

ANNUAL FINANCIAL REPORT

**CITY OF BANDON**  
**COOS COUNTY, OREGON**

FOR THE YEAR ENDED JUNE 30, 2021

DEPARTMENT OF FINANCE  
IS RESPONSIBLE FOR THE PREPARATION  
OF THE ANNUAL FINANCIAL REPORT

CITY OF BANDON  
COOS COUNTY, OREGON

2020-2021 COUNCIL MEMBERS AND OFFICERS

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

Council members receive mail at the address listed below.

OFFICIALS

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

DEPARTMENT OF FINANCE  
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**Annual Financial Report**  
**For the Year Ended June 30, 2021**  
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**PAULY, ROGERS, AND CO., P.C.**  
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December 9, 2021

## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Bandon  
Coos County, Oregon

### **Report on the Basic Financial Statements**

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

### **Management's Responsibility for the Basic Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

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

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

## **Opinion**

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

## **Other Matters**

### *Required Supplementary Information*

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

The budgetary comparison schedule presented as Required Supplementary Information, as listed in the table of contents, 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 records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, 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 Information*

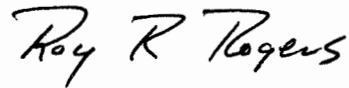
The listing of council members containing their term expiration dates, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



## Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2021, on our consideration of the internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 9, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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



# City of Bandon, Oregon

June 30, 2021

## MANAGEMENT DISCUSSION AND ANALYSIS

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, 2021. 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 \$38.3 million (reported as net position). Of this amount, \$859 thousand 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 \$7.3 million, of which \$870 thousand was unassigned. During the current fiscal year, the City's Net Position increased by \$1.0 million and total debt decreased by \$418 thousand.

### **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, recreation, and cultural 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.

# City of Bandon, Oregon

June 30, 2021

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 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 12<sup>th</sup> Court LID debt service fund, Local Option Street fund and General Obligation Bond Fund. Summary fund data by fund-type for the non-major governmental funds is provided in the form of combining statements. 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.

# City of Bandon, Oregon

June 30, 2021

**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.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Current and Other Assets	\$ 7,917,707	\$ 6,745,645	\$ 7,196,066	\$ 6,077,215	\$ 15,113,773	\$ 12,822,860
Capital Assets, Net	16,799,184	17,534,583	17,357,657	17,925,872	34,156,841	35,460,455
Total Assets	<u>24,716,891</u>	<u>24,280,228</u>	<u>24,553,723</u>	<u>24,003,087</u>	<u>49,270,614</u>	<u>48,283,315</u>
Deferred Outflows	658,001	433,488	930,426	698,305	1,588,427	1,131,793
Long-term Liabilities	7,438,893	7,194,122	4,015,624	3,511,468	11,454,517	10,705,590
Other Liabilities	389,093	437,615	350,514	421,305	739,607	858,920
Total Liabilities	<u>7,827,986</u>	<u>7,631,737</u>	<u>4,366,138</u>	<u>3,932,773</u>	<u>12,194,124</u>	<u>11,564,510</u>
Deferred Inflows	217,852	312,496	108,861	198,582	326,713	511,078
Net Position:						
Net Investment in						
Capital Assets	11,502,231	11,907,883	16,273,931	16,752,702	27,776,162	28,660,585
Restricted	6,296,840	3,321,707	3,406,375	2,734,402	9,703,215	6,056,109
Unrestricted	(470,018)	1,539,893	1,328,844	1,082,933	858,826	2,622,826
Total Net Position	<u>\$ 17,329,053</u>	<u>\$ 16,769,483</u>	<u>\$ 21,009,150</u>	<u>\$ 20,570,037</u>	<u>\$ 38,338,203</u>	<u>\$ 37,339,520</u>

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 \$38.3 million as of June 30, 2021. A portion of the City's net position (\$27.8 million or 72.5%) 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, 1.9% is restricted for debt service, 11.3% is restricted for capital projects, 5.8% is restricted for streets, 0.2% is restricted for customer deposits, and the remaining 2.1% is unrestricted.

# City of Bandon, Oregon

June 30, 2021

## 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 increase in the City's net position of \$560 thousand. The main reasons for this increase are increased transient occupancy tax revenues and expenditure reductions across departments. The basic financial statements include a reconciliation of the governmental funds balance sheet to the statement of net position.

*Business-type activities.* Business-type activities increased the City's net position by \$439 thousand primarily due to increases in requests for new electrical, water and sewer services; extension fee revenues; and charges for the use of city utility poles.

REVENUES	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenue						
Charges for Services and Contracts	\$ 987,042	\$ 678,775	\$ 8,984,550	\$ 7,899,260	\$ 9,971,592	\$ 8,578,035
Operating Grants and Contributions	-	4,281	-	-	-	4,281
General Revenues						
Taxes	2,892,737	2,946,900	-	-	2,892,737	2,946,900
Contributions in Lieu of Taxes	494,836	466,258	-	-	494,836	466,258
Franchise Fees	70,660	47,022	-	-	70,660	47,022
Miscellaneous Revenue	-	-	-	-	-	-
Unrestricted Investment Earnings	865,513	813,496	51,552	108,170	917,065	921,666
Total Revenues	<u>5,310,788</u>	<u>4,956,732</u>	<u>9,036,102</u>	<u>8,007,430</u>	<u>14,346,890</u>	<u>12,964,162</u>
EXPENSES						
General Government	2,104,825	1,764,247	-	-	2,104,825	1,764,247
Public Safety	1,446,607	1,335,471	-	-	1,446,607	1,335,471
Highways and Streets	190,928	431,796	-	-	190,928	431,796
Economic Development	-	-	-	-	-	-
Culture and Recreation	838,465	1,045,267	-	-	838,465	1,045,267
Interest on Long-Term Obligations	200,393	193,037	-	-	200,393	193,037
Loss on Sale of Property	-	90,944	-	31,204	-	122,148
Water Utility	-	-	1,126,275	1,095,748	1,126,275	1,095,748
Sewer Utility	-	-	1,031,044	1,071,447	1,031,044	1,071,447
Electric Utility	-	-	6,409,670	6,304,407	6,409,670	6,304,407
Total Expenses	<u>4,781,218</u>	<u>4,860,762</u>	<u>8,566,989</u>	<u>8,502,806</u>	<u>13,348,207</u>	<u>13,363,568</u>
Transfers	30,000	(371,442)	(30,000)	371,442	-	-
Change in Net Position	559,570	(275,472)	439,113	(123,934)	998,683	(399,406)
Cumulative Effect of Change in						
Accounting Principle	-	(18,469)	-	-	-	(18,469)
Prior Period Adjustment	-	476,358	-	-	-	476,358
Net Position, July 1	16,769,483	16,587,066	20,570,037	20,693,971	37,339,520	37,281,037
Net Position, June 30	<u>\$ 17,329,053</u>	<u>\$ 16,769,483</u>	<u>\$ 21,009,150</u>	<u>\$ 20,570,037</u>	<u>\$ 38,338,203</u>	<u>\$ 37,339,520</u>

## 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.

# City of Bandon, Oregon

June 30, 2021

## 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**City of Bandon General Fund.** The General Fund is the chief operating fund of the City. At June 30, 2021, total fund balance for the General Fund equaled \$877 thousand, which was all unassigned with the exception of customer deposits of \$6.6 thousand. Unassigned fund balance is the amount considered available to spend. At June 30, 2020, the fund balance of the City's General Fund was \$575 thousand. The increase in fund balance of \$302 thousand is a result of a broad range of minor revenue increases and reduced and deferred expenditures across General Fund departments.

### Change in Fund Balance - Governmental Funds

Fund	Fund Balance		Change (\$)	Change (%)
	6/30/2021	6/30/2020		
General Fund	\$ 876,678	\$ 575,229	\$ 301,449	52.4%
Urban Renewal District No. 1	1,472,883	1,325,102	147,781	11.2%
Local Option Street Fund	1,712,871	1,329,880	382,991	28.8%
G.O. Bond Debt Service Fund	407,828	366,192	41,636	11.4%
12th Court LID Debt Service Fund	225,494	239,970	(14,476)	-6.0%
Other Governmental Funds	2,636,027	2,256,370	379,657	16.8%
<b>Total</b>	<b>\$ 7,331,781</b>	<b>\$ 6,092,743</b>	<b>\$ 1,239,038</b>	<b>20.3%</b>

### General Fund Summary

	6/30/2021	6/30/2020	Change (\$)	Change (%)
<b>Revenues</b>				
Taxes	\$1,548,188	\$1,429,512	\$ 118,676	8.3%
Payments in lieu of taxes	477,756	447,856	29,900	6.7%
Reimbursements	408,855	409,394	(539)	0.1%
Other revenues	545,974	231,214	314,760	-136.1%
<b>Total revenues</b>	<b>\$2,980,773</b>	<b>\$2,517,976</b>	<b>\$ 462,797</b>	<b>18.4%</b>
<b>Expenditures</b>				
General government	1,125,393	956,899	\$ 168,494	17.6%
Public safety	1,245,165	1,121,546	123,619	11.0%
Highways and streets	131,315	101,882	29,433	-28.9%
Culture and recreations	222,698	287,391	(64,693)	
<b>Total expenditures</b>	<b>\$2,724,571</b>	<b>\$2,467,718</b>	<b>\$ 256,853</b>	<b>10.4%</b>
Transfers In (Out)	45,247	5,282	\$ 39,965	756.6%
Sale of Property	-	281,503	\$ (281,503)	-100.0%
<b>Change in Fund Balance</b>	<b>301,449</b>	<b>337,043</b>	<b>(35,594)</b>	<b>-10.6%</b>
Beginning Fund Balance	575,229	238,186	337,043	-141.5%
<b>Ending Fund Balance</b>	<b>876,678</b>	<b>575,229</b>	<b>301,449</b>	

**City of Bandon Other Governmental Funds.** The Urban Renewal District No. 1 Fund, Local Option Street Tax Fund, general obligation bond fund, and 12<sup>th</sup> Court Local Improvement District 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 12<sup>th</sup> Court Local Improvement District Fund decreased by \$14 thousand during the year.

# City of Bandon, Oregon

June 30, 2021

## ***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 major proprietary funds. For Fiscal Year 2021, the water utility saw an increase in net position of \$286 thousand, the sewer utility saw an increase of \$42 thousand, and the electric utility saw a \$110 thousand increase in net position. The increases are primarily due to services related to new construction and electrical pole contacts.

### **Change in Net Position – Business-type Activities**

<b>Source</b>	<b>Water</b>	<b>Sewer</b>	<b>Electric</b>	<b>Total</b>
Revenues	\$ 1,378,537	\$ 1,068,726	\$ 6,537,286	\$ 8,984,549
Operating Expenses	1,114,971	1,021,764	6,409,670	8,546,405
Operating Income	263,566	46,962	127,616	438,144
Non-Operating Revenue (Expenses)	22,891	(4,892)	12,970	30,969
Other Financing Sources (Uses)	-	-	(30,000)	(30,000)
Change in Net Position	286,457	42,070	110,586	439,113
Beginning Net Position	8,330,394	3,545,787	8,693,856	20,570,037
Ending Net Position	<u>\$ 8,616,851</u>	<u>\$ 3,587,857</u>	<u>\$ 8,804,442</u>	<u>\$ 21,009,150</u>

## **General Fund Budget**

Actual revenues for Fiscal Year 2020-21 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, 2021, amounts to \$34.2 million (net of accumulated depreciation). This investment in capital assets, which decreased by \$1.3 million, 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, \$1 million in new capital assets, and \$200 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, 2021, the City had total long-term debt of \$6.4 million, including enterprise activity commitments. Outstanding debt includes \$2.2 million in general obligation bonds to be serviced by general property taxes and \$1.5 million Urban Renewal general obligation bonds that are serviced by tax increment financing. The City would be liable for this Urban Renewal debt in the event of default by the Urban Renewal Agency. In addition, there is \$395 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 decreased by \$418 thousand during the current fiscal year due to scheduled payments. The City of Bandon complies with Oregon Revised Statutes that limit general obligation bond debt to 3% 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.



# City of Bandon, Oregon

June 30, 2021

## **Economic Factors and Next Year's Budgets and Rates**

The Fiscal Year 2021-22 budget total is \$28,980,637, which is \$8,468,608 (29.2%) more than the prior Fiscal Year 2020-21 budget of \$20,512,029. This increase is primarily due to the City planning to issue the General Obligation Bonds for water and sewer improvements in the late summer of 2021, anticipated American Rescue Plan funding, revenue generated from the long-term leasing of cell towers, and a strong prior-year carryover.

Bandon's overall revenues are primarily generated by its electric, water, and sewer utilities. In September 2020, voters approved significant increases to water and sewer rates. This will stabilize water and sewer revenue for some time to come. The electric utility has the ability to raise rates to cover for any increased wholesale charges without a vote.

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.

Voters at the May 18, 2021 Election approved the continuance of a local option street tax in the amount of \$0.8455 per \$1,000 assessed valuation for 10 years, that provides funding for streets, drainage systems, and pedestrian facilities. This tax was initially approved by voters in 2001, then again in 2011, and now approved a third time in 2021 for an additional 10-year period. While there is a local option street tax, the Urban Renewal special levy will not be imposed.

## **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



**CITY OF BANDON  
COOS COUNTY, OREGON**

**Basic Financial Statements**

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**CITY OF BANDON  
COOS COUNTY, OREGON  
STATEMENT OF NET POSITION  
June 30, 2021**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,586,840	\$ 1,661,277	\$ 5,248,117
Receivables			
Accounts	41,051	573,415	614,466
Property taxes	133,181	-	133,181
Loans/Notes	24,195	1,048,463	1,072,658
Special assessments	325,195	47,385	372,580
Inventories	-	506,536	506,536
Restricted cash	3,807,245	3,358,990	7,166,235
Capital assets			
Capital assets, not depreciable	1,903,638	1,067,419	2,971,057
Depreciable capital assets, net of accumulated depreciation	14,895,546	16,290,238	31,185,784
Total assets	<u>24,716,891</u>	<u>24,553,723</u>	<u>49,270,614</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferrals - PERS	646,042	918,098	1,564,140
Deferred Outflows on OPEB - Health Insurance	11,959	12,328	24,287
Total deferred outflows	<u>658,001</u>	<u>930,426</u>	<u>1,564,140</u>
Total assets and deferred outflows of resources	<u>25,374,892</u>	<u>25,484,149</u>	<u>50,859,041</u>
<b>LIABILITIES</b>			
Accounts payable	86,163	64,106	150,269
Accrued payroll and benefits	32,632	36,201	68,833
Customer deposits	6,644	80,032	86,676
Accrued interest payable	111,451	11,077	122,528
Compensated absences payable	152,203	159,098	311,301
Non-current liabilities			
Amount due within one year	346,942	90,040	436,982
Amount due after one year	4,950,011	1,023,487	5,973,498
Net pension liability - PERS	2,048,842	2,806,125	4,854,967
Net OPEB Health Insurance Liability	93,098	95,972	189,070
Total liabilities	<u>7,827,986</u>	<u>4,366,138</u>	<u>12,194,124</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	92,265	-	92,265
Pension related deferrals - PERS	125,587	108,861	234,448
Total deferred inflows	<u>217,852</u>	<u>108,861</u>	<u>326,713</u>
<b>NET POSITION</b>			
Net investment in capital assets	11,502,231	16,273,931	27,776,162
Restricted for			
Debt service	687,660	29,801	717,461
Capital projects	1,039,461	3,296,542	4,336,003
Streets	2,231,527	-	2,231,527
Customer deposits	6,644	80,032	86,676
Urban Renewal	2,331,548	-	2,331,548
Unrestricted	<u>(470,018)</u>	<u>1,328,844</u>	<u>858,826</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 17,329,053</u></u>	<u><u>\$ 21,009,150</u></u>	<u><u>\$ 38,338,203</u></u>

