

ANNUAL FINANCIAL REPORT

CITY OF BANDON
COOS COUNTY, OREGON

FOR THE YEAR ENDED JUNE 30, 2020

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

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CITY OF BANDON
COOS COUNTY, OREGON

2019-2020 COUNCIL MEMBERS AND OFFICERS

CITY COUNCIL	TERM EXPIRES
Mary Schamehorn - Mayor	December 31, 2020
Peter Braun – Council President	December 31, 2022
Brian Vick	December 31, 2020
Chris Powell	December 31, 2022
Geri Procetto	December 31, 2020
Claudine Hundhausen	December 31, 2020
Madeline Seymour	December 31, 2022

Council members receive mail at the address listed below.

OFFICIALS

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

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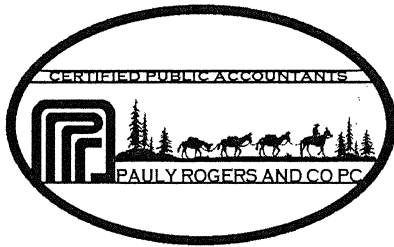
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January 13, 2021

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Bandon
Coos County, Oregon

Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, the blended component unit, each major fund, and the aggregate remaining fund information of the City of Bandon (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component units, each major fund, and the aggregate remaining fund information of the City of Bandon as of June 30, 2020, and the respective changes in financial position and budgetary comparisons for the general fund and major special revenue funds and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

The budgetary comparison schedule presented as Required Supplementary Information, as listed in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

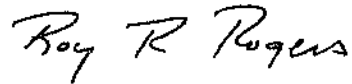
Other Information

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

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated January 13, 2021, on our consideration of the internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 13, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

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City of Bandon, Oregon

June 30, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

The management of the City of Bandon, Oregon (City) presents this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. 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 \$37.3 million (reported as net position). Of this amount, \$2.6 million was reported as "unrestricted net position." Unrestricted net position represents the amount available to be used to meet the City's ongoing obligations to citizens and creditors. The City's governmental funds reported combined ending fund balances of \$6.1 million, of which \$550 thousand was unassigned. During the current fiscal year, the City's Net Position decreased by \$399 thousand and total debt decreased by \$86 thousand.

Overview of the Financial Statements

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

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

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

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

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

City of Bandon, Oregon

June 30, 2020

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-one 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 12th Court LID debt service fund, Local Option Street fund and General Obligation Bond Fund. Summary fund data by fund-type for the non-major governmental funds is provided in the form of combining statements. Individual fund data for each of these non-major governmental funds is provided as other supplementary information.

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

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

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

City of Bandon, Oregon

June 30, 2020

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

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

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

Government-wide Financial Analysis

City of Bandon Net Position

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

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Current and Other Assets	\$ 6,745,645	\$ 6,499,293	\$ 6,077,215	\$ 5,248,051	\$ 12,822,860	\$ 11,747,344
Capital Assets, Net	17,534,583	17,944,879	17,925,872	18,777,964	35,460,455	36,722,843
Total Assets	24,280,228	24,444,172	24,003,087	24,026,015	48,283,315	48,470,187
Deferred Outflows	433,488	578,754	698,305	849,529	1,131,793	1,428,283
Long-term Liabilities	7,194,122	7,443,385	3,511,468	3,381,395	10,705,590	10,824,780
Other Liabilities	437,615	660,606	421,305	588,707	871,180	1,249,313
Total Liabilities	7,631,737	8,103,991	3,932,773	3,970,102	11,576,770	12,074,093
Deferred Inflows	312,496	331,869	198,582	211,471	511,078	543,340
Net Position:						
Net Investment in						
Capital Assets	11,907,883	11,943,967	16,752,702	17,490,114	28,660,585	29,434,081
Restricted	3,321,707	3,708,532	2,734,402	2,486,416	6,056,109	6,194,948
Unrestricted	1,539,893	934,567	1,082,933	717,441	2,622,826	1,652,008
Total Net Position	\$ 16,769,483	\$ 16,587,066	\$ 20,570,037	\$ 20,693,971	\$ 37,339,520	\$ 37,281,037

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 \$37.3 million as of June 30, 2020. A portion of the City's net position (\$28.7 million or 76.5%) reflects its investment in capital assets (e.g., land and right-of-ways, buildings, improvements, equipment and infrastructure, net of accumulated depreciation less any related debt used to acquire those assets that are still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Of the remaining net position, 1.8% is restricted for debt service, 9.3% is restricted for capital projects, 4.8% is restricted for streets, 0.2% is restricted for customer deposits, and the remaining 7.4% is unrestricted.

City of Bandon, Oregon

June 30, 2020

City of Bandon Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenue						
Charges for Services and Contracts	\$ 678,775	\$ 859,939	\$ 7,899,260	\$ 7,898,974	\$ 8,578,035	\$ 8,758,913
Operating Grants and Contributions	4,281	656,237	-	-	4,281	656,237
General Revenues						
Taxes	2,946,900	2,495,783	-	-	2,946,900	2,495,783
Contributions in Lieu of Taxes	466,258	460,599	-	-	466,258	460,599
Franchise Fees	47,022	-	-	-	47,022	-
Miscellaneous Revenue	-	-	-	-	-	-
Unrestricted Investment Earnings	813,496	141,071	108,170	101,699	921,666	242,770
Total Revenues	<u>4,956,732</u>	<u>4,613,629</u>	<u>8,007,430</u>	<u>8,000,673</u>	<u>12,964,162</u>	<u>12,614,302</u>
EXPENSES						
General Government	1,764,247	1,682,038	-	-	1,764,247	1,682,038
Public Safety	1,335,471	1,333,411	-	-	1,335,471	1,333,411
Highways and Streets	431,796	481,201	-	-	431,796	481,201
Economic Development	-	26,941	-	-	-	26,941
Culture and Recreation	1,045,267	978,451	-	-	1,045,267	978,451
Interest on Long-Term Obligations	193,037	191,778	-	-	193,037	191,778
Loss on Sale of Property	90,944	-	31,204	-	122,148	-
Water Utility	-	-	1,095,748	1,052,614	1,095,748	1,052,614
Sewer Utility	-	-	1,071,447	1,151,192	1,071,447	1,151,192
Electric Utility	-	-	6,304,407	5,777,585	6,304,407	5,777,585
Total Expenses	<u>4,860,762</u>	<u>4,693,820</u>	<u>8,502,806</u>	<u>7,981,391</u>	<u>13,363,568</u>	<u>12,675,211</u>
Transfers	(371,442)	(79,261)	371,442	79,261	-	-
Change in Net Position	(275,472)	(159,452)	(123,934)	98,543	(399,406)	(60,909)
Cumulative Effect of Change in Accounting Principle	(18,469)	-	-	-	(18,469)	-
Prior Period Adjustment	476,358	-	-	-	476,358	-
Net Position, July 1	16,587,066	16,746,518	20,693,971	20,595,428	37,281,037	37,341,946
Net Position, June 30	<u>\$ 16,769,483</u>	<u>\$ 16,587,066</u>	<u>\$ 20,570,037</u>	<u>\$ 20,693,971</u>	<u>\$ 37,339,520</u>	<u>\$ 37,281,037</u>

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 \$182 thousand. The main reasons for this increase are increased property tax revenues, including increased urban renewal tax increment revenues, based on higher property values; increases in intergovernmental support, primarily County support of the library; and expenditure cuts across departments, in both operations and capital outlay. The basic financial statements include a reconciliation of the governmental funds balance sheet to the statement of net position.

Business-type activities. Business-type activities decreased the City's net position by \$124 thousand primarily due to increases in the Electrical utility's administrative and costs of sales/service that outpaced increases in related revenues, chief among them was a temporary \$50,000 increase in charges from Bonneville Power.

Financial Analysis of the City's Funds

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

City of Bandon, Oregon

June 30, 2020

Governmental Funds

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

City of Bandon General Fund. The general fund is the chief operating fund of the City. At June 30, 2020, total fund balance for the general fund equaled \$575 thousand, which was all unassigned with the exception of customer deposits of \$6.8 thousand. Unassigned fund balance is the amount considered available to spend. At June 30, 2019, the fund balance of the City's general fund was \$238 thousand. The increase in fund balance of \$337 thousand is due to increased property tax revenues, including increased urban renewal tax increment revenues, based on higher property values; increases in intergovernmental support, primarily County support of the library; proceeds from sale of property of \$282 thousand; and expenditure cuts across departments, in both operations and capital outlay, due to uncertainties of the COVID-19 pandemic.

Change in Fund Balance – Governmental Funds

Fund	<u>Fund Balance</u>			
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
General Fund	\$ 575,229	\$ 238,186	\$ 337,043	141.5%
Urban Renewal District No. 1	1,325,102	891,345	433,756	48.7%
Local Option Street Fund	1,329,880	1,255,027	74,853	-6.0%
G.O. Bond Debt Service Fund	366,192	323,189	43,002	-13.3%
12th Court LID Debt Service Fund	239,970	270,242	(30,272)	
Other Governmental Funds	2,256,370	2,641,949	(385,578)	-14.6%
Total	<u>\$6,092,743</u>	<u>\$5,619,938</u>	<u>\$ 472,804</u>	8.4%

General Fund Summary

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Revenues				
Taxes	\$1,429,512	\$1,304,639	\$ 124,873	9.6%
Payments in lieu of taxes	447,856	444,253	3,603	0.8%
Reimbursements	409,394	435,803	(26,409)	6.1%
Other revenues	231,214	242,365	(11,151)	4.6%
Total revenues	<u>\$2,517,976</u>	<u>\$2,427,060</u>	<u>\$ 90,916</u>	3.7%
Expenditures				
General government	956,899	904,827	\$ 52,072	5.8%
Public safety	1,121,546	1,148,298	(26,752)	-2.3%
Highways and streets	101,882	165,563	(63,681)	38.5%
Culture and recreations	287,391	285,446	1,945	
Total expenditures	<u>\$2,467,718</u>	<u>\$2,504,134</u>	<u>\$ (36,416)</u>	-1.5%
Transfers In (Out)	5,282	(347,645)	\$ 352,927	-101.5%
Sale of Property	281,503	-	\$ 281,503	n.m.
Change in Fund Balance	337,043	(424,719)	761,762	-179.4%
Beginning Fund Balance	238,186	662,905	(424,719)	64.1%
Ending Fund Balance	<u>575,229</u>	<u>238,186</u>	<u>337,043</u>	

City of Bandon, Oregon

June 30, 2020

City of Bandon Other Governmental Funds

The Urban Renewal District No. 1 Fund, Local Option Street Tax Fund, general obligation bond fund, and 12th Court Local Improvement District Debt Service Fund are the other major governmental funds. During the fiscal year 2020 the Urban Renewal District No. 1 Fund had an increase in its fund balance of \$434 thousand, local option street fund increased by \$75 thousand, general obligation bond fund increased by \$43 thousand, and the 12th court local improvement district fund decreased by \$30 thousand during the year.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The sewer fund, water fund, and electric fund are the major proprietary funds. For fiscal year end 2020, the water and sewer utilities saw relatively small changes in net position of \$-5 and \$114 thousand, respectively. The electric utility saw a \$234 thousand decrease in net position primarily due to increases in administrative and costs of sales/service that outpaced increases in related revenues.

Change in Net Position - Business-type Activities

Source	Sewer	Water	Electric	Total
Revenues	\$ 818,259	\$ 990,242	\$ 6,090,759	\$ 7,899,260
Operating Expenses	1,061,575	1,083,909	6,304,407	8,449,891
Operating Income	(243,316)	(93,667)	(213,648)	(550,631)
Non-Operating Revenue	(233)	45,383	41,309	86,459
Other Financing Sources	238,936	162,506	(61,204)	340,238
Change in Net Position	(4,613)	114,222	(233,543)	(123,934)
Beginning Net Position	3,550,400	8,216,172	8,927,399	20,693,971
Ending Net Position	\$ 3,545,787	\$ 8,330,394	\$ 8,693,856	\$ 20,570,037

General Fund Budget

Actual revenues for fiscal year 2019-20 approximated budgeted amounts. Expenditures were approximately 15% less than budgeted as staff cut back on expenses due to uncertain impact of the COVID-19 pandemic. The General Fund also recognized \$282 thousand in proceeds from the sale of property that was not included in the annual budget.

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$35.5 million (net of accumulated depreciation). This investment in capital assets, which decreased by \$1.2 million, includes land, construction in progress, buildings and improvements, equipment, and infrastructure (streets, water, wastewater, storm drainage, and electric system). The decrease is the net impact of \$2 million in depreciation, \$1.3 million in new capital assets, and \$1 million 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.

City of Bandon, Oregon

June 30, 2020

Long-term Debt

As of June 30, 2020, the City had total long-term debt of \$6.8 million, including enterprise activity commitments. Outstanding debt includes \$2.2 million in general obligation bonds to be serviced by general property taxes and \$1.6 million Urban Renewal general obligation bonds that are serviced by tax increment financing. The City would be liable for this Urban Renewal debt in the event of default by the Urban Renewal Agency. In addition, there is \$411 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 \$460 thousand during the current fiscal year due to scheduled payments. The City of Bandon complies with Oregon Revised Statutes that limit general obligation bond debt to 3% of the real market value of all taxable property within the City's boundaries. Additional information on the City's bonded debt can be found in the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The Fiscal Year 2020-21 budget total is \$20,512,029, which is \$3,541,243 (17%) less than the prior Fiscal Year 2019-2020 budget of \$24,053,272. This decrease is primarily due to the City delaying issuing the General Obligation Bonds for water and sewer improvements and does not plan to form any new Local Improvement Districts.

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

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

The City continues to receive local option street tax funds for streets, drainage systems, and pedestrian facilities. This is a voter approved local option tax in the amount of \$0.8455 per \$1,000 assessed valuation for 10 years. This tax will be up for renewal by the voters at the May 2021 election. The Urban Renewal special levy will not be imposed while there is a local option street tax. If the Local Option Street tax is not approved, the City will impose an urban renewal special levy, which would yield over \$655,000 in Fiscal Year 2021-22, so the overall financial impact would be negligible.

Requests for Information

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

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

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CITY OF BANDON
COOS COUNTY, OREGON

Basic Financial Statements

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CITY OF BANDON
COOS COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,894,336	\$ 1,165,789	\$ 4,060,125
Receivables			
Accounts	36,152	556,589	592,741
Property taxes	148,927	-	148,927
Loans/Notes	53,244	1,068,212	1,121,456
Special assessments	321,345	16,226	337,571
Inventories	-	529,952	529,952
Restricted cash	3,291,641	2,740,447	6,032,088
Capital assets			
Capital assets, not depreciable	1,898,716	992,867	2,891,583
Depreciable capital assets, net of accumulated depreciation	15,635,867	16,933,005	32,568,872
Total assets	<u>24,280,228</u>	<u>24,003,087</u>	<u>48,283,315</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals - PERS	433,488	698,305	1,131,793
Total assets and deferred outflows of resources	<u>24,713,716</u>	<u>24,701,392</u>	<u>49,415,108</u>
LIABILITIES			
Accounts payable	140,608	78,536	219,144
Accrued payroll and benefits	31,273	35,904	67,177
Customer deposits	6,844	77,710	84,554
Unearned revenue	-	50,504	50,504
Accrued interest payable	116,053	12,209	128,262
Compensated absences payable	142,837	166,442	309,279
Non-current liabilities			
Amount due within one year	329,748	88,098	417,846
Amount due after one year	5,296,952	1,113,527	6,410,479
Net pension liability - PERS	1,567,422	2,309,843	3,877,265
Total liabilities	<u>7,631,737</u>	<u>3,932,773</u>	<u>11,564,510</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on refunding	99,874	-	99,874
Pension related deferrals - PERS	212,622	198,582	411,204
Total deferred inflows	<u>312,496</u>	<u>198,582</u>	<u>511,078</u>
NET POSITION			
Net investment in capital assets	11,907,883	16,752,702	28,660,585
Restricted for			
Debt service	660,096	28,455	688,551
Capital projects	868,318	2,628,237	3,496,555
Streets	1,786,449	-	1,786,449
Customer deposits	6,844	77,710	84,554
Urban Renewal	2,062,591	-	2,062,591
Unrestricted	(522,698)	1,082,933	560,235
TOTAL NET POSITION	<u><u>\$ 16,769,483</u></u>	<u><u>\$ 20,570,037</u></u>	<u><u>\$ 37,339,520</u></u>

