utility saw an increase in net position of \$4.5 million and the water utility saw an increase of \$1.2 million. The increases to the water utility and the sewer utility were primarily related to transfers of General Obligation bond proceeds from the General Fund in the amounts of \$4.5 million and \$950 thousand, respectively. The electric utility saw a \$660 thousand increase in net position. The increase is primarily due to lower cost of sales and services related to pension expense decreases.

Source	Change in Net Position - Business-type Activities			
	Sewer	Water	Electric	Total
Revenues	\$ 1,114,699	\$ 1,435,647	\$ 6,656,008	\$ 9,206,354
Operating Expenses	1,107,012	1,204,739	6,029,626	8,341,377
Operating Income	7,687	230,908	626,382	864,977
Non-operating Revenue (Expense)	14,121	25,009	58,845	97,975
Other Financing Sources (Uses)	4,489,000	950,000	(25,464)	5,413,536
Change in Net Position	4,510,808	1,205,917	659,763	6,376,488
Beginning Net Position (As Restated)	3,617,456	8,632,771	8,978,028	21,228,255
Ending Net Position	\$ 8,128,264	\$ 9,838,688	\$ 9,637,791	\$ 27,604,743

General Fund Budget

Actual revenues for fiscal year 2021-22 are approximated budgeted amounts. Expenditures were approximately 7% less than budgeted as staff carefully monitored transactions and reduced expenses where possible.

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$34.0 million (net of accumulated depreciation). This investment in capital assets, which decreased by \$120 thousand, includes land, construction in progress, buildings and improvements, equipment, and infrastructure (streets, water, wastewater, storm drainage, and electric system). The decrease is the net impact of \$2.1 million in depreciation, \$2.0 million in new capital assets, and \$70 thousand in net book value of disposed assets. Additional information on the City's capital assets can be found in the notes to the basic financial statements.

Long-term Debt

As of June 30, 2022, the City had total long-term debt of \$11.0 million, including enterprise activity commitments. Outstanding debt includes \$7.4 million in general obligation bonds (\$5.5 million issued in 2022) to be serviced by general property taxes and \$1.4 million Urban Renewal Agency general obligation bonds that are serviced by tax increment financing. The City would be liable for this Urban Renewal Agency debt in the event of default by the Urban Renewal Agency. In addition, there is \$360 thousand in local improvement district bonds (special assessment debt) for which the City is liable in the event of default by the property owners subject to the assessment.

The City's total debt increased by \$4.6 million during the current fiscal year due to issuance of general obligation bonds in the amount of \$5.5 million, scheduled payments, and payoff of two loans in the total amount of \$310 thousand. The City of Bandon complies with Oregon Revised Statutes that limit general obligation bond debt to 3.0% of the real market value of all taxable property within the City's boundaries. Additional information on the City's bonded debt can be found in the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The Fiscal Year 2022-23 budget total is \$32,071,085, which is \$3,090,448 10.7% more than the prior Fiscal Year 2021-22 budget of \$28,980,637. This increase is primarily due to a strong prior-year carryover.

At only \$.46 per \$1,000 assessed valuation, the City of Bandon's permanent property tax rate is low compared to other full-service cities in the County, whose rates range from \$6.10 to \$7.99. General Fund revenues are split between the transient occupancy tax, utility taxes, utility in-lieu payments, and utility reimbursements. Other resources include property taxes, franchise fees, intergovernmental reimbursements such as liquor, cigarette, and miscellaneous permits and fees

The City's Transient Occupancy Tax receipts continue to increase as hotel revenue stays strong. Voters approved a charter amendment granting City Council the ability to raise Systems Development Charges in November 2022, and voted for a permanent increase to Transient Occupancy Tax in August 2022. The City is also considering ballot measures to raise water, sewer and electric rates in mid-2023.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Dan Chandler
City Manager/Director of Utilities
City of Bandon
P.O. Box 67
Bandon, OR 97411

BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF BANDON
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,234,102	\$ 11,260,110	\$ 19,494,212
Receivables			
Accounts, net	48,152	969,804	1,017,956
Property taxes	114,741	-	114,741
Transient occupancy taxes	298,443	-	298,443
Loans	21,667	1,074,456	1,096,123
Special assessments	271,993	20,821	292,814
Inventories	-	1,126,655	1,126,655
Restricted cash and cash equivalents	-	92,571	92,571
Capital assets			
Capital assets, not depreciable	3,174,076	1,486,925	4,661,001
Depreciable capital assets, net of accumulated depreciation	13,975,330	15,400,573	29,375,903
Net-OPEB RHIA asset	34,845	40,679	75,524
Total assets	<u>26,173,349</u>	<u>31,472,594</u>	<u>57,645,943</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals - PERS	611,082	877,282	1,488,364
OPEB related deferrals - RHIA	1,047	1,223	2,270
OPEB related deferrals - Health Insurance	11,915	12,277	24,192
Total deferred outflows of resources	<u>624,044</u>	<u>890,782</u>	<u>1,514,826</u>
Total assets and deferred outflows of resources	<u>26,797,393</u>	<u>32,363,376</u>	<u>59,160,769</u>
LIABILITIES			
Accounts payable	76,515	597,177	673,692
Accrued payroll and benefits	36,626	42,349	78,975
Customer deposits	-	92,571	92,571
Unearned revenue	-	-	-
Accrued interest payable	101,114	9,902	111,016
Compensated absences payable	140,365	189,471	329,836
Non-current liabilities			
Amount due within one year	507,463	92,053	599,516
Amount due after one year	9,453,311	931,434	10,384,745
Net pension liability - PERS	964,409	1,540,072	2,504,481
Total OPEB liability - Health Insurance	93,435	96,364	189,799
Total liabilities	<u>11,373,238</u>	<u>3,591,393</u>	<u>14,964,631</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on refunding	84,656	-	84,656
Pension related deferrals - PERS	1,021,216	1,154,488	2,175,704
OPEB related deferrals - RHIA	10,923	12,752	23,675
Total deferred inflows	<u>1,116,795</u>	<u>1,167,240</u>	<u>2,284,035</u>
NET POSITION			
Net investment in capital assets	7,103,976	15,864,011	22,967,987
Restricted for			
Debt service	842,436	-	842,436
Capital projects	1,144,493	8,999,986	10,144,479
Streets	2,222,398	-	2,222,398
Urban Renewal	1,898,794	-	1,898,794
Unrestricted	1,095,263	2,740,746	3,836,009
TOTAL NET POSITION	<u>\$ 14,307,360</u>	<u>\$ 27,604,743</u>	<u>\$ 41,912,103</u>

**CITY OF BANDON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ 1,025,979	\$ 222,000	\$ 491,729	\$ -	\$ (312,250)	\$ -	\$ (312,250)
Public safety	1,383,741	-	12,841	-	(1,370,900)	-	(1,370,900)
Highways and streets	274,288	2,417	45,243	-	(226,628)	-	(226,628)
Culture and recreation	535,944	1,739	332,389	-	(201,816)	-	(201,816)
Interest on long-term debt	201,666	-	-	-	(201,666)	-	(201,666)
Total governmental activities	3,421,618	226,156	882,202	-	(2,313,260)	-	(2,313,260)
BUSINESS-TYPE ACTIVITIES							
Sewer	1,115,690	1,114,699	-	-	-	(991)	(991)
Water	1,213,874	1,435,647	-	-	-	221,773	221,773
Electric	6,029,626	6,656,008	-	-	-	626,382	626,382
Total business-type activities	8,359,190	9,206,354	-	-	-	847,164	847,164
TOTAL GOVERNMENT	\$ 11,780,808	\$ 9,432,510	\$ 882,202	\$ -	(2,313,260)	847,164	(1,466,096)
GENERAL REVENUES							
Taxes and assessments							
Property taxes							
					1,801,464	-	1,801,464
Other taxes and assessments							
					1,937,001	-	1,937,001
Contributions in lieu of taxes							
					494,322	-	494,322
Franchise fees							
					143,133	-	143,133
Gain on sale of property							
					2,593	-	2,593
Interest and investment earnings							
					46,475	115,788	162,263
Miscellaneous							
					9,123	-	9,123
Transfers							
					(5,413,536)	5,413,536	-
Total general revenues and transfers							
					(979,425)	5,529,324	4,549,899
CHANGE IN NET POSITION							
					(3,292,685)	6,376,488	3,083,803
NET POSITION, beginning of year (as restated)							
					17,600,045	21,228,255	38,828,300
NET POSITION, end of year							
					\$ 14,307,360	\$ 27,604,743	\$ 41,912,103

The notes to the financial statements are an integral part of this statement.

THIS PAGE INTENTIONALLY LEFT BLANK

FUND FINANCIAL STATEMENTS

**CITY OF BANDON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Special Revenue Urban Renewal District No. 1	Capital Projects Local Option Street
ASSETS			
Cash and cash equivalents	\$ 1,960,347	\$ 932,386	\$ 1,705,366
Receivables			
Property taxes	15,290	27,451	31,546
Transient occupancy taxes	298,443	-	-
Accounts, net	40,502	-	-
Notes receivable			
Loans	-	-	-
Special assessments	-	-	-
Total assets	<u>\$ 2,314,582</u>	<u>\$ 959,837</u>	<u>\$ 1,736,912</u>
LIABILITIES			
Accounts payable	\$ 55,120	\$ 9,491	\$ -
Accrued payroll benefits	26,312	-	-
Total liabilities	<u>81,432</u>	<u>9,491</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues			
Property taxes	13,991	24,882	28,878
Transient occupancy taxes	32,497	-	-
Assessments	-	-	-
Loans	-	-	-
Total deferred inflows of resources	<u>46,488</u>	<u>24,882</u>	<u>28,878</u>
FUND BALANCES			
Restricted for debt service	-	-	-
Restricted for capital projects	-	-	-
Restricted for urban renewal	-	925,464	-
Restricted special projects - streets	-	-	1,708,034
Committed for capital projects	-	-	-
Committed for special projects	-	-	-
Unassigned	2,186,662	-	-
Total fund balances	<u>2,186,662</u>	<u>925,464</u>	<u>1,708,034</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,314,582</u>	<u>\$ 959,837</u>	<u>\$ 1,736,912</u>

**CITY OF BANDON
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Debt Service		Other Governmental Funds	Total
	General Obligation Bond	12th Court LID		
ASSETS				
Cash and cash equivalents	\$ 450,268	\$ 226,781	\$ 2,958,954	\$ 8,234,102
Receivables				
Property taxes	27,789	-	12,665	114,741
Transient occupancy taxes	-	-	-	298,443
Accounts, net	3,782	-	3,868	48,152
Notes receivable				
Loans	-	-	21,667	21,667
Special assessments	-	261,267	10,726	271,993
Total assets	<u>\$ 481,839</u>	<u>\$ 488,048</u>	<u>\$ 3,007,880</u>	<u>\$ 8,989,098</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 11,904	\$ 76,515
Accrued payroll benefits	-	-	10,314	36,626
Total liabilities	<u>-</u>	<u>-</u>	<u>22,218</u>	<u>113,141</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	24,779	-	11,431	103,961
Transient occupancy taxes	-	-	-	32,497
Assessments	-	261,267	10,726	271,993
Loans	-	-	21,667	21,667
Total deferred inflows of resources	<u>24,779</u>	<u>261,267</u>	<u>43,824</u>	<u>430,118</u>
FUND BALANCES				
Restricted for debt service	457,060	226,781	54,634	738,475
Restricted for capital projects	-	-	1,144,493	1,144,493
Restricted for urban renewal	-	-	973,330	1,898,794
Restricted special projects - streets	-	-	514,364	2,222,398
Committed for capital projects	-	-	52,624	52,624
Committed for special projects	-	-	202,393	202,393
Unassigned	-	-	-	2,186,662
Total fund balances	<u>457,060</u>	<u>226,781</u>	<u>2,941,838</u>	<u>8,445,839</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 481,839</u>	<u>\$ 488,048</u>	<u>\$ 3,007,880</u>	<u>\$ 8,989,098</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BANDON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

TOTAL FUND BALANCES – governmental funds \$ 8,445,839

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

Long-term assets and liabilities associated with the City's pension and OPEB plans are not recorded in the governmental funds as they don't provide or require current financial resources

Net Pension Liability - PERS	(964,409)	
Net OPEB Asset - RHIA	34,845	
Total OPEB Liability - Health Insurance	(93,435)	(1,022,999)

Deferred outflows and inflows of resources associated with the City's pension and OPEB plans are not recorded in the governmental funds as they don't provide or require current financial resources

Deferred pension related outflows - PERS	611,082	
Deferred OPEB related outflows - RHIA	1,047	
Deferred OPEB related outflows - Health Insurance	11,915	
Deferred pension related inflows - PERS	(1,021,216)	
Deferred OPEB related inflows - RHIA	(10,923)	(408,095)

Capital assets are not current financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value

Capital assets, not depreciable	3,174,076	
Depreciable capital assets, net of accumulated depreciation	13,975,330	17,149,406

The statement of net position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds

Property taxes	103,961	
Transient occupancy taxes	32,497	
Loans receivable	21,667	
Special assessments	271,993	430,118

All liabilities are reported in the statement of net position. However, if they are not due and payable in the current period, they are not recorded in the governmental funds

Long-term obligations	(9,960,774)	
Deferred charge on refunding	(84,656)	
Accrued interest payable on bonds and notes	(101,114)	
Compensated absences	(140,365)	(10,286,909)

NET POSITION - governmental activities \$ 14,307,360

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF BANDON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Special Revenue Urban Renewal District No. 1	Capital Projects Local Option Street
REVENUES			
Taxes	\$ 1,892,289	\$ 386,079	\$ 453,250
Licenses and permits	319,213	-	-
Intergovernmental	438,152	-	-
System development charges	-	-	-
Payments in lieu of taxes	494,322	-	-
Fines and police income	63,568	-	-
Special assessments	-	-	-
Interest	11,781	6,579	8,998
Reimbursements	510,936	-	-
Miscellaneous	424,707	888	15
Total revenues	<u>4,154,968</u>	<u>393,546</u>	<u>462,263</u>
EXPENDITURES			
Current			
General government	1,276,398	128,664	-
Public safety	1,332,872	-	-
Highways and streets	168,446	-	-
Culture and recreation	229,687	-	-
Capital outlay	-	616,358	314,506
Debt service	61,000	195,943	152,594
Total expenditures	<u>3,068,403</u>	<u>940,965</u>	<u>467,100</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,086,565</u>	<u>(547,419)</u>	<u>(4,837)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	25,464	-	-
Transfers out	(5,580,852)	-	-
Proceeds from issuance of bonds	5,500,000	-	-
Sale of property	7,815	-	-
Loan Interest	-	-	-
Total other financing sources (uses)	<u>(47,573)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,038,992	(547,419)	(4,837)
FUND BALANCE, beginning of year (as restated)	<u>1,147,670</u>	<u>1,472,883</u>	<u>1,712,871</u>
FUND BALANCE, end of year	<u>\$ 2,186,662</u>	<u>\$ 925,464</u>	<u>\$ 1,708,034</u>

CITY OF BANDON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Debt Service		Other	Total
	General Obligation Bond	12th Court LID Debt Service	Governmental Funds	
REVENUES				
Taxes	\$ 530,666	\$ -	\$ 452,893	\$ 3,715,177
Licenses and permits	-	-	-	319,213
Intergovernmental	-	-	465,874	904,026
System development charges	-	-	241,286	241,286
Payments in lieu of taxes	-	-	-	494,322
Fines and police income	-	-	-	63,568
Special assessments	-	48,075	15,090	63,165
Interest	2,612	1,289	15,216	46,475
Reimbursements	-	-	-	510,936
Other	39,481	-	100,603	565,694
Total revenues	<u>572,759</u>	<u>49,364</u>	<u>1,290,962</u>	<u>6,923,862</u>
EXPENDITURES				
Current				
General government	-	-	47,060	1,452,122
Public safety	-	-	28,287	1,361,159
Highways and streets	-	-	274,288	442,734
Culture and recreation	-	-	563,010	792,697
Capital outlay	-	-	175,220	1,106,084
Debt service	537,441	48,077	28,825	1,023,880
Total expenditures	<u>537,441</u>	<u>48,077</u>	<u>1,116,690</u>	<u>6,178,676</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>35,318</u>	<u>1,287</u>	<u>174,272</u>	<u>745,186</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	13,914	-	127,938	167,316
Transfers out	-	-	-	(5,580,852)
Proceeds from issuance of bonds	-	-	-	5,500,000
Sale of property	-	-	-	7,815
Loan Interest	-	-	3,601	3,601
Total other financing sources (uses)	<u>13,914</u>	<u>-</u>	<u>131,539</u>	<u>97,880</u>
NET CHANGE IN FUND BALANCE	49,232	1,287	305,811	843,066
FUND BALANCE, beginning of year (as restated)	407,828	225,494	2,636,027	7,602,773
FUND BALANCE, end of year	<u>\$ 457,060</u>	<u>\$ 226,781</u>	<u>\$ 2,941,838</u>	<u>\$ 8,445,839</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BANDON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED 30, 2022

