

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

CASH BASIS FINANCIAL STATEMENTS

**WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2021

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

2020-2021
FINANCIAL REPORT

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Jake Young, Mayor	December 31, 2022
Judy Coleman	December 31, 2024
Allen Freeman	December 31, 2024
Michael Young	December 31, 2022
Ralph Johannessen	December 31, 2022
Louise Barton	December 31, 2024
Andrew Mather	December 31, 2022

All council members receive mail at the address shown below.

ADMINISTRATION

Janelle Evans, City Administrator/Recorder
250 N Main St.
Canyonville, Oregon 97419

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

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CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

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February 9, 2022

Mayor and City Council
City of Canyonville
Canyonville, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying combined cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Canyonville, Douglas County, Oregon, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Canyonville as of June 30, 2021, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

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, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Information

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

Reports on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 8, 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.



Kenny Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

Management's Discussion and Analysis

As management of City of Canyonville ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021.

Financial Highlights

- The city's total net position increased by \$748 thousand. The increase is attributed to the City transferring money to a newly created Street Capital Reserve Fund.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,784,210.00, an increase of \$182,136.00 in comparison with the prior year. Approximately, \$1,359,751.00 of the total amount constitutes an unassigned fund balance, which is available for spending at the government's discretion.
- At the end of the current fiscal year, the unreserved fund balance of the general fund was \$499,613.00.
- The City's total long-term debt is \$7,986,120.00. The sewer plant has been completed in fiscal year 2021-2022 and now we must make yearly loan payments to USDA Rural Development and Business Oregon: Infrastructure Finance Authority.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the government'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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused time off).

Both 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 cost through user fees and charges (*business-type activities*). The governmental activities of the City include general government, highways and streets, and culture and recreation. Business-type activities of the City include water and wastewater.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 a government's near-term financial 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 government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 9 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the street fund, both considered to be major funds. Data from the other 7 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund and street fund to demonstrate compliance with this budget.

Proprietary funds. The City has two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water and wastewater.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for governmental funds.

Notes to the 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.

Other information.

The budgetary information for the non-major funds and the combining statements referred to earlier in connection with non-major governmental funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$5,851,960.00) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased by \$748 thousand during the fiscal year. The increase is attributed to the City wastewater treatment plant upgrade reimbursements for payout to construction expenditures coming in the next fiscal year.

City of Canyonville's Net Assets

2021 Summary

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current and other assets	1,602,074	1,784,210	4,335,031	4,900,682	5,937,105	6,684,892
Capital assets						
Total assets	1,602,074	1,784,210	4,335,031	4,900,682	5,937,105	6,684,892
Restricted	449,537	424,459	67,348	408,473	516,885	832,932
Unrestricted	1,152,537	1,359,751	4,267,683	4,492,209	5,420,220	5,851,960
Total Net assets	1,602,074	1,784,210	4,335,031	4,900,682	5,937,105	6,684,892

Governmental Business. Changes in net position are as follows:

City of Canyonville's Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2021	2020	2021	2020	2021
Revenues:						
Program revenues:						
Charges for services	31,310	40,156	1,359,413	1,410,471	1,390,723	1,450,627
Operating grants /contributions	1,000	49,997			1,000	49,997
Capital grants and contributions	6,118,158	2,612			6,118,158	2,612
General revenues:						
Property taxes	307,704	323,263			307,704	323,263
Other taxes	119,534	137,822			119,534	137,822
Intergovernmental	197,267	210,724			197,267	210,724
Other Revenue	21,621	9,696			21,621	9,696
Debt Proceeds				10,528,526		
Investment Income	24,372	9,089	93,279	34,152	117,651	43,241
Total revenues	6,820,966	783,359	1,452,692	11,973,149	8,273,658	2,227,982
Expenses:						
General government	431,431	470,315			431,431	470,315
Public safety	8,056	15,626			8,056	15,626
Highways and streets	51,500	50,712			51,500	50,712
Culture and recreation	15,102	13,358			15,102	13,358
Community Development	6,256,665	9,600			6,256,665	9,600
Capital Outlay	272,012	71,612			272,012	71,612
Debt Service	0	0			0	0
Water			296,638	415,839	296,638	415,839
Wastewater			1,845,110	10,961,659	1,845,110	10,961,659
Total expenses	7,034,766	631,223	2,141,748	11,377,498	9,176,514	12,008,721
Transfers	30,000	30,000	-30,000	-30,000	0	0
Change in net position	(183,800)	182,136	(719,056)	565,651	(902,856)	747,787
Beginning net position	1,785,874	1,602,074	5,054,087	4,335,031	6,839,961	5,937,105
Ending net position	<u>1,602,074</u>	<u>1,784,210</u>	<u>4,335,031</u>	<u>4,900,682</u>	<u>5,937,105</u>	<u>6,684,892</u>

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,784,210, an increase of \$182,136.00 in comparison with the prior year. Approximately \$1,359,751.00 of the total amount constitutes an unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance reached \$499,613.00, all of which is unreserved.

The fund balance of the City's general fund increased by \$182,136.00 during the current fiscal year, key factors in this increase were increases in some of the revenue.

General Fund Budgetary Highlights

The City of Canyonville is not in compression, so the General Fund is relatively stable. The City is extremely conservative with the money spent from the General Fund and has managed to build a little reserve. This year's budget included a contingency of approximately \$186,586.00 which was not spent. The original budget is \$58,000.00 less than the final budget for the fiscal year. A supplemental budget was approved due to the City being awarded a reimbursement grant through the Coronavirus Aid Relief and Economic Security Act (Cares) after the original budget was approved. The City actually received \$104,068.00 more in revenue than estimated.

Long-term Debt

At the end of the current fiscal year, the city had a total debt of \$7,986,120.00. This debt consists of the purchase of 2017 street sweeper through KS State Bank and the Sewer Plant upgrade loans through USDA Rural Development and Business Oregon: Infrastructure Finance Authority. Additional information on the City's long-term debt can be found on page 23 of this report.

Economic Factors and Next Year's Budgets and Rates.

The Covid 19 epidemic and mandates have impacted the City's water and sewer utility revenues for this fiscal year and for the next fiscal year. Two of our largest utility users have been impacted the most by Covid 19. One large user has closed their doors and the other is struggling to even pay for services. We do not know what the impact will be on the City utilities in the future. The City wastewater treatment plant is on track to be completed next fiscal year and payments will begin being paid to USDA Rural Development and Business Oregon: Infrastructure Finance Authority.

At the end of the fiscal year the following had accumulated for future needs:

Capital Reserve Water Fund 26	\$ 519,385.00
Water SDC Fund 20	<u>\$ 219,906.00</u>
Water Plant	\$ 739,291.00
Capital Reserve Sewer Fund 27	\$1,760,738.00
Wastewater SDC Fund 21	<u>\$ 577,052.00</u>
Sewer Plant	\$2,337,790.00
Bikeway/Footpath Fund 17	\$ 21,312.00
Equipment Replacement fund 08	\$ 195,840.00
Facility Reserve Fund 30	\$ 543,050.00

Request for Information

This financial report is designed to provide a general overview of the City of Canyonville's finances for all or those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager.