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

CITY OF BANDON
COOS COUNTY, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
GOVERNMENTAL ACTIVITIES							
General government	\$ 1,764,247	\$ 240,334	\$ -	\$ -	\$ (1,523,913)	\$ -	\$ (1,523,913)
Public safety	1,335,471	-	3,281	-	(1,332,190)	-	(1,332,190)
Highways and streets	431,796	40,460	-	-	(391,336)	-	(391,336)
Culture and recreation	1,045,267	397,981	1,000	-	(646,286)	-	(646,286)
Interest on long-term debt	193,037	-	-	-	(193,037)	-	(193,037)
Total governmental activities	4,769,818	678,775	4,281	-	(4,086,762)	-	(4,086,762)
BUSINESS-TYPE ACTIVITIES							
Sewer	1,071,447	818,259	-	-	-	(253,188)	(253,188)
Water	1,095,748	990,242	-	-	-	(105,506)	(105,506)
Electric	6,304,407	6,090,759	-	-	-	(213,648)	(213,648)
Total business-type activities	8,471,602	7,899,260	-	-	-	(572,342)	(572,342)
TOTAL GOVERNMENT	\$ 13,241,420	\$ 8,578,035	\$ 4,281	\$ -	(4,086,762)	(572,342)	(4,659,104)
GENERAL REVENUES							
Taxes and assessments							
Property taxes							
					1,768,389	-	1,768,389
Other taxes and assessments							
					1,178,511	-	1,178,511
Contributions in lieu of taxes							
					466,258	-	466,258
Franchise fees							
					47,022	-	47,022
Gain (Loss) on sale of property							
					(90,944)	(31,204)	(122,148)
Interest and investment earnings							
					813,496	108,170	921,666
Transfers							
					(371,442)	371,442	-
Total general revenues and transfers							
					3,811,290	448,408	4,259,698
CHANGE IN NET POSITION							
					(275,472)	(123,934)	(399,406)
NET POSITION, beginning of year							
					16,587,066	20,693,971	37,281,037
Cumulative effect of change in accounting principle							
					(18,469)	-	(18,469)
Prior period adjustment							
					476,358	-	476,358
NET POSITION, end of year							
					\$ 16,769,483	\$ 20,570,037	\$ 37,339,520

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

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

June 30, 2020

	General	Capital Projects	
		Urban Renewal District No. 1	Local Option Street
ASSETS			
Cash and cash equivalents	\$ 646,144	\$ -	\$ -
Receivables			
Property taxes	21,584	40,503	43,990
Accounts	32,829	-	-
Notes receivable			
Loans	-	-	-
Special assessments	-	-	-
Interfund loans receivable	-	-	-
Restricted cash	6,844	\$ 1,323,937	1,361,506
Total assets	<u>\$ 707,401</u>	<u>\$ 1,364,440</u>	<u>\$ 1,405,496</u>
LIABILITIES			
Accounts payable	\$ 83,424	\$ 4,800	\$ 38,188
Accrued payroll benefits	23,723	-	-
Interfund loans payable	-	-	-
Customer deposits	6,844	-	-
Total liabilities	<u>113,991</u>	<u>4,800</u>	<u>38,188</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues			
Property taxes	18,181	34,538	37,428
Assessments	-	-	-
Loans	-	-	-
Total deferred inflows of resources	<u>18,181</u>	<u>34,538</u>	<u>37,428</u>
FUND BALANCES			
Restricted for debt service	-	-	-
Restricted for customer deposits	6,844	-	-
Restricted for capital projects	-	-	-
Restricted for urban renewal	-	1,325,102	-
Restricted special projects - streets	-	-	1,329,880
Committed for capital projects	-	-	-
Committed for special projects	-	-	-
Unassigned	568,385	-	-
Capital project funds	-	-	-
Total fund balances	<u>575,229</u>	<u>1,325,102</u>	<u>1,329,880</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 707,401</u>	<u>\$ 1,364,440</u>	<u>\$ 1,405,496</u>

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

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

June 30, 2020

	Debt Service		Other	
	General		Governmental	
	Obligation Bond	12th Court LID	Funds	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 2,248,192	\$ 2,894,336
Receivables				
Property taxes	25,433	-	17,417	148,927
Accounts	3,323	-	-	36,152
Notes receivable				
Loans	-	-	53,244	53,244
Special assessments	-	314,587	6,758	321,345
Interfund loans receivable	-	-	17,353	17,353
Restricted cash	359,384	239,970	-	3,291,641
Total assets	<u>\$ 388,140</u>	<u>\$ 554,557</u>	<u>\$ 2,342,964</u>	<u>\$ 6,762,998</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 14,196	\$ 140,608
Accrued payroll benefits	-	-	7,550	31,273
Interfund loans payable	-	-	17,353	17,353
Customer deposits	-	-	-	6,844
Total liabilities	<u>-</u>	<u>-</u>	<u>39,099</u>	<u>196,078</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	21,948	-	14,423	126,518
Assessments	-	314,587	6,670	321,257
Loans	-	-	26,402	26,402
Total deferred inflows of resources	<u>21,948</u>	<u>314,587</u>	<u>47,495</u>	<u>474,177</u>
FUND BALANCES				
Restricted for debt service	366,192	239,970	53,934	660,096
Restricted for customer deposits	-	-	-	6,844
Restricted for capital projects	-	-	868,318	868,318
Restricted for urban renewal	-	-	737,489	2,062,591
Restricted special projects - streets	-	-	456,569	1,786,449
Committed for capital projects	-	-	113,900	113,900
Committed for special projects	-	-	45,041	45,041
Unassigned	-	-	(18,881)	549,504
Capital project funds		-	-	-
Total fund balances	<u>366,192</u>	<u>239,970</u>	<u>2,256,370</u>	<u>6,092,743</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 388,140</u>	<u>\$ 554,557</u>	<u>\$ 2,342,964</u>	<u>\$ 6,762,998</u>

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

CITY OF BANDON
COOS COUNTY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2020

TOTAL FUND BALANCES – governmental funds		\$	6,092,743
Amounts reported for governmental activities in the statement of net position are different because:			
The net pension asset (liability) is the difference between the total PERS pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries			
			(1,567,422)
Deferred inflows and outflows of resources related to the PERS pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date			
Deferred Inflows			(212,622)
Deferred Outflows			433,488
Capital assets are not current financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value			
Capital assets, not depreciable	1,898,716		
Depreciable capital assets, net of	<u>15,635,867</u>		17,534,583
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	126,518		
Loans receivable	26,402		
Special assessments	<u>321,257</u>		474,177
All liabilities are reported in the statement of net position. However, if they are not due and payable in the current period, they are not recorded in the governmental funds			
Long-term obligations	(5,626,700)		
Deferred charge on refunding	(99,874)		
Accrued interest payable on bonds and notes	(116,053)		
Compensated absences	<u>(142,837)</u>		(5,985,464)
NET POSITION - governmental activities		\$	<u><u>16,769,483</u></u>

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

**CITY OF BANDON
COOS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDEDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	General	Capital Projects	
		Urban Renewal District No. 1	Local Option Street
REVENUES			
Taxes	\$ 1,429,512	\$ 474,634	\$ 433,366
Licenses and permits	20,013	-	-
Intergovernmental	70,745	-	-
System development charges	-	-	-
Payments in lieu of taxes	447,856	5,858	5,416
Fines and police income	31,254	-	-
Special assessments	-	-	-
Grants	-	-	-
Interest	9,093	18,329	27,138
Reimbursements	409,394	-	-
Other	100,109	1,250	-
Total revenues	2,517,976	500,071	465,920
EXPENDITURES			
Current			
General government	956,899	35,603	-
Public safety	1,121,546	-	-
Highways and streets	101,882	-	-
Culture and recreation	287,391	-	-
Capital outlay	-	101,087	391,067
Debt service	-	197,883	-
Total expenditures	\$ 2,467,718	\$ 334,573	\$ 391,067
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 50,258	\$ 165,498	\$ 74,853
OTHER FINANCING SOURCES (USES)			
Transfer in (out)	5,282	-	-
Loan forgiven with property purchase	-	-	-
Sale of property	281,503	268,259	-
Loan Interest	-	-	-
Total other financing sources (uses)	286,785	268,259	-
NET CHANGE IN FUND BALANCE	337,043	433,757	74,853
FUND BALANCES, beginning of year	238,186	891,345	1,255,027
Cumulative effect of change in accounting principle	-	-	-
FUND BALANCES, end of year	\$ 575,229	\$ 1,325,102	\$ 1,329,880

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

CITY OF BANDON
COOS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Debt Service		Other	Total
	General Obligation Bond	12th Court LID Debt Service	Governmental Funds	
REVENUES				
Taxes	\$ 257,676	\$ -	\$ 390,852	\$ 2,986,040
Licenses and permits	-	-	-	20,013
Intergovernmental	-	-	448,330	519,075
System development charges	-	-	115,011	115,011
Payments in lieu of taxes	3,969	-	3,159	466,258
Fines and police income	-	-	-	31,254
Special assessments	-	1,001	672	1,673
Grants	-	-	4,281	4,281
Interest	6,518	6,169	51,279	118,526
Reimbursements	-	-	-	409,394
Other	36,799	-	145,266	283,424
Total revenues	304,962	7,170	1,158,850	4,954,949
EXPENDITURES				
Current				
General government	-	-	17,800	1,010,302
Public safety	-	-	50,795	1,172,341
Highways and streets	-	-	216,579	318,461
Culture and recreation	-	-	551,860	839,251
Capital outlay	-	-	277,666	769,820
Debt service	261,959	40,024	83,359	583,225
Total expenditures	\$ 261,959	\$ 40,024	\$ 1,198,059	\$ 4,693,400
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 43,003	\$ (32,854)	\$ (39,209)	\$ 261,549
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	-	2,582	(379,306)	(371,442)
Loan forgiven with property purchase	-	-	(21,131)	(21,131)
Sale of property	-	-	59,604	609,366
Loan Interest	-	-	2,152	2,152
Total other financing sources (uses)	-	2,582	(338,681)	218,945
NET CHANGE IN FUND BALANCE	43,003	(30,272)	(377,890)	480,494
FUND BALANCES, beginning of year	323,189	270,242	2,641,949	5,619,938
Cumulative effect of change in accounting principle	-	-	(7,689)	(7,689)
FUND BALANCES, end of year	\$ 366,192	\$ 239,970	\$ 2,256,370	\$ 6,092,743

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

**CITY OF BANDON
COOS COUNTY, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020**

TOTAL NET CHANGE IN FUND BALANCES - governmental funds		\$	480,494
Amounts reported for governmental activities in the statement of activities are different because:			
The pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.			
			(257,835)
Governmental funds defer inflows of resources that do not provide current financial resources. However, the statement of activities recognizes such revenues at their net realizable value when earned, regardless of when received			
Property taxes	7,882		
Loans receivable	(16,322)		
Special assessments	8,071		
			(369)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlay in the period			
Capital acquisitions and capital contributions	754,485		
Disposals and loss on disposals	(705,425)		
Depreciation	(935,714)		
			(886,654)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of			
Change in interest payable	6,677		
Changes in compensated absences payable	(1,296)		
Amortization of bond premium	2,306		
Amortization of deferred charge on refunding	6,993		
Principal payments on long-term debt	374,212		
			388,892
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u>(275,472)</u>

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

CITY OF BANDON
COOS COUNTY, OREGON
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
June 30, 2020

	Sewer	Water	Electric	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 21,448	\$ 13,625	\$ 1,130,716	\$ 1,165,789
Receivable				
Accounts	63,917	67,157	425,515	556,589
Special assessments	2,806	13,420	-	16,226
Restricted cash	411,996	2,237,956	62,040	2,711,992
Inventory	-	21,044	508,908	529,952
Total current assets	<u>500,167</u>	<u>2,353,202</u>	<u>2,127,179</u>	<u>4,980,548</u>
NONCURRENT ASSETS				
Notes receivable	-	303,212	765,000	1,068,212
Restricted cash	-	28,455	-	28,455
Capital assets (net of accumulated depreciation)	4,386,687	6,260,836	7,278,349	17,925,872
Total noncurrent assets	<u>4,386,687</u>	<u>6,592,503</u>	<u>8,043,349</u>	<u>19,022,539</u>
Total assets	<u>4,886,854</u>	<u>8,945,705</u>	<u>10,170,528</u>	<u>24,003,087</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - pension	87,712	141,953	468,640	698,305
LIABILITIES				
Current liabilities				
Accounts payable	43,571	28,206	6,759	78,536
Accrued payroll benefits	5,879	7,805	22,220	35,904
Compensated absences payable	51,734	23,221	91,487	166,442
Customer deposits	9,988	5,682	62,040	77,710
Unearned revenue - prepaid utility accounts	4,639	4,759	41,106	50,504
Accrued interest payable	5,615	6,594	-	12,209
Current portion of long-term debt	59,643	28,455	-	88,098
Total current liabilities	<u>181,069</u>	<u>104,722</u>	<u>223,612</u>	<u>509,403</u>
LONG-TERM LIABILITIES				
Net pension liability	310,971	422,349	1,576,523	2,309,843
Long-term debt (net of current portion)	903,004	210,523	-	1,113,527
Total liabilities	<u>1,395,044</u>	<u>737,594</u>	<u>1,800,135</u>	<u>3,932,773</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - pension	33,735	19,670	145,177	198,582
NET POSITION				
Net investment in capital assets	3,424,040	6,050,313	7,278,349	16,752,702
Restricted for debt service	-	28,455	-	28,455
Restricted for capital projects	382,543	2,245,694	-	2,628,237
Restricted for customer deposits	9,988	5,682	62,040	77,710
Unrestricted	(270,784)	250	1,353,467	1,082,933
TOTAL NET POSITION	<u>\$ 3,545,787</u>	<u>\$ 8,330,394</u>	<u>\$ 8,693,856</u>	<u>\$ 20,570,037</u>

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

CITY OF BANDON
COOS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
For the Year Ended June 30, 2020

	Sewer	Water	Electric	Total
OPERATING REVENUES				
Charges for services				
Sewer charges	\$ 772,600	\$ -	\$ -	\$ 772,600
Water sales	-	805,418	-	805,418
Electricity sales	-	-	5,851,483	5,851,483
BPA Conservation	-	-	17,770	17,770
Service charges, fees and permits	45,179	164,032	206,083	415,294
Other	480	20,792	15,423	36,695
	<u>818,259</u>	<u>990,242</u>	<u>6,090,759</u>	<u>7,899,260</u>
OPERATING EXPENSES				
Administration	130,739	113,412	575,591	819,742
Cost of sales and services	700,664	580,612	5,142,540	6,423,816
Energy assistance payments	-	-	7,508	7,508
Plant improvement (non-capital)	-	57,063	-	57,063
Depreciation and amortization	230,172	332,822	578,768	1,141,762
	<u>1,061,575</u>	<u>1,083,909</u>	<u>6,304,407</u>	<u>8,449,891</u>
OPERATING INCOME (LOSS)	<u>(243,316)</u>	<u>(93,667)</u>	<u>(213,648)</u>	<u>(550,631)</u>
NONOPERATING REVENUES (EXPENSE)				
Interest income	9,639	57,222	41,309	108,170
Interest expense	(9,872)	(11,839)	-	(21,711)
	<u>(233)</u>	<u>45,383</u>	<u>41,309</u>	<u>86,459</u>
INCOME BEFORE OPERATING TRANSFERS	<u>(243,549)</u>	<u>(48,284)</u>	<u>(172,339)</u>	<u>(464,172)</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	(31,204)	(31,204)
Transfer (to) from other funds	238,936	162,506	(30,000)	371,442
CHANGE IN NET POSITION	<u>(4,613)</u>	<u>114,222</u>	<u>(233,543)</u>	<u>(123,934)</u>
NET POSITION, beginning of year	<u>3,550,400</u>	<u>8,216,172</u>	<u>8,927,399</u>	<u>20,693,971</u>
NET POSITION, end of year	<u>\$ 3,545,787</u>	<u>\$ 8,330,394</u>	<u>\$ 8,693,856</u>	<u>\$ 20,570,037</u>

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

CITY OF BANDON
COOS COUNTY, OREGON
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
For the Year Ended June 30, 2020

	<u>Increase (Decrease) in Cash and Cash Equivalents</u>			
	Sewer	Water	Electric	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 817,333	\$ 992,427	\$ 6,124,255	\$ 7,934,015
Cash paid to employees	(303,128)	(287,275)	(1,380,619)	(1,971,022)
Cash paid to suppliers	(479,151)	(413,243)	(4,189,902)	(5,082,296)
Net cash provided by operating activities	35,054	291,909	553,734	880,697
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due from other funds - repayment	(95,191)	(46,032)	-	(141,223)
Customer deposits	(200)	(5)	(6,372)	(6,577)
Interfund transfers (net)	238,936	162,506	(30,000)	371,442
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	143,545	116,469	(36,372)	223,642
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sale of property	-	-	24,063	24,063
Principal payments	(59,052)	(27,170)	-	(86,222)
Interest paid	(10,217)	(12,589)	-	(22,806)
Acquisition of capital assets	(211,968)	(3,089)	(346,457)	(561,514)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(281,237)	(42,848)	(322,394)	(646,479)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of note receivable	-	-	(548,429)	(548,429)
Interest received	9,639	57,222	41,309	108,170
Principal payments on notes receivable	(2)	19,308	-	19,306
Net cash received from investing activities	9,637	76,530	(507,120)	(420,953)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(93,001)	442,060	(312,152)	36,907
CASH AND CASH EQUIVALENTS, at beginning of year (including restricted cash of \$111,460)	526,445	1,837,976	1,504,908	3,869,329
CASH AND CASH EQUIVALENTS, at end of year (including restricted cash of \$2,740,447)	<u>\$ 433,444</u>	<u>\$ 2,280,036</u>	<u>\$ 1,192,756</u>	<u>\$ 3,906,236</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO				
Operating income (loss)	\$ (243,316)	\$ (93,667)	\$ (213,648)	\$ (550,631)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	230,172	332,822	578,768	1,141,762
Change in assets and liabilities				
Accounts	(5,565)	(2,574)	(7,610)	(15,749)
Inventory	-	(309)	(30,502)	(30,811)
Pension liability	21,744	21,059	87,270	130,073
Deferred outflow	25,280	24,483	101,461	151,224
Accounts payable	3,010	2,435	(8,102)	(2,657)
Accrued payroll and benefits	(290)	2,443	(16)	2,137
Unearned revenue - prepaid utility billing	4,639	4,759	41,106	50,504
Compensated absences	1,535	2,545	13,654	17,734
Deferred inflow	(2,155)	(2,087)	(8,647)	(12,889)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 35,054</u>	<u>\$ 291,909</u>	<u>\$ 553,734</u>	<u>\$ 880,697</u>

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

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**CITY OF BANDON
COOS COUNTY, OREGON**

Notes to the Basic Financial Statements

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City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

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

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Major governmental funds include:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

Proprietary funds include the following fund type:

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

Major enterprise funds include:

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

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

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has property taxes, assessments, and loans receivable that fit into this classification.