TOTAL NET CHANGE IN FUND BALANCES - governmental funds		\$ 843,066
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds defer inflows of resources that do not provide current financial resources. However, the statement of activities recognizes such revenues at their net realizable value when earned, regardless of when received.		
Property taxes	(7,136)	
Transient occupancy taxes	32,497	
Loans receivable	(2,528)	
Special assessments	<u>(53,201)</u>	(30,368)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlay in the period		
Capital acquisitions	1,293,591	
Net book value of disposed capital assets	(5,222)	
Depreciation	<u>(938,147)</u>	350,222
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Issuance of long-term debt	(5,500,000)	
Principal payments on long-term debt	<u>836,179</u>	(4,663,821)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Changes in accrued interest on long-term debt	10,337	
Changes in pension liabilities and deferred outflows and inflows of resources	153,843	
Changes in OPEB (asset)/liability and deferred outflows and inflows of resources	24,589	
Changes in compensated absences payable	11,838	
Amortization of deferred charge on refunding	<u>7,609</u>	<u>208,216</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (3,292,685)</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF BANDON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Sewer	Water	Electric	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 5,099,236	\$ 4,264,559	\$ 1,896,315	\$ 11,260,110
Accounts receivable, net	100,391	93,304	776,109	969,804
Special assessments	5,363	15,458	-	20,821
Restricted cash and cash equivalents	15,134	8,470	68,967	92,571
Inventory	-	20,885	1,105,770	1,126,655
Total current assets	<u>5,220,124</u>	<u>4,402,676</u>	<u>3,847,161</u>	<u>13,469,961</u>
NONCURRENT ASSETS				
Notes receivable	-	260,181	814,275	1,074,456
Capital assets (net of accumulated depreciation)	4,411,536	5,761,671	6,714,291	16,887,498
Net OPEB asset - RHIA	6,164	7,145	27,370	40,679
Total noncurrent assets	<u>4,417,700</u>	<u>6,028,997</u>	<u>7,555,936</u>	<u>18,002,633</u>
Total assets	<u>9,637,824</u>	<u>10,431,673</u>	<u>11,403,097</u>	<u>31,472,594</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferrals - PERS	115,621	174,202	587,459	877,282
OPEB related deferrals - Health Insurance	1,835	2,302	8,140	12,277
OPEB related deferrals - RHIA	185	215	823	1,223
Total deferred outflows of resources	<u>117,641</u>	<u>176,719</u>	<u>596,422</u>	<u>890,782</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 9,755,465</u>	<u>\$ 10,608,392</u>	<u>\$ 11,999,519</u>	<u>\$ 32,363,376</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 317,460	\$ 38,706	\$ 241,011	\$ 597,177
Accrued payroll benefits	6,607	6,875	28,867	42,349
Compensated absences payable	51,885	30,136	107,450	189,471
Customer deposits	15,134	8,470	68,967	92,571
Accrued interest payable	4,916	4,986	-	9,902
Current portion of long-term debt	60,842	31,211	-	92,053
Total current liabilities	<u>456,844</u>	<u>120,384</u>	<u>446,295</u>	<u>1,023,523</u>
LONG-TERM LIABILITIES				
Net pension liability - PERS	193,338	292,993	1,053,741	1,540,072
Total OPEB Liability - Health Insurance	14,408	18,059	63,897	96,364
Long-term debt (net of current portion)	781,923	149,511	-	931,434
Total liabilities	<u>1,446,513</u>	<u>580,947</u>	<u>1,563,933</u>	<u>3,591,393</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferrals - PERS	178,756	186,517	789,215	1,154,488
OPEB related deferrals - RHIA	1,932	2,240	8,580	12,752
Total deferred inflows of resources	<u>180,688</u>	<u>188,757</u>	<u>797,795</u>	<u>1,167,240</u>
NET POSITION				
Net investment in capital assets	3,568,771	5,580,949	6,714,291	15,864,011
Restricted for capital projects	4,692,989	4,306,997	-	8,999,986
Unrestricted	(133,496)	(49,258)	2,923,500	2,740,746
TOTAL NET POSITION	<u>\$ 8,128,264</u>	<u>\$ 9,838,688</u>	<u>\$ 9,637,791</u>	<u>\$ 27,604,743</u>

CITY OF BANDON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Sewer	Water	Electric	Total
OPERATING REVENUES				
Charges for services				
Sewer charges	\$ 1,002,723	\$ -	\$ -	\$ 1,002,723
Water sales	-	1,050,098	-	1,050,098
Electricity sales	-	-	6,122,032	6,122,032
BPA Conservation	-	-	228,446	228,446
Service charges, fees and permits	108,143	367,100	290,770	766,013
Other	3,833	18,449	14,760	37,042
Total operating revenues	<u>1,114,699</u>	<u>1,435,647</u>	<u>6,656,008</u>	<u>9,206,354</u>
OPERATING EXPENSES				
Administration	112,205	93,692	489,097	694,994
Cost of sales and services	753,023	660,455	4,940,054	6,353,532
Energy assistance payments	-	-	11,445	11,445
Plant improvement (non-capital)	-	123,799	-	123,799
Depreciation and amortization	241,784	326,793	589,030	1,157,607
Total operating expenses	<u>1,107,012</u>	<u>1,204,739</u>	<u>6,029,626</u>	<u>8,341,377</u>
OPERATING INCOME (LOSS)	<u>7,687</u>	<u>230,908</u>	<u>626,382</u>	<u>864,977</u>
NONOPERATING REVENUES (EXPENSE)				
Interest income	22,799	34,144	58,845	115,788
Interest expense	(8,678)	(9,135)	-	(17,813)
Total nonoperating revenues (expenses)	<u>14,121</u>	<u>25,009</u>	<u>58,845</u>	<u>97,975</u>
INCOME BEFORE OPERATING TRANSFERS	21,808	255,917	685,227	962,952
TRANSFERS				
Transfers in	4,489,000	950,000	-	5,439,000
Transfers out	-	-	(25,464)	(25,464)
CHANGE IN NET POSITION	4,510,808	1,205,917	659,763	6,376,488
NET POSITION, beginning of year (as restated)	<u>3,617,456</u>	<u>8,632,771</u>	<u>8,978,028</u>	<u>21,228,255</u>
NET POSITION, end of year	<u>\$ 8,128,264</u>	<u>\$ 9,838,688</u>	<u>\$ 9,637,791</u>	<u>\$ 27,604,743</u>

**CITY OF BANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Sewer	Water	Electric	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,140,070	\$ 1,482,462	\$ 6,668,058	\$ 9,290,590
Payments to employees	(133,901)	(136,692)	(608,210)	(878,803)
Payments to suppliers	(739,272)	(772,636)	(5,751,572)	(7,263,480)
Net cash provided by operating activities	<u>266,897</u>	<u>573,134</u>	<u>308,276</u>	<u>1,148,307</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Interfund transfers out	-	-	(25,464)	(25,464)
Net Cash (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(25,464)</u>	<u>(25,464)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interfund transfers in	4,489,000	950,000	-	5,439,000
Purchases and construction of capital assets	(80,950)	(73,788)	(32,176)	(186,914)
Principal paid on capital debt	(60,239)	(29,801)	-	(90,040)
Interest paid on capital debt	(9,030)	(9,958)	-	(18,988)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>4,338,781</u>	<u>836,453</u>	<u>(32,176)</u>	<u>5,143,058</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	22,799	34,144	9,570	66,513
Net Cash Provided (Used) by Investing Activities	<u>22,799</u>	<u>34,144</u>	<u>9,570</u>	<u>66,513</u>
Net Change in Cash and Cash Equivalents	4,628,477	1,443,731	260,206	6,332,414
Cash and Cash Equivalents - Beginning of Year	485,893	2,829,298	1,705,076	5,020,267
Cash and Cash Equivalents - End of Year	<u>5,114,370</u>	<u>4,273,029</u>	<u>1,965,282</u>	<u>11,352,681</u>
Cash and Cash Equivalents - Unrestricted	5,099,236	4,264,559	1,896,315	11,260,110
Cash and Cash Equivalents - Restricted	15,134	8,470	68,967	92,571
Total Cash and Cash Equivalents	<u>\$ 5,114,370</u>	<u>\$ 4,273,029</u>	<u>\$ 1,965,282</u>	<u>\$ 11,352,681</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 7,687	\$ 230,908	\$ 626,382	\$ 864,977
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	241,784	326,793	589,030	1,157,607
Change in assets and deferred outflows of resources and liabilities and deferred inflows of resources				
Accounts receivable	14,101	1,288	6,462	21,851
Special assessments	6,749	19,815	-	26,564
Notes receivable	-	23,282	-	23,282
Inventories	-	(2,551)	(617,568)	(620,119)
Net pension liability and related deferred outflows/inflows of resources	(27,215)	(31,549)	(120,846)	(179,610)
Net OPEB asset and related deferred outflows/inflows of resources	(4,417)	(5,120)	(19,613)	(29,150)
Total OPEB liability and related deferred outflows/inflows of resources	67	78	298	443
Accounts payable	13,751	14,169	(182,505)	(154,585)
Payroll liabilities	1,535	(11,456)	4,056	(5,865)
Compensated absences	8,334	5,047	16,992	30,373
Customer deposits	4,521	2,430	5,588	12,539
Total Adjustments	259,210	342,226	(318,106)	283,330
Net cash provided by operating activities	<u>\$ 266,897</u>	<u>\$ 573,134</u>	<u>\$ 308,276</u>	<u>\$ 1,148,307</u>
SCHEDULE OF NON-CASH CAPITAL FINANCING ACTIVITIES				
Purchase of equipment and construction in progress on account	\$ 289,050	\$ 12,013	\$ 187,438	\$ 488,501

NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Bandon (City), Coos County, Oregon, is a municipal corporation governed by an elected mayor and six-member council. The City provides public safety (police), highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. As required by accounting principles generally accepted in the United States of America (U.S. GAAP), these financial statements present the City and all component units for which the City is considered to be financially accountable.

The basic financial statements include all financial activities, organizations and functions for which the City Council is responsible for financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either; a) the ability to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Therefore, although legally separate entities, blended component units are, in substance, part of the City's operations and data from these units are combined with data of the primary government.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. Based on the application of the criteria established by Governmental Auditing Standards Board (GASB), the Urban Renewal Agency of the City of Bandon is a component unit of the City.

Blended component unit – The Urban Renewal Agency of the City of Bandon, Oregon (Agency), was created by adoption of City Ordinance 1191 on August 5, 1986. The Agency is organized under general laws pertaining to urban renewal agencies in the State of Oregon. The City is not responsible for deficits nor entitled to surpluses of the Agency, the Agency Board designates management, budgeting authority lies solely with the Agency Board, the Agency is responsible for fiscal management and determination of revenue sources and the City is not legally or morally obligated for the Agency's debts. In this situation, the preceding factors are conclusive in contrast with the following factor which may indicate inclusion: the Agency Board is appointed by and made up of the same members as the Common Council of the City. However, legally the two boards are distinct and conduct all business as such. Based on standards set forth in GASB Statement 61, the Agency is considered to be a "component unit" of the City because the City appoints the board members of the Agency. Accordingly, the financial statements of the Agency are included in the City's basic financial statements as capital project funds using the "blended" method of presentation.

A copy of the financial statement for the Urban Renewal Agency of the City of Bandon may be obtained by contacting City Hall.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements of the City have been prepared in conformity with U.S. GAAP as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1 - Summary of Significant Accounting Policies (continued)

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. Interfund activity such as loans and transfers are eliminated to avoid "doubling up" revenues and expenses.

Governmental activities – The City's general governmental activities are reported in this category, including the general fund, special revenue funds, capital projects funds, and debt service funds. Funding sources vary and include property, utility, and franchise taxes, special assessments, permits and licensing, and charges for services.

Business-type activities – The City provides sewer, water, and electrical services to its customers and this category reports the activities of the enterprise funds.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

Fund financial statements report detailed information about the City. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The various funds of the City are grouped into the categories governmental and proprietary.

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for the governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City's finances meets the cash flow needs of its proprietary activities.

Governmental funds are used to account for the City's general governmental activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available").

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and claims of judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, utility taxes, franchise taxes, special assessments, licenses, fees and permits, interest and charges for services are susceptible to accrual if collected within one (1) month of fiscal year end. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one type, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other type, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt or earlier if the susceptible to accrual criteria are met.

The City presents separate financial statements for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements, with nonmajor funds being combined into a single column.

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Major governmental funds include:

General Fund – This is the City's primary operating fund. This fund is used to account for all financial resources and transactions not required to be accounted for in other funds.

General Obligation Bonds Fund – This fund is used to account for all general obligation bonds. These bonds were previously accounted for individually in funds 343, 344, 360, and 375.

12th Court Local Improvement Districts Debt Service Fund – This fund is used to account for the receipt of special assessments. Expenditures are restricted to the repayment of the debt incurred.

Urban Renewal District No. 1 Fund – This fund is used to account for construction, administration, and certain debt service payments within the urban renewal areas. This fund is financed by property taxes (tax increments) levied in various taxing districts.

Local Option Street Fund – This fund is used to account for loan proceeds, interest, capital expenditures, and interfund transfers necessary for the street paving project.

Additionally, the City reports the following non-major governmental fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The **Debt Service Funds** account for the servicing of general long-term debt not being financed by proprietary funds.

The **Capital Projects Funds** account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds include the following fund type:

The **Enterprise funds** are used to account for those operations that are financed and operated in a manner similar to private business or where the Council has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Major enterprise funds include:

Sewer Fund – This fund is used to account for the activities of the sewer disposal system.

Water Fund – This fund is used to account for the activities of the water system.

Electric Fund – This fund is used to account for the activities of the electric utility.

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and cash equivalents – The City's cash and cash equivalents include cash on hand, demand deposits, and investments in the Oregon State Treasury Local Government Investment Pool (LGIP).

The City maintains merged bank accounts and investments for its funds in a central pool of cash and investments. The investment policy of the City is to invest in LGIP and interest-bearing demand deposits with local banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments authorized for municipal corporations. The City allocates earnings on investments to each fund based on average monthly cash balances throughout the year. For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) purchased with a maturity of three months or less to be cash equivalents.

Investments are stated at amortized cost, which equals market value.

Receivables and payables – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables". All other outstanding balances between funds are reported as "due to/from other funds."

Other receivables including property taxes, accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in Paragraph B above. An allowance for bad debts is carried in the enterprise funds. The City has strong enforcement procedures including shut off of utility services. An allowance for bad debt is not carried in the governmental funds because the City has determined that any uncollectible amount would be immaterial to the financial statements.

Inventories – Physical inventories, with the exception of the proprietary funds, are taken for control purposes only. The cost value of such inventories has been recorded as expenditures when purchased. Accordingly, with the exception of the proprietary funds, a value is not included in the balance sheet.

Inventories in the proprietary funds are valued at cost using the first-in/first-out (FIFO) method. The costs of proprietary fund-type inventories are recorded as expenses when consumed rather than when purchased.

Restricted assets – Certain resources are set aside for repayment of debt and are classified as restricted assets on the statement of net position because their use is limited. Reserve accounts are used to report resources set aside for repairs and replacement to the water and sewer system and, when necessary, for the purpose of making principal and interest payments on the bonds and notes payable. Utility deposits of \$92,571 are also reported as restricted cash and cash equivalents.

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Capital assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The City maintains a capitalization threshold of \$5,000 and a useful life of over one year.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Furnishings and equipment	5–7 years
Infrastructure	10–60 years
Land improvements	5–100 years
Buildings	30–100 years
Other	5–100 years

Deferred outflows/inflows of resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated absences – It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation leave can be accumulated up to 240 hours. No liability is reported for unpaid accumulated sick leave. In proprietary funds, vested vacation benefits are recognized as expenses when earned by the employee and unpaid benefits are liabilities of those funds. Governmental fund types recognize the expenditure when benefits are paid. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as the result of employee resignations and retirements.

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

The funds typically used to liquidate the liability for compensated absences are any funds with payroll, which include: general, library, state tax street, sewer, water, and electrical funds. Employees have the option to accumulate overtime as compensatory pay, which accrues at overtime rates.

Long-term obligations – The City reports long-term debt on the statement of net position. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount, if any.

Operating revenues and expenses, non-operating revenues and expense – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for sales of water, sewer, and electrical services. Operating expenses are necessary costs incurred to provide the goods or services that is the primary activity of the fund.

Non-operating revenues and expenses of the City are those revenues and expenses not directly related to the service provided by the fund. Non-operating revenues and expenses include interest, grants, and gain or loss on disposition of capital assets.

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

Fund balance – In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - non-spendable, restricted, committed, assigned and unassigned.

Non-spendable – Includes amounts not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes amounts that are restricted by external creditors, granters or contributors, or restricted by enabling legislation.

Committed – Includes amounts that have been committed by resolution by the City Council which is the City's "highest level of decision-making authority." Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1 - Summary of Significant Accounting Policies (continued)

Assigned – Includes amounts assigned for specific purposes by council action who authorizes, by resolution, the City Manager to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose.

Unassigned – This is the residual classification used for those balances not assigned to another category. Only the general fund may have an unassigned balance.

Use of restricted resources – When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Net position – Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or law or regulations of other governments. For specific details see the statement of net position.

Restatements Due to Correction of Accounting Errors

For the year ended June 30, 2022, restatements of previously reported balances were identified as follows:

General Fund beginning fund balance was restated in relation to nonaccrual of transient occupancy tax fees in the prior fiscal year. The effect of this correction is as follows:

Fund Balance	Balance June 30, 2021 as previously reported	Restatement	Balance June 30, 2021 as restated
General Fund	\$ 876,678	\$ 270,992	\$ 1,147,670

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1 - Summary of Significant Accounting Policies (continued)

Business-type fund beginning net position balances were restated due to (A) nonaccrual of unbilled revenues for services provided through the prior fiscal year end date to customers as well as the (B) nonaccrual of purchased power and transmission fees associated with the Electric Fund. The effect of these corrections is as follows:

Net Position	Balance June 30, 2021 as previously reported	Restatement	Balance June 30, 2021 as restated
Sewer Fund	\$ 3,587,857	\$ 29,599 (A)	\$ 3,617,456
Water Fund	8,616,851	15,920 (A)	8,632,771
Electric Fund	8,804,442	372,741 (A)	
		<u>\$ (199,155) (B)</u>	<u>\$ 8,978,028</u>

Governmental and Business-type beginning net position balances were restated as a result of the restatements outlined above. The effect of these corrections is as follows:

Net Position	Balance June 30, 2021 as previously reported	Restatement	Balance June 30, 2021 as restated
Governmental Activities Net Position	\$ 17,329,053	\$ 270,992	\$ 17,600,045
Business-type Activities Net Position	\$ 21,009,150	\$ 219,105	\$ 21,228,255

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. GAAP for all governmental funds. The annual budgets for the proprietary funds are adopted on a basis not consistent with U.S. GAAP to comply with Oregon Local Budget Law. All annual appropriations lapse at fiscal year-end.

