



City of Bandon

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Bandon by the Sea

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Torrey Contreras, City Manager *TC*

INITIATED BY: Paula Burris, Finance Director *PB*

DATE: January 9, 2024

SUBJECT: **Item Number: 4.4 - CITY'S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2023**

BACKGROUND:

Oregon law requires local governments to file annual financial reports and other items with the Secretary of State Audits Division on or before December 31st. As such, the City engaged the accounting firm of KDP Certified Public Accountants, LLP, (KDP), to perform an independent audit of the City financials for Fiscal Year (FY) 2022-23; and Summer Sears, CPA, to assist with financial statement preparation and guidance for implementing new accounting and financial reporting standards as required by the Governmental Accounting Standards Board (GASB).

ANALYSIS OF THE ISSUES:

KDP worked closely with City staff to conduct a thorough audit of the City's internal controls and financial reporting for the period of July 1, 2022 through June 30, 2023. KDP's objectives of the audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an (independent) auditor's report that includes an opinion.

KDP submitted the attached Annual Financial Report and Independent Auditor's Report to the Secretary of State Audit Division, on December 28, 2023. No deficiencies or material weaknesses in internal controls over financial reporting were reported.

FISCAL IMPACT:

Timely filing of financial statements can contribute to building a positive credit rating and outlook for the City of Bandon.

CITY'S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2023

JANUARY 9, 2024

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RECOMMENDATION:

The following is recommended to the City Council:

1. Review and discuss the *Annual Financial Report and Independent Auditor's Report for Year Ended June 30, 2023*

Attachment: *Annual Financial Report and Independent Auditor's Report for Year Ended June 30, 2023*

| CITY OF BANDON
BANDON, OREGON

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2023



**CITY OF BANDON
BANDON, OREGON
YEAR ENDED JUNE 30, 2023**

CITY COUNCIL	TERM EXPIRES
Mary Schamehorn - Mayor	December 31, 2024
Vacant	December 31, 2024
Brian Vick	December 31, 2024
Geri Procetto	December 31, 2024
Chris Powell	December 31, 2026
Joshua Adamson	December 31, 2026
Madeline Seymour – Council President	December 31, 2026

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

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



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| INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Bandon, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bandon, Oregon (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in *Note 1* to the financial statements the City has adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* and GASB Statement No. 101, *Compensated Absences* issued by Governmental Accounting Standards Board (GASB). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

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

Other Supplementary Information

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

Other Reporting Required by Oregon State Regulations

In accordance with Oregon State Regulations, we have also issued our report dated December 19, 2023, on our consideration of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-0000 through 162-10-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Donald F. Ewalt, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 19, 2023

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| MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF BANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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, 2023. 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 \$43.4 million (reported as net position). Of this amount, \$5.1 million was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the City's ongoing obligations to citizens and creditors. During the current fiscal year, the City's net position increased by \$1.5 million. The City's governmental funds reported combined ending fund balances of \$9.9 million, of which approximately \$3.5 million was unassigned.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City's assets and liabilities with the difference between the two reported as net position (or deficit net position if liabilities exceed assets). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period (e.g., uncollected property taxes and earned but unused vacation time). The statement of activities is focused on both the gross and net cost of various activities (including governmental and business-type activities). This statement is intended to summarize and simplify the reader's analysis of the revenues and costs of various City activities and the degree to which activities are subsidized by general revenues.

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

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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

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

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with budget law included in Oregon Revised Statutes (ORS) and as required by the Governmental Accounting Standards Board (GASB), budgetary comparison statements have been provided for General Fund and Urban Renewal District No. 1 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 maintains ten individual proprietary funds.

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

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

Required supplementary information. In addition to this discussion and analysis, this report also presents required supplementary information of budgetary comparison for the General Fund and Urban Renewal District No. 1 Fund.

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

Government-wide Financial Analysis

City of Bandon Net Position

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 10,345,641	\$ 9,023,943	\$ 13,441,766	\$ 14,585,096	\$ 23,787,407	\$ 23,609,039
Capital Assets, Net	16,716,271	17,149,406	17,711,215	16,887,498	34,427,486	34,036,904
Total Assets	27,061,912	26,173,349	31,152,981	31,472,594	58,214,893	57,645,943
Deferred Outflows of Resources	889,369	624,044	1,198,548	890,782	2,087,917	1,514,826
Long-term Liabilities	11,020,458	11,018,618	3,301,587	2,659,923	14,322,045	13,678,541
Other Liabilities	454,310	354,620	693,635	931,470	1,147,945	1,286,090
Total Liabilities	11,474,768	11,373,238	3,995,222	3,591,393	15,469,990	14,964,631
Deferred Inflows of Resources	696,161	1,116,795	688,146	1,167,240	1,384,307	2,284,035
Net Position						
Net Investment in						
Capital Assets	7,272,533	7,103,976	16,737,050	15,864,011	24,009,583	22,967,987
Restricted	6,278,377	6,108,121	8,046,495	8,999,986	14,324,872	15,108,107
Unrestricted	2,229,442	1,095,263	2,884,616	2,740,746	5,114,058	3,836,009
Total Net Position	\$ 15,780,352	\$ 14,307,360	\$ 27,668,161	\$ 27,604,743	\$ 43,448,513	\$ 41,912,103

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 \$43.4 million as of June 30, 2023. A portion of the City's net position (\$24.0 million or 55.3%) reflects its investment in capital assets (e.g., land and right-of-ways, buildings, improvements, equipment and infrastructure, net of accumulated depreciation less any related debt used to acquire those assets that are still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Of the remaining net position, 2.2% is restricted for debt service, 21.5% is restricted for capital projects, 6.3% is restricted for streets, 3.0% is restricted for urban renewal districts, and the remaining 11.8% is unrestricted.

City of Bandon Statement of Activities

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

Governmental activities. Governmental activities resulted in a net increase in the City's net position of \$1.5 million. The main reasons for this increase was an increase in charges for services and contracts of \$441 thousand or 195.1% due to an increase in court fines and other charges for services. Additionally, operating grants and contributions increased by \$179 thousand or 20.3% resulting primarily from increased grant funding from American Rescue Plan Act funding and investment earnings increased by \$211 thousand or 453.3% due to increases in overall interest rates. The basic financial statements include a reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities.

Business-type activities. Business-type activities increased the City's net position by \$63 thousand, primarily due to an increase in investment earnings of \$239 thousand or 206.6% due to the noted cause above. This increase was offset by increases in operating costs of the Electric Fund of \$879 thousand or 14.6% due to increases in purchase power costs, payroll and tree maintenance performed during the year.

REVENUES	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues						
Charges for Services and Contracts	\$ 667,368	\$ 226,156	\$ 9,011,597	\$ 9,206,354	\$ 9,678,965	\$ 9,432,510
Operating Grants and Contributions	1,060,866	882,202	-	-	1,060,866	882,202
General Revenues						
Taxes	4,091,097	3,738,465	-	-	4,091,097	3,738,465
Contributions in Lieu of Taxes	520,810	494,322	-	-	520,810	494,322
Franchise Fees	162,479	143,133	-	-	162,479	143,133
Gain on Sale of Property	-	2,593	-	-	-	2,593
Miscellaneous Revenue	23,345	9,123	-	-	23,345	9,123
Unrestricted Investment Earnings	257,142	46,475	354,465	115,788	611,607	162,263
Total Revenues	6,783,107	5,542,469	9,366,062	9,322,142	16,149,169	14,864,611
EXPENSES						
General Government	2,673,192	1,025,979	-	-	2,673,192	1,025,979
Public Safety	1,458,266	1,383,741	-	-	1,458,266	1,383,741
Highways and Streets	299,316	274,288	-	-	299,316	274,288
Culture and Recreation	802,250	535,944	-	-	802,250	535,944
Interest on Long-Term Obligations	103,828	201,666	-	-	103,828	201,666
Water Utility	-	-	1,232,184	1,213,874	1,232,184	1,213,874
Sewer Utility	-	-	1,134,183	1,115,690	1,134,183	1,115,690
Electric Utility	-	-	6,909,540	6,029,626	6,909,540	6,029,626
Total Expenses	5,336,852	3,421,618	9,275,907	8,359,190	14,612,759	11,780,808
Transfers	26,737	(5,413,536)	(26,737)	5,413,536	-	-
Change in Net Position	1,472,992	(3,292,685)	63,418	6,376,488	1,536,410	3,083,803
Net Position, July 1	14,307,360	17,329,053	27,604,743	21,009,150	41,912,103	38,338,203
Prior Period Adjustment	-	270,992	-	219,105	-	490,097
Net Position, June 30	\$ 15,780,352	\$ 14,307,360	\$ 27,668,161	\$ 27,604,743	\$ 43,448,513	\$ 41,912,103

Financial Analysis of the City's Funds

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

Governmental Funds

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

City of Bandon General Fund. The General Fund is the chief operating fund of the City. At June 30, 2023, total fund balance for the General Fund equaled \$3.5 million, of which, \$3.4 million was unassigned after deducting the nonspendable portion of \$20 thousand representing prepaid expenses at year-end. Unassigned fund balance is the amount considered available to spend. At June 30, 2022, the fund balance of the City's General Fund was \$2.2 million. The increase in fund balance of \$1.2 million is primarily related to increases in taxes and intergovernmental revenues.

<u>Change in Fund Balance - Governmental Funds</u>				
<u>Fund Balance</u>				
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>\$ Change</u>	<u>% Change</u>
General Fund	\$ 3,464,432	\$ 2,186,662	\$ 1,277,770	58.4%
Urban Renewal District No. 1 Fund	499,019	925,464	(426,445)	-46.1%
Local Option Street Fund	2,167,574	1,708,034	459,540	26.9%
General Obligation Fund	554,534	457,060	97,474	21.3%
12th Court LID Debt Service Fund	203,108	226,781	(23,673)	-10.4%
Other Governmental Funds	3,018,672	2,941,838	76,834	2.6%
Total	<u>\$ 9,907,339</u>	<u>\$ 8,445,839</u>	<u>\$ 1,461,500</u>	<u>17.3%</u>
<u>General Fund Summary</u>				
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Taxes	\$ 2,302,914	\$ 1,892,289	\$ 410,625	21.7%
Payments in Lieu of Taxes	504,636	494,322	10,314	2.1%
Reimbursements	556,120	510,936	45,184	8.8%
Other Revenues	1,146,122	1,257,421	(111,299)	-8.9%
Total Revenues	<u>4,509,792</u>	<u>4,154,968</u>	<u>354,824</u>	<u>8.5%</u>
Expenditures				
General Government	1,215,370	1,276,398	(61,028)	-4.8%
Public Safety	1,544,969	1,332,872	212,097	15.9%
Highways and Streets	241,309	168,446	72,863	43.3%
Culture and Recreation	271,025	229,687	41,338	18.0%
Other Expenditures	-	61,000	(61,000)	-100.0%
Total Expenditures	<u>3,272,673</u>	<u>3,068,403</u>	<u>204,270</u>	<u>6.7%</u>
Other Financing Sources (Uses)				
Transfers In	640,651	25,464	615,187	2415.9%
Transfers Out	(600,000)	(5,580,852)	4,980,852	-89.2%
Proceeds From Issuance of Bonds	-	5,500,000	(5,500,000)	-100.0%
Sale of Property	-	7,815	(7,815)	-100.0%
Total Other Financing Sources (Uses)	<u>40,651</u>	<u>(47,573)</u>	<u>88,224</u>	<u>-185.4%</u>
Change in Fund Balance	1,277,770	1,038,992	238,778	23.0%
Beginning Fund Balance	<u>2,186,662</u>	<u>1,147,670</u>	<u>1,038,992</u>	<u>90.5%</u>
Ending Fund Balance	<u>\$ 3,464,432</u>	<u>\$ 2,186,662</u>	<u>\$ 1,277,770</u>	<u>58.4%</u>

City of Bandon Other Major Governmental Funds. The Urban Renewal District No. 1 Fund, Local Option Street Tax Fund, General Obligation Bond Fund, and 12th Court LID Debt Service Fund are the other major governmental funds. During fiscal year 2023, the Urban Renewal District No. 1 Fund had a decrease in its fund balance of \$426 thousand, Local Option Street Fund increased by \$460 thousand, General Obligation Bond Fund increased by \$97 thousand, and the 12th Court Local Improvement District Fund decreased by \$24 thousand during the year. These changes were a result in the difference between taxes and interest collected and capital outlays or debt service, as applicable to each.

Proprietary Funds

The City’s proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The Sewer Fund, Water Fund, and Electric Fund are the City’s major proprietary funds. For fiscal year 2023, the sewer utility saw an increase in net position of \$83 thousand and the water utility saw an increase of \$191 thousand. The increases to the water utility and the sewer utility were primarily related to charges for services and interest income exceeding operating costs for the fiscal year. The electric utility saw a \$210 thousand decrease in net position. The decrease is primarily due to increased cost of sales and services and preventative maintenance performed.

Source	Change in Net Position - Business-type Activities			
	Sewer	Water	Electric	Total
Revenues	\$ 1,074,622	\$ 1,291,242	\$ 6,645,733	\$ 9,011,597
Operating Expenses	1,126,110	1,224,497	6,909,540	9,260,147
Operating Income	(51,488)	66,745	(263,807)	(248,550)
Non-operating Revenue (Expense)	123,652	134,761	80,292	338,705
Other Financing Sources (Uses)				
Transfers in	10,500	288,633		299,133
Transfers out		(299,133)	(26,737)	(325,870)
Change in Net Position	82,664	191,006	(210,252)	63,418
Beginning Net Position	8,128,264	9,838,688	9,637,791	27,604,743
Ending Net Position	\$ 8,210,928	\$ 10,029,694	\$ 9,427,539	\$ 27,668,161

General Fund Budget

Actual revenues for fiscal year 2022-23 are approximated budgeted amounts. Expenditures were approximately 26% 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, 2023, amounts to \$34.3 million (net of accumulated depreciation). This investment in capital assets, which increased by \$311 thousand, includes land, construction in progress, buildings and improvements, equipment, and infrastructure (streets, water, wastewater, storm drainage, and electric system). The increase is the net impact of \$2.0 million in depreciation, \$2.6 million in new capital assets, and \$283 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, 2023, the City had total long-term debt of \$10.3 million, including enterprise activity commitments. Outstanding debt includes \$7.1 million in general obligation bonds (\$5.5 million issued in 2022) to be serviced by general property taxes and \$1.3 million Urban Renewal Agency general obligation bonds that are serviced by tax increment financing. The City would be liable for this Urban Renewal Agency debt in the event of default by the Urban Renewal Agency. In addition, there is \$212 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 \$723 thousand during the current fiscal year due to scheduled debt service payments. The City of Bandon complies with Oregon Revised Statutes that limit general obligation bond debt to 3.0% of the real market value of all taxable property within the City's boundaries. Additional information on the City's bonded debt can be found in the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The Fiscal Year 2023-24 budget total is \$35,364,775, which is \$3,293,690 or 10.27% more than the prior Fiscal Year 2022-23 budget of \$32,071,085. This increase is primarily due to a strong prior-year carryover.

At only \$.46 per \$1,000 assessed valuation, the City of Bandon's permanent property tax rate is low compared to other full-service cities in the County, whose rates range from \$6.10 to \$7.99. The largest individual sources of General Fund revenues continue to be 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 approved increases to water, sewer and electric rates in the May 2023 election, to be implemented in Fiscal Year 2023-24. The City's Transient Occupancy Tax receipts continue to increase as hotel revenue stays strong; and the City continues to receive the voter approved Local Option Street Tax Funds for streets, drainage systems, and pedestrian facilities in the amount of \$0.8455 per \$1,000 assessed valuation.

Included in the Fiscal Year 2023-24 budget, is funding for a fifth Patrol Officer, a utility worker in the Electric Department, and a manager for the Sprague Theater, as well as playground equipment for the City Park. The City and the Bandon School District are continuing to work together to bring a workforce housing project to Bandon.

