CITY OF JOHN DAY

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

PAGE

City Officials 1

Independent Auditor's Report 2-3

Management's Discussion and Analysis 4-11

BASIC FINANCIAL STATEMENTS 12

Government-wide Financial Statements:
Statement of Net Position 13
Statement of Activities 14

Fund Financial Statements:
Governmental Funds:
Balance Sheet 15
Reconciliation of Governmental Funds Balance Sheet to Statement of net Position 16
Statement of Revenues, Expenditures and Changes in Fund Balances 17
Reconciliation of Governmental Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities 18

Proprietary Funds:
Statement of Net Position 19
Statement of Revenues, Expenses and Changes in Fund Net Position 20
Statement of Cash Flows 21-22

Notes to Financial Statements 23-46

REQUIRED SUPPLEMENTARY INFORMATION 47

Supplemental Schedules:
Proportionate Share of PERS net Pension Liability 48
City PERS Contributions 48
Proportionate Share of RHIA net OPEB Liability 49
City RHIA Contributions 49
Changes in CIS Total OPEB Liability 50
City CIS Contributions 50

Budgetary Comparison Schedules:
General Fund 51
Street Fund 52
IT Fund 53
Community Development Fund 54

Notes to Required Supplementary Information 55

TABLE OF CONTENTS

PAGE

OTHER SUPPLEMENTARY INFORMATION 56

Non-Major Fund Combining Schedules:
Balance Sheet 57
Statement of Revenue, Expenditures and Changes in Fund Balance 58

Non-Major Fund Budgetary Comparison Schedules:
911 Fund 59
Debt Service Fund 60
Urban Renewal Agency 61

Water Utility Fund Schedules:
Reconciliation of Budget Basis to Accrual Basis 62

Water Utility Fund Budgetary Comparison Schedules:
Water Fund 63

Sewer Utility Fund Combining Schedules:
Statement of Net Position 64
Schedule of Revenue, Expenses, and Changes in Net Position 65
Schedule of Cash Flows 66-67
Reconciliation of Budget Basis to Accrual Basis 68

Sewer Utility Fund Budgetary Comparison Schedules:
Sewer Fund 69
Joint Sewer Fund 70

Internal Service Fund Combining Schedules:
Statement of Net Position 71
Schedule of Revenue, Expenses, and Changes in Net Position 72
Schedule of Cash Flows 73-74
Reconciliation of Budget Basis to Accrual Basis 75

Internal Service Fund Budgetary Comparison Schedules:
Motor Pool Fund 76
Unpaid Compensation Fund 77

Independent Auditor's Report Required by Oregon State Regulations 78

CITY MAILING ADDRESS

450 EAST MAIN STREET
JOHN DAY, OR 97845

CITY OFFICIALS AND COUNCIL MEMBERS
AS OF JUNE 30, 2021

Official	Name	Mailing Address	Term Expires
		Governing Council	
Mayor	Ron Lundbom	450 E Main St, John Day OR	December 31, 2022
Councilor	Heather Rookstool	450 E Main St, John Day OR	December 31, 2024
Councilor	Gregg Haberly	450 E Main St, John Day OR	December 31, 2022
Councilor	Elliot Sky	450 E Main St, John Day OR	December 31, 2024
Councilor	Shannon Adair	450 E Main St, John Day OR	December 31, 2022
Councilor	Paul Smith	450 E Main St, John Day OR	December 31, 2022
Councilor	David Holland	450 E Main St, John Day OR	December 31, 2024

City Officials

City Manager	Nicholas Green
City Recorder	Solutions CPAs PC
City Attorney	Bryant, Lovlien and Jarvis

GASLIN ACCOUNTING, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council:
City of John Day, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the component unit and the aggregate remaining fund information of the City of John Day, Oregon, 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' 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, the component unit and the aggregate remaining fund information of the City of John Day, 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 conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited City of John Day, Oregon's 2020 financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements. We expressed an unmodified audit opinion on those financial statements in our report dated

December 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it is derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 13, and 47 through 55 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 management's discussion and analysis 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 basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express and opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of John Day, Oregon financial statements as a whole. The *combining and individual nonmajor fund financial staements and the non-major fund budgetary comparison schedules* are presented for purposes of additional analysis and are not a required part of the financial statements.

The *Other Budgetary Comparison Schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the audit procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records use to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 14, 2021 on our consideration of City of John Day's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Gaslin Accounting CPA's PC

Robert Gaslin, CPA
Baker City, Oregon
December 14, 2021

This discussion and analysis presents the highlights of financial activities and financial position for the City of John Day (City). The analysis focuses on the financial activities of the City for the fiscal year ended June 30, 2021 based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

We encourage readers to consider the information presented here in conjunction with the City' financial statements beginning on page 12.

