

CITY OF
BAKER CITY

ANNUAL FINANCIAL REPORT
AND BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021



BAKER CITY
Annual Financial Report
Year Ended June 30, 2021

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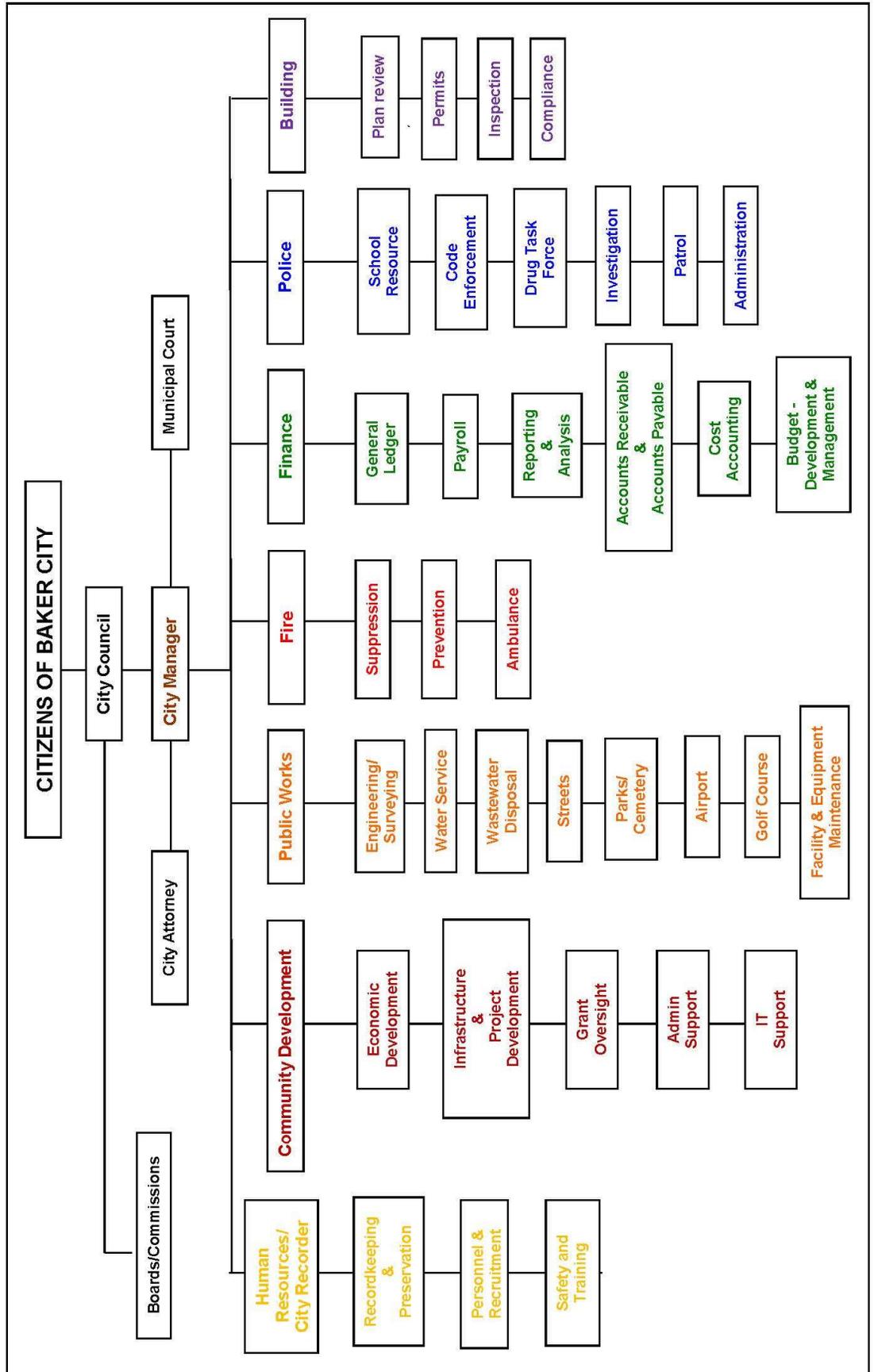
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City of Baker City



BAKER CITY
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**ELECTED MAYOR AND CITY COUNCIL
AS OF JUNE 30, 2021**

<u>Mayor:</u>	<u>Term Expiration</u>
Kerry McQuisten 490 2nd Street	December 31, 2024
<u>Council Members:</u>	
Lynette Perry 2545 College Street	December 31, 2022
Joanna Dixon 1543 Valley Avenue	December 31, 2024
Johnny Waggoner Sr. 1730 Broadway Street	December 31, 2024
Shane Alderson 2335 Grace Street	December 31, 2023
Heather Sells 745 H Street	December 31, 2022
Jason Spriet P.O. Box 427	December 31, 2022

**APPOINTED CITY OFFICERS
AS OF JUNE 30, 2021**

<u>City Manager:</u> Jonathan Cannon	<u>City Finance Director:</u> Jennifer Spencer
<u>City Attorney:</u> Dan Van Thiel	<u>Municipal Judge:</u> Brent Kerns



GASLIN ACCOUNTING, PC
CERTIFIED PUBLIC ACCOUNTANTS

2550 BROADWAY STREET
BAKER CITY, OR 97814
(541)523-6471

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Baker City, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Baker City, Oregon (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity's 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 entity's 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Baker City, Oregon, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 14 and the budgetary comparison, pension and other post-employment benefit information on pages 50 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City's basic financial statements. The introductory section on pages 1 and 2, combining and individual nonmajor fund financial statements and budgetary comparison schedule on pages 57 through 75, and the schedule of property tax transactions on page 77 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

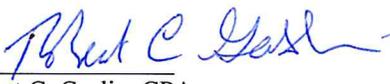
The combining and individual non-major fund financial statements, budget comparison schedules, and schedule of property tax transactions are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget comparison schedules, schedule of property tax transactions, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section 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.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated March 19, 2022, on our consideration of the City of Baker City, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in the 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.

Gaslin Accounting
Certified Public Accountants, PC
Baker City, Oregon
March 19, 2022

By: 
Robert C. Gaslin, CPA

MANAGEMENT DISCUSSION AND ANALYSIS

BAKER CITY
Management's Discussion and Analysis
Year Ended June 30, 2021

The management of the City of Baker City, Oregon (City) presents this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. This Management's Discussion and Analysis (MD&A) is based upon currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements include: The Statement of Net Position. The statement of net position presents information on all of the assets and liabilities of the City at year end. Net position is what remains after the liabilities have been paid or otherwise satisfied. 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. The statement of activities presents information showing how the net position of the City changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. 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 vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements can be found on pages 14-15 of this report.

Fund financial statements provide more detailed information about the City's funds, focusing on its most significant or "major" funds – not the City as a whole. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

The City maintains thirteen governmental funds. Information is presented separately in the governmental fund statements for the General Fund, Street Fund, LID Repayment Fund, and State and Federal Grants Fund which are considered to be major funds. The basic governmental fund financial statements can be found on pages 16-19 of this report. Data from the other governmental funds are combined into a single, aggregated presentation on these statements. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 59-60.

Proprietary funds - the City maintains six proprietary funds. Functions that are intended to recover all or a significant portion of their costs through user fees and charges are accounted for in proprietary funds. Proprietary funds are further designated as either enterprise funds or internal service funds.

Enterprise funds are used to account for services provided to outside entities. Four of the City's proprietary funds are Enterprise funds. These funds are used to account for financial transactions related to the City's water utility, wastewater utility, building inspections, and golf course.

BAKER CITY
Management's Discussion and Analysis
Year Ended June 30, 2021

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses two internal service funds to account for its equipment maintenance and replacement and inventory functions.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-49 of this report.

Other statements – Major funds are included within the basic financial statements, where nonmajor funds are presented here as “combining statements”. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances. A final type of report is the budgetary comparison schedules. These are presented for all funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Baker City, assets and deferred outflows exceeded liabilities and deferred inflows by \$56,487,123 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (84 percent) reflects its investment in capital assets (e.g. land, buildings, and equipment) less any related debt that is still outstanding that was used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following is a summary of net position:

	Summary of Net Position					
	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS						
Current and Other Assets	\$ 6,945,505	\$ 8,937,476	\$ 15,882,981	\$ 7,088,160	\$ 8,214,024	\$ 15,302,184
Capital Assets, net	21,281,615	30,865,790	52,147,405	21,877,034	27,732,641	49,609,675
Total Assets	<u>28,227,120</u>	<u>39,803,266</u>	<u>68,030,386</u>	<u>28,965,194</u>	<u>35,946,665</u>	<u>64,911,859</u>
DEFERRED OUTFLOWS	<u>2,305,705</u>	<u>793,993</u>	<u>3,099,698</u>	<u>2,155,583</u>	<u>702,542</u>	<u>2,858,125</u>
LIABILITIES						
Long-Term Liabilities	60,798	3,001,608	3,062,406	99,109	1,345,088	1,444,197
Other Liabilities	7,404,172	3,112,529	10,516,701	6,927,545	2,553,262	9,480,807
Total Liabilities	<u>7,464,970</u>	<u>6,114,137</u>	<u>13,579,107</u>	<u>7,026,654</u>	<u>3,898,350</u>	<u>10,925,004</u>
DEFERRED INFLOWS	<u>759,590</u>	<u>304,264</u>	<u>1,063,854</u>	<u>611,790</u>	<u>237,002</u>	<u>848,792</u>
NET POSITION						
Invested in Capital Assets, Net of Related Debt	21,220,817	27,836,447	49,057,264	21,777,925	26,314,217	48,092,142
Restricted	1,400,106	275,000	1,675,106	1,113,470	275,000	1,388,470
Unrestricted	(312,658)	6,067,411	5,754,753	590,938	5,924,638	6,515,576
Total Net Position	<u>\$ 22,308,265</u>	<u>\$ 34,178,858</u>	<u>\$ 56,487,123</u>	<u>\$ 23,482,333</u>	<u>\$ 32,513,855</u>	<u>\$ 55,996,188</u>

BAKER CITY
Management's Discussion and Analysis
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An additional portion of the City's net position (2.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$5,754,753) may be used to meet the City's ongoing obligations to citizens and creditors. Net position for the City as a whole increased by \$490,935 during the fiscal year ended June 30, 2021. The following is an analysis of this increase.

Summary of Changes in Net Position						
	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES						
Charges for Services	\$ 1,018,771	\$ 5,746,558	\$ 6,765,329	\$ 1,381,452	\$ 5,258,420	\$ 6,639,872
Operating Grants/Contrib.	1,797,845	-	1,797,845	1,174,888	-	1,174,888
Capital Grants/Contrib.	320,097	-	320,097	2,083,396	-	2,083,396
General Revenues:			-			-
Property Taxes	3,918,076	-	3,918,076	3,747,065	-	3,747,065
Franchise Taxes	967,889	-	967,889	944,540	-	944,540
Investment Earnings	65,950	58,985	124,935	115,694	146,923	262,617
SAIF Refunds	19,269	-	19,269	23,738	-	23,738
Gain (Loss) on Sale of Assets	(80,139)	21,290				
Unrestricted Grants/Contrib.	-	-	-	306,849	-	306,849
Rental Income	36,249	9,782	46,031	38,657	60,388	99,045
Miscellaneous	45,821	-	45,821	49,681	247,841	297,522
Total Revenues	8,109,828	5,836,615	13,946,443	9,865,960	5,713,572	15,579,532
PROGRAM EXPENSES						
General Government	569,394	-	569,394	553,456	-	553,456
Public Safety	5,635,034	-	5,635,034	5,544,406	-	5,544,406
Transportation and Streets	1,875,457	-	1,875,457	1,547,569	-	1,547,569
Culture & Recreation	404,370	-	404,370	343,895	-	343,895
Economic Development	283,965	-	283,965	302,940	-	302,940
Cemetery	176,029	-	176,029	157,655	-	157,655
Airport	276,291	-	276,291	253,358	-	253,358
Hydro-Electric Plant	8,832	-	8,832	3,223	-	3,223
Interest on Long-Term Debt	4,524	-	4,524	1,782	-	1,782
Water	-	2,231,928	2,231,928	-	2,174,860	2,174,860
Wastewater	-	1,328,654	1,328,654	-	1,299,226	1,299,226
Golf Course	-	64,958	64,958	-	69,645	69,645
Building Department	-	596,071	596,071	-	515,466	515,466
Total Program Expenses	9,233,896	4,221,612	13,455,508	8,708,284	4,059,197	12,767,481
Operating Transfers	(50,000)	50,000	-	(40,000)	40,000	-
Change in Net Position	(1,174,068)	1,665,003	490,935	1,117,676	1,694,375	2,812,051
Net Position—Beginning	23,482,333	32,513,855	55,996,188	22,364,657	30,819,480	53,184,137
Net Position—Ending	\$ 22,308,265	\$ 34,178,858	\$ 56,487,123	\$ 23,482,333	\$ 32,513,855	\$ 55,996,188

Analysis of Changes in Net Position

Governmental Activities: During the fiscal year ended June 30, 2021, net position of the governmental activities decreased by \$1,174,068. This decrease is mainly due to the drop of capital grants from \$2,083,396 to \$320,097 and an increase in spending for streets from \$1,547,569 to \$1,875,457 and an increase in spending for business activities from \$4,059,197 to \$4,221,612 in fiscal year 2020-2021.

BAKER CITY
Management's Discussion and Analysis
Year Ended June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type activities: During the fiscal year ended June 30, 2021, net position of the business-type activities increased by \$1,665,003. The majority of the increase was in the Water Utility Fund (\$980,654) and the Wastewater Utility Fund (\$707,482). The City is currently setting aside funds in order to complete several significant infrastructure projects. Included in the projects are the repair and replacement of transmission and distribution lines for the water system; establishing a secondary water source; and the Department of Environmental Quality's (DEQ) mandatory wastewater storage and effluent disposal project.

The effort to improve infrastructure is demonstrated by the fact that during the fiscal year ended June 30, 2021, the City added capital assets in the business-type activities of \$3,168,949 while depreciation expense totaled only \$895,691. The difference between assets capitalized and current year depreciation expense accounts for \$2,273,258 of the increase in net position for the business-type activities. The City has set utility rates at a level that will provide enough revenue to pay for operational costs and necessary infrastructure improvements.

Net position in the Building Inspection Fund decreased by \$123,015. This decrease was due to expenditures exceeding the revenues by \$127,329.

FUND ANALYSIS

The following is an analysis of the difference in the ending fund balance of each of the City's major funds.

Major Governmental Funds

General Fund: During the fiscal year ended June 30, 2021, the ending fund balance of the General Fund decreased by \$139,056. The General Fund is on the modified accrual basis of accounting where revenue is recognized when both measurable and available. Revenues are determined to be available if they are received within two months of the end of the reporting period. Certain revenue in the General Fund was not received within two months of the end of the fiscal year and was, therefore, not reported in the fiscal year ended June 30, 2021. Also there were transfers from the General Fund to other funds of \$194,000.

State Tax Street Fund: The ending fund balance of the Street Fund increased \$255,398. This increase was due to revenue exceeding expenditures by \$232,498. Even with the increase in gas taxes from House Bill 2017, the Street Fund still only has enough funding to do significant street improvement projects every other year. The street overlay project completed in the fiscal year ended June 30, 2021 was recorded as a fixed asset and will be depreciated based on the useful life of the underlying asset.

LID Repayment Fund: The ending fund balance of the LID Repayment Fund increased from a deficit of (\$26,699) to a positive balance of \$3,477 due to the receipt of LID repayments.

State and Federal Grants Fund: The ending fund balance of the State and Federal Grants Fund decreased from \$168,618 to \$92,902. This decrease was due to the expenditure of \$92,500 in grant revenue carried over from the fiscal year ended June 30, 2020. This revenue was deferred in the fiscal year ended June 30, 2019 due to the timing of when it was received and then spent in the current fiscal year.

Enterprise Funds

Water Fund: The ending net position of the Water Fund increased from \$22,684,922 to \$23,665,576. The water utility rates have been set at a level that provides funding for major infrastructure improvements. The City is currently in the process of replacing miles of distribution lines that bring water into the City from the watershed. The City is also in the process of establishing a secondary water source to provide water in the event of wildfire or other natural disasters that may damage the watershed which is the sole source of water for the City.

Wastewater Fund: The ending net position of the Wastewater Fund increased from \$7,566,501 to \$8,273,983. The City is working on raising wastewater rates to a level that will provide funding for infrastructure improvements including construction costs and debt service for the wastewater storage and effluent disposal project that is required by DEQ, which was under construction at June 30, 2021.

Golf Fund: The ending net position of the Golf Fund increased from \$1,160,870 to \$1,168,454. The golf course is operated by a concessionaire that works closely with City management in a joint effort to make this valuable city asset self-sustaining.

Building Inspections Fund: The ending net position of the Building Inspections Fund decreased from \$395,506 to \$272,491 due to an increase in expenditures when revenues declined slightly.