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of control for the general fund, water fund, sewer fund, and electric fund is by department. Total personnel services, materials and services, capital outlay, debt service, contingency and transfers are the levels of control for the remaining funds.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2 - Stewardship, Compliance, and Accountability (continued)

Original appropriations may be changed through resolutions by transferring amounts between appropriations in the same fund or by transferring from an appropriation in the general fund to an appropriation category in another fund. A supplemental budget is needed to increase appropriations when appropriations transfers are unauthorized. Budget amounts are as originally adopted, or as amended by the City Council.

Management may reassign resources within functions without seeking approval of the City Council.

Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in the following amounts and are presented on the appropriation level of the adopted budget:

<u>Fund / Budget Category</u>	<u>Final Budget (Appropriation)</u>	<u>Actual</u>	<u>Amount of Over Expenditure</u>
GENERAL FUND			
Debt service	\$ -	\$ 61,000	\$ 61,000
Transfer to other funds	-	5,580,852	5,580,852
URBAN RENEWAL DISTRICT NO. 1 FUND			
Capital outlay	607,800	616,358	8,558
PARKS AND RECREATION DEVELOPMENT FUND			
	98,226	171,373	73,147
SEWER FUND			
	43,143	43,988	845

Note 3 - Deposits and Investments

Deposits – The GASB has adopted U.S. GAAP, which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2022. If bank deposits at year end are not entirely insured or collateralized with securities held by the City or by its agent in the City's name, the City must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. Any deposits with financial institutions will be covered up to \$250,000 by Federal Depository Insurance, and the remaining deposited at an approved depository as prescribed by the Oregon State Treasurer.

The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Effective July 1, 2008, state statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295 .001 to 295 .108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may now be on deposit at any one bank depository and its branches, a sum in excess of the amount insured by Federal Deposit Insurance Corporation. For the fiscal year ended June 30, 2022, the total carrying amount of the City's deposits in various financial institutions was \$785,286 and the bank balance was \$1,066,538 All deposits are held in the name of the City. Of the bank balance, the entire amount was covered by federal depository insurance or collateralized.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 3 - Deposits and Investments (continued)

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. As of June 30, 2022, none of the City's bank balances were exposed to credit risk.

Investments – The City has invested funds in the State Treasurer's Oregon Short-Term Fund LGIP during fiscal year 2022. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294 .895). LGIP is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the City's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 194.180. These funds are held in the City's name and are not subject to collateralization requirements or ORS 295 .015. Investments are stated at cost, which approximates fair value.

Credit risk – State statutes authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's investment pool, among others. The City has no formal investment policy that further restricts its investment choices.

Concentration of credit risk – The City is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent 5.00% or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The City has no such investments.

Interest rate risk – The City has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

As of June 30, 2022, the City had the following investment:

<u>Investment Type</u>	<u>Maturity</u>	<u>Percentage of Portfolio</u>	<u>Fair Value</u>
Local Government Investment Pool	1 day	100%	<u>\$ 18,801,142</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 3 - Deposits and Investments (continued)

Cash and cash equivalents are comprised of the following as of June 30, 2022:

Cash on hand	\$ 355
Carrying amount of deposits	785,286
Local Government Investment Pool	18,801,142
Total	\$ 19,586,783

Cash and cash equivalents are shown on the statement of net position as follows:

Governmental Activities	
Cash and cash equivalents	\$ 8,234,102
Total governmental activities	8,234,102
Business-type Activities	
Cash and cash equivalents	11,260,110
Restricted cash and cash equivalents	92,571
Total business-type activities	11,352,681
Total	\$ 19,586,783

Note 4 - Fair Value Measurements

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 quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 4 - Fair Value Measurements (continued)

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. Investment in the LGIP is 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.

LGIP balances are measured at amortized cost and are readily available to spend when needed. The balance in this pool is expected to stay fairly static as the interest rate in the pool is desirable. The risk associated with the LGIP is very low. The City only invests in the LGIP. The value of the City's investments as of June 30, 2022 was \$18,801,142.

Note 5 - Interfund Receivables and Payables

Outstanding balances between funds may result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. As of June 30, 2022, there are no interfund receivable (payable) balances.

Note 6 - Internal Transfers

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 25,464	\$ (5,580,852)
General Obligation Bonds Debt Service Fund	13,914	-
Non-major Governmental Funds	127,938	-
Sewer Fund	4,489,000	-
Water Fund	950,000	-
Electric Fund	-	(25,464)
Total	<u>\$ 5,606,316</u>	<u>\$ (5,606,316)</u>

Transfers from the General fund of \$5,439,000 were made to the Sewer Fund of \$4,489,000 (net of associated bond issuance costs of \$61,000) and Water Fund of \$950,000 to transfer proceeds from issuance of the General Obligation Bond, Series 2021 to fund capital projects. Additional transfers from the General fund of \$13,914 and \$127,938 were made to the General Obligation Bonds Fund and non-major governmental funds (Parks and Recreation Development Fund) to fund debt service and parks projects, respectively. A transfer from the Electric Fund to General Fund of \$25,464 was made as a contribution for the summer youth recreation program.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 7 - Capital Assets

Capital asset activity for the City for the fiscal year ended June 30, 2022 was as follows:

	Balance June 30, 2021 (as restated)	Additions	Deletions and Transfers	Balance June 30, 2022
GOVERNMENTAL ACTIVITIES				
NONDEPRECIABLE CAPITAL ASSETS				
Land	\$ 1,709,231	\$ 683,533	\$ -	\$ 2,392,764
Construction in progress	194,407	592,127	(5,222)	781,312
	<u>1,903,638</u>	<u>1,275,660</u>	<u>(5,222)</u>	<u>3,174,076</u>
DEPRECIABLE CAPITAL ASSETS				
Buildings	9,012,353	-	-	9,012,353
Land improvements	1,387,222	-	-	1,387,222
Furnishing and equipment	1,944,838	17,931	(61,350)	1,901,419
Streets	63,216,909	-	-	63,216,909
Storm drains	3,275,185	-	-	3,275,185
	<u>78,836,507</u>	<u>17,931</u>	<u>(61,350)</u>	<u>78,793,088</u>
ACCUMULATED DEPRECIATION				
Buildings	(2,611,394)	(234,125)	-	(2,845,519)
Land improvements	(351,775)	(42,900)	-	(394,675)
Furnishing and equipment	(1,453,562)	(85,173)	61,350	(1,477,385)
Streets	(57,941,758)	(478,091)	-	(58,419,849)
Storm drains	(1,582,472)	(97,858)	-	(1,680,330)
	<u>(63,940,961)</u>	<u>(938,147)</u>	<u>61,350</u>	<u>(64,817,758)</u>
Total depreciable assets	<u>14,895,546</u>	<u>(920,216)</u>	<u>-</u>	<u>13,975,330</u>
NET GOVERNMENTAL CAPITAL ASSETS	<u>\$ 16,799,184</u>	<u>\$ 355,444</u>	<u>\$ (5,222)</u>	<u>\$ 17,149,406</u>

Depreciation is allocated as a direct expense to the governmental programs as follows:

General government	\$ 706,699
Public safety	48,264
Highways and streets	45,017
Culture and recreation	138,167
	<u>\$ 938,147</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 7 - Capital Assets (continued)

	Balance June 30, 2021	Additions	Deletions and Transfers	Balance June 30, 2022
BUSINESS-TYPE ACTIVITIES				
NONDEPRECIABLE CAPITAL ASSETS				
Land	\$ 854,160	\$ -	\$ -	\$ 854,160
Construction in progress	213,259	484,925	(65,419)	632,765
Total nondepreciable capital assets	<u>1,067,419</u>	<u>484,925</u>	<u>(65,419)</u>	<u>1,486,925</u>
DEPRECIABLE CAPITAL ASSETS				
Buildings	4,713,702	-	-	4,713,702
Land improvements	33,476	15,392	-	48,868
Furnishing and equipment	2,729,576	71,903	(243,008)	2,558,471
Infrastructure	33,599,320	180,647	243,008	34,022,975
Total depreciable capital assets	<u>41,076,074</u>	<u>267,942</u>	<u>-</u>	<u>41,344,016</u>
ACCUMULATED DEPRECIATION				
Buildings	(2,383,469)	(116,910)	-	(2,500,379)
Land improvements	(1,674)	(2,443)	-	(4,117)
Furnishing and equipment	(1,949,687)	(100,682)	211,872	(1,838,497)
Infrastructure	(20,451,006)	(937,572)	(211,872)	(21,600,450)
Total accumulated depreciation	<u>(24,785,836)</u>	<u>(1,157,607)</u>	<u>-</u>	<u>(25,943,443)</u>
Total depreciable assets	<u>16,290,238</u>	<u>(889,665)</u>	<u>-</u>	<u>15,400,573</u>
NET BUSINESS-TYPE CAPITAL ASSETS	<u><u>\$ 17,357,657</u></u>	<u><u>\$ (404,740)</u></u>	<u><u>\$ (65,419)</u></u>	<u><u>\$ 16,887,498</u></u>

Depreciation is allocated as a direct expense to the business-type activities as follows:

Electric	\$ 589,800
Water	326,023
Sewer	241,784
	<u>\$ 1,157,607</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8 - Long-term Obligations

General obligation bonds – The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary funds. In prior years, these bonds were reported in the proprietary funds if they were expected to be repaid from proprietary fund revenues; otherwise, they were reported in governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Revenue bonds – The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service.

Business-Type Activities

Direct Borrowings

The City obtained loans from the State of Oregon State Revolving Fund for use in construction of its sewer treatment plant. The City has pledged the net operating revenues of the sewer fund to pay amounts due under these loans. State revolving fund loans currently outstanding are as follows:

2006 OECD Water Loan – On November 30, 2006, the City entered into a loan agreement with the Oregon Economic & Community Development Department to borrow \$740,010 to finance the airport water and sewer project. During 2006 and 2007, the City drew on the note and the note closed in October 2007. This debt is payable prior to maturity without penalty. Interest is to be computed annually on the outstanding balance at 4.73%. The grant portion of the loan was realized during the 2011-12 fiscal year resulting in a reduction in loan principal of \$204,518. Principal and interest payments are due in December of each year through 2028. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 31,211	\$ 8,548	\$ 39,759
2024	32,687	7,072	39,759
2025	34,233	5,526	39,759
2026	35,853	3,906	39,759
2027	37,548	2,211	39,759
2028	9,190	435	9,625
Total	<u>\$ 180,722</u>	<u>\$ 27,698</u>	<u>\$ 208,420</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8 - Long-term Obligations (continued)

2015 Bandon Wastewater Improvements Loan – On July 1, 2015, the City entered into a loan agreement with Business Oregon to borrow \$1,250,000 to finance the sewer project. This debt is payable prior to maturity without penalty. Interest is to be computed annually on the outstanding balance at 1.00%. Principal and interest payments are due in December of each year through 2035. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 60,842	\$ 8,428	\$ 69,270
2024	61,450	7,819	69,269
2025	62,064	7,205	69,269
2026	62,685	6,584	69,269
2027	63,312	5,957	69,269
2028-2032	326,183	20,163	346,346
2033-2035	206,229	4,163	210,392
Total	<u>\$ 842,765</u>	<u>\$ 60,319</u>	<u>\$ 903,084</u>

Governmental Activities

Bonds Payable

2000 General Obligation Water Bond – The original issue date was November 9, 2000 for \$3,050,000. There are no reserve requirements. Interest is computed annually at 4.50% on the outstanding balance. All or part of the outstanding installments may be paid in inverse order on any date without penalty. Scheduled payment dates are November 9 each year through 2041. Annual debt requires are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 71,872	\$ 93,896	\$ 165,768
2024	75,106	90,662	165,768
2025	78,486	87,282	165,768
2026	82,018	83,750	165,768
2027	85,709	80,059	165,768
2028-2032	489,989	338,851	828,840
2033-2037	610,615	218,225	828,840
2038-2041	592,780	68,006	660,786
Total	<u>\$ 2,086,575</u>	<u>\$ 1,060,731</u>	<u>\$ 3,147,306</u>

2000 Local Improvement City Bond – The original issue date was June 28, 2000 for \$352,995. The Bond Resolution created a sinking fund for the installment payments. Interest is computed annually at 5.316% on the outstanding balance. The City paid an additional \$108,800 of principal during the fiscal year ending June 30, 2008 and renegotiated the term of the bond. This debt may be paid prior to maturity without penalty. Scheduled payment dates are on June 28 and December 28 each year through 2023. During the current fiscal year the City made additional principal payments of \$7,842, which paid the remaining loan balance in full.

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 8 - Long-term Obligations (continued)

2009 OECD Water Clarifier Loan (Refunded 2018) – During 2007, the City entered into a loan agreement with the Oregon Economic & Community Development Department to borrow up to \$1,010,000 to finance the water clarifier project. The City intends to repay the loan from the Water Fund. On May 27, 2009, the note closed with a revised loan agreement to finance a \$925,576 loan instead of the original \$1,010,000 amount. In April 2018, the note was refunded in the amount of \$696,061 with a revised loan agreement to finance \$627,401 resulting in a gain of \$68,660 which is reported as deferred inflow and will be amortized over the remaining life of the loan. Interest is to be computed annually on the outstanding balance at a rate of 3.00% to 4.75%. Principal and interest payments are due on December 1 each year through 2034. There are no reserve requirements. After January 1, 2019, this debt may be paid in full without penalty. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 30,552	\$ 24,707	\$ 55,259
2024	30,830	23,179	54,009
2025	31,063	21,696	52,759
2026	36,366	20,143	56,509
2027	36,701	18,309	55,010
2028-2032	223,775	61,019	284,794
2033-2034	108,207	8,058	116,265
Total	<u>\$ 497,494</u>	<u>\$ 177,111</u>	<u>\$ 674,605</u>

2012 General Obligation Bond – On August 15, 2012, the city entered into an agreement with Wedbush Securities Inc. for the issuance of general obligation bonds in the amount of \$2,200,000. Interest is computed bi-annually at 2.00% to 4.00%. This debt can be prepaid after August 1, 2022 without penalty. Scheduled payment dates are February 1 and August 1, each year through fiscal year 2033. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 105,000	\$ 42,431	\$ 147,431
2024	110,000	38,681	148,681
2025	115,000	35,306	150,306
2026	115,000	31,856	146,856
2027	120,000	28,331	148,331
2028-2032	655,000	80,850	735,850
2033	145,000	2,551	147,551
Total	<u>\$ 1,365,000</u>	<u>\$ 260,006</u>	<u>\$ 1,625,006</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8 - Long-term Obligations (continued)

Governmental Activities

Direct Borrowings

2004 HWY 101 Sewer LID – The original loan date was October 2004 for \$417,698. The City paid an additional \$10,000 of principal during the fiscal year ending June 30, 2008 and renegotiated the term of the loan. Interest is computed bi-annually at 4.93%. During 2013, the City made an additional principal pay down of \$7,541. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 24,170	\$ 9,128	\$ 33,298
2024	24,910	8,388	33,298
2025	25,718	7,580	33,298
2026	26,529	6,769	33,298
2027	27,366	5,932	33,298
2028-2032	150,320	16,170	166,490
2033	18,598	326	18,924
Total	<u>\$ 297,611</u>	<u>\$ 54,293</u>	<u>\$ 351,904</u>

2005 OECD Loan (Refunded 2018) – On July 15, 2005, the City entered into an agreement with the Oregon Economic Development Department to borrow \$985,000 to finance improvements to Fillmore Avenue. In April 2018, the note was refunded in the amount of \$530,685 with a revised loan agreement to finance \$484,257 resulting in a gain \$46,428 which is reported as deferred inflow and will be amortized over the remaining life of the loan. The Agency has agreed to make the annual debt service payments, but the City retains ultimate responsibility. There are no reserve requirements. This debt may be paid prior to maturity without penalty. Interest is computed semi-annually on the outstanding balance at 4.00%. Principal and interest payments are required in December of each year through December 2, 2031. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 30,329	\$ 17,833	\$ 48,162
2024	30,556	16,356	46,912
2025	30,795	14,867	45,662
2026	36,048	13,364	49,412
2027	36,313	11,599	47,912
2028-2032	200,956	30,354	231,310
Total	<u>\$ 364,997</u>	<u>\$ 104,373</u>	<u>\$ 469,370</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8 - Long-term Obligations (continued)

2012 Wedbush Refinancing of LoCap Loan – On November 28, 2012, the City entered into an agreement for a \$248,000 loan with Wedbush Bank to refinance their loan from 2008 to finance improvements to the community building. The Agency has agreed to make the annual debt service payments, but the City retains ultimate responsibility. There are no reserve requirements. This debt may be paid prior to maturity without penalty. Interest is computed semi-annually on the outstanding balance at a rate of 2.95% until maturity on December 1, 2022. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 14,202	\$ 210	\$ 14,412
Total	<u>\$ 14,202</u>	<u>\$ 210</u>	<u>\$ 14,412</u>

2012 12th Court LID Loan – The original loan date was April 11, 2012 for \$300,000. There are no reserve requirements. Interest is computed annually at 5.39% on the outstanding balance. The City paid an additional \$3,077 of interest during the fiscal year ending June 30, 2012. This debt may be paid prior to maturity without penalty. Scheduled payment dates are April 11 and October 11, each year, through 2042. During 2013, the City made additional principal pay down of \$211,545. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,894	\$ 3,453	\$ 5,347
2024	1,990	3,357	5,347
2025	2,109	3,238	5,347
2026	2,226	3,121	5,347
2027	2,350	2,997	5,347
2028-2032	13,838	12,899	26,737
2033-2037	18,130	8,607	26,737
2038-2042	21,080	2,992	24,072
Total	<u>\$ 63,617</u>	<u>\$ 40,664</u>	<u>\$ 104,281</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8 - Long-term Obligations (continued)

2021 General Obligation Bond – On August 23, 2021, the City entered into an agreement with Zion Bancorporation, N.A., for the issuance of general obligation bonds in the amount of \$5,500,000. Interest is computed bi-annually at 1.82%. This debt can be prepaid in whole or in part on any date at par plus accrued interest with 30 days written notice without penalty. Scheduled payment dates are June 15 and December 15, each year through fiscal year 2035-2036. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 229,444	\$ 95,937	\$ 325,381
2024	248,098	91,761	339,859
2025	267,489	87,246	354,735
2026	287,643	82,378	370,021
2027	308,583	77,143	385,726
2028-2032	1,882,982	293,442	2,176,424
2033-2036	2,047,039	97,084	2,144,123
Total	<u>\$ 5,271,278</u>	<u>\$ 824,991</u>	<u>\$ 6,096,269</u>

2019 Sweeper Loan – The original issue date was May 21, 2019 for \$250,405. This loan was for the purchase of a 2018 Street Sweeper. Interest is computed at 3.65% for the life of the loan computed on the basis of the actual number of days elapsed over a year of 360 days. The City may prepay all or any portion of the outstanding balance at any time, without penalty, upon written notice given to the lender thirty days in advance of the prepayment date. The scheduled payment dates are June 1 of each year through 2024. This loan was paid in full in August 2021.