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

2. Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

2. Stewardship, Compliance, and Accountability (continued)

Excess of Expenditures over Appropriations and Deficit Fund Balances

Expenditures exceeded appropriations in the following amounts:

<u>Fund / Budget Category</u>	<u>Amount of Over Expenditure</u>
GENERAL FUND	
General government	
Administration and general	\$ 3,065
LIBRARY FUND	
Personnel services	\$ 4,044
BLOCK GRANT FUND	
Contribution to Parks Fund	\$ 21,131
PARKS AND RECREATION DEVELOPMENT FUND	
Debt service	\$ 40
WATER FUND	
Plant operations	\$ 3,538
Non-departmental	
Materials and services	\$ 3,794
Transfer to other funds	\$ 3,135
ELECTRIC FUND	
Source of supply	\$ 94,267
Deficit Fund Balance:	
Capital Improvement Fund	\$ 17,353

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

3. Cash and Investments

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

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Investments.

Deposits – The GASB has adopted U.S. GAAP, which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2020. If bank deposits at year end are not entirely insured or collateralized with securities held by the City or by its agent in the City's name, the City must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. Any deposits with financial institutions will be covered up to \$250,000 by Federal Depository Insurance, and the remaining deposited at an approved depository as prescribed by the Oregon State Treasurer.

The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Effective July 1, 2008, state statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295 .001 to 295 .108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may now be on deposit at any one bank depository and its branches, a sum in excess of the amount insured by Federal Deposit Insurance Corporation. For the fiscal year ended June 30, 2020, the total amount of the City's deposits in various financial institutions was \$999,182. All deposits are held in the name of the City. Of the bank balance, the entire amount was covered by federal depository insurance or collateralized.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. As of June 30, 2020, 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 2020. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294 .895). LGIP is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

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

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

3. Cash and Investments (continued)

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

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

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

As of June 30, 2020, the City had the following investment:

Investment Type	Maturity	Percentage of Portfolio	Fair Value
Local Government Investment Pool	1 day	100%	\$ 9,411,903

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

Carrying amount of deposits	\$ 680,310
Local Government Investment Pool	9,411,903
Total	\$ 10,092,213

BALANCE SHEET

Governmental Activities	
Cash and Cash Equivalents	\$ 2,894,336
Restricted Cash	3,291,641
Total governmental activities	6,185,977
Business-type Activities	
Cash and Cash Equivalents	1,165,789
Restricted Cash	2,740,447
Total business-type activities	3,906,236
TOTAL	\$ 10,092,213

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

4. Property Taxes Receivable

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

Property taxes – Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes are billed and collected by the County of Coos and remittance to the City is made at periodic intervals. For fiscal year 2019-20, the City imposed a property tax rate of \$0.4580, bond levies of \$0.5000, and local option tax levy of \$0.8455 per \$1,000 of assessed value. Coos County determined the actual taxable assessed valuation within the City to be \$527,640,053. After subtracting the Urban Renewal excess and after adjustments, the net levy result was \$921,263.

Following is a summary of property tax transactions for the City for the fiscal year ended June 30, 2020:

<u>Coos County</u>	<u>Receivable June 30, 2019</u>	<u>2019-2020 Net Levy</u>	<u>Collections and Adjustments</u>	<u>Receivable June 30, 2020</u>
2019-2020		\$ 921,263	\$ (887,307)	\$ 33,956
2018-2019	\$ 33,836	-	(15,396)	18,440
2017-2018	19,333	-	(7,178)	12,155
2016-2017	12,469	-	(6,288)	6,181
2015-2016	6,934	-	(2,616)	4,318
2014-2015	1,060	-	(458)	602
2013-2014	546	-	(258)	288
Prior years	1,927	-	(310)	1,617
Total	<u>\$ 76,105</u>	<u>\$ 921,263</u>	<u>\$ (919,811)</u>	77,557
			June 2020 turnover received July	13,450
			Balance per City	<u>\$ 91,007</u>
			<u>Presentation on Governmental Funds Balance Sheet</u>	
			General Fund	\$ 21,584
			Local Option Street Fund	43,990
			General Obligation Bond Fund	25,433
				<u>\$ 91,007</u>

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

4. Property Taxes Receivable (continued)

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

Following is a summary of property tax transactions for the Urban Renewal Agency for the fiscal year ended June 30, 2020:

<u>Coos County</u>	<u>Receivable June 30, 2019</u>	<u>2019-2020 Net Levy</u>	<u>Collections and Adjustments</u>	<u>Receivable June 30, 2020</u>
2019-2020		\$ 665,196	\$ (646,295)	\$ 18,901
2018-2019	\$ 18,901		(8,200)	10,701
2017-2018	10,701		(3,898)	6,803
2016-2017	6,803		(2,710)	4,093
2015-2016	4,093		(3,491)	602
2014-2015	602		(271)	331
2013-2014	331		(143)	188
Prior years	1,174		6,168	7,342
Total	<u>\$ 42,605</u>	<u>\$ 665,196</u>	<u>\$ (658,840)</u>	48,961
			June 2020 turnover received July	8,959
			Balance per City	<u>\$ 57,920</u>
			<u>Presentation on Governmental Funds Balance Sheet</u>	
			Urban Renewal District #1	\$ 40,503
			Urban Renewal District #2	17,417
				<u>\$ 57,920</u>

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

5. Interfund Receivables and Payables

Outstanding balances between funds may result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. There are no interfund receivable (payable) balances as of June 30, 2020.

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

6. Capital Assets

Capital asset activity for the City for the fiscal year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Prior Period Adjustment	Additions	Deletions and Transfers	Balance June 30, 2020
GOVERNMENTAL ACTIVITIES					
NONDEPRECIABLE CAPITAL ASSETS					
Land	\$ 1,859,581	\$ 461,963	\$ 20,664	\$ (632,977)	\$ 1,709,231
Construction in progress	368,523	-	451,464	(630,502)	189,485
Total nondepreciable capital assets	2,228,104	461,963	472,128	(1,263,479)	1,898,716
DEPRECIABLE CAPITAL ASSETS					
Buildings	8,969,253	25,587	106,885	(89,372)	9,012,353
Land improvements	1,376,850	(11,192)	-	-	1,365,658
Furnishing & equipment	2,100,459	-	-	-	2,100,459
Streets	62,238,064	-	175,472	625,387	63,038,923
Storm drains	3,275,185	-	-	-	3,275,185
Total depreciable capital assets	77,959,811	14,395	282,357	536,015	78,792,578
ACCUMULATED DEPRECIATION					
Buildings	(2,170,212)	-	(231,037)	22,039	(2,379,210)
Land improvements	(266,322)	-	(42,553)	-	(308,875)
Furnishing & equipment	(1,424,866)	-	(96,240)	-	(1,521,106)
Streets	(56,994,644)	-	(468,262)	-	(57,462,906)
Storm drains	(1,386,992)	-	(97,622)	-	(1,484,614)
Total accumulated depreciation	(62,243,036)	-	(935,714)	22,039	(63,156,711)
Total depreciable assets	15,716,775	14,395	(653,357)	558,054	15,635,867
NET GOVERNMENTAL CAPITAL ASSETS	\$ 17,944,879	\$ 476,358	\$ (181,229)	\$ (705,425)	\$ 17,534,583

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

General government	\$ 704,865
Public safety	48,139
Highways and streets	44,901
Culture and recreation	137,809
	<u>\$ 935,714</u>

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

6. Capital Assets (Continued)

	Balance June 30, 2019	Additions	Deletions and Transfers	Balance June 30, 2020
BUSINESS-TYPE ACTIVITIES				
NONDEPRECIABLE CAPITAL ASSETS				
Land	\$ 845,055	\$ -	\$ 9,105	\$ 854,160
Construction in progress	151,963	13,579	(26,835)	138,707
Total nondepreciable capital assets	997,018	13,579	(17,730)	992,867
DEPRECIABLE CAPITAL ASSETS				
Buildings	5,003,212	-	(407,997)	4,595,215
Furnishing & equipment	2,325,425	276,275	(34,836)	2,566,864
Infrastructure	33,133,071	271,659	17,730	33,422,460
Total depreciable capital assets	40,461,708	547,934	(425,103)	40,584,539
ACCUMULATED DEPRECIATION				
Buildings	(2,276,414)	(126,685)	136,154	(2,266,945)
Furnishing & equipment	(1,769,048)	(109,176)	34,836	(1,843,388)
Infrastructure	(18,635,300)	(905,901)	-	(19,541,201)
Total accumulated depreciation	(22,680,762)	(1,141,762)	170,990	(23,651,534)
Total depreciable assets	17,780,946	(593,828)	(254,113)	16,933,005
NET BUSINESS-TYPE CAPITAL ASSETS	\$ 18,777,964	\$ (580,249)	\$ (271,843)	\$ 17,925,872

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

Electric	\$ 578,768
Water	332,822
Sewer	230,172
	<u>\$ 1,141,762</u>

During the year ended June 30, 2020, the City updated their capital asset register for assets purchased in prior years which had not been capitalized and made adjustments to move Construction in Progress upon completion to related categories.

In June 2020, the City completed an \$850,000 sale of land and buildings. Sale proceeds and gain/loss have been allocated between governmental and business-type activities based on the estimated real market value of the property sold. The total value of \$972,148 was removed from the City's books as a result of the sale, resulting in a loss on sale of (\$122,148) which was reported in the Statement of Activities.

7. Long-term obligations

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

7. Long-term Obligations (Continued)

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

Summary of long-term obligations

The following is a summary of changes in long-term obligations during the fiscal year ended June 30, 2020.

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
GOVERNMENTAL ACTIVITIES					
<i>Bonds Payable</i>					
Note payable - S99001	\$ 35,712	\$ -	\$ (35,712)	\$ -	\$ -
2000 General obligation bonds	2,284,149	-	(62,981)	2,221,168	65,816
2000 LID bond	12,718	-	(3,156)	9,562	837
2012 General obligation bonds	1,660,000	-	(95,000)	1,565,000	100,000
2018 OECD Water Clarification loan	592,731	-	(29,865)	562,866	30,084
<i>Direct Borrowing</i>					
12th Court LID loan	68,732	-	(1,571)	67,161	1,720
Note payable - 2004 HWY 101 LID	380,359	-	(36,425)	343,934	22,889
2012 Wedbush LoCap refinance	95,189	-	(26,209)	68,980	26,988
2018 OECD loan	449,727	-	(29,712)	420,015	24,906
2019 Sweeper loan	246,595	-	(46,039)	200,556	48,437
2019 Golf Course loan	175,000	-	(7,542)	167,458	8,071
Total governmental activities	\$ 6,000,912	\$ -	\$ (374,212)	\$ 5,626,700	\$ 329,748
BUSINESS-TYPE ACTIVITIES					
<i>Direct Borrowing</i>					
2006 OECD loan	\$ 266,148	\$ -	\$ (27,170)	\$ 238,978	\$ 28,455
2015 Wastewater Improvement loan	1,021,699	-	(59,052)	962,647	59,643
Total business-type activities	\$ 1,287,847	\$ -	\$ (86,222)	\$ 1,201,625	\$ 88,098

Changes in other liabilities – The following is a summary of changes in other liabilities during the fiscal year ended June 30, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Vacation payable	\$ 141,541	\$ 142,837	\$ (141,541)	\$ 142,837	\$ 142,837
BUSINESS-TYPE ACTIVITIES					
Vacation payable	\$ 148,708	\$ 166,442	\$ (148,708)	\$ 166,442	\$ 166,442

Business-Type Activities

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

7. Long-term Obligations (Continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 28,455	\$ 11,304	\$ 39,759
2022	29,801	9,958	39,759
2023	31,211	8,548	39,759
2024	32,687	7,072	39,759
2025	34,233	5,526	39,759
2026-2028	<u>82,591</u>	<u>6,552</u>	<u>89,143</u>
	238,978	<u>\$ 48,960</u>	<u>\$ 287,938</u>
Less current portion	<u>(28,455)</u>		
Total	<u>\$ 210,523</u>		

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 59,643	\$ 9,626	\$ 69,269
2022	60,239	9,030	69,269
2023	60,842	8,428	69,270
2024	61,450	7,819	69,269
2025	62,064	7,205	69,269
2026-2030	319,756	26,589	346,345
2031-2035	<u>338,653</u>	<u>10,278</u>	<u>348,931</u>
	962,647	<u>\$ 78,975</u>	<u>\$ 1,041,622</u>
Less current portion	<u>(59,643)</u>		
Total	<u>\$ 903,004</u>		

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

7. Long-term Obligations (continued)

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>
2021	\$ 65,816	\$ 99,952	\$ 165,768
2022	68,777	96,991	165,768
2023	71,872	93,896	165,768
2024	75,106	90,662	165,768
2025	78,489	87,282	165,771
2026-2030	448,697	380,143	828,840
2031-2035	559,159	269,681	828,840
2036-2040	696,813	132,027	828,840
2041	156,439	7,040	163,479
	2,221,168	<u>\$ 1,257,674</u>	<u>\$ 3,478,842</u>
Less current portion	(65,816)		
Total	<u>\$ 2,155,352</u>		

2000 Local Improvement City Bond – The original issue date was June 28, 2000 for \$352,995. The Bond Resolution created a sinking fund for the installment payments. Interest is computed annually at 5.316% on the outstanding balance. The City paid an additional \$108,800 of principal during the fiscal year ending June 30, 2008 and renegotiated the term of the bond. This debt may be paid prior to maturity without penalty. Scheduled payment dates are on June 28 and December 28 each year through 2029. During 2013, the City made additional principal pay down of \$20,890. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 837	\$ 542	\$ 1,379
2022	883	496	1,379
2023	936	444	1,380
2024	990	389	1,379
2025	1,050	330	1,380
2026-2029	4,866	662	5,528
	9,562	<u>\$ 2,863</u>	<u>\$ 12,425</u>
Less current portion	(837)		
Total	<u>\$ 8,725</u>		

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

7. Long-term Obligations (continued)

2000 State Revolving Fund Loan Number S99001 (SDW) – The original issue date was February 25, 2000 for \$500,000. This loan was paid off during the current year.