BAKER CITY
Management's Discussion and Analysis
Year Ended June 30, 2021

BUDGETARY HIGHLIGHTS

- In the fiscal year ended June 30, 2021, the General Fund revenues totaled \$6,499,747 which was 105% of the amount budgeted. This excess of revenue above the budget was the result of \$358,892 in unanticipated grant income. The expenditures were \$6,449,132. This was \$50,615 less than the revenues for the General Fund.
- The State Tax Street Fund had revenues of \$1,606,418. This was 101% of the budgeted amount of \$1,589,633; the expenditures were \$1,351,020, giving the fund an excess of revenues over expenditures by \$255,398.
- The State and Federal Grants Fund had expenditures that exceeded revenues by \$136,902. This had been anticipated as the city spent \$248,488 in Parks and Recreation that represented funds carried over from the prior fiscal year.
- The city's Water Utility fund had revenues of \$3,265,902 which was 101% of the budget of \$3,227,781. The expenditures were \$3,248,824 and the fund had a net income of \$17,078. Included in expenditures were \$1,669,778 of capital expenditures invested for the future improvements of the water system.
- The Wastewater Utility Fund had operating revenues of \$2,075,165 which was 116% of the budgeted amount of \$1,784,334. The expenditures were \$3,488,845 which were partially funded by \$1,656,520 of loan proceeds from the DEQ. These loan proceeds have been invested in the city's new wastewater storage facility that will hold 139 million gallons. This will enable the city to be in compliance with state discharge standards.
- The Building Inspections Fund had revenues of \$484,733. This was 136% of the amount budgeted. The fund had expenditures of \$607,748 giving the fund excess of expenditures over revenues of \$123,015.

BAKER CITY
 Management's Discussion and Analysis
 Year Ended June 30, 2021

CAPITAL ASSET AND DEBT ACTIVITY

Capital asset activity for the fiscal year is summarized in the notes to the financial statements. The following is a summary of the assets purchased, constructed or received through contributions during the fiscal year:

	Governmental Activities	Business- Type Activities	Total
Construction in Process	\$ -	\$2,309,947	\$2,309,947
Central Park Land	202,566	-	202,566
Lucas CPR Machines	42,639	-	42,639
Ambulance	217,608	-	217,608
Evidence Incinerator	8,950	-	8,950
Viking Snow Plow	16,767	-	16,767
Dump Pad	6,538	-	6,538
CAT Grader	180,000	-	180,000
Spreader	6,174	-	6,174
Workorder Software	2,444	-	2,444
Dodge Crew Cab	39,225	-	39,225
Crew Cab	29,251	-	29,251
Fire Truck Improvements	8,692	-	8,692
Ambulance Improvements	15,759	-	15,759
Infrastructure Improvements	10,815	-	10,815
Infrastructure-Water	-	1,431,580	1,431,580
Infrastructure-Wastewater	-	1,656,520	1,656,520
Tracker Software	-	\$5,519	5,519
Chlorine Analyzer	-	\$17,678	17,678
Tapping Tool	-	\$14,699	14,699
Tracker Software	-	\$5,519	5,519
Trench Shoring	-	\$23,329	23,329
Metal Pipe Building	-	\$4,439	4,439
Golf Course Software	-	\$9,666	9,666
Totals	<u>\$787,428</u>	<u>\$5,478,896</u>	<u>\$6,266,324</u>

BAKER CITY
Management's Discussion and Analysis
Year Ended June 30, 2021

CONDITIONS AFFECTING THE CITY'S FINANCIAL SITUATION

The following are currently known facts, decisions, or conditions that are expected to have a significant impact on the City's financial health:

- Measure 50, a tax limitation measure, established a permanent property tax rate of \$6.3314 per \$1,000 of assessed value. Growth in existing assessed value is limited to a maximum of three percent per year plus new construction's assessed value. The City did not achieve the maximum of three percent increase. In addition, Measure 5 limits the combined property tax rates to \$10 for all local governments except schools. The annual increase in property taxes is not enough to keep up with annual salary, health insurance, and PERS benefits cost increases discussed below.
- AFSCME (Baker City Employees Association) was negotiated for a three-year period beginning July 1, 2019. The police union's collective bargaining agreement was negotiated for a three-year period beginning July 1, 2020. The collective bargaining agreements for the unions have set COLA increases for salaries allowing for predictability in the budget years affected by the contract. The increases have an effect that increases PERS payments and paid leave totals.
- The fire union's collective bargaining agreement is currently in negotiations. An extension to the collective bargaining agreement provided for the COLA in the Basic financial statements.
- COLA and benefits increase for non-represented staff remained unchanged except for the addition of an Administrative Service Manager who replaced the Finance Director, and Division Chief positions at the Fire Department near the close of the Fiscal Year.
- The PERS rates, which are set for a period of two years. Oregon PERS board announced the rates for the two-year period beginning July 1, 2021, to June 30, 2023. These rates are based on a December 31, 2019, valuation. The cost of PERS to the city has increased.
- The wastewater capital project moved into the construction phase. The project was delayed because of Department of Environmental Quality (DEQ) delays in reviewing and providing permits. The delay resulted in a fine from DEQ for surpassing a release threshold.

REQUESTS FOR INFORMATION

The City's financial statements are designed to present the users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Director at PO Box 650, Baker City, OR 97814.

BASIC FINANCIAL STATEMENTS

BAKER CITY
Statement of Net Position
Year Ended June 30, 2021

<i>Assets</i>	Governmental Activities	Business-type Activities	Total Primary Government
Cash and Cash Equivalents	\$ 5,567,701	\$ 7,501,682	\$ 13,069,383
Accounts Receivables, net	1,106,249	443,793	1,550,042
Taxes Receivable	305,356	-	305,356
Prepaid Items	57,891	17,107	74,998
Internal Balances	(675,555)	675,555	-
Inventories	311,267	-	311,267
Capital Assets	55,442,024	47,930,255	103,372,279
Accumulated Depreciation	(34,160,409)	(17,064,465)	(51,224,874)
Restricted Cash and Other Assets	272,596	299,339	571,935
Total Assets	<u>28,227,120</u>	<u>39,803,266</u>	<u>68,030,386</u>
 <i>Deferred Outflows of Resources</i>	 <u>2,305,705</u>	 <u>793,993</u>	 <u>3,099,698</u>
 <i>Liabilities</i>			
Accounts Payable	96,596	539,306	635,902
Customer Deposits and Other Payables	-	51,899	51,899
Wages, Payroll Taxes and Benefits Payable	108,775	27,858	136,633
Compensated Absences Payable	305,172	112,735	417,907
Accrued Interest Payable	-	27,735	27,735
Debt - Current Portion	40,001	75,939	115,940
Debt - Non-Current Portion	20,797	2,925,669	2,946,466
Net OPEB Liability	300,242	103,391	403,633
Net Pension Liability	6,593,387	2,249,605	8,842,992
Total Liabilities	<u>7,464,970</u>	<u>6,114,137</u>	<u>13,579,107</u>
 <i>Deferred Inflows of Resources</i>	 <u>759,590</u>	 <u>304,264</u>	 <u>1,063,854</u>
 <i>Net Position</i>			
Net Investment in Capital Assets	21,220,817	27,836,447	49,057,264
Restricted:			
Cemetery Care	274,600	-	274,600
2089 Celebration	3,206	-	3,206
Covid Relief	12,318	-	12,318
Street Trees	54,200	-	54,200
Car Seats	257	-	257
Wastewater Debt Reserve	-	275,000	275,000
Nonexpendable	1,055,525	-	1,055,525
Unrestricted	(312,658)	6,067,411	5,754,753
Total Net Position	<u>\$ 22,308,265</u>	<u>\$ 34,178,858</u>	<u>\$ 56,487,123</u>

BAKER CITY
Statement of Activities
Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government
Governmental Activities:							
General Government	\$ 569,394	\$ 44,669	\$ 725,540	\$ 38,427	\$ 239,242	\$ -	\$ 239,242
Public Safety	5,635,034	822,709	135,818	50,534	(4,625,973)	-	(4,625,973)
Highways and Streets	1,875,457	10,282	855,487	-	(1,009,688)	-	(1,009,688)
Culture and Recreation	404,370	-	-	179,153	(225,217)	-	(225,217)
Airport	276,291	-	-	51,983	(224,308)	-	(224,308)
Cemetery	176,029	102,636	-	-	(73,393)	-	(73,393)
Hydro-electric Plant	8,832	38,475	-	-	29,643	-	29,643
Economic and Community Development	283,965	-	81,000	-	(202,965)	-	(202,965)
Interest on Long Term Debt	4,524	-	-	-	(4,524)	-	(4,524)
Total Governmental Activities	<u>9,233,896</u>	<u>1,018,771</u>	<u>1,797,845</u>	<u>320,097</u>	<u>(6,097,183)</u>	<u>-</u>	<u>(6,097,183)</u>
Business-type Activities:							
Water Utility	2,231,928	3,184,999	-	-	-	953,071	953,071
Wastewater Utility	1,328,654	2,049,971	-	-	-	721,317	721,317
Golf Operation	64,958	31,169	-	-	-	(33,789)	(33,789)
Building Inspection	596,071	480,419	-	-	-	(115,652)	(115,652)
Total Business-type Activities	<u>4,221,612</u>	<u>5,746,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,524,946</u>	<u>1,524,946</u>
Total Government	<u>\$ 13,455,508</u>	<u>\$ 6,765,329</u>	<u>\$ 1,797,845</u>	<u>\$ 320,097</u>	<u>(6,097,183)</u>	<u>1,524,946</u>	<u>(4,572,237)</u>
General Revenues:							
Property Taxes					3,918,076	-	3,918,076
Franchise Taxes					967,889	-	967,889
Rental Income					36,249	9,782	46,031
Interest on Investments					65,950	58,985	124,935
SAIF Refund					19,269	-	19,269
Gain (Loss) on Disposal of Assets					(80,139)	21,290	(58,849)
Miscellaneous					45,821	-	45,821
Transfers:							
Operating					(50,000)	50,000	-
Total General Revenues and Transfers					<u>4,923,115</u>	<u>140,057</u>	<u>5,063,172</u>
Change in Net Position					(1,174,068)	1,665,003	490,935
Net Position - July 1					<u>23,482,333</u>	<u>32,513,855</u>	<u>55,996,188</u>
Net Position - June 30					<u>\$ 22,308,265</u>	<u>\$ 34,178,858</u>	<u>\$ 56,487,123</u>

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

BAKER CITY
Balance Sheets
Governmental Funds
Year Ended June 30, 2021

	General Fund	State Tax Street Fund	LID Repayment Fund	State and Federal Grants Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 1,218,138	\$ 1,887,903	\$ 27,418	\$ 82,438	\$ 1,921,835	\$ 5,137,732
Accounts Receivable, Net	736,044	12,770	-	12,713	-	761,527
Interest Receivable	-	-	209	-	-	209
Prepaid Items	50,125	4,942	-	-	-	55,067
Taxes Receivable	243,155	56,928	-	-	5,273	305,356
Contracts and Special Assessments Receivable	-	-	97,998	169,412	-	267,410
Due From Other Funds	-	-	-	-	45,374	45,374
Advances to Other Funds	-	-	-	-	14,503	14,503
Intergovernmental Receivable	-	66,224	-	10,879	-	77,103
Other Assets	271,683	-	-	-	888	272,571
Total Assets	\$ 2,519,145	\$ 2,028,767	\$ 125,625	\$ 275,442	\$ 1,987,873	\$ 6,936,852
Liabilities						
Accounts Payable	\$ 52,711	\$ 16,486	\$ -	\$ 1,579	\$ 13,626	\$ 84,402
Customer Deposit	-	-	-	-	-	-
Wages, Payroll Taxes and Benefits Payable	92,441	14,877	-	566	363	108,247
Due to Other Funds	-	-	9,438	-	16,150	25,588
Advances from Other Funds	-	-	14,478	-	-	14,478
Total Liabilities	145,152	31,363	23,916	2,145	30,139	232,715
Deferred Inflows of Resources	887,680	56,986	98,232	204,220	5,273	1,252,391
Fund Balances						
Nonspendable	271,683	-	-	-	782,954	1,054,637
Restricted	-	-	-	12,575	582,523	595,098
Committed	-	-	-	-	510,319	510,319
Assigned	-	1,940,418	-	62,140	76,665	2,079,223
Unassigned	1,214,630	-	3,477	(5,638)	-	1,212,469
Total Fund Balances (Deficit)	1,486,313	1,940,418	3,477	69,077	1,952,461	5,451,746
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,519,145	\$ 2,028,767	\$ 125,625	\$ 275,442	\$ 1,987,873	\$ 6,936,852

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

BAKER CITY
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 Year Ended June 30, 2021

<i>Total Fund Balances of Governmental Funds</i>		\$ 5,451,746
<p>The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.</p>		
		1,252,391
<p>Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.</p>		
Cost of Capital Assets	\$ 55,442,024	
Accumulated Depreciation	<u>(34,160,409)</u>	
		21,281,615
<p>Certain items not due and payable in the current period are not reported in the governmental Funds:</p>		
Compensated Absences	(305,172)	
Capital Lease Obligations	(60,798)	
Net OPEB Liability	(300,242)	
Net Pension Liability	<u>(6,593,387)</u>	
		(7,259,599)
<p>Internal service funds are proprietary-type funds and are not reported with the governmental funds. However, because internal service funds are expected to benefit primarily governmental activities, their assets, liabilities, and net position are reported along with governmental activities in the Statement of Net Position.</p>		
Current assets and interfund receivable	864,335	
Current liabilities and interfund payable	<u>(29,984)</u>	
		834,351
<p>That portion of internal service fund net position arising from transactions with enterprise-type funds are included in internal balances between governmental activities and business-type activities on the Statement of Net Position.</p>		
		(798,354)
<p>Certain items are either prepaid or not available to pay for current period expenditures and deferred or not reported in the governmental funds:</p>		
Deferred Outflows of Resources Related to Pension Obligations	2,262,598	
Deferred Inflows of Resources Related to Pension Obligations	(722,881)	
Deferred Outflows of Resources Related to OPEB Obligations	43,107	
Deferred Inflows of Resources Related to OPEB Obligations	<u>(36,709)</u>	
		<u>1,546,115</u>
Net Position of Governmental Activities		<u>\$ 22,308,265</u>

BAKER CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	State Tax Street Fund	LID Repayment Fund	State and Federal Grants Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	\$ 3,021,192	\$ 704,081	\$ -	\$ -	\$ 101,102	\$ 3,826,375
Franchise	967,889	-	-	-	-	967,889
Licenses and Permits	5,199	-	-	-	-	5,199
Intergovernmental	955,703	855,487	-	70,732	-	1,881,922
Charges for Services	974,451	10,282	-	740	-	985,473
Fines and Forfeitures	30,972	-	-	-	-	30,972
Rental Income	36,249	-	-	-	-	36,249
Interest and Dividends	32,624	13,668	178	1,011	15,848	63,329
SAIF Refund	19,269	-	-	-	-	19,269
Miscellaneous	30,384	-	30,484	192,125	300,112	553,105
Total Revenues	<u>6,073,932</u>	<u>1,583,518</u>	<u>30,662</u>	<u>264,608</u>	<u>417,062</u>	<u>8,369,782</u>
Expenditures:						
Current:						
General Government	453,032	-	16	1,206	-	454,254
Public Safety	4,631,852	-	-	132,806	236,433	5,001,091
Highways and Streets	-	1,345,502	-	-	-	1,345,502
Sidewalks	-	-	-	-	42,802	42,802
Parks and Recreation	114,906	-	-	45,922	71,000	231,828
Airport	89,364	-	-	-	-	89,364
Cemetery	169,491	-	-	-	-	169,491
Hydro-electric Plant	6,761	-	-	-	-	6,761
Economic and Community Development	239,833	-	-	25,649	8,263	273,745
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	470	-	-	470
Capital Outlay:						
General Government	16,767	-	-	-	-	16,767
Public Safety	294,672	-	-	-	-	294,672
Highways and Streets	-	5,518	-	-	-	5,518
Parks and Recreation	-	-	-	202,566	-	202,566
Total Expenditures:	<u>6,016,678</u>	<u>1,351,020</u>	<u>486</u>	<u>408,149</u>	<u>358,498</u>	<u>8,134,831</u>
Excess (Deficit) of Revenues Over Expenditures	<u>57,254</u>	<u>232,498</u>	<u>30,176</u>	<u>(143,541)</u>	<u>58,564</u>	<u>234,951</u>
Other Financing Sources (Uses):						
Debt Service Payments	-	-	-	-	-	-
Transfers In	4,329	22,900	-	44,000	100,000	171,229
Transfers Out	(194,000)	-	-	-	(12,597)	(206,597)
Total Other Financing Sources (Uses)	<u>(189,671)</u>	<u>22,900</u>	<u>-</u>	<u>44,000</u>	<u>87,403</u>	<u>(35,368)</u>
Net Change in Fund Balance	(132,417)	255,398	30,176	(99,541)	145,967	199,583
Fund Balances (Deficit) - July 1	<u>1,618,730</u>	<u>1,685,020</u>	<u>(26,699)</u>	<u>168,618</u>	<u>1,806,494</u>	<u>5,252,163</u>
Fund Balances (Deficit) - June 30	<u>\$ 1,486,313</u>	<u>\$ 1,940,418</u>	<u>\$ 3,477</u>	<u>\$ 69,077</u>	<u>\$ 1,952,461</u>	<u>\$ 5,451,746</u>