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

CITY OF BANDON  
COOS COUNTY, OREGON  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>GOVERNMENTAL ACTIVITIES</b>							
General government	\$ 2,104,825	\$ 547,949	\$ -	\$ -	\$ (1,556,876)	\$ -	\$ (1,556,876)
Public safety	1,446,607	-	-	-	(1,446,607)	-	(1,446,607)
Highways and streets	190,928	74,190	-	-	(116,738)	-	(116,738)
Culture and recreation	838,465	364,903	-	-	(473,562)	-	(473,562)
Interest on long-term debt	200,393	-	-	-	(200,393)	-	(200,393)
Total governmental activities	4,781,218	987,042	-	-	(3,794,176)	-	(3,794,176)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Sewer	1,031,043	1,068,726	-	-	-	37,683	37,683
Water	1,126,275	1,378,537	-	-	-	252,262	252,262
Electric	6,409,670	6,537,286	-	-	-	127,616	127,616
Total business-type activities	8,566,988	8,984,549	-	-	-	417,561	417,561
<b>TOTAL GOVERNMENT</b>	<b>\$ 13,348,206</b>	<b>\$ 9,971,591</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(3,794,176)</b>	<b>417,561</b>	<b>(3,376,615)</b>
<b>GENERAL REVENUES</b>							
Taxes and assessments							
Property taxes							
					1,412,584	-	1,412,584
Other taxes and assessments							
					1,480,153	-	1,480,153
Contributions in lieu of taxes							
					494,836	-	494,836
Franchise fees							
					70,660	-	70,660
Interest and investment earnings							
					865,513	51,552	917,065
Transfers							
					30,000	(30,000)	-
Total general revenues and transfers							
					4,353,746	21,552	4,375,298
CHANGE IN NET POSITION							
					559,570	439,113	998,683
NET POSITION							
					16,769,483	20,570,037	37,339,520
NET POSITION, end of year							
					\$ 17,329,053	\$ 21,009,150	\$ 38,338,203

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

**CITY OF BANDON  
COOS COUNTY, OREGON  
BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2021

	General	Capital Projects	
		Urban Renewal District No. 1	Local Option Street
<b>ASSETS</b>			
Cash and cash equivalents	\$ 923,486	\$ -	\$ -
Receivables			
Property taxes	19,629	35,100	40,574
Accounts, Net	37,697	-	-
Notes receivable			
Loans	-	-	-
Special assessments	-	-	-
Interfund loans receivable	-	-	-
Restricted cash	6,644	\$ 1,468,130	1,705,945
Total assets	<u>\$ 987,456</u>	<u>\$ 1,503,230</u>	<u>\$ 1,746,519</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 61,841	\$ 888	\$ -
Accrued payroll benefits	26,010	-	-
Customer deposits	6,644	-	-
Total liabilities	<u>94,495</u>	<u>888</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues			
Property taxes	16,283	29,459	33,648
Assessments	-	-	-
Loans	-	-	-
Total deferred inflows of resources	<u>16,283</u>	<u>29,459</u>	<u>33,648</u>
<b>FUND BALANCES</b>			
Restricted for debt service	-	-	-
Restricted for customer deposits	6,644	-	-
Restricted for capital projects	-	-	-
Restricted for urban renewal	-	1,472,883	-
Restricted special projects - streets	-	-	1,712,871
Committed for capital projects	-	-	-
Committed for special projects	-	-	-
Unassigned	870,034	-	-
Total fund balances	<u>876,678</u>	<u>1,472,883</u>	<u>1,712,871</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 987,456</u>	<u>\$ 1,503,230</u>	<u>\$ 1,746,519</u>

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

**CITY OF BANDON  
COOS COUNTY, OREGON  
BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2021

	Debt Service		Other	
	General Obligation Bond	12th Court LID	Governmental Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 2,663,354	\$ 3,586,840
Receivables				
Property taxes	22,004	-	15,874	133,181
Accounts	3,354	-	-	41,051
Notes receivable				
Loans	-	-	24,195	24,195
Special assessments	-	300,722	24,472	325,194
Interfund loans receivable	-	-	-	-
Restricted cash	401,032	225,494	-	3,807,245
Total assets	<u>\$ 426,390</u>	<u>\$ 526,216</u>	<u>\$ 2,727,895</u>	<u>\$ 7,917,706</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 23,434	\$ 86,163
Accrued payroll benefits	-	-	6,622	32,632
Customer deposits	-	-	-	6,644
Total liabilities	<u>-</u>	<u>-</u>	<u>30,056</u>	<u>125,439</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues				
Property taxes	18,562	-	13,145	111,097
Assessments	-	300,722	24,472	325,194
Loans	-	-	24,195	24,195
Total deferred inflows of resources	<u>18,562</u>	<u>300,722</u>	<u>61,812</u>	<u>460,486</u>
<b>FUND BALANCES</b>				
Restricted for debt service	407,828	225,494	54,338	687,660
Restricted for customer deposits	-	-	-	6,644
Restricted for capital projects	-	-	1,039,461	1,039,461
Restricted for urban renewal	-	-	858,665	2,331,548
Restricted special projects - streets	-	-	518,656	2,231,527
Committed for capital projects	-	-	95,688	95,688
Committed for special projects	-	-	69,219	69,219
Unassigned	-	-	-	870,034
Total fund balances	<u>407,828</u>	<u>225,494</u>	<u>2,636,027</u>	<u>7,331,781</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 426,390</u>	<u>\$ 526,216</u>	<u>\$ 2,727,895</u>	<u>\$ 7,917,706</u>

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

**CITY OF BANDON  
COOS COUNTY, OREGON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
June 30, 2021**

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TOTAL FUND BALANCES – governmental funds \$ 7,331,781

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

The net pension asset (liability) and OPEB Liability is the difference between the total PERS pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries

Net Pension Liability - PERS	(2,048,842)
OPEB Liability - Health Insurance	(93,098)

Deferred inflows and outflows of resources related to the PERS pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date

Inflows- Pension Related Deferrals - PERS	(125,587)
Outflows- OPEB Related Deferrals - Health Insurance	11,959
Outflows- Pension Related Deferrals - PERS	646,042

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	1,903,638
Depreciable capital assets, net of	<u>14,895,546</u>
	16,799,184

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	111,097
Loans receivable	24,195
Special assessments	<u>325,194</u>
	460,486

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	(5,296,953)
Deferred charge on refunding	(92,265)
Accrued interest payable on bonds and notes	(111,451)
Compensated absences	<u>(152,203)</u>
	<u>(5,652,872)</u>

NET POSITION - governmental activities \$ 17,329,053

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



**CITY OF BANDON  
COOS COUNTY, OREGON  
STATEMENT OF REVENUES, EXPENDEDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021**

	General	Capital Projects	
		Urban Renewal District No. 1	Local Option Street
<b>REVENUES</b>			
Taxes	\$ 1,548,188	\$ 360,960	\$ 442,932
Licenses and permits	229,457	-	-
Intergovernmental	78,583	-	-
System development charges	-	-	-
Payments in lieu of taxes	477,756	5,789	6,581
Fines and police income	40,754	-	-
Special assessments	-	-	-
Grants	-	-	-
Interest	3,686	8,890	11,276
Reimbursements	408,855	-	-
Other	193,494	-	45,817
<b>Total revenues</b>	<b>2,980,773</b>	<b>375,639</b>	<b>506,606</b>
<b>EXPENDITURES</b>			
Current			
General government	1,125,393	20,010	-
Public safety	1,245,165	-	-
Highways and streets	131,315	-	-
Culture and recreation	222,698	-	-
Capital outlay	-	12,906	68,607
Debt service	-	194,942	55,008
<b>Total expenditures</b>	<b>2,724,571</b>	<b>227,858</b>	<b>123,615</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>256,202</b>	<b>147,781</b>	<b>382,991</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in (out), Net	45,247	-	-
Loan forgiven with property purchase	-	-	-
Sale of property	-	-	-
Loan Interest	-	-	-
<b>Total other financing sources (uses)</b>	<b>45,247</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>301,449</b>	<b>147,781</b>	<b>382,991</b>
<b>FUND BALANCES, beginning of year</b>	<b>575,229</b>	<b>1,325,102</b>	<b>1,329,880</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 876,678</b>	<b>\$ 1,472,883</b>	<b>\$ 1,712,871</b>

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

**CITY OF BANDON  
COOS COUNTY, OREGON  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021**

	Debt Service		Other	Total
	General Obligation Bond	12th Court LID Debt Service	Governmental Funds	
<b>REVENUES</b>				
Taxes	\$ 220,408	\$ -	\$ 406,330	\$ 2,978,818
Licenses and permits	-	-	-	229,457
Intergovernmental	-	-	410,027	488,610
System development charges	-	-	229,872	229,872
Payments in lieu of taxes	3,855	-	855	494,836
Fines and police income	-	-	-	40,754
Special assessments	-	13,865	(17,246)	(3,381)
Grants	-	-	-	-
Interest	2,749	11,458	18,141	56,200
Reimbursements	-	-	-	408,855
Other	38,400	-	119,582	397,293
<b>Total revenues</b>	<u>265,412</u>	<u>25,323</u>	<u>1,167,561</u>	<u>5,321,314</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	6,529	1,151,932
Public safety	-	-	32,238	1,277,403
Highways and streets	-	-	182,717	314,032
Culture and recreation	-	-	418,613	641,311
Capital outlay	-	-	106,899	188,412
Debt service	223,776	39,799	28,826	542,351
<b>Total expenditures</b>	<u>223,776</u>	<u>39,799</u>	<u>775,822</u>	<u>\$ 4,115,441</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>41,636</u>	<u>(14,476)</u>	<u>391,739</u>	<u>\$ 1,205,873</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in (out), Net	-	-	(15,247)	30,000
Loan forgiven with property purchase	-	-	-	-
Sale of property	-	-	-	-
Loan Interest	-	-	3,165	3,165
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(12,082)</u>	<u>33,165</u>
<b>NET CHANGE IN FUND BALANCE</b>	41,636	(14,476)	379,657	1,239,038
<b>FUND BALANCES, beginning of year</b>	<u>366,192</u>	<u>239,970</u>	<u>2,256,370</u>	<u>6,092,743</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 407,828</u>	<u>\$ 225,494</u>	<u>\$ 2,636,027</u>	<u>\$ 7,331,781</u>

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

**CITY OF BANDON  
COOS COUNTY, OREGON  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2021

TOTAL NET CHANGE IN FUND BALANCES - governmental funds		\$	1,239,038
Amounts reported for governmental activities in the statement of activities are different because:			
The pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.			(181,831)
The OPEB Expense represents the changes in Net OPEB Asset (Liability) from year to year due to changes in total OPEB liability and the fair value of OPEB plan net position available to pay OPEB benefits.			(81,139)
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	(15,421)		
Loans receivable	(2,207)		
Special assessments	3,937		
			(13,691)
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 and capital contributions	397,787		
Disposals and loss on disposals	(193,315)		
Depreciation	(939,871)		
			(735,399)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of			
Change in interest payable	4,602		
Changes in compensated absences payable	(9,366)		
Amortization of deferred charge on refunding	7,609		
Principal payments on long-term debt	329,747		
			332,592
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			\$ 559,570

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

**CITY OF BANDON  
COOS COUNTY, OREGON  
STATEMENT OF NET POSITION - ENTERPRISE FUNDS**

June 30, 2021

	Sewer	Water	Electric	Total
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 48,460	\$ (28,880)	\$ 1,641,697	\$ 1,661,277
Receivable				
Accounts	84,892	78,692	409,831	573,415
Special assessments	12,112	35,273	-	47,385
Restricted cash	437,433	2,828,377	63,379	3,329,189
Inventory	-	18,334	488,202	506,536
Total current assets	<u>582,897</u>	<u>2,931,796</u>	<u>2,603,109</u>	<u>6,117,802</u>
<b>NONCURRENT ASSETS</b>				
Notes receivable	-	283,463	765,000	1,048,463
Restricted cash	-	29,801	-	29,801
Capital assets (net of accumulated depreciation)	4,283,321	5,990,630	7,083,706	17,357,657
Total noncurrent assets	<u>4,283,321</u>	<u>6,303,894</u>	<u>7,848,706</u>	<u>18,435,921</u>
Total assets	<u>4,866,218</u>	<u>9,235,690</u>	<u>10,451,815</u>	<u>24,553,723</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow - Pension	121,806	181,371	614,921	918,098
Deferred outflow - OPEB Health Insurance	1,843	2,311	8,174	12,328
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>4,989,867</u>	<u>9,419,372</u>	<u>11,074,910</u>	<u>25,484,149</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	14,659	12,524	36,923	64,106
Accrued payroll benefits	5,072	6,318	24,811	36,201
Compensated absences payable	43,551	25,089	90,458	159,098
Customer deposits	10,613	6,040	63,379	80,032
Accrued interest payable	5,268	5,809	-	11,077
Current portion of long-term debt	60,239	29,801	-	90,040
Total current liabilities	<u>139,402</u>	<u>85,581</u>	<u>215,571</u>	<u>440,554</u>
<b>LONG-TERM LIABILITIES</b>				
Net pension liability	385,174	515,376	1,905,575	2,806,125
Net OPEB Liability - Health Insurance	14,349	17,990	63,633	95,972
Long-term debt (net of current portion)	842,765	180,722	-	1,023,487
Total liabilities	<u>1,381,690</u>	<u>799,669</u>	<u>2,184,779</u>	<u>4,366,138</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow - pension	20,320	2,852	85,689	108,861
Total Deferred Inflows	<u>20,320</u>	<u>2,852</u>	<u>85,689</u>	<u>108,861</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,380,317	5,780,107	7,083,706	3,577,244
Restricted for debt service	-	29,801	-	29,801
Restricted for capital projects	438,932	2,857,610	-	3,296,542
Restricted for customer deposits	10,613	6,040	63,379	80,032
Unrestricted	(242,005)	(56,707)	1,657,357	1,358,645
<b>TOTAL NET POSITION</b>	<u>\$ 3,587,857</u>	<u>\$ 8,616,851</u>	<u>\$ 8,804,442</u>	<u>\$ 21,009,150</u>

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

**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**ENTERPRISE FUNDS**  
For the Year Ended June 30, 2021

	Sewer	Water	Electric	Total
<b>OPERATING REVENUES</b>				
Charges for services				
Sewer charges	\$ 964,836	\$ -	\$ -	\$ 964,836
Water sales	-	979,899	-	979,899
Electricity sales	-	-	6,171,455	6,171,455
BPA Conservation	-	-	48,081	48,081
Service charges, fees and permits	91,469	343,846	304,082	739,397
Other	12,421	54,792	13,668	80,881
	<u>1,068,726</u>	<u>1,378,537</u>	<u>6,537,286</u>	<u>8,984,549</u>
<b>OPERATING EXPENSES</b>				
Administration	125,600	122,328	535,149	783,077
Cost of sales and services	660,843	627,716	5,302,245	6,590,804
Energy assistance payments	-	-	3,216	3,216
Plant improvement (non-capital)	-	34,998	-	34,998
Depreciation and amortization	235,321	329,929	569,060	1,134,310
	<u>1,021,764</u>	<u>1,114,971</u>	<u>6,409,670</u>	<u>8,546,405</u>
<b>OPERATING INCOME (LOSS)</b>	<u>46,962</u>	<u>263,566</u>	<u>127,616</u>	<u>438,144</u>
<b>NONOPERATING REVENUES (EXPENSE)</b>				
Interest income	4,387	34,195	12,970	51,552
Interest expense	(9,279)	(11,304)	-	(20,583)
	<u>(4,892)</u>	<u>22,891</u>	<u>12,970</u>	<u>30,969</u>
<b>INCOME BEFORE OPERATING TRANSFERS</b>	42,070	286,457	140,586	469,113
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (to) from other funds	-	-	(30,000)	(30,000)
<b>CHANGE IN NET POSITION</b>	42,070	286,457	110,586	439,113
<b>NET POSITION, beginning of year, Restated</b>	<u>3,545,787</u>	<u>8,330,394</u>	<u>8,693,856</u>	<u>20,570,037</u>
<b>NET POSITION, end of year</b>	<u>\$ 3,587,857</u>	<u>\$ 8,616,851</u>	<u>\$ 8,804,442</u>	<u>\$ 21,009,150</u>

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

**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS**  
For the Year Ended June 30, 2021

	<b><u>Increase (Decrease) in Cash and Cash Equivalents</u></b>			
	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 1,043,112	\$ 1,362,225	\$ 6,511,865	\$ 8,917,202
Cash paid to employees	(292,202)	(282,867)	(1,380,619)	(1,955,688)
Cash paid to suppliers	(492,946)	(462,281)	(4,228,820)	(5,184,047)
Net cash provided by operating activities	<u>257,964</u>	<u>617,077</u>	<u>902,426</u>	<u>1,777,467</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Customer deposits	625	358	1,342	2,325
Interfund transfers (net)	-	-	(30,000)	(30,000)
<b>NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>625</u>	<u>358</u>	<u>(28,658)</u>	<u>(27,675)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal payments	(59,643)	(28,455)	-	(88,098)
Interest paid	(9,626)	(12,089)	-	(21,715)
Acquisition of capital assets	(131,952)	(59,720)	(374,418)	(566,090)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(201,221)</u>	<u>(100,264)</u>	<u>(374,418)</u>	<u>(675,903)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	4,387	34,195	12,970	51,552
Principal payments on notes receivable	(9,306)	(2,104)	-	(11,410)
Net cash received from investing activities	<u>(4,919)</u>	<u>32,091</u>	<u>12,970</u>	<u>40,142</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	52,449	549,262	512,320	1,114,031
<b>CASH AND CASH EQUIVALENTS, at beginning of year (including restricted cash of \$2,740,447)</b>	<u>433,444</u>	<u>2,280,036</u>	<u>1,192,756</u>	<u>3,906,236</u>
<b>CASH AND CASH EQUIVALENTS, at end of year (including restricted cash of \$2,902,369)</b>	<u>\$ 485,893</u>	<u>\$ 2,829,298</u>	<u>\$ 1,705,076</u>	<u>\$ 5,020,267</u>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO</b>				
Operating income (loss)	\$ 45,119	\$ 261,273	\$ 119,443	\$ 425,835
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	235,321	329,929	569,060	1,134,310
Change in assets and liabilities				
Accounts	(20,975)	(11,553)	15,684	(16,844)
Inventory	-	2,710	20,706	23,416
Pension and OPEB liability	88,549	111,017	392,685	592,251
Deferred outflows	(34,094)	(39,421)	(146,284)	(219,799)
Accounts payable	(28,912)	(15,682)	30,164	(14,430)
Accrued payroll and benefits	(807)	(1,487)	2,591	297
Unearned revenue - prepaid utility billing	(4,639)	(4,759)	(41,106)	(50,504)
Compensated absences	(8,183)	1,868	(1,029)	(7,344)
Deferred inflow	(13,415)	(16,818)	(59,488)	(89,721)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 257,964</u>	<u>\$ 617,077</u>	<u>\$ 902,426</u>	<u>\$ 1,777,467</u>

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

**CITY OF BANDON  
COOS COUNTY, OREGON**

**Notes to the Basic Financial Statements**

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# City of Bandon

## Notes to the Basic Financial Statements

### June 30, 2021

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#### 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 Basic Financial Statements

### June 30, 2021

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#### 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 government 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 service 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 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.