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:

Paula Burris
Finance Director
City of Bandon
P.O. Box 67
Bandon, OR 97411



| BASIC FINANCIAL STATEMENTS

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**| GOVERNMENT- WIDE FINANCIAL
STATEMENTS**

**CITY OF BANDON
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,541,539	\$ 11,065,266	\$ 20,606,805
Receivables			
Accounts, net	77,643	1,008,254	1,085,897
Property taxes	164,974	-	164,974
Transient occupancy taxes	456,368	-	456,368
Notes	18,821	237,964	256,785
Special assessments	66,296	55,787	122,083
Prepaid expenses	20,000	-	20,000
Inventories	-	993,959	993,959
Restricted cash and cash equivalents	-	80,536	80,536
Capital assets			
Capital assets, not depreciable	2,656,151	3,258,056	5,914,207
Depreciable capital assets, net of accumulated depreciation	14,023,506	14,410,428	28,433,934
Net-OPEB RHIA asset	36,614	42,731	79,345
Total assets	<u>27,061,912</u>	<u>31,152,981</u>	<u>58,214,893</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals - PERS	841,872	1,144,988	1,986,860
OPEB related deferrals - Health Insurance	46,979	52,951	99,930
OPEB related deferrals - RHIA	518	609	1,127
Total deferred outflows of resources	<u>889,369</u>	<u>1,198,548</u>	<u>2,087,917</u>
Total assets and deferred outflows of resources	<u>27,951,281</u>	<u>32,351,529</u>	<u>60,302,810</u>
LIABILITIES			
Accounts payable	147,320	284,715	432,035
Accrued payroll and benefits	40,482	46,628	87,110
Customer deposits	2,368	80,536	82,904
Unearned revenue	-	48,338	48,338
Accrued interest payable	94,128	8,686	102,814
Compensated absences payable	170,012	224,732	394,744
Non-current liabilities			
Amount due within one year	507,433	94,137	601,570
Amount due after one year	8,822,644	837,297	9,659,941
Net pension liability - PERS	1,571,473	2,244,241	3,815,714
Total OPEB liability - Health Insurance	<u>118,908</u>	<u>125,912</u>	<u>244,820</u>
Total liabilities	<u>11,474,768</u>	<u>3,995,222</u>	<u>15,469,990</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on refunding	77,047	-	77,047
Pension related deferrals - PERS	605,763	672,579	1,278,342
OPEB related deferrals - Health Insurance	7,655	8,879	16,534
OPEB related deferrals - RHIA	5,696	6,688	12,384
Total deferred inflows	<u>696,161</u>	<u>688,146</u>	<u>1,384,307</u>
NET POSITION			
Net investment in capital assets	7,272,533	16,737,050	24,009,583
Restricted for			
Debt service	949,359	-	949,359
Capital projects	1,297,092	8,046,495	9,343,587
Streets	2,730,322	-	2,730,322
Urban renewal	1,301,604	-	1,301,604
Unrestricted	<u>2,229,442</u>	<u>2,884,616</u>	<u>5,114,058</u>
TOTAL NET POSITION	<u>\$ 15,780,352</u>	<u>\$ 27,668,161</u>	<u>\$ 43,448,513</u>

**CITY OF BANDON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ 2,673,192	\$ 588,261	\$ 1,035,470	\$ -	\$ (1,049,461)	\$ -	\$ (1,049,461)
Public safety	1,458,266	-	15,396	-	(1,442,870)	-	(1,442,870)
Highways and streets	299,316	38,681	-	-	(260,635)	-	(260,635)
Culture and recreation	802,250	40,426	10,000	-	(751,824)	-	(751,824)
Interest on long-term debt	103,828	-	-	-	(103,828)	-	(103,828)
Total governmental activities	<u>5,336,852</u>	<u>667,368</u>	<u>1,060,866</u>	<u>-</u>	<u>(3,608,618)</u>	<u>-</u>	<u>(3,608,618)</u>
BUSINESS-TYPE ACTIVITIES							
Sewer	1,134,183	1,074,622	-	-	-	(59,561)	(59,561)
Water	1,232,184	1,291,242	-	-	-	59,058	59,058
Electric	6,909,540	6,645,733	-	-	-	(263,807)	(263,807)
Total business-type activities	<u>9,275,907</u>	<u>9,011,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(264,310)</u>	<u>(264,310)</u>
TOTAL GOVERNMENT	<u>\$ 14,612,759</u>	<u>\$ 9,678,965</u>	<u>\$ 1,060,866</u>	<u>\$ -</u>	<u>(3,608,618)</u>	<u>(264,310)</u>	<u>(3,872,928)</u>
GENERAL REVENUES							
Taxes and assessments							
Property taxes							
					1,910,144	-	1,910,144
Other taxes and assessments							
					2,180,953	-	2,180,953
Contributions in lieu of taxes							
					520,810	-	520,810
Franchise fees							
					162,479	-	162,479
Interest and investment earnings							
					257,142	354,465	611,607
Miscellaneous							
					23,345	-	23,345
Transfers							
					26,737	(26,737)	-
Total general revenues and transfers					<u>5,081,610</u>	<u>327,728</u>	<u>5,409,338</u>
CHANGE IN NET POSITION							
					1,472,992	63,418	1,536,410
NET POSITION, beginning of year							
					<u>14,307,360</u>	<u>27,604,743</u>	<u>41,912,103</u>
NET POSITION, end of year							
					<u>\$ 15,780,352</u>	<u>\$ 27,668,161</u>	<u>\$ 43,448,513</u>

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| FUND FINANCIAL STATEMENTS

**CITY OF BANDON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	Special Revenue Urban Renewal District No. 1	Capital Projects Local Option Street
ASSETS			
Cash and cash equivalents	\$ 3,094,480	\$ 527,961	\$ 2,162,114
Receivables			
Property taxes	18,375	31,941	38,005
Transient occupancy taxes	452,500	-	-
Accounts, net	58,160	4,232	5,557
Prepaid expenses	20,000	-	-
Notes receivable			
Loans	-	-	-
Special assessments	-	-	-
Total assets	<u>\$ 3,643,515</u>	<u>\$ 564,134</u>	<u>\$ 2,205,676</u>
LIABILITIES			
Accounts payable	\$ 108,324	\$ 33,717	\$ -
Accrued payroll benefits	29,734	-	-
Customer deposits	2,368	-	-
Total liabilities	<u>140,426</u>	<u>33,717</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues			
Property taxes	16,689	31,398	32,545
Transient occupancy taxes	8,968	-	-
Franchise fees	13,000	-	5,557
Assessments	-	-	-
Loans	-	-	-
Total deferred inflows of resources	<u>38,657</u>	<u>31,398</u>	<u>38,102</u>
FUND BALANCES			
Nonspendable	20,000	-	-
Restricted for debt service	-	-	-
Restricted for capital projects	-	-	-
Restricted for urban renewal	-	499,019	-
Restricted special projects - streets	-	-	2,167,574
Committed for capital projects	-	-	-
Committed for special projects	-	-	-
Unassigned	3,444,432	-	-
Total fund balances	<u>3,464,432</u>	<u>499,019</u>	<u>2,167,574</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 3,643,515</u>	<u>\$ 564,134</u>	<u>\$ 2,205,676</u>

**CITY OF BANDON
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Debt Service		Other Governmental Funds	Total
	General Obligation Bond	12th Court LID		
ASSETS				
Cash and cash equivalents	\$ 544,018	\$ 203,108	\$ 3,009,858	\$ 9,541,539
Receivables				
Property taxes	42,159	-	34,494	164,974
Transient occupancy taxes	-	-	3,868	456,368
Accounts, net	9,694	-	-	77,643
Prepaid expenses	-	-	-	20,000
Notes receivable				
Loans	-	-	18,821	18,821
Special assessments	-	40,347	25,949	66,296
Total assets	<u>\$ 595,871</u>	<u>\$ 243,455</u>	<u>\$ 3,092,990</u>	<u>\$ 10,345,641</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 5,279	\$ 147,320
Accrued payroll benefits	-	-	10,748	40,482
Customer deposits	-	-	-	2,368
Total liabilities	<u>-</u>	<u>-</u>	<u>16,027</u>	<u>190,170</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	41,337	-	13,521	135,490
Transient occupancy taxes	-	-	-	8,968
Franchise fees	-	-	-	18,557
Assessments	-	40,347	25,949	66,296
Loans	-	-	18,821	18,821
Total deferred inflows of resources	<u>41,337</u>	<u>40,347</u>	<u>58,291</u>	<u>248,132</u>
FUND BALANCES				
Nonspendable	-	-	-	20,000
Restricted for debt service	554,534	203,108	56,227	813,869
Restricted for capital projects	-	-	1,297,092	1,297,092
Restricted for urban renewal	-	-	802,585	1,301,604
Restricted special projects - streets	-	-	562,748	2,730,322
Committed for capital projects	-	-	54,158	54,158
Committed for special projects	-	-	245,862	245,862
Unassigned	-	-	-	3,444,432
Total fund balances	<u>554,534</u>	<u>203,108</u>	<u>3,018,672</u>	<u>9,907,339</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 595,871</u>	<u>\$ 243,455</u>	<u>\$ 3,092,990</u>	<u>\$ 10,345,641</u>

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

CITY OF BANDON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

TOTAL FUND BALANCES – governmental funds \$ 9,907,339

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

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	\$ 2,656,151	
Depreciable capital assets, net of accumulated depreciation	<u>14,023,506</u>	16,679,657

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	\$ 141,047	
Transient occupancy taxes	8,968	
Loans receivable	18,821	
Franchise fees	13,000	
Special assessments	<u>66,296</u>	248,132

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

Net Pension Liability - PERS	\$ (1,571,473)	
Net OPEB Asset - RHIA	36,614	
Total OPEB Liability - Health Insurance	<u>(118,908)</u>	(1,653,767)

Deferred outflows and inflows of resources associated with the City's as they don't provide or require current financial resources

Deferred pension related outflows - PERS	\$ 841,872	
Deferred OPEB related outflows - Health Insurance	46,979	
Deferred OPEB related outflows - RHIA	518	
Deferred pension related inflows - PERS	(605,763)	
Deferred OPEB related inflows - Health Insurance	(7,655)	
Deferred OPEB related inflows - RHIA	<u>(5,696)</u>	270,255

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

Long-term obligations	\$ (9,330,077)	
Deferred charge on refunding	(77,047)	
Accrued interest payable on bonds and notes	(94,128)	
Compensated absences	<u>(170,012)</u>	(9,671,264)

NET POSITION - governmental activities \$ 15,780,352

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CITY OF BANDON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General	Special Revenue	Capital Projects
		Urban Renewal District No. 1	Local Option Street
REVENUES			
Taxes	\$ 2,302,914	\$ 394,456	\$ 487,072
Licenses and permits	251,845	-	-
Intergovernmental	76,807	-	-
System development charges	-	-	-
Payments in lieu of taxes	504,636	5,741	6,581
Fines and police income	127,469	-	-
Special assessments	-	-	-
Interest	72,372	18,165	57,450
Reimbursements	556,120	-	-
Miscellaneous	617,629	1,650	-
Total revenues	<u>4,509,792</u>	<u>420,012</u>	<u>551,103</u>
EXPENDITURES			
Current			
General government	1,215,370	124,238	-
Public safety	1,544,969	-	-
Highways and streets	241,309	-	-
Culture and recreation	271,025	-	-
Capital outlay	-	526,626	91,563
Debt service	-	195,593	-
Total expenditures	<u>3,272,673</u>	<u>846,457</u>	<u>91,563</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,237,119</u>	<u>(426,445)</u>	<u>459,540</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	40,651	-	-
Transfers out	-	-	-
Loan Interest	-	-	-
Total other financing sources (uses)	<u>40,651</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,277,770	(426,445)	459,540
FUND BALANCE, beginning of year	<u>2,186,662</u>	<u>925,464</u>	<u>1,708,034</u>
FUND BALANCE, end of year	<u>\$ 3,464,432</u>	<u>\$ 499,019</u>	<u>\$ 2,167,574</u>

CITY OF BANDON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Debt Service		Other	Total
	General Obligation Bond	12th Court LID Debt Service	Governmental Funds	
REVENUES				
Taxes	\$ 599,193	\$ -	\$ 462,787	\$ 4,246,422
Licenses and permits	-	-	-	251,845
Intergovernmental	-	-	479,325	556,132
System development charges	-	-	117,574	117,574
Payments in lieu of taxes	2,997	-	855	520,810
Fines and police income	-	-	-	127,469
Special assessments	-	131,779	1,034	132,813
Interest	15,319	8,155	85,681	257,142
Reimbursements	-	-	-	556,120
Other	40,287	-	108,412	767,978
Total revenues	<u>657,796</u>	<u>139,934</u>	<u>1,256,468</u>	<u>7,535,105</u>
EXPENDITURES				
Current				
General government	-	-	55,745	1,395,353
Public safety	-	-	36,386	1,581,355
Highways and streets	-	-	256,456	497,765
Culture and recreation	-	-	496,334	767,359
Capital outlay	-	-	323,600	941,789
Debt service	546,408	163,607	14,413	920,021
Total expenditures	<u>546,408</u>	<u>163,607</u>	<u>1,182,934</u>	<u>6,103,642</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>111,388</u>	<u>(23,673)</u>	<u>73,534</u>	<u>1,431,463</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	40,651
Transfers out	(13,914)	-	-	(13,914)
Loan interest	-	-	3,300	3,300
Total other financing sources (uses)	<u>(13,914)</u>	<u>-</u>	<u>3,300</u>	<u>30,037</u>
NET CHANGE IN FUND BALANCE	97,474	(23,673)	76,834	1,461,500
FUND BALANCE, beginning of year	<u>457,060</u>	<u>226,781</u>	<u>2,941,838</u>	<u>8,445,839</u>
FUND BALANCE, end of year	<u>\$ 554,534</u>	<u>\$ 203,108</u>	<u>\$ 3,018,672</u>	<u>\$ 9,907,339</u>

CITY OF BANDON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED 30, 2023

TOTAL NET CHANGE IN FUND BALANCES - governmental funds		\$ 1,461,500
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds defer inflows of resources that do not provide current financial resources. However, the statement of activities recognizes such revenues at their net realizable value when earned, regardless of when received.		
Property taxes	\$ 31,529	
Transient occupancy taxes	(23,529)	
Loans receivable	(2,846)	
Franchise fees	18,557	
Special assessments	<u>(205,697)</u>	(181,986)
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	\$ 712,319	
Loss on disposal of capital assets	(282,787)	
Depreciation	<u>(899,281)</u>	(469,749)
Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.		
		630,697
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Changes in accrued interest on long-term debt	\$ 6,986	
Changes in pension liabilities and deferred outflows and inflows of resources	39,179	
Changes in OPEB (asset)/liability and deferred outflows and inflows of resources	8,403	
Changes in compensated absences payable	(29,647)	
Amortization of deferred charge on refunding	<u>7,609</u>	<u>32,530</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 1,472,992</u>

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**CITY OF BANDON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	Sewer	Water	Electric	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 4,200,465	\$ 3,988,900	\$ 2,875,901	\$ 11,065,266
Accounts receivable, net	100,276	92,025	815,953	1,008,254
Special assessments	14,676	41,111	-	55,787
Due from other funds	-	-	77,575	77,575
Restricted cash and cash equivalents	10,214	8,622	61,700	80,536
Inventory	-	31,917	962,042	993,959
Total current assets	<u>4,325,631</u>	<u>4,162,575</u>	<u>4,793,171</u>	<u>13,281,377</u>
NONCURRENT ASSETS				
Notes receivable	-	237,964	-	237,964
Capital assets (net of accumulated depreciation)	5,063,096	6,360,148	6,245,240	17,668,484
Net OPEB asset - RHIA	6,462	7,496	28,773	42,731
Total noncurrent assets	<u>5,069,558</u>	<u>6,605,608</u>	<u>6,274,013</u>	<u>17,949,179</u>
Total assets	<u>9,395,189</u>	<u>10,768,183</u>	<u>11,067,184</u>	<u>31,230,556</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferrals - PERS	154,486	220,009	770,493	1,144,988
OPEB related deferrals - Health Insurance	7,740	9,262	35,949	52,951
OPEB related deferrals - RHIA	96	110	403	609
Total deferred outflows of resources	<u>162,322</u>	<u>229,381</u>	<u>806,845</u>	<u>1,198,548</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 9,557,511</u>	<u>\$ 10,997,564</u>	<u>\$ 11,874,029</u>	<u>\$ 32,429,104</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 65,413	\$ 145,513	\$ 73,789	\$ 284,715
Accrued payroll benefits	7,302	7,743	31,583	46,628
Compensated absences payable	51,770	31,404	141,558	224,732
Due to other funds	-	77,575	-	77,575
Customer deposits	10,214	8,622	61,700	80,536
Unearned revenue - prepaid utility accounts	-	-	48,338	48,338
Accrued interest payable	4,561	4,125	-	8,686
Current portion of long-term debt	61,450	32,687	-	94,137
Total current liabilities	<u>200,710</u>	<u>307,669</u>	<u>356,968</u>	<u>865,347</u>
LONG-TERM LIABILITIES				
Net pension liability - PERS	295,568	413,483	1,535,190	2,244,241
Total OPEB Liability - Health Insurance	18,698	23,115	84,099	125,912
Long-term debt (net of current portion)	720,473	116,824	-	837,297
Total liabilities	<u>1,235,449</u>	<u>861,091</u>	<u>1,976,257</u>	<u>4,072,797</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferrals - PERS	108,793	104,058	459,728	672,579
OPEB related deferrals - Health Insurance	1,289	1,519	6,071	8,879
OPEB related deferrals - RHIA	1,052	1,202	4,434	6,688
Total deferred inflows of resources	<u>111,134</u>	<u>106,779</u>	<u>470,233</u>	<u>688,146</u>
NET POSITION				
Net investment in capital assets	4,281,173	6,210,637	6,245,240	16,737,050
Restricted for capital projects	4,069,682	3,976,813	-	8,046,495
Unrestricted	<u>(139,927)</u>	<u>(157,756)</u>	<u>3,182,299</u>	<u>2,884,616</u>
TOTAL NET POSITION	<u>\$ 8,210,928</u>	<u>\$ 10,029,694</u>	<u>\$ 9,427,539</u>	<u>\$ 27,668,161</u>