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

BAKER CITY

Reconciliation of the Statement of Revenues and Changes in Fund Balances to the Statement of Activities Year Ended June 30, 2021

<i>Net Change in Fund Balances - Total Governmental Funds</i>		\$ 199,583
Governmental funds defer revenue that does not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.		(152,806)
Capital outlays net of dispositions, are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.		
Capital Asset Additions	776,613	
Loss on Sale of Assets	(314,280)	
Depreciation Expense	<u>(1,057,751)</u>	(595,418)
Proceeds from the issuance of long-term debt provide current financial resources and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases or decreases in noncurrent liabilities in the Statement of Net Position.		
Change in compensated absences payable	(36,918)	
Repayment of Capital Lease Obligation	<u>38,311</u>	1,393
Internal Service Funds are used by management to charge the costs of certain activities, such as inventory and fleet management. The net revenue (expense) of certain internal service funds is reported with governmental activities.		135,899
That portion of the change in net position of internal service funds arising from transactions with business-type funds is an adjustment to internal balances between governmental activities and business-type activities on the Statement of Net Position.		(92,298)
Other post-employment benefit costs are determined based on actuarially determined amounts. The change in the actuarially determined liability amount is reported as an increase or decrease in the Statement of Net Position.		(12,455)
Pension costs are determined based on actuarially determined amounts. The change in the actuarially determined liability amount is reported as an increase or decrease in the Statement of Net Position.		<u>(657,966)</u>
Change in Net Position of Governmental Activities		<u><u>\$ (1,174,068)</u></u>

BAKER CITY
Statement of Net Position
Proprietary Funds
Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Utility	Golf Course Operation	Building Inspections	Totals	
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 4,272,555	\$ 2,535,544	\$ 125,883	\$ 567,700	\$ 7,501,682	\$ 429,969
Trade and Accounts Receivable, net	271,595	172,198	-	-	443,793	-
Prepaid Items	8,471	4,236	-	4,400	17,107	2,824
Inventories	-	-	-	-	-	311,267
Total Current Assets	<u>4,552,621</u>	<u>2,711,978</u>	<u>125,883</u>	<u>572,100</u>	<u>7,962,582</u>	<u>744,060</u>
Capital Assets:						
Land	180,258	264,715	1,058,104	-	1,503,077	-
Construction in Process	480,679	1,966,653	-	-	2,447,332	-
Buildings	304,596	46,382	106,146	-	457,124	58,399
Improvements other than Buildings	-	-	381,790	-	381,790	-
Infrastructure	30,584,128	11,277,325	-	-	41,861,453	-
Machinery, Equipment, and Vehicles	407,531	558,226	265,956	47,766	1,279,479	3,221,900
Accumulated Depreciation	<u>(10,167,335)</u>	<u>(6,221,806)</u>	<u>(642,464)</u>	<u>(32,860)</u>	<u>(17,064,465)</u>	<u>(2,299,474)</u>
Net Capital Assets	<u>21,789,857</u>	<u>7,891,495</u>	<u>1,169,532</u>	<u>14,906</u>	<u>30,865,790</u>	<u>980,825</u>
Other Non-Current Assets:						
Advances to Other Funds	-	-	-	-	-	110,864
Restricted Cash and Cash Equivalents	-	275,000	-	-	275,000	-
Special Assessments Receivable	-	24,339	-	-	24,339	-
Total Other Non-Current Assets	<u>-</u>	<u>299,339</u>	<u>-</u>	<u>-</u>	<u>299,339</u>	<u>110,864</u>
Total Assets	<u>26,342,478</u>	<u>10,902,812</u>	<u>1,295,415</u>	<u>587,006</u>	<u>39,127,711</u>	<u>854,924</u>
Deferred Outflows of Resources	<u>418,036</u>	<u>269,172</u>	<u>1,652</u>	<u>105,133</u>	<u>793,993</u>	<u>80,845</u>
Liabilities						
Current Liabilities:						
Accounts Payable	214,022	305,905	310	19,069	539,306	12,194
Customer Deposits	51,899	-	-	-	51,899	-
Due to Other Funds	-	-	86,863	-	86,863	-
Wages, Payroll Taxes and Benefits Payable	12,113	10,515	65	5,165	27,858	528
Compensated Absences Payable	67,515	38,695	-	6,525	112,735	17,262
Accrued Interest Payable	27,735	-	-	-	27,735	-
Current Portion of Long Term Debt	75,939	-	-	-	75,939	-
Total Current Liabilities	<u>449,223</u>	<u>355,115</u>	<u>87,238</u>	<u>30,759</u>	<u>922,335</u>	<u>29,984</u>
Non-Current Liabilities:						
Notes Payable, Net of Current Portion	1,269,149	1,656,520	-	-	2,925,669	-
Advances From Other Funds	-	-	35,936	-	35,936	-
Net OPEB Liability	54,435	35,051	215	13,690	103,391	10,527
Net Pension Liability	1,184,414	762,640	4,680	297,871	2,249,605	229,056
Total Other Liabilities	<u>2,507,998</u>	<u>2,454,211</u>	<u>40,831</u>	<u>311,561</u>	<u>2,352,996</u>	<u>239,583</u>
Total Liabilities	<u>2,957,221</u>	<u>2,809,326</u>	<u>128,069</u>	<u>342,320</u>	<u>6,236,936</u>	<u>269,567</u>
Deferred Inflows of Resources	<u>137,717</u>	<u>88,675</u>	<u>544</u>	<u>77,328</u>	<u>304,264</u>	<u>26,633</u>
Net Position						
Net Investment in Capital Assets	20,417,034	6,234,975	1,169,532	14,906	27,836,447	980,825
Restricted for Wastewater Debt Reserve	-	275,000	-	-	275,000	-
Unrestricted	3,248,542	1,764,008	(1,078)	257,585	5,269,057	639,568
Total Net Position	<u>\$ 23,665,576</u>	<u>\$ 8,273,983</u>	<u>\$ 1,168,454</u>	<u>\$ 272,491</u>	<u>33,380,504</u>	<u>\$ 1,620,393</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activity					798,354	
Net Position of Business-Type Activities					<u>\$ 34,178,858</u>	

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

BAKER CITY
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Utility	Golf Course Operation	Building Inspections	Totals	
Operating Revenue						
Charges for Sales and Services	\$ 3,004,675	\$ 1,822,584	\$ 31,169	\$ 480,000	\$ 5,338,428	\$ 833,824
Miscellaneous	180,324	227,387	-	419	408,130	67,311
Total Operating Revenue	<u>3,184,999</u>	<u>2,049,971</u>	<u>31,169</u>	<u>480,419</u>	<u>5,746,558</u>	<u>901,135</u>
Operating Expenses						
Cost of Sales and Services	1,637,587	1,108,341	18,621	604,955	3,369,504	655,042
Depreciation	598,946	246,342	47,610	2,793	895,691	128,883
Total Operating Expenses	<u>2,236,533</u>	<u>1,354,683</u>	<u>66,231</u>	<u>607,748</u>	<u>4,265,195</u>	<u>783,925</u>
Operating Income (Loss)	<u>948,466</u>	<u>695,288</u>	<u>(35,062)</u>	<u>(127,329)</u>	<u>1,481,363</u>	<u>117,210</u>
Nonoperating Revenue (Expense)						
Gain (Loss) on Property and Equipment Sale	29,000	-	(7,710)	-	21,290	-
Interest Income	32,903	21,412	356	4,314	58,985	2,569
Rental Income	6,000	3,782	-	-	9,782	-
Interfund Sales (Expenses)	13,000	(13,000)	-	-	-	-
Interest Expense	(48,715)	-	-	-	(48,715)	-
Total Nonoperating Revenue (Expense)	<u>32,188</u>	<u>12,194</u>	<u>(7,354)</u>	<u>4,314</u>	<u>41,342</u>	<u>2,569</u>
Income (Loss) Before Transfers	<u>980,654</u>	<u>707,482</u>	<u>(42,416)</u>	<u>(123,015)</u>	<u>1,522,705</u>	<u>119,779</u>
Other Financing Sources (Uses)						
Transfers In	-	-	50,000	-	50,000	16,120
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>16,120</u>
Change in Net Position	<u>980,654</u>	<u>707,482</u>	<u>7,584</u>	<u>(123,015)</u>	<u>1,572,705</u>	<u>135,899</u>
Net Position - Beginning	<u>22,684,922</u>	<u>7,566,501</u>	<u>1,160,870</u>	<u>395,506</u>		<u>1,484,494</u>
Net Position - Ending	<u>\$ 23,665,576</u>	<u>\$ 8,273,983</u>	<u>\$ 1,168,454</u>	<u>\$ 272,491</u>		<u>\$ 1,620,393</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds					92,298	
Change in Net Position of Business-Type Activities					<u>\$ 1,665,003</u>	

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

BAKER CITY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					Governmental
	Water Utility	Wastewater Utility	Golf Course Operation	Building Inspections	Totals	Activities - Internal Service Funds
Cash From Operating Activities						
Receipts from Customers and Users	\$ 3,061,776	\$ 1,829,919	\$ 37,841	\$ 485,235	\$ 5,414,771	\$ 833,824
Other Receipts	210,029	227,387	-	419	437,835	67,311
Payments to Suppliers	(639,227)	(159,215)	(12,609)	(222,091)	(1,033,142)	(435,763)
Payments to Employees	(883,457)	(633,615)	(3,916)	(241,073)	(1,762,061)	(192,390)
Net Cash Provided (Used) by Operating Activities	1,749,121	1,264,476	21,316	22,490	3,057,403	272,982
Cash Flows From Non Capital Financing Activities						
Advances from (to) Other Funds	-	-	(7,851)	-	(7,851)	-
Advances and Transfers from (to) Other Funds	-	-	50,000	-	50,000	16,120
Repayments from LID for Line Extension	-	(1,739)	-	-	(1,739)	-
Interfund Sales (Expenses)	13,000	(13,000)	-	-	-	-
Net Cash Provided (Used) by Non Capital Financing Activities	13,000	(14,739)	42,149	-	40,410	16,120
Cash Flows From Capital and Related Financing Activities						
Receipts from the Sale of Capital Assets	29,000	-	54,750	-	83,750	-
Acquisition/Construction of Capital Assets	(1,646,480)	(2,435,153)	(9,666)	-	(4,091,299)	(257,094)
Proceeds from Capital Debt	-	1,656,520	-	-	1,656,520	-
Principal Paid on Long Term or Interfund Debt	(73,336)	-	-	-	(73,336)	-
Interest Paid on Long Term or Interfund Debt	(50,353)	-	-	-	(50,353)	-
Net Cash Provided (Used) by Capital Financing Activities	(1,741,169)	(778,633)	45,084	-	(2,474,718)	(257,094)
Cash Flows From Investing Activities						
Rental Income	6,000	3,782	-	-	9,782	-
Interest on Investments	32,903	21,412	356	4,314	58,985	2,569
Net Cash Provided (Used) by Investing Activities	38,903	25,194	356	4,314	68,767	2,569
Net Increase (Decrease) in Cash and Cash Equivalents	59,855	496,298	108,905	26,804	691,862	34,577
Cash and Cash Equivalents - Beginning	4,212,700	2,314,246	16,978	540,896	7,084,820	395,392
Cash and Cash Equivalents - Ending	\$ 4,272,555	\$ 2,810,544	\$ 125,883	\$ 567,700	\$ 7,776,682	\$ 429,969
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income	\$ 948,466	\$ 695,288	\$ (35,062)	\$ (127,329)	\$ 1,481,363	\$ 117,210
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	598,946	246,342	47,610	2,793	895,691	128,883
(Increase) Decrease in:						
Accounts Receivable, net	61,958	7,335	6,672	150	76,115	-
Prepaid Items	(5,605)	(409)	-	196	(5,818)	(1,406)
Inventories	-	-	-	-	-	12,298
Increase (Decrease) in:						
Accounts Payable	94,277	264,146	(181)	(17,621)	340,621	(29,974)
Customer Deposits	4,557	-	-	-	4,557	-
Wages, Payroll Taxes and Benefits Payable	(42,928)	(18,379)	(1)	(3,431)	(64,739)	(9,015)
Compensated Absences	5,492	2,505	-	537	8,534	5,844
Deferred Inflows Related to Building Permits	-	-	-	5,085	5,085	-
Net Change in Other Post-Employment Benefits Liability	35,626	24,660	(393)	2,605	62,498	(13,198)
Net Change in Pension Asset/Liabilities	48,332	42,988	2,671	159,505	253,496	62,340
Net Cash Provided by Operating Activities	\$ 1,749,121	\$ 1,264,476	\$ 21,316	\$ 22,490	\$ 3,057,403	\$ 272,982

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

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Baker City is an Oregon municipal corporation governed by a separately elected seven- member council, which includes a mayor. The current City Charter was adopted May 16, 2000 and is a Council-Manager form of Government. The accompanying financial statements present the City in its entirety. There are no other entities for which the City is considered to be financially accountable.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all activities of the City of Baker City, except fiduciary activities. Eliminations have been made to minimize the double counting of interfund activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, 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 expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues 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, (2) operating grants and contributions that are restricted to a particular function or segment and (3) capital grants or contributions that are restricted to a particular function or segment. Revenues that are not classified as program revenues, including property taxes and franchise taxes, are presented as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Net position is reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants, donations and similar items are recognized as revenues in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within two months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures related to compensated absences, claims and judgments and pension liabilities are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in the governmental funds.

Property taxes, franchise taxes, intergovernmental revenues, licenses, grants, airport revenue, ambulance revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- The State Tax Street Fund accounts for gas tax apportionments from the State of Oregon. These funds are designated by State law for use in maintenance of the City's street system. It also accounts for property taxes allocated by the City to be used for maintenance and repair of the City's street system.
- The LID Repayment Fund is used to track the payments and outstanding balances of local improvement district receivables.
- The State and Federal Grants Fund is used to track the receipt and disbursement of grant dollars.

The City reports the following major proprietary funds:

- The Water Utility Fund accounts for the operation and maintenance of the City's Water service and distribution facilities.
- The Wastewater Utility Fund accounts for the operation and maintenance of the City's sewer system including the collection lines and the sewage treatment lagoons.
- The Golf Course Operation Fund accounts for the revenues and expenses from the lease of the City's 18-hole golf course.
- The Building Inspections Fund accounts for county-wide building inspection activity.

Additionally, the City reports the following fund types:

- Special revenue funds account for funds restricted to a particular purpose. These include property taxes allocated to swimming pool operation, revenues dedicated to cemetery operation and improvements and revenues dedicated to economic and community development.
- The capital projects fund accounts for the accumulation of money for major fire and emergency medical supply (EMS) equipment purchases.
- Internal service funds account for fleet and inventory management provided to other departments or agencies of the City on a cost reimbursement basis.
- The City has three permanent funds: the One Hundred Year Trust Fund, the Mt. Hope Trust Fund and the Anthony Silvers Street Tree Trust Fund. The One Hundred Year Trust Fund was started with donations in 1989 and will be used to accumulate money to fund a public amenity, fund a community celebration in the year 2089, and provide seed money for another one-hundred-year trust. By city ordinance the Mt. Hope Trust Fund's trust corpus cannot be spent but the investment earnings are to be used for cemetery maintenance. The Anthony Silvers Street Tree Trust Fund was created by a bequest from Anthony Silvers and its corpus can never be spent but the investment earnings are to be used for planting and/or replanting of street trees within the City of Baker City.
- The debt service reserve fund was established to meet the Oregon Department of Environmental Quality's (DEQ) Clean Water State Revolving Fund loan requirements. These loan proceeds will be used for the City's wastewater treatment and effluent disposal improvement project that is currently in process.

The City has applied Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement codifies certain FASB and AICPA Pronouncements into GASB authoritative literature.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. For example, the General Fund charges other funds for centralized expenses. The revenue and expenses in the General Fund are reduced by the centralized expenses that are charged to other funds. Exceptions to this general rule are payments-in-lieu of franchise taxes and other charges between the government's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Wastewater Utility, and the Building Inspections funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, interest expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. For example, the revenue and expenses associated with the lease of the City's 18-hole golf course are non-operating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Assets, Liabilities, and Net Position or Fund Balance

Cash, Cash Equivalents and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the City consisted of the State Treasurer's Investment Pool (LGIP). The City's investments are stated at cost which approximates fair value.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts is calculated for each type of receivable based on past collection history. Property taxes receivable are deemed to be 100% collectible as they are secured by a lien on real property with foreclosure proceedings to commence at four years past due.