FINANCIAL HIGHLIGHTS

Following are the financial highlights of the City for the fiscal year ended June 30, 2021:

The assets of the City exceeded its liabilities at the close of the fiscal year by $10,646,927 (net position). Of this amount, $867,815 (or 8%) is unrestricted and may be used to meet the City's ongoing obligations and pay for day to day operations (see Table 1).

The total net position increased $262,364 during the year (see Table 2).

Governmental funds reported combined ending fund balances at year-end of $1,805,720, a decrease of $308,038 (or 16%) compared to last fiscal year (see Table 3).

The General Fund's unassigned fund balance at the end of the current year was $335,348 (or 38%) of total General Fund expenditures and transfers (see Budgetary Comparison Schedules – General Fund)

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview and economic factors affecting the City.

Basic Financial Statements. Includes Statement of Net Position, Statement of Activities, fund financial statements and Notes to Basic Financial Statements. Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be business-like in that all activities are consolidated into a total for the City.

Statement of Net Position. Focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the City owns, the liabilities it owes, and the difference called net position.

Statement of Activities. Focuses on gross and net costs of City programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

Fund financial statements. Focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements.

Budgetary comparison schedules. The City's major governmental funds are presented on their own. Schedules showing budget-to-actual expenditure and revenues are presented for the: General Fund; Street Fund; IT Fund; Community Development Fund; 9-1-1 Fund; Debt

Service Fund; Urban Renewal Agency; Water Utility Fund; Sewer Utility Fund; Joint Sewer Fund; and Internal Service Funds (Motor Pool, Unpaid Compensation).

Other Supplemental Information and Schedules. Readers desiring additional information may find it in the combining and individual schedules of revenues, expenditures, and changes in fund balance in this section of this reporting package.

Comments and Disclosures. This includes supplemental communication on City compliance as required by Oregon statute.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City continues to pursue an aggressive redevelopment strategy launched in 2017 as its *Strategy for Growth.*[1] The City has a fully functional urban renewal agency, has engaged in owner-financed land purchases and land sales, shifted to long-term capital leases for specific equipment modernization efforts, and continues to do capital asset acquisitions in line with our Strategy. These moves are strategic in nature and are design to spur growth through public sector stimulus and regional investments that benefit not only John Day but also the surrounding communities in Grant County, all of which are significantly smaller and more socioeconomically distressed. John Day's role as the geographic and economic center for Grant County is clearly identified in the City's Comprehensive Economic Development Strategy (CEDS) and Economic Opportunities Assessments (EOA) that were adopted into the City's Comprehensive Plan in FY20. The City also adopted a new Recreation Economy for Rural Communities (RERC) Action Plan, Natural Hazards Mitigation Plan, and Transportation Impact Study in FY21 to guide future investments in outdoor recreation, hazard mitigation and transportation planning.[2]

TABLE I
CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
Assets:	2021	2020	2021	2020	2021	2020
Current and Other Assets	$ 1,906,311	$ 2,262,074	$ 1,715,447	$ 892,450	$ 3,621,759	$ 3,154,524
Net Capital Assets	7,269,044	6,320,359	4,817,115	5,178,932	12,086,160	11,499,291
Total Assets	9,175,356	8,582,433	6,532,563	6,071,382	15,707,919	14,653,815
Deferred Outflows of Resources	293,663	231,754	184,429	202,213	478,092	433,967
Liabilities:						
Current Liabilities	304,751	125,663	445,980	396,814	750,731	522,477
Long-Term Liabilities	773,105	503,057	2,367,917	2,359,093	3,141,022	2,862,150
Net Pension/OPEB Liability	762,066	576,181	451,126	529,520	1,213,192	1,105,701
Due To (From) Other Funds	269,603	303,302	(269,603)	(303,302)	-	-
Total Liabilities	2,109,525	1,508,203	2,995,419	2,982,125	5,104,945	4,490,328
Deferred Inflows of Resources	270,638	114,510	163,501	98,383	434,139	212,893
Net Position:						
Net Investment in Capital Assets	6,151,669	5,493,745	2,224,842	2,589,057	8,376,511	8,082,802
Restricted	1,402,599	1,679,964	-	-	1,402,599	1,679,964
Unrestricted	(465,413)	17,766	1,333,229	604,031	867,815	621,797
Total Net Position	$ 7,088,855	$ 7,191,475	$ 3,558,071	$ 3,193,088	$ 10,646,926	$ 10,384,563

In line with its strategy, the City continues making new investments in net capital assets for broadband infrastructure through the City's municipal fiber consortium, Grant County Digital[3], as well as the acquisition of land for future redevelopment along the John Day River as part of the John Day Innovation Gateway Area Plan, which was a two-year planning effort that was also adopted into the City's Comprehensive Plan in FY20.[4]

The Innovation Gateway houses the City's future wastewater treatment plant, reclaimed water distribution system, and riverfront recreation areas, and is a critical link in the City's future housing and community development strategy. Several plans developed in FY21 and earlier will begin construction in FY22, including utilities for three new master planned housing developments, construction of the new wastewater treatment plant, a new aquatics center, community broadband and other capital construction projects.