2019 Golf Course Loan – The original issue date was November 14, 2018 for \$175,000. This loan was for the purchase of a golf course and land. Interest is computed at 5.50% per year. Annual payments are required beginning November 2018 through 2032. A late charge of 5% of the overdue payment amount applies when not received within 15 days of the payment due date. This loan was paid in full in June 2022.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8 - Long-term Obligations (continued)

Summary of long-term obligations

The following is a summary of changes in long-term obligations during the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
GOVERNMENTAL ACTIVITIES					
<i>Bonds Payable</i>					
2000 General obligation bonds	\$ 2,155,352	\$ -	\$ (68,777)	\$ 2,086,575	\$ 71,872
2000 LID bond	8,725	-	(8,725)	-	-
2012 General obligation bonds	1,465,000	-	(100,000)	1,365,000	105,000
2018 OECDD Water Clarification loan	532,782	-	(35,288)	497,494	30,552
2021 General obligation bonds	-	5,500,000	(228,722)	5,271,278	229,444
<i>Direct Borrowing</i>					
12th Court LID loan	65,441	-	(1,824)	63,617	1,894
Note payable - 2004 HWY 101 LID	321,046	-	(23,435)	297,611	24,170
2012 Wedbush LoCap refinance	41,992	-	(27,790)	14,202	14,202
2018 OECDD loan	395,109	-	(30,112)	364,997	30,329
2019 Sweeper loan	152,119	-	(152,119)	-	-
2019 Golf Course loan	159,387	-	(159,387)	-	-
Total governmental activities	<u>\$ 5,296,953</u>	<u>\$ 5,500,000</u>	<u>\$ (836,179)</u>	<u>\$ 9,960,774</u>	<u>\$ 507,463</u>
BUSINESS-TYPE ACTIVITIES					
<i>Direct Borrowing</i>					
2006 OECDD loan	\$ 210,523	\$ -	\$ (29,801)	\$ 180,722	\$ 31,211
2015 Wastewater Improvement loan	903,004	-	(60,239)	842,765	60,842
Total business-type activities	<u>\$ 1,113,527</u>	<u>\$ -</u>	<u>\$ (90,040)</u>	<u>\$ 1,023,487</u>	<u>\$ 92,053</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9 - Defined Benefit Pension Plans

OPERS Plan

Plan Description

Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 238A, and Internal Revenue Service Code Section 401(a).

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The ORS Chapter 238 Defined Benefit Plan was closed to new members hired on or after August 29, 2003. In 1995, the Oregon Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, PERS active Tier One or Tier Two members became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

Pension Benefits – All benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapter 238 and 238A.

Tier One/Tier Two Retirement Benefit (Chapter 238)

Pension Benefits – The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.00 percent for Police and Fire 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 a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021 and will be indexed with inflation in later years.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9 - Defined Benefit Pension Plans (continued)

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. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan was closed to new members hired on or after August 29, 2003.

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

- Member was employed by an OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in an OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-covered job at the time of death.

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

Benefit Changes After Retirement – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of 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.

OPSRP Pension Program (Chapter 238A)

Pension Benefits – The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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.

Police and Fire – 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for a Police and Fire member 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 BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9 - Defined Benefit Pension Plans (continued)

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation each year.

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.

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 or other person 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 70 ½ years.

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

Benefit Changes After Retirement – Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustment (COLA). The COLA is capped at 2.0 percent.

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

Contributions - OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

Employer Contributions - OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and OPEB plans.

Employer contributions during the period July 1, 2021 through June 30, 2023, were and are based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. For the period July 1, 2021 through June 30, 2022, net employer contribution rates were 25.11 percent for Tier 1/Tier 2 employees and 20.45 percent for OPSRP General Employees and 24.81 percent for OPSRP Police and Fire Employees. Employer contributions for the year ended June 30, 2022 were \$578,958.

Member Contributions - Beginning January 1, 2004, all the member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9 - Defined Benefit Pension Plans (continued)

Oregon PERS Annual Comprehensive Financial Report (ACFR)

OPERS prepares their financial statements in accordance with GAAP as set forth in GASB pronouncements that apply to fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Revenues are recognized when earned. Contributions recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plans. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction in between market participants at the measurement date. OPERS produces an independently audited ACFR which can be found at:

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

Actuarial Valuation

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2019
Measurement date	June 30, 2021
Experience study	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision: blend based on service.
Mortality	<i>Healthy retirees and beneficiaries:</i> 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. <i>Active members:</i> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> 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.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9 - Defined Benefit Pension Plans (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study, which reviewed experience for the four-year period ending on December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed Asset Allocation

Asset Class	Target Allocation
Cash	0.00%
Debt Securities	20.00%
Public Equity	30.00%
Private Equity	20.00%
Real Estate	12.50%
Alternative Portfolio	15.00%
Risk Parity	2.50%
Total	100.00%

Investment Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9 - Defined Benefit Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annualized Geometric Mean</u>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.60%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50% *	1.76%
Total	<u>100.00%</u>	
Assumed inflation - mean		2.40%

*Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

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

At June 30, 2022, the City reported a liability of \$2,504,481 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. 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. At June 30, 2021, (measurement date), the City’s proportion was approximately .02092914 percent.

For the year ended June 30, 2022, the City recognized a reduction in pension expense of \$333,452. The \$333,452 was treated as an decrease of payroll related expense in the Statement of Activities and allocated to Governmental Activities, Sewer Fund, Water Fund and Electric Fund using allocation percentages of approximately 46 percent, 8 percent, 9 percent and 36 percent, respectively.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9 - Defined Benefit Pension Plans (continued)

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 234,436	\$ -
Change of assumptions	626,947	6,591
Net difference between projected and actual earnings on investments	-	1,854,048
Changes in proportionate share	-	283,019
Difference between employer contributions and employer's proportionate share of system contributions	48,023	32,046
Contribution subsequent to the measurement date	578,958	-
Total	\$ 1,488,364	\$ 2,175,704

\$578,958 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to pensions will be recognized in pension expense or (expense reduction) as follows:

Year ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2023	\$ (243,567)
2024	(263,044)
2025	(317,313)
2026	(485,641)
2027	43,267
	\$ (1,266,298)

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9 - Defined Benefit Pension Plans (continued)

Sensitivity for the City's Proportionate Share of the Net Pension Liability to Changes in Discount Rate

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

<u>City's Net Pension Liability/(Asset)</u>	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Defined Benefit Pension	<u>\$ 4,918,202</u>	<u>\$ 2,504,481</u>	<u>\$ 485,073</u>

Changes in Assumptions and Methods

A summary of key changes implemented since the December 31, 2019, calculation can be found in the 2020 Experience Study for the System, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

- Reduce the long-term inflation assumption from the current 2.50% to 2.40% or lower
- Reduce the system payroll growth assumption from the current 3.50% to 3.40% or lower, paralleling the change in inflation
- The current investment return assumption of 7.20% per year should be lowered at 0.20%, based on PERS' current target allocation
- Update the assumption for future administrative expenses and use a combined assumption amount for the Tier 1/Tier 2 and OPSRP programs
- Update the RHIPA health cost trend assumption
- Adjust the base mortality table assumption and make a routine update to the mortality improvement scale for all groups
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience
- Increase the merit component of the individual member salary increase assumption for all member categories
- Update pre-retirement termination of employment assumptions for one member category
- Lower assumed rates of ordinary (non-duty) disability and general service duty disability incidence
- Increase the Tier 1 unused vacation cash out assumption for three member categories
- Increase the Tier 1/Tier 2 unused sick leave assumption for all member categories
- Decrease the healthy and disabled likelihood of program participation assumptions for the RHIA retiree healthcare program
- Decrease the RHIPA likelihood of program participation assumption for most service bands
- Revise the parameters of the rate collar methodology to only restrict changes in the Unfunded Actuarial Liability (UAL) Rate contribution rate component and to narrow the width of allowable changes
- Introduce a methodology for UAL Rate amortization in the RHIA or RHIPA programs when one or both are in an actuarial surplus position (over 100% funded)
- Update the assumed system-average level of member redirect contributions to Tier 1/Tier 2 and OPSRP reflecting the projected effects of HB 2906, which passed in June 2021.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9 - Defined Benefit Pension Plans (continued)

Defined Contribution Plan – Individual Account Program (IAP)

Pension Benefits

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. All covered employees are required by State statute to contribute 6% of their salary to the plan. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

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

Contributions - Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, tied to the annual Consumer Price Index (All Urban Consumers, West Region).

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 10 - Other Post-Employment Benefits (OPEB)

City County Insurance Services (CIS)

Plan Description

The government does not have a formal post-employment benefits plan for any employee groups; however, the government is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. GASB 75 is applicable to the government due only to the implicit rate subsidy. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare.

This “plan” is a single employer defined benefit plan. This plan is not considered a trust or equivalent arrangement as there are no plan assets. It is not a stand-alone plan and therefore does not issue its own financial statements.

Benefits Provided

All employees of the government retiring from active service with a pension benefit payable immediately under Oregon PERS is eligible. Retirees and their dependents under age 65 are allowed to continue the health care coverage received prior to retirement. Premiums for retirees are tiered and based upon the premium rate available to active employees. The retiree is responsible for payment of the premiums.

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the implicit benefit terms:

Active employees	20
Eligible retirees	1
Spouses of ineligible retirees	0
Total participants	21

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

As of June 30, 2022, the government reported an OPEB liability of \$189,799. Total OPEB liability is determined using the entry age normal actuarial cost allocation method. In addition, GASB 75 requires that the allocation of costs for accounting purposes be made as a level percentage of employees’ projected pay, including future anticipated pay increases. This measurement is based on the July 1, 2020 valuation date and a June 30, 2021 measurement date.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 10 - Other Post-Employment Benefits (OPEB) (continued)

	Total OPEB Liability
Balance as of June 30, 2021	\$ 189,070
Changes for the year:	
Service Cost	8,007
Interest on total OPEB liability	4,223
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	561
Benefit payments	(12,062)
Balance as of June 30, 2022	\$ 189,799

For the year ended June 30, 2022, the City recognized OPEB expense of \$824. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	10,518	-
Changes in proportionate share	-	-
Contributions subsequent to the measurement date	13,674	-
Total	\$ 24,192	\$ -

\$13,674 reported as deferred outflows of resources related to OPEB resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2023	\$ 2,268
2024	2,268
2025	2,268
2026	2,268
2027	1,395
Thereafter	51
Total	\$ 10,518

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 10 - Other Post-Employment Benefits (OPEB) (continued)

Actuarial methods and assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2021 actuarial valuation, the entry age normal cost method was used. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2019.

Valuation Date	July 1, 2020
Measurement Date	June 30, 2021
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50 percent
Salary Increases	3.50 percent
Withdrawal, retirement, and mortality rates	December 31, 2019 Oregon PERS valuation
Election and Lapse Rates	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate

Discount rate. Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions reflect the Bond Buyer 20-Year General Obligation Bond Index. The discount rate in effect for the June 30, 2022 reporting date is 2.16 percent. The previous year discount rate was 2.21 percent.

Sensitivity of the Total OPEB Liability to Changes in the 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 that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 201,507	\$ 189,799	\$ 178,523

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 10 - Other Post-Employment Benefits (OPEB) (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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 healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate 3.75% trending up to 5.75% then back down to 4.0%	1% Increase
Total OPEB Liability	\$ 174,029	\$ 189,799	\$ 207,902

Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the government contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, defined benefits, 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 resides with the Oregon Legislature. The plan was closed to new entrants hired on or after August 29, 2003.

OPERS issues a publicly available Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at: <https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>.

OPEB Benefits

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

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 10 - Other Post-Employment Benefits (OPEB) (continued)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll first became effective July 1, 2021. Employer RHIA contributions for the year ended June 30, 2022 were \$550. The City's contribution rates in effect for the period were 0.05 percent for Tier One/Tier Two members and 0.00 percent for OPSRP Pension Program Members.

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

At June 30, 2022 the City reported an asset of \$75,524 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The City's proportion of the net OPEB asset was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2021, the City's proportion was 0.02199297 percent.

For the year ended June 30, 2022, the City's recognized OPEB expense (reduction) was (\$14,285). As of June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,101
Change of assumptions	1,486	1,124
Net difference between projected and actual earnings on investments	-	17,948
Changes in proportionate share	234	2,502
Difference between employer contributions and employer's proportionate share of contributions	-	-
Contribution subsequent to the measurement date	550	-
Total	\$ 2,270	\$ 23,675

\$550 reported as deferred outflows of resources related to OPEBs resulting from government contributions subsequent to the measurement date will be recognized as an addition to the net OPEB asset in the year ended June 30, 2023.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 10 - Other Post-Employment Benefits (OPEB) (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to OPEBs will be recognized in OPEB expense as follows:

Year Ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2023	\$ (7,542)
2024	(4,645)
2025	(4,098)
2026	(5,670)
2027	-
Thereafter	-
Total	\$ (21,955)

Actuarial Valuation

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 9 - Defined Benefit Pension Plans* except the table listed below:

Actuarial assumptions:

Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable

The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, Investment Rate of Return, and Mortality Tables.

Sensitivity for the City's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Liability (Asset)	\$ (66,790)	\$ (75,524)	\$ (82,985)

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

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 11 - Commitments - Construction in Progress

At June 30, 2022, the City is involved in the various phases of improvement projects. There were no significant contract commitments at year end.

Note 12 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by granter 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 granter cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Note 13 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Workers' compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year, and the City has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years.

Note 15 - Tax Abatements

The City has entered into no tax abatement programs. There are no tax abatement programs entered into by another government reducing the City's property tax revenues for the year ended June 30, 2022.