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

BASIC FINANCIAL STATEMENTS

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

STATEMENT OF NET POSITION - CASH BASIS
June 30, 2021

	<u>GOVERNMENTAL</u>	<u>BUSINESS TYPE</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 1,784,210	\$ 4,900,682	\$ 6,684,892
Total Assets	<u>1,784,210</u>	<u>4,900,682</u>	<u>6,684,892</u>
NET POSITION			
Restricted for Debt Covenant	52,663	408,473	461,136
Restricted for Other Purposes	371,796	-	371,796
Unrestricted	<u>1,359,751</u>	<u>4,492,209</u>	<u>5,851,960</u>
TOTAL NET POSITION	<u>\$ 1,784,210</u>	<u>\$ 4,900,682</u>	<u>\$ 6,684,892</u>

See accompanying notes to the basic financial statements

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

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

Functions/Programs	Disbursements	Program Cash Receipts		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Governmental	\$ 470,315	\$ 17,095	\$ 49,997	\$ -
Public Safety/Municipal Court	15,626	22,761	-	-
Highways and Streets	50,712	-	-	-
Culture and Recreation	13,358	300	-	-
Community Development	9,600	-	-	2,612
Capital Outlay	71,612	-	-	-
Total Governmental Activities	<u>631,223</u>	<u>40,156</u>	<u>49,997</u>	<u>2,612</u>
Business-Type Activities				
Water	415,839	421,706	-	-
Sewer	10,961,659	988,765	-	-
Total Business Activities	<u>11,377,498</u>	<u>1,410,471</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 12,008,721</u>	<u>\$ 1,450,627</u>	<u>\$ 49,997</u>	<u>\$ 2,612</u>

General Receipts

Taxes:
Property Taxes
Levied for General Purpose
Franchise and other Taxes
Intergovernmental
Interest Income
Miscellaneous
Debt Proceeds
Transfers
 Total General Receipts and Transfers
 Change in Cash Basis Net Position
 Beginning Cash Basis Net Position
 Ending Cash Basis Net Position

See accompanying notes to the basic financial statements

Net Receipts (Disbursements) and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (403,223)	\$ -	\$ (403,223)
7,135	-	7,135
(50,712)	-	(50,712)
(13,058)	-	(13,058)
(6,988)	-	(6,988)
(71,612)	-	(71,612)
<u>(538,458)</u>	<u>-</u>	<u>(538,458)</u>
-	5,867	5,867
<u>-</u>	<u>(9,972,894)</u>	<u>(9,972,894)</u>
<u>-</u>	<u>(9,967,027)</u>	<u>(9,967,027)</u>
<u>\$ (538,458)</u>	<u>\$ (9,967,027)</u>	<u>\$ (10,505,485)</u>
323,263	-	323,263
137,822	-	137,822
210,724	-	210,724
9,089	34,152	43,241
9,696	-	9,696
-	10,528,526	10,528,526
<u>30,000</u>	<u>(30,000)</u>	<u>-</u>
<u>720,594</u>	<u>10,532,678</u>	<u>11,253,272</u>
182,136	565,651	747,787
<u>1,602,074</u>	<u>4,335,031</u>	<u>5,937,105</u>
<u>\$ 1,784,210</u>	<u>\$ 4,900,682</u>	<u>\$ 6,684,892</u>

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
June 30, 2021

	<u>GENERAL FUND</u>	<u>STATE STREET FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
ASSETS				
Cash and Investments	\$ 499,613	\$ 350,484	\$ 934,113	\$ 1,784,210
Total Assets	<u>\$ 499,613</u>	<u>\$ 350,484</u>	<u>\$ 934,113</u>	<u>\$ 1,784,210</u>
LIABILITIES AND CASH BASIS FUND BALANCES				
Cash Basis Fund Balances:				
Restricted for:				
Streets	\$ -	\$ 350,484	\$ -	\$ 350,484
Bikeway and Footpath	-	-	21,312	21,312
Debt Service	-	-	52,663	52,663
Committed				
Equipment Replacement	-	-	195,840	195,840
South County Community Center	-	-	17,569	17,569
Facilities	-	-	543,050	543,050
Streets	-	-	111,139	111,139
Unassigned	499,613	-	(7,460)	492,153
Total Cash Basis Fund Balances	<u>499,613</u>	<u>350,484</u>	<u>934,113</u>	<u>1,784,210</u>
Total Cash Basis Fund Balances	<u>\$ 499,613</u>	<u>\$ 350,484</u>	<u>\$ 934,113</u>	<u>\$ 1,784,210</u>

See accompanying notes to the basic financial statements

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	<u>GENERAL FUND</u>	<u>STATE STREET FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
Receipts				
Taxes	\$ 323,263	\$ -	\$ -	\$ 323,263
Interest	4,008	1,899	3,182	9,089
Intergovernmental	66,320	142,479	-	208,799
Grants	49,997	-	2,612	52,609
Fees, Permits, and Rents	152,992	-	-	152,992
Fines	22,761	-	-	22,761
Miscellaneous	2,160	1,625	1	3,786
Total Receipts	<u>621,501</u>	<u>146,003</u>	<u>5,795</u>	<u>773,299</u>
Disbursements				
Current				
General Governmental	470,315	-	-	470,315
Public Safety/Municipal Court	15,626	-	-	15,626
Highways and Streets	-	50,712	-	50,712
Culture and Recreation	13,358	-	-	13,358
Community Development	38	-	9,562	9,600
Capital Outlay	-	-	71,612	71,612
Total Disbursements	<u>499,337</u>	<u>50,712</u>	<u>81,174</u>	<u>631,223</u>
Excess of Receipts Over, -Under Disbursements	122,164	95,291	(75,379)	142,076
Other Financing Sources, -Uses				
Proceeds from Sale of Assets	-	-	10,060	10,060
Loan Proceeds	-	-	-	-
Transfers In	-	-	219,560	219,560
Transfers Out	(67,260)	(122,300)	-	(189,560)
Total Other Financing Sources, -Uses	<u>(67,260)</u>	<u>(122,300)</u>	<u>229,620</u>	<u>40,060</u>
Net Change in Cash Basis Fund Balance	54,904	(27,009)	154,241	182,136
Beginning Cash Basis Fund Balance	<u>444,709</u>	<u>377,493</u>	<u>779,872</u>	<u>1,602,074</u>
Ending Cash Basis Fund Balance	<u>\$ 499,613</u>	<u>\$ 350,484</u>	<u>\$ 934,113</u>	<u>\$ 1,784,210</u>

See accompanying notes to the basic financial statements

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
June 30, 2021

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 1,260,728	\$ 3,639,954	\$ 4,900,682
Total Assets	<u>\$ 1,260,728</u>	<u>\$ 3,639,954</u>	<u>\$ 4,900,682</u>
Net Position			
Restricted	\$ -	\$ 408,473	\$ 408,473
Unrestricted	<u>1,260,728</u>	<u>3,231,481</u>	<u>4,492,209</u>
Total Net Position	<u>\$ 1,260,728</u>	<u>\$ 3,639,954</u>	<u>\$ 4,900,682</u>

See accompanying notes to the basic financial statements

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021**

	WATER FUND	SEWER FUND	TOTAL
Operating Receipts			
Charges for Services	\$ 420,134	\$ 927,283	\$ 1,347,417
Miscellaneous	1,572	61,482	63,054
Total Operating Receipts	<u>421,706</u>	<u>988,765</u>	<u>1,410,471</u>
Operating Disbursements			
Personal Services	189,323	222,455	411,778
Other Operating Disbursements	119,839	3,608,794	3,728,633
Capital Outlay	106,677	33,315	139,992
Debt Service	-	7,097,095	7,097,095
Total Operating Disbursements	<u>415,839</u>	<u>10,961,659</u>	<u>11,377,498</u>
Operating Income (Loss)	<u>5,867</u>	<u>(9,972,894)</u>	<u>(9,967,027)</u>
Non-Operating Receipts (Disbursements)			
Loan Proceeds	-	10,528,526	10,528,526
Interest Income	7,941	26,211	34,152
Transfers In	40,000	1,227,097	1,267,097
Transfers Out	<u>(65,000)</u>	<u>(1,232,097)</u>	<u>(1,297,097)</u>
Total Non-Operating Receipts (Disbursements)	<u>(17,059)</u>	<u>10,549,737</u>	<u>10,532,678</u>
Net Change in Cash Basis Fund Balance	(11,192)	576,843	565,651
Beginning Cash Basis Fund Balance	<u>1,271,920</u>	<u>3,063,111</u>	<u>4,335,031</u>
Ending Cash Basis Fund Balance	<u>\$ 1,260,728</u>	<u>\$ 3,639,954</u>	<u>\$ 4,900,682</u>

See accompanying notes to the basic financial statements

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND

For the Year Ended June 30, 2021

WATER AND SEWER DEPOSITS

Assets

Cash	\$ 41,175
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Total Assets	<u>\$ 41,175</u>
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Net Position

Restricted for:

Customer Deposits	<u>\$ 41,175</u>
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CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City have been prepared in conformity with the cash basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The City of Canyonville is a municipal corporation governed by an elected mayor and six-member governing council (council). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The City has no component units.