Property taxes are levied July 1 on property values assessed as of January 1. The tax levy is divided into three installments: the first installment is due on November 15; the second installment is due February 15 and the third installment is due May 15. The taxes are considered past due after May 15, at which time the applicable property is subject to penalties and interest.

Inventories

All inventories are valued using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The construction of the U.V. treatment facility was funded in part by a \$1,750,000 note payable to the State of Oregon – Infrastructure Finance Authority. The interest accrued of \$7,251 while the U.V. treatment facility was under construction was included in the capitalized value of the asset.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives: Buildings & Improvements, 25-40 years; Land Improvements, 10-20 years; Machinery & Equipment, 5-10 years; Vehicles, 5-10 years; Utility Systems, 25-40 years; Infrastructure, 20-40 years.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. Vacation liabilities are accrued when earned.

Long-Term Obligations

In the government-wide financial statements and fund financial statements (proprietary funds) long-term debt and other long-term obligations are reported as liabilities of the applicable governmental activities. Business-type discounts and issuance costs are deferred and amortized over the life of the debt using the effective interest method. Debt payable is reported net of the applicable bond premium or discount. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize issuance costs, as well as premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Government-Wide Statements

Fund balance is classified as net position and displayed in the following four components:

- Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted net position – Consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.
- Nonexpendable – Includes permanent endowments and permanent fund principal amounts and is required to be retained in perpetuity.

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

Fund Financial Statements

Proprietary fund balance is classified the same as in the government-wide statements. Governmental fund balance is classified in the following categories:

- Nonspendable – amounts that are not in a spendable form (such as inventory and electric cooperative capital credits) or are required to remain intact (such as the corpus of an endowment fund).
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – amounts constrained to specific purposes by the City itself at the highest level of authority. This generally occurs by the adoption of an ordinance by the City Council.
- Assigned – amounts the City intends to use for a specific purpose. Assignment can be made by the designation of revenue sources to a particular fund, such as franchise fees designated to be received by the Street Fund, by informal motion of the City Council or by decision of management.
- Unassigned – amounts that are available for any purpose.

When more than one class of fund balance is available it is the City's policy to first expend the fund balance from the class with the highest level of restriction. Restricted fund balance is comprised of the following:

The will of John Schmitz bequeathed a sum of money to the City to be used exclusively to benefit Mt. Hope Cemetery. Ordinance No. 2663 requires that the John Schmitz Memorial Trust Funds be maintained for cemetery purposes and that the income earned from investments be used for maintenance, upkeep, improvements or other benefits of the cemetery. This is accomplished by transferring interest income into the General Fund. The City annually spends significantly more than this interest amount for cemetery maintenance.

On November 15, 1989, the City entered into a trust agreement which established the One- Hundred-Year Trust Fund. The terms of this agreement require the principal and interest to accumulate for 100 years. In the year 2089 the funds are to be used for a community-wide celebration, \$5,000 to establish the next One-Hundred-Year Trust Fund and construction of a public amenity related to public recreation.

The will of Anthony Silvers bequeathed a sum of money to the City and provided that the principal thereof be perpetually maintained in an account designated as the Anthony Silvers Street Tree Trust Fund and that the income thereof be used solely for the purpose of the planting and/or replanting of street trees within the City of Baker City.

Amounts restricted for community development and car seats were restricted by their grantors.

Use of Estimates

The preparation of the City's general-purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates.

Defining Operating Revenues and Expenses

The City's proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses of City's water, wastewater, and building inspection operations consist of charges for services and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as non-operating.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with Oregon Local Budget Law for Municipal Corporations for all funds. All annual appropriations lapse at fiscal year-end.

Before June 30, the proposed budget is presented to the City's budget committee for review. The Committee holds public hearings, makes changes as approved by the majority, and then approves the budget. The budget then goes to the City Council for an additional hearing, final changes and approval. The final budget must be prepared and adopted no later than June 30.

The budget is prepared by fund and program unit. The government's department heads may make transfers of appropriations within a program unit. Transfers of appropriations between program units require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the program unit, and where there is no clearly defined program unit legal budgetary control is by fund and category. The Council made several transfers of budgetary appropriations throughout the year.

NOTE 3 - DEPOSITS AND INVESTMENTS

The City's carrying amount of demand deposits were \$(3,417) and the bank balances totaled \$332,928. In addition, the City had \$450 of cash on hand. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has no formal investment policy but does follow the requirements of Chapter 295 of the Oregon Revised Statutes (ORS) for managing custodial credit risk. Effective July 1, 2008, the Oregon State Treasurer became responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts. ORS Chapter 295 requires depository banks to deposit with a third-party bank custodian, securities which have a value of 10%, 25% or 110% of public funds on deposit in excess of FDIC insurance limits depending on the capitalization level of the depository bank. This collateral is to be in the name of the Oregon State Treasurer (Treasurer). Should a bank holding public funds in amounts in excess of FDIC insurance limits fail, the Treasurer shall have the authority to recover losses of public funds due to the bank failure from the collateral pledged by the failed bank to the Treasurer and if there is a deficiency, recover the deficient amount from collateral pledged by all banks participating in the public funds deposit collateral program. All of the City's banks participate in this program; however, since the collateral is not held in the City's name, deposits in excess of FDIC insurance are still considered to be exposed to custodial credit risk. As of June 30, 2020 the City's bank deposit balance was categorized by custodial credit risk as follows: Insured by FDIC, \$250,000; Uninsured and uncollateralized, \$82,928; Total, \$332,928.

The City has an investment in the Oregon Short Term Fund (OSTF), an external investment pool administered by the Oregon State Treasurer. The OSTF is regulated under the statutes of the State of Oregon (ORS 294.805-294.895). The OSTF invests in US Agency Securities, Corporate Bonds, Commercial Paper and Certificates of Deposit. The City considers its investment in the OSTF to be a cash equivalent since there is no limitation on the withdrawal of these funds.

Cash and cash investments consist of the following:

Financial Institution/Account Type	Amount
Cash on Hand	\$ 450
Banner Bank Checking/Savings Accounts	(3,417)
Oregon Local Government Investment Pool	13,346,586
Total	<u>13,343,619</u>

Cash and cash investments are presented in the government-wide statement of net position as follows:

Government-Wide Presentation	Amount
Governmental Activities	\$ 5,864,612
Business-Type Activities	7,479,007
Total	<u>13,343,619</u>

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 4 - RECEIVABLES

Receivables as of year-end for the City’s governmental individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities					Total
	General Fund	Street Fund	LID Repayment Fund	State and Federal Grants Fund	Non-Major and Other Funds	
Trade Accounts	\$ 914,842	\$ 13,626	\$ -	\$ 12,713	\$ -	\$ 941,181
Property Taxes	243,155	56,928	-	-	5,273	305,356
Franchise Taxes	66,922	-	-	-	-	66,922
Intergovernmental	-	66,224	-	10,879	-	77,103
Special Assessments	-	-	-	169,412	-	169,412
LID Receivables	-	-	98,023	-	-	98,023
Interest	-	-	209	-	-	209
Totals	<u>1,224,919</u>	<u>136,778</u>	<u>98,232</u>	<u>193,004</u>	<u>5,273</u>	<u>1,658,206</u>
Allowance for Uncollectibles	<u>(245,720)</u>	<u>(856)</u>	<u>(98,232)</u>	<u>-</u>	<u>-</u>	<u>(344,808)</u>
Total Receivables	<u>\$ 979,199</u>	<u>\$ 135,922</u>	<u>\$ -</u>	<u>\$ 193,004</u>	<u>\$ 5,273</u>	<u>\$ 1,313,398</u>

Internal Service Funds had no trade account receivables at year-end.

Receivables as of year-end for the City’s individual business-type major funds, including the applicable allowances for uncollectible accounts, are as follows:

	Business-Type Activities				Total
	Water Utility Fund	Wastewater Utility Fund	Golf Course Operation Fund	Building Inspection Fund	
Trade Accounts	\$ 282,895	\$ 179,248	\$ -	\$ -	\$ 462,143
Special Assessments	-	24,339	-	-	24,339
Intergovernmental	-	-	-	-	-
Totals	<u>282,895</u>	<u>203,587</u>	<u>-</u>	<u>-</u>	<u>486,482</u>
Allowance for Uncollectibles	<u>(11,300)</u>	<u>(7,050)</u>	<u>-</u>	<u>-</u>	<u>(18,350)</u>
Total Receivables	<u>\$ 271,595</u>	<u>\$ 196,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468,132</u>

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year was as follows:

Governmental Activities				
	July 1			June 30
	Balance	Increases	Decreases	Balance
<i>Capital Assets, Not Being Depreciated:</i>				
Construction in Process	\$ 45,622	\$ -	\$ (10,815)	\$ 34,807
Land	2,136,671	202,566	(314,281)	2,024,956
Total Capital Assets, Not Being Depreciated	<u>2,182,293</u>	<u>202,566</u>	<u>(325,096)</u>	<u>2,059,763</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	5,653,160	-	-	5,653,160
Improvements Other Than Buildings	430,416	-	-	430,416
Machinery and Equipment	6,007,444	574,047	(111,921)	6,469,570
Infrastructure	40,818,300	10,815	-	40,829,115
Total Capital Assets, Being Depreciated	<u>52,909,320</u>	<u>584,862</u>	<u>(111,921)</u>	<u>53,382,261</u>
<i>Less Accumulated Depreciated For:</i>				
Buildings	3,648,086	103,326	-	3,751,412
Improvements Other Than Buildings	109,531	17,156	-	126,687
Machinery and Equipment	4,475,541	241,920	(111,921)	4,605,540
Infrastructure	24,981,421	695,349	-	25,676,770
Total Accumulated Depreciation	<u>33,214,579</u>	<u>1,057,751</u>	<u>(111,921)</u>	<u>34,160,409</u>
Net Capital Assets, Being Depreciated	<u>19,694,741</u>	<u>(472,889)</u>	<u>-</u>	<u>19,221,852</u>
Net Capital Assets - Governmental Activities	<u>\$ 21,877,034</u>	<u>\$ (270,323)</u>	<u>\$ (325,096)</u>	<u>\$ 21,281,615</u>

Business-Type Activities				
	July 1			June 30
	Balance	Increases	Decreases	Balance
<i>Capital Assets, Not Being Depreciated:</i>				
Construction in Process	\$ 1,524,980	\$ 2,309,947	\$ (1,387,595)	\$ 2,447,332
Land	1,503,077	-	-	1,503,077
Total Capital Assets, Not Being Depreciated	<u>3,028,057</u>	<u>2,309,947</u>	<u>(1,387,595)</u>	<u>3,950,409</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	452,685	4,439	-	457,124
Improvements Other Than Buildings	381,790	-	-	381,790
Machinery and Equipment	1,314,659	76,410	(111,590)	1,279,479
Infrastructure	38,788,349	3,088,100	(14,995)	41,861,454
Total Capital Assets, Being Depreciated	<u>40,937,483</u>	<u>3,168,949</u>	<u>(126,585)</u>	<u>43,979,847</u>
<i>Less Accumulated Depreciated For:</i>				
Buildings	244,727	10,734	-	255,461
Improvements Other Than Buildings	344,379	9,509	-	353,888
Machinery and Equipment	951,033	70,864	(49,130)	972,767
Infrastructure	14,692,760	804,584	-	15,497,344
Total Accumulated Depreciation	<u>16,232,899</u>	<u>895,691</u>	<u>(49,130)</u>	<u>17,079,460</u>
Net Capital Assets, Being Depreciated	<u>24,704,584</u>	<u>2,273,258</u>	<u>(77,455)</u>	<u>26,900,387</u>
Net Capital Assets - Business-Type Activities	<u>\$ 27,732,641</u>	<u>\$ 4,583,205</u>	<u>\$ (1,465,050)</u>	<u>\$ 30,850,796</u>

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 5 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Government	\$ 20,147
Hydro-Electric Plant	2,053
Public Safety	130,015
Highway and Streets, Including General Infrastructure Assets	412,203
Culture and Recreation	169,197
Economic and Community Development	5,494
Airport	186,684
Cemetery	3,075
Internal Service Funds (Charged to Function Based on Usage)	128,883
Total Depreciation	<u>\$ 1,057,751</u>
Business-Type Activities	
Water Utility	\$ 598,946
Wastewater Utility	246,342
Building Inspections	2,793
Golf Operations	47,610
Total Depreciation	<u>\$ 895,691</u>

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at year-end is as follows:

Receivable	Payable	Amount
Equipment and Vehicle Fund	Golf Course Operations Fund	\$ 43,705
Anthony Silvers Street Tree Trust	LID Repayment Fund	23,916
Mt Hope Trust	Golf Course Operations Fund	19,633
Equipment and Vehicle Fund	Sam-O-Swim Maintenance Fund	8,005
		<u>\$ 95,259</u>

Advances from/to other funds (interfund loans due after one year):

Advances From	Advances To	Amount
Equipment and Vehicle Fund	Golf Course Operations Fund	\$ 51,009
Anthony Silvers Street Tree Trust	LID Repayment Fund	-
Mt Hope Trust	Golf Course Operations Fund	16,303
Equipment and Vehicle Fund	Sam-O-Swim Maintenance Fund	8,144
		<u>\$ 75,456</u>

Interfund balances are primarily used to fund activities that would normally be financed with loans from outside sources. The City has determined that it is in the City's economic interest for the City funds with excess cash to loan money to funds short on cash and pay interest internally rather than pay interest to outsiders.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Routine transfers made during the year are as follows:

Transferred From	Transferred To	Purpose	Amount
General Fund	Fire Equipment Reserve Fund	Operations	\$ 100,000
General Fund	Golf Course Operations Fund	Operations	50,000
General Fund	State & Federal Grants Fund	Operations	44,000
Mt Hope Trust Fund	General Fund	Operations	2,735
John Schmitz Trust Fund	General Fund	Operations	1,593
Sidewalk Utility Fund	State Tax Street Fund	Operations	22,900
			\$ 221,228

The City uses interfund transfers on a routine basis to transfer interest earnings from the permanent funds to be used for cemetery maintenance; for matching grant funds; to transfer funds to pay for capital assets.

NOTE 7 - DEBT

Governmental Activities

Governmental long-term liability activity for the year was as follows:

Governmental Activities					
	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Capital Lease Obligations	\$ 99,109	\$ -	\$ (38,311)	\$ 60,798	\$ 38,311

The compensated absences liability for the Internal Service Funds (Equipment and Vehicle Fund) is \$17,262 and is included in the above totals for governmental activities.

Capital Leases

Capital lease obligation payable to The Bancorp in 3 annual installments of \$20,970 including interest at 3.714 interest. Due in December, 2021. Secured by Police Department vehicle. Total capitalized value of \$60,000, plus a \$2,909 interest factor.

Capital lease obligation payable to The Bancorp in 4 annual installments of \$21,865 including interest at 5.134 interest. Due in December, 2022. Secured by 2 Police Department vehicle. Total capitalized value of \$80,000, plus a \$7,460 interest factor.

The following is a summary of the scheduled debt maturities of the governmental activity long-term debt:

Debt Maturities				
Year	Interest	Principal	Total Payment	June 30 Balance
2021-22	\$ 2,834	\$ 40,001	\$ 42,835	\$ 20,797
2022-23	1,068	20,797	21,865	-
Totals	\$ 3,902	\$ 60,798	\$ 64,700	

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 7 - DEBT (Continued)

Business-Type Activities

Business-type long-term liability activity for the year was as follows:

Business-Type Activities					
	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Business Oregon (Water Fund)	\$ 1,418,424	\$ -	\$ (73,336)	\$ 1,345,088	\$ 75,939
Oregon DEQ (Sewer Fund)	-	1,656,520	-	1,656,520	-
Totals	<u>\$ 1,418,424</u>	<u>\$ 1,656,520</u>	<u>\$ (73,336)</u>	<u>\$ 3,001,608</u>	<u>\$ 75,939</u>

Water Fund

Note payable to Business Oregon for \$1,750,000 dated May, 2014 for the construction of the U.V. Treatment Facility, the first annual installment of \$130,940 began December, 2015 with annual installments of \$123,690 due each December 1, thereafter, including interest at 3.55%. The agreement is secured by the pledge of the City's full faith and credit and taxing power within the limitations of Article XI, section 11 and 11b, of the Oregon Constitution and by the "Net Revenues" of the City's water system after payment of operation and maintenance costs of the system.