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes and assessments				
Property taxes - current year, net	\$ 206,426	\$ 206,426	\$ 208,022	\$ 1,596
Previously levied taxes	12,300	12,300	12,619	319
Franchise fees	53,000	53,000	87,374	34,374
Utility taxes	500,000	500,000	535,443	35,443
Transient tax	700,500	700,500	1,048,831	348,331
Total taxes	<u>1,472,226</u>	<u>1,472,226</u>	<u>1,892,289</u>	<u>420,063</u>
License and permits	<u>285,029</u>	<u>285,029</u>	<u>319,213</u>	<u>34,184</u>
Intergovernmental				
Cigarette tax	2,451	2,451	2,787	336
Marijuana tax	4,095	4,095	3,938	(157)
Liquor tax	59,695	59,695	62,216	2,521
Total intergovernmental	<u>66,241</u>	<u>66,241</u>	<u>68,941</u>	<u>2,700</u>
Fines and police income	<u>75,150</u>	<u>75,150</u>	<u>63,568</u>	<u>(11,582)</u>
Payments in lieu of taxes				
Electric fund	375,000	375,000	370,137	(4,863)
Water fund	59,280	59,280	63,312	4,032
Sewer fund	57,600	57,600	60,873	3,273
Heritage Place	1,500	1,500	-	(1,500)
Total payments in lieu of taxes	<u>493,380</u>	<u>493,380</u>	<u>494,322</u>	<u>942</u>
Reimbursements	<u>476,084</u>	<u>476,084</u>	<u>510,936</u>	<u>34,852</u>
Other				
Interest	9,000	9,000	11,781	2,781
Community center rent	10,000	10,000	25,022	15,022
Rental	1,000	1,000	21,758	20,758
Sprague theater rent	12,400	12,400	23,326	10,926
Grants & donations	337,234	337,234	369,211	31,977
Miscellaneous	-	74,740	354,601	279,861
Total other	<u>369,634</u>	<u>444,374</u>	<u>805,699</u>	<u>361,325</u>
TOTAL REVENUES	<u><u>\$ 3,237,744</u></u>	<u><u>\$ 3,312,484</u></u>	<u><u>\$ 4,154,968</u></u>	<u><u>\$ 842,484</u></u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
General government				
Administration and general	\$ 394,220	\$ 394,220 (1)	\$ 296,936	\$ 97,284
Accounting and billing	293,432	358,932 (1)	322,036	36,896
Municipal court	6,000	8,100 (1)	5,594	2,506
Mayor and council	37,450	39,990 (1)	38,648	1,342
Planning department	297,841	297,841 (1)	246,154	51,687
Non-departmental	1,384,386	1,384,386 (1)	367,030	1,017,356
Total general government	<u>2,413,329</u>	<u>2,483,469</u>	<u>1,276,398</u>	<u>1,207,071</u>
Public safety				
Police department	1,296,205	1,300,805 (1)	1,217,002	83,803
Fire department	115,870	115,870 (1)	115,870	-
Total public safety	<u>1,412,075</u>	<u>1,416,675</u>	<u>1,332,872</u>	<u>83,803</u>
Highway and streets				
Street department	260,500	260,500 (1)	168,446	92,054
Total highway and streets	<u>260,500</u>	<u>260,500</u>	<u>168,446</u>	<u>92,054</u>
Culture and recreation				
Parks and recreation	221,922	221,922 (1)	152,512	69,410
Community center	86,372	86,372 (1)	54,282	32,090
Sprague theater	40,240	40,240 (1)	22,893	17,347
Total culture and recreation	<u>348,534</u>	<u>348,534</u>	<u>229,687</u>	<u>118,847</u>
Debt Service				
Interest and fiscal charges	-	-	61,000	(61,000)
Total debt service	<u>-</u>	<u>-</u>	<u>61,000</u>	<u>(61,000)</u>
TOTAL EXPENDITURES	<u>4,434,438</u>	<u>4,509,178</u>	<u>3,068,403</u>	<u>1,440,775</u>
NET REVENUES OVER (UNDER)				
EXPENDITURES	<u>(1,196,694)</u>	<u>(1,196,694)</u>	<u>1,086,565</u>	<u>2,283,259</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of bonds	-	-	5,500,000	5,500,000
Sale of property	-	-	7,815	7,815
Transfer from other funds	20,464	20,464	25,464	5,000
Transfer to other funds	-	-	(5,580,852)	(5,580,852)
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,464</u>	<u>20,464</u>	<u>(47,573)</u>	<u>(68,037)</u>
NET CHANGE IN FUND BALANCE	(1,176,230)	(1,176,230)	1,038,992	2,215,222
FUND BALANCE, beginning of year (as restated)	1,176,230	1,176,230	1,147,670	(28,560)
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,186,662</u>	<u>\$ 2,186,662</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
URBAN RENEWAL DISTRICT NO. 1 FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Property taxes - current year	\$ 326,644	\$ 326,644	\$ 366,143	\$ 39,499
Previously levied taxes	22,000	22,000	19,936	(2,064)
Interest	17,000	17,000	6,579	(10,421)
Payments in lieu of taxes	6,600	6,600	-	(6,600)
Other	-	-	888	888
Total revenues	<u>372,244</u>	<u>372,244</u>	<u>393,546</u>	<u>21,302</u>
EXPENDITURES				
General government				
Materials and services	146,000	146,000 (1)	128,664	17,336
Capital outlay	607,800	607,800 (1)	616,358	(8,558)
Debt service	346,531	346,531 (1)	195,943	150,588
Contingency	212,522	212,522 (1)	-	212,522
Total expenditures	<u>1,312,853</u>	<u>1,312,853</u>	<u>940,965</u>	<u>371,888</u>
NET CHANGE IN FUND BALANCE	(940,609)	(940,609)	(547,419)	393,190
FUND BALANCE, beginning of year	<u>940,609</u>	<u>940,609</u>	<u>1,472,883</u>	<u>532,274</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 925,464</u>	<u>\$ 925,464</u>

(1) Appropriation level

CITY OF BANDON
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY / (ASSET)
AND SCHEDULE OF THE CITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST NINE FISCAL YEARS ENDING JUNE 30

City of Bandon Proportionate Share of Net Pension Liability / (Asset) at the measurement date

	2022	2021	2020	2019	2018
City proportion of the net pension liability/(asset)	0.0209291%	0.0222466%	0.0224150%	0.0239113%	0.0239922%
City proportion of the net pension liability/(asset)	\$ 2,504,481	\$ 4,854,967	\$ 3,877,265	\$ 3,234,154	\$ 3,234,154
Covered payroll	\$ 2,442,667	\$ 2,328,102	\$ 2,291,800	\$ 2,170,659	\$ 2,182,895
Proportionate share of the pension liability/(asset) as a percentage of its covered payroll	102.53%	208.54%	169.18%	148.99%	148.16%
Plan fiduciary net position as a percentage of the total pension liability	87.60%	75.79%	80.20%	82.07%	83.12%

City of Bandon Proportionate Share of Net Pension Liability / (Asset) at the measurement date

	2017	2016	2015	2014
City proportion of the net pension liability/(asset)	0.0254823%	0.0311246%	0.0313051%	0.0313051%
City proportion of the net pension liability/(asset)	\$ 3,825,491	\$ 1,787,009	\$ (709,597)	\$ 1,597,545
Covered payroll	\$ 2,210,369	\$ 2,091,533	\$ 1,940,273	\$ 1,940,273
Proportionate share of the pension liability/(asset) as a percentage of its covered payroll	173.07%	85.44%	-36.57%	82.34%
Plan fiduciary net position as a percentage of the total pension liability	80.53%	91.88%	103.59%	91.97%

City of Bandon Contributions

	2022	2021	2020	2019	2018
Contractually required contributions	\$ 578,958	\$ 489,947	\$ 472,958	\$ 380,444	\$ 356,422
Contribution in relation to the contractually required	(578,958)	(489,947)	(472,958)	(380,444)	(356,422)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,578,870	\$ 2,442,667	\$ 2,328,102	\$ 2,291,800	\$ 2,170,659
Contributions as a percentage of covered payroll	22.45%	20.06%	20.32%	16.60%	16.42%
	2017	2016	2015	2014	
Contractually required contributions	\$ 307,903	\$ 302,415	\$ 372,960	\$ 387,070	
Contribution in relation to the contractually required	(307,903)	(302,415)	(372,960)	(387,070)	
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ 2,182,895	\$ 2,210,369	\$ 2,091,533	\$ 1,940,273	
Contributions as a percentage of covered payroll	14.11%	13.68%	17.83%	19.95%	

Note 1 - Changes of Benefit Terms and Assumptions -

Significant Methods and Assumptions:

A summary of assumption changes implemented since the December 31, 2019 valuation are outlined briefly in Note 9 in the notes to the basic financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the system, which was published on July 20, 2021, and can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

Other Information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The City adopted GASB 68 during fiscal 2014, as a result, only nine years of information is presented.

CITY OF BANDON
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY / (ASSET)
AND SCHEDULE OF THE CITY'S CONTRIBUTIONS
OPERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)
LAST FIVE FISCAL YEARS ENDING JUNE 30

City of Bandon Proportionate Share of Net OPEB Liability / (Asset) at the measurement date

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City proportion of the net OPEB liability/(asset)	0.02199297%	0.01996475%	0.02045079%	0.01995543%	0.02056675%
City's proportion of the net OPEB liability/(asset)	\$ (75,524)	\$ (40,680)	\$ (39,519)	\$ (22,276)	\$ (8,583)
City's covered-employee payroll	\$ 2,442,667	\$ 2,328,102	\$ 2,291,800	\$ 2,170,659	\$ 2,182,895
City's proportionate share of the net OPEB liability/(asset) as a percentage of its covered-employee payroll	-3.09%	-1.75%	-1.72%	-1.03%	-0.39%
Plan fiduciary net position as a percentage of the total OPEB liability	183.90%	150.10%	144.40%	123.99%	108.88%

City of Bandon Contributions

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 550	\$ 588	\$ 1,426	\$ 10,136	\$ 9,662
Contribution in relation to the contractually required	(550)	(588)	(1,426)	(10,136)	(9,662)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered - employee payroll	\$ 2,578,870	\$ 2,442,667	\$ 2,328,102	\$ 2,291,800	\$ 2,170,659
Contributions as a percentage of covered-employee payroll	0.02%	0.02%	0.06%	0.44%	0.45%

Note 1 - Changes of Benefit Terms and Assumptions -

Significant Methods and Assumptions:

A summary of assumption changes implemented since the December 31, 2019 valuation are outlined briefly in *Note 10* in the notes to the basic financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the system, which was published on July 20, 2021, and can be found at:
<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

Other Information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The City adopted GASB 75 for RHIA during fiscal 2018, as a result, only five years of information is presented.

CITY OF BANDON
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE ACCOUNT
LAST TWO FISCAL YEARS ENDING JUNE 30

	2022	2021
Total OPEB Liability		
Service Interest	\$ 8,007	\$ 6,175
Interest	4,223	6,112
Changes of benefit terms	-	-
Changes of economic/demographic gains or (losses)	-	-
Changes of assumption	561	14,408
Benefit payments	(12,062)	(12,062)
Net change in total OPEB liability	729	14,633
Total OPEB liability - beginning	189,070	174,437
Total OPEB liability - ending	\$ 189,799	\$ 189,070
Covered-employee payroll	\$ 2,442,667	\$ 2,328,102
Total OPEB liability as a percentage of covered-employee payroll	7.77%	8.12%

Note 1 - Benefit Terms and Assumptions -

Significant Methods and Assumptions:

The amounts presented for each fiscal year were actuarially determined at July 1 and rolled forward to the measurement date. A summary of assumptions used in the July 1, 2020 valuation are outlined briefly in Note 10 in the notes to the basic financial statements.

Other Information:

This schedule is 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.

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTARY INFORMATION

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
12TH COURT LID DEBT SERVICE
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Special assessments	\$ 7,800	\$ 228,600	\$ 48,075	\$ (180,525)
Interest	6,000	6,000	1,289	(4,711)
Total revenues	<u>13,800</u>	<u>234,600</u>	<u>49,364</u>	<u>(185,236)</u>
EXPENDITURES				
Debt service	47,991	268,791	48,077	
Contingency	176,322	176,322	-	
Total expenditures	<u>224,313</u>	<u>445,113 (1)</u>	<u>48,077</u>	<u>397,036</u>
NET CHANGE IN FUND BALANCE	(210,513)	(210,513)	1,287	211,800
FUND BALANCE, beginning of year	<u>210,513</u>	<u>210,513</u>	<u>225,494</u>	<u>14,981</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,781</u>	<u>\$ 226,781</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL OBLIGATION BONDS DEBT SERVICE
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes	\$ 501,571	\$ 501,571	\$ 530,666	\$ 29,095
Out of city contributions	35,343	35,343	39,481	4,138
Payments in lieu of taxes	9,305	9,305	-	(9,305)
Interest	3,700	3,700	2,612	(1,088)
Total revenues	<u>549,919</u>	<u>549,919</u>	<u>572,759</u>	<u>22,840</u>
EXPENDITURES				
Debt service	<u>960,759</u>	<u>960,759</u>	<u>537,441</u>	
Total expenditures	<u>960,759</u>	<u>960,759 (1)</u>	<u>537,441</u>	<u>423,318</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(410,840)	(410,840)	35,318	(400,478)
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>-</u>	<u>-</u>	<u>13,914</u>	<u>13,914</u>
NET CHANGE IN FUND BALANCE	(410,840)	(410,840)	49,232	460,072
FUND BALANCE, beginning of year	<u>410,840</u>	<u>410,840</u>	<u>407,828</u>	<u>(3,012)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 457,060</u>	<u>\$ 457,060</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL OPTION STREET TAX FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Property taxes - current year	\$ 426,955	\$ 426,955	\$ 427,684	\$ 729
Previously levied taxes	20,000	20,000	25,566	5,566
Interest	31,000	31,000	8,998	(22,002)
Payments in lieu of tax	6,581	6,581	-	(6,581)
Other	-	-	15	15
	<u>484,536</u>	<u>484,536</u>	<u>462,263</u>	<u>(22,273)</u>
Total revenues				
EXPENDITURES				
Local Option Street				
Capital outlay	400,032	400,032	314,506	
Debt service	160,674	160,674	152,594	
Reserve	1,178,342	1,178,342	-	
Contingency	250,000	250,000	-	
	<u>1,989,048</u>	<u>1,989,048</u>	<u>467,100</u>	<u>1,521,948</u>
Total expenditures				
NET CHANGE IN FUND BALANCE	(1,504,512)	(1,504,512)	(4,837)	1,499,675
FUND BALANCE, beginning of year	<u>1,504,512</u>	<u>1,504,512</u>	<u>1,712,871</u>	<u>208,359</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,708,034</u>	<u>\$ 1,708,034</u>

(1) Appropriation Level

**CITY OF BANDON
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

Special revenue funds are used to account for resources and activities that are required legally or by sound financial management to be accounted for in separate funds.

State Tax Street Fund – This fund is used to account for the receipt of state gasoline taxes. Expenditures are legally restricted to the maintenance and improvements of streets, footpaths, and bicycle trails.

Library Memorial Fund – This fund is used to account for private donations to the library.

Library Fund – This fund is used to account for the operations of the City's library. The primary source of revenue is taxes levied through the Coos County Library Services District.

Community Beautification Fund – This fund uses the receipts from the solid waste franchise fees for the purpose of community beautification projects.

State Revenue Sharing Fund – This fund is used to account for receipts from the state of Oregon through the revenue sharing program. Expenditures are legally restricted to certain areas.

Block Grant Fund – This fund is used to account for the collection of principal and interest from rehabilitation loans.

Police Reserve Fund – This fund is used to account for the Police Reserve Program, Holiday with a Hero Program, and miscellaneous other police activities.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources and payment of general long-term debt principal, interest, and related costs.

Local Improvement District Fund – This fund is used to account for the construction and assessment of water, sewer, and street improvements within organized special assessment districts of the City. This fund is comprised of a number of individual assessment districts.

CITY OF BANDON
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Capital Projects Funds

Capital projects funds are used to account for the acquisition and/or construction of major capital facilities.

Urban Renewal District No. 2 Fund – This fund is used to account for construction, administration, and certain debt service payments within the urban renewal areas. These funds are financed by property taxes (tax increments) levied in various taxing districts.

Parks and Recreation Development Fund – This fund is used to account for funds paid to the City by subdivisions in lieu of dedicating land for public park and recreation uses. The City is required to use said funds to aid in securing suitable areas for park and recreation purposes to serve the area containing the subdivision.

Street SDC Reimbursement Fund – This fund is used to account for the proceeds from system development charges which are legally restricted to expenditures for certain capital improvements.

Street SDC Improvement Fund – This fund is used to account for the proceeds from system development charges which are legally restricted to expenditures for certain capital improvements.

Storm Drain SDC Reimbursement Fund – This fund is used to account for the proceeds from system development charges which are legally restricted to expenditures for certain capital improvements.

Storm Drain SDC Improvement Fund – This fund is used to account for the proceeds from system development charges which are legally restricted to expenditures for certain capital improvements.