The City operates under a charter enacted in 1901. Under the charter, the City is governed by a mayor and six council members who comprise the City Council.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

BASIS OF ACCOUNTING

The City follows the cash basis of accounting. Under the cash basis of accounting, receipts are recorded when received and disbursements are recorded as paid in cash or by check. This basis of accounting is applied to both the government-wide financial statements, and the governmental type fund financial statements uniformly.

This basis of accounting is not equivalent to the generally accepted accounting principles (GAAP) basis of accounting. Under GAAP the fund financial statements require that revenues be recorded as they become susceptible to accrual (i.e. when they become measurable and available) and expenditures recorded as goods and services received. For the government-wide statements GAAP requires that the accrual basis of accounting be applied. Under the accrual basis of accounting the cost of capital assets is capitalized and depreciated over their estimated useful lives, debt is recorded as incurred, revenues are recorded when earned irrespective of the collection of cash, and disbursements, including depreciation, are recorded when incurred. Management believes the cash basis of accounting is preferable for the City due to the City's small size and the necessity of assessing available cash resources. The cash basis of accounting is allowed under Oregon Local Budget Law.

FUND FINANCIAL STATEMENTS

The accounts of the City are organized and operated on the basis of fund accounting. 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 minimum numbers of funds are maintained consistent with legal and managerial requirements.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. DESCRIPTION OF FUNDS

The City reports the following major funds:

GENERAL FUND

The General Fund accounts for all financial resources and disbursements of the City, except those required to be accounted for in another fund. Its main sources of receipts are local property taxes, intergovernmental receipts, utility franchise fees, and permits.

STATE STREET FUND

This fund accounts for monies disbursed for maintenance and improvement of the City's roads and streets.

WATER FUND

The Water Fund is used to document receipts and disbursed for maintenance and operation of the City's water utility system. The primary receipt source is "user fees" paid by customers of the utility for water consumed.

SEWER FUND

The Sewer Fund is used to document receipts and disbursements for maintenance, operation, and debt service of the City's sanitary sewer system. The primary receipt source is "user fees" paid by customers of the utility.

The City also reports a custodial fiduciary fund to report customer utility billing deposits.

D. BUDGET

A budget is prepared and legally adopted for each governmental fund type on the cash basis of accounting in the main program categories required by the Oregon Local Budget Law. The City begins its budget process early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Council may amend the budget prior to adoption, however, budgeted disbursements for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

Disbursement budgets are appropriated at the following levels for each fund: Personal Services, Materials and Services, Capital Outlay, Operating Contingency, and Interfund Transactions. Disbursements cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Council approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Council approves them due to a need which exists which was not determined at the time the budget was adopted. Budget amounts shown in the Basic Financial Statements reflect the original budget and appropriation adjustments. Disbursements of the various funds were within authorized appropriations, except for the Municipal Court department in the General Fund exceeded appropriations by \$8,626.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

The City has adopted the principles of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34), as they are applicable to cash basis financial statements. The Statement requires that the City present both government-wide and fund financial statements, and reconcile the two types of statements, if necessary. The government-wide financial reports information on the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

F. PROPERTY TAXES RECEIVABLE

Property taxes receivable is disclosed to indicate the amount of uncollected taxes that the City can expect to receive in the future. Real and personal property are assessed and property taxes become a lien against the property as of July 1 of each year. Property taxes are payable in three installments, following the lien date on November 15, February 15, and May 15. Taxes not received by May 15th are considered delinquent. As required by law, Douglas County manages tax collections for the City. Substantially all taxes receivable are considered collectible through liens on the underlying property.

G. CAPITAL ASSETS

Non-expendable equipment purchased is usually recorded as a capital outlay disbursement in the governmental and proprietary funds. The original historical cost of such assets has been estimated or tracked and is recorded by the City, but, under the cash basis of accounting the cost of capital assets of the City are not required to be displayed in the financial statements. The costs of significant betterments to capital assets are similarly recorded as disbursements and not capitalized. Depreciation is not recorded. When assets are donated, the estimated value is used to increase the balances of the capital assets. No receipts or disbursements are recorded since no cash was received or used when assets are donated. Normal repairs and maintenance are charged to disbursements as capital outlay or as materials and services. When property is retired or sold, any related proceeds are recorded in a governmental or proprietary fund.

H. DEBT

Although the cash basis of accounting does not require that debt be displayed, the City believes that presentation of this information is important. Accordingly, the details of debt are presented in these notes to the financial statements.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. RETIREMENT PLAN

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014. City employees are participants in Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded.

J. NET POSITION

Net position comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital and is classified in the following hierarchy based on the extent to which a government is bound to observe constraints imposed on the use of resources reported in government funds:

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

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

The governing body has approved the following order of spending regarding net position categories: Restricted resources are spent first when both restricted and unrestricted resources are available for expenditures.

K. FUND BALANCE

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – non-spendable, restricted, committed, assigned, and unassigned.

- Non-spendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The governing body has given this authority to the City Manager.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

2. CASH AND INVESTMENTS

State statutes govern the City's cash management policies, because the City does not have an official investment policy. Statutes authorize the City to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2021. The LGIP seeks to exchange shares at \$1.00 per share; an 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. We intend to measure these investments at book value since it approximates fair value, and since the entity uses the cash basis of accounting. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized

The City maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is reported on the combined balance sheet as Cash and Investments or amounts Due to/from Other Funds. Cash and Investments (recorded at fair value) consisted of:

Petty Cash	\$	400	
Demand Deposits		1,306,337	
Investments		<u>5,378,155</u>	
Total	\$	<u>6,684,892</u>	-14-

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

The City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (months)	
		Less Than 3	More Than 3
State Treasurers Investment Pool	\$ 5,378,155	\$ 5,378,155	\$ -
Total	<u>\$ 5,378,155</u>	<u>\$ 5,378,155</u>	<u>\$ -</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 19 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. The City does not have any investments that have a maturity date.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2021, the City's bank balance was \$1,410,115, of which \$250,000 is covered by FDIC insurance. Any deposits not covered by federal depository insurance are collateralized by the State of Oregon.

3. PENSION PLAN

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

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

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

- 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

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. PENSION PLAN (CONTINUED)

Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
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.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. PENSION PLAN (CONTINUED)

- 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, 2021 were \$57,610, excluding amounts to fund employer specific liabilities.

Since the City's financial statements are reported on the cash basis, no amounts are reported on the balance sheet for pension related assets, deferred outflows, liabilities or deferred inflows. Had the City's financial statements been reported in accordance with GAAP, it would have reported a net pension liability of \$651,788 at June 30, 2021 for its proportionate share of the net pension asset. The pension asset was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020 and 2019, the City's proportion was .003 percent and .003 percent, respectively. Pension expense for the year ended June 30, 2021 was \$121,023.