	Balance			Balance		Due Within
	June 30, 2019	Additions	Reductions	June 30, 2020	One Year	
Loan Payable	\$ 35,712	\$ -	\$ (35,712)	\$ -	\$ -	\$ -

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 30,084	\$ 27,924	\$ 58,008
2022	35,288	26,471	61,759
2023	30,552	24,707	55,259
2024	30,830	23,179	54,009
2025	31,063	21,696	52,759
2026-2030	200,245	81,550	281,795
2031-2034	204,804	25,979	230,783
	562,866	\$ 231,506	\$ 794,372
Less current portion	(30,084)		
Total	\$ 532,782		

2012 General Obligation Bond – On August 15, 2012, the city entered into an agreement with Wedbush Securities Inc. for the issuance of general obligation bonds in the amount of \$2,200,000. Interest is computed bi-annually at 2.00% to 4.00%. This debt can be prepaid after August 1, 2022 without penalty. Scheduled payment dates are February 1 and August 1, each year through fiscal year 2032-33. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 100,000	\$ 49,531	\$ 149,531
2022	100,000	46,531	146,531
2023	105,000	42,431	147,431
2024	110,000	38,681	148,681
2025	115,000	35,306	150,306
2026-2030	615,000	121,884	736,884
2031-2033	420,000	21,704	441,704
	1,565,000	\$ 356,068	\$ 1,921,068
Less current portion	(100,000)		
Total	\$ 1,465,000		

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

7. Long-term Obligations (Continued)

Governmental Activities

Direct Borrowing

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 22,889	\$ 10,409	\$ 33,298
2022	23,431	9,867	33,298
2023	24,170	9,128	33,298
2024	24,910	8,388	33,298
2025	25,718	7,580	33,298
2026-2030	141,270	25,220	166,490
2031-2035	81,546	3,977	85,523
	343,934	\$ 74,569	\$ 418,503
Less current portion	(22,889)		
Total	\$ 321,045		

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>
2021	\$ 24,906	\$ 20,506	\$ 45,412
2022	30,112	19,300	49,412
2023	30,329	17,833	48,162
2024	30,556	16,356	46,912
2025	30,795	14,867	45,662
2026-2030	188,005	49,055	237,060
2031-2032	85,312	6,262	91,574
	420,015	\$ 144,179	\$ 564,194
Less current portion	(24,906)		
Total	\$ 395,109		

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

7. Long-term Obligations (Continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 26,988	\$ 1,837	\$ 28,825
2022	27,790	1,035	28,825
2023	14,202	210	14,412
	<u>68,980</u>	<u>\$ 3,082</u>	<u>\$ 72,062</u>
Less current portion	<u>(26,988)</u>		
Total	<u>\$ 41,992</u>		

2012 12th Court LID Loan – The original loan date was April 11, 2012 for \$300,000. There are no reserve requirements. Interest is computed annually at 5.39% on the outstanding balance. The City paid an additional \$3,077 of interest during the fiscal year ending June 30, 2012. This debt may be paid prior to maturity without penalty. Scheduled payment dates are April 11 and October 11, each year, through 2043. Any payment over 10 days late shall be charged 5% interest. During 2013, the City made additional principal pay down of \$211,545. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,720	\$ 3,627	\$ 5,347
2022	1,795	3,552	5,347
2023	1,894	3,453	5,347
2024	1,990	3,357	5,347
2025	2,109	3,237	5,346
2026-2030	12,429	14,308	26,737
2031-2035	16,275	10,462	26,737
2036-2040	21,313	5,424	26,737
2041-2042	7,636	422	8,058
	<u>67,161</u>	<u>\$ 47,842</u>	<u>\$ 115,003</u>
Less current portion	<u>(1,720)</u>		
Total	<u>\$ 65,441</u>		

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

7. Long-term Obligations (Continued)

2019 Sweeper Loan – The original issue date was May 21, 2019 for \$250,405. This loan was for the purchase of a 2018 Street Sweeper. Interest is computed at 3.65% for the life of the loan computed on the basis of the actual number of days elapsed over a year of 360 days. The City may prepay all or any portion of the outstanding balance at any time, without penalty, upon written notice given to the lender thirty days in advance of the prepayment date. Any payment over 10 days late shall be charged 5% interest. The scheduled payment dates are June 1 of each year through 2024. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 48,437	\$ 6,411	\$ 54,848
2022	50,320	4,783	55,103
2023	52,214	2,889	55,103
2024	49,585	920	50,505
	<u>200,556</u>	<u>\$ 15,003</u>	<u>\$ 215,559</u>
Less current portion	<u>(48,437)</u>		
Total	<u><u>\$ 152,119</u></u>		

2019 Golf Course Loan – The original issue date was November 14, 2018 for \$175,000. This loan was for the purchase of a golf course and land. Interest is computed at 5.50% per year. Annual payments are required beginning November 2018 through November 2023. A late charge of 5% of the overdue payment amount applies when not received within 10 days of the payment due date. Annual debt requirements are shown below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 8,071	\$ 9,364	\$ 17,435
2022	8,546	8,888	17,434
2023	9,023	8,411	17,434
2024	141,818	7,908	149,726
	<u>167,458</u>	<u>\$ 34,571</u>	<u>\$ 202,029</u>
Less current portion	<u>(8,071)</u>		
Total	<u><u>\$ 159,387</u></u>		

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

8. Restricted Net Position

The City's bond covenants require certain reservations of certain funds' net position for repayment of general obligations. Property taxes levied for payment of debt are restricted as to their use. In addition, revenues derived from certain sources are restricted for special projects. Net position in these funds as of June 30, 2020 are classified as follows:

	Customer Deposits	Debt Service	Streets	Capital Projects	Urban Renewal	Total
GOVERNMENTAL ACTIVITIES						
General fund	\$ 6,844	\$ -	\$ -	\$ -	\$ -	\$ 6,844
Urban Renewal District No. 1	-	-	-	-	1,325,102	1,325,102
12th Court LID debt service	-	239,970	-	-	-	239,970
General obligation bond	-	366,192	-	-	-	366,192
Local option street	-	-	1,329,880	-	-	1,329,880
Nonmajor funds	-	53,934	456,569	868,318	737,489	2,116,310
Total restricted net position for governmental activities	<u>\$ 6,844</u>	<u>\$ 660,096</u>	<u>\$ 1,786,449</u>	<u>\$ 868,318</u>	<u>\$ 2,062,591</u>	<u>\$ 5,384,298</u>

	Customer Deposits	Debt Service	Capital Projects	Total
BUSINESS-TYPE ACTIVITIES				
Sewer	\$ 9,988	\$ -	\$ 382,543	\$ 392,531
Water	5,682	28,455	2,245,694	2,279,831
Electric	62,040	-	-	62,040
Total restricted net position for business-type activities	<u>\$ 77,710</u>	<u>\$ 28,455</u>	<u>\$ 2,628,237</u>	<u>\$ 2,734,402</u>

9. Internal Transfers

Fund	Transfer In	Transfer Out
General Fund	\$ 30,000	\$ (24,718)
12th Court LID Debt Service	-	\$ (2,582)
Other Governmental Funds	212,471	(586,613)
Sewer Fund	238,936	-
Water Fund	162,506	-
Electric Fund	-	(30,000)
Total	<u>\$ 643,913</u>	<u>\$ (643,913)</u>

Interfund Transfers were made to fund operations. Interfund Loans receivable and payable were only between nonmajor water funds and offset in the Governmental Funds Balance Sheet.

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

10. Defined Benefit Pension Plan

Oregon Public Employees Retirement System (PERS)

Plan description

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

10. Defined Benefit Pension Plan (Continued)

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

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2020 were \$336,207, excluding amounts to fund employer specific liabilities. In addition approximately \$136,751 in employee contributions were paid or picked up by the City in fiscal 2020.

Pension Asset or Liability -- At June 30, 2020, the City reported a liability of \$3,877,265 for its proportionate share of the net pension liabilities. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 and rolled forward to June 30, 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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

10. Defined Benefit Pension Plan (Continued)

employers, actuarially determined. At June 30, 2020 and 2019, the City's proportion was 0.02241504% and 0.02391127%, respectively.

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

The rates in effect for the year ended June 30, 2020 were (1) 24.76% for Tier 1/Tier 2, (2) 18.23% for OPSRP general services, and (3) 22.86% for OPSRP police and fire.

For the year ended June 30, 2020, the City recognized pension expense of \$526,243, of which \$257,835 was recognized by governmental activities and \$268,408 was recognized by business-type activities. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 213,820	\$ -
Change of assumptions	525,995	-
Net difference between projected and actual earnings on investments	-	109,917
Changes in proportionate share	-	293,600
Difference between employer contributions and employer's proportionate share of system contributions	55,771	7,687
Subtotal - amortized deferrals	795,586	411,204
Contribution made subsequent to measurement period	336,207	-
Total	<u>\$ 1,131,793</u>	<u>\$ 411,204</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

Subtotal amounts related to pension as deferred outflows of resources, \$795,586, and deferred inflows of resources, \$411,204, net to \$384,382 and will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ 263,466
2022	(20,409)
2023	81,068
2024	60,137
2025	120
	<u>\$ 384,382</u>

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

10. Defined Benefit Pension Plans (Continued)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

Actuarial method and assumptions

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

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

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 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><u>Health retirees and beneficiaries</u>: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><u>Active Members</u>: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees</u>: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

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 2016 Experience Study, which reviewed experience for the four-year period ending on December 31, 2016.

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

10. Defined Benefit Pension Plan (Continued)

Assumed asset allocation

Asset Class	Target Allocation
Cash	0.0%
Debt Securities	20.0%
Public Equity	37.5%
Private Equity	17.5%
Real Estate	12.5%
Alternatives Portfolio	12.5%
Opportunity Portfolio	0.0%
Total	<u>100.0%</u>

(Source: June 30, 2019 PERS CAFR; p. 100)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

10. Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

Discount rate

The discount rate used to measure the total pension liability as of the measurement dates June 30, 2019 and 2018 was 7.20% for both years for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

10. Defined Benefit Pension Plan (Continued)

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's net pension liability (asset)	\$ 6,209,096	\$ 3,877,265	\$ 1,925,844

Changes Subsequent to the Measurement Date

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

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

Deferred Compensation Plan

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

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

10. Defined Benefit Pension Plan (Continued)

Pension Benefits:

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

Death Benefits:

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

Contributions:

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

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

Other Post-Employment Benefits (OPEB)

To accommodate for the GASB Statement No. 75 requirement that governmental employers account for and report the annual cost of OPEB, the City worked with City County Insurance Services, the City's insurance carrier, to have a valuation done. Milliman Consultants, an actuarial firm, performed the GASB 75 valuation for the City and concluded that the City has no OPEB liability under GASB 75.

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.

11. Other Post Employment Benefit Plans – (RHIA)

Plan Description

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

11. Other Post Employment Benefit Plans – (RHIA) (Continued)

Funding Policy

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the year ended June 30, 2020 were considered by management to be immaterial to the basic financial statements.

At June 30, 2020, the City's net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered to be material to the basic financial statements by management and were not accrued on the government wide statements.

12. Fair Value Measurements

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

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

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

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

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

12. Fair Value Measurements (Continued)

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

LGIP measured at the net asset value (NAV) are readily available to spend when needed. The balance in this pool is expected to stay fairly static as the interest rate in the pool is desirable. The risk associated with the LGIP is very low. The City only invests in the LGIP. The NAV of the City's investments as of June 30, 2020 was \$9,411,903.

13. 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, 2020.

14. Accounts Receivable

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

<u>Fund</u>	<u>Gross Accounts Receivable</u>	<u>Allowance</u>	<u>Net Accounts Receivable</u>
General	\$ 37,189	\$ (4,360)	\$ 32,829
Debt	3,323	-	3,323
Total Governmental	<u>\$ 40,512</u>	<u>\$ (4,360)</u>	<u>\$ 36,152</u>
Sewer	\$ 66,423	\$ (2,506)	\$ 63,917
Water	69,313	(2,156)	67,157
Electric	442,289	(16,774)	425,515
Total Proprietary	<u>\$ 578,025</u>	<u>\$ (21,436)</u>	<u>\$ 556,589</u>

15. Change in Accounting Principle

The City changed its treatment of Façade Loans receivable, which have historically been reported on the Governmental Funds Balance Sheet and Statement of Net Position. Façade Loans are provided to local businesses and are forgivable over several years if certain criteria are met. Therefore, the Façade Loan receivable balances will not be reported on the City's financial statements.

City of Bandon
Notes to the Basic Financial Statements
June 30, 2020

16. Prior Period Adjustments

A prior period adjustment to Governmental Activities net position of \$476,358 was made to account for unrecorded asset acquisitions.

17. Commitments and Contingencies

Commitments - Construction in Progress

At June 30, 2020, the City is involved in the various phases of improvement projects. There were no significant contract commitments at year end. The most significant remaining ongoing project is for improvements to the City Shop.

Contingent Liabilities

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

Other Contingencies

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. However, the City expects the reduction of economic activity to negatively impact funds received from the State of Oregon.

Required Supplementary Information

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CITY OF BANDON
COOS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

At June 30, 2020

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

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

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

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

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ 336,207	\$ 336,207	\$ -	\$ 2,328,102	14.4 %
2019	380,444	380,444	-	2,291,800	16.6
2018	356,422	356,422	-	2,170,659	16.4
2017	307,903	307,903	-	2,182,895	14.1
2016	302,415	302,415	-	2,210,369	13.7
2015	372,960	372,960	-	2,091,533	17.8
2014	387,070	387,070	-	1,940,273	19.9

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

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

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes and assessments				
Property taxes - current year, net	\$ 210,500	\$ 210,500	\$ 196,183	\$ (14,317)
Previously levied taxes	12,000	12,000	7,796	(4,204)
Franchise fees	46,000	46,000	47,022	1,022
Utility taxes	460,000	460,000	473,712	13,712
Transient tax	685,150	685,150	704,799	19,649
Total taxes	<u>1,413,650</u>	<u>1,413,650</u>	<u>1,429,512</u>	<u>15,862</u>
License and permits	<u>27,650</u>	<u>27,650</u>	<u>20,013</u>	<u>(7,637)</u>
Intergovernmental				
Cigarette tax	4,000	4,000	3,526	(474)
Marijuana tax	10,000	10,000	11,448	1,448
Liquor tax	60,000	60,000	55,771	(4,229)
Total intergovernmental	<u>74,000</u>	<u>74,000</u>	<u>70,745</u>	<u>(3,255)</u>
Fines and police income	<u>32,500</u>	<u>32,500</u>	<u>31,254</u>	<u>(1,246)</u>
Payments in lieu of taxes				
Electric fund	344,100	344,100	353,733	9,633
Water fund	49,200	49,200	47,474	(1,726)
Sewer fund	49,800	49,800	44,980	(4,820)
Heritage Place	1,800	1,800	1,669	(131)
Total payments in lieu of taxes	<u>444,900</u>	<u>444,900</u>	<u>447,856</u>	<u>2,956</u>
Reimbursements	<u>392,080</u>	<u>392,080</u>	<u>409,394</u>	<u>17,314</u>
Other				
Interest	15,000	15,000	9,093	(5,907)
Community center rent	30,000	30,000	17,156	(12,844)
Rental	30,000	30,000	34,191	4,191
Sprague theater rent	23,500	23,500	25,981	2,481
Grants & donations	29,700	29,700	14,933	(14,767)
Miscellaneous	20,000	20,000	7,848	(12,152)
Total other	<u>148,200</u>	<u>148,200</u>	<u>109,202</u>	<u>(38,998)</u>
TOTAL REVENUES	<u><u>\$ 2,532,980</u></u>	<u><u>\$ 2,532,980</u></u>	<u><u>\$ 2,517,976</u></u>	<u><u>\$ (15,004)</u></u>