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

##### *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 Basic Financial Statements**  
**June 30, 2021**

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**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, expenditures 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 government 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, 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, 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 Basic Financial Statements**  
**June 30, 2021**

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**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. These funds are 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 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:

**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 Basic Financial Statements**  
**June 30, 2021**

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**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 are also reported as restricted assets.

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**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. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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 financial 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 financial position 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. The City has property taxes, assessments, and loans receivable that fit into this classification.

**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 Basic Financial Statements

### June 30, 2021

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#### **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 another 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. Commitments of fund balance must be made prior to the end of the fiscal year.

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**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.

**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.

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.

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**2. Stewardship, Compliance, and Accountability (continued)**

*Excess of Expenditures over Appropriations and Deficit Fund Balances*

Expenditures exceeded appropriations in the following amounts:

<u>Fund / Budget Category</u>	<u>Amount of Over Expenditure</u>
GENERAL FUND	
General government	
Administration and general	\$ 3,088
Accounting and Billing	\$ 19,903
Planning Department	\$ 3,611
LOCAL OPTION STREET TAX FUND	
Debt Service interest	\$ 143
WATER FUND	
Transfer to other funds	\$ 5,677
ELECTRIC FUND	
Nondepartmental	
Materials and services	\$ 3,987



**City of Bandon**  
**Notes to the Basic Financial Statements**  
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**3. Cash and Investments**

The cash management policies are governed by state statutes. Statutes authorize investing in bankers acceptances, commercial paper, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities and the Oregon State Treasurer's Local Government Investment Pool.

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash 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, 2021. 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, 2021, the total amount of the City's deposits in various financial institutions was \$1,129,718. 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.

*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, 2021, 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 2021. 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.

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**3. Cash and Investments (continued)**

*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, 2021, 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>\$ 11,466,233</u>

A reconciliation of cash and cash equivalents as shown on the statement of net position and balance sheet follows:

Carrying amount of deposits	\$ 948,119
Local Government Investment Pool	<u>11,466,233</u>
Total	<u>\$ 12,414,352</u>

**BALANCE SHEET**

<b>Governmental Activities</b>	
Cash and Cash Equivalents	\$ 3,586,840
Restricted Cash	<u>3,807,245</u>
Total governmental activities	<u>7,394,085</u>
<b>Business-type Activities</b>	
Cash and Cash Equivalents	2,088,097
Restricted Cash	<u>2,932,170</u>
Total business-type activities	<u>5,020,267</u>
<b>TOTAL</b>	<u>\$ 12,414,352</u>

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**4. Property Taxes Receivable**

Non-current property taxes and special assessments receivable are treated as deferred inflows of resources as unavailable revenue in the governmental funds. Accounts receivables are considered to be fully collectible. Accordingly, no provision for estimated uncollectible balances has been established for those accounts.

*Property taxes* – Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes are billed and collected by the County of Coos and remittance to the City is made at periodic intervals. For fiscal year 2020-21, the City imposed a property tax rate of \$0.4600, bond levies of \$0.5000, and local option tax levy of \$0.8500 per \$1,000 of assessed value. Coos County determined the actual taxable assessed valuation within the City to be \$531,551,154. After subtracting the Urban Renewal excess and after adjustments, the net levy result was \$890,561.

Following is a summary of property tax transactions for the City for the fiscal year ended June 30, 2021:

<u>Coos County</u>	<u>Receivable June 30, 2020</u>	<u>2020-2021 Net Levy</u>	<u>Collections and Adjustments</u>	<u>Receivable June 30, 2021</u>
2020-21		\$ 890,561	\$ (859,795)	\$ 30,766
2019-20	\$ 33,956	-	(17,553)	16,403
2018-19	18,440	-	(7,772)	10,668
2017-18	12,155	-	(7,523)	4,632
2016-17	6,181	-	(3,945)	2,236
Prior years	6,825	-	(2,485)	4,340
 Total	 <u>\$ 77,557</u>	 <u>\$ 890,561</u>	 <u>\$ (899,073)</u>	 <u>\$ 69,045</u>
			June 2021 turnover received July	<u>13,162</u>
			Balance per City	<u>\$ 82,207</u>
			<u>Presentation on Governmental Funds Balance Sheet</u>	
			General Fund	\$ 19,629
			Local Option Street Fund	40,574
			General Obligation Bond Fund	<u>22,004</u>
				<u>\$ 82,207</u>

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**4. Property Taxes Receivable (continued)**

The Urban Renewal Agency receives a tax increment under Section 1c, Article XI of the Oregon Constitution, and ORS Chapter 457. It states that the portion of the taxes representing the levy against the increase, if any, in true cash value of property located in the urban renewal area shall, after collection by the tax collector, be paid into a special fund of the Agency and shall be used to pay the principal and interest on indebtedness incurred by the Agency to finance or refinance the implementation of the urban renewal plan.

All non-current property taxes receivable is treated as deferred inflows of resources as unavailable revenue. Other accounts and intergovernmental receivables are considered to be fully collectible. Accordingly, no provision for estimated uncollectible balances has been established.

Following is a summary of property tax transactions for the City's URA for the fiscal year ended June 30, 2021:

<u>Coos County</u>	<u>Receivable June 30, 2020</u>	<u>2020-2021 Net Levy</u>	<u>Collections and Adjustments</u>	<u>Receivable June 30, 2021</u>
2020-21		\$ 542,980	\$ (524,220)	\$ 18,760
2019-20	\$ 18,901		(4,772)	14,129
2018-19	10,701		(5,097)	5,604
2017-18	6,803		(4,099)	2,704
2016-17	4,093		(2,560)	1,533
Prior years	8,463		-	2,162
 Total	 <u>\$ 48,961</u>	 <u>\$ 542,980</u>	 <u>\$ (540,748)</u>	 <u>44,892</u>
			June 2020 turnover received July	<u>6,082</u>
			Balance per City	<u>\$ 50,974</u>
			<u>Presentation on Governmental Funds Balance Sheet</u>	
			Urban Renewal District #1	\$ 35,100
			Urban Renewal District #2	<u>15,874</u>
				<u>\$ 50,974</u>

**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. There are no interfund receivable (payable) balances as of June 30, 2021.

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

**6. Capital Assets**

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

	Balance June 30, 2020	Additions	Deletions and Transfers	Balance June 30, 2021
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>NONDEPRECIABLE CAPITAL ASSETS</b>				
Land	\$ 1,709,231	\$ -	-	\$ 1,709,231
Construction in progress	189,485	198,237	(193,315)	194,407
Total nondepreciable capital assets	1,898,716	198,237	(193,315)	1,903,638
<b>DEPRECIABLE CAPITAL ASSETS</b>				
Buildings	9,012,353		-	9,012,353
Land improvements	1,365,658	21,564	-	1,387,222
Furnishing & equipment	2,100,459		(72,621)	2,027,838
Streets	63,038,923	177,986	(83,000)	63,133,909
Storm drains	3,275,185	-	-	3,275,185
Total depreciable capital assets	78,792,578	199,550	(155,621)	78,836,507
<b>ACCUMULATED DEPRECIATION</b>				
Buildings	(2,379,210)	(232,184)	-	(2,611,394)
Land improvements	(308,875)	(42,900)	-	(351,775)
Furnishing & equipment	(1,521,106)	(88,077)	72,621	(1,536,562)
Streets	(57,462,906)	(478,852)	83,000	(57,858,758)
Storm drains	(1,484,614)	(97,858)	-	(1,582,472)
Total accumulated depreciation	(63,156,711)	(939,871)	155,621	(63,940,961)
Total depreciable assets	15,635,867	(740,321)	-	14,895,546
<b>NET GOVERNMENTAL CAPITAL ASSETS</b>	<b>\$ 17,534,583</b>	<b>\$ (542,084)</b>	<b>\$ (193,315)</b>	<b>\$ 16,799,184</b>

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

General government	\$ 707,997
Public safety	48,353
Highways and streets	45,100
Culture and recreation	138,421
	<u>\$ 939,871</u>

Construction in Progress was completed and transferred to Streets and Land improvements. Other deletions were the result of disposals by the City of fully depreciated assets.

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

**6. Capital Assets (Continued)**

	Balance June 30, 2020	Additions	Deletions and Transfers	Balance June 30, 2021
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>NONDEPRECIABLE CAPITAL ASSETS</b>				
Land	\$ 854,160	-	\$ -	\$ 854,160
Construction in progress	138,707	74,552	-	213,259
Total nondepreciable capital assets	992,867	74,552	-	1,067,419
<b>DEPRECIABLE CAPITAL ASSETS</b>				
Buildings	4,595,215	118,487	-	4,713,702
Land Improvements	-	33,476	-	33,476
Furnishing & equipment	2,566,864	162,712	-	2,729,576
Infrastructure	33,422,460	176,860	-	33,599,320
Total depreciable capital assets	40,584,539	491,535	-	41,076,074
<b>ACCUMULATED DEPRECIATION</b>				
Buildings	(2,266,945)	(116,524)	-	(2,383,469)
Land Improvements	-	(1,674)	-	(1,674)
Furnishing & equipment	(1,843,388)	(106,299)	-	(1,949,687)
Infrastructure	(19,541,201)	(909,805)	-	(20,451,006)
Total accumulated depreciation	(23,651,534)	(1,134,302)	-	(24,785,836)
Total depreciable assets	16,933,005	(642,767)	-	16,290,238
<b>NET BUSINESS-TYPE CAPITAL ASSETS</b>	<b>\$ 17,925,872</b>	<b>\$ (568,215)</b>	<b>\$ -</b>	<b>\$ 17,357,657</b>

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

Electric	\$ 569,060
Water	329,921
Sewer	235,321
	<u>\$ 1,134,302</u>

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**7. 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 the governmental activities. All general obligation bonds have been reclassified into one general obligation fund that is 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.

***Summary of long-term obligations***

The following is a summary of changes in long-term obligations during the fiscal year ended June 30, 2021.

	Balance			Balance	Due Within
	June 30, 2020	Additions	Deletions	June 30, 2021	One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
<i>Bonds Payable</i>					
2000 General obligation bonds	\$ 2,221,168	\$ -	\$ (65,816)	\$ 2,155,352	\$ 68,777
2000 LID bond	9,562	-	(837)	8,725	883
2012 General obligation bonds	1,565,000	-	(100,000)	1,465,000	100,000
2018 OECDD Water Clarification loan	562,866	-	(30,084)	532,782	35,288
<i>Direct Borrowing</i>					
12th Court LID loan	67,161	-	(1,720)	65,441	1,795
Note payable - 2004 HWY 101 LID	343,934	-	(22,888)	321,046	23,431
2012 Wedbush LoCap refinance	68,980	-	(26,988)	41,992	27,790
2018 OECDD loan	420,015	-	(24,906)	395,109	30,112
2019 Sweeper loan	200,556	-	(48,437)	152,119	50,320
2019 Golf Course loan	167,458	-	(8,071)	159,387	8,546
Total governmental activities	<u>\$ 5,626,700</u>	<u>\$ -</u>	<u>\$ (329,747)</u>	<u>\$ 5,296,953</u>	<u>\$ 346,942</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
<i>Direct Borrowing</i>					
2006 OECDD loan	\$ 238,978	\$ -	\$ (28,455)	\$ 210,523	\$ 29,801
2015 Wastewater Improvement loan	962,647	-	(59,643)	903,004	60,239
Total business-type activities	<u>\$ 1,201,625</u>	<u>\$ -</u>	<u>\$ (88,098)</u>	<u>\$ 1,113,527</u>	<u>\$ 90,040</u>

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**7. Long-term Obligations (Continued)**

*Changes in other liabilities* – The following is a summary of changes in other liabilities during the fiscal year ended June 30, 2021:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Vacation payable	\$ 142,837	\$ 152,203	\$ (142,837)	\$ 152,203	\$ 152,203
<b>BUSINESS-TYPE ACTIVITIES</b>					
Vacation payable	\$ 166,442	\$ 159,098	\$ (166,442)	\$ 159,098	\$ 159,098

***Business-Type Activities***

**Direct Borrowing** – The City obtained a loan 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 this loan. State revolving fund loans currently outstanding are as follows.

*2006 OECDD 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. In the event of Default, the State shall have the right to declare all payments immediately due and payable.

