

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	28,227,120	39,803,266	68,030,386	28,965,194	35,946,665	64,911,859
DEFERRED OUTFLOWS	2,305,705	793,993	3,099,698	2,155,583	702,542	2,858,125
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 *1	3,112,529	10,516,701	6,927,545	2,553,262	9,480,807
Total Liabilities	7,464,970	6,114,137	13,579,107	7,026,654	3,898,350	10,925,004
DEFERRED INFLOWS	759,590	304,264	1,063,854	611,790	237,002	848,792
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	\$ 22,308,265	\$ 34,178,858	\$ 56,487,123	\$ 23,482,333	\$ 32,513,855	\$ 55,996,188

* Cash declined 142,655 from June 30 2020 to June 30 2021

*1 Debt increased by 476,627 or 6.4% from June 30 2020 to June 30, 2021

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

Revenues:	General Fund	State Tax Street Fund	LID Repayment Fund	State and Federal Grants Fund	Other Governmental Funds	Total Governmental Funds
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	-	5,001,091
Highways and Streets		1,345,502	-	-	236,433	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	<u>(132,417)</u>	<u>255,398</u>	<u>30,176</u>	<u>(99,541)</u>	<u>145,967</u>	<u>199,583</u>
Fund Balances (Deficit) - July 1	1,618,730	1,685,020	(26,699)	168,618	1,806,494	5,252,163
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>

Property taxes are \$3,021,192 these will increase at 2.1% annually
 Expenses for General Gov. & Public Safety exceed the tax base
 by \$2,063,692. During the year ended June 30 2021 there was
 an 8.1% decline in the General Fund Balance.

BAKER CITY

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

	Special Revenue				Capital Projects			Permanent Funds			Total Nonmajor Governmental Funds
	Samo Swim Maintenance Fund	John Schmitz Trust Fund	Tree City Fund	Elkhorn View Ind Park Econ & Comm. Dev. 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	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	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	-	-	7,280	236,433	-	-	983		358,498	
Excess (Deficit) of Revenues Over Expenditures	33,969	2,133	41	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	228,281	(72,656)	926	25	5,771		145,967	
Fund Balances, July 1	3,504	274,061	5,190	17,391	114,885	507,247	3,181	836,228		1,806,494	
Fund Balances, June 30	\$ 29,205	\$ 274,600	\$ 5,231	\$ 245,672	\$ 42,229	\$ 508,173	\$ 3,206	\$ 841,999		\$ 1,952,461	

X our "Savings" account declined by 65,934