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND (continued)
For the Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Original Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES				
General government				
Administration and general	\$ 514,090	\$ 504,074 (1)	\$ 507,139	\$ (3,065)
Accounting and billing	312,525	336,960 (1)	318,785	18,175
Municipal court	3,100	3,100 (1)	3,000	100
Mayor and council	39,850	30,647 (1)	18,484	12,163
Planning department	205,128	135,328 (1)	107,004	28,324
Non-departmental	26,500	91,590 (1)	2,487	89,103
Total general government	<u>1,101,193</u>	<u>1,101,699</u>	<u>956,899</u>	<u>144,800</u>
Public safety				
Police department	1,091,145	1,162,559 (1)	1,066,239	96,320
Fire department	110,613	110,613 (1)	55,307	55,306
Total public safety	<u>1,201,758</u>	<u>1,273,172</u>	<u>1,121,546</u>	<u>151,626</u>
Highway and streets				
Street department	198,200	167,200 (1)	101,882	65,318
Total highway and streets	<u>198,200</u>	<u>167,200</u>	<u>101,882</u>	<u>65,318</u>
Culture and recreation				
Parks and recreation	224,600	208,565 (1)	169,802	38,763
Community center	92,143	81,326 (1)	61,622	19,704
Sprague theater	48,100	59,127 (1)	55,967	3,160
Total culture and recreation	<u>364,843</u>	<u>349,018</u>	<u>287,391</u>	<u>61,627</u>
TOTAL EXPENDITURES	<u>2,865,994</u>	<u>2,891,089</u>	<u>2,467,718</u>	<u>423,371</u>
NET REVENUES OVER (UNDER) EXPENDITURES	<u>(333,014)</u>	<u>(358,109)</u>	<u>50,258</u>	<u>408,367</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	281,503	281,503
Transfer from other funds	30,000	30,000	30,000	-
Transfer to other funds	(59,557)	(24,718) (1)	(24,718)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,557)</u>	<u>5,282</u>	<u>286,785</u>	<u>281,503</u>
NET CHANGE IN FUND BALANCE	<u>\$ (362,571)</u>	<u>\$ (352,827)</u>	<u>\$ 337,043</u>	<u>\$ 689,870</u>
FUND BALANCE, beginning of year	<u>362,571</u>	<u>352,827</u>	<u>238,186</u>	<u>(114,641)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 575,229</u>	<u>\$ 575,229</u>

(1) Appropriation Level

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Supplementary Information

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City of Bandon
Major Funds
June 30, 2020

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

Debt Service Funds

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

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

Capital Project Funds

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

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

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
12TH COURT LID DEBT SERVICE
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Special assessments	\$ 7,300	\$ 7,300	\$ 1,001	\$ (6,299)
Interest	3,000	5,974	6,169	195
Total revenues	<u>10,300</u>	<u>13,274</u>	<u>7,170</u>	<u>(6,104)</u>
EXPENDITURES				
Debt service	44,742	44,742 (1)	40,024	4,718
Total expenditures	<u>44,742</u>	<u>44,742</u>	<u>40,024</u>	<u>4,718</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(34,442)	(31,468)	(32,854)	(1,386)
Other financing sources (uses)				
Transfer from other funds	-	-	2,582	2,582
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,582</u>	<u>2,582</u>
NET CHANGE IN FUND BALANCE	(34,442)	(31,468)	(30,272)	1,196
FUND BALANCE, beginning of year,	<u>172,885</u>	<u>270,242</u>	<u>270,242</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 138,443</u>	<u>\$ 238,774</u>	<u>\$ 239,970</u>	<u>\$ 1,196</u>

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL OBLIGATION BONDS DEBT SERVICE
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes	\$ 423,198	\$ 229,500	\$ 257,676	\$ 28,176
Out of city contributions	30,500	30,500	36,799	6,299
Payments in lieu of taxes	11,190	11,190	3,969	(7,221)
Interest	-	7,277	6,518	(759)
Total revenues	<u>464,888</u>	<u>278,467</u>	<u>304,962</u>	<u>26,495</u>
EXPENDITURES				
Debt service	<u>470,077</u>	<u>265,189 (1)</u>	<u>261,959</u>	<u>3,230</u>
Total expenditures	<u>470,077</u>	<u>265,189</u>	<u>261,959</u>	<u>3,230</u>
NET CHANGE IN FUND BALANCE	(5,189)	13,278	43,003	29,725
FUND BALANCE, beginning of year	<u>315,336</u>	<u>323,188</u>	<u>323,189</u>	<u>1</u>
FUND BALANCE, end of year	<u><u>\$ 310,147</u></u>	<u><u>\$ 336,466</u></u>	<u><u>\$ 366,192</u></u>	<u><u>\$ 29,726</u></u>

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (Non-GAAP BUDGETARY BASIS)
URBAN RENEWAL DISTRICT NO. 1 FUND
For the Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance
REVENUES			
Taxes			
Property taxes - current year	\$ 310,000	\$ 462,796	\$ 152,796
Previously levied taxes	15,000	11,838	(3,162)
Interest	5,000	18,329	13,329
Payments in lieu of taxes	16,000	5,858	(10,142)
Other	-	1,250	1,250
	<u>346,000</u>	<u>500,071</u>	<u>154,071</u>
EXPENDITURES			
General government			
Materials and services	39,625 (1)	35,603	4,022
Capital outlay	843,151 (1)	101,087	742,064
Debt service	398,224 (1)	197,883	200,341
	<u>1,281,000</u>	<u>334,573</u>	<u>946,427</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(935,000)	165,498	1,100,498
OTHER FINANCING SOURCES (USES)			
Sale of property	85,000	268,259	183,259
NET CHANGE IN FUND BALANCE	(850,000)	433,757	1,283,757
FUND BALANCE, beginning of year	<u>850,000</u>	<u>891,345</u>	<u>41,345</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 1,325,102</u>	<u>\$ 1,325,102</u>

(1) Appropriation level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL OPTION STREET TAX FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Property taxes - current year	\$ 400,000	\$ 408,000	\$ 417,747	\$ 9,747
Previously levied taxes	20,000	20,000	15,619	(4,381)
Interest	6,000	26,247	27,138	891
Payments in lieu of tax	16,000	6,581	5,416	(1,165)
Total revenues	<u>442,000</u>	<u>460,828</u>	<u>465,920</u>	<u>5,092</u>
EXPENDITURES				
Local Option Street				
Capital outlay	<u>1,750,091</u>	<u>1,715,854</u> (1)	<u>391,067</u>	<u>1,324,787</u>
Total expenditures	<u>1,750,091</u>	<u>1,715,854</u>	<u>391,067</u>	<u>1,324,787</u>
NET CHANGE IN FUND BALANCE	(1,308,091)	(1,255,026)	74,853	1,329,879
FUND BALANCE, beginning of year	<u>1,308,091</u>	<u>1,255,026</u>	<u>1,255,027</u>	<u>1</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,329,880</u>	<u>\$ 1,329,880</u>

(1) Appropriation Level

City of Bandon
Nonmajor Governmental Funds
June 30, 2020

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.

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.

2000 Street and Sewer LID Fund – This fund is used to account for a bank loan that was used for making street and sewer improvements along Edison Avenue, Newport Avenue, and Seabird Drive. This fund was closed out in the current fiscal year.

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

City of Bandon
Nonmajor Governmental Funds
June 30, 2020

Capital Projects Funds

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

Capital Improvement Fund – This fund is used to account for capital expenditures including debt incurred for such expenses which are financed by a portion of the local utility tax.

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.

Equipment Reserve Fund – This fund is used to account for transfers from other funds to be used for major equipment replacement. This fund was closed out in the current fiscal year.

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

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

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

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

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

**CITY OF BANDON
COOS COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 489,193	\$ 53,934	\$ 1,705,065	\$ 2,248,192
Receivables				
Property taxes	-	-	17,417	17,417
Notes receivable				
Notes/Loans receivable	53,244	-	-	53,244
Special assessments	-	-	6,758	6,758
Interfund loans receivable	-	-	17,353	17,353
TOTAL ASSETS	<u>\$ 542,437</u>	<u>\$ 53,934</u>	<u>\$ 1,746,593</u>	<u>\$ 2,342,964</u>
LIABILITIES				
Accounts payable	\$ 6,875	\$ -	\$ 7,321	\$ 14,196
Accrued payroll and benefits	7,550	-	-	7,550
Interfund loans payable	-	-	17,353	17,353
Total liabilities	<u>14,425</u>	<u>-</u>	<u>24,674</u>	<u>39,099</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	-	-	14,423	14,423
Loans	26,402	-	-	26,402
Assessments	-	-	6,670	6,670
Total deferred inflows of resources	<u>26,402</u>	<u>-</u>	<u>21,093</u>	<u>47,495</u>
FUND BALANCE				
Restricted	456,569	53,934	1,605,807	2,116,310
Committed	45,041	-	113,900	158,941
Unassigned	-	-	(18,881)	(18,881)
Total fund balances	<u>501,610</u>	<u>53,934</u>	<u>1,700,826</u>	<u>2,256,370</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 542,437</u>	<u>\$ 53,934</u>	<u>\$ 1,746,593</u>	<u>\$ 2,342,964</u>

CITY OF BANDON
COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 225,642	\$ -	\$ 165,210	\$ 390,852
Intergovernmental	448,330	-	-	448,330
Payments in lieu of taxes	-	-	3,159	3,159
System development charges	-	-	115,011	115,011
Special assessments	-	-	672	672
Interest	15,506	1,100	34,673	51,279
Grants	4,281	-	-	4,281
Contributions & donations	43,904	-	-	43,904
Other	72,270	-	29,092	101,362
Total revenues	<u>809,933</u>	<u>1,100</u>	<u>347,817</u>	<u>1,158,850</u>
EXPENDITURES				
General government	-	-	17,800	17,800
Public safety	50,795	-	-	50,795
Highways and streets	216,579	-	-	216,579
Culture and recreation	534,386	-	17,474	551,860
Capital outlay	16,076	-	261,590	277,666
Debt service	-	-	83,359	83,359
Total expenditures	<u>817,836</u>	<u>-</u>	<u>380,223</u>	<u>1,198,059</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,903)	1,100	(32,406)	(39,209)
OTHER FINANCING SOURCES (USES)				
Sale of property	59,604	-	-	59,604
Transfer in (out)	(254,807)	(2,582)	(121,917)	(379,306)
Loan forgiven with property purchase	(21,131)	-	-	(21,131)
Change in unavailable loan repayments	-	-	-	-
Loan interest	2,152	-	-	2,152
Total other financing sources (uses)	<u>(214,182)</u>	<u>(2,582)</u>	<u>(121,917)</u>	<u>(338,681)</u>
NET CHANGE IN FUND BALANCE	(222,085)	(1,482)	(154,323)	(377,890)
FUND BALANCES, beginning of year	731,384	55,416	1,855,149	2,641,949
Cumulative effect of change in in accounting principal	<u>(7,689)</u>	<u>-</u>	<u>-</u>	<u>(7,689)</u>
FUND BALANCES, end of year	<u>\$ 501,610</u>	<u>\$ 53,934</u>	<u>\$ 1,700,826</u>	<u>\$ 2,256,370</u>

**CITY OF BANDON
COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 225,642	\$ -	\$ 165,210	\$ 390,852
Intergovernmental	448,330	-	-	448,330
Payments in lieu of taxes	-	-	3,159	3,159
System development charges	-	-	115,011	115,011
Special assessments	-	-	672	672
Interest	15,506	1,100	34,673	51,279
Grants	4,281	-	-	4,281
Contributions & donations	43,904	-	-	43,904
Other	72,270	-	29,092	101,362
Total revenues	<u>809,933</u>	<u>1,100</u>	<u>347,817</u>	<u>1,158,850</u>
EXPENDITURES				
General government	-	-	17,800	17,800
Public safety	50,795	-	-	50,795
Highways and streets	216,579	-	-	216,579
Culture and recreation	534,386	-	17,474	551,860
Capital outlay	16,076	-	261,590	277,666
Debt service	-	-	83,359	83,359
Total expenditures	<u>817,836</u>	<u>-</u>	<u>380,223</u>	<u>1,198,059</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,903)	1,100	(32,406)	(39,209)
OTHER FINANCING SOURCES (USES)				
Sale of property	59,604	-	-	59,604
Transfer in (out)	(254,807)	(2,582)	(121,917)	(379,306)
Loan forgiven with property purchase	(21,131)	-	-	(21,131)
Change in unavailable loan repayments	-	-	-	-
Loan interest	2,152	-	-	2,152
Total other financing sources (uses)	<u>(214,182)</u>	<u>(2,582)</u>	<u>(121,917)</u>	<u>(338,681)</u>
NET CHANGE IN FUND BALANCE	(222,085)	(1,482)	(154,323)	(377,890)
FUND BALANCES, beginning of year	731,384	55,416	1,855,149	2,641,949
Cumulative effect of change in in accounting principal	<u>(7,689)</u>	<u>-</u>	<u>-</u>	<u>(7,689)</u>
FUND BALANCES, end of year	<u>\$ 501,610</u>	<u>\$ 53,934</u>	<u>\$ 1,700,826</u>	<u>\$ 2,256,370</u>

CITY OF BANDON
SUB-COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS

CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2020

	State Tax Street	Library Memorial	Library	Community Beautification	State Revenue Sharing	Block Grant	Police Reserve	Total
ASSETS								
Cash and cash equivalents	\$ 187,860	\$ 92,387	\$ 13,342	\$ 17,952	\$ 25,412	\$ 116,370	\$ 35,870	\$ 489,193
Loans receivable	-	-	-	-	-	53,244	-	53,244
TOTAL ASSETS	\$ 187,860	\$ 92,387	\$ 13,342	\$ 17,952	\$ 25,412	\$ 169,614	\$ 35,870	\$ 542,437
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 3,575	\$ 3,300	\$ -	\$ -	\$ -	\$ 6,875
Accrued payroll and benefits	2,760	-	4,790	-	-	-	-	7,550
Total liabilities	2,760	-	8,365	3,300	-	-	-	14,425
Deferred Inflows of Resources:								
Unavailable revenue	-	-	-	-	-	26,402	-	26,402
Fund balances								
Restricted	185,100	92,387	-	-	-	143,212	35,870	456,569
Committed	-	-	4,977	14,652	25,412	-	-	45,041
Total fund balances	185,100	92,387	4,977	14,652	25,412	143,212	35,870	501,610
TOTAL LIABILITIES AND FUND BALANCES	\$ 187,860	\$ 92,387	\$ 13,342	\$ 17,952	\$ 25,412	\$ 169,614	\$ 35,870	\$ 542,437

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE TAX STREET FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
State street tax	\$ 211,643	\$ 211,643	\$ 225,642	\$ 13,999
Interest	10	10	2,516	2,506
Total revenues	<u>211,653</u>	<u>211,653</u>	<u>228,158</u>	<u>16,505</u>
EXPENDITURES				
Highways and streets				
Personnel services	235,278	235,278 (1)	207,706	27,572
Materials and services	115,972	115,972 (1)	8,873	107,099
Total expenditures	<u>351,250</u>	<u>351,250</u>	<u>216,579</u>	<u>134,671</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(139,597)	(139,597)	11,579	(118,166)
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	59,604	-
NET CHANGE IN FUND BALANCE	(139,597)	(139,597)	71,183	210,780
FUND BALANCES, beginning of year	<u>139,597</u>	<u>139,597</u>	<u>113,917</u>	<u>(25,680)</u>
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,100</u>	<u>\$ 185,100</u>

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY MEMORIAL FUND
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 2,200	\$ 2,200	\$ 4,575	\$ 2,375
Grants	1,000	1,000	1,000	-
Contributions and Donations	5,000	5,000	6,193	1,193
Miscellaneous	1,000	4,945	-	(4,945)
Total revenues	<u>9,200</u>	<u>13,145</u>	<u>11,768</u>	<u>(1,377)</u>
EXPENDITURES				
Culture and recreation				
Materials and services	140,072	66,398 (1)	2,633	63,765
Capital outlay	30,000	30,000 (1)	-	30,000
Total expenditures	<u>170,072</u>	<u>96,398</u>	<u>2,633</u>	<u>93,765</u>
NET REVENUES OVER (UNDER) EXPENDITURES	(160,872)	(83,253)	9,135	92,388
Other financing sources (uses):				
Transfer to other funds	(22,600)	(209,013) (1)	(209,013)	-
NET CHANGE IN FUND BALANCE	(183,472)	(292,266)	(199,878)	92,388
FUND BALANCE, beginning of year	183,472	292,266	292,265	(1)
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,387</u>	<u>\$ 92,387</u>

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY FUND
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental				
County library support	\$ 360,000	\$ 383,870	\$ 397,981	\$ 14,111
Contributions and donations	25,000	25,000	23,941	(1,059)
Interest	750	750	765	15
Other	10,775	13,980	7,721	(6,259)
Total revenues	396,525	423,600	430,408	6,808
EXPENDITURES				
Culture and recreation				
Personnel services	349,475	406,244 (1)	410,288	(4,044)
Materials and services	92,129	92,129 (1)	75,193	16,936
Total expenditures	441,604	498,373	485,481	12,892
NET REVENUES OVER (UNDER) EXPENDITURES	(45,079)	(74,773)	(55,073)	19,700
Other financing sources (uses):				
Transfer from other funds	22,600	223,736	209,013	(14,723)
TOTAL OTHER FINANCING SOURCES (USES)	22,600	223,736	209,013	(14,723)
NET CHANGE IN FUND BALANCE	(22,479)	148,963	153,940	4,977
FUND BALANCE, beginning of year	22,479	(148,963)	(148,963)	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 4,977	\$ 4,977