[1] https://www.cityofjohnday.com/planning/page/john-days-strategy-growth
[2] https://www.cityofjohnday.com/planning/page/master-plans-studies-and-reports
[3] https://www.grantcountydigital.org/
[4] https://www.cityofjohnday.com/planning/page/oregon-pineinnovation-gateway-area-plan

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

TABLE 2
CONDENSED STATEMENT OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
Revenues:	2021	2020	2021	2020	2021	2020
Charges for Services	$ 204,466	$ 210,688	$ 1,485,337	$ 1,319,535	$ 1,689,803	$ 1,530,223
Operating Grants	433,140	299,873	-	-	433,140	299,873
Capital Grants	254,245	319,132	333,847	143,452	588,092	462,584
General Revenues:						
Property Taxes	378,306	357,743	-	-	378,306	357,743
Interest Income	21,619	55,783	14,736	35,381	36,355	91,164
Other	214,309	236,121	27,410	11,418	241,719	247,539
Total Revenues	1,506,084	1,479,340	1,861,330	1,509,786	3,367,414	2,989,126
Program Expenses:						
General Government	344,419	378,252	-	-	344,419	378,252
Streets	318,860	232,362	-	-	318,860	232,362
Public Safety	830,363	567,199	-	-	830,363	567,199
Community Development	383,572	242,823	-	-	383,572	242,823
Utilities	-	-	1,227,837	1,528,771	1,227,837	1,528,771
Total Program Expenses	1,877,213	1,420,636	1,227,837	1,528,771	3,105,050	2,949,407
Transfers	268,509	16,788	(268,509)	(16,788)	-	-
Change in Net Position	$ (102,620)	$ 75,492	$ 364,984	$ (35,773)	$ 262,364	$ 39,719

The City continues to be highly sensitive to changes in Net Pension/OPEB liability due to the interest estimates used to calculate PERS liability (see Note 18).

The $262,364 increase in Net Position can be attributed primarily to increases in charges for services (rates in water and sewer utilities increased for future debt service on capital construction projects) and interest earned on funds programmed for capital outlay that were not expended during the fiscal year. Public Safety expenditures increased significantly due to programmed spending increases resulting from the collective bargaining agreement approved in FY20 as well as the need to replace aging equipment. As a result, the city council made the difficult decision to suspend all police operations. Beginning November 1, 2021 all law enforcement personnel were reallocated to the public works department and/or voluntarily resigned or retired. This should result in a significant decrease in public safety spending for FY22.

The net position of the Governmental Activities decreased $102,620 in the current year primarily due to public safety expenditures. The net position of the Business-Type Activities increased $364,984 due to increases in rates and programmed funds for which grant and loan proceeds have been budgeted but not yet expended.

Urban Renewal Agency

The John Day Urban Renewal Agency (URA) is included in the Governmental Activities. The URA is a blended component unit of the City used to incentivize new home construction and major renovations of existing homes. The URA offers cash incentives for these investments, which are recovered in the property tax base through tax increment financing.[5]

FUND ANALYSIS

City revenues were expended across seven main departments: Water; Sewer; Streets; Police; Administration; Community Development; and Fire (see Figure 1). The City also manages funds for the Grant County Digital Network Coalition as its lead agency. [6]

[5] https://www.cityofjohnday.com/planning/page/john-day-urban-renewal-agency-housing-incentive-program
[6] https://www.grantcountydigital.org/