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

- (1) Tier 1/Tier 2 – 20.88%
- (2) OPSRP general services – 14.84%

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 ACFR which can be found at:

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

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

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. PENSION PLAN (CONTINUED)

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

Actuarial Methods and Assumptions:

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

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

Assumed Asset Allocation:

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

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

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

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

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

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

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. PENSION PLAN (CONTINUED)

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

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$ 967,851	\$ 651,788	\$ 386,754

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.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. PENSION PLAN (CONTINUED)

Plan Description:

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

Pension Benefits:

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

Death Benefits:

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

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.

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

Retirement Health Insurance Account

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 CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. PENSION PLAN (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 cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.53% of annual covered OPERF payroll and 0.45% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The City's contributions to RHIA for the years ended June 30, 2019, 2020 and 2021 were \$1,377, \$240 and \$2,363, respectively, which equaled the required contributions each year.

At June 30, 2021, the City's net OPEB liability/(asset) and deferred inflows and outflows were not presented since the City is on the cash basis of accounting.

4. 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, injuries to employees and natural disasters. The City purchases commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three years.

5. DEBT

Long-Term Debt

2021 USDA Sewer Revenue Bonds

\$7,040,000 of Sewer Revenue Bonds (\$6,540,000 No. 1 and \$500,000 No. 2) were issued to the City on March 25, 2021 to fund construction of a new sewer plant. The interest rate is 1.25%. The bonds are subject to redemption prior to maturity. Repayments are made out of the General Obligation Bond Debt Service Fund. Bonds mature March 2061. The City has a debt service reserve fund balance of \$789,297 and a facilities reserve fund balance of \$101,686 in satisfaction of reserve requirements in the Letter of Conditions between the City and USDA.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEBT (CONTINUED)

Direct Borrowing and Direct Placement

The City has a direct borrowing with Business Oregon on an IFA loan as part of the wastewater treatment plant upgrade. The loan is \$920,957 at 1.36% and matures in December of 2045. In the event of default, the lender may pursue any remedies available at law or in equity to collect amounts due or to become due.

In 2017 the City entered into an agreement for a note payable with KS State Bank to finance the purchase of a street sweeper. The note has a term of 7 years with an interest rate of 2.39% and matures in February of 2024.

In the event of default, the balance on the note may become immediately due or the obligee may require the obligor to return the equipment to the obligee.

Changes in Long-Term Obligations for the year ended June 30, 2021:

	July 1, 2020	Payments	Additions	Total	June 30, 2021 Due Within one year
Long-Term Debt					
2021 Revenue Bond No. 1	\$ -	\$ -	\$6,540,000	\$ 6,540,000	\$ 127,073
2021 Revenue Bond No. 2	-	-	500,000	500,000	9,715
Direct Borrowing					
2021 IFA Loan	-	-	920,957	920,957	8,389
2017 Note	33,077	7,914	-	25,163	8,147
Total Long-Term Obligations	\$ 33,077	\$ 7,914	\$7,960,957	\$ 7,986,120	\$ 153,324

Future maturities of notes payable are as follows:

	Sweeper Loan		2021 Sewer Revenue Bond No. 1		2021 Sewer Revenue Bond No. 2		IFA Loan 2021	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021-22	8,147	737	127,073	81,750	9,715	6,250	8,389	36,433
2022-23	8,385	499	128,661	80,162	9,836	6,129	32,411	12,411
2023-24	8,631	253	130,270	78,553	9,959	6,006	32,852	11,970
2024-25	-	-	131,898	76,925	10,084	5,881	33,298	11,523
2025-26	-	-	133,547	75,276	10,210	5,755	33,751	11,071
2026-31	-	-	693,195	350,920	52,996	26,829	175,768	48,341
2031-36	-	-	737,617	306,498	56,392	23,433	188,050	36,059
2036-41	-	-	784,885	259,230	60,006	19,819	201,190	22,919
2041-46	-	-	835,182	208,933	63,851	15,974	215,248	8,862
2046-51	-	-	888,702	155,413	67,943	11,882	-	-
2051-56	-	-	945,652	98,463	72,297	7,528	-	-
2056-61	-	-	1,003,318	37,865	76,711	2,893	-	-
	\$ 25,163	\$ 1,489	\$ 6,540,000	\$ 1,809,988	\$ 500,000	\$ 138,379	\$ 920,957	\$ 199,589

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for nonschool operations are limited to \$10 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997.

This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

7. INTERFUND TRANSFERS

The following interfund transfers occurred during fiscal year 2020-2021 (all transfers are normal operating transfers):

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ -	\$ 67,260
State Street Fund	-	122,300
Non Major	219,560	-
Business Type Funds		
Water Fund	40,000	65,000
Sewer Fund	<u>1,227,097</u>	<u>1,232,097</u>
Total	<u>\$ 1,486,657</u>	<u>\$ 1,486,657</u>

8 INTERGOVERNMENTAL AGREEMENT

On August 19, 1981, the City of Canyonville entered into an intergovernmental agreement with Douglas County to construct, maintain and operate a joint water impoundment project on the West Fork of Canyon Creek.

The City has taken title to all the assets and improvements and has in return indemnified the County against all claims, liens, demands, encumbrances or litigation related to the impound facilities and operations.

Through the year 2027, the City will pay the County an amount equal to \$1 for each resident within the area served by the City's water system and 50 percent of each new user fee or \$200 per new connect, whichever is greater.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9 DEFICIT FUND BALANCE

The CDBG Grant Fund reported an ending deficit fund balance of \$727 on page 31 of the financial statements. This was due to expenditures exceeded revenues for the year ended June 30, 2021. The City plans to eliminate the negative balance through future budgeted transfers.

The IFA Loan Fund reported an ending deficit fund balance of \$6,733 on page 33 of the financial statements. This was due to the timing of the receipt of grant revenues for the year ended June 30, 2021. The City plans to receive grant revenues in 2022 to cover the deficit fund balance.

The Rural Development Fund reported an ending deficit fund balance of \$6,838 on page 49 of the financial statements. This was due to the timing of the receipt of grant revenues for the year ended June 30, 2021. The City plans to receive grant revenues in 2022 to cover the deficit fund balance.

10. COMMITMENTS AND CONTINGENCIES

The Covid-19 outbreak in the United States has caused disruption through mandated and voluntary closure of both government and business activities. These developments are expected to impact City revenue. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the City expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

Combining, Individual Fund,
And Other Financial Statements

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE/(NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Receipts				
Taxes, Current	\$ 250,000	\$ 250,000	\$ 306,971	\$ 56,971
Taxes, Prior	5,000	5,000	16,292	11,292
Interest	8,000	8,000	4,008	(3,992)
Intergovernmental	44,800	44,800	66,320	21,520
Fees, Licenses, and Permits	139,600	139,600	152,992	13,392
Fines	9,000	9,000	22,761	13,761
Grants	-	58,057	49,997	(8,060)
Miscellaneous	2,976	2,976	2,160	(816)
Total Receipts	<u>459,376</u>	<u>517,433</u>	<u>621,501</u>	<u>104,068</u>
Disbursements				
Administration	559,276	617,333 (1)	397,813	219,520
City/County Library	4,015	4,015 (1)	3,602	413
Pioneer Park	20,000	20,000 (1)	7,858	12,142
Community Projects	1,200	1,200 (1)	280	920
Public Officials	2,225	2,225 (1)	1,546	679
YMCA	2,600	2,600 (1)	1,618	982
Municipal Court	7,000	7,000 (1)	15,626	(8,626)
Planning and Community Development	12,500	12,500 (1)	38	12,462
Auxiliary/ Support Services	103,300	103,300 (1)	70,956	32,344
Total Disbursements	<u>712,116</u>	<u>770,173</u>	<u>499,337</u>	<u>270,836</u>
Excess of Receipts Over, -Under Disbursements	(252,740)	(252,740)	122,164	374,904
Other Financing Sources, -Uses				
Transfers Out	(67,260)	(67,260) (1)	(67,260)	-
Total Other Financing Sources, -Uses	<u>(67,260)</u>	<u>(67,260)</u>	<u>(67,260)</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(320,000)	(320,000)	54,904	374,904
Beginning Cash Basis Fund Balance	<u>320,000</u>	<u>320,000</u>	<u>444,709</u>	<u>124,709</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,613</u>	<u>\$ 499,613</u>