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY BEAUTIFICATION FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Garbage franchise fees	\$ 40,000	\$ 42,188	\$ 47,561	\$ 5,373
Interest	100	517	566	49
Total revenues	<u>40,100</u>	<u>42,705</u>	<u>48,127</u>	<u>5,422</u>
EXPENDITURES				
Culture and recreation				
Materials and services	<u>68,178</u>	<u>55,502 (1)</u>	<u>46,272</u>	<u>9,230</u>
Total expenditures	<u>68,178</u>	<u>55,502</u>	<u>46,272</u>	<u>9,230</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(28,078)	(12,797)	1,855	14,652
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>-</u>	<u>(12,928) (1)</u>	<u>(12,928)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(28,078)	(25,725)	(11,073)	14,652
FUND BALANCE, beginning of year	<u>28,078</u>	<u>25,725</u>	<u>25,725</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,652</u>	<u>\$ 14,652</u>

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE REVENUE SHARING FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
State revenue sharing	\$ 37,000	\$ 42,037	\$ 50,349	\$ 8,312
Interest	600	600	666	66
Total revenues	<u>37,600</u>	<u>42,637</u>	<u>51,015</u>	<u>8,378</u>
EXPENDITURES				
State revenue sharing				
Materials and services	85,773	65,086 (1)	48,052	17,034
Total expenditures	<u>85,773</u>	<u>65,086</u>	<u>48,052</u>	<u>17,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(48,173)	(22,449)	2,963	25,412
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	(20,348) (1)	(20,348)	-
NET CHANGE IN FUND BALANCE	(48,173)	(42,797)	(17,385)	25,412
FUND BALANCE, beginning of year	48,173	42,797	42,797	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,412</u>	<u>\$ 25,412</u>

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BLOCK GRANT FUND
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 5,000	\$ 5,000	\$ 6,506	\$ 1,506
Other	50	3,790	16,322	12,532
	<u>5,050</u>	<u>8,790</u>	<u>22,828</u>	<u>14,038</u>
EXPENDITURES				
Economic development				
Materials and services	60,000	- (1)	-	-
Capital outlay	258,668	173,668 (1)	16,076	157,592
	<u>318,668</u>	<u>173,668</u>	<u>16,076</u>	<u>157,592</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(313,618)</u>	<u>(164,878)</u>	<u>6,752</u>	<u>171,630</u>
OTHER FINANCING SOURCES (USES)				
Loan interest	1,750	1,750	2,152	402
Capital Contribution to Parks Fund	-	- (1)	(21,131)	(21,131)
Transfers to other funds	-	(221,531) (1)	(221,531)	-
	<u>1,750</u>	<u>(219,781)</u>	<u>(240,510)</u>	<u>(20,729)</u>
NET CHANGE IN FUND BALANCE				
	(311,868)	(384,659)	(233,758)	150,901
FUND BALANCE, beginning of year				
	311,868	384,659	384,659	-
Cumulative effect of change in accounting principal				
	<u>-</u>	<u>-</u>	<u>(7,689)</u>	<u>(7,689)</u>
FUND BALANCE, end of year				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,212</u>	<u>\$ 143,212</u>

(1) Appropriation level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE RESERVE PROGRAM FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants	\$ 250	\$ 3,281	\$ 3,281	\$ -
Contributions & Donations	4,700	13,470	13,770	(300)
Interest	-	507	578	71
	<u>4,950</u>	<u>17,258</u>	<u>17,629</u>	<u>(229)</u>
EXPENDITURES				
Police Reserve Program				
Materials and services	11,500	11,500 (1)	2,743	8,757
Capital outlay	4,950	4,950 (1)	-	4,950
Total expenditures	<u>16,450</u>	<u>16,450</u>	<u>2,743</u>	<u>13,707</u>
NET CHANGE IN FUND BALANCE	(11,500)	808	14,886	14,078
FUND BALANCE, beginning of year, budgetary basis	<u>11,500</u>	<u>20,983</u>	<u>20,984</u>	<u>1</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 21,791</u>	<u>\$ 35,870</u>	<u>\$ 14,079</u>

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2020**

	Local Improvement District Debt Service
ASSETS	
Cash and cash equivalents	<u>\$ 53,934</u>
TOTAL ASSETS	<u><u>\$ 53,934</u></u>
FUND BALANCES	
Restricted	<u>53,934</u>
TOTAL FUND BALANCES	<u><u>\$ 53,934</u></u>

**CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Year Ended June 30, 2020**

	2000 Street & Sewer LID Bond	Local Improvement District Debt Service	Total
REVENUES			
Interest	\$ -	\$ 1,100	\$ 1,100
Total revenues	-	1,100	1,100
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	1,100	1,100
Other financing sources (uses)			
Transfer in (out)	(2,582)	-	(2,582)
NET CHANGE IN FUND BALANCE	(2,582)	1,100	(1,482)
FUND BALANCE, beginning of year	2,582	52,834	55,416
FUND BALANCE, end of year	\$ -	\$ 53,934	\$ 53,934

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2000 STREET & SEWER LID FUND
 For the Year Ended June 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	- (1)	(2,582)	(2,582) *
Total other financing sources (uses)	-	(2,582)	(2,582)
NET CHANGE IN FUND BALANCE	-	(2,582)	(2,582)
FUND BALANCE, beginning of year	-	2,582	2,582
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

* Transfer to close out fund

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL IMPROVEMENT DISTRICT FUND DEBT SERVICE
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Special assessments				
Principal	\$ 14,555	\$ 14,555	\$ -	\$ (14,555)
Interest	67,577	67,577	-	(67,577)
Loan proceeds	2,193,900	2,193,900	-	(2,193,900)
Interest	400	400	1,100	700
Other	5,000	5,793	-	(5,793)
Total revenue	<u>2,281,432</u>	<u>2,282,225</u>	<u>1,100</u>	<u>(2,281,125)</u>
EXPENDITURES				
General government				
Capital outlay	<u>2,193,900</u>	<u>2,193,900 (1)</u>	<u>-</u>	<u>2,193,900</u>
NET CHANGE IN FUND BALANCE	87,532	88,325	1,100	(87,225)
FUND BALANCE, beginning of year	<u>52,105</u>	<u>52,834</u>	<u>52,834</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 139,637</u>	<u>\$ 141,159</u>	<u>\$ 53,934</u>	<u>\$ (87,225)</u>

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
June 30, 2020**

	Capital Improvement	Urban Renewal District No. 2	Parks and Recreation Development	Street SDC Reimbursement
ASSETS				
Cash and cash equivalents	\$ -	\$ 734,495	\$ 95,019	\$ 221,822
Receivables (net, where applicable of allowance for uncollectible)				
Taxes	-	17,417	-	-
Special assessments	-	-	-	810
Due from other funds	-	-	17,353	-
TOTAL ASSETS	\$ -	\$ 751,912	\$ 112,372	\$ 222,632
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	17,353	-	-	-
Total liabilities	17,353	-	-	-
Deferred inflows of resources				
Unavailable revenue				
Property taxes	-	14,423	-	-
Assessments receivable	-	-	-	799
Total deferred inflows of resources	-	14,423	-	799
Fund balances				
Restricted	-	737,489	-	221,833
Committed	1,528	-	112,372	-
Unrestricted	(18,881)	-	-	-
Total fund balances	(17,353)	737,489	112,372	221,833
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 751,912	\$ 112,372	\$ 222,632

**CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
June 30, 2020**

	Street SDC Improvement	Storm Drain SDC Reimbursement	Storm Drain SDC Improvement	Total
ASSETS				
Cash and cash equivalents	\$ 444,968	\$ 131,340	\$ 77,421	\$ 1,705,065
Receivables (net, where applicable of allowance for uncollectible)				
Taxes	-	-	-	17,417
Special assessments	1,553	2,351	2,044	6,758
Due from other funds	-	-	-	17,353
TOTAL ASSETS	\$ 446,521	\$ 133,691	\$ 79,465	\$ 1,746,593
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 7,321	\$ -	\$ 7,321
Due to other funds	-	-	-	17,353
Total liabilities	-	7,321	-	24,674
Deferred inflows of resources				
Unavailable revenue				
Property taxes	-	-	-	14,423
Assessments receivable	1,532	2,321	2,018	6,670
Total deferred inflows of resources	1,532	2,321	2,018	21,093
Fund balances				
Restricted	444,989	124,049	77,447	1,605,807
Committed	-	-	-	113,900
Unrestricted	-	-	-	(18,881)
Total fund balances	444,989	124,049	77,447	1,700,826
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 446,521	\$ 133,691	\$ 79,465	\$ 1,746,593

CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2020

	Capital Improvement	Urban Renewal District No. 2	Equipment Reserve	Parks and Recreation Development
REVENUES				
Taxes	\$ -	\$ 165,210	\$ -	\$ -
Special assessments	-	-	-	-
System development charges	-	-	-	-
Interest	-	14,478	-	2,288
Payments in lieu of taxes	-	3,159	-	-
Other	2,717	-	-	26,375
Total revenues	<u>2,717</u>	<u>182,847</u>	<u>-</u>	<u>28,663</u>
EXPENDITURES				
Current:				
General government	-	17,800	-	-
Culture and recreation	-	-	-	17,474
Capital outlay	372	-	-	11,207
Debt service	54,533	28,826	-	-
Total expenditures	<u>54,905</u>	<u>46,626</u>	<u>-</u>	<u>28,681</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(52,188)</u>	<u>136,221</u>	<u>-</u>	<u>(18)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	<u>(122,793)</u>	<u>-</u>	<u>876</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(174,981)</u>	<u>136,221</u>	<u>876</u>	<u>(18)</u>
FUND BALANCE, beginning of year	<u>157,628</u>	<u>601,268</u>	<u>(876)</u>	<u>112,390</u>
FUND BALANCE, end of year	<u>\$ (17,353)</u>	<u>\$ 737,489</u>	<u>\$ -</u>	<u>\$ 112,372</u>

CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2020

	Street SDC Reimbursement	Street SDC Improvement	Storm Drain SDC Reimbursement	Storm Drain SDC Improvement	Total
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 165,210
Special assessments	105	153	217	197	672
System development charges	13,490	25,297	40,614	35,610	115,011
Interest	4,396	8,824	2,620	2,067	34,673
Payments in lieu of taxes	-	-	-	-	3,159
Other	-	-	-	-	29,092
Total revenues	17,991	34,274	43,451	37,874	347,817
EXPENDITURES					
Current:					
General government	-	-	-	-	17,800
Culture and recreation	-	-	-	-	17,474
Capital outlay	81	-	69,757	180,173	261,590
Debt service	-	-	-	-	83,359
Total expenditures	81	-	69,757	180,173	380,223
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,910	34,274	(26,306)	(142,299)	(32,406)
OTHER FINANCING SOURCES (USES)					
Transfer in (out)	-	-	-	-	(121,917)
NET CHANGE IN FUND BALANCE	17,910	34,274	(26,306)	(142,299)	(154,323)
FUND BALANCE, beginning of year	203,923	410,715	150,355	219,746	1,855,149
FUND BALANCE, end of year	\$ 221,833	\$ 444,989	\$ 124,049	\$ 77,447	\$ 1,700,826

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Other	-	2,198	2,717	519
Total revenues	<u>20,000</u>	<u>22,198</u>	<u>2,717</u>	<u>(19,481)</u>
EXPENDITURES				
General government				
Capital outlay	312,345	2,777 (1)	372	2,405
Debt service	-	55,133 (1)	54,533	600
Total expenditures	<u>312,345</u>	<u>57,910</u>	<u>54,905</u>	<u>3,005</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(292,345)</u>	<u>(35,712)</u>	<u>(52,188)</u>	<u>(16,476)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	59,557	-	-	-
Transfer to other funds	-	(121,917) (1)	(122,793)	(876) *
Total other financing sources (uses)	<u>59,557</u>	<u>(121,917)</u>	<u>(122,793)</u>	<u>(876)</u>
NET CHANGE IN FUND BALANCE	(232,788)	(157,629)	(174,981)	(17,352)
FUND BALANCE, beginning of year	<u>232,788</u>	<u>157,629</u>	<u>157,628</u>	<u>(1)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,353)</u>	<u>\$ (17,353)</u>

(1) Appropriation Level

* Additional \$876 transferred to closeout Equipment Reserve Fund which had a negative fund balance (see p.71)

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
URBAN RENEWAL DISTRICT NO. 2 FUND
For the Year Ended June 30, 2020**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes			
Property taxes - current year	\$ 155,000	\$ 159,680	\$ 4,680
Previously levied taxes	9,000	5,530	(3,470)
Payments in lieu of taxes	8,000	3,159	(4,841)
Interest	3,000	14,478	11,478
Total revenues	<u>175,000</u>	<u>182,847</u>	<u>7,847</u>
EXPENDITURES			
General government			
Materials and services	24,380 (1)	17,800	6,580
Capital outlay	716,794 (1)	-	716,794
Debt service	<u>58,826 (1)</u>	<u>28,826</u>	<u>30,000</u>
Total expenditures	<u>800,000</u>	<u>46,626</u>	<u>753,374</u>
NET CHANGE IN FUND BALANCE	(625,000)	136,221	761,221
FUND BALANCE, beginning of year	<u>625,000</u>	<u>601,268</u>	<u>(23,732)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 737,489</u>	<u>\$ 737,489</u>

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EQUIPMENT RESERVE FUND
 For the Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance
OTHER FINANCING SOURCES (USES)			
Transfer from other funds	-	876	876
NET CHANGE IN FUND BALANCE	-	876	876
FUND BALANCE, beginning of year		(876)	(876)
FUND BALANCE, end of year	\$ -	\$ -	\$ -

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION DEVELOPMENT FUND
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	\$ 1,200	\$ 1,200	\$ 2,288	\$ 1,088
Grants	150,000	150,000	-	(150,000)
Other	-	1,157	26,375	25,218
Total revenues	<u>151,200</u>	<u>152,357</u>	<u>28,663</u>	<u>(123,694)</u>
EXPENDITURES				
Culture and recreation				
Materials and services	20,000	10,000 (1)	-	10,000
Capital outlay	193,731	237,315 (1)	11,207	226,108
Debt service	-	17,434 (1)	17,474	(40)
Total expenditures	<u>213,731</u>	<u>264,749</u>	<u>28,681</u>	<u>236,068</u>
NET CHANGE IN FUND BALANCE	(62,531)	(112,392)	(18)	112,374
FUND BALANCE, beginning of year	<u>62,531</u>	<u>112,392</u>	<u>112,390</u>	<u>(2)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,372</u>	<u>\$ 112,372</u>

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET SDC REIMBURSEMENT FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 12,000	\$ 12,000	\$ 13,490	\$ 1,490
Special assessments				
Principal	-	-	88	88
Interest	150	150	17	(133)
Interest	2,000	2,514	4,396	1,882
Total revenues	<u>14,150</u>	<u>14,664</u>	<u>17,991</u>	<u>3,327</u>
EXPENDITURES				
Highways and streets				
Capital outlay	<u>206,657</u>	<u>218,587</u> (1)	<u>81</u>	<u>218,506</u>
Total expenditures	<u>206,657</u>	<u>218,587</u>	<u>81</u>	<u>218,506</u>
NET CHANGE IN FUND BALANCE	(192,507)	(203,923)	17,910	221,833
FUND BALANCE, beginning of year	<u>192,507</u>	<u>203,923</u>	<u>203,923</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,833</u>	<u>\$ 221,833</u>

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET SDC IMPROVEMENT FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 20,000	\$ 20,000	\$ 25,297	\$ 5,297
Special assessments				
Principal	-	-	120	120
Interest	100	100	33	(67)
Interest	5,500	5,054	8,824	3,770
Total revenues	25,600	25,154	34,274	9,120
EXPENDITURES				
Highways and streets				
Capital outlay	418,776	435,868 (1)	-	435,868
Total expenditures	418,776	435,868	-	435,868
NET CHANGE IN FUND BALANCE	(393,176)	(410,714)	34,274	444,988
FUND BALANCE, beginning of year	393,176	410,714	410,715	1
FUND BALANCE, end of year	\$ -	\$ -	\$ 444,989	\$ 444,989