CITY OF BANDON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Sewer	Water	Electric	Total
OPERATING REVENUES				
Charges for services				
Sewer charges	\$ 989,679	\$ -	\$ -	\$ 989,679
Water sales	-	1,070,484	-	1,070,484
Electricity sales	-	-	6,296,499	6,296,499
BPA Conservation	-	-	37,759	37,759
Service charges, fees and permits	57,645	206,477	277,335	541,457
Other	27,298	14,281	34,140	75,719
Total operating revenues	<u>1,074,622</u>	<u>1,291,242</u>	<u>6,645,733</u>	<u>9,011,597</u>
OPERATING EXPENSES				
Administration	127,743	99,821	551,272	778,836
Cost of sales and services	775,402	817,857	5,786,847	7,380,106
Energy assistance payments	-	-	1,215	1,215
Plant improvement (non-capital)	-	2,839	-	2,839
Depreciation and amortization	222,965	303,980	570,206	1,097,151
Total operating expenses	<u>1,126,110</u>	<u>1,224,497</u>	<u>6,909,540</u>	<u>9,260,147</u>
OPERATING INCOME (LOSS)	<u>(51,488)</u>	<u>66,745</u>	<u>(263,807)</u>	<u>(248,550)</u>
NONOPERATING REVENUES (EXPENSE)				
Interest income	131,725	142,448	80,292	354,465
Interest expense	(8,073)	(7,687)	-	(15,760)
Total nonoperating revenues (expenses)	<u>123,652</u>	<u>134,761</u>	<u>80,292</u>	<u>338,705</u>
INCOME BEFORE OPERATING TRANSFERS	<u>72,164</u>	<u>201,506</u>	<u>(183,515)</u>	<u>90,155</u>
TRANSFERS				
Transfers in	10,500	-	-	10,500
Transfers out	-	(10,500)	(26,737)	(37,237)
CHANGE IN NET POSITION	<u>82,664</u>	<u>191,006</u>	<u>(210,252)</u>	<u>63,418</u>
NET POSITION, beginning of year	<u>8,128,264</u>	<u>9,838,688</u>	<u>9,637,791</u>	<u>27,604,743</u>
NET POSITION, end of year	<u>\$ 8,210,928</u>	<u>\$ 10,029,694</u>	<u>\$ 9,427,539</u>	<u>\$ 27,668,161</u>

**CITY OF BANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Sewer	Water	Electric	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,060,504	\$ 1,289,237	\$ 7,461,235	\$ 9,810,976
Payments to employees	(135,176)	(107,130)	(552,185)	(794,491)
Payments to suppliers	(1,039,140)	(844,412)	(5,876,286)	(7,759,838)
Net cash provided by operating activities	(113,812)	337,695	1,032,764	1,256,647
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Interfund transfers out	-	(10,500)	(26,737)	(37,237)
Interfund loans	-	-	(77,575)	(77,575)
Net cash (used) by noncapital financing activities	-	(10,500)	(104,312)	(114,812)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interfund transfers in	10,500	-	-	10,500
Interfund loans	-	77,575	-	77,575
Purchases and construction of capital assets	(862,834)	(782,966)	(36,425)	(1,682,225)
Principal paid on capital debt	(60,842)	(31,211)	-	(92,053)
Interest paid on capital debt	(8,428)	(8,548)	-	(16,976)
Net cash provided (used) by capital and related financing activities	(921,604)	(745,150)	(36,425)	(1,703,179)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	131,725	142,448	80,292	354,465
Net cash provided (used) by investing activities	131,725	142,448	80,292	354,465
Net change in cash and cash equivalents	(903,691)	(275,507)	972,319	(206,879)
Cash and cash equivalents - beginning of year	5,114,370	4,273,029	1,965,282	11,352,681
Cash and cash equivalents - end of year	4,210,679	3,997,522	2,937,601	11,145,802
Cash and cash equivalents - unrestricted	4,200,465	3,988,900	2,875,901	11,065,266
Cash and cash equivalents - restricted	10,214	8,622	61,700	80,536
Total cash and cash equivalents	<u>\$ 4,210,679</u>	<u>\$ 3,997,522</u>	<u>\$ 2,937,601</u>	<u>\$ 11,145,802</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (51,488)	\$ 66,745	\$ (263,807)	\$ (248,550)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	222,965	303,980	570,206	1,097,151
Change in assets and deferred outflows of resources and liabilities and deferred inflows of resources				
Accounts receivable	115	1,279	(39,844)	(38,450)
Special assessments	(9,313)	(25,653)	-	(34,966)
Notes receivable	-	22,217	814,275	836,492
Inventories	-	(11,032)	143,728	132,696
Net pension liability and related deferred outflows/inflows of resources	(6,598)	(7,776)	(31,072)	(45,446)
Net OPEB asset and related deferred outflows/inflows of resources	(1,089)	(1,284)	(5,129)	(7,502)
Total OPEB liability and related deferred outflows/inflows of resources	(326)	(385)	(1,536)	(2,247)
Accounts payable	(263,738)	(12,684)	(231,952)	(508,374)
Payroll liabilities	695	868	2,716	4,279
Compensated absences	(115)	1,268	34,108	35,261
Customer deposits	(4,920)	152	(7,267)	(12,035)
Unearned revenue - prepaid utility accounts	-	-	48,338	48,338
Total adjustments	(62,324)	270,950	1,296,571	1,505,197
Net cash provided by operating activities	<u>\$ (113,812)</u>	<u>\$ 337,695</u>	<u>\$ 1,032,764</u>	<u>\$ 1,256,647</u>
SCHEDULE OF NON-CASH CAPITAL FINANCING ACTIVITIES				
Purchase of equipment and construction in progress on account	\$ 11,691	\$ 119,491	\$ 64,730	\$ 195,912



**| NOTES TO THE BASIC FINANCIAL
STATEMENTS**

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

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

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

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1 - Summary of Significant Accounting Policies (continued)

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Major governmental funds include:

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

General Obligation Bond Fund – This fund is used to account for all general obligation bonds.

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

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

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

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

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

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

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

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

Proprietary funds include the following fund type:

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

Major enterprise funds include:

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

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

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

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

Restricted assets – Certain resources are set aside for repayment of debt and are classified as restricted assets on the statement of net position because their use is limited. Reserve accounts are used to report resources set aside for repairs and replacement to the water and sewer system and, when necessary, for the purpose of making principal and interest payments on the bonds and notes payable. Utility deposits of \$80,536 are also reported as restricted cash and cash equivalents.

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The City maintains a capitalization threshold of \$10,000 and a useful life of over one year.

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

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

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

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

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

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

Adoption of New GASB Pronouncements

GASB Statement No. 101, *Compensated Absences*. This statement was issued in June 2022 to recognize (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The statement also amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose the net change in the liability. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The City implemented this Statement for the fiscal year ended June 30, 2023, as reflected in Note 6.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement was issued in May 2002 to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The implementation of this statement had no material impact to the City.

Future Adoption of GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2023:

GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. Issued in June 2022, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective in fiscal year 2024.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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

Excess of Expenditures over Appropriations

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

Fund / Budget Category	Final Budget (Appropriation)	Actual	Amount of Over Expenditure
SEWER FUND			
Accounting and billing	33,989	40,001	(6,012)

Note 3 - Deposits and Investments

Deposits – The GASB has adopted U.S. GAAP, which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2023. 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.

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 3 - Deposits and Investments (continued)

Deposits (continued)

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, 2023, the total carrying amount of the City's deposits in various financial institutions was \$152,402 and the bank balance was \$738,023. All deposits are held in the name of the City. Of the bank balance, \$488,023 was not covered by federal depository insurance. However, the balance is covered by the State of Oregon shared liability structure for participating bank depositories in Oregon, as identified by the State's Treasurer.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of the quarter-end public fund deposits if they are adequately capitalized, or 110% of the quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

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, 2023, 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 2023. 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 FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 3 - Deposits and Investments (continued)

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, 2023, 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>\$ 20,534,583</u>

Cash and cash equivalents are comprised of the following as of June 30, 2023:

Cash on hand	\$ 356
Carrying amount of deposits	152,402
Local Government Investment Pool	<u>20,534,583</u>
Total	<u>\$ 20,687,341</u>

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

Governmental Activities	
Cash and cash equivalents	<u>\$ 9,541,539</u>
Total governmental activities	<u>9,541,539</u>
Business-type Activities	
Cash and cash equivalents	11,070,772
Restricted cash and cash equivalents	<u>75,030</u>
Total business-type activities	<u>11,145,802</u>
Total	<u>\$ 20,687,341</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 4 - Fair Value Measurements

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

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

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

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

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool.

LGIP balances are measured at amortized cost and are readily available to spend when needed. The balance in this pool is expected to stay fairly static as the interest rate in the pool is desirable. The risk associated with the LGIP is very low. The City only invests in the LGIP. The value of the City's investments as of June 30, 2023 was \$20,534,583.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 5 - Interfund Receivables and Payables

Outstanding balances between funds may result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. As of June 30, 2023, the City had one interfund receivable (payable) transfer in the amount of \$77,575 due from the Water Fund and due to the Electric Fund.

Note 6 –Compensated Absences

The changes in accrued compensated absences for the year ended June 30, 2023, are as follows:

	<u>Balance June 30, 2022</u>	<u>Net Change</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES				
Compensated absences	<u>\$ 140,365</u>	<u>\$ 29,647</u>	<u>\$ 170,012</u>	<u>\$ 170,012</u>
BUSINESS-TYPE ACTIVITIES				
Compensated absences	<u>\$ 189,471</u>	<u>\$ 35,261</u>	<u>\$ 224,732</u>	<u>\$ 224,732</u>

Note 7 - Internal Transfers

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 40,651	\$ -
General Obligation Bonds Debt Service Fund	-	(13,914)
Sewer Fund	10,500	-
Water Fund	-	(10,500)
Electric Fund	-	(26,737)
Total	<u>\$ 51,151</u>	<u>\$ (51,151)</u>

Transfers from the General fund of \$13,914 and \$26,737 were made to the General Obligation Bonds Debt Service Fund and Electric Fund, respectively. Additionally, a transfer of \$10,500 was made from the Sewer Fund to the Water Fund.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 8 - Capital Assets

Capital asset activity for the City for the fiscal year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Deletions and Transfers	Balance June 30, 2023
GOVERNMENTAL ACTIVITIES				
NONDEPRECIABLE CAPITAL ASSETS				
Land	\$ 2,392,764	\$ -	\$ (31,881)	\$ 2,360,883
Construction in progress	781,312	578,458	(1,064,502)	295,268
	<u>3,174,076</u>	<u>578,458</u>	<u>(1,096,383)</u>	<u>2,656,151</u>
DEPRECIABLE CAPITAL ASSETS				
Buildings	9,012,353	-	(4,750)	9,007,603
Land improvements	1,387,222	-	477,075	1,864,297
Furnishing and equipment	1,901,419	133,862	(44,471)	1,990,810
Streets	63,216,909	-	313,507	63,530,416
Storm drains	3,275,185	-	-	3,275,185
	<u>78,793,088</u>	<u>133,862</u>	<u>741,361</u>	<u>79,668,311</u>
ACCUMULATED DEPRECIATION				
Buildings	(2,845,519)	(228,557)	476	(3,073,600)
Land improvements	(394,675)	(45,896)	13,986	(426,585)
Furnishing and equipment	(1,477,385)	(51,259)	38,061	(1,490,583)
Streets	(58,419,849)	(475,711)	19,711	(58,875,849)
Storm drains	(1,680,330)	(97,858)	-	(1,778,188)
	<u>(64,817,758)</u>	<u>(899,281)</u>	<u>72,234</u>	<u>(65,644,805)</u>
Total depreciable assets	<u>13,975,330</u>	<u>(765,419)</u>	<u>813,595</u>	<u>14,023,506</u>
NET GOVERNMENTAL CAPITAL ASSETS	<u><u>\$ 17,149,406</u></u>	<u><u>\$ (186,961)</u></u>	<u><u>\$ (282,788)</u></u>	<u><u>\$ 16,679,657</u></u>

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

General government	\$ 677,422
Public safety	46,264
Highways and streets	43,152
Culture and recreation	132,443
	<u>\$ 899,281</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 8 - Capital Assets (continued)

	Balance June 30, 2022	Additions	Deletions and Transfers	Balance June 30, 2023
BUSINESS-TYPE ACTIVITIES				
NONDEPRECIABLE CAPITAL ASSETS				
Land	\$ 854,160	\$ -	\$ -	\$ 854,160
Construction in progress	632,765	1,792,066	(20,935)	2,403,896
Total nondepreciable capital assets	<u>1,486,925</u>	<u>1,792,066</u>	<u>(20,935)</u>	<u>3,258,056</u>
DEPRECIABLE CAPITAL ASSETS				
Buildings	4,713,702	-	-	4,713,702
Land improvements	48,868	-	-	48,868
Furnishing and equipment	2,558,471	67,898	8,634	2,635,003
Infrastructure	34,022,975	42,981	(163,080)	33,902,876
Total depreciable capital assets	<u>41,344,016</u>	<u>110,879</u>	<u>(154,446)</u>	<u>41,300,449</u>
ACCUMULATED DEPRECIATION				
Buildings	(2,500,379)	(116,152)	-	(2,616,531)
Land improvements	(4,117)	(2,443)	-	(6,560)
Furnishing and equipment	(1,838,497)	(90,628)	1,683	(1,927,442)
Infrastructure	(21,600,450)	(887,928)	148,890	(22,339,488)
Total accumulated depreciation	<u>(25,943,443)</u>	<u>(1,097,151)</u>	<u>150,573</u>	<u>(26,890,021)</u>
Total depreciable assets	<u>15,400,573</u>	<u>(986,272)</u>	<u>(3,873)</u>	<u>14,410,428</u>
NET BUSINESS-TYPE CAPITAL ASSETS	<u>\$ 16,887,498</u>	<u>\$ 805,794</u>	<u>\$ (24,808)</u>	<u>\$ 17,668,484</u>

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

Electric	\$ 570,206
Water	303,980
Sewer	222,965
	<u><u>\$ 1,097,151</u></u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 9 - Long-term Obligations

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

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

Business-Type Activities

Direct Borrowings

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 32,687	\$ 7,072	\$ 39,759
2025	34,233	5,526	39,759
2026	35,853	3,906	39,759
2027	37,548	2,211	39,759
2028	9,190	435	9,625
Total	<u>\$ 149,511</u>	<u>\$ 19,150</u>	<u>\$ 168,661</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 9 - Long-term Obligations (continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 61,450	\$ 7,819	\$ 69,269
2025	62,064	7,205	69,269
2026	62,685	6,584	69,269
2027	63,312	5,957	69,269
2028	63,945	5,324	69,269
2029-2033	329,445	16,901	346,346
2034-2035	139,022	2,101	141,123
Total	<u>\$ 781,923</u>	<u>\$ 51,891</u>	<u>\$ 833,814</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>
2024	\$ 75,106	\$ 90,662	\$ 165,768
2025	78,486	87,282	165,768
2026	82,018	83,750	165,768
2027	85,709	80,059	165,768
2028	89,566	76,202	165,768
2029-2033	512,038	316,802	828,840
2034-2038	638,093	190,747	828,840
2039-2041	453,687	41,331	495,018
Total	<u>\$ 2,014,703</u>	<u>\$ 966,835</u>	<u>\$ 2,981,538</u>

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 9 - Long-term Obligations (continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 30,830	\$ 23,179	\$ 54,009
2025	31,063	21,696	52,759
2026	36,366	20,143	56,509
2027	36,701	18,309	55,010
2028	42,035	16,473	58,508
2029-2033	235,634	49,911	285,545
2034	54,316	2,693	57,009
Total	<u>\$ 466,945</u>	<u>\$ 152,404</u>	<u>\$ 619,349</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 110,000	\$ 38,681	\$ 148,681
2025	115,000	35,306	150,306
2026	115,000	31,856	146,856
2027	120,000	28,331	148,331
2028	125,000	24,656	149,656
2029-2033	675,000	58,745	733,745
Total	<u>\$ 1,260,000</u>	<u>\$ 217,575</u>	<u>\$ 1,477,575</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 9 - Long-term Obligations (continued)

Governmental Activities

Direct Borrowings

2004 HWY 101 Sewer LID – The original loan date was October 2004 for \$417,698. The City paid an additional \$10,000 of principal during the fiscal year ending June 30, 2008 and renegotiated the term of the loan. Interest is computed bi-annually at 4.93%. During 2013, the City made an additional principal pay down of \$123,148. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,853	\$ 3,668	\$ 14,521
2025	10,240	4,281	14,521
2026	10,563	3,958	14,521
2027	10,896	3,625	14,521
2028	11,231	3,290	14,521
2029-2033	61,737	10,867	72,604
2034-2036	34,656	1,647	36,303
Total	<u>\$ 150,176</u>	<u>\$ 31,336</u>	<u>\$ 181,512</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 30,556	\$ 16,356	\$ 46,912
2025	30,795	14,867	45,662
2026	36,048	13,364	49,412
2027	36,313	11,599	47,912
2028	36,589	9,823	46,412
2029-2033	164,367	20,531	184,898
Total	<u>\$ 334,668</u>	<u>\$ 86,540</u>	<u>\$ 421,208</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 9 - Long-term Obligations (continued)

2012 Wedbush Refinancing of LoCap Loan – On November 28, 2012, the City entered into an agreement for a \$248,000 loan with Wedbush Bank to refinance their loan from 2008 to finance improvements to the community building. The Agency has agreed to make the annual debt service payments, but the City retains ultimate responsibility. There are no reserve requirements. This debt may be paid prior to maturity without penalty. Interest is computed semi-annually on the outstanding balance at a rate of 2.95% until maturity on December 1, 2022. The loan was paid in full during the year ended June 30, 2023.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,990	\$ 3,357	\$ 5,347
2025	2,109	3,238	5,347
2026	2,226	3,121	5,347
2027	2,350	2,997	5,347
2028	2,472	2,875	5,347
2029-2033	14,612	12,125	26,737
2034-2038	19,135	7,602	26,737
2039-2042	16,857	1,896	18,753
Total	<u>\$ 61,751</u>	<u>\$ 37,211</u>	<u>\$ 98,962</u>

CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 9 - Long-term Obligations (continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 248,098	\$ 91,761	\$ 339,859
2025	267,489	87,246	354,735
2026	287,643	82,378	370,021
2027	308,583	77,143	385,726
2028	329,672	71,526	401,198
2029-2033	2,004,449	259,172	2,263,621
2034-2036	1,595,900	59,827	1,655,727
Total	<u>\$ 5,041,834</u>	<u>\$ 729,053</u>	<u>\$ 5,770,887</u>

Summary of Long-term Obligations

The following is a summary of changes in long-term obligations during the fiscal year ended June 30, 2023:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
GOVERNMENTAL ACTIVITIES					
<i>Bonds Payable</i>					
2000 General obligation bonds	\$ 2,086,575	\$ -	\$ (71,872)	\$ 2,014,703	\$ 75,106
2012 General obligation bonds	1,365,000	-	(105,000)	1,260,000	110,000
2018 OECDD Water Clarification loan	497,494	-	(30,549)	466,945	30,830
2021 General obligation bonds	5,271,278	-	(229,444)	5,041,834	248,098
<i>Direct Borrowing</i>					
12th Court LID loan	63,617	-	(1,866)	61,751	1,990
Note payable - 2004 HWY 101 LID	297,611	-	(147,435)	150,176	10,853
2012 Wedbush LoCap refinance	14,202	-	(14,202)	-	-
2018 OECDD loan	364,997	-	(30,329)	334,668	30,556
Total governmental activities	<u>\$ 9,960,774</u>	<u>\$ -</u>	<u>\$ (630,697)</u>	<u>\$ 9,330,077</u>	<u>\$ 507,433</u>
BUSINESS-TYPE ACTIVITIES					
<i>Direct Borrowing</i>					
2006 OECDD loan	\$ 180,722	\$ -	\$ (31,211)	\$ 149,511	\$ 32,687
2015 Wastewater Improvement loan	842,765	-	(60,842)	781,923	61,450
Total business-type activities	<u>\$ 1,023,487</u>	<u>\$ -</u>	<u>\$ (92,053)</u>	<u>\$ 931,434</u>	<u>\$ 94,137</u>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 10 - Defined Benefit Pension Plans

OPERS Plan

Plan Description

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

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

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which was codified into ORS 238.435. This legislature created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to age 58 for Tier One.

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program. Membership includes public employees hired on or after August 29, 2003.

Beginning January 1, 2004, OPERS active Tier One and Tier Two members became members of the IAP or OPSRP. OPERS members retain their existing Regular or Variable (if applicable) accounts, but member contributions are now deposited into the member's IAP account. Accounts are credited with earnings and losses net of administrative expenses. OPSRP is part of PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

Tier One/Tier Two (Chapter 238)

Pension Benefits - The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for Police and Fire employees, 1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled to.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to \$210,582 as of January 1, 2022, and it is indexed with inflation every year.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 10 - Defined Benefit Pension Plans (continued)

Tier One/Tier Two (Chapter 238) (continued)

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

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

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

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

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 market value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

OPSRP Pension Program (Chapter 238A)

Pension Benefits – 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 a Police and Fire member is age 60 or age 53 with 25 years of retirement credit. To be classified as a Police and Fire member, the individual must have been employed continuously as a Police and Fire member for at least five years immediately preceding retirement.

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.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 10 - Defined Benefit Pension Plans (continued)

OPSRP Pension Program (Chapter 238A) (continued)

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to \$210,582 as of January 1, 2022, and is indexed with inflation every year.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits – Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years of age.

Disability Benefits – A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living (COLA). The COLA is capped at 2.0%.

Contributions

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

Member Contributions – Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the IAP. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers.

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

Employer contributions during the period July 1, 2021 through June 30, 2023, were and are based on the December 31, 2019 actuarial valuation, which became effective July 1, 2023. For the period July 1, 2022 through June 30, 2023, net employer contribution rates were 25.16 percent for Tier 1/Tier 2 employees and 20.45 percent for OPSRP General Employees and 24.81 percent for OPSRP Police and Fire Employees. Employer contributions for the year ended June 30, 2023 were \$625,347.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 10 - Defined Benefit Pension Plans (continued)

Pension Plan Annual Comprehensive Financial Report (ACFR)

OPERS prepares their financial statements in accordance with generally accepted accounting principles in the United States of America as set forth in Governmental Accounting Standards Board (GASB) pronouncements that apply to governmental accounting for fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

OPERS produces an independently audited ACFR which includes the OPEB plans and can be found at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Actuarial Valuation

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

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2020
Measurement date	June 30, 2022
Experience study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>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.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 10 - Defined Benefit Pension Plans (continued)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study, which reviewed experience for the four-year period ending on December 31, 2020

Discount Rate

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

Assumed Asset Allocation

Asset Class	Target Allocation
Cash	0.00%
Debt securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Risk parity	2.50%
Total	100.00%

Long-term Expected Rate of Return

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

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 10 - Defined Benefit Pension Plans (continued)

Long-term Expected Rate of Return (continued)

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

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global equity	30.62%	5.85%
Private equity	25.50%	7.71%
Core fixed income	23.75%	2.73%
Real estate	12.25%	5.66%
Master limited partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge fund of funds - multistrategy	1.25%	5.11%
Hedge fund equity - hedge	0.63%	5.31%
Hedge fund - macro	5.62%	5.06%
US cash	-2.50%	1.76%
	100.00%	
Assumed inflation - mean		2.40%

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

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

At June 30, 2023, the City reported a liability of \$3,815,714 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, (measurement date), the City’s proportion was approximately 0.02491975 percent.

For the year ended June 30, 2023, the City recognized a reduction in pension expense of \$84,626. The \$84,626 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to Governmental Activities, Sewer Fund, Water Fund and Electric Fund using allocation percentages of approximately 46 percent, 8 percent, 9 percent and 7 percent, respectively.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 10 - Defined Benefit Pension Plans (continued)

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

At June 30, 2023, 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	\$ 185,222	\$ 23,795
Change of assumptions	598,706	5,470
Net difference between projected and actual earnings on investments	-	682,176
Changes in proportionate share	546,600	193,994
Difference between employer contributions and employer's proportionate share of system contributions	30,985	372,907
Contribution subsequent to the measurement date	625,347	-
Total	\$ 1,986,860	\$ 1,278,342

\$625,347 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024.

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

Year ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2024	\$ 11,033
2025	(58,674)
2026	(262,294)
2027	362,868
2028	30,238
Total	\$ 83,171

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 10 - Defined Benefit Pension Plans (continued)

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

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

<u>Plan Liability/(Asset)</u>	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Defined Benefit Pension	\$ 6,766,838	\$ 3,815,714	\$ 1,345,759

Changes in Assumptions and Methods

A summary of key changes implemented since the December 31, 2020 valuation are noted below. Additional detail and list of changes can be found in the 2020 Experience Study for the System, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2022/Actuarial-Valuation-Results.pdf>

Assumption Changes

- There were no changes to actuarial assumptions since the December 31, 2020 actuarial valuation.

Actuarial Methods

- There were no changes to actuarial methods since the December 31, 2020 actuarial valuation.

Plan Changes

- There were no changes to plan provisions valued since the December 31, 2020 actuarial valuation. The provisions of Senate Bill 111 and House Bill 2906, both enacted in June 2021, were reflected in the December 31, 2020 actuarial valuation.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 10 - Defined Benefit Pension Plans (continued)

Defined Contribution Plan – Individual Account Program (IAP)

Benefit Terms – The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. 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. The accounts fall under Internal Revenue Code Section 401(a).

Upon retirement, a member of the 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 amount, or the frequency of the installments will be adjusted to reach that minimum.

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

Contributions – Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 per month (increased to \$3,333 per month in 2022), 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

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

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 11 - Other Post-Employment Benefits (OPEB)

City County Insurance Services (CIS)

Plan Description

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

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

Benefits Provided

All employees of the government retiring from active service with a pension benefit payable immediately under Oregon PERS is eligible. Retirees and their dependents under age 65 are allowed to continue the health care coverage received prior to retirement. Premiums for retirees are tiered and based upon the premium rate available to active employees. The retiree is responsible for any portion of the premiums not paid by the City.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the implicit benefit terms:

Active employees	20
Eligible retirees	2
Spouses of ineligible retirees	0
Total participants	<u>22</u>

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

As of June 30, 2023, the government reported a total OPEB liability of \$244,820. Total OPEB liability is determined using the entry age normal actuarial cost allocation method. In addition, GASB 75 requires that the allocation of costs for accounting purposes be made as a level percentage of employees’ projected pay, including future anticipated pay increases. This measurement is based on the July 1, 2022 valuation date and a June 30, 2022 measurement date.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 11 - Other Post-Employment Benefits (OPEB) (continued)

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

	Total OPEB Liability
Balance as of June 30, 2022	\$ 189,799
Changes for the year:	
Service Cost	8,250
Interest on total OPEB liability	4,131
Effect of economic/demographic gains or losses	75,699
Effect of assumptions changes or inputs	(19,385)
Benefit payments	(13,674)
Balance as of June 30, 2023	\$ 244,820

For the year ended June 30, 2023, the City recognized OPEB expense of \$22,930. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,567	\$ -
Changes of assumptions	8,250	16,534
Contributions subsequent to the measurement date	27,113	-
Total	\$ 99,930	\$ 16,534

\$27,113 reported as deferred outflows of resources related to OPEB resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2024	\$ 10,549
2025	10,549
2026	10,549
2027	9,676
2028	8,332
Thereafter	6,628
Total	\$ 56,283

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 11 - Other Post-Employment Benefits (OPEB) (continued)

Actuarial methods and assumptions.

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

In the July 1, 2022 actuarial valuation, the entry age normal cost method was used. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2020.

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Salary increases	3.40 percent
Withdrawal, retirement, and mortality rates	December 31, 2021 Oregon PERS valuation
Election and lapse rates	35% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate

Discount rate. Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions reflect the Bond Buyer 20-Year General Obligation Bond Index. The discount rate in effect for the June 30, 2023 reporting date is 3.54 percent. The previous year discount rate was 2.16 percent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 258,502	\$ 244,820	\$ 231,849

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 11 - Other Post-Employment Benefits (OPEB) (continued)

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate 4.25% trending up to 6.75% then back down to 3.75%	1% Increase
Total OPEB Liability	\$ 228,935	\$ 244,820	\$ 262,696

Changes in Assumptions and Methods

A summary of key changes implemented since the July 1, 2020 valuation are noted below.

Discount Rates

- Updated to reflect the requirement of GASB 75 as well as economic conditions as of the measurement dates.

Expected Claims and Premiums

- Updated to reflect changes in available benefits and premium levels. Expected retiree and dependent costs were updated to reflect current health cost guidelines.

Health Care Cost Trend

- Health care cost trend was updated to reflect changes in current premium levels, as well as future expected economic conditions, and is based on a model circulated by the Society of Actuaries.

Withdrawal and Retirement Rates, Salary Scale, Inflation, Spouse Age Difference, Mortality Improvement Scale

- Updated to reflect assumptions used in the Oregon PERS December 31, 2021 actuarial valuation.

Future Retiree Coverage

- In the prior valuation, 40% of members were assumed to elect coverage upon retirement.

Retirement Health Insurance Account (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 post-employment benefit plan administered by OPERS. ORS 238.420 established the trust fund and authorizes a payment of up to \$60 from RHIA toward the monthly cost of \$60 from RHIA toward the monthly cost of health insurance for eligible OPERS members. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, 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 a OPERS-sponsored health plan.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 11 - Other Post-Employment Benefits (OPEB) (continued)

Retirement Health Insurance Account (RHIA) (continued)

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.

Contributions

Employer Contributions – OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and OPEB plans. The contribution rates in effect for the fiscal year ended June 30, 2023 for the OPEB program were: Tier1/Tier 2 – 0.05%, and OPSRP general service – 0.00%. The City contributed \$506 for the year ended June 30, 2023.

Actuarial Valuation

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 10 – Defined Benefit Pension Plan* except the table listed below:

Actuarial Methods and Assumptions Used in Developing Total Postemployment Benefit Liability

Actuarial assumptions:

Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Cost-of-living adjustments (COLA)	Not applicable

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

At June 30, 2023 the City reported an asset of \$79,345 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022 and the total OPEB liability to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The City's proportion of the net OPEB asset was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2022 (measurement date), the City's proportion was 0.02232965 percent.

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 11 - Other Post-Employment Benefits (OPEB) (continued)

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

For the year ended June 30, 2023, the City recognized a reduction in OPEB expense of (\$165,017). The \$165,017 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to Governmental Activities, Sewer Fund, Water Fund, and Electric Fund using allocation percentages of approximately 46 percent, 8 percent, 9 percent, and 36 percent respectively. As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,150
Change of assumptions	621	2,645
Net difference between projected and actual earnings on investments	-	6,051
Changes in proportionate share	-	1,538
Contribution subsequent to the measurement date	506	-
Total	\$ 1,127	\$ 12,384

\$506 reported as deferred outflows of resources related to OPEBs resulting from government contributions subsequent to the measurement date will be recognized as an addition to the net OPEB asset in the year ended June 30, 2024.

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

Year ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2024	\$ (6,028)
2025	(3,855)
2026	(3,819)
2027	1,939
2028	-
Total	\$ (11,763)

**CITY OF BANDON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 11 - Other Post-Employment Benefits (OPEB) (continued)

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Liability (Asset)	\$ (71,512)	\$ (79,345)	\$ (86,060)

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

Note 12 - Commitments - Construction in Progress

At June 30, 2023, the City is involved in the various phases of improvement projects. There were no significant contract commitments at year end.

Note 13 - Contingent Liabilities

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

Note 14 - Risk Management

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

Note 15 - Tax Abatements

The City has entered into no tax abatement programs. There are no tax abatement programs entered into by another government reducing the City’s property tax revenues for the year ended June 30, 2023.



**| REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes and assessments				
Property taxes - current year, net	\$ 215,975	\$ 215,975	\$ 230,186	\$ 14,211
Previously levied taxes	11,140	11,140	5,247	(5,893)
Franchise fees	82,600	82,600	93,667	11,067
Utility taxes	532,090	532,090	549,134	17,044
Transient tax	803,289	1,198,146	1,424,680	226,534
Total taxes	<u>1,645,094</u>	<u>2,039,951</u>	<u>2,302,914</u>	<u>262,963</u>
License and permits	<u>305,152</u>	<u>305,152</u>	<u>251,845</u>	<u>(53,307)</u>
Intergovernmental				
Cigarette tax	2,451	2,451	2,344	(107)
Marijuana tax	8,500	8,500	5,321	(3,179)
Liquor tax	59,695	59,695	69,142	9,447
Total intergovernmental	<u>70,646</u>	<u>70,646</u>	<u>76,807</u>	<u>6,161</u>
Fines and police income	<u>81,000</u>	<u>81,000</u>	<u>127,469</u>	<u>46,469</u>
Payments in lieu of taxes				
Electric fund	375,000	375,000	377,163	2,163
Water fund	62,814	62,814	65,168	2,354
Sewer fund	61,020	61,020	60,525	(495)
Heritage Place	2,838	2,838	1,780	(1,058)
Total payments in lieu of taxes	<u>501,672</u>	<u>501,672</u>	<u>504,636</u>	<u>2,964</u>
Reimbursements	<u>506,767</u>	<u>506,767</u>	<u>556,120</u>	<u>49,353</u>
Other				
Interest	9,000	9,000	62,272	53,272
Community center rent	15,500	15,500	31,718	16,218
Rental	11,926	11,926	11,926	-
Sprague theater rent	15,000	15,000	17,708	2,708
Grants and donations	41,850	41,850	159,039	117,189
Miscellaneous	359,412	359,412	397,238	37,826
Total other	<u>452,688</u>	<u>452,688</u>	<u>679,901</u>	<u>227,213</u>
TOTAL REVENUES	<u>\$ 3,563,019</u>	<u>\$ 3,957,876</u>	<u>\$ 4,499,692</u>	<u>\$ 541,816</u>

NOTE TO SCHEDULE:

The Revenue Stabilization Fund combines with the General Fund for financial reporting purposes. See combining schedule which reconciles the General Fund to the generally accepted accounting principles presentation (page 55).