Fiscal Year	Principal	Interest	Total
2022	\$ 29,801	\$ 9,958	\$ 39,759
2023	31,211	8,548	39,759
2024	32,687	7,072	39,759
2025	34,233	5,524	39,757
2026	35,853	3,906	39,759
2027-2028	46,738	2,646	49,384
	210,523	\$ 37,654	\$ 248,177
Less current portion	(29,801)		
Total	\$ 180,722		



**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**7. 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.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 60,239	\$ 9,030	\$ 69,269
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
2027-2031	322,955	23,392	346,347
2032-2035	272,769	6,891	279,660
	<u>903,004</u>	<u>\$ 69,349</u>	<u>\$ 972,353</u>
Less current portion	<u>(60,239)</u>		
Total	<u>\$ 842,765</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>
2022	\$ 68,777	\$ 96,991	\$ 165,768
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
2027-2031	468,889	380,143	849,032
2032-2036	584,322	269,681	854,003
2037-2041	725,882	139,067	864,949
	<u>2,155,352</u>	<u>\$ 1,241,472</u>	<u>\$ 3,396,824</u>
Less current portion	<u>(68,777)</u>		
Total	<u>\$ 2,086,575</u>		

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**7. Long-term Obligations (continued)**

*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 2029. During 2013, the City made additional principal pay down of \$20,890. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 883	\$ 496	\$ 1,379
2023	936	444	1,380
2024	990	389	1,379
2025	1,050	330	1,380
2026	1,112	268	1,380
2027-2029	3,755	393	4,148
	8,725	\$ 2,320	\$ 11,045
Less current portion	(883)		
Total	\$ 7,842		

*2009 OECDD 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. Upon Default, the Department may declare all amounts immediately due and payable.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	35,288	26,471	\$ 61,759
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
2027-2031	211,985	219,821	431,806
2032-2034	156,698	15,826	172,524
	532,782	\$ 351,843	\$ 884,625
Less current portion	(35,288)		
Total	\$ 497,494		

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**7. Long-term Obligations (Continued)**

*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 2032-33. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 100,000	\$ 46,531	\$ 146,531
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
2027-2031	635,000	101,925	736,925
2032-2033	285,000	9,703	294,703
	<u>1,465,000</u>	<u>\$ 306,433</u>	<u>\$ 1,771,433</u>
Less current portion	<u>(100,000)</u>		
Total	<u>\$ 1,365,000</u>		

***Governmental Activities***

**Direct Borrowing**

*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 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>
2022	\$ 23,431	\$ 9,867	\$ 33,298
2023	24,170	9,128	33,298
2024	24,910	8,388	33,298
2025	25,719	7,580	33,299
2026	26,530	6,769	33,299
2027-2031	145,728	20,764	166,492
2032-2033	50,558	1,665	52,223
	<u>321,046</u>	<u>\$ 64,161</u>	<u>\$ 385,207</u>
Less current portion	<u>(23,431)</u>		
Total	<u>\$ 297,615</u>		

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**7. Long-term Obligations (Continued)**

*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>
2022	\$ 30,112	\$ 19,300	\$ 49,412
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
2027-2031	194,449	35,691	230,140
2032	42,820	6,262	49,082
	395,109	<u>\$ 123,673</u>	<u>\$ 518,782</u>
Less current portion	<u>(30,112)</u>		
Total	<u>\$ 364,997</u>		

*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>
2022	\$ 27,790	\$ 1,035	\$ 28,825
2023	14,202	210	14,412
	41,992	<u>\$ 1,245</u>	<u>\$ 43,237</u>
Less current portion	<u>(27,790)</u>		
Total	<u>\$ 14,202</u>		

**City of Bandon**  
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**7. Long-term Obligations (Continued)**

*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 2043. Any payment over 10 days late shall be charged 5% interest. 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>
2022	\$ 1,795	\$ 3,552	\$ 5,347
2023	1,895	3,453	5,348
2024	1,990	3,357	5,347
2025	2,110	3,238	5,348
2026	2,227	3,121	5,348
2027-2031	13,117	13,620	26,737
2032-2036	17,173	9,564	26,737
2037-2041	22,496	4,241	26,737
2042	2,638	72	2,710
	65,441	<u>\$ 44,218</u>	<u>\$ 109,659</u>
Less current portion	<u>(1,795)</u>		
Total	<u>\$ 63,646</u>		

**City of Bandon**  
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**7. Long-term Obligations (Continued)**

*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. Any payment over 10 days late shall be charged 5% interest. The scheduled payment dates are June 1 of each year through 2024. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 50,320	\$ 4,783	\$ 55,103
2023	52,214	2,889	55,103
2024	49,585	920	50,505
	152,119	\$ 8,592	\$ 160,711
Less current portion	(50,320)		
Total	\$ 101,799		

*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 November 2023. A late charge of 5% of the overdue payment amount applies when not received within 10 days of the payment due date. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 8,546	\$ 8,888	\$ 17,434
2023	9,023	8,411	17,434
2024	141,818	7,908	149,726
	159,387	\$ 25,207	\$ 184,594
Less current portion	(8,546)		
Total	\$ 150,841		

Default clauses for any of the aforementioned debt items with potentially significant financial impact to the City are included in the descriptions of those individual debt items. Any debt items with no default clause mentioned are presumed to have no clauses with potentially significant financial impact to the City.

**City of Bandon**  
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**8. Restricted Net Position**

The City's bond covenants require certain reservations of certain funds' net position for repayment of general obligations. Property taxes levied for payment of debt are restricted as to their use. In addition, revenues derived from certain sources are restricted for special projects. Net position in these funds as of June 30, 2021 are classified as follows:

	Customer Deposits	Debt Service	Streets	Capital Projects	Urban Renewal	Total
<b>GOVERNMENTAL ACTIVITIES</b>						
General fund	\$ 6,644	\$ -	\$ -	\$ -	\$ -	\$ 6,644
Urban Renewal District No. 1	-	-	-	-	1,472,883	1,472,883
12th Court LID debt service	-	225,494	-	-	-	225,494
General obligation bond	-	407,828	-	-	-	407,828
Local option street	-	-	1,712,871	-	-	1,712,871
Nonmajor funds	-	54,338	518,656	1,039,461	858,665	2,471,120
<b>Total restricted net position for governmental activities</b>	<b>\$ 6,644</b>	<b>\$ 687,660</b>	<b>\$2,231,527</b>	<b>\$1,039,461</b>	<b>\$ 2,331,548</b>	<b>\$ 6,296,840</b>

	Customer Deposits	Debt Service	Capital Projects	Total
<b>BUSINESS-TYPE ACTIVITIES</b>				
Sewer	\$ 10,613	\$ -	\$ 438,932	\$ 449,545
Water	6,040	29,801	2,857,610	2,893,451
Electric	63,379	-	-	63,379
<b>Total restricted net position for business-type activities</b>	<b>\$ 80,032</b>	<b>\$ 29,801</b>	<b>\$ 3,296,542</b>	<b>\$ 3,406,375</b>

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**City of Bandon**  
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**9. Internal Transfers**

Interfund Transfers were made to fund operations.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 62,600	\$ (17,353)
Other Governmental Funds	17,353	(32,600)
Electric Fund	-	(30,000)
Total	<u>\$ 79,953</u>	<u>\$ (79,953)</u>

**10. Defined Benefit Pension Plan**

***Oregon Public Employees Retirement System (PERS)***

**Plan description**

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

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

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the



**City of Bandon**  
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**10. Defined Benefit Pension Plan (Continued)**

beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:

- member was employed by PERS employer at the time of death,
  - member died within 120 days after termination of PERS covered employment,
  - member died as a result of injury sustained while employed in a PERS-covered job, or
  - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**City of Bandon**  
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**10. Defined Benefit Pension Plans (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. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and

political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$489,947, excluding amounts to fund employer specific liabilities.

**Pension Asset or Liability** -- At June 30, 2021, the City reported a net pension liability of \$4,854,967 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020 and 2019, the City's proportion was 0.02224657 percent and .02241504 percent, respectively.

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

The rates in effect for the year ended June 30, 2021 were (1) 24.76% for Tier 1/Tier 2, (2) 18.23% for OPSRP general services, and (3) 22.86% for OPSRP police and fire.

For the year ended June 30, 2021, the City recognized pension expense of \$368,598, of which \$181,831 was recognized by governmental activities and \$186,767 was recognized by business-type activities. At June 30, 2021, 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	\$ 213,677	\$ -
Change of assumptions	260,551	9,129
Net difference between projected and actual earnings on investments	570,881	-
Changes in proportionate share	-	183,510
Difference between employer contributions and employer's proportionate share of system contributions	29,085	41,809
Subtotal - amortized deferrals	1,074,194	234,448
Contribution made subsequent to measurement period	489,947	-
Total	<u>\$ 1,564,141</u>	<u>\$ 234,448</u>

**City of Bandon**  
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**10. Defined Benefit Pension Plans (Continued)**

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

Subtotal amounts related to pension as deferred outflows of resources, \$1,074,194, and deferred inflows of resources, \$234,448, net to \$839,746 and will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	159,424
2023	260,333
2024	239,566
2025	180,201
2026	222
	<u>\$ 839,746</u>

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

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

**Actuarial method and assumptions**

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

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

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**10. Defined Benefit Pension Plan (Continued)**

Valuation date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of 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.

**Assumed asset allocation**

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

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

**City of Bandon**  
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**10. Defined Benefit Pension Plan (Continued)**

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

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

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**10. Defined Benefit Pension Plan (Continued)**

**Discount rate**

The discount rate used to measure the total pension liability as of the measurement dates June 30, 2020 and 2019 was 7.20% for both years for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the City, calculated using the discount rate of 7.20%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's net pension liability (asset)	\$ 7,209,225	\$ 4,854,967	\$ 2,880,812

**Changes Subsequent to the Measurement Date**

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

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

**Deferred Compensation Plan**

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

**OPSRP Individual Account Program (OPSRP IAP)**

**Plan Description:**

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit

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**10. Defined Benefit Pension Plan (Continued)**

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

**Pension Benefits:**

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

**Death Benefits:**

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

**Contributions:**

Employees of the City pay six (6) percent of their covered payroll. The City did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

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

**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.

# City of Bandon

## Notes to the Basic Financial Statements

### June 30, 2021

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#### **11. Other Post Employment Benefit Plans – (RHIA)**

##### **Plan Description**

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

##### **Funding Policy**

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the year ended June 30, 2021 equaled the required contribution amounts.

At June 30, 2021, the City's net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered to be material to the basic financial statements by management and were not accrued on the government wide statements.



**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**12. Other Post Employment Benefits – Health Insurance**

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

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

At July 1, 2020, the following employees were covered by the benefit terms:

<b>Participant Counts</b>	<b>Total</b>
Number of Active Participants	20
Number of Inactive Participants	<u>1</u>
Total Number of Participants	<u><u>21</u></u>

The City’s total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

**Actuarial Assumption:**

Valuation Date	July 1, 2020 rolled forward to June 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment return assumption (Interest Discount)	The 2.21% investment return assumption is based on the 20-Year General Obligation Municipal Bond Index Published by Bond Buyer
Plan Participation	10% assumed will elect coverage at retirement if eligible for District paid insurance; 40% assumed if only eligible for self-pay insurance
Inflation Rate	2.5% per year
Annual salary rate increase	3.5% for all future years
Health Care premium	
Beginning in 2018 a 40% excise tax will be imposed under the affordable care act on employers if the aggregate value of medical coverage exceed a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan. The federal government delayed the implementation of the tax from 2020 to 2022.	

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**12. Other Post Employment Benefits – Health Insurance– (Continued)**

Changes in Total OPEB Liability:

Total OPEB Liability at June 30, 2020	\$ 174,437
Changes for the year:	
Service Cost	6,175
Interest	6,112
Changes of Assumptions or Other Input	-
Effect of economic/demographic gains or losses	-
Differences between expected and actual experience	14,408
Benefit Payments	<u>(12,062)</u>
Total OPEB Liability at June 30, 2021	\$ 189,070

Sensitivity of the total OPEB Liability to changes in discount rate: the following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate 1 percentage point higher and lower than the current rate.

Discount Rate Sensitivity:

	1% <u>Decrease</u>	Current <u>Discount Rate</u>	1% <u>Increase</u>
Total OPEB Liability	\$ 200,748	\$ 189,070	\$ 177,827

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 health care cost trend rates that are 1 percentage point higher and lower than the current healthcare cost trend rates.

Healthcare Trend Rate Sensitivity:

	1% <u>Decrease</u>	Current <u>Trend Rate</u>	1% <u>Increase</u>
Total OPEB Liability	\$ 173,388	\$ 189,070	\$ 207,069

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**12. Other Post Employment Benefits – Health Insurance– (Continued)**

For the year ended June 30, 2021, the City recognized OPEB expense for Health Insurance of \$19,164. At June 30, 2021, the City reported deferred outflows and deferred inflows of resources related to OPEB for Health Insurance from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or input	-	12,225
Subtotal - Amortized Deferrals (Below)	-	12,225
Benefit Payments	-	12,062
Total as of June 30, 2020	\$ -	\$ 24,287

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

Subtotal amounts related to OPEB as deferred outflows of resources of \$12,225 and deferred inflows of resources, (\$0) net to \$12,225 and will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Annual Recognition</u>
2022	\$ 2,183
2023	2,183
2024	2,183
2025	2,183
2026	2,183
Thereafter	1,310
	<u>\$ 12,225</u>

*Actuarial Methods and Assumptions* – The total OPEB Liability for the current year was determined as part of the July 1, 2020 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions include; (a) an interest discount rate of 2.25% per year; (b) an inflation rate of 2.5% per year; (c) a payroll increase of 3.5% per year; (d) demographic assumptions based on Oregon PERS valuation assumptions as of December 31, 2018.

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**13. 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.

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. The City intends to measure these investments at book value, as the LGIP's fair value approximates its amortized cost basis.

LGIP measured at the net asset value (NAV) 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 NAV of the City's investments as of June 30, 2021 was \$11,466,233.

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**14. 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, 2021.

**14. Accounts Receivable**

The City has determined that certain Accounts Receivable amounts related to utility billings are not historically collectible, and have adjusted their allowance for doubtful accounts amount to reflect this. The below chart is the receivables and corresponding allowances by fund:

<u>Fund</u>	<u>Gross Accounts Receivable</u>	<u>Allowance</u>	<u>Net Accounts Receivable</u>
General	\$ 41,051	\$ (3,354)	\$ 37,697
Debt	3,354	-	3,354
Total Governmental	<u>\$ 44,405</u>	<u>\$ (3,354)</u>	<u>\$ 41,051</u>
Sewer	\$ 84,892	\$ -	\$ 84,892
Water	84,848	(6,138)	78,710
Electric	452,537	(42,706)	409,831
Total Proprietary	<u>\$ 622,277</u>	<u>\$ (48,844)</u>	<u>\$ 573,433</u>

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**16. Commitments and Contingencies**

**Commitments - Construction in Progress**

At June 30, 2021, the City is involved in the various phases of improvement projects. There were no significant contract commitments at year end. The most significant remaining ongoing project is for improvements to the City Shop.

**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.

**Other Contingencies**

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

**17. Subsequent Events**

In August of 2021, the City issued a \$5,500,000 Bond at 1.82% interest, as part of the General Obligation Bond measure approved by voters in 2019. Interest payments occur semi-annually beginning in December 2021, with the first annual principal repayment due in June 2022. Complete retirement of the Bond is expected by 2036.

**City of Bandon**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**18. Prior Period Misstatements**

There were two misstatements in the prior period related to Pensions and Other Post-employment Benefits. The net impact on Beginning Net Position and Personnel Expenses is immaterial and has therefore been corrected as a current year adjustment. The net effect on prior Net Position and Current year expenses is shown as:

	Impact on		
	Beginning Net Position		
	Overstated (Understated)		
	Governmental Activities	Business-type Activities	Total
Deferred Outflows of Resources			
Pension-related Deferrals - PERS	\$ 67,002	\$ 69,749	\$ 136,751
Net OPEB Liability			
Implicit Subsidy - Health insurance	(85,467)	(88,970)	(174,437)
Net correction of misstatement	\$ (18,465)	\$ (19,221)	\$ (37,686)

	Impact on		
	Current Expenses		
	Overstated (Understated)		
	Governmental Activities	Business-type Activities	Total
Deferred Outflows of Resources			
Pension-related Deferrals - PERS	\$ (67,002)	\$ (69,749)	\$ (136,751)
Net OPEB Liability			
Implicit Subsidy - Health insurance	85,467	88,970	174,437
Net correction of misstatement	\$ 18,465	\$ 19,221	\$ 37,686





## **Required Supplementary Information**

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CITY OF BANDON  
COOS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

**PERS**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.02 %	\$ 4,854,967	\$ 2,328,102	208.5 %	75.8 %
2020	0.02	3,877,265	2,291,800	169.2	80.2
2019	0.02	3,622,243	2,170,659	166.9	82.1
2018	0.02	3,234,154	2,182,895	148.2	83.1
2017	0.03	3,825,491	2,210,369	173.1	80.5
2016	0.03	1,787,009	2,091,533	85.4	91.9
2015	0.03	(709,597)	1,940,273	(36.6)	103.6
2014	0.03	1,597,545	1,940,273	82.3	92.0

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

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

CITY OF BANDON  
COOS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

**PERS**

**SCHEDULE OF CONTRIBUTIONS**

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 489,947	\$ 489,947	\$ -	\$ 2,442,667	20.1 %
2020	472,958	472,958	-	2,328,102	20.3
2019	380,444	380,444	-	2,291,800	16.6
2018	356,422	356,422	-	2,170,659	16.4
2017	307,903	307,903	-	2,182,895	14.1
2016	302,415	302,415	-	2,210,369	13.7
2015	372,960	372,960	-	2,091,533	17.8
2014	387,070	387,070	-	1,940,273	19.9

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

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

CITY OF BANDON  
COOS COUNTY, OREGON  
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
 OTHER POST EMPLOYMENT BENEFITS  
 June 30, 2021

**OPEB: (HEALTH INSURANCE)  
 SCHEDULE OF FUNDING PROGRESS**

Year Ended June, 30	OPEB Liability Beginning of Year	Service Cost	Liability Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	OPEB Liability End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2021	\$ 174,437	\$ 6,175	\$ 6,112	\$ -	\$ 14,408	\$ (12,062)	\$ 189,070	N/A	* 8.12%
2020	N/A	N/A	N/A	-	N/A	N/A	174,437	N/A	7.61%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June, 30	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b) - (a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2021	\$ -	\$ -	\$ N/A	\$ N/A	\$ N/A
2020	\$ -	\$ -	\$ N/A	\$ N/A	\$ N/A

The above table presents the most recent calculation of the post-retirement health insurance under GASB 75 and it provides information about the total plan unfunded liability.