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

<u>STATE STREET FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Receipts				
Interest	\$ 2,000	\$ 2,000	\$ 1,899	\$ (101)
Intergovernmental	110,000	110,000	142,479	32,479
Miscellaneous	900	900	1,625	725
Total Receipts	<u>112,900</u>	<u>112,900</u>	<u>146,003</u>	<u>33,103</u>
Disbursements				
Personal Services	49,570	49,570 (1)	36,925	12,645
Materials and Services	59,175	59,175 (1)	13,787	45,388
Capital Outlay	1,000	1,000 (1)	-	1,000
Contingency	110,855	110,855 (1)	-	110,855
Total Disbursements	<u>220,600</u>	<u>220,600</u>	<u>50,712</u>	<u>169,888</u>
Excess of Receipts Over -Under Disbursements	(107,700)	(107,700)	95,291	202,991
Other Financing Sources, -Uses Transfers Out	<u>(122,300)</u>	<u>(122,300) (1)</u>	<u>(122,300)</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(230,000)	(230,000)	(27,009)	202,991
Beginning Cash Basis Fund Balance	<u>230,000</u>	<u>230,000</u>	<u>377,493</u>	<u>147,493</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,484</u>	<u>\$ 350,484</u>

(1) Appropriation Level

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET - ALL NON MAJOR GOVERNMENTAL FUNDS
-CASH BASIS
June 30, 2021**

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>BIKEWAY & FOOTPATH RESERVE FUND</u>	<u>CDBG 2013 GRANT FUND</u>	<u>CANYON CREEK RESTORATION FUND</u>	<u>IFA LOAN FUND</u>
ASSETS				
Cash and Investments	\$ 21,312	\$ (727)	\$ -	\$ (6,733)
Total Assets	<u>21,312</u>	<u>(727)</u>	<u>-</u>	<u>(6,733)</u>
FUND BALANCE				
Restricted	21,312	-	-	-
Committed	-	-	-	-
Unassigned	<u>-</u>	<u>(727)</u>	<u>-</u>	<u>(6,733)</u>
Total Cash Basis Fund Balances	<u>\$ 21,312</u>	<u>\$ (727)</u>	<u>\$ -</u>	<u>\$ (6,733)</u>

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

**COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE -CASH BASIS - ALL NON MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021**

	SPECIAL REVENUE FUNDS			
	BIKEWAY & FOOTPATH RESERVE FUND	CDBG 2013 GRANT FUND	CANYON CREEK RESTORATION FUND	IFA LOAN FUND
Receipts				
Grants	\$ -	\$ -	\$ -	\$ 2,612
Interest	121	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	<u>121</u>	<u>-</u>	<u>-</u>	<u>2,612</u>
Disbursements				
Materials and Services	-	-	-	9,562
Capital Outlay	-	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,562</u>
Excess of Receipts Over, -Under Disbursements	121	-	-	(6,950)
Other Financing Sources, -Uses				
Proceeds from Sale of Assets	-	-	-	-
Transfers In	1,300	-	-	-
Total Other Financing Sources, -Uses	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	1,421	-	-	(6,950)
Beginning Cash Basis Fund Balance	<u>19,891</u>	<u>(727)</u>	<u>-</u>	<u>217</u>
Ending Cash Basis Fund Balance	<u>\$ 21,312</u>	<u>\$ (727)</u>	<u>\$ -</u>	<u>\$ (6,733)</u>

CAPITAL PROJECTS FUNDS

<u>EQUIPMENT REPLACEMENT FUND</u>	<u>SOUTH COUNTY COMMUNITY CENTER FUND</u>	<u>STREET CAPITAL RESERVE FUND</u>	<u>FACILITY RESERVE FUND</u>	<u>CANYONVILLE DAM BOND & INTEREST FUND</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,612
1,929	-	139	993	-	3,182
-	1	-	-	-	1
<u>1,929</u>	<u>1</u>	<u>139</u>	<u>993</u>	<u>-</u>	<u>5,795</u>
-	-	-	-	-	9,562
68,543	-	-	3,069	-	71,612
<u>68,543</u>	<u>-</u>	<u>-</u>	<u>3,069</u>	<u>-</u>	<u>81,174</u>
(66,614)	1	139	(2,076)	-	(75,379)
10,060	-	-	-	-	10,060
45,000	1,000	111,000	61,260	-	219,560
<u>55,060</u>	<u>1,000</u>	<u>111,000</u>	<u>61,260</u>	<u>-</u>	<u>229,620</u>
(11,554)	1,001	111,139	59,184	-	154,241
207,394	16,568	-	483,866	52,663	779,872
<u>\$ 195,840</u>	<u>\$ 17,569</u>	<u>\$ 111,139</u>	<u>\$ 543,050</u>	<u>\$ 52,663</u>	<u>\$ 934,113</u>

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

BIKEWAY & FOOTPATH RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 200	\$ 200	\$ 121	\$ (79)
Total Receipts	200	200	121	(79)
Disbursements				
Capital Outlay	20,500	20,500 (1)	-	20,500
Total Disbursements	20,500	20,500	-	20,500
Excess of Receipts Over -Under Disbursements	(20,300)	(20,300)	121	20,421
OTHER FINANCING SOURCES				
Transfers In	1,300	1,300	1,300	-
Net Change in Cash Basis Fund Balance	(19,000)	(19,000)	1,421	20,421
Beginning Cash Basis Fund Balance	19,000	19,000	19,891	891
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ 21,312	\$ 21,312

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

CDBG 2013 GRANT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
CDBG Grant	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	-	-
Disbursements				
Materials and Services	-	- (1)	-	-
Total Disbursements	-	-	-	-
Net Change in Cash Basis Fund Balance	-	-	-	-
Beginning Cash Basis Fund Balance	-	-	(727)	(727)
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ (727)	\$ (727)

(1) Appropriation Level

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

CANYON CREEK RESTORATION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Grants	\$ 24,110	\$ 24,110	\$ -	\$ (24,110)
Total Receipts	24,110	24,110	-	(24,110)
Disbursements				
Materials and Services	24,110	24,110 (1)	-	24,110
Total Disbursements	24,110	24,110	-	24,110
Net Change in Cash Basis Fund Balance	-	-	-	-
Beginning Cash Basis Fund Balance	-	-	-	-
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

	<u>IFA LOAN FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Receipts				
IFA Loan	228,512	228,512	2,612	(225,900)
Total Receipts	<u>228,512</u>	<u>228,512</u>	<u>2,612</u>	<u>(225,900)</u>
Disbursements				
Materials and Services	228,512	228,512 (1)	9,562	218,950
Total Disbursements	<u>228,512</u>	<u>228,512</u>	<u>9,562</u>	<u>218,950</u>
Net Change in Cash Basis Fund Balance	-	-	(6,950)	(6,950)
Beginning Cash Basis Fund Balance	<u>-</u>	<u>-</u>	<u>217</u>	<u>217</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,733)</u>	<u>\$ (6,733)</u>