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF BANDON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 732,547	\$ 54,634	\$ 2,171,773	\$ 2,958,954
Receivables				
Property taxes	-	-	12,665	12,665
Accounts	3,868	-	-	3,868
Notes receivable				
Notes/Loans receivable	21,667	-	-	21,667
Special assessments	-	-	10,726	10,726
Interfund loans receivable	-	-	-	-
TOTAL ASSETS	\$ 758,082	\$ 54,634	\$ 2,195,164	\$ 3,007,880
LIABILITIES				
Accounts payable	\$ 9,344	\$ -	\$ 2,560	\$ 11,904
Accrued payroll and benefits	10,314	-	-	10,314
Interfund loans payable	-	-	-	-
Total liabilities	19,658	-	2,560	22,218
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	-	-	11,431	11,431
Loans	21,667	-	-	21,667
Assessments	-	-	10,726	10,726
Total deferred inflows of resources	21,667	-	22,157	43,824
FUND BALANCE				
Restricted	514,364	54,634	2,117,823	2,686,821
Committed	202,393	-	52,624	255,017
Unassigned	-	-	-	-
Total fund balances	716,757	54,634	2,170,447	2,941,838
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 758,082	\$ 54,634	\$ 2,195,164	\$ 3,007,880

CITY OF BANDON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 267,426	\$ -	\$ 185,467	\$ 452,893
Intergovernmental	465,874	-	-	465,874
System development charges	-	-	241,286	241,286
Special assessments	-	-	15,090	15,090
Interest	3,674	296	11,246	15,216
Contributions & donations	31,041	-	-	31,041
Other	64,887	-	4,675	69,562
Total revenues	832,902	296	457,764	1,290,962
EXPENDITURES				
General government	-	-	47,060	47,060
Public safety	28,287	-	-	28,287
Highways and streets	274,288	-	-	274,288
Culture and recreation	391,637	-	171,373	563,010
Capital outlay	13,409	-	161,811	175,220
Debt service	-	-	28,825	28,825
Total expenditures	707,621	-	409,069	1,116,690
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	125,281	296	48,695	174,272
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	-	-	127,938	127,938
Loan principal	2,746	-	-	2,746
Loan interest	855	-	-	855
Total other financing sources (uses)	3,601	-	127,938	131,539
NET CHANGE IN FUND BALANCE	128,882	296	176,633	305,811
FUND BALANCES, beginning of year	587,875	54,338	1,993,814	2,636,027
FUND BALANCES, end of year	\$ 716,757	\$ 54,634	\$ 2,170,447	\$ 2,941,838

**CITY OF BANDON
SUB-COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2022**

	State Tax Street	Library Memorial	Library	Community Beautification
ASSETS				
Cash and cash equivalents	\$ 240,850	\$ 93,787	\$ 155,545	\$ 15,908
Accounts receivable	-	-	-	3,868
Loans receivable	-	-	-	-
TOTAL ASSETS	\$ 240,850	\$ 93,787	\$ 155,545	\$ 19,776
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 513	\$ -	\$ 5,392	\$ 3,300
Accrued payroll and benefits	4,040	-	6,274	-
Total liabilities	4,553	-	11,666	3,300
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Fund balances				
Restricted	236,297	93,787	-	-
Committed	-	-	143,879	16,476
Total fund balances	236,297	93,787	143,879	16,476
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 240,850	\$ 93,787	\$ 155,545	\$ 19,776

**CITY OF BANDON
SUB-COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2022**

	State Revenue Sharing	Block Grant	Police Reserve	Total
ASSETS				
Cash and cash equivalents	\$ 42,177	\$ 132,745	\$ 51,535	\$ 732,547
Accounts receivable	-	-	-	3,868
Loans receivable	-	21,667	-	21,667
TOTAL ASSETS	\$ 42,177	\$ 154,412	\$ 51,535	\$ 758,082
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 139	\$ -	\$ -	\$ 9,344
Accrued payroll and benefits	-	-	-	10,314
Total liabilities	139	-	-	19,658
Deferred Inflows of Resources:				
Unavailable revenue	-	21,667	-	21,667
Fund balances				
Restricted	-	132,745	51,535	514,364
Committed	42,038	-	-	202,393
Total fund balances	42,038	132,745	51,535	716,757
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 42,177	\$ 154,412	\$ 51,535	\$ 758,082

CITY OF BANDON
SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	State Tax Street	Library Memorial	Library	Community Beautification
REVENUES				
Taxes	\$ 267,426	\$ -	\$ -	\$ -
Intergovernmental	-	-	420,631	-
Interest	1,212	507	740	73
Contributions & donations	-	200	18,000	-
Other	-	-	9,128	55,759
Total revenues	268,638	707	448,499	55,832
EXPENDITURES				
Current				
Public safety	-	-	-	-
Highways and streets	274,288	-	-	-
Culture and recreation	-	-	342,739	48,898
Capital outlay	-	-	-	-
Total expenditures	274,288	-	342,739	48,898
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,650)	707	105,760	6,934
OTHER FINANCING SOURCES (USES)				
Loan repayment	-	-	-	-
Loan interest	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	(5,650)	707	105,760	6,934
FUND BALANCES, beginning of year	241,947	93,080	38,119	9,542
FUND BALANCES, end of year	\$ 236,297	\$ 93,787	\$ 143,879	\$ 16,476

CITY OF BANDON
SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	State Revenue Sharing	Block Grant	Police Reserve	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 267,426
Intergovernmental	45,243	-	-	465,874
Interest	140	715	287	3,674
Contributions & donations	-	-	12,841	31,041
Other	-	-	-	64,887
	<u>45,383</u>	<u>715</u>	<u>13,128</u>	<u>832,902</u>
EXPENDITURES				
Current				
Public safety	24,903	-	3,384	28,287
Highways and streets	-	-	-	274,288
Culture and recreation	-	-	-	391,637
Capital outlay	-	8,935	4,474	13,409
	<u>24,903</u>	<u>8,935</u>	<u>7,858</u>	<u>707,621</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>20,480</u>	<u>(8,220)</u>	<u>5,270</u>	<u>125,281</u>
OTHER FINANCING SOURCES (USES)				
Loan repayment	-	2,746	-	2,746
Loan interest	-	855	-	855
	<u>-</u>	<u>3,601</u>	<u>-</u>	<u>3,601</u>
NET CHANGE IN FUND BALANCE				
	20,480	(4,619)	5,270	128,882
FUND BALANCES, beginning of year				
	<u>21,558</u>	<u>137,364</u>	<u>46,265</u>	<u>587,875</u>
FUND BALANCES, end of year				
	<u>\$ 42,038</u>	<u>\$ 132,745</u>	<u>\$ 51,535</u>	<u>\$ 716,757</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE STREET TAX FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
State street tax	\$ 244,584	\$ 244,584	\$ 267,426	\$ 22,842
Interest	2,600	2,600	1,212	(1,388)
Total revenues	<u>247,184</u>	<u>247,184</u>	<u>268,638</u>	<u>21,454</u>
EXPENDITURES				
Highways and streets				
Personnel services	211,777	211,777	232,420	
Materials and services	185,746	185,746	41,868	
Total expenditures	<u>397,523</u>	<u>397,523 (1)</u>	<u>274,288</u>	<u>123,235</u>
NET CHANGE IN FUND BALANCE	(150,339)	(150,339)	(5,650)	144,689
FUND BALANCES, beginning of year	<u>150,339</u>	<u>150,339</u>	<u>241,947</u>	<u>91,608</u>
FUND BALANCES, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 236,297</u></u>	<u><u>\$ 236,297</u></u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY MEMORIAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 4,000	\$ 4,000	\$ 507	\$ (3,493)
Contributions and Donations	-	-	200	200
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>707</u>	<u>(3,293)</u>
EXPENDITURES				
Culture and recreation				
Materials and services	66,500	66,500	-	
Capital outlay	<u>30,656</u>	<u>30,656</u>	-	
Total expenditures	<u>97,156</u>	<u>97,156 (1)</u>	<u>-</u>	<u>97,156</u>
NET CHANGE IN FUND BALANCE	(93,156)	(93,156)	707	93,863
FUND BALANCE, beginning of year	<u>93,156</u>	<u>93,156</u>	<u>93,080</u>	<u>(76)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,787</u>	<u>\$ 93,787</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental				
County library support	\$ 358,053	\$ 358,053	\$ 420,631	\$ 62,578
Contributions and donations	18,000	18,000	18,000	-
Interest	250	250	740	490
Other	7,000	7,000	9,128	2,128
Total revenues	<u>383,303</u>	<u>383,303</u>	<u>448,499</u>	<u>65,196</u>
EXPENDITURES				
Culture and recreation				
Personnel services	313,885	313,885	267,807	
Materials and services	84,713	84,713	74,932	
Contingency	33,941	33,941	-	
Total expenditures	<u>432,539</u>	<u>432,539 (1)</u>	<u>342,739</u>	<u>89,800</u>
NET REVENUES OVER (UNDER) EXPENDITURES	<u>(49,236)</u>	<u>(49,236)</u>	<u>105,760</u>	<u>154,996</u>
NET CHANGE IN FUND BALANCE	(49,236)	(49,236)	105,760	154,996
FUND BALANCE, beginning of year	<u>49,236</u>	<u>49,236</u>	<u>38,119</u>	<u>(11,117)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,879</u>	<u>\$ 143,879</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY BEAUTIFICATION FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Garbage franchise fees	\$ 47,000	\$ 47,000	\$ 55,759	\$ 8,759
Interest	600	600	73	(527)
Total revenues	<u>47,600</u>	<u>47,600</u>	<u>55,832</u>	<u>8,232</u>
EXPENDITURES				
Culture and recreation				
Materials and services	50,000	50,000	48,898	
Contingency	2,131	2,131	-	
Total expenditures	<u>52,131</u>	<u>52,131 (1)</u>	<u>48,898</u>	<u>3,233</u>
NET CHANGE IN FUND BALANCE	(4,531)	(4,531)	6,934	11,465
FUND BALANCE, beginning of year	<u>4,531</u>	<u>4,531</u>	<u>9,542</u>	<u>5,011</u>
FUND BALANCE, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,476</u></u>	<u><u>\$ 16,476</u></u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE REVENUE SHARING FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
State revenue sharing	\$ 43,000	\$ 43,000	\$ 45,243	\$ 2,243
Interest	650	650	140	(510)
Total revenues	<u>43,650</u>	<u>43,650</u>	<u>45,383</u>	<u>1,733</u>
EXPENDITURES				
State revenue sharing				
Materials and services	<u>64,095</u>	<u>64,095</u>	<u>24,903</u>	
Total expenditures	<u>64,095</u>	<u>64,095 (1)</u>	<u>24,903</u>	<u>39,192</u>
NET CHANGE IN FUND BALANCE	(20,445)	(20,445)	20,480	40,925
FUND BALANCE, beginning of year	<u>20,445</u>	<u>20,445</u>	<u>21,558</u>	<u>1,113</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,038</u>	<u>\$ 42,038</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 2,000	\$ 2,000	\$ 715	\$ (1,285)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>715</u>	<u>(1,285)</u>
EXPENDITURES				
Economic development				
Capital outlay	<u>62,470</u>	<u>62,470</u>	<u>8,935</u>	
Total expenditures	<u>62,470</u>	<u>62,470</u> (1)	<u>8,935</u>	<u>53,535</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,470)</u>	<u>(60,470)</u>	<u>(8,220)</u>	<u>52,250</u>
OTHER FINANCING SOURCES (USES)				
Principal collections	2,749	2,749	2,746	(3)
Loan interest	<u>851</u>	<u>851</u>	<u>855</u>	<u>4</u>
Total other financing sources (uses)	<u>3,600</u>	<u>3,600</u>	<u>3,601</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	(56,870)	(56,870)	(4,619)	52,251
FUND BALANCE, beginning of year	<u>56,870</u>	<u>56,870</u>	<u>137,364</u>	<u>80,494</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,745</u>	<u>\$ 132,745</u>

(1) Appropriation level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE RESERVE PROGRAM FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants	\$ 250	\$ 250	\$ -	\$ (250)
Contributions & Donations	1,700	1,700	12,841	(11,141)
Interest	700	700	287	(413)
	<u>2,650</u>	<u>2,650</u>	<u>13,128</u>	<u>(11,804)</u>
EXPENDITURES				
Police Reserve Program				
Materials and services	26,481	26,481	3,384	
Capital outlay	11,970	11,970	4,474	
Total expenditures	<u>38,451</u>	<u>38,451</u>	<u>7,858</u>	<u>30,593</u>
NET CHANGE IN FUND BALANCE	(35,801)	(35,801)	5,270	41,071
FUND BALANCE, beginning of year	<u>35,801</u>	<u>35,801</u>	<u>46,265</u>	<u>10,464</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,535</u>	<u>\$ 51,535</u>

(1) Appropriation Level

**CITY OF BANDON
SUB-COMBINING BALANCE SHEET
DEBT SERVICE FUND
JUNE 30, 2022**

	Local Improvement District Debt Service
ASSETS	
Cash and cash equivalents	<u>\$ 54,634</u>
TOTAL ASSETS	<u><u>\$ 54,634</u></u>
FUND BALANCES	
Restricted	<u>\$ 54,634</u>
TOTAL FUND BALANCES	<u><u>\$ 54,634</u></u>

CITY OF BANDON
SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Local Improvement District Debt Service
REVENUES	
Interest	\$ 296
Total revenues	296
NET CHANGE IN FUND BALANCE	296
FUND BALANCE, beginning of year	54,338
FUND BALANCE, end of year	\$ 54,634

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL IMPROVEMENT DISTRICT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 1,100	\$ 1,100	\$ 296	\$ (804)
Total revenue	<u>1,100</u>	<u>1,100</u>	<u>296</u>	<u>(804)</u>
EXPENDITURES				
General government				
Capital outlay	<u>55,437</u>	<u>55,437</u>	<u>-</u>	
Total expenditures	<u>55,437</u>	<u>55,437 (1)</u>	<u>-</u>	<u>55,437</u>
NET CHANGE IN FUND BALANCE	(54,337)	(54,337)	296	54,633
FUND BALANCE, beginning of year	<u>54,337</u>	<u>54,337</u>	<u>54,338</u>	<u>1</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,634</u>	<u>\$ 54,634</u>

(1) Appropriation Level

**CITY OF BANDON
SUB-COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2022**

	<u>Urban Renewal District No. 2</u>	<u>Parks and Recreation Development</u>	<u>Street SDC Reimbursement</u>
ASSETS			
Cash and cash equivalents	\$ 974,656	\$ 52,624	\$ 286,335
Receivables (net, where applicable of allowance for uncollectible)			
Taxes	12,665	-	-
Special assessments	<u>-</u>	<u>-</u>	<u>1,262</u>
TOTAL ASSETS	<u>\$ 987,321</u>	<u>\$ 52,624</u>	<u>\$ 287,597</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	<u>\$ 2,560</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>2,560</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue			
Property taxes	11,431	-	-
Assessments receivable	<u>-</u>	<u>-</u>	<u>1,262</u>
Total deferred inflows of resources	<u>11,431</u>	<u>-</u>	<u>1,262</u>
Fund balances			
Restricted	973,330	-	286,335
Committed	<u>-</u>	<u>52,624</u>	<u>-</u>
Total fund balances	<u>973,330</u>	<u>52,624</u>	<u>286,335</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 987,321</u>	<u>\$ 52,624</u>	<u>\$ 287,597</u>

**CITY OF BANDON
SUB-COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 202**

	<u>Street SDC Improvement</u>	<u>Storm Drain SDC Reimbursement</u>	<u>Storm Drain SDC Improvement</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 560,810	\$ 125,614	\$ 171,734	\$ 2,171,773
Receivables (net, where applicable of allowance for uncollectible)				
Taxes	-	-	-	12,665
Special assessments	2,524	3,785	3,155	10,726
TOTAL ASSETS	<u>\$ 563,334</u>	<u>\$ 129,399</u>	<u>\$ 174,889</u>	<u>\$ 2,195,164</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,560
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,560</u>
Deferred inflows of resources				
Unavailable revenue				
Property taxes	-	-	-	11,431
Assessments receivable	2,524	3,785	3,155	10,726
Total deferred inflows of resources	<u>2,524</u>	<u>3,785</u>	<u>3,155</u>	<u>22,157</u>
Fund balances				
Restricted	560,810	125,614	171,734	2,117,823
Committed	-	-	-	52,624
Total fund balances	<u>560,810</u>	<u>125,614</u>	<u>171,734</u>	<u>2,170,447</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 563,334</u></u>	<u><u>\$ 129,399</u></u>	<u><u>\$ 174,889</u></u>	<u><u>\$ 2,195,164</u></u>

CITY OF BANDON
3-COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Urban Renewal District No. 2	Parks and Recreation Development	Street SDC Reimbursement
REVENUES			
Taxes	\$ 185,467	\$ -	\$ -
Special assessments	-	-	1,775
System development charges	-	-	29,938
Interest	5,083	371	1,460
Other	-	-	550
	<u>190,550</u>	<u>371</u>	<u>33,723</u>
EXPENDITURES			
Current:			
General government	47,060	-	-
Highways and streets	-	-	-
Culture and recreation	-	171,373	-
Capital outlay	-	-	-
Debt service	28,825	-	-
	<u>75,885</u>	<u>171,373</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>114,665</u>	<u>(171,002)</u>	<u>33,723</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	127,938	-
NET CHANGE IN FUND BALANCE	114,665	(43,064)	33,723
FUND BALANCE, beginning of year	<u>858,665</u>	<u>95,688</u>	<u>252,612</u>
FUND BALANCE, end of year	<u>\$ 973,330</u>	<u>\$ 52,624</u>	<u>\$ 286,335</u>