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.

\* Information not available

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Taxes and assessments				
Property taxes - current year	\$ 209,912	\$ 209,912	\$ 199,321	\$ (10,591)
Previously levied taxes	12,000	12,000	14,488	2,488
Franchise fees	47,500	47,500	70,660	23,160
Utility taxes	485,351	485,351	519,703	34,352
Transient tax	455,100	455,100	744,016	288,916
	<u>1,209,863</u>	<u>1,209,863</u>	<u>1,548,188</u>	<u>338,325</u>
Total taxes				
License and permits	<u>237,643</u>	<u>237,643</u>	<u>229,457</u>	<u>(8,186)</u>
Intergovernmental				
Cigarette tax	3,723	3,723	3,080	(643)
Marijuana tax	11,200	11,200	10,635	(565)
Liquor tax	61,175	61,175	64,868	3,693
	<u>76,098</u>	<u>76,098</u>	<u>78,583</u>	<u>2,485</u>
Total intergovernmental				
Fines and police income	<u>30,500</u>	<u>30,500</u>	<u>40,754</u>	<u>10,254</u>
Payments in lieu of taxes				
Electric fund	358,351	358,351	362,338	3,987
Water fund	61,468	61,468	58,531	(2,937)
Sewer fund	57,116	57,116	55,545	(1,571)
Heritage Place	1,761	1,761	1,342	(419)
	<u>478,696</u>	<u>478,696</u>	<u>477,756</u>	<u>(940)</u>
Total payments in lieu of taxes				
Reimbursements	<u>424,174</u>	<u>424,174</u>	<u>408,855</u>	<u>(15,319)</u>
Other				
Interest	7,500	7,500	3,686	(3,814)
Community center rent	25,000	25,000	12,879	(12,121)
Rental	28,000	28,000	21,962	(6,038)
Sprague theater rent	21,025	11,025	11,367	342
Grants & donations	38,200	48,200	128,644	80,444
Miscellaneous	-	-	18,642	18,642
	<u>119,725</u>	<u>119,725</u>	<u>197,180</u>	<u>77,455</u>
Total other				
<b>TOTAL REVENUES</b>	<u>2,576,699</u>	<u>2,576,699</u>	<u>2,980,773</u>	<u>404,074</u>

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND (continued)  
For the Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance
<b>EXPENDITURES</b>				
General government				
Administration and general	\$ 486,397	\$ 486,397 (1)	\$ 489,485	\$ 3,088
Accounting and billing	204,034	304,034 (1)	323,937	19,903
Municipal court	3,100	7,100 (1)	3,950	(3,150)
Mayor and council	37,450	37,450 (1)	12,597	(24,853)
Planning department	238,923	238,923 (1)	242,534	3,611
Non-departmental	35,628	75,628 (1)	52,890	(22,738)
Total general government	<u>1,005,532</u>	<u>1,149,532</u>	<u>1,125,393</u>	<u>(24,139)</u>
Public safety				
Police department	1,159,218	1,159,218 (1)	1,075,858	83,360
Fire department	113,821	169,321 (1)	169,307	14
Total public safety	<u>1,273,039</u>	<u>1,328,539</u>	<u>1,245,165</u>	<u>83,374</u>
Highway and streets				-
Street department	165,205	195,205 (1)	131,315	63,890
Total highway and streets	<u>165,205</u>	<u>195,205</u>	<u>131,315</u>	<u>63,890</u>
Culture and recreation				-
Parks and recreation	177,006	177,006 (1)	133,312	43,694
Community center	81,257	81,257 (1)	67,198	14,059
Sprague theater	28,850	28,850 (1)	22,188	6,662
Total culture and recreation	<u>287,113</u>	<u>287,113</u>	<u>222,698</u>	<u>64,415</u>
<b>TOTAL EXPENDITURES</b>	<u>2,730,889</u>	<u>2,960,389</u>	<u>2,724,571</u>	<u>235,818</u>
<b>NET REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(154,190)</u>	<u>(383,690)</u>	<u>256,202</u>	<u>639,892</u>
<b>OTHER FINANCING SOURCES (USES)</b>				-
Transfer from other funds	62,600	62,600	62,600	-
Transfer to other funds	-	- (1)	(17,353)	17,353
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>62,600</u>	<u>62,600</u>	<u>45,247</u>	<u>17,353</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(91,590)</u>	<u>(321,090)</u>	<u>301,449</u>	<u>(622,539)</u>
<b>FUND BALANCE, beginning of year</b>	<u>91,590</u>	<u>321,090</u>	<u>575,229</u>	<u>(254,139)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 876,678</u>	<u>876,678</u>

(1) Appropriation Level

## **Supplementary Information**

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**City of Bandon**  
**Major Funds**  
**June 30, 2021**

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**General Fund** – This fund is used to account for resources and activities directly associated with carrying out those operations related to the City's basic objectives. Included are all resources and activities, which are not required legally or by sound financial management to be accounted for in another fund. The primary sources of revenue are property taxes, franchise fees and intergovernmental revenue.

**Debt Service Funds**

*12th Court Local Improvement District Debt Service Fund* – This fund is used to account for loans and repayments of assessments that are associated with local improvement districts (LIDs) in the City of Bandon.

*General Obligation Bonds Debt Service Fund* – This fund is used to account for all general obligation bonds.

**Capital Project Funds**

*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. These funds are 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.



**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
12TH COURT LID DEBT SERVICE  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
REVENUES			
Special assessments	\$ 7,800	\$ 13,865	\$ 6,065
Interest	6,000	11,458	5,458
Total revenues	<u>13,800</u>	<u>25,323</u>	<u>11,523</u>
EXPENDITURES			
Debt service	44,742 (1)	39,799	4,943
Total expenditures	<u>44,742</u>	<u>39,799</u>	<u>4,943</u>
NET CHANGE IN FUND BALANCE	(30,942)	(14,476)	16,466
FUND BALANCE, beginning of year,	<u>240,906</u>	<u>239,970</u>	<u>(936)</u>
FUND BALANCE, end of year	<u>\$ 209,964</u>	<u>\$ 225,494</u>	<u>\$ 15,530</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL OBLIGATION BONDS DEBT SERVICE  
For the Year Ended June 30, 2021**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 206,143	\$ 220,408	\$ 14,265
Out of city contributions	36,430	38,400	1,970
Payments in lieu of taxes	3,452	3,855	403
Interest	<u>6,959</u>	<u>2,748</u>	<u>(4,211)</u>
Total revenues	<u>252,984</u>	<u>265,411</u>	<u>12,427</u>
<b>EXPENDITURES</b>			
Debt service	<u>223,776 (1)</u>	<u>223,776</u>	<u>-</u>
Total expenditures	<u>223,776</u>	<u>223,776</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	29,208	41,635	12,427
<b>FUND BALANCE, beginning of year</b>	<u>336,466</u>	<u>366,192</u>	<u>29,726</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 365,674</u>	<u>\$ 407,827</u>	<u>\$ 42,153</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (Non-GAAP BUDGETARY BASIS)  
URBAN RENEWAL DISTRICT NO. 1 FUND  
For the Year Ended June 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes			
Property taxes - current year	\$ 469,201	\$ 336,254	\$ (132,947)
Previously levied taxes	17,000	24,706	7,706
Interest	17,000	8,890	(8,110)
Payments in lieu of taxes	-	5,789	5,789
	<u>503,201</u>	<u>375,639</u>	<u>(127,562)</u>
<b>EXPENDITURES</b>			
General government			
Materials and services	55,000 (1)	20,010	34,990
Capital outlay	1,078,109 (1)	12,906	1,065,203
Debt service	394,943 (1)	194,942	200,001
	<u>1,528,052</u>	<u>227,858</u>	<u>1,300,194</u>
NET CHANGE IN FUND BALANCE	(1,024,851)	147,781	1,172,632
FUND BALANCE, beginning of year	<u>1,024,851</u>	<u>1,325,102</u>	<u>300,251</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 1,472,883</u>	<u>\$ 1,472,883</u>

(1) Appropriation level

**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOCAL OPTION STREET TAX FUND**  
 For the Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes			
Property taxes - current year	\$ 423,814	\$ 413,980	\$ (9,834)
Previously levied taxes	20,000	28,952	8,952
Interest	31,000	11,276	(19,724)
Payments in lieu of tax	6,581	6,581	-
Other	-	45,817	45,817
Total revenues	<u>481,395</u>	<u>506,606</u>	<u>25,211</u>
<b>EXPENDITURES</b>			
Local Option Street			
Capital outlay	1,682,443 (1)	68,607	1,613,836
Debt service interest	<u>54,865 (1)</u>	<u>55,008</u>	<u>(143)</u>
Total expenditures	<u>1,737,308</u>	<u>123,615</u>	<u>1,613,693</u>
NET CHANGE IN FUND BALANCE	(1,255,913)	382,991	1,638,904
FUND BALANCE, beginning of year	<u>1,255,913</u>	<u>1,329,880</u>	<u>73,967</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 1,712,871</u>	<u>\$ 1,712,871</u>

(1) Appropriation Level

**City of Bandon**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

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**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 Fund**

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**  
**June 30, 2021**

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**Capital Projects Funds**

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

*Capital Improvement Fund* – This fund is used to account for capital expenditures including debt incurred for such expenses which are financed by a portion of the local utility tax. This fund was closed out in the current fiscal year.

*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.

**CITY OF BANDON  
COOS COUNTY, OREGON  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2021**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 600,034	\$ 54,338	\$ 2,008,982	\$ 2,663,354
Receivables				
Property taxes	-	-	15,874	15,874
Notes receivable				
Notes/Loans receivable	24,195	-	-	24,195
Special assessments	-	-	24,473	24,473
<b>TOTAL ASSETS</b>	<b>\$ 624,229</b>	<b>\$ 54,338</b>	<b>\$ 2,049,329</b>	<b>\$ 2,727,896</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,536	\$ -	\$ 17,898	\$ 23,434
Accrued payroll and benefits	6,622	-	-	6,622
<b>Total liabilities</b>	<b>12,158</b>	<b>-</b>	<b>17,898</b>	<b>30,056</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues				
Property taxes	-	-	13,145	13,145
Loans	24,195	-	-	24,195
Assessments	-	-	24,472	24,472
<b>Total deferred inflows of resources</b>	<b>24,195</b>	<b>-</b>	<b>37,617</b>	<b>61,812</b>
<b>FUND BALANCE</b>				
Restricted	518,656	54,338	1,898,126	2,471,120
Committed	69,220	-	95,688	164,908
<b>Total fund balances</b>	<b>587,876</b>	<b>54,338</b>	<b>1,993,814</b>	<b>2,636,028</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 624,229</b>	<b>\$ 54,338</b>	<b>\$ 2,049,329</b>	<b>\$ 2,727,896</b>

**CITY OF BANDON  
COOS COUNTY, OREGON  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 231,855	\$ -	\$ 174,475	\$ 406,330
Intergovernmental	410,027	-	-	410,027
Payments in lieu of taxes	-	-	855	855
System development charges	-	-	229,872	229,872
Special assessments	-	-	(17,246)	(17,246)
Interest	3,823	404	13,914	18,141
Contributions & donations	29,275	-	-	29,275
Other	66,854	-	23,453	90,307
<b>Total revenues</b>	<b>741,834</b>	<b>404</b>	<b>425,323</b>	<b>1,167,561</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	6,529	6,529
Public safety	32,238	-	-	32,238
Highways and streets	182,717	-	-	182,717
Culture and recreation	401,179	-	17,434	418,613
Capital outlay	10,000	-	96,899	106,899
Debt service	-	-	28,826	28,826
<b>Total expenditures</b>	<b>626,134</b>	<b>-</b>	<b>149,688</b>	<b>775,822</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>115,700</b>	<b>404</b>	<b>275,635</b>	<b>391,739</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in (out)	(32,600)	-	17,353	(15,247)
Loan principal	2,206	-	-	2,206
Loan interest	959	-	-	959
<b>Total other financing sources (uses)</b>	<b>(29,435)</b>	<b>-</b>	<b>17,353</b>	<b>(12,082)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>86,265</b>	<b>404</b>	<b>292,988</b>	<b>379,657</b>
<b>FUND BALANCES, beginning of year</b>	<b>501,610</b>	<b>53,934</b>	<b>1,700,826</b>	<b>2,256,370</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 587,875</b>	<b>\$ 54,338</b>	<b>\$ 1,993,814</b>	<b>\$ 2,636,027</b>



CITY OF BANDON  
COOS COUNTY, OREGON  
SUB-COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
June 30, 2021

	State Tax Street	Library Memorial	Library	Community Beautification	State Revenue Sharing	Block Grant	Police Reserve	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 244,884	\$ 93,080	\$ 44,040	\$ 12,842	\$ 21,558	\$ 137,365	\$ 46,265	\$ 600,034
Loans receivable	-	-	-	-	-	24,195	-	24,195
<b>TOTAL ASSETS</b>	<b><u>\$ 244,884</u></b>	<b><u>\$ 93,080</u></b>	<b><u>\$ 44,040</u></b>	<b><u>\$ 12,842</u></b>	<b><u>\$ 21,558</u></b>	<b><u>\$ 161,560</u></b>	<b><u>\$ 46,265</u></b>	<b><u>\$ 624,229</u></b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ 2,236	\$ 3,300	\$ -	\$ -	\$ -	\$ 5,536
Accrued payroll and benefits	2,936	-	3,686	-	-	-	-	6,622
Interfund payable	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>2,936</u></b>	<b><u>-</u></b>	<b><u>5,922</u></b>	<b><u>3,300</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>12,158</u></b>
<b>Deferred Inflows of Resources:</b>								
Unavailable revenue	-	-	-	-	-	24,195	-	24,195
<b>Fund balances</b>								
Restricted	241,947	93,080	-	-	-	137,364	46,265	518,656
Committed	-	-	38,119	9,542	21,558	-	-	69,219
<b>Total fund balances</b>	<b><u>241,947</u></b>	<b><u>93,080</u></b>	<b><u>38,119</u></b>	<b><u>9,542</u></b>	<b><u>21,558</u></b>	<b><u>137,364</u></b>	<b><u>46,265</u></b>	<b><u>587,875</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 244,883</u></b>	<b><u>\$ 93,080</u></b>	<b><u>\$ 44,041</u></b>	<b><u>\$ 12,842</u></b>	<b><u>\$ 21,558</u></b>	<b><u>\$ 161,560</u></b>	<b><u>\$ 46,265</u></b>	<b><u>\$ 624,229</u></b>

CITY OF BANDON  
COOS COUNTY, OREGON  
SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2021

	State Tax Street	Library Memorial	Library	Community Beautification	State Revenue Sharing	Block Grant	Police Reserve	Total
<b>REVENUES</b>								
Taxes	\$ 231,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,855
Intergovernmental	-	-	364,903	-	45,124	-	-	410,027
Interest	1,265	693	427	147	-	987	304	3,823
Contributions & donations	-	-	16,093	-	-	-	13,182	29,275
Other	6,444	-	13,060	47,181	169	-	-	66,854
<b>Total revenues</b>	<b>239,564</b>	<b>693</b>	<b>394,483</b>	<b>47,328</b>	<b>45,293</b>	<b>987</b>	<b>13,486</b>	<b>741,834</b>
<b>EXPENDITURES</b>								
<b>Current</b>								
Public safety	-	-	-	-	29,147	-	3,091	32,238
Highways and streets	182,717	-	-	-	-	-	-	182,717
Culture and recreation	-	-	361,341	39,838	-	-	-	401,179
Capital outlay	-	-	-	-	-	10,000	-	10,000
<b>Total expenditures</b>	<b>182,717</b>	<b>-</b>	<b>361,341</b>	<b>39,838</b>	<b>29,147</b>	<b>10,000</b>	<b>3,091</b>	<b>626,134</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>56,847</b>	<b>693</b>	<b>33,142</b>	<b>7,490</b>	<b>16,146</b>	<b>(9,013)</b>	<b>10,395</b>	<b>115,700</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer in (out)	-	-	-	(12,600)	(20,000)	-	-	(32,600)
Loan repayment	-	-	-	-	-	2,206	-	2,206
Loan interest	-	-	-	-	-	959	-	959
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,600)</b>	<b>(20,000)</b>	<b>3,165</b>	<b>-</b>	<b>(29,435)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>56,847</b>	<b>693</b>	<b>33,142</b>	<b>(5,110)</b>	<b>(3,854)</b>	<b>(5,848)</b>	<b>10,395</b>	<b>86,265</b>
<b>FUND BALANCES, beginning of year</b>	<b>185,100</b>	<b>92,387</b>	<b>4,977</b>	<b>14,652</b>	<b>25,412</b>	<b>143,212</b>	<b>35,870</b>	<b>501,610</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 241,947</b>	<b>\$ 93,080</b>	<b>\$ 38,119</b>	<b>\$ 9,542</b>	<b>\$ 21,558</b>	<b>\$ 137,364</b>	<b>\$ 46,265</b>	<b>\$ 587,875</b>