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

EQUIPMENT REPLACEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE</u>
Receipts				
Interest	\$ 3,000	\$ 3,000	\$ 1,929	\$ (1,071)
Total Receipts	<u>3,000</u>	<u>3,000</u>	<u>1,929</u>	<u>(1,071)</u>
Disbursements				
Capital Outlay	<u>253,200</u>	<u>253,200</u> (1)	<u>68,543</u>	<u>184,657</u>
Total Disbursements	<u>253,200</u>	<u>253,200</u>	<u>68,543</u>	<u>184,657</u>
Excess of Receipts Over -Under Disbursements	(250,200)	(250,200)	(66,614)	183,586
OTHER FINANCING SOURCES				
Proceeds from Sale of Assets	-	-	10,060	10,060
Transfers In	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(205,200)	(205,200)	(11,554)	193,646
Beginning Cash Basis Fund Balance	<u>205,200</u>	<u>205,200</u>	<u>207,394</u>	<u>2,194</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,840</u>	<u>\$ 195,840</u>

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

SOUTH COUNTY COMMUNITY CENTER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Miscellaneous	\$ 1,000	\$ 1,000	\$ 1	(999)
Total Receipts	1,000	1,000	1	(999)
Disbursements				
Capital Outlay	18,568	18,568 (1)	-	18,568
Total Disbursements	18,568	18,568	-	18,568
Excess of Receipts Over -Under Disbursements	(17,568)	(17,568)	1	17,569
OTHER FINANCING SOURCES				
Transfers In	1,000	1,000	1,000	-
Net Change in Cash Basis Fund Balance	(16,568)	(16,568)	1,001	17,569
Beginning Cash Basis Fund Balance	16,568	16,568	16,568	-
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ 17,569	\$ 17,569

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

STREET CAPITAL RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 1,000	\$ 1,000	\$ 139	\$ (861)
Total Receipts	1,000	1,000	139	(861)
Disbursements				
Capital Outlay	112,000	112,000 (1)	-	112,000
Total Disbursements	112,000	112,000	-	112,000
Excess of Receipts Over -Under Disbursements	(111,000)	(111,000)	139	111,139
OTHER FINANCING SOURCES				
Transfers In	111,000	111,000	111,000	-
Net Change in Cash Basis Fund Balance	-	-	111,139	111,139
Beginning Cash Basis Fund Balance	-	-	-	-
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ 111,139	\$ 111,139

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

FACILITY RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 1,000	\$ 1,000	\$ 993	\$ (7)
Total Receipts	1,000	1,000	993	(7)
Disbursements				
Materials and Services	5,000	5,000 (1)	-	5,000
Capital Outlay	541,967	541,967 (1)	3,069	538,898
Total Disbursements	546,967	546,967	3,069	543,898
Excess of Receipts Over -Under Disbursements	(545,967)	(545,967)	(2,076)	543,891
OTHER FINANCING SOURCES				
Transfers In	61,260	61,260	61,260	-
Net Change in Cash Basis Fund Balance	(484,707)	(484,707)	59,184	543,891
Beginning Cash Basis Fund Balance	484,707	484,707	483,866	(841)
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ 543,050	\$ 543,050

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

CANYONVILLE DAM BOND & INTEREST FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	-	-	-	-
Total Receipts	-	-	-	-
Disbursements				
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Disbursements	-	-	-	-
(1)				
Net Change in Cash Basis Fund Balance	-	-	-	-
Beginning Cash Basis Fund Balance	<u>52,662</u>	<u>52,662</u>	<u>52,663</u>	<u>-</u>
Ending Cash Basis Fund Balance	<u>\$ 52,662</u>	<u>\$ 52,662</u>	<u>\$ 52,663</u>	<u>\$ -</u>

(1) Appropriation Level

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

COMBINING BALANCE SHEET - ALL NON MAJOR ENTERPRISE FUNDS - CASH BASIS

June 30, 2021

	WATER			
	WATER FUND	WATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE WATER FUND	O'SHEA CREEK TIMBER FUND
ASSETS				
Cash and Investments	\$ 400,821	\$ 219,906	\$ 519,385	\$ 120,616
Total Assets	400,821	219,906	519,385	120,616
FUND BALANCE				
Restricted for Debt Covenants	-	-	-	-
Unreserved	400,821	219,906	519,385	120,616
Total Cash Basis Fund Balances	\$ 400,821	\$ 219,906	\$ 519,385	\$ 120,616

SEWER

SEWER FUND	WASTEWATER SYSTEM DEVELOPMENT FUND	WASTEWATER TREATMENT UPGRADE FUND	CAPITAL RESERVE SEWER FUND	RURAL DEVELOPMENT FUND	WASTEWATER UPGRADE DEBT FUND	NONMAJOR TOTAL
\$ 418,019	\$ 577,052	\$ 101,686	\$ 1,760,738	\$ (6,838)	\$ 789,297	\$ 4,900,682
<u>418,019</u>	<u>577,052</u>	<u>101,686</u>	<u>1,760,738</u>	<u>(6,838)</u>	<u>789,297</u>	<u>4,900,682</u>
67,348	-	-	-	-	341,125	408,473
<u>350,671</u>	<u>577,052</u>	<u>101,686</u>	<u>1,760,738</u>	<u>(6,838)</u>	<u>448,172</u>	<u>4,492,209</u>
<u>\$ 418,019</u>	<u>\$ 577,052</u>	<u>\$ 101,686</u>	<u>\$ 1,760,738</u>	<u>\$ (6,838)</u>	<u>\$ 789,297</u>	<u>\$ 4,900,682</u>

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

**COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
CASH BASIS ALL NON MAJOR ENTERPRISE FUNDS**

For the Year Ended June 30, 2021

	WATER			
	WATER FUND	WATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE WATER FUND	O'SHEA CREEK TIMBER FUND
Receipts				
Charges for Services	\$ 412,242	\$ 7,892	\$ -	\$ -
Interest	1,295	1,899	3,280	1,467
Other Receipts	1,572	-	-	-
Total Receipts	<u>415,109</u>	<u>9,791</u>	<u>3,280</u>	<u>1,467</u>
Disbursements				
Personal Services	189,323	-	-	-
Materials and Services	119,839	-	-	-
Capital Outlay	10,238	-	96,439	-
Debt Service	-	-	-	-
Total Disbursements	<u>319,400</u>	<u>-</u>	<u>96,439</u>	<u>-</u>
Excess of Receipts Over, -Under Disbursements	95,709	9,791	(93,159)	1,467
Other Financing Sources, -Uses				
Loan Proceeds	-	-	-	-
Transfers In	-	-	40,000	-
Transfers Out	(65,000)	-	-	-
Total Other Financing Sources, -Uses	<u>(65,000)</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	30,709	9,791	(53,159)	1,467
Beginning Cash Basis Fund Balance	<u>370,112</u>	<u>210,115</u>	<u>572,544</u>	<u>119,149</u>
Ending Cash Basis Fund Balance	<u>\$ 400,821</u>	<u>\$ 219,906</u>	<u>\$ 519,385</u>	<u>\$ 120,616</u>