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STORM DRAIN SDC REIMBURSEMENT FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 32,000	\$ 32,000	\$ 40,614	\$ 8,614
Special assessments				
Principal	-	-	171	171
Interest	100	100	46	(54)
Interest	1,500	2,654	2,620	(34)
Total revenues	<u>33,600</u>	<u>34,754</u>	<u>43,451</u>	<u>8,697</u>
EXPENDITURES				
Storm Drainage				
Capital outlay	86,402	185,110 (1)	69,757	115,353
Total expenditures	<u>86,402</u>	<u>185,110</u>	<u>69,757</u>	<u>115,353</u>
NET CHANGE IN FUND BALANCE	(52,802)	(150,356)	(26,306)	124,050
FUND BALANCE, beginning of year	<u>52,802</u>	<u>150,356</u>	<u>150,355</u>	<u>(1)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,049</u>	<u>\$ 124,049</u>

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STORM DRAIN SDC IMPROVEMENT FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
System development fees	\$ 25,000	\$ 25,628	\$ 35,610	\$ 9,982
Special assessments				
Principal	-	-	155	155
Interest	100	100	42	(58)
Interest	1,500	2,384	2,067	(317)
Total revenues	<u>26,600</u>	<u>28,112</u>	<u>37,874</u>	<u>9,762</u>
EXPENDITURES				
Storm Drainage				
Capital outlay	174,428	247,858 (1)	180,173	67,685
Total expenditures	<u>174,428</u>	<u>247,858</u>	<u>180,173</u>	<u>67,685</u>
NET CHANGE IN FUND BALANCE	(147,828)	(219,746)	(142,299)	77,447
FUND BALANCE, beginning of year	147,828	219,746	219,746	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,447</u>	<u>\$ 77,447</u>

(1) Appropriation Level

City of Bandon
Enterprise Funds
June 30, 2020

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
COOS COUNTY, OREGON
SUB-COMBINING SCHEDULE OF NET POSITION
SEWER FUNDS
June 30, 2020

	Sewer	Sewer SDC Reimbursement	Sewer SDC Improvement	Totals
ASSETS				
Current assets				
Cash and cash equivalents	\$ 21,448	\$ -	\$ -	\$ 21,448
Receivable				
Accounts, net of bad debt reserve	63,917	-	-	63,917
Special assessments		1,184	1,622	2,806
Restricted cash	9,988	70,339	331,669	411,996
Total current assets	95,353	71,523	333,291	500,167
Noncurrent assets				
Capital assets (net of accumulated depreciation)	4,386,687	-	-	4,386,687
Total assets	4,482,040	71,523	333,291	4,886,854
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferrals - PERS	87,712	-	-	87,712
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,569,752	\$ 71,523	\$ 333,291	\$ 4,974,566
LIABILITIES				
Current liabilities				
Accounts payable	\$ 21,300	\$ -	\$ 22,271	\$ 43,571
Accrued payroll benefits	5,879	-	-	5,879
Accrued interest payable	5,615	-	-	5,615
Customer deposits	9,988	-	-	9,988
Unearned revenue - prepaid utility accounts	4,639	-	-	4,639
Compensated absences payable	51,734	-	-	51,734
Current portion of long-term debt	59,643	-	-	59,643
Total current liabilities	158,798	-	22,271	181,069
Long-term liabilities				
Net pension liability - PERS	310,971	-	-	310,971
Long-term debt (net of current portion)	903,004	-	-	903,004
Total long-term liabilities	1,213,975	-	-	1,213,975
Total liabilities	1,372,773	-	22,271	1,395,044
DEFERRED INFLOWS OF RESOURCES				
Pension related deferrals - PERS	33,735	-	-	33,735
Total Liabilities and Deferred Inflows of Resources	1,406,508	-	22,271	1,428,779
NET POSITION				
Net investment in capital assets	3,424,040	-	-	3,424,040
Restricted for customer deposits	9,988	-	-	9,988
Restricted for capital projects	-	71,523	311,020	382,543
Unrestricted	(270,784)	-	-	(270,784)
Total net position	3,163,244	71,523	311,020	3,545,787
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 4,569,752	\$ 71,523	\$ 333,291	\$ 4,974,566

CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SEWER FUNDS
For the Year Ended June 30, 2020

	Sewer	Sewer SDC Reimbursement	Sewer SDC Improvement	Total
OPERATING REVENUES				
Charges for services				
Sewer charges	\$ 772,600	\$ -	\$ -	\$ 772,600
Service charges, fees and permits	-	17,984	27,195	45,179
Other	480	-	-	480
Total operating revenues	<u>773,080</u>	<u>17,984</u>	<u>27,195</u>	<u>818,259</u>
OPERATING EXPENSES				
Administration	130,739	-	-	130,739
Cost of sales and services	700,664	-	-	700,664
Depreciation and amortization	230,172	-	-	230,172
Total operating expenses	<u>1,061,575</u>	<u>-</u>	<u>-</u>	<u>1,061,575</u>
OPERATING INCOME (LOSS)	<u>(288,495)</u>	<u>17,984</u>	<u>27,195</u>	<u>(243,316)</u>
NONOPERATING REVENUES (EXPENSES)				
Loan/Assessment interest	-	95	115	210
Interest income	19	2,935	6,475	9,429
Capital Asset Contribution	201,505	(179,235)	(22,270)	-
Interest expense	(9,872)	-	-	(9,872)
Total nonoperating revenues (expenses)	<u>191,652</u>	<u>(176,205)</u>	<u>(15,680)</u>	<u>(233)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(96,843)</u>	<u>(158,221)</u>	<u>11,515</u>	<u>(243,549)</u>
Other financing sources and (uses)				
Transfers (to) from other funds	238,936	-	-	238,936
CHANGE IN NET POSITION	<u>142,093</u>	<u>(158,221)</u>	<u>11,515</u>	<u>(4,613)</u>
NET POSITION, beginning of year	<u>3,021,151</u>	<u>229,744</u>	<u>299,505</u>	<u>3,550,400</u>
NET POSITION, end of year	<u>\$ 3,163,244</u>	<u>\$ 71,523</u>	<u>\$ 311,020</u>	<u>\$ 3,545,787</u>

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER FUND
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services				
Sewer charges	\$ 1,052,000	\$ 777,073	\$ 772,600	\$ 4,473
Other	3,500	3,500	480	\$ 3,020
Total operating revenues	<u>1,055,500</u>	<u>780,573</u>	<u>773,080</u>	<u>7,493</u>
OPERATING EXPENSES				
Administration	103,230	99,097 (1)	84,335	14,762
Accounting and billing	29,944	29,877 (1)	21,965	7,912
Collection	194,583	128,289 (1)	99,276	29,013
Plant operations	613,371	556,356 (1)	544,906	11,450
Nondepartmental				
Materials and services	49,800	46,864 (1)	44,980	1,884
Debt service	69,269	69,269 (1)	69,269	-
Total operating expenses	<u>1,060,197</u>	<u>929,752</u>	<u>864,731</u>	<u>65,021</u>
OPERATING INCOME (LOSS)	<u>(4,697)</u>	<u>(149,179)</u>	<u>(91,651)</u>	<u>(57,528)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	4,000	4,000	19	(3,981)
Total nonoperating revenues (expenses)	<u>4,000</u>	<u>4,000</u>	<u>19</u>	<u>(3,981)</u>
Income before transfers	(697)	(145,179)	(91,632)	(61,509)
Other financing sources and (uses)				
Transfers from other funds	-	238,936	238,936	-
CHANGE IN FUND BALANCE	(697)	93,757	147,304	53,547
FUND BALANCE, beginning of year	697	(93,757)	(93,757)	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>53,547</u>	<u>\$ 53,547</u>
Reconciliation to Net Position:				
Capital assets			4,386,687	
Net pension asset (liability)			(310,971)	
Deferred outflow			87,712	
Interest payable			(5,615)	
Compensated absences payable			(51,734)	
Long term debt (including current portion)			(962,647)	
Deferred inflow			(33,735)	
GAAP net position			<u>\$ 3,163,244</u>	

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER PLANT RESERVE FUND
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Taxes - G.O. Bond	\$ 3,450,000	\$ -	\$ -	\$ -
OPERATING EXPENSES				
Capital outlay	3,450,000	- (1)	-	-
Total operating expenses	3,450,000	-	-	-
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER SDC REIMBURSEMENT FUND
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 17,500	\$ 17,500	\$ 17,984	\$ 484
Total operating revenues	17,500	17,500	17,984	484
OPERATING EXPENSES				
Materials and services	10,000	10,000 (1)	-	10,000
Capital outlay	211,891	241,080 (1)	179,235	61,845
Total nonoperating revenues (expenses)	221,891	251,080	179,235	71,845
OPERATING INCOME (LOSS)	(204,391)	(233,580)	(161,251)	72,329
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	100	100	95	(5)
Interest income	800	3,736	2,935	(801)
Total nonoperating revenues (expenses)	900	3,836	3,030	(806)
CHANGE IN FUND BALANCE	(203,491)	(229,744)	(158,221)	71,523
FUND BALANCE, beginning of year	203,491	229,744	229,744	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 71,523	\$ 71,523

(1) Appropriation level

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER SDC IMPROVEMENT FUND
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 27,500	\$ 27,500	\$ 27,195	\$ (305)
Total operating revenues	<u>27,500</u>	<u>27,500</u>	<u>27,195</u>	<u>(305)</u>
OPERATING EXPENSES				
Materials and services	20,000	20,000 (1)	-	20,000
Capital outlay	269,415	313,506 (1)	22,270	291,236
Total operating expenses	<u>289,415</u>	<u>333,506</u>	<u>22,270</u>	<u>311,236</u>
OPERATING INCOME (LOSS)	<u>(261,915)</u>	<u>(306,006)</u>	<u>4,925</u>	<u>310,931</u>
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	100	100	115	15
Interest income	800	6,401	6,475	74
Total nonoperating revenues (expenses)	<u>900</u>	<u>6,501</u>	<u>6,590</u>	<u>89</u>
CHANGE IN FUND BALANCE	(261,015)	(299,505)	11,515	311,020
FUND BALANCE, beginning of year	<u>261,015</u>	<u>299,505</u>	<u>299,505</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,020</u>	<u>\$ 311,020</u>

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING SCHEDULE OF NET POSITION
WATER FUNDS
June 30, 2020**

	Water	Water SDC Reimbursement	Water SDC Improvement	Water Plant Improvement	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 13,625	\$ -	\$ -	\$ -	\$ 13,625
Receivable					
Accounts, net of bad debt reserve	67,157	-	-	-	67,157
Special assessments	-	2,762	10,658	-	13,420
Restricted cash	5,682	200,093	1,494,693	537,488	2,237,956
Inventory	21,044	-	-	-	21,044
Total current assets	<u>107,508</u>	<u>202,855</u>	<u>1,505,351</u>	<u>537,488</u>	<u>2,353,202</u>
Noncurrent assets					
Restricted cash	28,455	-	-	-	28,455
Loans receivable	303,212	-	-	-	303,212
Capital assets (net of accumulated depreciation)	6,260,836	-	-	-	6,260,836
Total noncurrent assets	<u>6,592,503</u>	<u>200,093</u>	<u>1,494,693</u>	<u>-</u>	<u>6,592,503</u>
Total assets	<u>6,700,011</u>	<u>202,855</u>	<u>1,505,351</u>	<u>537,488</u>	<u>8,945,705</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow - pension	141,953	-	-	-	141,953
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,841,964</u>	<u>\$ 202,855</u>	<u>\$ 1,505,351</u>	<u>\$ 537,488</u>	<u>\$ 9,087,658</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 28,206	\$ -	\$ -	\$ -	\$ 28,206
Accrued payroll benefits	7,805	-	-	-	7,805
Compensated absences payable	23,221	-	-	-	23,221
Customer deposits	5,682	-	-	-	5,682
Unearned revenue - prepaid utility accounts	4,759	-	-	-	4,759
Interest payable	6,594	-	-	-	6,594
Current portion of long term debt	28,455	-	-	-	28,455
Total current liabilities	<u>104,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,722</u>
Long-term liabilities					
Net pension liability	422,349	-	-	-	422,349
Long term debt (net of current portion)	210,523	-	-	-	210,523
Total long-term liabilities	<u>632,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>632,872</u>
Total liabilities	<u>737,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>737,594</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow - pension	19,670	-	-	-	19,670
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES	<u>757,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>757,264</u>
NET POSITION					
Net investment in capital assets	6,050,313	-	-	-	6,050,313
Restricted for customer deposits	5,682	-	-	-	5,682
Restricted for debt service	28,455	-	-	-	28,455
Restricted for capital projects	-	202,855	1,505,351	537,488	2,245,694
Unrestricted	250	-	-	-	250
Total net position	<u>6,084,700</u>	<u>202,855</u>	<u>1,505,351</u>	<u>537,488</u>	<u>8,330,394</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 6,841,964</u>	<u>\$ 202,855</u>	<u>\$ 1,505,351</u>	<u>\$ 537,488</u>	<u>\$ 9,087,658</u>

CITY OF BANDON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER FUNDS
CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER FUNDS
For the Year Ended June 30, 2020

	Water	Water SDC Reimbursement	Water SDC Improvement	Water Plant Improvement	Total
OPERATING REVENUES					
Charges for services					
Water sales	\$ 805,418	\$ -	\$ -	\$ -	\$ 805,418
Service charges, fees, and permits	32,787	27,313	103,932	-	164,032
Property rental	20,792	-	-	-	20,792
Total operating revenues	<u>858,997</u>	<u>27,313</u>	<u>103,932</u>	<u>-</u>	<u>990,242</u>
OPERATING EXPENSES					
Administration	113,412	-	-	-	113,412
Cost of sales and services	580,612	-	-	-	580,612
Plant Improvement (non-capital)	-	-	-	57,063	57,063
Depreciation	332,822	-	-	-	332,822
Total operating expenses	<u>1,026,846</u>	<u>-</u>	<u>-</u>	<u>57,063</u>	<u>1,083,909</u>
OPERATING INCOME (LOSS)	<u>(167,849)</u>	<u>27,313</u>	<u>103,932</u>	<u>(57,063)</u>	<u>(93,667)</u>
Nonoperating revenues (expenses)					
Interest income	26	3,815	29,480	8,130	41,451
Interest expense	(11,839)	-	-	-	(11,839)
Special assessment interest	15,213	115	443	-	15,771
Total nonoperating revenues (expenses)	<u>3,400</u>	<u>3,930</u>	<u>29,923</u>	<u>8,130</u>	<u>45,383</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(164,449)</u>	<u>31,243</u>	<u>133,855</u>	<u>(48,933)</u>	<u>(48,284)</u>
OTHER FINANCING SOURCES (USES)					
Transfer (to) from other funds	(115,629)	-	-	278,135	162,506
Total other financing sources (uses)	<u>(115,629)</u>	<u>-</u>	<u>-</u>	<u>278,135</u>	<u>162,506</u>
CHANGE IN NET POSITION	<u>(280,078)</u>	<u>31,243</u>	<u>133,855</u>	<u>229,202</u>	<u>114,222</u>
NET POSITION, beginning of year	<u>6,364,778</u>	<u>171,612</u>	<u>1,371,496</u>	<u>308,286</u>	<u>8,216,172</u>
NET POSITION, end of year	<u>\$ 6,084,700</u>	<u>\$ 202,855</u>	<u>\$ 1,505,351</u>	<u>\$ 537,488</u>	<u>\$ 8,330,394</u>