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STATE TAX STREET FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
State street tax	\$ 227,435	\$ 231,855	\$ 4,420
Interest	2,013	1,265	(748)
Other	-	6,444	6,444
Total revenues	<u>229,448</u>	<u>239,564</u>	<u>10,116</u>
<b>EXPENDITURES</b>			
Highways and streets			
Personnel services	181,639 (1)	173,029	8,610
Materials and services	<u>145,661 (1)</u>	<u>9,688</u>	<u>135,973</u>
Total expenditures	<u>327,300</u>	<u>182,717</u>	<u>144,583</u>
<b>NET CHANGE IN FUND BALANCE</b>	(97,852)	56,847	154,699
<b>FUND BALANCES, beginning of year</b>	<u>97,852</u>	<u>185,100</u>	<u>87,248</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ 241,947</u>	<u>\$ 241,947</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
LIBRARY MEMORIAL FUND  
For the Year Ended June 30, 2021**

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	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ 3,500	\$ 693	\$ (2,807)
Grants	1,000	-	(1,000)
Contributions and Donations	5,000	-	(5,000)
Total revenues	<u>9,500</u>	<u>693</u>	<u>(8,807)</u>
<b>EXPENDITURES</b>			
Culture and recreation			
Materials and services	67,500 (1)	-	67,500
Capital outlay	30,000 (1)	-	30,000
Total expenditures	<u>97,500</u>	<u>-</u>	<u>97,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	(88,000)	693	88,693
<b>FUND BALANCE, beginning of year</b>	<u>88,000</u>	<u>92,387</u>	<u>4,387</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 93,080</u>	<u>\$ 93,080</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
LIBRARY FUND**

For the Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental			
County library support	\$ 355,000	\$ 364,903	\$ 9,903
Contributions and donations	18,000	16,093	(1,907)
Interest	250	427	177
Other	4,500	13,060	8,560
	<u>377,750</u>	<u>394,483</u>	<u>16,733</u>
<b>EXPENDITURES</b>			
Culture and recreation			
Personnel services	293,668 (1)	286,674	6,994
Materials and services	84,082 (1)	74,667	9,415
	<u>377,750</u>	<u>361,341</u>	<u>16,409</u>
NET CHANGE IN FUND BALANCE	-	33,142	33,142
FUND BALANCE, beginning of year	-	4,977	4,977
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 38,119</u>	<u>\$ 38,119</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY BEAUTIFICATION FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Garbage franchise fees	\$ 41,622	\$ 47,181	\$ 5,559
Interest	400	147	(253)
Total revenues	<u>42,022</u>	<u>47,328</u>	<u>5,306</u>
<b>EXPENDITURES</b>			
Culture and recreation			
Materials and services	<u>50,000 (1)</u>	<u>39,838</u>	<u>10,162</u>
Total expenditures	<u>50,000</u>	<u>39,838</u>	<u>10,162</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,978)	7,490	15,468
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	<u>(12,600) (1)</u>	<u>(12,600)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(20,578)	(5,110)	15,468
FUND BALANCE, beginning of year	<u>20,578</u>	<u>14,652</u>	<u>(5,926)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 9,542</u>	<u>\$ 9,542</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STATE REVENUE SHARING FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
State revenue sharing	\$ 41,000	\$ 45,124	\$ 4,124
Interest	850	169	(681)
Total revenues	<u>41,850</u>	<u>45,293</u>	<u>3,443</u>
<b>EXPENDITURES</b>			
State revenue sharing			
Materials and services	<u>48,236 (1)</u>	<u>29,147</u>	<u>19,089</u>
Total expenditures	<u>48,236</u>	<u>29,147</u>	<u>19,089</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(6,386)	16,146	22,532
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	<u>(20,000) (1)</u>	<u>(20,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(26,386)	(3,854)	22,532
<b>FUND BALANCE, beginning of year</b>	<u>26,386</u>	<u>25,412</u>	<u>(974)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 21,558</u>	<u>\$ 21,558</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
BLOCK GRANT FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ 2,000	\$ 987	\$ (1,013)
Other	-	-	-
	<u>2,000</u>	<u>987</u>	<u>(1,013)</u>
<b>EXPENDITURES</b>			
Economic development			
Capital outlay	129,592 (1)	10,000	119,592
	<u>129,592</u>	<u>10,000</u>	<u>119,592</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(127,592)</u>	<u>(9,013)</u>	<u>118,579</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Principal collections	-	2,206	2,206
Loan interest	-	959	959
	<u>-</u>	<u>3,165</u>	<u>3,165</u>
<b>NET CHANGE IN FUND BALANCE</b>	(127,592)	(5,848)	121,744
<b>FUND BALANCE, beginning of year</b>	<u>127,592</u>	<u>143,212</u>	<u>15,620</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 137,364</u>	<u>\$ 137,364</u>

(1) Appropriation level



**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
POLICE RESERVE PROGRAM FUND  
For the Year Ended June 30, 2021**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Grants	\$ 250	\$ -	\$ (250)
Contributions & Donations	4,700	13,182	8,482
Interest	700	304	(396)
	<u>5,650</u>	<u>13,486</u>	<u>7,836</u>
EXPENDITURES			
Police Reserve Program			
Materials and services	9,000 (1)	3,091	5,909
Capital outlay	4,950 (1)	-	4,950
	<u>13,950</u>	<u>3,091</u>	<u>10,859</u>
NET CHANGE IN FUND BALANCE	(8,300)	10,395	18,695
FUND BALANCE, beginning of year, budgetary basis	<u>35,946</u>	<u>35,870</u>	<u>(76)</u>
FUND BALANCE, end of year	<u>\$ 27,646</u>	<u>\$ 46,265</u>	<u>\$ 18,619</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SUB-COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
June 30, 2021**

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	Local Improvement District Debt Service
ASSETS	
Cash and cash equivalents	<u>\$ 54,338</u>
TOTAL ASSETS	<u><u>\$ 54,338</u></u>
FUND BALANCES	
Restricted	<u>54,338</u>
TOTAL FUND BALANCES	<u><u>\$ 54,338</u></u>

**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
 For the Year Ended June 30, 2021

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	Local Improvement District Debt Service
REVENUES	
Interest	\$ 404
Total revenues	404
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	404
Other financing sources (uses)	
Transfer in (out)	-
NET CHANGE IN FUND BALANCE	404
FUND BALANCE, beginning of year	53,934
FUND BALANCE, end of year	\$ 54,338

**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOCAL IMPROVEMENT DISTRICT FUND DEBT SERVICE**  
 For the Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance
REVENUES			
Special assessments			
Interest	\$ 1,100	\$ 404	\$ (696)
Total revenue	<u>1,100</u>	<u>404</u>	<u>(696)</u>
EXPENDITURES			
General government			
NET CHANGE IN FUND BALANCE	1,100	404	(696)
FUND BALANCE, beginning of year	<u>141,159</u>	<u>53,934</u>	<u>(87,225)</u>
FUND BALANCE, end of year	<u>\$ 142,259</u>	<u>\$ 54,338</u>	<u>\$ (87,921)</u>

**CITY OF BANDON  
COOS COUNTY, OREGON  
SUB-COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
June 30, 2021**

	Urban Renewal District No. 2	Parks and Recreation Development	Street SDC Reimbursement
<b>ASSETS</b>			
Cash and cash equivalents	\$ 873,834	\$ 95,688	\$ 252,612
Receivables (net, where applicable of allowance for uncollectible)			
Taxes	15,874	-	-
Special assessments	-	-	2,879
Due from other funds	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 889,708</u></b>	<b><u>\$ 95,688</u></b>	<b><u>\$ 255,491</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 17,898	\$ -	\$ -
Due to other funds	-	-	-
<b>Total liabilities</b>	<b><u>17,898</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Deferred inflows of resources</b>			
<b>Unavailable revenue</b>			
Property taxes	13,145	-	-
Assessments receivable	-	-	2,879
<b>Total deferred inflows of resources</b>	<b><u>13,145</u></b>	<b><u>-</u></b>	<b><u>2,879</u></b>
<b>Fund balances</b>			
Restricted	858,665	-	252,612
Committed	-	95,688	-
Unrestricted	-	-	-
<b>Total fund balances</b>	<b><u>858,665</u></b>	<b><u>95,688</u></b>	<b><u>252,612</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 889,708</u></b>	<b><u>\$ 95,688</u></b>	<b><u>\$ 255,491</u></b>

**CITY OF BANDON  
COOS COUNTY, OREGON  
SUB-COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS - Continued  
June 30, 2021**

	Street SDC Improvement	Storm Drain SDC Reimbursement	Storm Drain SDC Improvement	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 499,181	\$ 194,015	\$ 93,652	\$ 2,008,982
Receivables (net, where applicable of allowance for uncollectible)				
Taxes	-	-	-	15,874
Special assessments	5,759	8,635	7,200	24,473
Due from other funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 504,940</b>	<b>\$ 202,650</b>	<b>\$ 100,852</b>	<b>\$ 2,049,329</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 17,898
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,898</b>
<b>Deferred inflows of resources</b>				
<b>Unavailable revenue</b>				
Property taxes	-	-	-	13,145
Assessments receivable	5,758	8,635	7,200	24,472
<b>Total deferred inflows of resources</b>	<b>5,758</b>	<b>8,635</b>	<b>7,200</b>	<b>37,617</b>
<b>Fund balances</b>				
Restricted	499,182	194,015	93,652	1,898,126
Committed	-	-	-	95,688
Unrestricted	-	-	-	-
<b>Total fund balances</b>	<b>499,182</b>	<b>194,015</b>	<b>93,652</b>	<b>1,993,814</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 504,940</b>	<b>\$ 202,650</b>	<b>\$ 100,852</b>	<b>\$ 2,049,329</b>

CITY OF BANDON  
COOS COUNTY, OREGON  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
CAPITAL PROJECTS FUNDS  
For the Year Ended June 30, 2021

	Capital Improvement	Urban Renewal District No. 2	Parks and Recreation Development
<b>REVENUES</b>			
Taxes	\$ -	\$ 174,475	\$ -
Special assessments	-	-	-
System development charges	-	-	-
Interest	-	6,287	750
Payments in lieu of taxes	-	855	-
Other	-	-	-
Total revenues	<u>-</u>	<u>181,617</u>	<u>750</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	6,529	-
Culture and recreation	-	-	17,434
Capital outlay	-	25,086	-
Debt service	-	28,826	-
Total expenditures	<u>-</u>	<u>60,441</u>	<u>17,434</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>121,176</u>	<u>(16,684)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in (out)	<u>17,353</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	17,353	121,176	(16,684)
<b>FUND BALANCE, beginning of year</b>	<u>(17,353)</u>	<u>737,489</u>	<u>112,372</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 858,665</u>	<u>\$ 95,688</u>

**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS - Continued**  
For the Year Ended June 30, 2021

	Street SDC Reimbursement	Street SDC Improvement	Storm Drain SDC Reimbursement	Storm Drain SDC Improvement	Total
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 174,475
Special assessments	(1,996)	(4,108)	(6,136)	(5,006)	(17,246)
System development charges	28,270	49,301	81,102	71,199	229,872
Interest	1,746	3,482	1,114	535	13,914
Payments in lieu of taxes	-	-	-	-	855
Other	2,759	5,518	8,278	6,898	23,453
<b>Total revenues</b>	<b>30,779</b>	<b>54,193</b>	<b>84,358</b>	<b>73,626</b>	<b>425,323</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	6,529
Culture and recreation	-	-	-	-	17,434
Capital outlay	-	-	14,392	57,421	96,899
Debt service	-	-	-	-	28,826
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>14,392</b>	<b>57,421</b>	<b>149,688</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>30,779</b>	<b>54,193</b>	<b>69,966</b>	<b>16,205</b>	<b>275,635</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in (out)	-	-	-	-	17,353
<b>NET CHANGE IN FUND BALANCE</b>	<b>30,779</b>	<b>54,193</b>	<b>69,966</b>	<b>16,205</b>	<b>292,988</b>
FUND BALANCE, beginning of year	221,833	444,989	124,049	77,447	1,700,826
FUND BALANCE, end of year	<u>\$ 252,612</u>	<u>\$ 499,182</u>	<u>\$ 194,015</u>	<u>\$ 93,652</u>	<u>\$ 1,993,814</u>



**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT FUND**  
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	17,353	17,353	17,353 *	-
Transfer to other funds	-	- (1)	-	-
NET CHANGE IN FUND BALANCE	17,353	17,353	17,353	-
FUND BALANCE, beginning of year	(17,353)	(17,353)	(17,353)	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

\* Transfer to close out fund.

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
URBAN RENEWAL DISTRICT NO. 2 FUND  
For the Year Ended June 30, 2021**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes			
Property taxes - current year	\$ 163,291	\$ 162,531	\$ (760)
Previously levied taxes	9,000	11,944	2,944
Payments in lieu of taxes	-	855	855
Interest	<u>12,200</u>	<u>6,287</u>	<u>(5,913)</u>
Total revenues	<u>184,491</u>	<u>181,617</u>	<u>(2,874)</u>
<b>EXPENDITURES</b>			
General government			
Materials and services	21,960 (1)	6,529	15,431
Capital outlay	764,682 (1)	25,086	739,596
Debt service	<u>58,825 (1)</u>	<u>28,826</u>	<u>29,999</u>
Total expenditures	<u>845,467</u>	<u>60,441</u>	<u>785,026</u>
NET CHANGE IN FUND BALANCE	(660,976)	121,176	782,152
FUND BALANCE, beginning of year	<u>660,976</u>	<u>737,489</u>	<u>76,513</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 858,665</u>	<u>\$ 858,665</u>

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PARKS AND RECREATION DEVELOPMENT FUND  
For the Year Ended June 30, 2021**

---

	Original and Final Budget	Actual	Variance
REVENUES			
Interest	\$ 2,250	\$ 750	\$ (1,500)
Total revenues	<u>2,250</u>	<u>750</u>	<u>(1,500)</u>
EXPENDITURES			
Culture and recreation			
Materials and services	20,000 (1)	-	20,000
Capital outlay	50,884 (1)	-	50,884
Debt service	17,434 (1)	17,434	-
Total expenditures	<u>88,318</u>	<u>17,434</u>	<u>70,884</u>
NET CHANGE IN FUND BALANCE	(86,068)	(16,684)	69,384
FUND BALANCE, beginning of year	<u>86,068</u>	<u>112,372</u>	<u>26,304</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 95,688</u>	<u>\$ 95,688</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STREET SDC REIMBURSEMENT FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
System development fees	\$ 12,000	\$ 28,270	\$ 16,270
Special assessments			
Principal	-	(2,080)	(2,080)
Interest	150	84	(66)
Interest	4,500	1,746	(2,754)
Other	-	2,759	2,759
Total revenues	<u>16,650</u>	<u>30,779</u>	<u>14,129</u>
<b>EXPENDITURES</b>			
Highways and streets			
Capital outlay	<u>235,237 (1)</u>	<u>-</u>	<u>235,237</u>
Total expenditures	<u>235,237</u>	<u>-</u>	<u>235,237</u>
NET CHANGE IN FUND BALANCE	(218,587)	30,779	249,366
FUND BALANCE, beginning of year	<u>218,587</u>	<u>221,833</u>	<u>3,246</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 252,612</u>	<u>\$ 252,612</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STREET SDC IMPROVEMENT FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
System development fees	\$ 20,000	\$ 49,301	\$ 29,301
Special assessments			
Principal	-	(4,227)	(4,227)
Interest	100	119	19
Interest	7,000	3,482	(3,518)
Other	-	5,518	5,518
	<u>27,100</u>	<u>54,193</u>	<u>27,093</u>
<b>EXPENDITURES</b>			
Highways and streets			
Capital outlay	462,968 (1)	-	462,968
	<u>462,968</u>	<u>-</u>	<u>462,968</u>
NET CHANGE IN FUND BALANCE	(435,868)	54,193	490,061
FUND BALANCE, beginning of year	435,868	444,989	9,121
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 499,182</u>	<u>\$ 499,182</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STORM DRAIN SDC REIMBURSEMENT FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
System development fees	\$ 35,000	\$ 81,102	\$ 46,102
Special assessments			
Principal	-	(6,314)	(6,314)
Interest	100	178	78
Interest	2,900	1,114	(1,786)
Other	-	8,278	8,278
	<u>38,000</u>	<u>84,358</u>	<u>46,358</u>
Total revenues			
<b>EXPENDITURES</b>			
Storm Drainage			
Capital outlay	154,192 (1)	14,392	139,800
	<u>154,192</u>	<u>14,392</u>	<u>139,800</u>
Total expenditures			
<b>NET CHANGE IN FUND BALANCE</b>	(116,192)	69,966	186,158
<b>FUND BALANCE, beginning of year</b>	116,192	124,049	7,857
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 194,015</u>	<u>\$ 194,015</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STORM DRAIN SDC IMPROVEMENT FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
REVENUES			
System development fees	\$ 30,000	\$ 71,199	\$ 41,199
Special assessments			
Principal	-	(5,183)	(5,183)
Interest	100	177	77
Interest	2,400	535	(1,865)
Other	-	6,898	6,898
Total revenues	<u>32,500</u>	<u>73,626</u>	<u>41,126</u>
EXPENDITURES			
Storm Drainage			
Capital outlay	<u>100,185 (1)</u>	<u>57,421</u>	<u>42,764</u>
Total expenditures	<u>100,185</u>	<u>57,421</u>	<u>42,764</u>
NET CHANGE IN FUND BALANCE	(67,685)	16,205	83,890
FUND BALANCE, beginning of year	<u>67,685</u>	<u>77,447</u>	<u>9,762</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 93,652</u>	<u>\$ 93,652</u>

(1) Appropriation Level

**City of Bandon**  
**Enterprise Funds**  
**June 30, 2021**

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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 governing body 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.