SEWER

SEWER FUND	WASTEWATER SYSTEM DEVELOPMENT FUND	WASTEWATER TREATMENT UPGRADE FUND	CAPITAL RESERVE SEWER FUND	RURAL DEVELOPMENT FUND	WASTEWATER UPGRADE DEBT FUND	NONMAJOR TOTAL
\$ 916,495	\$ 10,788	\$ -	\$ -	\$ -	\$ -	\$ 1,347,417
2,978	12,020	-	11,213	-	-	34,152
61,482	-	-	-	-	-	63,054
<u>980,955</u>	<u>22,808</u>	<u>-</u>	<u>11,213</u>	<u>-</u>	<u>-</u>	<u>1,444,623</u>
222,455	-	-	-	-	-	411,778
170,525	-	-	-	3,438,269	-	3,728,633
31,700	-	900	715	-	-	139,992
-	-	-	-	7,097,095	-	7,097,095
<u>424,680</u>	<u>-</u>	<u>900</u>	<u>715</u>	<u>10,535,364</u>	<u>-</u>	<u>11,377,498</u>
556,275	22,808	(900)	10,498	#####	-	(9,932,875)
-	-	-	-	10,528,526	-	10,528,526
-	-	-	437,800	-	789,297	1,267,097
<u>(442,800)</u>	<u>-</u>	<u>-</u>	<u>(789,297)</u>	<u>-</u>	<u>-</u>	<u>(1,297,097)</u>
<u>(442,800)</u>	<u>-</u>	<u>-</u>	<u>(351,497)</u>	<u>10,528,526</u>	<u>789,297</u>	<u>(30,000)</u>
113,475	22,808	(900)	(340,999)	(6,838)	789,297	565,651
<u>304,544</u>	<u>554,244</u>	<u>102,586</u>	<u>2,101,737</u>	<u>-</u>	<u>-</u>	<u>4,335,031</u>
<u>\$ 418,019</u>	<u>\$ 577,052</u>	<u>\$ 101,686</u>	<u>\$ 1,760,738</u>	<u>\$ (6,838)</u>	<u>\$ 789,297</u>	<u>\$ 4,900,682</u>

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

	<u>WATER FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Receipts				
Interest	\$ 2,000	\$ 2,000	\$ 1,295	\$ (705)
Charges for Services				
New Service Connections	1,500	1,500	1,200	(300)
Utility Services	350,100	350,100	404,546	54,446
Miscellaneous Water Fees	10,100	10,100	6,496	(3,604)
Miscellaneous	200	200	1,572	1,372
Total Receipts	<u>363,900</u>	<u>363,900</u>	<u>415,109</u>	<u>51,209</u>
Disbursements				
Personal Services	227,850	227,850 (1)	189,323	38,527
Materials and Services	191,700	191,700 (1)	119,839	71,861
Capital Outlay	21,975	21,975 (1)	10,238	11,737
Debt Service	2,000	2,000 (1)	-	2,000
Contingency	55,375	55,375 (1)	-	55,375
Total Disbursements	<u>498,900</u>	<u>498,900</u>	<u>319,400</u>	<u>179,500</u>
Excess of Receipts Over -Under Disbursements	(135,000)	(135,000)	95,709	230,709
OTHER FINANCING SOURCES				
Transfers Out	(65,000)	(65,000) (1)	(65,000)	-
Net Change in Cash Basis Fund Balance	(200,000)	(200,000)	30,709	230,709
Beginning Cash Basis Fund Balance	<u>200,000</u>	<u>200,000</u>	<u>370,112</u>	<u>170,112</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,821</u>	<u>\$ 400,821</u>

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

<u>WATER SYSTEM DEVELOPMENT FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Receipts				
Interest	\$ 1,000	\$ 1,000	\$ 1,899	\$ 899
System Development Fees	<u>7,940</u>	<u>7,940</u>	<u>7,892</u>	<u>(48)</u>
Total Receipts	<u>8,940</u>	<u>8,940</u>	<u>9,791</u>	<u>851</u>
Disbursements				
Materials and Services	<u>215,940</u>	<u>215,940</u> (1)	<u>-</u>	<u>215,940</u>
Total Disbursements	<u>215,940</u>	<u>215,940</u>	<u>-</u>	<u>215,940</u>
Net Change in Cash Basis Fund Balance	(207,000)	(207,000)	9,791	216,791
Beginning Cash Basis Fund Balance	<u>207,000</u>	<u>207,000</u>	<u>210,115</u>	<u>3,115</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,906</u>	<u>\$ 219,906</u>

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

CAPITAL RESERVE WATER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 3,000	\$ 3,000	\$ 3,280	\$ 280
Total Receipts	<u>3,000</u>	<u>3,000</u>	<u>3,280</u>	<u>280</u>
Disbursements				
Materials and Services	50,000	50,000 (1)	-	50,000
Capital Outlay	566,500	566,500 (1)	96,439	470,061
Total Disbursements	<u>616,500</u>	<u>616,500</u>	<u>96,439</u>	<u>520,061</u>
Excess of Receipts Over, -Under Disbursements	(613,500)	(613,500)	(93,159)	520,341
OTHER FINANCING SOURCES, -USES				
Transfers In	40,000	40,000	40,000	-
Total Other Financing Sources, -Uses	40,000	40,000	40,000	-
Net Change in Cash Basis Fund Balance	(573,500)	(573,500)	(53,159)	520,341
Beginning Cash Basis Fund Balance	<u>573,500</u>	<u>573,500</u>	<u>572,544</u>	<u>(956)</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,385</u>	<u>\$ 519,385</u>

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

O'SHEA CREEK TIMBER FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE</u>
Receipts				
Interest	\$ 2,000	\$ 2,000	\$ 1,467	\$ (533)
Total Receipts	<u>2,000</u>	<u>2,000</u>	<u>1,467</u>	<u>(533)</u>
Disbursements				
Materials and Services	<u>119,000</u>	<u>119,000</u> (1)	<u>-</u>	<u>119,000</u>
Total Disbursements	<u>119,000</u>	<u>119,000</u>	<u>-</u>	<u>119,000</u>
Net Change in Cash Basis Fund Balance	(117,000)	(117,000)	1,467	118,467
Beginning Cash Basis Fund Balance	<u>117,000</u>	<u>117,000</u>	<u>119,149</u>	<u>2,149</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,616</u>	<u>\$ 120,616</u>

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
<u>SEWER FUND</u>				
Receipts				
Interest	\$ 6,000	\$ 6,000	\$ 2,978	\$ (3,022)
Charges for Services				
Utility Services	840,000	840,000	-	(840,000)
Miscellaneous Sewer Fees	300	300	916,495	916,195
Miscellaneous	60,600	60,600	61,482	882
Total Receipts	<u>906,900</u>	<u>906,900</u>	<u>980,955</u>	<u>74,055</u>
Disbursements				
Personal Services	248,450	248,450 (1)	222,455	25,995
Materials and Services	310,400	310,400 (1)	170,525	139,875
Capital Outlay	70,000	70,000 (1)	31,700	38,300
Contingency	35,250	35,250 (1)	-	35,250
Total Disbursements	<u>664,100</u>	<u>664,100</u>	<u>424,680</u>	<u>239,420</u>
Excess of Receipts Over -Under Disbursements	242,800	242,800	556,275	313,475
OTHER FINANCING SOURCES, -USES				
Transfers Out	(442,800)	(442,800) (1)	(442,800)	-
Total Other Financing Sources, -Uses	(442,800)	(442,800)	(442,800)	-
Net Change in Cash Basis Fund Balance	(200,000)	(200,000)	113,475	313,475
Beginning Cash Basis Fund Balance	<u>200,000</u>	<u>200,000</u>	<u>304,544</u>	<u>104,544</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 418,019</u>	<u>\$ 418,019</u>

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

WASTEWATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 12,000	\$ 12,000	\$ 12,020	\$ 20
System Development Fees	11,250	11,250	10,788	(462)
Total Receipts	23,250	23,250	22,808	(442)
Disbursements				
Materials and Services	115,500	115,500 (1)	-	115,500
Capital Outlay	448,296	448,296 (1)	-	448,296
Total Disbursements	563,796	563,796	-	563,796
Excess of Receipts Over -Under Disbursements	(540,546)	(540,546)	22,808	563,354
Net Change in Cash Basis Fund Balance	(540,546)	(540,546)	22,808	563,354
Beginning Cash Basis Fund Balance	540,546	540,546	554,244	13,698
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ 577,052	\$ 577,052