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER FUND
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services				
Water sales	\$ 980,000	\$ 807,929	\$ 805,418	\$ (2,511)
Service charges, fees and permits	21,600	21,796	32,787	10,991
Property rental	16,500	16,500	20,792	4,292
Other	1,100	1,100	-	(1,100)
Total operating revenues	<u>1,019,200</u>	<u>847,325</u>	<u>858,997</u>	<u>11,672</u>
OPERATING EXPENSES				
Administration	83,209	82,380 (1)	67,412	14,968
Accounting and billing	31,327	30,775 (1)	26,199	4,576
Distribution	274,839	218,599 (1)	188,397	30,202
Plant operations	341,717	318,402 (1)	321,940	(3,538)
Non-departmental				
Materials and services	49,200	43,680 (1)	47,474	(3,794)
Debt Service	39,759	39,759 (1)	39,759	-
Total operating expenses	<u>820,051</u>	<u>733,595</u>	<u>691,181</u>	<u>42,414</u>
OPERATING INCOME (LOSS)	<u>199,149</u>	<u>113,730</u>	<u>167,816</u>	<u>54,086</u>
NONOPERATING REVENUES (EXPENSES)				
Special assessments				
Interest	17,000	17,000	15,213	(1,787)
Interest income	100	100	26	(74)
Total nonoperating revenues (expenses)	<u>17,100</u>	<u>17,100</u>	<u>15,239</u>	<u>(1,861)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>216,249</u>	<u>130,830</u>	<u>183,055</u>	<u>52,225</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	-	162,506	162,506	-
Transfer to other funds	(275,000)	(275,000) (1)	(278,135)	(3,135)
Total other financing sources and (uses)	<u>(275,000)</u>	<u>(112,494)</u>	<u>(115,629)</u>	<u>(3,135)</u>
CHANGE IN FUND BALANCE	(58,751)	18,336	67,426	49,090
FUND BALANCE, beginning of year	58,821	(18,266)	(18,269)	(3)
Prior period adjustment	-	-	322,522	
FUND BALANCE, end of year	<u>\$ 70</u>	<u>\$ 70</u>	<u>371,679</u>	<u>\$ 371,609</u>
Reconciliation to Net Position:				
Inventory			21,044	
Net pension asset (liability)			(422,349)	
Capital assets			6,260,836	
Deferred outflow			141,953	
Compensated absences payable			(23,221)	
Accrued interest			(6,594)	
CP of LT debt			(28,455)	
Long term debt			(210,523)	
Deferred inflow			(19,670)	
GAAP FUND BALANCE			<u>\$ 6,084,700</u>	

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER SDC REIMBURSEMENT FUND
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 25,000	\$ 25,000	\$ 27,313	\$ 2,313
Total operating revenues	25,000	25,000	27,313	2,313
OPERATING EXPENSES				
Materials and services	10,000	10,000 (1)	-	10,000
Capital outlay	134,655	190,462 (1)	-	190,462
Total operating expenses	144,655	200,462	-	200,462
OPERATING INCOME (LOSS)	(119,655)	(175,462)	27,313	202,775
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	100	100	115	15
Interest income	1,000	3,749	3,815	66
Total nonoperating revenues (expenses)	1,100	3,849	3,930	81
CHANGE IN FUND BALANCE	(118,555)	(171,613)	31,243	202,856
FUND BALANCE, beginning of year	118,555	171,613	171,612	(1)
FUND BALANCE, end of year	\$ -	\$ -	\$ 202,855	\$ 202,855

(1) Appropriation Level

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WATER SDC IMPROVEMENT FUND
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
System development fees	\$ 115,000	\$ 115,000	\$ 103,932	\$ (11,068)
Total operating revenues	115,000	115,000	103,932	(11,068)
OPERATING EXPENSES				
Materials and services	10,000	10,000 (1)	-	10,000
Capital outlay	1,355,278	1,458,998 (1)	-	1,458,998
Debt service	47,000	47,000 (1)	-	47,000
Total operating expenses	1,412,278	1,515,998	-	1,515,998
OPERATING INCOME (LOSS)	(1,297,278)	(1,400,998)	103,932	(1,527,066)
NONOPERATING REVENUES (EXPENSES)				
Assessment interest	300	300	443	143
Interest income	6,000	29,202	29,480	278
Total nonoperating revenues (expenses)	6,300	29,502	29,923	421
CHANGE IN FUND BALANCE	(1,290,978)	(1,371,496)	133,855	1,505,351
FUND BALANCE, beginning of year	1,290,978	1,371,496	1,371,496	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 1,505,351	\$ 1,505,351

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WATER PLANT IMPROVEMENT FUND
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Capital outlay	\$ 565,179	\$ 591,135 (1)	\$ 57,063	\$ 534,072
Total operating expenses	565,179	591,135	57,063	534,072
OPERATING INCOME (LOSS)	(565,179)	(591,135)	(57,063)	534,072
NONOPERATING REVENUES (EXPENSES)				
Interest income	-	7,849	8,130	281
INCOME (LOSS) BEFORE TRANSFERS FROM/TO OTHER FUNDS	(565,179)	(583,286)	(48,933)	534,353
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	275,000	275,000	278,135	278,135
CHANGE IN FUND BALANCE	(290,179)	(308,286)	229,202	537,488
FUND BALANCE, beginning of year	290,179	308,286	308,286	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,488</u>	<u>\$ 537,488</u>

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WATER PLANT RESERVE FUND
For the Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Taxes - G.O. Bond	<u>\$ 950,000</u>	<u>\$ -</u>		<u>\$ -</u>
OPERATING EXPENSES				
Capital outlay	<u>950,000</u>	<u>- (1)</u>		<u>-</u>
Total operating expenses	<u>950,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING SCHEDULE OF NET POSITION
ELECTRIC FUNDS
June 30, 2020**

ASSETS

Current assets

Cash and cash equivalents	\$	1,130,716
Receivable		
Accounts, net of bad debt reserve		425,515
Restricted cash		62,040
Inventory		508,908
Total current assets		2,127,179

Noncurrent assets

Notes receivable		765,000
Capital assets (net of accumulated depreciation)		7,278,349
Total noncurrent assets		8,043,349
Total assets		10,170,528

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow - pension		468,640
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 10,639,168

LIABILITIES

Current liabilities

Accounts payable	\$	6,759
Accrued payroll benefits		22,220
Compensated absences payable		91,487
Customer deposits		62,040
Unearned revenue - prepaid utility accounts		41,106
Total current liabilities		223,612

Long-term liabilities

Net pension liability		1,576,523
Total liabilities		1,800,135

DEFERRED INFLOWS OF RESOURCES

Deferred inflow - pension		145,177
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NET POSITION

Net investment in capital assets		7,278,349
Restricted for customer deposits		62,040
Unrestricted		1,353,467

TOTAL NET POSITION

8,693,856

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

\$ 10,639,168

**CITY OF BANDON
COOS COUNTY, OREGON
SUB-COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ELECTRIC FUND
For the Year Ended June 30, 2020**

	Electric
OPERATING REVENUES	
Charges for services	
Electricity sales	\$ 5,851,483
BPA conservation	17,770
Service charges, fees, and permits	206,083
Other	15,423
	6,090,759
OPERATING EXPENSES	
Administration	575,591
Cost of sales and services	5,142,540
Energy assistance payments	7,508
Depreciation	578,768
	6,304,407
OPERATING INCOME (LOSS)	(213,648)
NONOPERATING REVENUES (EXPENSES)	
Interest income	41,309
	41,309
Total nonoperating revenues (expenses)	41,309
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(172,339)
OTHER FINANCING SOURCES (USES)	
Sale of property	(31,204)
Transfers (to) from other funds	(30,000)
	(61,204)
Total other financing sources (uses)	(61,204)
CHANGE IN NET POSITION	(233,543)
NET POSITION, beginning of year	8,927,399
NET POSITION, end of year	\$ 8,693,856

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Electricity sales	\$ 5,735,000	\$ 5,867,868	\$ 5,851,483	\$ (16,385)
Low income assistance	10,000	10,000	11,475	1,475
Vol Low Inc Roundup Donation	1,000	1,000	695	(305)
BPA conservation	162,000	162,000	17,770	(144,230)
Services charges, fees, and permits	153,500	217,100	206,083	(11,017)
Reimbursements	1,000	1,000	-	(1,000)
Other	7,500	7,500	3,253	(4,247)
Total operating revenues	6,070,000	6,266,468	6,090,759	(175,709)
OPERATING EXPENSES				
Administration	396,385	424,595 (1)	381,853	42,742
Accounting and billing	352,673	354,666 (1)	302,137	52,529
Source of supply	2,935,000	2,935,000 (1)	3,029,267	(94,267)
Conservation	200,863	200,863 (1)	51,761	149,102
Distribution	2,849,757	2,849,757 (1)	1,790,106	1,059,651
Nondepartmental				
Materials and services	344,100	1,316,288	353,733	962,555
Total operating expenses	7,078,778	8,081,169	5,908,857	2,172,312
OPERATING INCOME (LOSS)	(1,008,778)	(1,814,701)	181,902	1,996,603
NONOPERATING REVENUES (EXPENSES)				
Conservation interest	200	200	-	(200)
Interest income	27,200	27,200	41,309	14,109
Total nonoperating revenues	27,400	27,400	41,309	13,909
INCOME (LOSS) BEFORE TRANSFERS	(981,378)	(1,787,301)	223,211	2,010,512
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	240,634	240,634
Transfers to other funds	(30,000)	(30,000) (1)	(30,000)	-
Total other financing sources (uses)	(30,000)	(30,000)	210,634	240,634
CHANGE IN FUND BALANCE	(1,011,378)	(1,817,301)	433,845	2,251,146
FUND BALANCE, beginning of year	1,011,378	1,817,301	1,817,301	-
FUND BALANCE, end of year	\$ -	\$ -	2,251,146	\$ 2,251,146
Reconciliation to Net Position:				
Inventory			508,908	
Net pension asset (liability)			(1,576,523)	
Capital assets			7,278,349	
Deferred outflow			468,640	
Compensated absences payable			(91,487)	
Deferred inflow			(145,177)	
Net Position			<u>\$ 8,693,856</u>	

(1) Appropriation Level

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2020**

GENERAL FUND

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/19	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/20
Current:						
2019-20	\$ 209,948	\$ (5,384)	\$ 2,046	\$ 123	\$ 195,113	\$ 11,620
Prior Years:						
2018-19	7,766	-	(293)	263	3,504	4,232
2017-18	4,345	-	(310)	285	1,588	2,732
2016-17	2,774	-	(426)	396	1,369	1,375
2015-16	1,695	-	(242)	223	621	1,055
Prior	806	1	(193)	160	204	570
Total All Funds	<u>\$ 227,334</u>	<u>\$ (5,383)</u>	<u>\$ 582</u>	<u>\$ 1,450</u>	<u>\$ 202,399</u>	<u>\$ 21,584</u>

RECONCILIATION TO REVENUE:

	<u>ALL FUNDS</u>
Cash Collections by County Treasurer Above	202,399
Franchise Fees	47,022
Utility Taxes	473,712
Transient Tax	704,799
Other taxes	1,580
Total Revenue	<u>\$ 1,429,512</u>

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
 For the Year Ended June 30, 2020

LOCAL OPTION STREET TAX

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/19	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/20
Current:						
2019-20	\$ 446,120	\$ (11,440)	\$ 3,117	\$ 261	\$ 414,596	\$ 23,462
Prior Years:						
2018-19	15,995	1	(605)	542	7,216	8,717
2017-18	8,957	-	(641)	587	3,272	5,631
2016-17	5,715	-	(876)	815	2,821	2,833
2015-16	3,491	-	(497)	459	1,279	2,174
Prior	1,660	-	(399)	332	420	1,173
Total All Funds	<u>\$ 481,938</u>	<u>\$ (11,439)</u>	<u>\$ 99</u>	<u>\$ 2,996</u>	<u>\$ 429,604</u>	<u>\$ 43,990</u>

RECONCILIATION TO REVENUE:

	<u>ALL FUNDS</u>
Cash Collections by County Treasurer Above	429,604
Other taxes	<u>3,762</u>
Total Revenue	<u>\$ 433,366</u>

CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2020

GENERAL OBLIGATION BONDS DEBT SERVICE

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/19	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/20
Current:						
2019-20	\$ 265,195	\$ (6,800)	\$ 244	\$ 155	\$ 246,456	\$ 12,338
Prior Years:						
2018-19	10,076	-	(380)	341	4,546	5,491
2017-18	6,031	-	(431)	395	2,203	3,792
2016-17	3,980	-	(611)	568	1,964	1,973
2015-16	1,748	-	(248)	230	641	1,089
Prior	1,061	-	(254)	212	269	750
Total All Funds	<u>\$ 288,091</u>	<u>\$ (6,800)</u>	<u>\$ (1,680)</u>	<u>\$ 1,901</u>	<u>\$ 256,079</u>	<u>\$ 25,433</u>

RECONCILIATION TO REVENUE:

	<u>ALL FUNDS</u>
Cash Collections by County Treasurer Above	256,079
Other taxes	<u>1,597</u>
Total Revenue	<u>\$ 257,676</u>

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2020**

URBAN RENEWAL DISTRICT NO.1

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/19	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/20
Current:						
2019-20	\$ 493,555	\$ (12,689)	\$ 3,083	\$ 221	\$ 460,078	\$ 24,092
Prior Years:						
2018-19	12,587	-	59	327	6,052	6,921
2017-18	7,210	-	(51)	358	2,990	4,527
2016-17	4,444	-	103	489	2,763	2,273
2015-16	2,721	-	(26)	261	1,260	1,696
Prior	1,381	-	(33)	197	551	994
Total All Funds	<u>\$ 521,898</u>	<u>\$ (12,689)</u>	<u>\$ 3,135</u>	<u>\$ 1,853</u>	<u>\$ 473,694</u>	<u>\$ 40,503</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above
Other taxes

Total Revenue

ALL FUNDS

473,694
940

\$ 474,634

**CITY OF BANDON
COOS COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2020**

URBAN RENEWAL DISTRICT NO.2

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/19	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/20
Current:						
2019-20	\$ 171,642	\$ (4,413)	\$ 2,078	\$ 77	\$ 160,000	\$ 9,384
Prior Years:						
2018-19	6,315	-	(139)	160	2,956	3,380
2017-18	3,490	-	(11)	174	1,453	2,200
2016-17	2,359	-	(161)	237	1,336	1,099
2015-16	1,372	-	(16)	131	634	853
Prior	699	-	(20)	99	277	501
Total All Funds	<u>\$ 185,877</u>	<u>\$ (4,413)</u>	<u>\$ 1,731</u>	<u>\$ 878</u>	<u>\$ 166,656</u>	<u>\$ 17,417</u>

RECONCILIATION TO REVENUE:

	<u>ALL FUNDS</u>
Cash Collections by County Treasurer Above	166,656
State Street Tax	\$ 225,642
Payments in Lieu of Tax	(1,446)
Total Revenue	<u>\$ 390,852</u>

**REPORTS ON LEGAL AND OTHER REGULATORY
REQUIREMENTS**

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January 13, 2021

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Bandon (the City) as of and for the year ended June 30, 2020, and have issued our report thereon dated January 13, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

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

OAR 162-10-0230 Internal Control

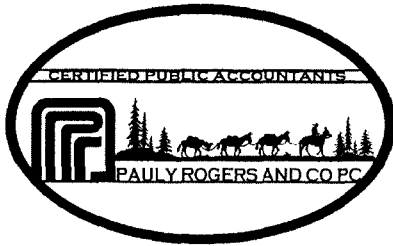
In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the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

We noted a matter involving the internal control structure and its operation that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants, which is noted in the accompanying Schedule of Findings and Responses.

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



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January 13, 2021

To the City Council
City of Bandon
Coos County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, the blended component units, each major fund, and the aggregate remaining fund information of the City of Bandon (the City) as of and for the year ended June 30, 2020 and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 13, 2021.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

City of Bandon's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The City of Bandon's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



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CITY OF BANDON

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2020

FINANCIAL STATEMENT FINDINGS

2020-FS-1

This is a repeat finding from 2019

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

CRITERIA: Proper controls should be in place and monitored to ensure bank reconciliations are being prepared and reviewed in a timely manner and to ensure adjusting journal entries are reviewed and approved by someone other than the preparer.

EFFECT: Without controls or procedures in place to ensure bank reconciliations are prepared and reviewed in a timely manner and adjusting journal entries are reviewed and approved by a secondary individual, there exists the likelihood of material misstatement in the financial statements or misappropriation of assets.

CAUSE: There were no adequate resources allocated to ensure that a secondary individual reviews and approves all adjusting journal entries. The responsibility has begun to be shared, but indication to support they are reviewing each other's work did not occur until late into the 2019-2020 fiscal year.

RECOMMENDATION: We recommend that a timely and independent review take place for both Adjusting Journal Entries and Bank Reconciliations, and that this review be documented with a signature and date of review to increase internal control.

RESPONSE: Going forward, and in response to the identified finding, the City of Bandon will follow the procedures listed below:

Starting in April 2020, bank reconciliations were completed monthly via a contract with Caselle. Reconciliations were reviewed, approved and signed-off by the City Manager or the City Recorder.

Following the prior year audit, all adjusting journal entries shall be reviewed, approved and signed-off by the Administrative Services Manager, Recorder/Assistant Administrative Services Manager or the City Manager. In all cases, review, approval and sign off must be completed by a secondary individual who is independent of the preparation process.

CITY OF BANDON

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2020

Prior Year Findings

2019-FS-1

This is a repeat finding from 2018

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

RESULTS: The City implemented their response following the 2018-19 audit fieldwork (in Spring 2020) so this finding is expected to reoccur in the June 30, 2020 period.