Sub funds:

*Sewer SDC Reimbursement Fund*  
*Sewer SDC Improvement Fund*

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

Sub funds:

*Water SDC Reimbursement Fund*  
*Water SDC Improvement Fund*  
*Water Plant Improvement Fund*

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



**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**SUB-COMBINING SCHEDULE OF NET POSITION**  
**SEWER FUNDS**  
June 30, 2021

	Sewer	Sewer SDC Reimbursement	Sewer SDC Improvement	Totals
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 48,460	\$ -	\$ -	\$ 48,460
Receivable				
Accounts, net of bad debt reserve	84,892	-	-	84,892
Special assessments	-	4,989	7,123	12,112
Restricted cash	10,613	108,501	318,319	437,433
Total current assets	143,965	113,490	325,442	582,897
Noncurrent assets				
Capital assets (net of accumulated depreciation)	4,283,321	-	-	4,283,321
Total assets	4,427,286	113,490	325,442	4,866,218
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related deferrals - OPEB	1,843	-	-	1,843
Pension related deferrals - PERS	121,806	-	-	121,806
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 4,550,935</b>	<b>\$ 113,490</b>	<b>\$ 325,442</b>	<b>\$ 4,989,867</b>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 14,659	\$ -	\$ -	\$ 14,659
Accrued payroll benefits	5,072	-	-	5,072
Accrued interest payable	5,268	-	-	5,268
Customer deposits	10,613	-	-	10,613
Compensated absences payable	43,551	-	-	43,551
Current portion of long-term debt	60,239	-	-	60,239
Total current liabilities	139,402	-	-	139,402
Long-term liabilities				
Net pension liability - PERS	385,174	-	-	385,174
Net OPEB Liability - Health Insurance	14,349	-	-	14,349
Long-term debt (net of current portion)	842,765	-	-	842,765
Total long-term liabilities	1,242,288	-	-	1,242,288
Total liabilities	1,381,690	-	-	1,381,690
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferrals - PERS	20,320	-	-	20,320
Total Liabilities and Deferred Inflows of Resources	1,402,010	-	-	1,402,010
<b>NET POSITION</b>				
Net investment in capital assets	3,380,317	-	-	3,380,317
Restricted for customer deposits	10,613	-	-	10,613
Restricted for capital projects	-	113,490	325,442	438,932
Unrestricted	(242,005)	-	-	(242,005)
Total net position	3,148,925	113,490	325,442	3,587,857
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 4,550,935</b>	<b>\$ 113,490</b>	<b>\$ 325,442</b>	<b>\$ 4,989,867</b>

**CITY OF BANDON  
COOS COUNTY, OREGON  
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
SEWER FUNDS  
For the Year Ended June 30, 2021**

	Sewer	Sewer SDC Reimbursement	Sewer SDC Improvement	Total
<b>OPERATING REVENUES</b>				
Charges for services				
Sewer charges	\$ 964,836	\$ -	\$ -	\$ 964,836
Service charges, fees and permits	-	36,405	55,064	91,469
Other	618	4,860	6,943	12,421
<b>Total operating revenues</b>	<b>965,454</b>	<b>41,265</b>	<b>62,007</b>	<b>1,068,726</b>
<b>OPERATING EXPENSES</b>				
Administration	125,600	-	-	125,600
Cost of sales and services	660,843	-	-	660,843
Depreciation and amortization	235,321	-	-	235,321
<b>Total operating expenses</b>	<b>1,021,764</b>	<b>-</b>	<b>-</b>	<b>1,021,764</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(56,310)</b>	<b>41,265</b>	<b>62,007</b>	<b>46,962</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Loan/Assessment interest	-	96	1,271	1,367
Interest income	183	606	2,231	3,020
Capital Asset Contribution	51,087	-	(51,087)	-
Interest expense	(9,279)	-	-	(9,279)
<b>Total nonoperating revenues     (expenses)</b>	<b>41,991</b>	<b>702</b>	<b>(47,585)</b>	<b>(4,892)</b>
<b>CHANGE IN NET POSITION</b>	<b>(14,319)</b>	<b>41,967</b>	<b>14,422</b>	<b>42,070</b>
<b>NET POSITION, beginning of year</b>	<b>3,163,244</b>	<b>71,523</b>	<b>311,020</b>	<b>3,545,787</b>
<b>NET POSITION, end of year</b>	<b>\$ 3,148,925</b>	<b>\$ 113,490</b>	<b>\$ 325,442</b>	<b>\$ 3,587,857</b>

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SEWER FUND**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>				
Charges for services				
Sewer charges	\$ 951,935	\$ 951,935	\$ 964,836	\$ (12,901)
Other	-	-	618	\$ (618)
Total operating revenues	<u>951,935</u>	<u>951,935</u>	<u>965,454</u>	<u>(13,519)</u>
<b>OPERATING EXPENSES</b>				
Administration	105,511	104,186 (1)	94,586	9,600
Accounting and billing	28,746	34,351 (1)	32,589	1,762
Collection	140,717	189,113 (1)	118,544	70,569
Plant operations	551,777	552,100 (1)	535,030	17,070
Nondepartmental				
Materials and services	57,116	57,116 (1)	55,545	1,571
Debt service	69,269	69,269 (1)	69,269	-
Total operating expenses	<u>953,136</u>	<u>1,006,135</u>	<u>905,563</u>	<u>100,572</u>
OPERATING INCOME (LOSS)	<u>(1,200)</u>	<u>(54,200)</u>	<u>59,891</u>	<u>(114,091)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	1,200	1,200	183	(1,017)
Total nonoperating revenues (expenses)	<u>1,200</u>	<u>1,200</u>	<u>183</u>	<u>(1,017)</u>
CHANGE IN FUND BALANCE	-	(53,000)	60,074	113,074
FUND BALANCE, beginning of year	-	53,000	53,547	547
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,621</u>	<u>\$ 113,621</u>

Reconciliation to Net Position:

Capital assets	4,283,321
Net pension asset (liability) - OPEB	(14,349)
Net pension asset (liability) - PERS	(385,174)
Deferred outflow - PERS	121,806
Deferred outflow - OPEB	1,843
Interest payable	-
Compensated absences payable	(43,551)
Long term debt (including current portion)	(903,004)
Deferred inflow - PERS	(20,320)
GAAP net position	<u>\$ 3,148,925</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SEWER SDC REIMBURSEMENT FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
System development fees	\$ 17,500	\$ 36,405	\$ 18,905
Other (New Assessment)	-	4,860	4,860
Total operating revenues	<u>17,500</u>	<u>41,265</u>	<u>23,765</u>
<b>OPERATING EXPENSES</b>			
Materials and services	10,000 (1)	-	10,000
Capital outlay	83,181 (1)	-	83,181
Total nonoperating revenues (expenses)	<u>93,181</u>	<u>-</u>	<u>93,181</u>
OPERATING INCOME (LOSS)	<u>(75,681)</u>	<u>41,265</u>	<u>116,946</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Assessment interest	100	96	(4)
Interest income	3,736	606	(3,130)
Total nonoperating revenues (expenses)	<u>3,836</u>	<u>702</u>	<u>(3,134)</u>
CHANGE IN FUND BALANCE	(71,845)	41,967	113,812
FUND BALANCE, beginning of year	<u>71,845</u>	<u>71,523</u>	<u>(322)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 113,490</u>	<u>\$ 113,490</u>

(1) Appropriation level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SEWER SDC IMPROVEMENT FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
System development fees	\$ 27,500	\$ 55,064	\$ 27,564
Other (New Assessment)	-	6,943	6,943
Total operating revenues	<u>27,500</u>	<u>62,007</u>	<u>34,507</u>
<b>OPERATING EXPENSES</b>			
Materials and services	20,000 (1)	-	20,000
Capital outlay	<u>257,507 (1)</u>	<u>51,087</u>	<u>206,420</u>
Total operating expenses	<u>277,507</u>	<u>51,087</u>	<u>226,420</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(250,007)</u>	<u>10,920</u>	<u>260,927</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Assessment interest	100	1,271	1,171
Interest income	<u>6,401</u>	<u>2,231</u>	<u>(4,170)</u>
Total nonoperating revenues (expenses)	<u>6,501</u>	<u>3,502</u>	<u>(2,999)</u>
<b>CHANGE IN FUND BALANCE</b>	(243,506)	14,422	257,928
<b>FUND BALANCE, beginning of year</b>	<u>243,506</u>	<u>311,020</u>	<u>67,514</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 325,442</u>	<u>\$ 325,442</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SUB-COMBINING SCHEDULE OF NET POSITION  
WATER FUNDS  
June 30, 2021**

	Water	Water SDC Reimbursement	Water SDC Improvement	Water Plant Improvement	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ (28,880)	\$ -	\$ -	\$ -	\$ (28,880)
Receivable					
Accounts, net of bad debt reserve	78,692	-	-	-	78,692
Special assessments	-	7,198	28,075	-	35,273
Restricted cash	6,040	268,467	1,765,840	788,030	2,828,377
Inventory	18,334	-	-	-	18,334
Total current assets	<u>74,186</u>	<u>275,665</u>	<u>1,793,915</u>	<u>788,030</u>	<u>2,931,796</u>
Noncurrent assets					
Restricted cash	29,801	-	-	-	29,801
Loans receivable	283,463	-	-	-	283,463
Capital assets (net of accumulated depreciation)	5,990,630	-	-	-	5,990,630
Total noncurrent assets	<u>6,303,894</u>	<u>268,467</u>	<u>1,765,840</u>	<u>-</u>	<u>6,303,894</u>
Total assets	<u>6,378,080</u>	<u>275,665</u>	<u>1,793,915</u>	<u>788,030</u>	<u>9,235,690</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related deferrals - PERS	181,371	-	-	-	181,371
OPEB related deferrals - Health Insurance	2,311	-	-	-	2,311
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 6,561,762</u></u>	<u><u>\$ 275,665</u></u>	<u><u>\$ 1,793,915</u></u>	<u><u>\$ 788,030</u></u>	<u><u>\$ 9,419,372</u></u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 12,524	\$ -	\$ -	\$ -	\$ 12,524
Accrued payroll benefits	6,318	-	-	-	6,318
Compensated absences payable	25,089	-	-	-	25,089
Customer deposits	6,040	-	-	-	6,040
Interest payable	5,809	-	-	-	5,809
Current portion of long term debt	29,801	-	-	-	29,801
Total current liabilities	<u>85,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,581</u>
Long-term liabilities					
Net pension liability - PERS	515,376	-	-	-	515,376
Net OPEB Liability - Health Insurance	17,990	-	-	-	17,990
Long term debt (net of current portion)	180,722	-	-	-	180,722
Total long-term liabilities	<u>714,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>714,088</u>
Total liabilities	<u>799,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>799,669</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related deferrals - PERS	2,852	-	-	-	2,852
Total deferred inflows	<u>2,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,852</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES</b>	<u>802,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>802,521</u>
<b>NET POSITION</b>					
Net investment in capital assets	5,780,107	-	-	-	5,780,107
Restricted for customer deposits	6,040	-	-	-	6,040
Restricted for debt service	29,801	-	-	-	29,801
Restricted for capital projects	-	275,665	1,793,915	788,030	2,857,610
Unrestricted	(56,707)	-	-	-	(56,707)
Total net position	<u>5,759,241</u>	<u>275,665</u>	<u>1,793,915</u>	<u>788,030</u>	<u>8,616,851</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 6,561,762</u></u>	<u><u>\$ 275,665</u></u>	<u><u>\$ 1,793,915</u></u>	<u><u>\$ 788,030</u></u>	<u><u>\$ 9,419,372</u></u>

**CITY OF BANDON**  
**SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**WATER FUNDS**  
**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**WATER FUNDS**  
For the Year Ended June 30, 2021

	Water	Water SDC Reimbursement	Water SDC Improvement	Water Plant Improvement	Total
<b>OPERATING REVENUES</b>					
Charges for services					
Water sales	\$ 979,899	\$ -	\$ -	\$ -	\$ 979,899
Service charges, fees, and permits	30,346	64,219	249,281	-	343,846
Property rental	21,298	-	-	-	21,298
Miscellaneous, other	18	6,830	26,646	-	33,494
Total operating revenues	<u>1,031,561</u>	<u>71,049</u>	<u>275,927</u>	<u>-</u>	<u>1,378,537</u>
<b>OPERATING EXPENSES</b>					
Administration	122,328	-	-	-	122,328
Cost of sales and services	627,716	-	-	-	627,716
Plant Improvement (non-capital)	-	-	-	34,998	34,998
Depreciation	329,929	-	-	-	329,929
Total operating expenses	<u>1,079,973</u>	<u>-</u>	<u>-</u>	<u>34,998</u>	<u>1,114,971</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(48,412)</u>	<u>71,049</u>	<u>275,927</u>	<u>(34,998)</u>	<u>263,566</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	160	1,683	11,909	4,863	18,615
Interest expense	(11,304)	-	-	-	(11,304)
Special assessment interest	14,774	78	728	-	15,580
Total nonoperating revenues (expenses)	<u>3,630</u>	<u>1,761</u>	<u>12,637</u>	<u>4,863</u>	<u>22,891</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(44,782)</u>	<u>72,810</u>	<u>288,564</u>	<u>(30,135)</u>	<u>286,457</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer (to) from other funds	(280,677)	-	-	280,677	-
Total other financing sources (uses)	<u>(280,677)</u>	<u>-</u>	<u>-</u>	<u>280,677</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>(325,459)</u>	<u>72,810</u>	<u>288,564</u>	<u>250,542</u>	<u>286,457</u>
<b>NET POSITION, beginning of year</b>	<u>6,084,700</u>	<u>202,855</u>	<u>1,505,351</u>	<u>537,488</u>	<u>8,330,394</u>
<b>NET POSITION, end of year</b>	<u>\$ 5,759,241</u>	<u>\$ 275,665</u>	<u>\$ 1,793,915</u>	<u>\$ 788,030</u>	<u>\$ 8,616,851</u>