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

WASTEWATER TREATMENT UPGRADE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Disbursements				
Capital Outlay	\$ 106,046	\$ 106,046 (1)	\$ 900	\$ 105,146
Total Disbursements	106,046	106,046	900	105,146
Excess of Receipts Over				
-Under Disbursements	(106,046)	(106,046)	(900)	105,146
Net Change in Cash Basis Fund Balance	(106,046)	(106,046)	(900)	105,146
Beginning Cash Basis Fund Balance	106,046	106,046	102,586	(3,460)
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ 101,686	\$ 101,686

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

CAPITAL RESERVE SEWER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 10,000	\$ 10,000	\$ 11,213	\$ 1,213
Total Receipts	<u>10,000</u>	<u>10,000</u>	<u>11,213</u>	<u>1,213</u>
Disbursements				
Capital Outlay	1,746,728	1,746,728 (1)	715	1,746,013
Total Disbursements	<u>1,746,728</u>	<u>1,746,728</u>	<u>715</u>	<u>1,746,013</u>
Excess of Receipts Over, -Under Disbursements	(1,736,728)	(1,736,728)	10,498	1,747,226
OTHER FINANCING SOURCES, -USES				
Transfers In	425,500	425,500	437,800	12,300
Transfers Out	(789,297)	(789,297) (1)	(789,297)	-
Total Other Financing Sources, -Uses	(363,797)	(363,797)	(351,497)	-
Net Change in Cash Basis Fund Balance	(2,100,525)	(2,100,525)	(340,999)	1,759,526
Beginning Cash Basis Fund Balance	<u>2,100,525</u>	<u>2,100,525</u>	<u>2,101,737</u>	<u>1,212</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,760,738</u>	<u>\$ 1,760,738</u>

(1) Appropriation Level

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

RURAL DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Disbursements				
Materials and Services	\$ 4,196,888	\$ 4,196,888	(1) \$ 3,438,269	\$ 758,619
Debt Service	-	-	(2) 7,097,095	(7,097,095)
Contingency	792,393	792,393	(1) -	792,393
Total Disbursements	<u>4,989,281</u>	<u>4,989,281</u>	<u>10,535,364</u>	<u>(5,546,083)</u>
Excess of Receipts Over -Under Disbursements	(4,989,281)	(4,989,281)	(10,535,364)	5,546,083
Other Financing Sources, -Uses				
Loan Proceeds	<u>4,989,281</u>	<u>4,989,281</u>	<u>10,528,526</u>	<u>5,539,245</u>
Net Change in Cash Basis Fund Balance	-	-	(6,838)	(6,838)
Beginning Cash Basis Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,838)</u>	<u>\$ (6,838)</u>

(1) Appropriation Level

(2) Exempt from appropriation requirements in accordance with ORS 294.338(4c)

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

WASTEWATER UPGRADE DEBT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	-	-
Disbursements				
Debt Service	448,172	448,172 (1)	-	448,172
Total Disbursements	448,172	448,172	-	448,172
Excess of Receipts Over, -Under Disbursements	(448,172)	(448,172)	-	448,172
OTHER FINANCING SOURCES, -USES				
Transfers In	789,297	789,297	789,297	-
Total Other Financing Sources, -Uses	789,297	789,297	789,297	-
Net Change in Cash Basis Fund Balance	341,125	341,125	789,297	448,172
Beginning Cash Basis Fund Balance	-	-	-	-
Ending Cash Basis Fund Balance	<u>\$ 341,125</u>	<u>\$ 341,125</u>	<u>\$ 789,297</u>	<u>\$ 448,172</u>

(1) Appropriation Level

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
For the Year Ended June 30, 2021

WATER AND SEWER DEPOSITS

Additions

Deposits Collected	<u>\$ 3,354</u>
Net Change in Fiduciary Net Position	3,354
Net Position Beginning	<u>37,821</u>
Net Position Ending	<u><u>\$ 41,175</u></u>

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

For the Year Ended June 30, 2021

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) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.00299 %	\$ 651,788	\$ 331,273	197%	75.8 %
2020	0.00280 %	483,999	321,506	151%	80.2 %
2019	0.00302 %	458,272	333,950	137%	82.1 %
2018	0.00264 %	356,176	335,400	106%	83.1 %
2017	0.00367 %	551,153	312,385	176%	80.5 %

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

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 supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 57,610	\$ 57,610	\$ -	\$ 357,935	16%
2020	43,097	43,097	-	331,273	13%
2019	30,622	30,622	-	321,506	10%
2018	31,018	31,018	-	333,950	9%
2017	29,225	29,225	-	335,400	9%

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

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 supplementary information is available.

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

**2020-2021 INDEPENDENT AUDITORS'
COMMENTS AND DISCLOSURES**



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February 9, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Canyonville as of and for the year ended June 30, 2021, and have issued our report thereon dated February 9, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the City of Canyonville's financial statements are free of material misstatement, we performed tests of its 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 financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the City of Canyonville 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 for one instance of expenditures exceeding appropriations as noted on page 11.

OAR 162-10-0230 Internal Control

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

2020-2021 INDEPENDENT AUDITORS' COMMENTS AND DISCLOSURES

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

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with the first name "Ken" and the last name "Allen" clearly distinguishable.

Kenny Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

GRANT COMPLIANCE REVIEW

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021**

	Pass Through Organization	CFDA Number	Pass Through Entity Number	Grant Period		Expenditures	Pass Through Subrecipients
US DEPARTMENT OF AGRICULTURE							
Water and Waste Disposal Systems for Rural Communities	Oregon Department of Environmental Quality	10.760	R20592	open (1)		10,535,365	-
US DEPARTMENT OF THE TREASURY							
Coronavirus Relief Fund	Oregon Department of Administrative Services	20.219	N/A	open		50,755	-
TOTAL FEDERAL FINANCIAL EXPENDITURES						<u>10,586,120</u>	-

(1) Includes loan drawdown of \$7,040,000



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February 9, 2022

To the City Council
City of Canyonville
Canyonville, Oregon

Independent Auditor's 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Canyonville as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated February 9, 2022.

Internal Control Over Financial Reporting

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

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Kenny Allen". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kenny Allen, CPA
PAULY, ROGERS AND CO., P.C.



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February 9, 2022

To the City Council
City of Canyonville
Canyonville, Oregon

Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited City of Canyonville's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2021. The major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, City of Canyonville, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

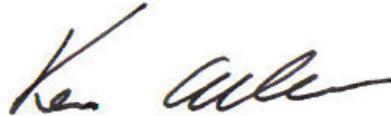
Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Kenny Allen, CPA
PAULY, ROGERS AND CO., P.C.

CITY OF CANYONVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Any GAGAS audit findings disclosed relating to the financial statements which are required to be reported in accordance with the Uniform Guidance? yes no

Noncompliance material to financial statements noted? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

CITY OF CANYONVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because this schedule presents only a selected portion of the operations, it is not intended to and does not present the net positions, changes in net positions, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance.

3. FEDERAL LOAN PROGRAMS

The federal loan programs listed subsequently are administered directly by the entity and balances and transactions relating to the programs are included in the entity's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding as of June 30, 2021 consists of:

<u>CFDA</u> <u>Number</u>	<u>Program Name</u>	<u>Outstanding</u> <u>Balance at 6/30/21</u>
10.760	Water and Waste Disposal Systems for Rural Communities	\$7,040,000