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
General government				
Administration and general	\$ 306,282	\$ 395,011 (1)	\$ 331,088	\$ 63,923
Accounting and billing	361,118	403,577 (1)	336,977	66,600
Municipal court	8,600	8,600 (1)	5,603	2,997
Mayor and council	25,715	25,715 (1)	14,122	11,593
Planning department	246,372	300,142 (1)	275,234	24,908
Non-departmental	<u>1,020,645</u>	<u>1,020,645 (2)</u>	<u>252,346</u>	<u>768,299</u>
Total general government	<u>1,968,732</u>	<u>2,153,690</u>	<u>1,215,370</u>	<u>938,320</u>
Public safety				
Police department	1,317,309	1,448,591 (1)	1,423,305	25,286
Fire department	<u>121,664</u>	<u>121,664 (1)</u>	<u>121,664</u>	<u>-</u>
Total public safety	<u>1,438,973</u>	<u>1,570,255</u>	<u>1,544,969</u>	<u>25,286</u>
Highway and streets				
Street department	<u>280,500</u>	<u>353,573 (1)</u>	<u>241,309</u>	<u>112,264</u>
Total highway and streets	<u>280,500</u>	<u>353,573</u>	<u>241,309</u>	<u>112,264</u>
Culture and recreation				
Parks and recreation	242,395	242,395 (1)	180,659	61,736
Community center	76,274	81,818 (1)	67,643	14,175
Sprague theater	<u>35,500</u>	<u>35,500 (1)</u>	<u>22,723</u>	<u>12,777</u>
Total culture and recreation	<u>354,169</u>	<u>359,713</u>	<u>271,025</u>	<u>88,688</u>
TOTAL EXPENDITURES	<u>4,042,374</u>	<u>4,437,231</u>	<u>3,272,673</u>	<u>1,164,558</u>
NET REVENUES OVER (UNDER) EXPENDITURES	<u>(479,355)</u>	<u>(479,355)</u>	<u>1,227,019</u>	<u>1,706,374</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	27,000	27,000	40,651	13,651
Transfer to other funds	<u>(600,000)</u>	<u>(600,000) (2)</u>	<u>(600,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(573,000)</u>	<u>(573,000)</u>	<u>(559,349)</u>	<u>13,651</u>
NET CHANGE IN FUND BALANCE	(1,052,355)	(1,052,355)	667,670	1,720,025
FUND BALANCE, beginning of year	<u>1,324,206</u>	<u>1,324,206</u>	<u>2,186,662</u>	<u>862,456</u>
FUND BALANCE, end of year	<u>\$ 271,851</u>	<u>\$ 271,851</u>	<u>\$ 2,854,332</u>	<u>\$ 2,582,481</u>
(1) Appropriation level				
(2) Appropriation level summary Non-departmental	<u>\$ 1,620,645</u>	<u>\$ 1,620,645</u>	<u>\$ 852,346</u>	<u>\$ 768,299</u>

NOTE TO SCHEDULE:

The Revenue Stabilization Fund combines with the General Fund for financial reporting purposes. See combining schedule which reconciles the General Fund to the generally accepted accounting principles presentation (page 55).

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
URBAN RENEWAL DISTRICT NO. 1 FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Property taxes - current year	\$ 365,140	\$ 365,140	\$ 383,604	\$ 18,464
Previously levied taxes	20,285	20,285	10,852	(9,433)
Interest	3,500	3,500	18,165	14,665
Payments in lieu of taxes	12,602	12,602	5,741	(6,861)
Other	-	-	1,650	1,650
Total revenues	<u>401,527</u>	<u>401,527</u>	<u>420,012</u>	<u>18,485</u>
EXPENDITURES				
General government				
Materials and services	126,338	126,338 (1)	124,238	2,100
Capital outlay	544,257	544,257 (1)	526,626	17,631
Debt service	395,593	395,593 (1)	195,593	200,000
Total expenditures	<u>1,066,188</u>	<u>1,066,188</u>	<u>846,457</u>	<u>219,731</u>
NET CHANGE IN FUND BALANCE	(664,661)	(664,661)	(426,445)	238,216
FUND BALANCE, beginning of year	<u>857,183</u>	<u>857,183</u>	<u>925,464</u>	<u>68,281</u>
FUND BALANCE, end of year	<u>\$ 192,522</u>	<u>\$ 192,522</u>	<u>\$ 499,019</u>	<u>\$ 306,497</u>

(1) Appropriation level

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City proportion of the net pension liability/(asset)	0.0249198%	0.0209291%	0.0222466%	0.0224150%	0.0239113%
City proportion of the net pension liability/(asset)	\$ 3,815,714	\$ 2,504,481	\$ 4,854,967	\$ 3,877,265	\$ 3,234,154
Covered payroll	\$ 2,578,870	\$ 2,442,667	\$ 2,328,102	\$ 2,291,800	\$ 2,170,659
Proportionate share of the pension liability/(asset) as a percentage of its covered payroll	147.96%	102.53%	208.54%	169.18%	148.99%
Plan fiduciary net position as a percentage of the total pension liability	84.50%	87.60%	75.79%	80.20%	82.07%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City proportion of the net pension liability/(asset)	0.0239922%	0.0254823%	0.0311246%	0.0313051%	0.0313051%
City proportion of the net pension liability/(asset)	\$ 3,234,154	\$ 3,825,491	\$ 1,787,009	\$ (709,597)	\$ 1,597,545
Covered payroll	\$ 2,182,895	\$ 2,210,369	\$ 2,091,533	\$ 1,940,273	\$ 1,940,273
Proportionate share of the pension liability/(asset) as a percentage of its covered payroll	148.16%	173.07%	85.44%	-36.57%	82.34%
Plan fiduciary net position as a percentage of the total pension liability	83.12%	80.53%	91.88%	103.59%	91.97%

City of Bandon Contributions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 625,347	\$ 578,958	\$ 489,947	\$ 472,958	\$ 380,444
Contribution in relation to the contractually required	<u>(625,347)</u>	<u>(578,958)</u>	<u>(489,947)</u>	<u>(472,958)</u>	<u>(380,444)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,883,690	\$ 2,578,870	\$ 2,442,667	\$ 2,328,102	\$ 2,291,800
Contributions as a percentage of covered payroll	21.69%	22.45%	20.06%	20.32%	16.60%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 356,422	\$ 307,903	\$ 302,415	\$ 372,960	\$ 387,070
Contribution in relation to the contractually required	<u>(356,422)</u>	<u>(307,903)</u>	<u>(302,415)</u>	<u>(372,960)</u>	<u>(387,070)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,170,659	\$ 2,182,895	\$ 2,210,369	\$ 2,091,533	\$ 1,940,273
Contributions as a percentage of covered payroll	16.42%	14.11%	13.68%	17.83%	19.95%

Note 1 - Changes of Benefit Terms and Assumptions -

Significant Methods and Assumptions:

A summary of assumption changes implemented since the December 31, 2022 valuation are outlined briefly in *Note 10* in the notes to the basic financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2022 Experience Study for the system, which was published on July 20, 2022, and can be found at:

https://www.oregon.gov/pers/Documents/Financials/Actuarial/2023/2022_Exp_Study.pdf

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City proportion of the net OPEB liability/(asset)	0.02232965%	0.02199297%	0.01996475%	0.02045079%	0.01995543%	0.02056675%
City's proportion of the net OPEB liability/(asset)	\$ (79,345)	\$ (75,524)	\$ (40,680)	\$ (39,519)	\$ (22,276)	\$ (8,583)
City's covered-employee payroll	\$ 2,578,870	\$ 2,442,667	\$ 2,328,102	\$ 2,291,800	\$ 2,170,659	\$ 2,182,895
City's proportionate share of the net OPEB liability/(asset) as a percentage of its covered-employee payroll	-3.08%	3.09%	1.75%	1.72%	1.03%	0.39%
Plan fiduciary net position as a percentage of the total OPEB liability	194.60%	183.90%	150.10%	144.40%	123.99%	108.88%

City of Bandon Contributions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 506	\$ 550	\$ 588	\$ 1,426	\$ 10,136	\$ 9,662
Contribution in relation to the contractually required	(506)	(550)	(588)	(1,426)	(10,136)	(9,662)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered - employee payroll	\$ 2,883,690	\$ 2,578,870	\$ 2,442,667	\$ 2,328,102	\$ 2,291,800	\$ 2,170,659
Contributions as a percentage of covered-employee payroll	0.02%	0.02%	0.02%	0.06%	0.44%	0.45%

Note 1 - Changes of Benefit Terms and Assumptions -

Significant Methods and Assumptions:

A summary of assumption changes implemented since the December 31, 2022 valuation are outlined briefly in *Note 11* in the notes to the basic financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the system, which was published on July 20, 2022, and can be found at:

https://www.oregon.gov/pers/Documents/Financials/Actuarial/2023/2022_Exp_Study.pdf

Other Information:

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

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

	2023	2022	2021
Total OPEB Liability			
Service Interest	\$ 8,250	\$ 8,007	\$ 6,175
Interest	4,131	4,223	6,112
Changes of economic/demographic gains or (losses)	75,699	-	-
Changes of assumption	(19,385)	561	14,408
Benefit payments	(13,674)	(12,062)	(12,062)
Net change in total OPEB liability	55,021	729	14,633
Total OPEB liability - beginning	189,799	189,070	174,437
Total OPEB liability - ending	<u>\$ 244,820</u>	<u>\$ 189,799</u>	<u>\$ 189,070</u>
Covered-employee payroll	\$ 2,578,870	\$ 2,442,667	\$ 2,328,102
Total OPEB liability as a percentage of covered-employee payroll	9.49%	7.77%	8.12%

Note 1 - Benefit Terms and Assumptions -

Significant Methods and Assumptions:

The amounts presented for each fiscal year were actuarially determined at July 1 and rolled forward to the measurement date. A summary of assumptions used in the July 1, 2022 valuation are outlined briefly in *Note 11* in the notes to the basic financial statements.

Other Information:

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

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| OTHER SUPPLEMENTARY
INFORMATION

**CITY OF BANDON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	General Fund - Budgetary Basis	Revenue Stablization Fund	Total General Fund
REVENUES			
Taxes	\$ 2,302,914	\$ -	\$ 2,302,914
Licenses and permits	251,845	-	251,845
Intergovernmental	76,807	-	76,807
Payments in lieu of taxes	504,636	-	504,636
Fines and police income	127,469	-	127,469
Interest	62,272	10,100	72,372
Reimbursements	556,120	-	556,120
Miscellaneous	617,629	-	617,629
	<u>4,499,692</u>	<u>10,100</u>	<u>4,509,792</u>
EXPENDITURES			
Current			
General government	1,215,370	-	1,215,370
Public safety	1,544,969	-	1,544,969
Highways and streets	241,309	-	241,309
Culture and recreation	271,025	-	271,025
	<u>3,272,673</u>	<u>-</u>	<u>3,272,673</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>1,227,019</u>	<u>10,100</u>	<u>1,237,119</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	40,651	600,000	640,651
Transfers out	(600,000)	-	(600,000)
	<u>(559,349)</u>	<u>600,000</u>	<u>40,651</u>
NET CHANGE IN FUND BALANCE			
	667,670	610,100	1,277,770
FUND BALANCE, beginning of year			
	<u>2,186,662</u>	<u>-</u>	<u>2,186,662</u>
FUND BALANCE, end of year			
	<u>\$ 2,854,332</u>	<u>\$ 610,100</u>	<u>\$ 3,464,432</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REVENUE STABILIZATION FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 10,100	\$ 10,100
Total revenues	-	-	10,100	10,100
EXPENDITURES				
Contingency	600,000	600,000	-	600,000
Total expenditures	600,000	600,000 (1)	-	600,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(600,000)	(600,000)	10,100	610,100
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	600,000	600,000	-
NET CHANGE IN FUND BALANCE	-	-	610,100	610,100
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 610,100	\$ 610,100

(1) Appropriation level

NOTE TO SCHEDULE:

The Revenue Stabilization Fund combines with the General Fund for financial reporting purposes. See combining schedule which reconciles the General Fund to the generally accepted accounting principles presentation (page 55).

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
12TH COURT LID DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Special assessments	\$ 2,098	\$ 127,098	\$ 131,779	\$ 4,681
Interest	1,200	1,200	8,155	6,955
Total revenues	<u>3,298</u>	<u>128,298</u>	<u>139,934</u>	<u>11,636</u>
EXPENDITURES				
Debt service	<u>39,385</u>	<u>164,385</u>	<u>163,607</u>	
Total expenditures	<u>39,385</u>	<u>164,385 (1)</u>	<u>163,607</u>	<u>778</u>
NET CHANGE IN FUND BALANCE	(36,087)	(36,087)	(23,673)	12,414
FUND BALANCE, beginning of year	<u>226,782</u>	<u>226,782</u>	<u>226,781</u>	<u>(1)</u>
FUND BALANCE, end of year	<u>\$ 190,695</u>	<u>\$ 190,695</u>	<u>\$ 203,108</u>	<u>\$ 12,413</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes	\$ 570,617	\$ 570,617	\$ 599,193	\$ 28,576
Out-of-city contributions	39,000	39,000	40,287	1,287
Payments in lieu of taxes	18,240	18,240	2,997	(15,243)
Interest	2,150	2,150	15,319	13,169
Total revenues	<u>630,007</u>	<u>630,007</u>	<u>657,796</u>	<u>27,789</u>
EXPENDITURES				
Debt service	<u>629,142</u>	<u>629,142</u>	<u>546,408</u>	
Total expenditures	<u>629,142</u>	<u>629,142 (1)</u>	<u>546,408</u>	<u>82,734</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	865	865	111,388	(54,945)
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>-</u>	<u>- (1)</u>	<u>(13,914)</u>	
NET CHANGE IN FUND BALANCE	865	865	97,474	96,609
FUND BALANCE, beginning of year	<u>462,929</u>	<u>462,929</u>	<u>457,060</u>	<u>(5,869)</u>
FUND BALANCE, end of year	<u>\$ 463,794</u>	<u>\$ 463,794</u>	<u>\$ 554,534</u>	<u>\$ 90,740</u>
(1) Appropriation Level Summary	<u>\$ 629,142</u>	<u>\$ 629,142</u>	<u>\$ 560,322</u>	<u>\$ 68,820</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL OPTION STREET FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Property taxes - current year	\$ 447,375	\$ 447,375	\$ 476,240	\$ 28,865
Previously levied taxes	17,000	17,000	10,832	(6,168)
Interest	8,065	8,065	57,450	49,385
Payments in lieu of tax	16,961	16,961	6,581	(10,380)
	<u>489,401</u>	<u>489,401</u>	<u>551,103</u>	<u>61,702</u>
Total revenues				
EXPENDITURES				
Local Option Street				
Capital outlay	-	-	91,563	
Contingency	150,000	150,000	-	
	<u>150,000</u>	<u>150,000</u>	<u>-</u>	
	<u>150,000</u>	<u>150,000</u>	<u>91,563</u>	<u>58,437</u>
Total expenditures				
NET CHANGE IN FUND BALANCE	339,401	339,401	459,540	120,139
FUND BALANCE, beginning of year	<u>1,646,401</u>	<u>1,646,401</u>	<u>1,708,034</u>	<u>61,633</u>
FUND BALANCE, end of year	<u>\$ 1,985,802</u>	<u>\$ 1,985,802</u>	<u>\$ 2,167,574</u>	<u>\$ 181,772</u>

(1) Appropriation Level

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**CITY OF BANDON
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

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

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

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

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

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

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

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

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

Tourism Development Fund – This fund is used to account for tourism promotion and the creation and maintenance of tourism-related facilities in the City.