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
WATER FUND**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>				
Charges for services				
Water sales	\$ 1,024,459	\$ 1,024,459	\$ 979,899	\$ (44,560)
Service charges, fees and permits	22,600	\$ 22,600	30,346	7,746
Property rental	17,000	\$ 17,000	21,298	4,298
Other	1,100	\$ 1,100	18	(1,082)
Total operating revenues	<u>1,065,159</u>	<u>1,065,159</u>	<u>1,031,561</u>	<u>(33,598)</u>
<b>OPERATING EXPENSES</b>				
Administration	82,205	83,419 (1)	78,849	4,570
Accounting and billing	33,227	34,365 (1)	33,595	770
Distribution	179,035	188,732 (1)	166,091	22,641
Plant operations	411,965	454,916 (1)	416,418	38,498
Non-departmental		-		
Materials and services	61,468	61,468 (1)	58,531	2,937
Debt Service	39,759	39,759 (1)	39,759	-
Total operating expenses	<u>807,659</u>	<u>862,659</u>	<u>793,243</u>	<u>69,416</u>
<b>OPERATING INCOME (LOSS)</b>	<u>257,500</u>	<u>202,500</u>	<u>238,318</u>	<u>35,818</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Special assessments				
Interest	17,000	17,000	14,774	(2,226)
Interest income	500	500	160	(340)
Total nonoperating revenues (expenses)	<u>17,500</u>	<u>17,500</u>	<u>14,934</u>	<u>(2,566)</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<u>275,000</u>	<u>220,000</u>	<u>253,252</u>	<u>33,252</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to other funds	(275,000)	(275,000) (1)	(280,677)	(5,677)
Total other financing sources and (uses)	<u>(275,000)</u>	<u>(275,000)</u>	<u>(280,677)</u>	<u>(5,677)</u>
<b>CHANGE IN FUND BALANCE</b>	-	(55,000)	(27,425)	27,575
<b>FUND BALANCE, beginning of year</b>	-	55,000	371,659	316,659
		-		
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>344,234</u>	<u>\$ 344,234</u>
<b>Reconciliation to Net Position:</b>				
Inventory			18,334	
Net pension asset (liability) - PERS			(515,376)	
Net pension asset (liability) - OPEB			(17,990)	
Capital assets			5,990,630	
Deferred outflow - PERS			181,371	
Deferred outflow - OPEB			2,311	
Compensated absences payable			(25,089)	
Accrued interest			(5,809)	
Long term debt			(210,523)	
Deferred inflow - PERS			(2,852)	
<b>GAAP FUND BALANCE</b>			<u>\$ 5,759,241</u>	

(1) Appropriation Level



**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
WATER SDC REIMBURSEMENT FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
System development fees	\$ 25,000	\$ 64,219	\$ 39,219
Other	-	6,830	6,830
Total operating revenues	<u>25,000</u>	<u>71,049</u>	<u>46,049</u>
<b>OPERATING EXPENSES</b>			
Materials and services	10,000 (1)	-	10,000
Capital outlay	<u>219,362 (1)</u>	<u>-</u>	<u>219,362</u>
Total operating expenses	<u>229,362</u>	<u>-</u>	<u>229,362</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(204,362)</u>	<u>71,049</u>	<u>275,411</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Assessment interest	100	78	(22)
Interest income	<u>3,800</u>	<u>1,683</u>	<u>(2,117)</u>
Total nonoperating revenues (expenses)	<u>3,900</u>	<u>1,761</u>	<u>(2,139)</u>
<b>CHANGE IN FUND BALANCE</b>	(200,462)	72,810	273,272
<b>FUND BALANCE, beginning of year</b>	<u>200,462</u>	<u>202,855</u>	<u>2,393</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 275,665</u>	<u>\$ 275,665</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
WATER SDC IMPROVEMENT FUND  
For the Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
System development fees	\$ 115,000	\$ 249,281	\$ 134,281
Other	-	26,646	26,646
Total operating revenues	<u>115,000</u>	<u>275,927</u>	<u>160,927</u>
<b>OPERATING EXPENSES</b>			
Materials and services	10,000 (1)	-	10,000
Capital outlay	1,603,498 (1)	-	1,603,498
Debt service	47,000 (1)	-	47,000
Total operating expenses	<u>1,660,498</u>	<u>-</u>	<u>1,660,498</u>
OPERATING INCOME (LOSS)	<u>(1,545,498)</u>	<u>275,927</u>	<u>(1,499,571)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Assessment interest	300	728	428
Interest income	29,200	11,909	(17,291)
Total nonoperating revenues (expenses)	<u>29,500</u>	<u>12,637</u>	<u>(16,863)</u>
CHANGE IN FUND BALANCE	(1,515,998)	288,564	1,804,562
FUND BALANCE, beginning of year	<u>1,515,998</u>	<u>1,505,351</u>	<u>(10,647)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 1,793,915</u>	<u>\$ 1,793,915</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
WATER PLANT IMPROVEMENT FUND  
For the Year Ended June 30, 2021**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING EXPENSES			
Plant Improvement (Net-Capital)	\$ 809,073 (1)	\$ 34,998	\$ 774,075
Total operating expenses	<u>809,073</u>	<u>34,998</u>	<u>774,075</u>
OPERATING INCOME (LOSS)	<u>(809,073)</u>	<u>(34,998)</u>	<u>774,075</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	<u>-</u>	<u>4,863</u>	<u>4,863</u>
INCOME (LOSS) BEFORE TRANSFERS FROM/TO OTHER FUNDS	(809,073)	(30,135)	778,938
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	<u>275,000</u>	<u>280,677</u>	<u>5,677</u>
CHANGE IN FUND BALANCE	(534,073)	250,542	784,615
FUND BALANCE, beginning of year	<u>534,073</u>	<u>537,488</u>	<u>3,415</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 788,030</u>	<u>\$ 788,030</u>

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SUB-COMBINING SCHEDULE OF NET POSITION  
ELECTRIC FUNDS  
June 30, 2021**

**ASSETS**

Current assets

Cash and cash equivalents	\$ 1,641,697
Receivable	
Accounts, net of bad debt reserve	409,831
Restricted cash	63,379
Inventory	488,202

Total current assets 2,603,109

Noncurrent assets

Notes receivable	765,000
Capital assets (net of accumulated depreciation)	7,083,706

Total noncurrent assets 7,848,706

Total assets 10,451,815

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflow - pension	614,921
Deferred outflow - OPEB Health Insurance	8,174

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** \$ 11,074,910

**LIABILITIES**

Current liabilities

Accounts payable	\$ 36,923
Accrued payroll benefits	24,811
Compensated absences payable	90,458
Customer deposits	63,379

Total current liabilities 215,571

Long-term liabilities

Net pension liability	1,905,575
Net OPEB liability - Health Insurance	63,633

Total liabilities 2,184,779

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflow - pension	85,689
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**NET POSITION**

Net investment in capital assets	7,083,706
Restricted for customer deposits	63,379
Unrestricted	1,657,357

**TOTAL NET POSITION** 8,804,442

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES,  
AND NET POSITION**

\$ 11,074,910

**CITY OF BANDON  
COOS COUNTY, OREGON  
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
ELECTRIC FUND  
For the Year Ended June 30, 2021**

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	Electric
OPERATING REVENUES	
Charges for services	
Electricity sales	\$ 6,171,455
BPA conservation	48,081
Service charges, fees, and permits	304,082
Other	13,668
Total operating revenues	6,537,286
OPERATING EXPENSES	
Administration	535,149
Cost of sales and services	5,302,245
Energy assistance payments	3,216
Depreciation	569,060
Total operating expenses	6,409,670
OPERATING INCOME (LOSS)	127,616
NONOPERATING REVENUES (EXPENSES)	
Interest income	12,970
Total nonoperating revenues (expenses)	12,970
INCOME (LOSS) BEFORE OPERATING TRANSFERS	140,586
OTHER FINANCING SOURCES (USES)	
Transfers (to) from other funds	(30,000)
Total other financing sources (uses)	(30,000)
CHANGE IN NET POSITION	110,586
NET POSITION, beginning of year	8,693,856
NET POSITION, end of year	\$ 8,804,442

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
ELECTRIC FUND**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>				
Electricity sales	\$ 5,972,517	\$ 5,972,517	\$ 6,171,455	\$ 198,938
Low income assistance	10,000	10,000	11,427	1,427
Vol Low Inc Roundup Donation	1,000	1,000	662	(338)
BPA conservation	40,000	40,000	48,081	8,081
Services charges, fees, and permits	164,500	164,500	304,082	139,582
Reimbursements	1,000	1,000	-	(1,000)
Other	7,500	7,500	1,579	(5,921)
<b>Total operating revenues</b>	<b>6,196,517</b>	<b>6,196,517</b>	<b>6,537,286</b>	<b>340,769</b>
<b>OPERATING EXPENSES</b>				
Administration	424,326	436,105 (1)	434,514	1,591
Accounting and billing	347,977	366,198 (1)	365,879	319
Source of supply	3,100,000	3,100,000 (1)	3,052,131	47,869
Conservation	77,023	147,023 (1)	63,333	83,690
Distribution	2,506,096	2,506,096 (1)	1,738,414	767,682
Nondepartmental				
Materials and services	358,351	358,351 (1)	362,338	(3,987)
Contingency	500,000	500,000 (1)	-	500,000
Reserve	462,755	462,755 (1)	-	462,755
<b>Total operating expenses</b>	<b>7,776,528</b>	<b>7,876,528</b>	<b>6,016,609</b>	<b>1,859,919</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,580,011)</b>	<b>(1,680,011)</b>	<b>520,677</b>	<b>2,200,688</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Conservation interest	200	200	-	(200)
Interest income	32,000	32,000	12,970	(19,030)
<b>Total nonoperating revenues</b>	<b>32,200</b>	<b>32,200</b>	<b>12,970</b>	<b>(19,230)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(1,547,811)</b>	<b>(1,647,811)</b>	<b>533,647</b>	<b>2,181,458</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(30,000)	(30,000) (1)	(30,000)	-
<b>Total other financing sources (uses)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>-</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(1,577,811)</b>	<b>(1,677,811)</b>	<b>503,647</b>	<b>2,181,458</b>
<b>FUND BALANCE, beginning of year</b>	<b>1,577,811</b>	<b>1,677,811</b>	<b>2,251,146</b>	<b>573,335</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,754,793</b>	<b>\$ 2,754,793</b>
<b>Reconciliation to Net Position:</b>				
Inventory			488,202	
Net pension asset (liability) - OPEB			(63,633)	
Net pension asset (liability) - PERS			(1,905,575)	
Capital assets			7,083,706	
Deferred outflow - PERS			614,922	
Deferred outflow - OPEB			8,174	
Compensated absences payable			(90,458)	
Deferred inflow - PERS			(85,689)	
Net Position			<u>\$ 8,804,442</u>	

(1) Appropriation Level

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2021**

GENERAL FUND

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
Current:						
2020-21	\$ 217,351	\$ 5,560	\$ (1,734)	\$ 134	\$ 202,682	\$ 10,709
Prior Years:						
2019-20	7,718	(16)	(650)	267	3,313	4,804
2018-19	4,232	(4)	(165)	387	1,860	2,154
2017-18	2,732	-	(163)	513	1,691	691
2016-17	1,375	-	(101)	282	709	485
Prior	1,625	-	(84)	369	554	786
Total All Funds	<u>\$ 235,033</u>	<u>\$ 5,540</u>	<u>\$ (2,897)</u>	<u>\$ 1,952</u>	<u>\$ 210,809</u>	<u>\$ 19,629</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	210,809
Other taxes/adj	<u>3,000</u>
Property tax revenue - Gen. Fund	<u>\$ 213,809</u>

**CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2021**

LOCAL OPTION STREET TAX

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
Current:						
2020-21	\$ 449,426	\$ 11,497	\$ (3,586)	\$ 277	\$ 419,094	\$ 22,144
Prior Years:						
2019-20	16,400	(34)	(818)	568	7,041	9,643
2018-19	8,717	(8)	(649)	798	3,831	4,745
2017-18	5,631	-	(161)	1,056	3,486	1,250
2016-17	2,833	-	(308)	580	1,460	1,101
Prior	3,347	-	(243)	759	1,140	1,691
Total All Funds	<u>\$ 486,354</u>	<u>\$ 11,455</u>	<u>\$ (5,765)</u>	<u>\$ 4,038</u>	<u>\$ 436,052</u>	<u>\$ 40,574</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	436,052
Other taxes/adj	<u>6,880</u>
Total Revenue - Local Option Street Tax Fund	<u>\$ 442,932</u>



**CITY OF BANDON**  
**COOS COUNTY, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES**  
**OF TAXES UNCOLLECTED**  
 For the Year Ended June 30, 2021

GENERAL OBLIGATION BONDS DEBT SERVICE

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
Current:						
2020-21	\$ 223,783	\$ 5,725	-1,786	\$ 138	\$ 208,680	\$ 11,026
Prior Years:						
2019-20	9,749	(20)	(200)	338	4,185	5,446
2018-19	5,491	(5)	(109)	503	2,413	2,689
2017-18	3,792	-	(211)	711	2,347	945
2016-17	1,973	-	(147)	404	1,017	699
Prior	1,839	-	(321)	431	648	1,199
Total All Funds	<u>\$ 246,627</u>	<u>\$ 5,700</u>	<u>\$ (2,774)</u>	<u>\$ 2,525</u>	<u>\$ 219,290</u>	<u>\$ 22,004</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	219,290
Other taxes	<u>1,118</u>
Total Revenue	<u>\$ 220,408</u>

CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2021

URBAN RENEWAL DISTRICT NO.1

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
Current:						
2020-21	\$ 366,047	\$ (9,364)	\$ (2,919)	\$ 226	\$ 341,343	\$ 15,647
Prior Years						
2019-20	23,027	(34)	(2,101)	568	5,480	10,092
2018-19	7,163	(6)	(879)	599	2,887	4,562
2017-18	4,794	-	(901)	838	2,645	2,212
2016-17	2,373	-	-	-	1,224	1,149
Prior	3,146	-	-	(388)	863	1,438
Total All Funds	<u>\$ 406,550</u>	<u>\$ (9,404)</u>	<u>\$ (6,805)</u>	<u>\$ 1,843</u>	<u>\$ 354,442</u>	<u>\$ 35,100</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	354,442
Other Taxes/adj	<u>6,518</u>
Total Revenue - UR Dist No. 1	<u>\$ 360,960</u>

CITY OF BANDON  
COOS COUNTY, OREGON  
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2021

URBAN RENEWAL DISTRICT NO.2

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
Current:						
2020-21	\$ 176,932	\$ 4,526	\$ (1,411)	\$ 109	\$ 164,991	\$ 6,113
Prior Years						
2019-20	7,986	(17)	(1,026)	277	2,677	4,023
2018-19	3,645	(3)	(427)	291	1,403	1,337
2017-18	2,421	-	(438)	405	1,278	301
2016-17	1,485	-	-	-	615	772
Prior	1,880	-	-	(195)	435	724
Total All Funds	<u>\$ 194,349</u>	<u>\$ 4,506</u>	<u>\$ (3,302)</u>	<u>\$ 887</u>	<u>\$ 171,399</u>	<u>\$ 15,874</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	171,399
Other taxes/adj	<u>3,076</u>
Total Revenue - UR Dist No. 2	<u>\$ 174,475</u>





**PAULY, ROGERS AND Co., P.C.**  
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www.paulyrogersandcocpas.com

December 9, 2021

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the City of Bandon (the City) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 9, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### **Compliance**

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

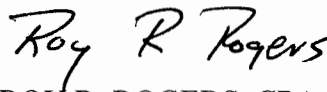
In connection with our testing nothing came to our attention that caused us to believe the City of Bandon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules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

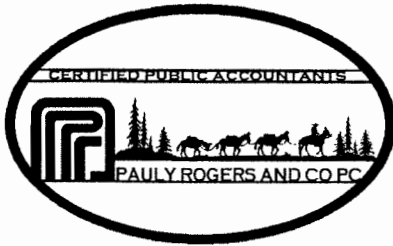
1. Expenditures of all the various funds were within authorized appropriations, except as noted on page 18.

**OAR 162-10-0230 Internal Control**

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

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

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



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December 9, 2021

To the City Council  
City of Bandon  
Coos County, Oregon

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, the blended component units, each major fund, and the aggregate remaining fund information of the City of Bandon (the City) as of and for the year ended June 30, 2021 and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 9, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



CITY OF BANDON

SCHEDULE OF FINDINGS AND RESPONSES  
*For the Year Ended June 30, 2021*

**FINANCIAL STATEMENT FINDINGS**

None

**Prior Year Findings**

**2020-FS-1**

CONDITION: We found during our testing of bank reconciliations that there was no indication of when bank reconciliations were prepared or reviewed, while adjusting journal entries showed no evidence of being reviewed and approved by someone other than the preparer.

RESULTS: Starting in April 2020, bank reconciliations were completed monthly via a contract with Caselle. Reconciliations were reviewed, approved and signed-off by the City Manager or the City Recorder. The finding did not recur for the 2020-2021 audit year.