The following is a summary of the scheduled debt maturities of the Water Fund debt:

Debt Maturities				
Year	Interest	Principal	Total Payment	June 30 Balance
2021-22	\$ 47,750	\$ 75,939	\$ 123,689	\$ 1,269,149
2022-23	45,055	78,635	123,690	1,190,514
2023-24	42,264	81,426	123,690	1,109,088
2024-25	39,373	84,317	123,690	1,024,771
2025-26	39,373	87,310	126,683	937,461
2027-2031	133,146	485,304	618,450	452,157
2032-2035	40,732	452,157	492,889	-
Totals	<u>\$ 387,693</u>	<u>\$ 1,345,088</u>	<u>\$ 1,732,781</u>	

Wastewater Fund

Note payable to Oregon Department of Environmental Quality (Clean Water State Revolving Fund) for \$8,000,000 dated November, 2020 for the sewer treatment facility improvements. At year-end, the City had drawn \$1,656,520 of the total funds available. Completion of the improvement project is project to be late in calendar year 2023. Repayment terms call for 60 semi-annual payments (30 years) of \$153,809 February including interest at 0.86 percent, and the same principal and interest payment each August, plus an annual 0.05 percent service fee of the remaining balance. The agreement is secured by the pledge of the City's full faith and credit and taxing power within the limitations of Article XI, section 11 and 11b, of the Oregon Constitution and by the "Net Revenues" of the City's sewer system after payment of operation and maintenance costs of the system.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 7 - DEBT (Continued)

The following is a summary of the preliminary scheduled debt maturities of the Sewer Fund debt (fully funded):

Debt Maturities					
Year	Interest	Annual Fee	Principal	Total Payment	June 30 Balance
2021-22	\$ -	\$ -	\$ -	\$ -	\$ 8,000,000
2022-23	-	-	-	-	8,000,000
2023-24	36,280	-	-	36,280	8,000,000
2024-25	68,287	40,000	239,331	347,618	7,760,669
2025-26	66,224	38,803	241,394	346,421	7,519,275
2027-2031	299,553	175,703	1,238,537	1,713,793	6,280,738
2032-2036	245,251	144,202	1,292,839	1,682,292	4,987,899
2037-2041	188,573	111,318	1,349,517	1,649,408	3,638,382
2042-2046	129,406	76,993	1,408,684	1,615,083	2,229,698
2047-2051	67,648	41,163	1,470,442	1,579,253	759,256
2052-2054	9,822	6,850	759,256	775,928	-
Totals	<u>\$ 1,111,044</u>	<u>\$ 635,032</u>	<u>\$ 8,000,000</u>	<u>\$ 9,746,076</u>	

NOTE 8 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and natural disasters for which the City carries commercial insurance. There have been no significant decreases in coverage from the prior year and settlements have not exceeded coverage in the past three years. The City obtains most of its insurance coverage through Citycounty Insurance Services (CIS) under an insurance pooling arrangement in which many cities and counties in Oregon participate. The City maintains a retrospective liability plan with CIS for its general liability insurance. This type of plan provides for a reduced upfront premium cost with the City repaying CIS for any liability claims up to a set amount each plan year. The City has a related contingent liability of \$68,036 for the plan year ended June 30, 2020 and \$77,308 for the plan year ended June 30, 2019. The City also has a contingent liability for future claims (including certain claims with no statute of limitations) that may be filed related to plan years ending June 30, 2018 and prior of \$265,429, where a contingent liability still remains. The City believes that any such future payments will not be significant.

NOTE 9 - COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

Accrued liabilities do not include sick leave that was earned as of June 30, 2021, but is payable only for absences from work under the City's sick leave plan.

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

The City is involved in certain other legal matters that, in the opinion of the City's legal counsel, will not have a material adverse effect on the financial condition of the City.

As of February 15, 2017, the City entered into a Mutual Agreement and Order (MAO) with the Department of Environmental Quality (DEQ) to maintain compliance with regards to the discharge of its adequately treated wastewaters into the Powder River. This MAO requires the City to complete an alternate method of disposal of its treated wastewater, as approved by DEQ, prior to December 27, 2021. The City's current timeline to complete its DEQ approved wastewater storage and effluent disposal project will meet the DEQ's required date of completion. In the event the City does not meet the deadline or obtain an appropriate extension of time, the MOA sets the fines at \$1,600 per day for each day of non-compliance after the deadline date.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 10 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In the governmental fund statements, amounts that will not be collected within two months of the fiscal year end are considered deferred inflows. These amounts include past due property taxes, franchise fees, intergovernmental revenues, ambulance revenue and trade accounts receivable.

Amounts shown on the government-wide financial presentation consist of the following:

Source	Governmental Activities		Business-Type Activities		Total Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Obligations	\$ 2,262,598	\$ 722,881	\$ 779,147	\$ 248,931	\$ 3,041,745	\$ 971,812
OPEB Obligations	43,107	36,709	14,846	12,640	57,953	49,349
Building Permits Unearned Revenue	-	-	-	42,693	-	42,693
Totals	\$ 2,305,705	\$ 759,590	\$ 793,993	\$ 304,264	\$ 3,099,698	\$ 1,063,854

Allocations of pension and OPEB related liabilities consist of the following:

	PERS Allocations			OPEB Allocations		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability
Governmental Funds	\$ 2,183,265	\$ 697,535	\$ 6,303,672	\$ 41,595	\$ 35,422	\$ 289,715
Internal Service Funds	79,333	25,346	229,056	1,512	1,287	10,527
Enterprise Funds:						
Water Utility Fund	410,220	131,062	1,184,414	7,816	6,655	54,435
Wastewater Utility Fund	264,139	84,390	762,640	5,033	4,285	35,051
Golf Course Operation Fund	1,621	518	4,680	31	26	215
Building Inspections Fund	103,167	32,961	297,871	1,966	1,674	13,690
	\$ 3,041,745	\$ 971,812	\$ 8,782,333	\$ 57,953	\$ 49,349	\$ 403,633

In the proprietary fund and government-wide statements deferred inflows and outflows relate to pension activity, other post-employment retirement plans (OPEB) and building permits with outstanding inspections. For purposes of measuring the net pension liability; the net OPEB liability; deferred outflows of resources and deferred inflows of resources related to pensions and OPEB; pension expense; OPEB expense; information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and the Retiree Health Insurance Account (RHIA) and additions to/deductions from OPERS's fiduciary net position (OPERS and RHIA) have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms and investments are reported at fair value.

Total OPEB Liability, deferred inflows and deferred outflows of resources related to OPEB, and OPEB expenses for the City's Implicit Rate Subsidy Plan have been determined by an actuarial valuation prepared by Milliman in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75. For this purpose, deferred outflows of resources relate to the expected benefit payments (related to the estimated additional health care cost for active employees) in the current fiscal year.

Building permit revenue (including plumbing, mechanical and electrical permits) received by June 30, 2021 are considered deferred inflows if building inspections required by those permits are still outstanding at June 30, 2021. Deferred inflows for these permits are estimated by multiplying the estimated number of inspections remaining by the inspection billing rate. Revenue is recognized in the Building Inspection Fund as outstanding inspections for building permits are completed.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 10 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Governmental funds report deferred inflows of resources in connection with receivables when revenues are not considered available to pay liabilities for the fiscal period ended June 30. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Governmental Activities	
Trade Accounts Receivable	\$ 258,810
Intergovernmental Receivable	189,539
Delinquent Property Taxes	241,473
Special Assessments Not Due	178,335
Local Improvement District Receivables Not Due	125,417
Interest Receivable	209
Oregon Trail Electric Cooperative Capital Credits	269,682
Total Unearned Revenues	<u>\$ 1,263,465</u>

NOTE 11 – FUND BALANCES

Fund balance classification detail is as follows:

	General Fund	State Tax Street Fund	LID Repayment Fund	State and Federal Grants Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable (Not in Spendable Form)	\$ 271,683	\$ -	\$ -	\$ -	\$ 888	\$ 272,571
Nonspendable (Legal or Contractual)	-	-	-	-	782,066	782,066
Total Nonspendable Fund Balances	<u>271,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>782,954</u>	<u>1,054,637</u>
Restricted for:						
2089 Celebration	-	-	-	-	3,206	3,206
Cemetery Care	-	-	-	-	274,600	274,600
Street Trees	-	-	-	-	59,045	59,045
Community Development	-	-	-	-	245,672	245,672
Car Seat Program	-	-	-	257	-	257
COVID Relief	-	-	-	12,318	-	12,318
Total Restricted Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,575</u>	<u>582,523</u>	<u>595,098</u>
Committed for:						
Cemetery Care	-	-	-	-	508,173	508,173
Sidewalks	-	-	-	-	2,146	2,146
Total Committed Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>510,319</u>	<u>510,319</u>
Assigned for:						
Street Trees	-	-	-	-	5,231	5,231
Big Deal Grants	-	-	-	3,500	-	3,500
Wellness	-	-	-	41	-	41
Public Safety	-	-	-	19,924	-	19,924
Skate Park	-	-	-	30,240	-	30,240
Fire Equipment	-	-	-	-	42,229	42,229
Public Art	-	-	-	8,435	-	8,435
Parks	-	-	-	-	-	-
Samo Swim Maintenance	-	-	-	-	29,205	29,205
Streets	-	1,940,418	-	-	-	1,940,418
Total Assigned Fund Balances	<u>-</u>	<u>1,940,418</u>	<u>-</u>	<u>62,140</u>	<u>76,665</u>	<u>138,805</u>
Unassigned	1,214,630	-	3,477	(5,638)	-	1,212,469
Total Fund Balances	<u>\$ 1,486,313</u>	<u>\$ 1,940,418</u>	<u>\$ 3,477</u>	<u>\$ 69,077</u>	<u>\$ 1,952,461</u>	<u>\$ 3,511,328</u>

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 12 - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

General Information - Plan Description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (PERS or the System) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003.

The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS' issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits provided

Tier One/Tier Two Retirement Benefit ORS Chapter 238

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, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit is a result.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General Service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (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.

Benefit Changes

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 12 - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)

OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

- 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 OPSRP 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.

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.

Disability Benefits

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

Benefit Changes after Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

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

Death Benefits

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

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 12 - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation which became effective July 1, 2020. Employer contributions for the year ended June 30, 2021 were \$966,325, excluding amounts to fund employer specific liabilities. Additional contributions of \$227,747 were made to the OPSRP IAP for the year ended June 30, 2021.

The rates in effect for the fiscal year ended June 30, 2021 were 27.21% for Tier One/Tier Two Members, 18.11% for OPSRP Pension Program General Service Members, 22.74% for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

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

At June 30, 2021, the City reported a liability of \$8,782,333 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the City's proportion was 0.04024266%, which changed from its proportion of 0.04514329% measured as of June 30, 2020.

For the year ended June 30, 2021, the City's recognized pension expense of \$1,194,072. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 386,529	\$ -
Changes of Assumptions	471,320	16,514
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,032,688	-
Changes in Proportionate Share	253,899	845,326
Differences Between Employer Contributions and Employer's Proportionate Share of System Contributions	77,103	109,972
Employer Contributions Subsequent to the Measurement Date	820,206	-
Totals	\$ 3,041,745	\$ 971,812

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Amount
June 30	
2022	\$ 242,715
2023	396,523
2024	420,248
2025	227,185
2026	(36,943)
Thereafter	-
Total	\$ 1,249,728

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 12 - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)

Actuarial Assumptions

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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

The total pension liability in the actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Assumption	Entry Age Normal
Inflation Rate	2.50 percent
Investment Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable retiree, sex-distinct, generational with Unisex, Social Security Data Scale with job category adjustments and set-backs as described in the valuation.</p>

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

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 12 - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team (PERS actuary) 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 *	Annual Arithmetic Return	20-Year Annualized Geometric Mean	Annual Standard Deviation
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60%	3.70%	3.68%	2.10%
Bank/Leveraged Loans	3.60%	5.40%	5.19%	6.85%
High Yield Bonds	1.20%	6.13%	5.74%	9.35%
Large/Mid Cap US Equities	16.17%	7.35%	6.30%	15.50%
Small Cap US Equities	1.35%	8.35%	6.68%	19.75%
Micro Cap US Equities	1.35%	8.86%	6.79%	22.10%
Developed Foreign Equities	13.48%	8.30%	6.91%	17.95%
Emerging Market Equities	4.24%	10.35%	7.69%	25.35%
Non-US Small Cap Equities	1.93%	8.81%	7.25%	19.10%
Private Equity	17.50%	11.95%	8.33%	30.00%
Real Estate (Property)	10.00%	6.19%	5.55%	12.00%
Real Estate (REITS)	2.50%	8.29%	6.69%	21.00%
Hedge Fund of Funds - Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund - Event-driven	0.38%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13.00%
Farmland	1.13%	6.87%	6.12%	13.00%
Infrastructure	2.25%	7.51%	6.67%	13.85%
Commodities	1.13%	5.34%	3.79%	18.70%
Assumed Inflation - Mean			2.50%	1.65%

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of April 24, 2019.

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values.

GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 12 - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount Rate

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

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-percent lower (6.20 percent) or 1-percent higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 13,041,039	\$ 8,782,333	\$ 5,211,210

Pension Plan Fiduciary Net Position

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

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements related to the plans are as follows:

	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB On Financials
Net OPEB Asset (Liability)	\$ (467,456)	\$ 63,823	\$ (403,633)
Net Deferred Outflows of Resources	46,098	11,855	57,953
Net Deferred Inflows of Resources	(39,413)	(9,936)	(49,349)
Totals	<u>\$ (460,771)</u>	<u>\$ 65,742</u>	(395,029)
Prior Year Net OPEB Assets and Liabilities			(320,076)
Net OPEB Expense			<u>\$ (74,953)</u>

Implicit Rate Subsidy Plan

General Information – Plan Description

The City's defined benefit postemployment healthcare plan is administered by Citycounty Insurance Services (CIS), a public entity insurance trust. CIS was formed by the League of Oregon Cities and the Association of Oregon Counties to meet the risk management and employee benefit needs of Oregon cities, counties and other eligible local governments. The CIS Board of Trustees administers the CIS Trust which includes the CIS Property/Casualty Trust and the two CIS Benefits trusts: EBS (cities) and AOCIT (counties). The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. Implicit employer subsidies generally represent the increase in premiums the City must pay on behalf of its active employees as a consequence of providing access to retirees' OPEB.

Funding Policy

The City has not established a trust fund to supplement the cost for the net OPEB obligation. Contribution requirements are negotiated between the City and union representatives. Eligible members receiving postemployment benefits are responsible for all their healthcare premiums.

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, the following employees were covered by the benefit terms:

Implicit Rate Subsidy Plan		
	July 1, 2018	July 1, 2020
Inactive Employees or Beneficiaries Receiving Benefits	3	2
Active Employees	63	64
Totals	<u>66</u>	<u>66</u>

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Total Liability, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the entry age actuarial cost method with Service Cost expressed as a level percent of pay, an amount actuarially determined in accordance with the guidance of GASB Statement No. 75. The Present Value of Benefits is the present value of projected benefits (projected costs less retiree contributions) discounted at the valuation interest rate. Under the Entry Age Actuarial Cost Method, the Present Value of Benefits is allocated over the service for each active employee from the date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent multiplied by pay is referred to as the Service Cost, and is that portion of the Present Value of Benefits attributable to an employee's service in a current year. The Service Cost equals \$0 for retired members.

At June 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

Implicit Rate Subsidy Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 11,137	\$ 5,162
Changes of Assumptions	20,715	34,251
Totals	\$ 31,852	\$ 39,413

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Implicit Rate Subsidy Plan	
Year Ended	Amount
June 30	
2022	\$ (1,848)
2023	(1,848)
2024	(1,848)
2025	(1,848)
2026	(1,848)
Thereafter	1,679
Total	\$ (7,561)

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	RHIA	RHIPA
Valuation Date	December 31, 2018	December 31, 2018
Measurement Date	June 30, 2020	June 30, 2020
Experience Study Report	2018, published July 24, 2019	2018, published July 24, 2019
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation Rate	2.50 percent	2.50 percent
Investment Rate of Return	7.20 percent	7.20 percent
Discount Rate	7.20 percent	7.20 percent
Projected Salary Increases	3.50 percent	3.50 percent
Retiree Healthcare Participation	Healthy Retirees: 38% Disabled Retirees: 20%	8-14 Years of Service 10.0% 15-19 Years of Service 15.0% 20-24 Years of Service 19.0% 25-29 Years of Service 26.0% 30+ Years of Service 34.0%
Healthcare Cost Trend Rate	Not Applicable	Applied at beginning of plan year, starting with 7.1% for 2019, decreasing to 5.0% for 2022, increasing to 5.9% for 2031, and decreasing to an ultimate rate of 4.1% for 2094 and beyond.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total OPEB Liability

Implicit Rate Subsidy Plan	
	<u>Total OPEB Liability</u>
Balance, Beginning	\$ 426,612
Changes for the Year:	
Service Cost	30,740
Interest on Total OPEB Liability	15,832
Effect of Changes to Benefit Terms	-
Effect of Economic/Demographic Gains or Losses	(5,723)
Effect of Assumptions Changes or Inputs	10,076
Benefit Payments	(10,081)
Balance, Ending	<u>\$ 467,456</u>

The Total OPEB Liability is the Present Value of Benefits less the actuarial present value of future Service Costs and represents the liabilities allocated to service up to the valuation date. For retirees, the Total OPEB Liability is equal to the Present Value of Benefits.

Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1- percentage-point higher (3.21%) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Implicit Rate Subsidy Plan			
	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
<u>Discount Rate</u>			
Total OPEB Liability	\$ 508,310	\$ 467,456	\$ 429,298
	1% Decrease (blended rate)	Current Discount Rate (blended rate)	1% Increase (blended rate)
<u>Healthcare Cost Trend</u>			
Total OPEB Liability	\$ 412,321	\$ 467,456	\$ 532,442

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

PERS Retirement Health Insurance Account (RHIA)

Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. 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 hired after August 29, 2003. OPERS issues publicly available financial statements and required supplementary information. That report may be obtained online at 2020-CAFR.pdf (oregon.gov).

Benefits Provided

Due to the creation of RHIA 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 requires that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: 1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, 2) receive both Medicare Part A and B coverage, and 3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she 1) is receiving a retirement benefit or allowance from PERS or 2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for 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. Employer contribution rates for the period were based on the July 1, 2018 actuarial valuation. The City's 2021 contribution rate is based on a percentage of payroll (0.06%). The City's total contributions for the year ended June 30, 2021 were \$2,237.

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

At June 30, 2020, the City reported an asset of \$63,823 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2021. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2021, the City's proportionate share was 0.03132268%, a change from its proportional share of 0.03486180% as of June 30, 2020. For the year ended June 30, 2021, the City recognized an OPEB expense of \$8,544. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan as follows:

PERS RHIA Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 6,525
Changes of Assumptions	-	3,393
Net Difference Between Projected and Actual Earnings	7,098	-
Changes in Proportionate Share	4,069	18
Employer Contributions Subsequent to the Measurement Date	688	-
Totals	<u>\$ 11,855</u>	<u>\$ 9,936</u>

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Deferred outflows of resources related to OPEB resulting from the City’s contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

PERS RHIA Plan	
Year Ended	
June 30	Amount
2022	\$ (4,064)
2023	433
2024	2,624
2025	2,239
2026	-
Thereafter	-
Total	<u>\$ 1,232</u>

Actuarial Methods and Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial methods and assumptions:

Mortality	<p><i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Disabled retirees:</i> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>
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All other actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan. See Pension Plan/Actuarial Assumptions for additional information on actuarial assumptions and methods; the long-term expected rate of return; and the discount rate.

BAKER CITY
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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

The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.2%, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1- percentage-point lower (6.2%) or 1-percentage-point higher (8.2%) than the current rate:

	PERS RHIA Plan		
	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
	<u> </u>	<u> </u>	<u> </u>
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (51,526)	\$ (63,823)	\$ (74,337)

OPEB Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report available online at 2020-CAFR.pdf (oregon.gov).

REQUIRED SUPPLEMENTARY INFORMATION

BAKER CITY
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2021

GENERAL FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Property Taxes	\$ 3,056,561	\$ 3,056,561	\$ 3,021,192	\$ -	\$ 3,021,192
Franchise Taxes	937,117	937,117	967,889	-	967,889
Licenses and Permits	9,325	9,325	5,199	-	5,199
Intergovernmental	616,211	616,211	596,811	-	596,811
Charges for Services	1,020,150	1,020,150	974,451	-	974,451
Fines and Forfeitures	37,500	37,500	30,972	-	30,972
Rental Income	33,500	33,500	36,249	-	36,249
Interest and Dividends	20,000	20,000	32,624	-	32,624
Grants	-	-	358,892	-	358,892
Miscellaneous	58,100	58,100	49,653	-	49,653
Overhead Charges to Other Funds	400,000	400,000	432,454	(432,454)	-
Total Revenues	6,188,464	6,188,464	6,506,386	(432,454)	6,073,932
Expenditures:					
General Government:					
Administration	2,196,076	2,196,076	1,205,931	(832,454)	373,477
Planning	73,000	73,000	96,322	-	96,322
Total General Government	2,269,076	2,269,076	1,302,253	(832,454)	469,799
Public Safety:					
Police	2,384,744	2,384,744	2,359,236	400,000	2,759,236
Fire	2,180,116	2,180,116	2,167,288	-	2,167,288
Total Public Safety	4,564,860	4,564,860	4,526,524	400,000	4,926,524
Other Departments:					
Parks	121,232	121,232	114,906	-	114,906
Airport	85,833	85,833	89,364	-	89,364
Cemetery	190,732	190,732	169,491	-	169,491
Hydro Electric Plant	9,774	9,774	6,761	-	6,761
Community Development	46,799	46,799	239,833	-	239,833
Total Other Departments	454,370	454,370	620,355	-	620,355
Total Expenditures	7,288,306	7,288,306	6,449,132	(432,454)	6,016,678
Excess (Deficit) of Revenues Over Expenditures	(1,099,842)	(1,099,842)	57,254	-	57,254
Other Financing Sources (Uses):					
Debt Service Payments	-	-	-	-	-
Transfers In	16,000	16,000	4,329	-	4,329
Transfers Out	(194,000)	(194,000)	(194,000)	-	(194,000)
Operating Contingency	(100,000)	(100,000)	-	-	-
Total Other Financing Sources (Uses)	(278,000)	(278,000)	(189,671)	-	(189,671)
Net Change in Fund Balance	(1,377,842)	(1,377,842)	(132,417)	-	(132,417)
Fund Balance, July 1	1,377,842	1,377,842	1,618,730	-	1,618,730
Fund Balance, June 30	\$ -	\$ -	\$ 1,486,313	\$ -	\$ 1,486,313

BAKER CITY
 Budgetary Comparison Schedule – State Tax Street Fund
 Year Ended June 30, 2021

STATE TAX STREET FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Property Taxes	\$ 684,672	\$ 684,672	\$ 704,081	\$ -	\$ 704,081
Intergovernmental	848,861	848,861	855,487	-	855,487
Charges for Services	15,000	15,000	10,282	-	10,282
Interest	20,000	20,000	13,668	-	13,668
Miscellaneous	23,100	23,100	22,900	-	22,900
Total Revenues	1,591,633	1,591,633	1,606,418	-	1,606,418
Expenditures:					
Maintenance	2,016,264	2,016,264	708,827	-	708,827
Storm Water Maintenance	248,702	248,702	171,361	-	171,361
Preventative Maintenance	498,935	498,935	329,236	-	329,236
Street Lighting	107,090	107,090	94,415	-	94,415
Snow and Ice Control	115,828	115,828	38,888	-	38,888
Street Construction	7,074	7,074	8,293	-	8,293
Total Expenditures	2,993,893	2,993,893	1,351,020	-	1,351,020
Excess (Deficit) of Revenues Over Expenditures	(1,402,260)	(1,402,260)	255,398	-	255,398
Other Financing Sources (Uses):					
Transfers In (Out)	-	-	-	-	-
Operating Contingency	(195,000)	(195,000)	-	-	-
Total Other Financing Uses	(195,000)	(195,000)	-	-	-
Net Change in Fund Balance	(1,597,260)	(1,597,260)	255,398	-	255,398
Fund Balance, July 1	1,597,260	1,597,260	1,685,020	-	1,685,020
Fund Balance, June 30	\$ -	\$ -	\$ 1,940,418	\$ -	\$ 1,940,418

BAKER CITY

Budgetary Comparison Schedule – Local Improvement District Repayment Fund Year Ended June 30, 2021

LOCAL IMPROVEMENT DISTRICT REPAYMENT FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ 100	\$ 100	\$ 178	\$ -	\$ 178
Special Assessments/LID Repayments	15,578	15,578	30,484	-	30,484
 Total Revenues	15,678	15,678	30,662	-	30,662
 Expenditures:					
Administration	900	900	16	-	16
Debt Service	-	-	-	470	470
 Total Expenditures	900	900	16	470	486
 Excess (Deficit) of Revenues Over Expenditures	14,778	14,778	30,646	(470)	30,176
 Other Financing Sources (Uses):					
Interfund Loan Transfers Out	(28,800)	(28,800)	(19,200)	19,200	-
 Total Other Financing Sources (Uses)	(28,800)	(28,800)	(19,200)	19,200	-
 Net Change in Fund Balance	(14,022)	(14,022)	11,446	18,730	30,176
 Fund Balance (Deficit), July 1	14,022	14,022	15,973	(42,672)	(26,699)
 Fund Balance (Deficit), June 30	\$ -	\$ -	\$ 27,419	\$ (23,942)	\$ 3,477

BAKER CITY
 Budgetary Comparison Schedule – State and Federal Grants Fund
 Year Ended June 30, 2021

STATE & FEDERAL GRANTS FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Intergovernmental	\$ 1,799,408	\$ 1,799,408	\$ 70,732	\$ -	\$ 70,732
Charges for Services	1,100	1,100	740	-	740
Interest	1,650	1,650	1,011	-	1,011
Miscellaneous	311,324	311,324	192,125	-	192,125
Total Revenues	<u>2,113,482</u>	<u>2,113,482</u>	<u>264,608</u>	<u>-</u>	<u>264,608</u>
Expenditures:					
Administration	1,994	1,994	1,206	-	1,206
Public Safety	164,703	164,703	132,806	-	132,806
Parks and Recreation	337,282	337,282	248,488	-	248,488
Economic/Community Development	1,817,200	1,817,200	25,649	-	25,649
Total Expenditures	<u>2,321,179</u>	<u>2,321,179</u>	<u>408,149</u>	<u>-</u>	<u>408,149</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(207,697)</u>	<u>(207,697)</u>	<u>(143,541)</u>	<u>-</u>	<u>(143,541)</u>
Other Financing Sources (Uses):					
Transfers In	44,000	44,000	44,000	-	44,000
Operating Contingency	-	-	-	-	-
Total Other Financing Sources	<u>44,000</u>	<u>44,000</u>	<u>44,000</u>	<u>-</u>	<u>44,000</u>
Net Change in Fund Balance	(163,697)	(163,697)	(99,541)	-	(99,541)
Fund Balance, July 1	<u>163,697</u>	<u>163,697</u>	<u>168,618</u>	<u>-</u>	<u>168,618</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,077</u>	<u>\$ -</u>	<u>\$ 69,077</u>

BAKER CITY
Supplemental Pension and OPEB Information
Year Ended June 30, 2021

Schedule of Proportionate Share of the Net Pension Liability

Year End	City's Percentage of the Net Pension Liability	City's Proportion of the Net Pension Liability	City's Covered Payroll	City's Proportion of the Net Pension Liability as a Percentage of Covered Payroll	Plan Net Position as a Percentage of Total Pension Liability
2021	0.04024266%	\$ 8,782,333	\$ 3,955,035	222.05%	75.80%
2020	0.04514329%	7,808,708	3,796,321	205.69%	75.80%
2019	0.00416421%	6,308,225	3,763,135	167.63%	80.20%
2018	0.04692670%	6,325,737	3,611,905	175.14%	82.10%
2017	0.04763956%	7,151,804	3,557,881	201.01%	83.10%
2016	0.05454563%	3,131,716	3,370,480	92.92%	80.50%
2015	0.05671163%	(1,285,491)	3,466,206	-37.09%	91.90%
2014	0.05671163%	2,894,078	3,431,864	84.33%	103.60%

The amounts presented for each year were actuarially determined at December 31, and rolled forward to the measurement date.

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

Schedule of Contributions

Year End	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 966,325	\$ 966,325	-	\$ 3,955,035	24.43%
2020	861,866	861,866	-	3,796,321	22.70%
2019	703,176	703,176	-	3,763,135	18.69%
2018	705,752	705,752	-	3,763,135	18.75%
2017	547,839	547,839	-	3,611,905	15.17%
2016	556,962	556,962	-	3,557,881	15.65%
2015	468,775	468,775	-	3,370,480	13.91%
2014	486,539	486,539	-	3,466,206	14.04%

The amounts presented for each year were actuarially determined at December 31, and rolled forward to the measurement date.

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

Note:

Details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 24, 2019.

This report can be found at: www.oregon.gov/pers/documents/exp_study_2018.pdf

BAKER CITY
Supplemental Pension and OPEB Information
Year Ended June 30, 2021

Schedule of Proportionate Share of the Net OPEB Liability (RHIA)

Year End	City's Percentage of the Net OPEB Liability	City's Proportion of the Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportion of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Net Position as a Percentage of Total OPEB Liability
2021	0.03132268%	\$ (63,823)	\$ 3,955,035	-1.6137%	150.10%
2020	0.03486180%	(67,366)	3,796,321	-1.7745%	150.10%
2019	0.03646583%	(40,706)	3,763,135	-1.0817%	144.00%
2018	0.03560733%	(14,860)	3,611,905	-0.4114%	124.00%
2017	0.03756209%	10,200	3,557,881	0.2867%	108.90%

The amounts presented for each year were actuarially determined at December 31, and rolled forward to the measurement date.

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

Schedule of Changes in Total OPEB Liability (Implicit Rate Subsidy Plan)

	2021	2020	2019	2018
Service Cost	\$ 30,740	\$ 27,285	\$ 27,730	\$ 29,752
Interest on Total OPEB Liability	15,832	15,795	14,695	12,445
Effect of Changes to Benefit Terms	-	-	-	-
Effect of Economic/Demographic Gains or (Losses)	(5,723)	-	15,475	-
Effect of Assumption Changes or Inputs	10,076	14,301	(26,213)	(25,820)
Benefit Payments	(10,081)	(23,050)	(43,919)	(37,321)
Net Change in OPEB Liability	40,844	34,331	(12,232)	(20,944)
Total OPEB Liability - Beginning	426,612	392,281	404,513	425,457
Total OPEB Liability - Ending	\$ 467,456	\$ 426,612	\$ 392,281	\$ 404,513
City's Covered Payroll	\$ 3,955,035	\$ 3,796,321	\$ 3,763,135	\$ 3,611,905
Total OPEB Liability as a Percentage of Covered Payroll	11.82%	11.24%	10.42%	11.20%

The amounts presented for the measurement period reported during the fiscal years June 30, 2020 and June 30, 2019 were actuarially determined at July 1, 2018 valuations and were rolled forward to the measurement date using standard actuarial techniques. The amounts presented for the measurement period reported during the fiscal years June 30, 2018 were actuarially determined at July 1, 2016 valuations and were rolled forward to the measurement date using standard actuarial techniques.

This schedule is presented to illustrate the requirements for a period of 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported. Therefore, historical information will be presented in the future as it becomes available.

OTHER SUPPLEMENTARY INFORMATION

BAKER CITY
Other Supplementary Information
Non-Major Governmental Funds
Year Ended June 30, 2021

Non-Major Governmental Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- Sam-O Swim Maintenance Levy Fund: This fund accounts for property tax collections used for the maintenance of the City swimming pool.
- John Schmitz Memorial Trust Fund: This fund accounts for monies left to the City by the late John Schmitz. His will designated these monies to be used for the cemetery. The earnings are transferred to the General Fund which uses them to pay for cemetery operations.
- Tree City Fund: This fund accounts for sidewalk variance fees and OTEC tree vouchers designated for street tree planting.
- Sidewalk Utility Fund: This fund accounts for sidewalk utility fees. The fees are transferred to this fund to be used for grants to repair and replace existing public sidewalks and for City sidewalk projects.
- Elkhorn View Industrial Park Economic and Community Development Fund: This fund was created by City Council Resolution No. 3829 effective January 8, 2019. It is used to account for proceeds from the sale of property in the Elkhorn View Industrial Park which are designated by City Council Resolution No. 3823 to be used for economic and community development projects in the City of Baker City.

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds.

- Fire Equipment Reserve Fund: This fund is used to account for the acquisition of major pieces of firefighting or EMS equipment.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

- Mt Hope Trust Fund: The principal is restricted by City ordinance but the interest earned on the corpus is transferred to the General Fund and used for cemetery maintenance.
- One Hundred Year Trust: This fund is an investment account that started with donations in 1989 and will be used to accumulate interest to fund a community celebration and build a public amenity in 2089 as well as provide seed money for another 100-year trust.
- Anthony Silvers Street Tree Trust: This fund was created by a bequest from Anthony Silvers. The principal can never be expended but the interest earned on the corpus is to be used solely for the purpose of the planting and/or replanting of street trees within the City of Baker City.