CITY OF BANDON
SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Street SDC Improvement	Storm Drain SDC Reimbursement	Storm Drain SDC Improvement	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 185,467
Special assessments	3,552	5,321	4,442	15,090
System development charges	56,116	82,707	72,525	241,286
Interest	2,863	754	715	11,246
Other	1,100	1,650	1,375	4,675
Total revenues	63,631	90,432	79,057	457,764
EXPENDITURES				
Current:				
General government	-	-	-	47,060
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	171,373
Capital outlay	2,003	158,833	975	161,811
Debt service	-	-	-	28,825
Total expenditures	2,003	158,833	975	409,069
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	61,628	(68,401)	78,082	48,695
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	127,938
NET CHANGE IN FUND BALANCE	61,628	(68,401)	78,082	176,633
FUND BALANCE, beginning of year	499,182	194,015	93,652	1,993,814
FUND BALANCE, end of year	<u>\$ 560,810</u>	<u>\$ 125,614</u>	<u>\$ 171,734</u>	<u>\$ 2,170,447</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
URBAN RENEWAL DISTRICT NO. 2 FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Property taxes - current year	\$ 157,985	\$ 157,985	\$ 175,824	\$ 17,839
Previously levied taxes	10,500	10,500	9,643	(857)
Payments in lieu of taxes	855	855	-	(855)
Interest	14,000	14,000	5,083	(8,917)
Total revenues	<u>183,340</u>	<u>183,340</u>	<u>190,550</u>	<u>7,210</u>
EXPENDITURES				
General government				
Materials and services	59,500	59,500	47,060	
Capital outlay	140,000	140,000	-	
Debt service	58,825	58,825	28,825	
Contingency	728,244	728,244	-	
Total expenditures	<u>986,569</u>	<u>986,569 (1)</u>	<u>75,885</u>	<u>910,684</u>
NET CHANGE IN FUND BALANCE	(803,229)	(803,229)	114,665	917,894
FUND BALANCE, beginning of year	<u>803,229</u>	<u>803,229</u>	<u>858,665</u>	<u>55,436</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 973,330</u>	<u>\$ 973,330</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 2,250	\$ 2,250	\$ 371	\$ (1,879)
Total revenues	<u>2,250</u>	<u>2,250</u>	<u>371</u>	<u>(1,879)</u>
EXPENDITURES				
Culture and recreation				
Materials and services	20,000	20,000	-	
Capital outlay	30,792	30,792	-	
Debt service	<u>47,434</u>	<u>47,434</u>	<u>171,373</u>	
Total expenditures	<u>98,226</u>	<u>98,226 (1)</u>	<u>171,373</u>	<u>(73,147)</u>
Excess (deficiency) of revenues over (under) expenditures	(95,976)	(95,976)	(171,002)	(75,026)
Other financing sources (uses)				
Transfer in	<u>-</u>	<u>-</u>	<u>127,938</u>	<u>127,938</u>
NET CHANGE IN FUND BALANCE	(95,976)	(95,976)	(43,064)	52,912
FUND BALANCE, beginning of year	<u>95,976</u>	<u>95,976</u>	<u>95,688</u>	<u>(288)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,624</u>	<u>\$ 52,624</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET SDC REIMBURSEMENT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 17,000	\$ 17,000	\$ 29,938	\$ 12,938
Special assessments				
Principal	50	50	1,615	1,565
Interest	20	20	160	140
Interest	4,500	4,500	1,460	(3,040)
Other	-	-	550	550
Total revenues	<u>21,570</u>	<u>21,570</u>	<u>33,723</u>	<u>12,153</u>
EXPENDITURES				
Highways and streets				
Capital outlay	20,000	20,000	-	
Contingency	245,028	245,028	-	
Total expenditures	<u>265,028</u>	<u>265,028</u>	<u>(1) -</u>	<u>265,028</u>
NET CHANGE IN FUND BALANCE	(243,458)	(243,458)	33,723	277,181
FUND BALANCE, beginning of year	<u>243,458</u>	<u>243,458</u>	<u>252,612</u>	<u>9,154</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,335</u>	<u>\$ 286,335</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET SDC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 32,000	\$ 32,000	\$ 56,116	\$ 24,116
Special assessments				
Principal	50	50	3,231	3,181
Interest	35	35	321	286
Interest	8,000	8,000	2,863	(5,137)
Other	-	-	1,100	1,100
	<u>40,085</u>	<u>40,085</u>	<u>63,631</u>	<u>23,546</u>
EXPENDITURES				
Highways and streets				
Capital outlay	20,000	20,000	2,003	
Contingency	514,950	514,950	-	
	<u>534,950</u>	<u>534,950</u>	<u>2,003</u>	<u>532,947</u>
NET CHANGE IN FUND BALANCE	(494,865)	(494,865)	61,628	556,493
FUND BALANCE, beginning of year	494,865	494,865	499,182	4,317
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560,810</u>	<u>\$ 560,810</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STORM DRAIN SDC REIMBURSEMENT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 47,000	\$ 47,000	\$ 82,707	\$ 35,707
Special assessments				
Principal	70	70	4,840	4,770
Interest	45	45	481	436
Interest	2,700	2,700	754	(1,946)
Other	-	-	1,650	1,650
Total revenues	49,815	49,815	90,432	40,617
EXPENDITURES				
Storm Drainage				
Capital outlay	10,000	10,000	158,833	
Contingency	231,963	231,963	-	
Total expenditures	241,963	241,963 (1)	158,833	83,130
NET CHANGE IN FUND BALANCE	(192,148)	(192,148)	(68,401)	123,747
FUND BALANCE, beginning of year	192,148	192,148	194,015	1,867
FUND BALANCE, end of year	\$ -	\$ -	\$ 125,614	\$ 125,614

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STORM DRAIN SDC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 41,000	\$ 41,000	\$ 72,525	\$ 31,525
Special assessments				
Principal	70	70	4,041	3,971
Interest	45	45	401	356
Interest	2,200	2,200	715	(1,485)
Other	-	-	1,375	1,375
	<u>43,315</u>	<u>43,315</u>	<u>79,057</u>	<u>35,742</u>
Total revenues				
EXPENDITURES				
Storm Drainage				
Capital outlay	10,000	10,000	975	
Contingency	112,974	112,974	-	
	<u>122,974</u>	<u>122,974</u>	<u>975</u>	<u>121,999</u>
Total expenditures				
NET CHANGE IN FUND BALANCE	(79,659)	(79,659) (1)	78,082	157,741
FUND BALANCE, beginning of year	<u>79,659</u>	<u>79,659</u>	<u>93,652</u>	<u>13,993</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,734</u>	<u>\$ 171,734</u>

(1) Appropriation Level

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF BANDON
COMBINING ENTERPRISE FUNDS**

Enterprise funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City's council has decided that periodic determination of net income is appropriate for accountability purposes.

Sewer Fund – This fund and its related sub-funds are used to account for the activities of the sewer disposal system.

Sewer SDC Reimbursement Fund
Sewer SDC Improvement Fund
Sewer Plant Reserve Fund

Water Fund – This fund and its related sub-funds are used to account for the activities of the water system.

Water SDC Reimbursement Fund
Water SDC Improvement Fund
Water Plant Improvement Fund
Water Plant Reserve Fund

Electric Fund – This fund is used to account for the activities of the electric utility.

CITY OF BANDON
SUB-COMBINING SCHEDULE OF NET POSITION
SEWER FUNDS
JUNE 30, 2022

	Sewer	Sewer SDC Reimbursement	Sewer SDC Improvement	Sewer Plant Reserve	Totals
ASSETS					
Current assets					
Cash and cash equivalents	\$ 112,884	\$ 156,273	\$ 391,077	\$ 4,439,002	\$ 5,099,236
Receivable					
Accounts, net of bad debt reserve	100,391	-	-	-	100,391
Special assessments	-	2,208	3,155	-	5,363
Restricted cash and cash equivalents	15,134	-	-	-	15,134
Total current assets	<u>228,409</u>	<u>158,481</u>	<u>394,232</u>	<u>4,439,002</u>	<u>5,220,124</u>
Noncurrent assets					
Capital assets (net of accumulated depreciation)	4,411,536	-	-	-	4,411,536
Net OPEB asset	6,164	-	-	-	6,164
Total noncurrent assets	<u>4,417,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,417,700</u>
Total assets	<u>4,646,109</u>	<u>158,481</u>	<u>394,232</u>	<u>4,439,002</u>	<u>9,637,824</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferrals - PERS	115,621	-	-	-	115,621
OPEB related deferrals - OPEB RHIA	185	-	-	-	185
OPEB related deferrals - OPEB Health Insurance	1,835	-	-	-	1,835
Total deferred outflows of resources	<u>117,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,641</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 4,763,750</u></u>	<u><u>\$ 158,481</u></u>	<u><u>\$ 394,232</u></u>	<u><u>\$ 4,439,002</u></u>	<u><u>\$ 9,755,465</u></u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 18,734	\$ -	\$ -	\$ 298,726	\$ 317,460
Accrued payroll benefits	6,607	-	-	-	6,607
Accrued interest payable	4,916	-	-	-	4,916
Customer deposits	15,134	-	-	-	15,134
Compensated absences payable	51,885	-	-	-	51,885
Current portion of long-term debt	60,842	-	-	-	60,842
Total current liabilities	<u>158,118</u>	<u>-</u>	<u>-</u>	<u>298,726</u>	<u>456,844</u>
Long-term liabilities					
Net pension liability - PERS	193,338	-	-	-	193,338
Total OPEB Liability - Health Insurance	14,408	-	-	-	14,408
Long-term debt (net of current portion)	781,923	-	-	-	781,923
Total long-term liabilities	<u>989,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>989,669</u>
Total liabilities	<u>1,147,787</u>	<u>-</u>	<u>-</u>	<u>298,726</u>	<u>1,446,513</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related deferrals - PERS	178,756	-	-	-	178,756
OPEB related deferrals - RHIA	1,932	-	-	-	1,932
Total Deferred Inflows of Resources	<u>180,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,688</u>
NET POSITION					
Net investment in capital assets	3,568,771	-	-	-	3,568,771
Restricted for capital projects	-	158,481	394,232	4,140,276	4,692,989
Unrestricted	(133,496)	-	-	-	(133,496)
Total net position	<u>3,435,275</u>	<u>158,481</u>	<u>394,232</u>	<u>4,140,276</u>	<u>8,128,264</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 4,763,750</u></u>	<u><u>\$ 158,481</u></u>	<u><u>\$ 394,232</u></u>	<u><u>\$ 4,439,002</u></u>	<u><u>\$ 9,755,465</u></u>

CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SEWER FUNDS
YEAR ENDED JUNE 30, 2022

	Sewer	Sewer SDC Reimbursement	Sewer SDC Improvement	Sewer Plant Reserve	Total
OPERATING REVENUES					
Charges for services					
Sewer charges	\$ 1,002,723	\$ -	\$ -	\$ -	\$ 1,002,723
Service charges, fees and permits	-	43,041	65,102	-	108,143
Taxes	-	-	-	-	-
Other	1,506	957	1,370	-	3,833
	<u>1,004,229</u>	<u>43,998</u>	<u>66,472</u>	<u>-</u>	<u>1,114,699</u>
Total operating revenues					
OPERATING EXPENSES					
Administration	112,205	-	-	-	112,205
Cost of sales and services	385,351	-	-	367,672	753,023
Depreciation and amortization	241,784	-	-	-	241,784
	<u>739,340</u>	<u>-</u>	<u>-</u>	<u>367,672</u>	<u>1,107,012</u>
Total operating expenses					
OPERATING INCOME (LOSS)	<u>264,889</u>	<u>43,998</u>	<u>66,472</u>	<u>(367,672)</u>	<u>7,687</u>
NONOPERATING REVENUES (EXPENSES)					
Loan/Assessment interest	-	279	399	-	678
Interest income	540	714	1,919	18,948	22,121
Interest expense	(8,678)	-	-	-	(8,678)
	<u>(8,138)</u>	<u>993</u>	<u>2,318</u>	<u>18,948</u>	<u>14,121</u>
Total nonoperating revenues (expenses)					
INCOME (LOSS) BEFORE OPERATING TRANSFERS	256,751	44,991	68,790	(348,724)	21,808
Other financing sources and (uses)					
Transfers in	-	-	-	4,489,000	4,489,000
CHANGE IN NET POSITION	256,751	44,991	68,790	4,140,276	4,510,808
NET POSITION, beginning of year (as restated)	<u>3,178,524</u>	<u>113,490</u>	<u>325,442</u>	<u>-</u>	<u>3,617,456</u>
NET POSITION, end of year	<u>\$ 3,435,275</u>	<u>\$ 158,481</u>	<u>\$ 394,232</u>	<u>\$ 4,140,276</u>	<u>\$ 8,128,264</u>

**CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services				
Sewer charges	\$ 960,000	\$ 985,400	\$ 1,002,723	\$ (17,323)
Other	500	500	1,506	\$ (1,006)
Total operating revenues	<u>960,500</u>	<u>985,900</u>	<u>1,004,229</u>	<u>(18,329)</u>
OPERATING EXPENSES				
Administration	118,850	118,850 (1)	112,205	6,645
Accounting and billing	33,143	43,143 (1)	43,988	(845)
Distribution	155,478	155,478 (1)	115,819	39,659
Plant operations	577,643	585,643 (1)	557,902	27,741
Nondepartmental		(1)		
Materials and services	57,600	65,000	60,873	
Debt service	69,269	69,269	69,269	
Contingency	80,000	80,000	-	
Reserve	15,156	15,156	-	
Total operating expenses	<u>1,107,139</u>	<u>1,132,539</u>	<u>960,056</u>	<u>172,483</u>
OPERATING INCOME (LOSS)	<u>(146,639)</u>	<u>(146,639)</u>	<u>44,173</u>	<u>(190,812)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	80	80	540	460
Total nonoperating revenues (expenses)	<u>80</u>	<u>80</u>	<u>540</u>	<u>460</u>
CHANGE IN FUND BALANCE	(146,559)	(146,559)	44,713	191,272
FUND BALANCE, beginning of year (as restated)	<u>146,559</u>	<u>146,559</u>	<u>143,221</u>	<u>(3,338)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>187,934</u>	<u>\$ 187,934</u>

Reconciliation to Net Position:

Capital assets	4,411,536
Net OPEB asset (liability) - RHIA	6,164
Net pension asset (liability) - OPEB	(14,408)
Net pension asset (liability) - PERS	(193,338)
Deferred outflows - PERS, RHIA, Health Insurance	117,641
Interest payable	(4,916)
Compensated absences payable	(51,885)
Long term debt (including current portion)	(842,765)
Deferred inflows - PERS, RHIA	(180,688)
GAAP net position	<u>\$ 3,435,275</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER SDC REIMBURSEMENT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 21,000	\$ 21,000	\$ 43,041	\$ 22,041
Other	80	80	957	877
Total operating revenues	<u>21,080</u>	<u>21,080</u>	<u>43,998</u>	<u>22,918</u>
OPERATING EXPENSES				
Materials and services	10,000	10,000	-	
Capital outlay	10,000	10,000	-	
Contingency	63,367	63,367	-	
Total nonoperating revenues (expenses)	<u>83,367</u>	<u>83,367 (1)</u>	<u>-</u>	<u>83,367</u>
OPERATING INCOME (LOSS)	<u>(62,287)</u>	<u>(62,287)</u>	<u>43,998</u>	<u>106,285</u>
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	20	20	279	259
Interest income	3,000	3,000	714	(2,286)
Total nonoperating revenues (expenses)	<u>3,020</u>	<u>3,020</u>	<u>993</u>	<u>(2,027)</u>
CHANGE IN FUND BALANCE	<u>(59,267)</u>	<u>(59,267)</u>	<u>44,991</u>	<u>104,258</u>
FUND BALANCE, beginning of year	<u>59,267</u>	<u>59,267</u>	<u>113,490</u>	<u>54,223</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,481</u>	<u>\$ 158,481</u>

(1) Appropriation level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER SDC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 32,000	\$ 32,000	\$ 65,102	\$ 33,102
Other	116	116	1,370	1,254
Total operating revenues	<u>32,116</u>	<u>32,116</u>	<u>66,472</u>	<u>34,356</u>
OPERATING EXPENSES				
Materials and services	20,000	20,000	-	
Capital outlay	10,000	10,000	-	
Contingency	290,463	290,463	-	
Total operating expenses	<u>320,463</u>	<u>320,463 (1)</u>	<u>-</u>	<u>320,463</u>
OPERATING INCOME (LOSS)	<u>(288,347)</u>	<u>(288,347)</u>	<u>66,472</u>	<u>354,819</u>
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	50	50	399	349
Interest income	6,500	6,500	1,919	(4,581)
Total nonoperating revenues (expenses)	<u>6,550</u>	<u>6,550</u>	<u>2,318</u>	<u>(4,232)</u>
CHANGE IN FUND BALANCE	<u>(281,797)</u>	<u>(281,797)</u>	<u>68,790</u>	<u>350,587</u>
FUND BALANCE, beginning of year	<u>281,797</u>	<u>281,797</u>	<u>325,442</u>	<u>43,645</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394,232</u>	<u>\$ 394,232</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER PLANT RESERVE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Taxes	\$ 3,450,000	\$3,450,000	\$ -	\$ (3,450,000)
Total operating revenues	3,450,000	3,450,000	-	(3,450,000)
OPERATING EXPENSES				
Capital outlay	3,450,000	3,450,000	367,672	
Total operating expenses	3,450,000	3,450,000 (1)	367,672	3,082,328
OPERATING INCOME (LOSS)	-	-	(367,672)	(367,672)
NONOPERATING REVENUES (EXPENSES)				
Interest income	-	-	18,948	18,948
Total nonoperating revenues (expenses)	-	-	18,948	18,948
INCOME (LOSS) BEFORE TRANSFERS	-	-	(348,724)	(348,724)
TRANSFERS				
Transfers in	-	-	4,489,000	4,489,000
CHANGE IN FUND BALANCE	-	-	4,140,276	4,140,276
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,140,276</u>	<u>\$ 4,140,276</u>