Debt Service Funds

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

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

CITY OF BANDON
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Capital Projects Funds

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

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

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

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

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

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

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

**CITY OF BANDON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 798,422	\$ 56,227	\$ 2,155,209	\$ 3,009,858
Receivables				
Property taxes	18,680	-	15,814	34,494
Accounts	3,868	-	-	3,868
Notes receivable				
Notes/Loans receivable	18,821	-	-	18,821
Special assessments	-	-	25,949	25,949
TOTAL ASSETS	<u>\$ 839,791</u>	<u>\$ 56,227</u>	<u>\$ 2,196,972</u>	<u>\$ 3,092,990</u>
LIABILITIES				
Accounts payable	\$ 1,612	\$ -	\$ 3,667	\$ 5,279
Accrued payroll and benefits	10,748	-	-	10,748
Total liabilities	<u>12,360</u>	<u>-</u>	<u>3,667</u>	<u>16,027</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	-	-	13,521	13,521
Loans	18,821	-	-	18,821
Assessments	-	-	25,949	25,949
Total deferred inflows of resources	<u>18,821</u>	<u>-</u>	<u>39,470</u>	<u>58,291</u>
FUND BALANCE				
Restricted	562,748	56,227	2,099,677	2,718,652
Committed	245,862	-	54,158	300,020
Total fund balances	<u>808,610</u>	<u>56,227</u>	<u>2,153,835</u>	<u>3,018,672</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 839,791</u>	<u>\$ 56,227</u>	<u>\$ 2,196,972</u>	<u>\$ 3,092,990</u>

CITY OF BANDON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 273,386	\$ -	\$ 189,401	\$ 462,787
Intergovernmental	479,325	-	-	479,325
System development charges	-	-	117,574	117,574
Special assessments	-	-	1,034	1,034
Interest	22,706	1,593	61,382	85,681
Contributions and donations	24,450	-	-	24,450
Other	83,962	-	-	83,962
Total revenues	<u>884,629</u>	<u>1,593</u>	<u>370,246</u>	<u>1,256,468</u>
EXPENDITURES				
General government	-	-	55,745	55,745
Public safety	36,386	-	-	36,386
Highways and streets	256,456	-	-	256,456
Culture and recreation	496,334	-	-	496,334
Capital outlay	6,900	-	316,700	323,600
Debt service	-	-	14,413	14,413
Total expenditures	<u>796,076</u>	<u>-</u>	<u>386,858</u>	<u>1,182,934</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>88,553</u>	<u>1,593</u>	<u>(16,612)</u>	<u>73,534</u>
OTHER FINANCING SOURCES (USES)				
Loan principal	2,611	-	-	2,611
Loan interest	689	-	-	689
Total other financing sources (uses)	<u>3,300</u>	<u>-</u>	<u>-</u>	<u>3,300</u>
NET CHANGE IN FUND BALANCE	91,853	1,593	(16,612)	76,834
FUND BALANCES, beginning of year	<u>716,757</u>	<u>54,634</u>	<u>2,170,447</u>	<u>2,941,838</u>
FUND BALANCES, end of year	<u>\$ 808,610</u>	<u>\$ 56,227</u>	<u>\$ 2,153,835</u>	<u>\$ 3,018,672</u>

**CITY OF BANDON
SUB-COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2023**

	State Tax Street	Library Memorial	Library	Community Beautification
ASSETS				
Cash and cash equivalents	\$ 264,712	\$ 96,521	\$ 163,017	\$ 7,087
Property tax receivable	-	-	18,680	-
Accounts receivable	-	-	-	3,868
Loans receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 264,712</u>	<u>\$ 96,521</u>	<u>\$ 181,697</u>	<u>\$ 10,955</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,612	\$ -
Accrued payroll and benefits	4,268	-	6,480	-
Total liabilities	<u>4,268</u>	<u>-</u>	<u>8,092</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue				
Loans	-	-	-	-
Fund balances				
Restricted	260,444	96,521	-	-
Committed	-	-	173,605	10,955
Total fund balances	<u>260,444</u>	<u>96,521</u>	<u>173,605</u>	<u>10,955</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 264,712</u>	<u>\$ 96,521</u>	<u>\$ 181,697</u>	<u>\$ 10,955</u>

**CITY OF BANDON
SUB-COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023**

	State Revenue Sharing	Block Grant	Police Reserve	Total
ASSETS				
Cash and cash equivalents	\$ 61,302	\$ 146,461	\$ 59,322	\$ 798,422
Property tax receivable	-	-	-	18,680
Accounts receivable	-	-	-	3,868
Loans receivable	-	18,821	-	18,821
TOTAL ASSETS	\$ 61,302	\$ 165,282	\$ 59,322	\$ 839,791
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,612
Accrued payroll and benefits	-	-	-	10,748
Total liabilities	-	-	-	12,360
Deferred Inflows of Resources:				
Unavailable revenue				
Loans	-	18,821	-	18,821
Fund balances				
Restricted	-	146,461	59,322	562,748
Committed	61,302	-	-	245,862
Total fund balances	61,302	146,461	59,322	808,610
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 61,302	\$ 165,282	\$ 59,322	\$ 839,791

**CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2023**

	State Tax Street	Library Memorial	Library	Community Beautification
REVENUES				
Taxes	\$ 273,386	\$ -	\$ -	\$ -
Intergovernmental	-	-	431,050	-
Interest	7,217	2,734	5,899	161
Contributions and donations	-	-	13,000	-
Other	-	-	14,617	55,812
Total revenues	280,603	2,734	464,566	55,973
EXPENDITURES				
Current				
Public safety	-	-	-	-
Highways and streets	256,456	-	-	-
Culture and recreation	-	-	434,840	61,494
Capital outlay	-	-	-	-
Total expenditures	256,456	-	434,840	61,494
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,147	2,734	29,726	(5,521)
OTHER FINANCING SOURCES (USES)				
Loan forgiven with property purchase	-	-	-	-
Loan repayment	-	-	-	-
Loan interest	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	24,147	2,734	29,726	(5,521)
FUND BALANCES, beginning of year	236,297	93,787	143,879	16,476
FUND BALANCES, end of year	\$ 260,444	\$ 96,521	\$ 173,605	\$ 10,955

CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	State Revenue Sharing	Block Grant	Police Reserve	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 273,386
Intergovernmental	48,275	-	-	479,325
Interest	1,197	3,783	1,715	22,706
Contributions and donations	-	-	11,450	24,450
Other	-	13,533	-	83,962
Total revenues	49,472	17,316	13,965	884,629
EXPENDITURES				
Current				
Public safety	30,208	-	6,178	36,386
Highways and streets	-	-	-	256,456
Culture and recreation	-	-	-	496,334
Capital outlay	-	6,900	-	6,900
Total expenditures	30,208	6,900	6,178	796,076
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	19,264	10,416	7,787	88,553
OTHER FINANCING SOURCES (USES)				
Loan forgiven with property purchase	-	-	-	-
Loan repayment	-	2,611	-	2,611
Loan interest	-	689	-	689
Total other financing sources (uses)	-	3,300	-	3,300
NET CHANGE IN FUND BALANCE	19,264	13,716	7,787	91,853
FUND BALANCES, beginning of year	42,038	132,745	51,535	716,757
FUND BALANCES, end of year	\$ 61,302	\$ 146,461	\$ 59,322	\$ 808,610

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE TAX STREET FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
State street tax	\$ 244,584	\$ 244,584	\$ 273,386	\$ 28,802
Interest	1,270	1,270	7,217	5,947
Total revenues	<u>245,854</u>	<u>245,854</u>	<u>280,603</u>	<u>34,749</u>
EXPENDITURES				
Highways and streets				
Personnel services	252,359	252,359	256,456	
Materials and services	80,000	80,000	-	
Total expenditures	<u>332,359</u>	<u>332,359 (1)</u>	<u>256,456</u>	<u>75,903</u>
NET CHANGE IN FUND BALANCE	(86,505)	(86,505)	24,147	110,652
FUND BALANCES, beginning of year	<u>216,021</u>	<u>216,021</u>	<u>236,297</u>	<u>20,276</u>
FUND BALANCES, end of year	<u>\$ 129,516</u>	<u>\$ 129,516</u>	<u>\$ 260,444</u>	<u>\$ 130,928</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY MEMORIAL FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 542	\$ 542	\$ 2,734	\$ 2,192
Contributions and donations	200	200	-	(200)
Total revenues	<u>742</u>	<u>742</u>	<u>2,734</u>	<u>1,992</u>
EXPENDITURES				
Culture and recreation				
Capital outlay	<u>27,987</u>	<u>27,987</u>	<u>-</u>	
Total expenditures	<u>27,987</u>	<u>27,987</u> (1)	<u>-</u>	<u>27,987</u>
NET CHANGE IN FUND BALANCE	(27,245)	(27,245)	2,734	29,979
FUND BALANCE, beginning of year	<u>93,745</u>	<u>93,745</u>	<u>93,787</u>	<u>42</u>
FUND BALANCE, end of year	<u>\$ 66,500</u>	<u>\$ 66,500</u>	<u>\$ 96,521</u>	<u>\$ 30,021</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental				
County library support	\$ 419,584	\$ 419,584	\$ 431,050	\$ 11,466
Contributions and donations	16,000	16,000	13,000	(3,000)
Interest	370	370	5,899	5,529
Other	6,650	6,650	14,617	7,967
	<u>442,604</u>	<u>442,604</u>	<u>464,566</u>	<u>21,962</u>
Total revenues				
EXPENDITURES				
Culture and recreation				
Personnel services	336,489	336,489	362,817	
Materials and services	83,200	83,200	72,023	
Contingency	99,294	99,294	-	
	<u>518,983</u>	<u>518,983</u>	<u>434,840</u>	<u>84,143</u>
Total expenditures				
NET REVENUES OVER (UNDER) EXPENDITURES	<u>(76,379)</u>	<u>(76,379)</u>	<u>29,726</u>	<u>106,105</u>
NET CHANGE IN FUND BALANCE	(76,379)	(76,379)	29,726	106,105
FUND BALANCE, beginning of year	<u>76,379</u>	<u>76,379</u>	<u>143,879</u>	<u>67,500</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,605</u>	<u>\$ 173,605</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY BEAUTIFICATION FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Garbage franchise fees	\$ 50,000	\$ 50,000	\$ 55,812	\$ 5,812
Interest	100	100	161	61
Total revenues	<u>50,100</u>	<u>50,100</u>	<u>55,973</u>	<u>5,873</u>
EXPENDITURES				
Culture and recreation				
Materials and services	<u>62,317</u>	<u>62,317</u>	<u>61,494</u>	
Total expenditures	<u>62,317</u>	<u>62,317 (1)</u>	<u>61,494</u>	<u>823</u>
NET CHANGE IN FUND BALANCE	(12,217)	(12,217)	(5,521)	6,696
FUND BALANCE, beginning of year	<u>12,217</u>	<u>12,217</u>	<u>16,476</u>	<u>4,259</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,955</u>	<u>\$ 10,955</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE REVENUE SHARING FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
State revenue sharing	\$ 46,000	\$ 46,000	\$ 48,275	\$ 2,275
Interest	85	85	1,197	1,112
Total revenues	<u>46,085</u>	<u>46,085</u>	<u>49,472</u>	<u>3,387</u>
EXPENDITURES				
State revenue sharing				
Materials and services	<u>85,443</u>	<u>85,443</u>	<u>30,208</u>	
Total expenditures	<u>85,443</u>	<u>85,443 (1)</u>	<u>30,208</u>	<u>55,235</u>
NET CHANGE IN FUND BALANCE	(39,358)	(39,358)	19,264	58,622
FUND BALANCE, beginning of year	<u>39,358</u>	<u>39,358</u>	<u>42,038</u>	<u>2,680</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,302</u>	<u>\$ 61,302</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 721	\$ 721	\$ 3,783	\$ 3,062
Other	-	-	13,533	13,533
Total revenues	<u>721</u>	<u>721</u>	<u>17,316</u>	<u>16,595</u>
EXPENDITURES				
Economic development				
Materials and services	30,000	30,000	-	30,000
Capital outlay	<u>53,307</u>	<u>53,307</u>	<u>6,900</u>	<u>46,407</u>
Total expenditures	<u>83,307</u>	<u>83,307</u> (1)	<u>6,900</u>	<u>76,407</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(82,586)</u>	<u>(82,586)</u>	<u>10,416</u>	<u>93,002</u>
OTHER FINANCING SOURCES (USES)				
Principal collections	2,855	2,855	2,611	(244)
Loan interest	<u>747</u>	<u>747</u>	<u>689</u>	<u>(58)</u>
Total other financing sources (uses)	<u>3,602</u>	<u>3,602</u>	<u>3,300</u>	<u>(302)</u>
NET CHANGE IN FUND BALANCE	(78,984)	(78,984)	13,716	92,700
FUND BALANCE, beginning of year	<u>78,984</u>	<u>78,984</u>	<u>132,745</u>	<u>53,761</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,461</u>	<u>\$ 146,461</u>

(1) Appropriation level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE RESERVE FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants	\$ 250	\$ 250	\$ 800	\$ 550
Contributions and donations	9,400	9,400	11,450	2,050
Interest	300	300	1,715	1,415
	<u>9,950</u>	<u>9,950</u>	<u>13,965</u>	<u>4,015</u>
EXPENDITURES				
Police Reserve Program				
Materials and services	61,977	61,977	6,178	55,799
Total expenditures	61,977	61,977 (1)	6,178	55,799
NET CHANGE IN FUND BALANCE	(52,027)	(52,027)	7,787	59,814
FUND BALANCE, beginning of year	52,027	52,027	51,535	(492)
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,322</u>	<u>\$ 59,322</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOURISM DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ -	\$ 6	\$ -	\$ (6)
Total revenues	-	6	-	(6)
EXPENDITURES				
Tourism Promotion	-	65,000	-	
Contingency	-	291,781	-	
Total expenditures	-	356,781	-	356,781
NET REVENUES OVER (UNDER) EXPENDITURES	-	(356,775)	-	356,775
Other financing sources (uses):				
Transfer in	-	356,775	-	(356,775)
TOTAL OTHER FINANCING SOURCES (USES)	-	356,775	-	(356,775)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF BANDON
BALANCE SHEET
DEBT SERVICE FUND
JUNE 30, 2023**

	<u>Local Improvement District Debt Service</u>
ASSETS	
Cash and cash equivalents	<u>\$ 56,227</u>
 TOTAL ASSETS	 <u><u>\$ 56,227</u></u>
 FUND BALANCES	
Restricted	<u>\$ 56,227</u>
 TOTAL FUND BALANCES	 <u><u>\$ 56,227</u></u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
JUNE 30, 2023

	<u>Local Improvement District Debt Service</u>
REVENUES	
Interest	<u>\$ 1,593</u>
Total revenues	<u>1,593</u>
NET CHANGE IN FUND BALANCE	1,593
FUND BALANCE, beginning of year	<u>54,634</u>
FUND BALANCE, end of year	<u>\$ 56,227</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL IMPROVEMENT DISTRICT FUND
YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Interest	\$ 270	\$ 270	\$ 1,593	\$ 1,323
Total revenue	<u>270</u>	<u>270</u>	<u>1,593</u>	<u>1,323</u>
EXPENDITURES				
General government				
Capital outlay	-	-	-	
Total expenditures	<u>-</u>	<u>- (1)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	270	270	1,593	1,323
FUND BALANCE, beginning of year	<u>54,609</u>	<u>54,609</u>	<u>54,634</u>	<u>25</u>
FUND BALANCE, end of year	<u>\$ 54,879</u>	<u>\$ 54,879</u>	<u>\$ 56,227</u>	<u>\$ 1,348</u>

(1) Appropriation Level

**CITY OF BANDON
SUB-COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2023**

	<u>Urban Renewal District No. 2</u>	<u>Parks and Recreation Development</u>	<u>Street SDC Reimbursement</u>
ASSETS			
Cash and cash equivalents	\$ 803,959	\$ 54,158	\$ 309,484
Receivables (net, where applicable of allowance for uncollectible)			
Taxes	15,814	-	-
Special assessments	-	-	2,879
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 819,773</u>	<u>\$ 54,158</u>	<u>\$ 312,363</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 3,667	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>3,667</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue			
Property taxes	13,521	-	-
Assessments receivable	-	-	2,879
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>13,521</u>	<u>-</u>	<u>2,879</u>
Fund balances			
Restricted	802,585	-	309,484
Committed	-	54,158	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>802,585</u>	<u>54,158</u>	<u>309,484</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 819,773</u>	<u>\$ 54,158</u>	<u>\$ 312,363</u>

**CITY OF BANDON
SUB-COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS (CONTINUED)
JUNE 30, 2023**

	Street SDC Improvement	Storm Drain SDC Reimbursement	Storm Drain SDC Improvement	Total
ASSETS				
Cash and cash equivalents	\$ 605,034	\$ 169,213	\$ 213,361	\$ 2,155,209
Receivables (net, where applicable of allowance for uncollectible)				
Taxes	-	-	-	15,814
Special assessments	8,603	7,242	7,225	25,949
TOTAL ASSETS	<u>\$ 613,637</u>	<u>\$ 176,455</u>	<u>\$ 220,586</u>	<u>\$ 2,196,972</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,667
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,667</u>
Deferred inflows of resources				
Unavailable revenue				
Property taxes	-	-	-	13,521
Assessments receivable	8,603	7,242	7,225	25,949
Total deferred inflows of resources	<u>8,603</u>	<u>7,242</u>	<u>7,225</u>	<u>39,470</u>
Fund balances				
Restricted	605,034	169,213	213,361	2,099,677
Committed	-	-	-	54,158
Total fund balances	<u>605,034</u>	<u>169,213</u>	<u>213,361</u>	<u>2,153,835</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 613,637</u>	<u>\$ 176,455</u>	<u>\$ 220,586</u>	<u>\$ 2,196,972</u>

CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2023

	<u>Urban Renewal District No. 2</u>	<u>Parks and Recreation Development</u>	<u>Street SDC Reimbursement</u>
REVENUES			
Taxes	\$ 189,401	\$ -	\$ -
Special assessments	-	-	128
System development charges	-	-	14,378
Interest	24,078	1,534	8,643
Payments in lieu of taxes	855	-	-
	<u>214,334</u>	<u>1,534</u>	<u>23,149</u>
EXPENDITURES			
Current:			
General government	55,745	-	-
Highways and streets	-	-	-
Capital outlay	314,921	-	-
Debt service	14,413	-	-
	<u>385,079</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(170,745)	1,534	23,149
FUND BALANCE, beginning of year	<u>973,330</u>	<u>52,624</u>	<u>286,335</u>
FUND BALANCE, end of year	<u>\$ 802,585</u>	<u>\$ 54,158</u>	<u>\$ 309,484</u>

CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Street SDC Improvement	Storm Drain SDC Reimbursement	Storm Drain SDC Improvement	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 189,401
Special assessments	248	355	303	1,034
System development charges	27,069	40,539	35,588	117,574
Interest	16,907	4,484	5,736	61,382
Payments in lieu of taxes	-	-	-	855
	<u>44,224</u>	<u>45,378</u>	<u>41,627</u>	<u>370,246</u>
EXPENDITURES				
Current:				
General government	-	-	-	55,745
Highways and streets	-	-	-	-
Capital outlay	-	1,779	-	316,700
Debt service	-	-	-	14,413
	<u>-</u>	<u>1,779</u>	<u>-</u>	<u>386,858</u>
NET CHANGE IN FUND BALANCE	44,224	43,599	41,627	(16,612)
FUND BALANCE, beginning of year	<u>560,810</u>	<u>125,614</u>	<u>171,734</u>	<u>2,170,447</u>
FUND BALANCE, end of year	<u>\$ 605,034</u>	<u>\$ 169,213</u>	<u>\$ 213,361</u>	<u>\$ 2,153,835</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
URBAN RENEWAL DISTRICT NO. 2 FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Property taxes - current year	\$ 173,844	\$ 173,844	\$ 184,271	\$ 10,427
Previously levied taxes	9,812	9,812	5,130	(4,682)
Payments in lieu of taxes	2,139	2,139	855	(1,284)
Interest	4,515	4,515	24,078	19,563
	<u>190,310</u>	<u>190,310</u>	<u>214,334</u>	<u>24,024</u>
EXPENDITURES				
General government				
Materials and services	65,862	65,862	55,745	
Capital outlay	1,009,403	1,009,403	314,921	
Debt service	14,411	14,411	14,413	
	<u>1,089,676</u>	<u>1,089,676</u>	<u>385,079</u>	<u>704,597</u>
NET CHANGE IN FUND BALANCE	(899,366)	(899,366)	(170,745)	728,621
FUND BALANCE, beginning of year	<u>899,366</u>	<u>899,366</u>	<u>973,330</u>	<u>73,964</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 802,585</u>	<u>\$ 802,585</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 410	\$ 410	\$ 1,534	\$ 1,124
Total revenues	<u>410</u>	<u>410</u>	<u>1,534</u>	<u>1,124</u>
EXPENDITURES				
Culture and recreation				
Materials and services	20,000	20,000	-	
Capital outlay	30,792	30,792	-	
Total expenditures	<u>50,792</u>	<u>50,792 (1)</u>	<u>-</u>	<u>50,792</u>
NET CHANGE IN FUND BALANCE	(50,382)	(50,382)	1,534	51,916
FUND BALANCE, beginning of year	<u>50,382</u>	<u>50,382</u>	<u>52,624</u>	<u>2,242</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,158</u>	<u>\$ 54,158</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET SDC REIMBURSEMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 18,000	\$ 18,000	\$ 14,378	\$ (3,622)
Special assessments				
Principal	-	-	-	-
Interest	-	-	128	128
Interest	1,300	1,300	8,643	7,343
	<u>19,300</u>	<u>19,300</u>	<u>23,149</u>	<u>3,849</u>
Total revenues				
EXPENDITURES				
Highways and streets				
Capital outlay	20,000	20,000	-	-
	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Total expenditures				
	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	(700)	(700)	23,149	23,849
FUND BALANCE, beginning of year	256,741	256,741	286,335	29,594
FUND BALANCE, end of year	<u>\$ 256,041</u>	<u>\$ 256,041</u>	<u>\$ 309,484</u>	<u>\$ 53,443</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET SDC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 30,000	\$ 30,000	\$ 27,069	\$ (2,931)
Special assessments				
Principal	50	50	-	(50)
Interest	375	375	248	(127)
Interest	2,550	2,550	16,907	14,357
Total revenues	<u>32,975</u>	<u>32,975</u>	<u>44,224</u>	<u>11,249</u>
EXPENDITURES				
Highways and streets				
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>20,000</u>	<u>20,000</u> (1)	<u>-</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	12,975	12,975	44,224	31,249
FUND BALANCE, beginning of year	<u>526,241</u>	<u>526,241</u>	<u>560,810</u>	<u>34,569</u>
FUND BALANCE, end of year	<u>\$ 539,216</u>	<u>\$ 539,216</u>	<u>\$ 605,034</u>	<u>\$ 65,818</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STORM DRAIN SDC REIMBURSEMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 45,000	\$ 45,000	\$ 40,539	\$ (4,461)
Special assessments				
Principal	70	70	-	(70)
Interest	500	500	355	(145)
Interest	835	835	4,484	3,649
Total revenues	<u>46,405</u>	<u>46,405</u>	<u>45,378</u>	<u>(1,027)</u>
EXPENDITURES				
Storm Drainage				
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>1,779</u>	
Total expenditures	<u>10,000</u>	<u>10,000 (1)</u>	<u>1,779</u>	<u>8,221</u>
NET CHANGE IN FUND BALANCE	36,405	36,405	43,599	7,194
FUND BALANCE, beginning of year	<u>92,434</u>	<u>92,434</u>	<u>125,614</u>	<u>33,180</u>
FUND BALANCE, end of year	<u>\$ 128,839</u>	<u>\$ 128,839</u>	<u>\$ 169,213</u>	<u>\$ 40,374</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STORM DRAIN SDC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 41,000	\$ 41,000	\$ 35,588	\$ (5,412)
Special assessments				
Principal	70	70	-	(70)
Interest	450	450	303	(147)
Interest	560	560	5,736	5,176
Total revenues	<u>42,080</u>	<u>42,080</u>	<u>41,627</u>	<u>(453)</u>
EXPENDITURES				
Storm Drainage				
Capital outlay	10,000	10,000	-	
Total expenditures	<u>10,000</u>	<u>10,000 (1)</u>	<u>-</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	32,080	32,080	41,627	9,547
FUND BALANCE, beginning of year	<u>139,833</u>	<u>139,833</u>	<u>171,734</u>	<u>31,901</u>
FUND BALANCE, end of year	<u>\$ 171,913</u>	<u>\$ 171,913</u>	<u>\$ 213,361</u>	<u>\$ 41,448</u>

(1) Appropriation Level

**CITY OF BANDON
COMBINING ENTERPRISE FUNDS**

Enterprise funds

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

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

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

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

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

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

**CITY OF BANDON
SUB-COMBINING SCHEDULE OF NET POSITION
SEWER FUNDS
JUNE 30, 2023**

	Sewer	Sewer SDC Reimbursement	Sewer SDC Improvement	Sewer Plant Reserve	Totals
ASSETS					
Current assets					
Cash and cash equivalents	\$ 100,190	\$ 182,829	\$ 435,537	\$ 3,481,909	\$ 4,200,465
Accounts receivable, net	100,276	-	-	-	100,276
Special assessments	-	8,009	6,667	-	14,676
Restricted cash and cash equivalents	10,214	-	-	-	10,214
Total current assets	<u>210,680</u>	<u>190,838</u>	<u>442,204</u>	<u>3,481,909</u>	<u>4,325,631</u>
Noncurrent assets					
Capital assets (net of accumulated depreciation)	5,063,096	-	-	-	5,063,096
Net OPEB asset	6,462	-	-	-	6,462
Total noncurrent assets	<u>5,069,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,069,558</u>
Total assets	<u>5,280,238</u>	<u>190,838</u>	<u>442,204</u>	<u>3,481,909</u>	<u>9,395,189</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferrals - PERS	154,486	-	-	-	154,486
OPEB related deferrals - OPEB RHIA	96	-	-	-	96
OPEB related deferrals - OPEB Health Insurance	7,740	-	-	-	7,740
Total deferred outflows of resources	<u>162,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,322</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,442,560</u>	<u>\$ 190,838</u>	<u>\$ 442,204</u>	<u>\$ 3,481,909</u>	<u>\$ 9,557,511</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 20,144	\$ -	\$ -	\$ 45,269	\$ 65,413
Accrued payroll benefits	7,302	-	-	-	7,302
Accrued interest payable	4,561	-	-	-	4,561
Customer deposits	10,214	-	-	-	10,214
Compensated absences payable	51,770	-	-	-	51,770
Current portion of long-term debt	61,450	-	-	-	61,450
Total current liabilities	<u>155,441</u>	<u>-</u>	<u>-</u>	<u>45,269</u>	<u>200,710</u>
Long-term liabilities					
Net pension liability - PERS	295,568	-	-	-	295,568
Total OPEB Liability - Health Insurance	18,698	-	-	-	18,698
Long-term debt (net of current portion)	720,473	-	-	-	720,473
Total long-term liabilities	<u>1,034,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,034,739</u>
Total liabilities	<u>1,190,180</u>	<u>-</u>	<u>-</u>	<u>45,269</u>	<u>1,235,449</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related deferrals - PERS	108,793	-	-	-	108,793
OPEB related deferrals - OPEB Health Insurance	1,289	-	-	-	1,289
OPEB related deferrals - RHIA	1,052	-	-	-	1,052
Total Deferred Inflows of Resources	<u>111,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,134</u>
NET POSITION					
Net investment in capital assets	4,281,173	-	-	-	4,281,173
Restricted for capital projects	-	190,838	442,204	3,436,640	4,069,682
Unrestricted	(139,927)	-	-	-	(139,927)
Total net position	<u>4,141,246</u>	<u>190,838</u>	<u>442,204</u>	<u>3,436,640</u>	<u>8,210,928</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 5,442,560</u>	<u>\$ 190,838</u>	<u>\$ 442,204</u>	<u>\$ 3,481,909</u>	<u>\$ 9,557,511</u>

CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SEWER FUNDS
YEAR ENDED JUNE 30, 2023

	Sewer	Sewer SDC Reimbursement	Sewer SDC Improvement	Sewer Plant Reserve	Total
OPERATING REVENUES					
Charges for services					
Sewer charges	\$ 989,679	\$ -	\$ -	\$ -	\$ 989,679
Service charges, fees and permits	-	22,943	34,702	-	57,645
Other	22,335	4,151	812	-	27,298
Total operating revenues	1,012,014	27,094	35,514	-	1,074,622
OPERATING EXPENSES					
Administration	127,743	-	-	-	127,743
Cost of sales and services	775,402	-	-	-	775,402
Depreciation and amortization	222,965	-	-	-	222,965
Total operating expenses	1,126,110	-	-	-	1,126,110
OPERATING INCOME (LOSS)	(114,096)	27,094	35,514	-	(51,488)
NONOPERATING REVENUES (EXPENSES)					
Loan/Assessment interest	-	252	369	-	621
Interest income	3,785	5,011	12,089	110,219	131,104
Interest expense	(8,073)	-	-	-	(8,073)
Total nonoperating revenues (expenses)	(4,288)	5,263	12,458	110,219	123,652
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(118,384)	32,357	47,972	110,219	72,164
CAPITAL CONTRIBUTIONS	824,355	-	-	(824,355)	-
TRANSFERS IN	-	-	-	10,500	10,500
CHANGE IN NET POSITION	705,971	32,357	47,972	(703,636)	82,664
NET POSITION, beginning of year	3,435,275	158,481	394,232	4,140,276	8,128,264
NET POSITION, end of year	<u>\$ 4,141,246</u>	<u>\$ 190,838</u>	<u>\$ 442,204</u>	<u>\$ 3,436,640</u>	<u>\$ 8,210,928</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
SEWER FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services				
Sewer charges	\$ 1,017,000	\$ 1,017,000	\$ 989,679	\$ (27,321)
Other	500	500	22,335	21,835
Total operating revenues	1,017,500	1,017,500	1,012,014	(5,486)
OPERATING EXPENSES				
Administration	132,007	132,007 (1)	127,743	4,264
Accounting and billing	33,989	33,989 (1)	40,001	(6,012)
Distribution	153,445	153,445 (1)	128,105	25,340
Plant operations	641,074	641,074 (1)	605,069	36,005
Nondepartmental				
Materials and services	61,020	61,020 (2)	60,525	
Debt service	69,270	69,270 (2)	69,270	
Total operating expenses	1,090,805	1,090,805	1,030,713	60,092
OPERATING INCOME (LOSS)	(73,305)	(73,305)	(18,699)	(65,578)
NONOPERATING REVENUES (EXPENSES)				
Interest income	420	420	3,785	3,365
Total nonoperating revenues (expenses)	420	420	3,785	3,365
CHANGE IN FUND BALANCE	(72,885)	(72,885)	(14,914)	57,971
FUND BALANCE, beginning of year	162,581	162,581	187,934	25,353
FUND BALANCE, end of year	\$ 89,696	\$ 89,696	173,020	\$ 83,324
Reconciliation to Net Position:				
Capital assets			5,063,096	
Net OPEB asset (liability) - RHIA			6,462	
Deferred outflows - PERS, RHIA, Health Insurance			162,322	
Interest payable			(4,561)	
Compensated absences payable			(51,770)	
Net pension asset (liability) - PERS			(295,568)	
Net pension asset (liability) - OPEB			(18,698)	
Long term debt (including current portion)			(781,923)	
Deferred inflows - PERS, RHIA, Health Insurance			(111,134)	
GAAP net position			\$ 4,141,246	
(1) Appropriation Level				
(2) Appropriation Level Summary				
Non-departmental	\$ 130,290	\$ 130,290	\$ 129,795	\$ 495

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
SEWER SDC REIMBURSEMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 30,000	\$ 30,000	\$ 22,943	\$ (7,057)
Other	80	80	4,151	4,071
Total operating revenues	30,080	30,080	27,094	(2,986)
OPERATING EXPENSES				
Materials and services	10,000	10,000	-	
Capital outlay	10,000	10,000	-	
Total nonoperating revenues (expenses)	20,000	20,000 (1)	-	20,000
OPERATING INCOME (LOSS)	10,080	10,080	27,094	17,014
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	300	300	252	(48)
Interest income	600	600	5,011	4,411
Total nonoperating revenues (expenses)	900	900	5,263	4,363
CHANGE IN FUND BALANCE	10,980	10,980	32,357	21,377
FUND BALANCE, beginning of year	132,955	132,955	158,481	25,526
FUND BALANCE, end of year	\$ 143,935	\$ 143,935	\$ 190,838	\$ 46,903

(1) Appropriation level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
SEWER SDC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 40,000	\$ 40,000	\$ 34,702	\$ (5,298)
Other	116	116	812	696
Total operating revenues	<u>40,116</u>	<u>40,116</u>	<u>35,514</u>	<u>(4,602)</u>
OPERATING EXPENSES				
Materials and services	20,000	20,000	-	
Capital outlay	10,000	10,000	-	
Total operating expenses	<u>30,000</u>	<u>30,000 (1)</u>	<u>-</u>	<u>30,000</u>
OPERATING INCOME (LOSS)	<u>10,116</u>	<u>10,116</u>	<u>35,514</u>	<u>25,398</u>
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	400	400	369	(31)
Interest income	1,670	1,670	12,089	10,419
Total nonoperating revenues (expenses)	<u>2,070</u>	<u>2,070</u>	<u>12,458</u>	<u>10,388</u>
CHANGE IN FUND BALANCE	12,186	12,186	47,972	35,786
FUND BALANCE, beginning of year	<u>347,605</u>	<u>347,605</u>	<u>394,232</u>	<u>46,627</u>
FUND BALANCE, end of year	<u>\$ 359,791</u>	<u>\$ 359,791</u>	<u>\$ 442,204</u>	<u>\$ 82,413</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
SEWER PLANT RESERVE FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Capital outlay	\$ 3,682,110	\$ 3,682,110	\$ 824,355	\$
Total operating expenses	3,682,110	3,682,110 (1)	824,355	2,857,755
OPERATING INCOME (LOSS)	(3,682,110)	(3,682,110)	(824,355)	2,857,755
NONOPERATING REVENUES (EXPENSES)				
Interest income	-	-	110,219	110,219
Total nonoperating revenues (expenses)	-	-	110,219	110,219
INCOME (LOSS) BEFORE TRANSFERS	(3,682,110)	(3,682,110)	(714,136)	2,967,974
TRANSFERS				
Transfers in	-	-	10,500	10,500
CHANGE IN FUND BALANCE	(3,682,110)	(3,682,110)	(703,636)	2,978,474
FUND BALANCE, beginning of year	4,306,739	4,306,739	4,140,276	(166,463)
FUND BALANCE, end of year	<u>\$ 624,629</u>	<u>\$ 624,629</u>	<u>\$3,436,640</u>	<u>\$ 2,812,011</u>

(1) Appropriation Level

CITY OF BANDON
SUB-COMBINING SCHEDULE OF NET POSITION
WATER FUNDS
JUNE 30, 2023

	Water	Water SDC Reimbursement	Water SDC Improvement	Water Plant Improvement	Water Plant Reserve	Total
ASSETS						
Current assets						
Cash and cash equivalents	\$ (155,766)	\$ 382,371	\$ 2,210,562	\$ 646,186	\$ 905,547	\$ 3,988,900
Accounts receivable, net of bad debt reserve	92,025	-	-	-	-	92,025
Special assessments	-	6,054	35,057	-	-	41,111
Restricted cash and cash equivalents	8,622	-	-	-	-	8,622
Inventory	31,917	-	-	-	-	31,917
Total current assets	(23,202)	388,425	2,245,619	646,186	905,547	4,162,575
Noncurrent assets						
Loans receivable	237,964	-	-	-	-	237,964
Net OPEB asset - RHIA	7,496	-	-	-	-	7,496
Capital assets (net of accumulated depreciation)	6,360,148	-	-	-	-	6,360,148
Total noncurrent assets	6,605,608	-	-	-	-	6,605,608
Total assets	6,582,406	388,425	2,245,619	646,186	905,547	10,768,183
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferrals - PERS	220,009	-	-	-	-	220,009
OPEB related deferrals - Health Insurance	9,262	-	-	-	-	9,262
OPEB related deferrals - RHIA	110	-	-	-	-	110
Total deferred outflows of resources	229,381	-	-	-	-	229,381
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,811,787	\$ 388,425	\$ 2,245,619	\$ 646,186	\$ 905,547	\$ 10,997,564
LIABILITIES						
Current liabilities						
Accounts payable	\$ 14,124	\$ 1,275	\$ 1,275	\$ 127,808	\$ 1,031	\$ 145,513
Accrued payroll benefits	7,743	-	-	-	-	7,743
Compensated absences payable	31,404	-	-	-	-	31,404
Due to other funds	-	-	-	77,575	-	77,575
Customer deposits	8,622	-	-	-	-	8,622
Interest payable	4,125	-	-	-	-	4,125
Current portion of long term debt	32,687	-	-	-	-	32,687
Total current liabilities	98,705	1,275	1,275	205,383	1,031	307,669
Long-term liabilities						
Net pension liability - PERS	413,483	-	-	-	-	413,483
Total OPEB liability - Health Insurance	23,115	-	-	-	-	23,115
Long term debt (net of current portion)	116,824	-	-	-	-	116,824
Total long-term liabilities	553,422	-	-	-	-	553,422
Total liabilities	652,127	1,275	1,275	205,383	1,031	861,091
DEFERRED INFLOWS OF RESOURCES						
Pension related deferrals - PERS	104,058	-	-	-	-	104,058
OPEB related deferrals - Health Insurance	1,519	-	-	-	-	1,519
OPEB related deferrals - RHIA	1,202	-	-	-	-	1,202
Total deferred inflows of resources	106,779	-	-	-	-	106,779
NET POSITION						
Net investment in capital assets	6,210,637	-	-	-	-	6,210,637
Restricted for capital projects	-	387,150	2,244,344	440,803	904,516	3,976,813
Unrestricted	(157,756)	-	-	-	-	(157,756)
Total net position	6,052,881	387,150	2,244,344	440,803	904,516	10,029,694
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 6,811,787	\$ 388,425	\$ 2,245,619	\$ 646,186	\$ 905,547	\$ 10,997,564

CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER FUNDS
YEAR ENDED JUNE 30, 2023

	Water	Water SDC Reimbursement	Water SDC Improvement	Water Plant Improvement	Water Plant Reserve	Total
OPERATING REVENUES						
Charges for services						
Water sales	\$ 1,070,484	\$ -	\$ -	\$ -	\$ -	\$ 1,070,484
Service charges, fees, and permits	45,445	33,511	127,521	-	-	206,477
Other	575	318	13,388	-	-	14,281
Total operating revenues	<u>1,116,504</u>	<u>33,829</u>	<u>140,909</u>	<u>-</u>	<u>-</u>	<u>1,291,242</u>
OPERATING EXPENSES						
Administration	99,821	-	-	-	-	99,821
Cost of sales and services	810,515	1,275	6,067	-	-	817,857
Plant Improvement (non-capital)	-	-	-	-	2,839	2,839
Depreciation	303,980	-	-	-	-	303,980
Total operating expenses	<u>1,214,316</u>	<u>1,275</u>	<u>6,067</u>	<u>-</u>	<u>2,839</u>	<u>1,224,497</u>
OPERATING INCOME (LOSS)	<u>(97,812)</u>	<u>32,554</u>	<u>134,842</u>	<u>-</u>	<u>(2,839)</u>	<u>66,745</u>
Nonoperating revenues (expenses)						
Interest income	15	10,565	61,883	30,077	25,760	128,300
Interest expense	(7,687)	-	-	-	-	(7,687)
Special assessment interest	12,307	379	1,462	-	-	14,148
Total nonoperating revenues (expenses)	<u>4,635</u>	<u>10,944</u>	<u>63,345</u>	<u>30,077</u>	<u>25,760</u>	<u>134,761</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(93,177)</u>	<u>43,498</u>	<u>198,187</u>	<u>30,077</u>	<u>22,921</u>	<u>201,506</u>
CAPITAL CONTRIBUTIONS	903,000	-	(10,027)	(892,973)	-	-
TRANSFERS IN	-	-	-	288,633	-	288,633
TRANSFERS OUT	(288,633)	-	-	-	(10,500)	(299,133)
CHANGE IN NET POSITION	521,190	43,498	188,160	(574,263)	12,421	191,006
NET POSITION, beginning of year	<u>5,531,691</u>	<u>343,652</u>	<u>2,056,184</u>	<u>1,015,066</u>	<u>892,095</u>	<u>9,838,688</u>
NET POSITION, end of year	<u>\$ 6,052,881</u>	<u>\$ 387,150</u>	<u>\$ 2,244,344</u>	<u>\$ 440,803</u>	<u>\$ 904,516</u>	<u>\$ 10,029,694</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
WATER FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services				
Water sales	\$ 1,047,000	\$ 1,050,016	\$ 1,070,490	\$ 20,474
Service charges, fees and permits	6,500	6,500	7,414	914
Other	55,500	55,500	38,600	(16,900)
Total operating revenues	<u>1,109,000</u>	<u>1,112,016</u>	<u>1,116,504</u>	<u>4,488</u>
OPERATING EXPENSES				
Administration	99,026	100,430 (1)	99,821	609
Accounting and billing	44,600	46,212 (1)	41,713	4,499
Distribution	354,090	354,090 (1)	309,595	44,495
Plant operations	463,675	463,675 (1)	412,705	50,970
Non-departmental				
Materials and services	62,814	62,814 (2)	65,168	
Debt Service	39,759	39,759 (2)	39,759	
Contingency	25,698	25,698 (2)	-	
Total operating expenses	<u>1,089,662</u>	<u>1,092,678</u>	<u>968,761</u>	<u>123,917</u>
OPERATING INCOME (LOSS)	<u>19,338</u>	<u>19,338</u>	<u>147,743</u>	<u>128,405</u>
NONOPERATING REVENUES (EXPENSES)				
Special assessments interest	11,000	11,000	12,307	1,307
Interest income	435	435	15	(420)
Total nonoperating revenues (expenses)	<u>11,435</u>	<u>11,435</u>	<u>12,322</u>	<u>887</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>30,773</u>	<u>30,773</u>	<u>160,065</u>	<u>129,292</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(283,000)	(283,000) (2)	(288,633)	
Total other financing sources and (uses)	<u>(283,000)</u>	<u>(283,000)</u>	<u>(288,633)</u>	
CHANGE IN FUND BALANCE	<u>(252,227)</u>	<u>(252,227)</u>	<u>(128,568)</u>	<u>129,292</u>
FUND BALANCE, beginning of year	<u>252,227</u>	<u>252,227</u>	<u>280,924</u>	<u>28,697</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>152,356</u>	<u>\$ 152,356</u>
Reconciliation to Net Position:				
Inventory			31,917	
Net OPEB asset (liability) - RHIA			7,496	
Capital assets			6,360,148	
Deferred outflows - PERS, RHIA, Health Insurance			229,381	
Compensated absences payable			(31,404)	
Accrued interest			(4,125)	
Long term debt (including current portion)			(149,511)	
Net pension asset (liability) - PERS			(413,483)	
Total OPEB liability - Health Insurance			(23,115)	
Deferred inflows - PERS, RHIA, Health Insurance			(106,779)	
GAAP net position			<u>\$ 6,052,881</u>	
(1) Appropriation level				
(2) Appropriation level summary				
Non-departmental	<u>\$ 411,271</u>	<u>\$ 411,271</u>	<u>\$ 393,560</u>	<u>\$ 17,711</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
WATER SDC REIMBURSEMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 40,000	\$ 40,000	\$ 33,511	\$ (6,489)
Other	75	75	318	243
Total operating revenues	<u>40,075</u>	<u>40,075</u>	<u>33,829</u>	<u>(6,246)</u>
OPERATING EXPENSES				
Materials and services	10,000	10,000	1,275	
Capital outlay	10,000	10,000	-	
Total operating expenses	<u>20,000</u>	<u>20,000 (1)</u>	<u>1,275</u>	<u>18,725</u>
OPERATING INCOME (LOSS)	<u>20,075</u>	<u>20,075</u>	<u>32,554</u>	<u>12,479</u>
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	400	400	379	(21)
Interest income	1,425	1,425	10,565	9,140
Total nonoperating revenues (expenses)	<u>1,825</u>	<u>1,825</u>	<u>10,944</u>	<u>9,119</u>
CHANGE IN FUND BALANCE	21,900	21,900	43,498	21,598
FUND BALANCE, beginning of year	<u>312,663</u>	<u>312,663</u>	<u>343,652</u>	<u>30,989</u>
FUND BALANCE, end of year	<u>\$ 334,563</u>	<u>\$ 334,563</u>	<u>\$ 387,150</u>	<u>\$ 52,587</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
WATER SDC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 150,000	\$ 150,000	\$ 127,521	\$ (22,479)
Other	300	300	13,388	13,088
Total operating revenues	<u>150,300</u>	<u>150,300</u>	<u>140,909</u>	<u>(9,391)</u>
OPERATING EXPENSES				
Materials and services	10,000	10,000	-	
Capital outlay	510,000	510,000	16,094	
Total operating expenses	<u>520,000</u>	<u>520,000 (1)</u>	<u>16,094</u>	<u>503,906</u>
OPERATING INCOME (LOSS)	<u>(369,700)</u>	<u>(369,700)</u>	<u>124,815</u>	<u>(513,297)</u>
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	500	500	1,462	962
Interest income	9,130	9,130	61,883	52,753
Total nonoperating revenues (expenses)	<u>9,630</u>	<u>9,630</u>	<u>63,345</u>	<u>53,715</u>
CHANGE IN FUND BALANCE	(360,070)	(360,070)	188,160	548,230
FUND BALANCE, beginning of year	<u>1,475,798</u>	<u>1,475,798</u>	<u>2,056,184</u>	<u>580,386</u>
FUND BALANCE, end of year	<u><u>\$ 1,115,728</u></u>	<u><u>\$ 1,115,728</u></u>	<u><u>\$ 2,244,344</u></u>	<u><u>\$ 1,128,616</u></u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
WATER PLANT IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Distribution	\$ 502,815	\$ 970,547 (1)	\$ 892,973	\$ 77,574
Total operating expenses	<u>502,815</u>	<u>970,547</u>	<u>892,973</u>	<u>77,574</u>
OPERATING INCOME (LOSS)	<u>(502,815)</u>	<u>(970,547)</u>	<u>(892,973)</u>	<u>77,574</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	<u>3,980</u>	<u>24,936</u>	<u>30,077</u>	<u>5,141</u>
INCOME (LOSS) BEFORE TRANSFERS FROM/TO OTHER FUNDS	(498,835)	(945,611)	(862,896)	82,715
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>283,000</u>	<u>453,000</u>	<u>288,633</u>	<u>(164,367)</u>
CHANGE IN FUND BALANCE	(215,835)	(492,611)	(574,263)	(81,652)
FUND BALANCE, beginning of year	<u>731,513</u>	<u>1,008,289</u>	<u>1,015,066</u>	<u>6,777</u>
FUND BALANCE, end of year	<u>\$ 515,678</u>	<u>\$ 515,678</u>	<u>\$ 440,803</u>	<u>\$ (74,875)</u>

(1) Appropriation Level

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
WATER PLANT RESERVE FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Capital outlay	\$ 808,599	\$ 808,599 (1)	\$ 2,839	
Total operating expenses	808,599	808,599	2,839	805,760
OPERATING INCOME (LOSS)	(808,599)	(808,599)	(2,839)	805,760
NONOPERATING REVENUES (EXPENSES)				
Interest income	2,500	2,500	25,760	23,260
Total nonoperating revenues (expenses)	2,500	2,500	25,760	23,260
INCOME (LOSS) BEFORE TRANSFERS	(806,099)	(806,099)	22,921	829,020
OTHER FINANCING SOURCES (USES)				
Transfers out	-	- (1)	(10,500)	
CHANGE IN FUND BALANCE	(806,099)	(806,099)	12,421	818,520
FUND BALANCE, beginning of year	806,099	806,099	892,095	85,996
FUND BALANCE, end of year	\$ -	\$ -	\$ 904,516	\$ 904,516
(1) Appropriation Level Summary	\$ 808,599	\$ 808,599	\$ 13,339	\$ 795,260

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**CITY OF BANDON
SCHEDULE OF NET POSITION
ELECTRIC FUND
JUNE 30, 2023**

ASSETS	
Current assets	
Cash and cash equivalents	\$ 2,875,901
Accounts receivable, net	815,953
Due from other funds	77,575
Restricted cash and cash equivalents	61,700
Inventory	<u>962,042</u>
Total current assets	<u>4,793,171</u>
Noncurrent assets	
Capital assets (net of accumulated depreciation)	6,245,240
Net OPEB asset	<u>28,773</u>
Total noncurrent assets	<u>6,274,013</u>
Total assets	<u>11,067,184</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals - PERS	770,493
OPEB related deferrals - health insurance	35,949
OPEB related deferrals - RHIA	<u>403</u>
Total deferred outflows of resources	<u>806,845</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 11,874,029</u>
 LIABILITIES	
Current liabilities	
Accounts payable	\$ 73,789
Accrued payroll benefits	31,583
Compensated absences payable	141,558
Customer deposits	61,700
Unearned revenue - prepaid utility accounts	<u>48,338</u>
Total current liabilities	<u>356,968</u>
Long-term liabilities	
Net pension liability	1,535,190
Total OPEB liability - health insurance	<u>84,099</u>
Total long-term liabilities	<u>1,619,289</u>
Total liabilities	<u>1,976,257</u>
 DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals - PERS	459,728
OPEB related deferrals - health insurance	6,071
OPEB related deferrals - RHIA	<u>4,434</u>
Total deferred inflows of resources	<u>470,233</u>
 NET POSITION	
Net investment in capital assets	6,245,240
Unrestricted	<u>3,182,299</u>
Total net position	<u>9,427,539</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 11,874,029</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ELECTRIC FUND
YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Charges for services	
Electricity sales	\$ 6,296,499
BPA conservation	37,759
Service charges, fees, and permits	277,335
Other	<u>34,140</u>
Total operating revenues	<u>6,645,733</u>
OPERATING EXPENSES	
Administration	551,272
Cost of sales and services	5,786,847
Energy assistance payments	1,215
Depreciation	<u>570,206</u>
Total operating expenses	<u>6,909,540</u>
OPERATING INCOME (LOSS)	(263,807)
NONOPERATING REVENUES (EXPENSES)	
Interest income	<u>80,292</u>
Total nonoperating revenues (expenses)	<u>80,292</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(183,515)
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(26,737)</u>
Total other financing sources (uses)	<u>(26,737)</u>
CHANGE IN NET POSITION	(210,252)
NET POSITION, beginning of year	<u>9,637,791</u>
NET POSITION, end of year	<u>\$ 9,427,539</u>

CITY OF BANDON
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-U.S. GAAP BUDGETARY BASIS)
ELECTRIC FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Electricity sales	\$ 6,250,000	\$ 6,250,000	\$ 6,296,499	\$ 46,499
Low income assistance	11,500	11,500	11,675	175
Vol low inc roundup donation	650	650	597	(53)
BPA conservation	26,000	76,000	37,759	(38,241)
Services charges, fees, and permits	258,275	258,275	277,335	19,060
Reimbursements	2,000	2,000	-	(2,000)
Other	1,500	1,500	21,868	20,368
	<u>6,549,925</u>	<u>6,599,925</u>	<u>6,645,733</u>	<u>45,808</u>
OPERATING EXPENSES				
Administration	545,540	561,664 (1)	551,272	10,392
Accounting and billing	507,692	557,900 (1)	477,093	80,807
Source of supply	3,200,000	3,200,000 (1)	2,697,278	502,722
Conservation	65,476	118,970 (1)	68,397	50,573
Distribution	3,068,063	3,068,063 (1)	2,129,187	938,876
Nondepartmental				
Materials and services	375,000	580,000 (2)	377,163	
	<u>7,761,771</u>	<u>8,086,597</u>	<u>6,300,390</u>	<u>1,786,207</u>
OPERATING INCOME (LOSS)	<u>(1,211,846)</u>	<u>(1,486,672)</u>	<u>345,343</u>	<u>1,832,015</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	8,600	8,600	80,292	71,692
	<u>8,600</u>	<u>8,600</u>	<u>80,292</u>	<u>71,692</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(1,203,246)</u>	<u>(1,478,072)</u>	<u>425,635</u>	<u>1,903,707</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(27,000)	(27,000)	(26,737)	
	<u>(27,000)</u>	<u>(27,000)</u> (2)	<u>(26,737)</u>	
CHANGE IN FUND BALANCE	<u>(1,230,246)</u>	<u>(1,505,072)</u>	<u>398,898</u>	<u>1,903,970</u>
FUND BALANCE, beginning of year	<u>2,678,437</u>	<u>2,953,263</u>	<u>3,216,821</u>	<u>263,558</u>
FUND BALANCE, end of year	<u>\$ 1,448,191</u>	<u>\$ 1,448,191</u>	<u>3,615,719</u>	<u>\$ 2,167,528</u>
Reconciliation to Net Position:				
Inventory			962,042	
Capital assets			6,245,240	
Net OPEB asset (liability) - RHIA			28,773	
Deferred outflows - PERS, RHIA, health insurance			806,845	
Compensated absences payable			(141,558)	
Net pension asset (liability) - PERS			(1,535,190)	
Total OPEB liability - health insurance			(84,099)	
Deferred inflows - PERS, RHIA, health insurance			(470,233)	
Net Position			<u>\$ 9,427,539</u>	
(1) Appropriation level				
(2) Appropriation level summary				
Non-departmental	<u>\$ 402,000</u>	<u>\$ 607,000</u>	<u>\$ 403,900</u>	<u>\$ 203,100</u>



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and City Council
City of Bandon, Oregon

We have audited the basic financial statements of the City of Bandon, Oregon (the City) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 19, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City's 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 were not identified.

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 City's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.



Donald F. Ewalt, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 19, 2023