BAKER CITY
Non-Major Special Revenue Funds
Combining Balance Sheet
Year Ended June 30, 2021

	Special Revenue				Elkhorn View Ind Park Econ & Comm. Dev. Fund	Capital Projects	Permanent Funds			Total Nonmajor Governmental Funds
	Samo Swim Maintenance Fund	John Schmitz Trust Fund	Tree City Fund	Sidewalk Utility Fund		Fire Equipment Reserve Fund	Mount Hope Trust Fund	One Hundred Year Trust Fund	Anthony Silvers Street Tree Trust Fund	
Assets										
Cash and Cash Equivalents	\$ 48,972	\$ 274,600	\$ 5,231	\$ 2,401	\$ 245,672	\$ 52,346	\$ 471,349	\$ 3,206	\$ 818,058	\$ 1,921,835
Taxes Receivable	5,273	-	-	-	-	-	-	-	-	5,273
Due from Other Funds	-	-	-	-	-	-	35,936	-	9,438	45,374
Advances to Other Funds	-	-	-	-	-	-	-	-	14,503	14,503
Other Investments	-	-	-	-	-	-	888	-	-	888
Total Assets	\$ 54,245	\$ 274,600	\$ 5,231	\$ 2,401	\$ 245,672	\$ 52,346	\$ 508,173	\$ 3,206	\$ 841,999	\$ 1,987,873
Liabilities										
Accounts Payable	\$ 3,420	\$ -	\$ -	\$ 89	\$ -	\$ 10,117	\$ -	\$ -	\$ -	\$ 13,626
Due to Other Funds	16,150	-	-	-	-	-	-	-	-	16,150
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Wages, Payroll Taxes and Benefits Payable	197	-	-	166	-	-	-	-	-	363
Total Liabilities	19,767	-	-	255	-	10,117	-	-	-	30,139
Deferred Inflows of Resources	5,273	-	-	-	-	-	-	-	-	5,273
Fund Balances										
Nonspendable (Not in Spendable Form)	-	-	-	-	-	-	-	-	-	-
Nonspendable (Legally or Contractually)	-	-	-	-	-	-	-	-	782,954	782,954
Restricted for 2089 Celebration	-	-	-	-	-	-	-	3,206	-	3,206
Restricted for Cemetery Care	-	274,600	-	-	-	-	-	-	-	274,600
Restricted for Street Trees	-	-	-	-	-	-	-	-	59,045	59,045
Restricted for Econ. & Community Dev.	-	-	-	-	245,672	-	-	-	-	245,672
Committed for Cemetery Care	-	-	-	-	-	-	508,173	-	-	508,173
Committed for Sidewalks	-	-	-	2,146	-	-	-	-	-	2,146
Assigned for Street Trees	-	-	5,231	-	-	-	-	-	-	5,231
Assigned for Fire Equipment	-	-	-	-	-	42,229	-	-	-	42,229
Assigned for Samo Swim Maintenance	29,205	-	-	-	-	-	-	-	-	29,205
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	29,205	274,600	5,231	2,146	245,672	42,229	508,173	3,206	841,999	1,952,461
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 54,245	\$ 274,600	\$ 5,231	\$ 2,401	\$ 245,672	\$ 52,346	\$ 508,173	\$ 3,206	\$ 841,999	\$ 1,987,873

BAKER CITY
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2021

	Special Revenue				Elkhorn View Ind Park Econ & Comm. Dev. Fund	Capital Projects	Permanent Funds			Total Nonmajor Governmental Funds
	Samo Swim Maintenance Fund	John Schmitz Trust Fund	Tree City Fund	Sidewalk Utility Fund		Fire Equipment Reserve Fund	Mount Hope Trust Fund	One Hundred Year Trust Fund	Anthony Silvers Street Tree Fund	
Revenues:										
Taxes	\$ 101,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,102
Interest	287	2,133	41	141	1,420	1,386	3,661	25	6,754	15,848
Miscellaneous	3,580	-	-	-	234,141	62,391	-	-	-	300,112
										-
Total Revenues	104,969	2,133	41	141	235,561	63,777	3,661	25	6,754	417,062
Expenditures:										
Public Safety	-	-	-	-	-	236,433	-	-	-	236,433
Community Development	-	-	-	-	7,280	-	-	-	983	8,263
Sidewalks	-	-	-	42,802	-	-	-	-	-	42,802
Parks and Recreation	71,000	-	-	-	-	-	-	-	-	71,000
Total Expenditures	71,000	-	-	42,802	7,280	236,433	-	-	983	358,498
Excess (Deficit) of Revenues Over Expenditures	33,969	2,133	41	(42,661)	228,281	(172,656)	3,661	25	5,771	58,564
Other Financing Sources (Uses):										
Transfers In	-	-	-	-	-	100,000	-	-	-	100,000
Transfers Out	(8,268)	(1,594)	-	-	-	-	(2,735)	-	-	(12,597)
Total Other Financing Sources (Uses)	(8,268)	(1,594)	-	-	-	100,000	(2,735)	-	-	87,403
Net Change in Fund Balance	25,701	539	41	(42,661)	228,281	(72,656)	926	25	5,771	145,967
Fund Balances, July 1	3,504	274,061	5,190	44,807	17,391	114,885	507,247	3,181	836,228	1,806,494
Fund Balances, June 30	\$ 29,205	\$ 274,600	\$ 5,231	\$ 2,146	\$ 245,672	\$ 42,229	\$ 508,173	\$ 3,206	\$ 841,999	\$ 1,952,461

BAKER CITY
 Budgetary Comparison Schedule
 Sam-O-Swim Maintenance Fund/John Schmitz Trust Fund
 Year Ended June 30, 2021

SAMO SWIM MAINTENANCE FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Taxes	\$ 101,449	\$ 101,449	\$ 101,102	\$ -	\$ 101,102
Interest	75	75	287	-	287
Miscellaneous	-	-	3,580	-	3,580
Total Revenues	101,524	101,524	104,969	-	104,969
Expenditures:					
Samo Swim Center	103,586	103,586	71,000	-	71,000
Debt Service	-	-	-	-	-
Total Expenditures	103,586	103,586	71,000	-	71,000
Excess (Deficit) of Revenues Over Expenditures	(2,062)	(2,062)	33,969	-	33,969
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Interfund Loan Transfer Out	(8,268)	(8,268)	(8,268)	-	(8,268)
Operating Contingency	(3,170)	(3,170)	-	-	-
Total Other Financing Sources (Uses)	(11,438)	(11,438)	(8,268)	-	(8,268)
Net Change in Fund Balance	(13,500)	(13,500)	25,701	-	25,701
Fund Balance, July 1	13,500	13,500	19,654	(16,150)	3,504
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,355</u>	<u>\$ (16,150)</u>	<u>\$ 29,205</u>

JOHN SCHMITZ TRUST FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ 6,000	\$ 6,000	\$ 2,133	\$ -	\$ 2,133
Total Revenues	6,000	6,000	2,133	-	2,133
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Transfers Out	(6,000)	(6,000)	(1,594)	-	(1,594)
Total Other Financing Sources (Uses)	(6,000)	(6,000)	(1,594)	-	(1,594)
Net Change in Fund Balance	-	-	539	-	539
Fund Balance, July 1	-	-	274,061	-	274,061
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,600</u>	<u>\$ -</u>	<u>\$ 274,600</u>

BAKER CITY
 Budgetary Comparison Schedule
 Tree City Fund/Sidewalk Utility Fund
 Year Ended June 30, 2021

TREE CITY FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ 50	\$ 50	\$ 41	\$ -	\$ 41
Miscellaneous	-	-	-	-	-
Total Revenues	50	50	41	-	41
Expenditures:					
Community Development	2,000	2,000	-	-	-
Total Expenditures	2,000	2,000	-	-	-
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Operating Contingency	(1,000)	(1,000)	-	-	-
Total Other Financing Sources (Uses)	(1,000)	(1,000)	-	-	-
Net Change in Fund Balance	(2,950)	(2,950)	41	-	41
Fund Balance, July 1	2,950	2,950	5,190	-	5,190
Fund Balance, June 30	\$ -	\$ -	\$ 5,231	\$ -	\$ 5,231
SIDEWALK UTILITY FUND					
	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ 200	\$ 200	\$ 141	\$ -	\$ 141
Total Revenues	200	200	141	-	141
Expenditures:					
Sidewalk Grants	25,000	25,000	19,888	-	19,888
Sidewalk Projects	22,900	22,900	22,914	-	22,914
Total Expenditures	47,900	47,900	42,802	-	42,802
Other Financing Sources (Uses):					
Transfers Out	-	-	-	-	-
Operating Contingency	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance	(47,700)	(47,700)	(42,661)	-	(42,661)
Fund Balance, July 1	47,700	47,700	44,807	-	44,807
Fund Balance, June 30	\$ -	\$ -	\$ 2,146	\$ -	\$ 2,146

BAKER CITY
 Budgetary Comparison Schedule
 Elkhorn View Industrial Park Economic & Community Development Fund
 Year Ended June 30, 2021

ELKHORN VIEW INDUSTRIAL PARK ECONOMIC & COMMUNITY DEVELOPMENT FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
<i>Revenues:</i>					
Interest	\$ 2,000	\$ 2,000	\$ 1,420	\$ -	\$ 1,420
Industrial Park Land Sale	235,620	235,620	234,141	-	234,141
Total Revenues	237,620	237,620	235,561	-	235,561
<i>Expenditures:</i>					
Economic and Community Development	253,020	253,020	7,280	-	7,280
Total Expenditures	253,020	253,020	7,280	-	7,280
Excess (Deficit) of Revenues Over Expenditures	(15,400)	(15,400)	228,281	-	228,281
Net Change in Fund Balance	(15,400)	(15,400)	228,281	-	228,281
Fund Balance, July 1	15,400	15,400	17,391	-	17,391
Fund Balance, June 30	\$ -	\$ -	\$ 245,672	\$ -	\$ 245,672

BAKER CITY
 Budgetary Comparison Schedule
 Fire Equipment Reserve Fund
 Year Ended June 30, 2021

FIRE EQUIPMENT RESERVE FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ 1,500	\$ 1,500	\$ 1,386	\$ -	\$ 1,386
Miscellaneous	808,253	808,253	62,391	-	62,391
Total Revenues	809,753	809,753	63,777	-	63,777
Expenditures:					
Fire and EMS Equipment	1,048,453	1,048,453	236,433	-	236,433
Total Expenditures	1,048,453	1,048,453	236,433	-	236,433
Excess (Deficit) of Revenues Over Expenditures	(238,700)	(238,700)	(172,656)	-	(172,656)
Other Financing Sources (Uses):					
Transfers In	100,000	100,000	100,000	-	100,000
Operating Contingency	-	-	-	-	-
Total Other Financing Sources (Uses)	100,000	100,000	100,000	-	100,000
Net Change in Fund Balance	(138,700)	(138,700)	(72,656)	-	(72,656)
Fund Balance, July 1	138,700	138,700	114,885	-	114,885
Fund Balance, June 30	\$ -	\$ -	\$ 42,229	\$ -	\$ 42,229

BAKER CITY
 Budgetary Comparison Schedule
 Mt Hope Trust Fund/One Hundred Year Trust/A Silvers Street Tree Trust
 Year Ended June 30, 2021

MT HOPE TRUST FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ 9,532	\$ 9,532	\$ 3,661	\$ -	\$ 3,661
Total Revenues	9,532	9,532	3,661	-	3,661
Other Financing Sources (Uses):					
Transfers Out	(10,000)	(10,000)	(2,735)	-	(2,735)
Interfund Loan Transfers In	20,000	20,000	-	-	-
Interfund Loan Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	10,000	10,000	(2,735)	-	(2,735)
Net Change in Fund Balance	19,532	19,532	926	-	926
Fund Balance, July 1	(19,532)	(19,532)	471,312	35,935	507,247
Fund Balance, June 30	\$ -	\$ -	\$ 472,238	\$ 35,935	\$ 508,173

ONE HUNDRED YEAR TRUST	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ 30	\$ 30	\$ 25	\$ -	\$ 25
Total Revenues	30	30	25	-	25
Net Change in Fund Balance	30	30	25	-	25
Fund Balance, July 1	(30)	(30)	3,181	-	3,181
Fund Balance, June 30	\$ -	\$ -	\$ 3,206	\$ -	\$ 3,206

A. SILVERS STREET TREE TRUST	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ 10,350	\$ 10,350	\$ 6,284	\$ 470	\$ 6,754
Miscellaneous	-	-	-	-	-
Total Revenues	10,350	10,350	6,284	470	6,754
Expenditures:					
Community Development	829,915	829,915	983	-	983
Total Expenditures	829,915	829,915	983	-	983
Other Financing Sources (Uses):					
Interfund Loan Transfers In	23,800	23,800	19,200	(19,200)	-
Total Other Financing Sources	23,800	23,800	19,200	(19,200)	-
Net Change in Fund Balance	(795,765)	(795,765)	24,501	(18,730)	5,771
Fund Balance, July 1	795,765	795,765	793,556	42,672	836,228
Fund Balance, June 30	\$ -	\$ -	\$ 818,057	\$ 23,942	\$ 841,999

BAKER CITY
Other Supplementary Information
Major Business-Type Funds
Year Ended June 30, 2021

Major Business-Type Funds

Enterprise Funds are proprietary funds that are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

- Water Utility Fund: This fund accounts for the operation and maintenance of the City's water service and distribution facilities.
- Wastewater Utility Fund: This fund accounts for the operation and maintenance of the City's sewer system including the collection lines and sewage treatment lagoons.
- Reclaimed Water Use Fund: Effective July 1, 2018, this fund was abolished by City Council Resolution No. 3818. As stated by the resolution, the fund balance was transferred in part to a newly created Wastewater Debt Service Reserve Fund in the amount estimated to be reserved as required by DEQ loan covenants and next to the Wastewater Utility Fund to be used to pay for the wastewater effluent disposal project. Although this fund was budgeted separately for Oregon budget law purposes it was a division of the wastewater enterprise activity and was combined with the Wastewater Utility Fund in the GAAP presentation of the financial statements.
- Wastewater Debt Service Reserve Fund: Effective July 1, 2018, this fund was created by City Council Resolution No. 3818. This fund was created due to the requirements of the Oregon Department of Environmental Quality's Clean Water State Revolving Fund that requires an amount equivalent to one annual payment be established in a debt service fund. Although this fund was budgeted separately for Oregon budget law purposes it is a division of the wastewater enterprise activity and is combined with the Wastewater Utility Fund in the GAAP presentation of the financial statements.
- Golf Course Operation Fund: This fund is used to account for the operation and maintenance of the City's 18-hole golf course.
- Golf Course Capital Projects Fund: This fund accounts for the acquisition of golf course equipment and other golf course capital projects. It is funded by lease payments paid by the golf course concessionaire. While separately budgeted for Oregon budget law purposes it is a division of the golf course enterprise activity and is combined with the Golf Course Operation Fund in the GAAP presentation of the financial statements.
- Building Inspections Fund: This fund is used to account for the operation of the City's Building Inspections Department. The City performs building inspection services both within the City and throughout Baker County.

BAKER CITY
 Budgetary Comparison Schedule
 Water Utility Fund
 Year Ended June 30, 2021

WATER UTILITY FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Charges for Services	\$ 3,101,781	\$ 3,101,781	\$ 3,004,675	\$ -	\$ 3,004,675
Interest	75,000	75,000	32,903	-	32,903
Miscellaneous	38,000	38,000	186,324	(6,000)	180,324
Rents	-	-	-	6,000	6,000
Gain (Loss) on Sale of Assts	-	-	29,000	-	29,000
Interfund Sales	13,000	13,000	13,000	-	13,000
Total Revenues	3,227,781	3,227,781	3,265,902	-	3,265,902
Expenditures:					
Cost of Sales	4,876,586	4,876,586	1,579,046	58,541	1,637,587
Capital Outlay	2,334,319	2,334,319	1,669,778	(1,669,778)	-
Depreciation	-	-	-	598,946	598,946
Interest Expense	-	-	-	48,715	48,715
Total Expenditures	7,210,905	7,210,905	3,248,824	(963,576)	2,285,248
Excess (Deficit) of Revenues Over Expenditures	(3,983,124)	(3,983,124)	17,078	963,576	980,654
Other Financing Sources (Uses):					
Loan Proceeds	-	-	-	-	-
Operating Contingency	(350,000)	(350,000)	-	-	-
Total Other Financing Sources (Uses)	(350,000)	(350,000)	-	-	-
Net Change in Fund Balance	(4,333,124)	(4,333,124)	17,078	963,576	980,654
Fund Balance, July 1	4,333,124	4,333,124	4,249,286	18,435,636	22,684,922
Fund Balance, June 30	\$ -	\$ -	\$ 4,266,364	\$ 19,399,212	\$ 23,665,576

BAKER CITY
 Budgetary Comparison Schedule
 Wastewater Utility Fund/Wastewater Debt Service Reserve Fund
 Year Ended June 30, 2021