(1) Appropriation Level

CITY OF BANDON
SUB-COMBINING SCHEDULE OF NET POSITION
WATER FUNDS
JUNE 30, 2022

	Water	Water SDC Reimbursement	Water SDC Improvement	Water Plant Improvement	Water Plant Reserve	Total
ASSETS						
Current assets						
Cash and cash equivalents	\$ (35,526)	\$ 341,859	\$ 2,049,065	\$ 1,017,066	\$ 892,095	\$ 4,264,559
Accounts receivable, net of bad debt reserve	93,304	-	-	-	-	93,304
Special assessments	-	3,155	12,303	-	-	15,458
Restricted cash and cash equivalents	8,470	-	-	-	-	8,470
Inventory	20,885	-	-	-	-	20,885
Total current assets	<u>87,133</u>	<u>345,014</u>	<u>2,061,368</u>	<u>1,017,066</u>	<u>892,095</u>	<u>4,402,676</u>
Noncurrent assets						
Restricted cash and cash equivalents	-	-	-	-	-	-
Loans receivable	260,181	-	-	-	-	260,181
Net OPEB asset - RHIA	7,145	-	-	-	-	7,145
Capital assets (net of accumulated depreciation)	5,761,671	-	-	-	-	5,761,671
Total noncurrent assets	<u>6,028,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,028,997</u>
Total assets	<u>6,116,130</u>	<u>345,014</u>	<u>2,061,368</u>	<u>1,017,066</u>	<u>892,095</u>	<u>10,431,673</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferrals - PERS	174,202	-	-	-	-	174,202
OPEB related deferrals - Health Insurance	2,302	-	-	-	-	2,302
OPEB related deferrals - RHIA	215	-	-	-	-	215
Total deferred outflows of resources	<u>176,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,719</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,292,849</u>	<u>\$ 345,014</u>	<u>\$ 2,061,368</u>	<u>\$ 1,017,066</u>	<u>\$ 892,095</u>	<u>\$ 10,608,392</u>
LIABILITIES						
Current liabilities						
Accounts payable	\$ 30,160	\$ 1,362	\$ 5,184	\$ 2,000	\$ -	\$ 38,706
Accrued payroll benefits	6,875	-	-	-	-	6,875
Compensated absences payable	30,136	-	-	-	-	30,136
Customer deposits	8,470	-	-	-	-	8,470
Interest payable	4,986	-	-	-	-	4,986
Current portion of long term debt	31,211	-	-	-	-	31,211
Total current liabilities	<u>111,838</u>	<u>1,362</u>	<u>5,184</u>	<u>2,000</u>	<u>-</u>	<u>120,384</u>
Long-term liabilities						
Net pension liability - PERS	292,993	-	-	-	-	292,993
Total OPEB liability - Health Insurance	18,059	-	-	-	-	18,059
Long term debt (net of current portion)	149,511	-	-	-	-	149,511
Total long-term liabilities	<u>460,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>460,563</u>
Total liabilities	<u>572,401</u>	<u>1,362</u>	<u>5,184</u>	<u>2,000</u>	<u>-</u>	<u>580,947</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related deferrals - PERS	186,517	-	-	-	-	186,517
OPEB related deferrals - RHIA	2,240	-	-	-	-	2,240
Total deferred inflows of resources	<u>188,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,757</u>
NET POSITION						
Net investment in capital assets	5,580,949	-	-	-	-	5,580,949
Restricted for capital projects	-	343,652	2,056,184	1,015,066	892,095	4,306,997
Unrestricted	(49,258)	-	-	-	-	(49,258)
Total net position	<u>5,531,691</u>	<u>343,652</u>	<u>2,056,184</u>	<u>1,015,066</u>	<u>892,095</u>	<u>9,838,688</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 6,292,849</u>	<u>\$ 345,014</u>	<u>\$ 2,061,368</u>	<u>\$ 1,017,066</u>	<u>\$ 892,095</u>	<u>\$ 10,608,392</u>

CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER FUNDS
YEAR ENDED JUNE 30, 2022

	Water	Water SDC Reimbursement	Water SDC Improvement	Water Plant Improvement	Water Plant Reserve	Total
OPERATING REVENUES						
Charges for services						
Water sales	\$ 1,050,098	\$ -	\$ -	\$ -	\$ -	\$ 1,050,098
Service charges, fees, and permits	50,274	65,931	250,895	-	-	367,100
Taxes	-	-	-	-	-	-
Property rental	10,010	-	-	-	-	10,010
Miscellaneous, other	1,748	1,367	5,324	-	-	8,439
	<u>1,112,130</u>	<u>67,298</u>	<u>256,219</u>	<u>-</u>	<u>-</u>	<u>1,435,647</u>
OPERATING EXPENSES						
Administration	93,692	-	-	-	-	93,692
Cost of sales and services	653,259	1,362	5,834	-	-	660,455
Plant Improvement (non-capital)	-	-	-	61,992	61,807	123,799
Depreciation	326,793	-	-	-	-	326,793
	<u>1,073,744</u>	<u>1,362</u>	<u>5,834</u>	<u>61,992</u>	<u>61,807</u>	<u>1,204,739</u>
OPERATING INCOME (LOSS)	<u>38,386</u>	<u>65,936</u>	<u>250,385</u>	<u>(61,992)</u>	<u>(61,807)</u>	<u>230,908</u>
Nonoperating revenues (expenses)						
Interest income	273	1,650	10,322	4,793	3,902	20,940
Interest expense	(9,135)	-	-	-	-	(9,135)
Special assessment interest	11,241	401	1,562	-	-	13,204
	<u>2,379</u>	<u>2,051</u>	<u>11,884</u>	<u>4,793</u>	<u>3,902</u>	<u>25,009</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>40,765</u>	<u>67,987</u>	<u>262,269</u>	<u>(57,199)</u>	<u>(57,905)</u>	<u>255,917</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	284,235	950,000	1,234,235
Transfers out	(284,235)	-	-	-	-	(284,235)
	<u>(284,235)</u>	<u>-</u>	<u>-</u>	<u>284,235</u>	<u>950,000</u>	<u>950,000</u>
CHANGE IN NET POSITION	<u>(243,470)</u>	<u>67,987</u>	<u>262,269</u>	<u>227,036</u>	<u>892,095</u>	<u>1,205,917</u>
NET POSITION, beginning of year (as restated)	<u>5,775,161</u>	<u>275,665</u>	<u>1,793,915</u>	<u>788,030</u>	<u>-</u>	<u>8,632,771</u>
NET POSITION, end of year	<u>\$ 5,531,691</u>	<u>\$ 343,652</u>	<u>\$ 2,056,184</u>	<u>\$ 1,015,066</u>	<u>\$ 892,095</u>	<u>\$ 9,838,688</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services				
Water sales	\$ 988,100	\$ 1,039,900	\$ 1,050,133	\$ 10,233
Service charges, fees and permits	6,500	6,500	7,134	634
Property rental	17,000	17,000	10,010	(6,990)
Other	38,311	38,311	44,853	6,542
Total operating revenues	<u>1,049,911</u>	<u>1,101,711</u>	<u>1,112,130</u>	<u>10,419</u>
OPERATING EXPENSES				
Administration	92,272	94,272 (1)	93,692	580
Accounting and billing	22,481	41,481 (1)	39,429	2,052
Distribution	266,751	282,951 (1)	259,551	23,400
Plant operations	443,315	451,915 (1)	422,876	29,039
Non-departmental		(1)		
Materials and services	59,280	65,280	63,312	
Debt Service	39,759	39,759	39,759	
Contingency	110,875	110,875	-	
Reserve	101,976	101,976	-	
Total operating expenses	<u>1,136,709</u>	<u>1,188,509</u>	<u>918,619</u>	<u>269,890</u>
OPERATING INCOME (LOSS)	<u>(86,798)</u>	<u>(86,798)</u>	<u>193,511</u>	<u>280,309</u>
NONOPERATING REVENUES (EXPENSES)				
Special assessments				
Interest	13,812	13,812	11,241	(2,571)
Interest income	500	500	273	(227)
Total nonoperating revenues (expenses)	<u>14,312</u>	<u>14,312</u>	<u>11,514</u>	<u>(2,798)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(72,486)</u>	<u>(72,486)</u>	<u>205,025</u>	<u>277,511</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(279,500)	(279,500)	(284,235)	(4,735)
Total other financing sources and (uses)	<u>(279,500)</u>	<u>(279,500)</u>	<u>(284,235)</u>	<u>(4,735)</u>
CHANGE IN FUND BALANCE	(351,986)	(351,986)	(79,210)	272,776
FUND BALANCE, beginning of year (as restated)	351,986	351,986	360,134	8,148
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>280,924</u>	<u>\$ 280,924</u>
Reconciliation to Net Position:				
Inventory			20,885	
Net pension asset (liability) - PERS			(292,993)	
Net OPEB asset (liability) - RHIA			7,145	
Total OPEB liability - Health Insurance			(18,059)	
Capital assets			5,761,671	
Deferred outflows - PERS, RHIA, Health Insurance			176,719	
Compensated absences payable			(30,136)	
Accrued interest			(4,986)	
Long term debt (including current portion)			(180,722)	
Deferred inflows - PERS, RHIA			(188,757)	
GAAP FUND BALANCE			<u>\$ 5,531,691</u>	

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER SDC REIMBURSEMENT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 37,000	\$ 37,000	\$ 65,931	\$ 28,931
Other	75	75	1,367	1,292
Total operating revenues	<u>37,075</u>	<u>37,075</u>	<u>67,298</u>	<u>30,223</u>
OPERATING EXPENSES				
Materials and services	10,000	10,000	1,362	
Capital outlay	10,000	10,000	-	
Contingency	280,737	280,737	-	
Total operating expenses	<u>300,737</u>	<u>300,737 (1)</u>	<u>1,362</u>	<u>299,375</u>
OPERATING INCOME (LOSS)	<u>(263,662)</u>	<u>(263,662)</u>	<u>65,936</u>	<u>329,598</u>
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	40	40	401	361
Interest income	3,800	3,800	1,650	(2,150)
Total nonoperating revenues (expenses)	<u>3,840</u>	<u>3,840</u>	<u>2,051</u>	<u>(1,789)</u>
CHANGE IN FUND BALANCE	<u>(259,822)</u>	<u>(259,822)</u>	<u>67,987</u>	<u>327,809</u>
FUND BALANCE, beginning of year	<u>259,822</u>	<u>259,822</u>	<u>275,665</u>	<u>15,843</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,652</u>	<u>\$ 343,652</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WATER SDC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 142,000	\$ 142,000	\$ 250,895	\$ 108,895
Other	300	300	5,324	5,024
Total operating revenues	<u>142,300</u>	<u>142,300</u>	<u>256,219</u>	<u>113,919</u>
OPERATING EXPENSES				
Materials and services	10,000	10,000	-	
Capital outlay	1,010,000	1,010,000	650	
Debt service	-	-	5,184	
Contingency	887,106	887,106	-	
Total operating expenses	<u>1,907,106</u>	<u>1,907,106 (1)</u>	<u>5,834</u>	<u>1,901,272</u>
OPERATING INCOME (LOSS)	<u>(1,764,806)</u>	<u>(1,764,806)</u>	<u>250,385</u>	<u>(1,787,353)</u>
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	150	150	1,562	1,412
Interest income	29,500	29,500	10,322	(19,178)
Total nonoperating revenues (expenses)	<u>29,650</u>	<u>29,650</u>	<u>11,884</u>	<u>(17,766)</u>
CHANGE IN FUND BALANCE	<u>(1,735,156)</u>	<u>(1,735,156)</u>	<u>262,269</u>	<u>1,997,425</u>
FUND BALANCE, beginning of year	<u>1,735,156</u>	<u>1,735,156</u>	<u>1,793,915</u>	<u>58,759</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,056,184</u>	<u>\$ 2,056,184</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WATER PLANT IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING EXPENSES				
Distribution	\$ 841,946	\$ 841,946 (1)	\$ 61,992	\$ 779,954
Non-departmental	<u>199,210</u>	<u>199,210 (1)</u>	<u>-</u>	<u>199,210</u>
Total operating expenses	<u>1,041,156</u>	<u>1,041,156</u>	<u>61,992</u>	<u>979,164</u>
OPERATING INCOME (LOSS)	<u>(1,041,156)</u>	<u>(1,041,156)</u>	<u>(61,992)</u>	<u>979,164</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	<u>6,000</u>	<u>6,000</u>	<u>4,793</u>	<u>(1,207)</u>
INCOME (LOSS) BEFORE TRANSFERS FROM/TO OTHER FUNDS	(1,035,156)	(1,035,156)	(57,199)	977,957
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>279,500</u>	<u>279,500</u>	<u>284,235</u>	<u>4,735</u>
CHANGE IN FUND BALANCE	(755,656)	(755,656)	227,036	982,692
FUND BALANCE, beginning of year	<u>755,656</u>	<u>755,656</u>	<u>788,030</u>	<u>32,374</u>
FUND BALANCE, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,015,066</u></u>	<u><u>\$ 1,015,066</u></u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WATER PLANT RESERVE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Taxes	\$ 950,000	\$ 950,000	\$ -	\$ (950,000)
OPERATING EXPENSES				
Capital outlay	950,000	950,000	61,807	
Total operating expenses	950,000	950,000 (1)	61,807	888,193
OPERATING INCOME (LOSS)	-	-	(61,807)	(61,807)
NONOPERATING REVENUES (EXPENSES)				
Interest income	-	-	3,902	3,902
Total nonoperating revenues (expenses)	-	-	3,902	3,902
INCOME (LOSS) BEFORE TRANSFERS	-	-	(57,905)	(57,905)
TRANSFERS				
Transfers in	-	-	950,000	950,000
CHANGE IN FUND BALANCE	-	-	892,095	892,095
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 892,095</u>	<u>\$ 892,095</u>

(1) Appropriation Level

**CITY OF BANDON
SUB-COMBINING SCHEDULE OF NET POSITION
ELECTRIC FUNDS
JUNE 30, 2022**

ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,896,315
Receivable	
Accounts, net of bad debt reserve	776,109
Restricted cash and cash equivalents	68,967
Inventory	<u>1,105,770</u>
Total current assets	<u>3,847,161</u>
Noncurrent assets	
Notes receivable	814,275
Capital assets (net of accumulated depreciation)	6,714,291
Net OPEB asset	<u>27,370</u>
Total noncurrent assets	<u>7,555,936</u>
Total assets	<u>11,403,097</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals - PERS	587,459
OPEB related deferrals - Health Insurance	8,140
OPEB related deferrals - RHIA	<u>823</u>
Total deferred outflows of resources	<u>596,422</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 11,999,519</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 241,011
Accrued payroll benefits	28,867
Compensated absences payable	107,450
Customer deposits	<u>68,967</u>
Total current liabilities	<u>446,295</u>
Long-term liabilities	
Net pension liability	1,053,741
Total OPEB liability - health insurance	<u>63,897</u>
Total long-term liabilities	<u>1,117,638</u>
Total liabilities	<u>1,563,933</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals - PERS	789,215
OPEB related deferrals - RHIA	<u>8,580</u>
Total deferred inflows of resources	<u>797,795</u>
NET POSITION	
Net investment in capital assets	6,714,291
Unrestricted	<u>2,923,500</u>
Total net position	<u>9,637,791</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 11,999,519</u></u>

CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ELECTRIC FUND
YEAR ENDED JUNE 30, 2022

	Electric
OPERATING REVENUES	
Charges for services	
Electricity sales	\$ 6,122,032
BPA conservation	228,446
Service charges, fees, and permits	290,770
Other	14,760
	<u>6,656,008</u>
Total operating revenues	
OPERATING EXPENSES	
Administration	489,097
Cost of sales and services	4,940,054
Energy assistance payments	11,445
Depreciation	589,030
	<u>6,029,626</u>
Total operating expenses	
OPERATING INCOME (LOSS)	626,382
NONOPERATING REVENUES (EXPENSES)	
Interest income	58,845
	<u>58,845</u>
Total nonoperating revenues (expenses)	
INCOME (LOSS) BEFORE OPERATING TRANSFERS	685,227
OTHER FINANCING SOURCES (USES)	
Transfers out	(25,464)
	<u>(25,464)</u>
Total other financing sources (uses)	
CHANGE IN NET POSITION	659,763
NET POSITION, beginning of year (as restated)	<u>8,978,028</u>
NET POSITION, end of year	<u><u>\$ 9,637,791</u></u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ELECTRIC FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Electricity sales	\$ 6,250,000	\$ 6,250,000	\$ 6,122,032	\$ (127,968)
Low income assistance	11,300	11,300	11,556	256
Vol Low Inc Roundup Donation	750	750	638	(112)
BPA conservation	27,300	27,300	228,446	201,146
Services charges, fees, and permits	238,000	238,000	290,770	52,770
Reimbursements	2,000	2,000	-	(2,000)
Other	7,500	7,500	2,566	(4,934)
Total operating revenues	6,536,850	6,536,850	6,656,008	119,158
OPERATING EXPENSES				
Administration	469,533	489,533 (1)	489,097	436
Accounting and billing	410,717	486,717 (1)	483,516	3,201
Source of supply	3,200,000	3,200,000 (1)	3,150,904	49,096
Conservation	88,394	238,394 (1)	191,690	46,704
Distribution	2,834,281	2,834,281 (1)	1,715,603	1,118,678
Nondepartmental		(1)		
Materials and services	375,000	395,000	370,137	
Contingency	123,320	123,320	-	
Reserve	811,250	811,250	-	
Total operating expenses	8,312,495	8,578,495	6,400,947	2,177,548
OPERATING INCOME (LOSS)	(1,775,645)	(2,041,645)	255,061	2,296,706
NONOPERATING REVENUES (EXPENSES)				
Interest income	32,000	32,000	58,845	26,845
Total nonoperating revenues	32,000	32,000	58,845	26,845
INCOME (LOSS) BEFORE TRANSFERS	(1,743,645)	(2,009,645)	313,906	2,323,551
OTHER FINANCING SOURCES (USES)				
Transfers out	(20,464)	(20,464)	(25,464)	
Total other financing sources (uses)	(20,464)	(20,464)	(25,464)	(5,000)
CHANGE IN FUND BALANCE	(1,764,109)	(2,030,109)	288,442	2,318,551
FUND BALANCE, beginning of year (as restated)	1,764,109	2,030,109	2,928,379	898,270
FUND BALANCE, end of year	\$ -	\$ -	3,216,821	\$ 3,216,821
Reconciliation to Net Position:				
Inventory			1,105,770	
Net OPEB asset (liability) - RHIA			27,370	
Total OPEB liability - Health Insurance			(63,897)	
Net pension asset (liability) - PERS			(1,053,741)	
Capital assets			6,714,291	
Deferred outflows - PERS, RHIA, Health Insurance			596,422	
Compensated absences payable			(107,450)	
Deferred inflow - PERS, RHIA			(797,795)	
Net Position			<u>\$ 9,637,791</u>	

(1) Appropriation Level

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and City Council
City of Bandon, Oregon

We have audited the basic financial statements of the City of Bandon, Oregon (the City) as of and for the year ended June 30, 2022, and have issued our report thereon dated February 24, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-0000 through 162-10-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the 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 but were not limited to the following:

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

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-10-0000 through 162-10-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as disclosed in *Note 2* of the financial statements.

OAR 162-10-0230 Internal Control

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify and deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control that we consider to be a material weakness. We described this significant deficiency in internal control in a separately issued Communication With Governance letter.

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



Donald F. Ewalt, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
February 24, 2023