WASTEWATER UTILITY FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Charges for Services	\$ 1,714,552	\$ 1,714,552	\$ 1,822,584	\$ -	\$ 1,822,584
Rental Income	3,782	3,782	3,782	-	3,782
Interest	20,000	20,000	19,129	2,283	21,412
Special Assessments/LID Repayments	1,000	1,000	2,283	(2,283)	-
Miscellaneous	45,000	45,000	227,387	-	227,387
Total Revenues	1,784,334	1,784,334	2,075,165	-	2,075,165
Expenditures:					
Cost of Sales	1,187,290	1,187,290	1,084,757	23,584	1,108,341
Interfund Expenses	-	-	-	13,000	13,000
Capital Outlay	10,207,093	10,207,093	2,404,088	(2,404,088)	-
Depreciation	-	-	-	246,342	246,342
Total Expenditures	11,394,383	11,394,383	3,488,845	(2,121,162)	1,367,683
Excess (Deficit) of Revenues Over Expenditures	(9,610,049)	(9,610,049)	(1,413,680)	2,121,162	707,482
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Loan Proceeds	9,700,000	9,700,000	1,656,520	(1,656,520)	-
Operating Contingency	140,000	140,000	-	-	-
Total Other Financing Sources (Uses)	9,840,000	9,840,000	1,656,520	(1,656,520)	-
Net Change in Fund Balance	229,951	229,951	242,840	464,642	707,482
Fund Balance, July 1	2,435,634	2,435,634	2,111,853	5,454,648	7,566,501
Fund Balance, June 30	\$ 2,665,585	\$ 2,665,585	\$ 2,354,693	\$ 5,919,290	\$ 8,273,983
WASTEWATER DEBT SERVICE RESERVE FUND					
WASTEWATER DEBT SERVICE RESERVE FUND	Budget		Actual		
Other Financing Sources (Uses):	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, July 1	-	-	275,000	(275,000)	-
Fund Balance, June 30	\$ -	\$ -	\$ 275,000	\$ (275,000)	\$ -

BAKER CITY
 Budgetary Comparison Schedule
 Golf Course Operation Fund/Golf Course Capital Projects Fund
 Year Ended June 30, 2021

GOLF COURSE OPERATION FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ -	\$ -	\$ -	\$ 356	\$ 356
Sale of Equipment	-	-	-	(7,710)	(7,710)
Rental Income	-	-	-	31,169	31,169
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,815</u>	<u>23,815</u>
Expenditures:					
Maintenance	28,335	28,335	16,343	2,278	18,621
Capital Outlay	-	-	9,666	(9,666)	-
Debt Service	-	-	-	-	-
Depreciation	-	-	-	47,610	47,610
Total Expenditures	<u>28,335</u>	<u>28,335</u>	<u>26,009</u>	<u>40,222</u>	<u>66,231</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(28,335)</u>	<u>(28,335)</u>	<u>(26,009)</u>	<u>(16,407)</u>	<u>(42,416)</u>
Other Financing Sources (Uses):					
Transfers In	50,000	50,000	50,000	-	50,000
Transfers Out	<u>(28,265)</u>	<u>(28,265)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>21,735</u>	<u>21,735</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	(6,600)	(6,600)	23,991	(16,407)	7,584
Fund Balance, July 1	<u>6,600</u>	<u>6,600</u>	<u>11,354</u>	<u>1,149,516</u>	<u>1,160,870</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,345</u>	<u>\$ 1,133,109</u>	<u>\$ 1,168,454</u>
GOLF COURSE CAPITAL PROJECTS FUND					
	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Interest	\$ 250	\$ 250	\$ 356	\$ (356)	\$ -
Rental Income	54,000	54,000	23,459	(23,459)	-
Total Revenues	<u>54,250</u>	<u>54,250</u>	<u>23,815</u>	<u>(23,815)</u>	<u>-</u>
Expenditures:					
Golf Course Equipment	20,700	20,700	-	-	-
Maintenance	309	309	-	-	-
Total Expenditures	<u>21,009</u>	<u>21,009</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	<u>33,241</u>	<u>33,241</u>	<u>23,815</u>	<u>(23,815)</u>	<u>-</u>
Other Financing Sources (Uses):					
Interfund Loan Transfers Out	(44,741)	(44,741)	(7,852)	7,852	-
Contingency	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(44,741)</u>	<u>(44,741)</u>	<u>(7,852)</u>	<u>7,852</u>	<u>-</u>
Net Change in Fund Balance	(11,500)	(11,500)	15,963	(15,963)	-
Fund Balance, July 1	<u>11,500</u>	<u>11,500</u>	<u>11,737</u>	<u>(11,737)</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,700</u>	<u>\$ (27,700)</u>	<u>\$ -</u>

*The Golf Course Capital Projects Fund is a division of the golf course enterprise activity and is combined with the Golf Course Operation Fund in the GAAP presentation of the financial statements.

BAKER CITY
 Budgetary Comparison Schedule
 Building Inspection Fund
 Year Ended June 30, 2021

BUILDING INSPECTIONS FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Charges for Services	\$ 349,876	\$ 349,876	\$ 480,000	\$ -	\$ 480,000
Interest	5,000	5,000	4,314	-	4,314
Miscellaneous	500	500	419	-	419
Total Revenues	355,376	355,376	484,733	-	484,733
Expenditures:					
Personnel Services	253,471	253,471	241,044	162,110	403,154
Materials and Services	180,069	180,069	201,801	-	201,801
Capital Outlay	-	-	-	-	-
Depreciation	-	-	2,793	2,793	5,586
Total Expenditures	433,540	433,540	445,638	164,903	610,541
Excess (Deficit) of Revenues Over Expenditures	(78,164)	(78,164)	39,095	(164,903)	(125,808)
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Operating Contingency	(150,000)	(150,000)	-	-	-
Total Other Financing Sources (Uses)	(150,000)	(150,000)	-	-	-
Net Change in Fund Balance	(228,164)	(228,164)	39,095	(164,903)	(125,808)
Fund Balance, July 1	228,164	228,164	464,265	(68,760)	395,505
Fund Balance, June 30	\$ -	\$ -	\$ 503,360	\$ (233,663)	\$ 269,697

BAKER CITY
Other Supplementary Information
Internal Service Funds
Year Ended June 30, 2021

Internal Service Funds

Internal Service Funds are Proprietary Funds that are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City and to other government units on a cost reimbursement basis.

- Central Stores Fund: This fund is used to account for the materials and supplies inventory kept on hand by the City to facilitate repairs and construction of City facilities and infrastructure.
- Equipment and Vehicle Fund: This fund accounts for the acquisition, maintenance and operation of City owned vehicles and equipment. This fund provides for this equipment to be used by other funds on a cost reimbursement basis.

BAKER CITY
Internal Service Funds
Combining Statement of Net Position
Year Ended June 30, 2021

<i>Assets</i>	Central Stores	Equipment and Vehicle	Total Internal Service Funds
Current Assets:			
Cash and Cash Equivalents	\$ (21,972)	\$ 451,941	\$ 429,969
Prepaid Items	-	2,824	2,824
Inventories	311,267	-	311,267
Total Current Assets	<u>289,295</u>	<u>454,765</u>	<u>744,060</u>
Capital Assets:			
Buildings	-	58,399	58,399
Equipment and Vehicles	-	3,221,900	3,221,900
Accumulated Depreciation	-	(2,299,474)	(2,299,474)
Net Capital Assets	<u>-</u>	<u>980,825</u>	<u>980,825</u>
Other Assets:			
Advances to Other Funds	-	110,864	110,864
Net Pension Asset	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Assets	<u>-</u>	<u>110,864</u>	<u>110,864</u>
Total Assets	<u>289,295</u>	<u>1,546,454</u>	<u>1,835,749</u>
Deferred Outflows of Resources:	<u>-</u>	<u>80,845</u>	<u>80,845</u>
Liabilities			
Current Liabilities:			
Accounts Payable	3,356	8,838	12,194
Wages, Payroll Taxes and Benefits Payable	-	528	528
Compensated Absences Payable	-	17,262	17,262
Total Current Liabilities	<u>3,356</u>	<u>26,628</u>	<u>29,984</u>
Non-Current Liabilities:			
Other Post-Employment Benefits Liability	-	10,527	10,527
Net Pension Liability	<u>-</u>	<u>229,056</u>	<u>229,056</u>
Total Non-Current Liabilities	<u>-</u>	<u>239,583</u>	<u>239,583</u>
Total Liabilities	<u>3,356</u>	<u>266,211</u>	<u>269,567</u>
Deferred Inflows of Resources:	<u>-</u>	<u>26,633</u>	<u>26,633</u>
Net Position:			
Invested in Capital Assets	-	980,825	980,825
Unrestricted	<u>285,938</u>	<u>353,630</u>	<u>639,568</u>
Total Net Position	<u>\$ 285,938</u>	<u>\$ 1,334,455</u>	<u>\$ 1,620,393</u>

BAKER CITY
Internal Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Year Ended June 30, 2021

	Central Stores	Equipment and Vehicle	Total Internal Service Funds
<i>Operating Revenue</i>			
Charges for Sales and Services	\$ 195,044	\$ 638,780	\$ 833,824
Miscellaneous Income	-	67,311	67,311
Total Operating Revenue	<u>195,044</u>	<u>706,091</u>	<u>901,135</u>
<i>Operating Expenses</i>			
Cost of Sales and Services	201,310	453,732	655,042
Depreciation	-	128,883	128,883
Total Operating Expenses	<u>201,310</u>	<u>582,615</u>	<u>783,925</u>
Operating Income (Loss)	<u>(6,266)</u>	<u>123,476</u>	<u>117,210</u>
<i>Nonoperating Revenue (Expense)</i>			
Interest Income	-	2,569	2,569
Contributions	-	-	-
Gain on Equipment Sale	-	-	-
Total Nonoperating Revenue (Expense)	<u>-</u>	<u>2,569</u>	<u>2,569</u>
<i>Operating Transfers</i>			
Interfund Transfer In	-	16,120	16,120
Interfund Transfer Out	-	-	-
Total Operating Transfers	<u>-</u>	<u>16,120</u>	<u>16,120</u>
Change in Net Position	(6,266)	142,165	135,899
Net Position July 1	<u>292,204</u>	<u>1,192,290</u>	<u>1,484,494</u>
Net Position June 30	<u>\$ 285,938</u>	<u>\$ 1,334,455</u>	<u>\$ 1,620,393</u>

BAKER CITY
Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2021

	Central Stores	Equipment and Vehicle	Total Internal Service Funds
<i>Cash Flows from Operating Activities</i>			
Receipts from Customers and Users	\$ 195,044	\$ 638,780	\$ 833,824
Other Receipts	-	67,311	67,311
Payments to Suppliers	(219,932)	(215,831)	(435,763)
Payments to Employees	-	(192,390)	(192,390)
Net Cash Provided (Used) by Operating Activities	<u>(24,888)</u>	<u>297,870</u>	<u>272,982</u>
<i>Cash Flows from Non Capital Financing Activities</i>			
Advances from (to) Other Funds	-	16,120	16,120
Repayments from (to) Other Funds	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>16,120</u>	<u>16,120</u>
<i>Cash Flows from Capital and Related Financing Activities</i>			
Receipts on Sale of Capital Assets	-	-	-
Purchases of Capital Assets	-	(257,094)	(257,094)
Net Cash Provided (Used) by Capital Financing Activities	<u>-</u>	<u>(257,094)</u>	<u>(257,094)</u>
<i>Cash Flows from Investing Activities</i>			
Interest on Investments	-	2,569	2,569
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>2,569</u>	<u>2,569</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,888)	59,465	34,577
Cash and Cash Equivalents, July 1	<u>2,916</u>	<u>392,476</u>	<u>395,392</u>
Cash and Cash Equivalents, June 30	<u>\$ (21,972)</u>	<u>\$ 451,941</u>	<u>\$ 429,969</u>
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</i>			
Operating Income (Loss)	\$ (6,266)	\$ 123,476	\$ 117,210
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	-	128,883	128,883
(Increase) Decrease in:			
Inventories	12,298	-	12,298
Prepaid Items	-	(1,406)	(1,406)
Increase (Decrease) in:			
Accounts Payable	(30,920)	946	(29,974)
Payroll and Related Liabilities	-	(9,015)	(9,015)
Compensated Absences Payable	-	5,844	5,844
Net Change in Other Post-Employment Benefits Liabilities	-	(13,198)	(13,198)
Net Change in Pension Assets/Liabilities	<u>-</u>	<u>62,340</u>	<u>62,340</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (24,888)</u>	<u>\$ 297,870</u>	<u>\$ 272,982</u>

BAKER CITY
 Budgetary Comparison Schedule
 Central Stores Fund/Equipment & Vehicle Fund
 Year Ended June 30, 2021

CENTRAL STORES FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Charges for Services	\$ 200,000	\$ 200,000	\$ 195,044	\$ -	\$ 195,044
Interest	-	-	-	-	-
Total Revenues	200,000	200,000	195,044	-	195,044
Expenditures:					
Cost of Inventory Sold	193,750	193,750	201,310	-	201,310
Total Expenditures	193,750	193,750	201,310	-	201,310
Excess (Deficit) of Revenues Over Expenditures	6,250	6,250	(6,266)	-	(6,266)
Other Financing Sources (Uses):					
Operating Contingency	(50,000)	(50,000)	-	-	-
Total Other Financing Sources (Uses)	(50,000)	(50,000)	-	-	-
Net Change in Fund Balance	(43,750)	(43,750)	(6,266)	-	(6,266)
Fund Balance, July 1	43,750	43,750	292,204	-	292,204
Fund Balance, June 30	\$ -	\$ -	\$ 285,938	\$ -	\$ 285,938

EQUIPMENT & VEHICLE FUND	Budget		Actual		
	Budget as Adopted	Revised Budget	Budget Basis	Adjustment	GAAP Basis
Revenues:					
Charges for Services	\$ 852,809	\$ 852,809	\$ 638,780	\$ -	\$ 638,780
Interest	2,000	2,000	2,569	-	2,569
Miscellaneous	5,000	5,000	67,311	-	67,311
Total Revenues	859,809	859,809	708,660	-	708,660
Expenditures:					
Equipment Operations	415,247	415,247	396,486	57,246	453,732
Equipment Purchases	264,000	264,000	265,196	(265,196)	-
Depreciation	-	-	-	128,883	128,883
Total Expenditures	679,247	679,247	661,682	(79,067)	582,615
Excess (Deficit) of Revenues Over Expenditures	180,562	180,562	46,978	79,067	126,045
Other Financing Sources (Uses):					
Interfund Loan Transfers In	53,009	53,009	16,120	-	16,120
Operating Contingency	(200,000)	(200,000)	-	-	-
Total Other Financing Sources	(146,991)	(146,991)	16,120	-	16,120
Net Change in Fund Balance	33,571	33,571	63,098	79,067	142,165
Fund Balance, July 1	(33,571)	(33,571)	374,292	(817,998)	1,192,290
Fund Balance, June 30	\$ -	\$ -	\$ 437,390	\$ (738,931)	\$ 1,334,455

OTHER INFORMATION

BAKER CITY
 Summary of Property Tax Transactions
 Year Ended June 30, 2021

Property Taxes Transactions Analysis:

Tax Year	Beginning Taxes Receivable	Tax Levy	Discounts	Interest & Adjustments	Collections	Ending Taxes Receivable
2020-21	\$ -	\$ 3,972,631	\$ (99,691)	\$ (1,146)	\$ (3,672,045)	\$ 199,749
2019-20	130,971	-	-	-	(56,494)	74,477
2018-19	42,141	-	-	2,868	(27,606)	17,403
2017-18	25,160	-	-	3,149	(20,961)	7,348
2016-17	7,825	-	-	1,408	(8,713)	520
2015-16	12,092	-	-	(203)	(11,652)	237
Prior Years	40,885	-	-	(244)	(32,155)	8,486
Totals	<u>\$ 259,074</u>	<u>\$ 3,972,631</u>	<u>\$ (99,691)</u>	<u>\$ 5,832</u>	<u>\$ (3,829,626)</u>	<u>\$ 308,220</u>

Property Taxes Receivable by Fund:

Tax Year	General Fund	State Tax Street Fund	Sam-O-Swim Maint Fund	Ending Taxes Receivable
2020-21	\$ 157,582	\$ 36,894	\$ 5,273	\$ 199,749
2019-20	58,755	13,756	1,966	74,477
2018-19	13,730	3,214	459	17,403
2017-18	5,796	1,357	194	7,347
2016-17	410	96	14	520
2015-16	187	43	7	237
Prior Years	6,695	1,568	224	8,487
Totals	<u>\$ 243,155</u>	<u>\$ 56,928</u>	<u>\$ 8,137</u>	<u>\$ 308,220</u>

Property Taxes Collections by Fund:

	General Fund	State Tax Street Fund	Sam-O-Swim Maint Fund	Collections
Current Year Levy	\$ 2,896,876	\$ 678,227	\$ 96,942	\$ 3,672,045
Prior Years	124,316	29,105	4,160	157,581
Totals	<u>\$ 3,021,192</u>	<u>\$ 707,332</u>	<u>\$ 101,102</u>	<u>\$ 3,829,626</u>



GASLIN ACCOUNTING, PC
CERTIFIED PUBLIC ACCOUNTANTS

2550 BROADWAY STREET
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*Independent Auditor's Report
Required by Oregon State Regulations*

We have audited the basic financial statements of City of Baker City, Oregon (City) as of and for the year ended June 30, 2021, and have issued our report thereon dated March 19, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the City 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.

OAR 162-10-0230 Internal Control

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

We noted certain internal control matters that we reported to management of the City of Baker City in separate letter dated March 22, 2022.

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

Gaslin Accounting
Certified Public Accountants, PC

By: 

Robert C. Gaslin, CPA
March 19, 2022