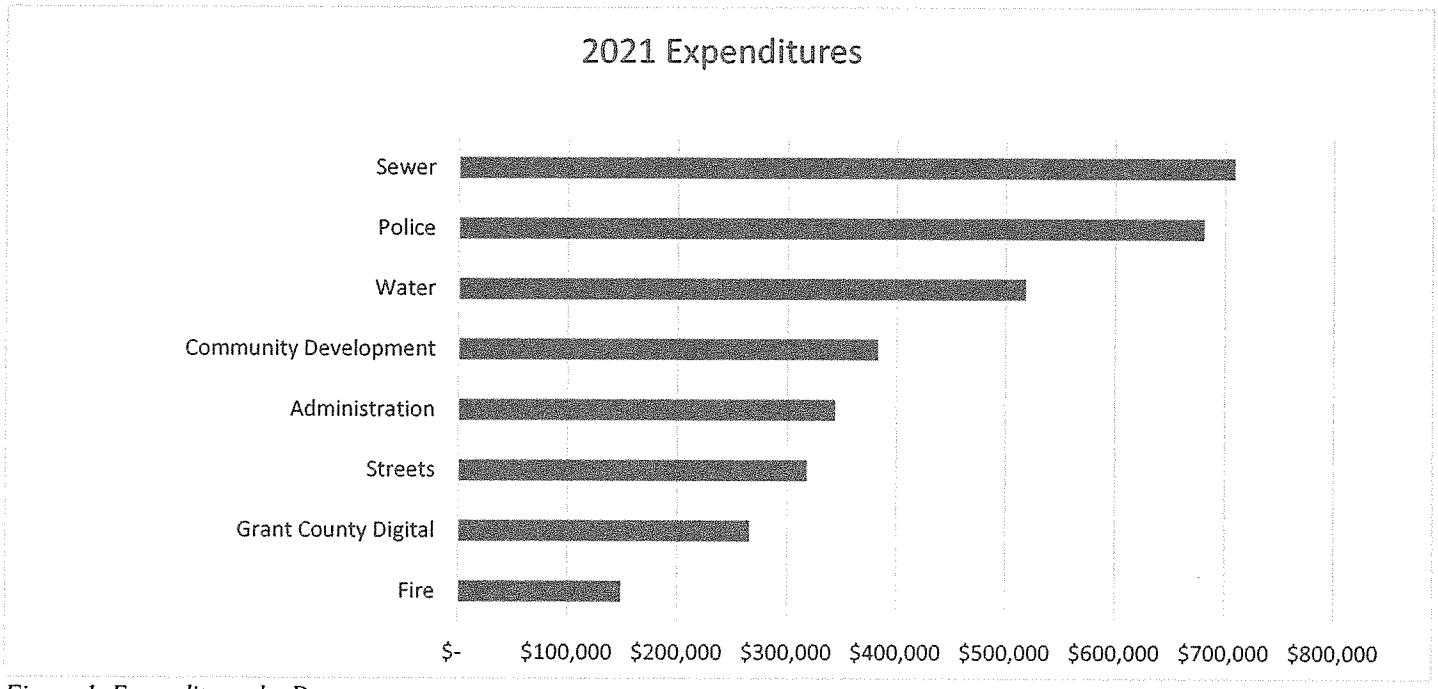

Figure 1. Expenditures by Department

General Fund

Intergovernmental revenues in the General Fund include pass through income from the state such as liquor taxes, grants and contract payments from the John Day Rural Fire District. General Fund revenues exceeded expenditures by $74,657. The General Fund includes four departments: Administration, Police, Fire, and Main Street Revitalization. Of these, Police expenditures account for 64 percent of total General Fund expenditures. Total revenue of $811,329 increased by $60,684 (or 8%) from FY20's revenue of $750,645. This revenue increase was due in part to income resulting from the sale proceeds of the Weaver building to Tyler and Krista Sheedy. General Fund transfers were slightly higher than last fiscal year with $95,897 transferred from the General Fund to other funds and $45,000 transferred to the Motor Pool. As a result, the fund balance decreased by $38,365 in this fund compared to FY20.

Street Fund

Street Fund expenditures exceeded revenues by $83,589. City street funds are used primarily to maintain transportation infrastructure. While a significant source of revenue comes from the allocation of State Highway Fund revenues, there is typically a substantial gap between the cost of streets and what the City receives. The City received $293,173 in operating grants from federal forest fees and State Highway fund revenues; plus an additional $201,845 in capital grants for new road construction and road repairs. Total operating costs were $241,682 plus an additional $364,621 in capital outlay. Capital outlay was for the new Integrated Park System with trails and paths connecting existing and future parks to the riverfront, along with improvements to various city streets, including the repair of the 4th Street/Airport Road access that was damaged during the April 2019 flood event. The City will receive 75 percent cost reimbursement through FEMA for these disaster-related repairs.

9-1-1 Fund

The fund balance of the 911 Fund had a fund balance of $9,964 in FY20 that was transferred to the General Fund in FY21. The remaining fund balance of $23 will be transferred in FY22. This fund will continue to be reported for three years but has been discontinued since the 9-1-1 department transitioned to the Grant County Emergency Communications Agency.

IT Fund

The revenues of this fund are a result of State Appropriations of $1,836,000 received in FY18. These funds will are being used to establish broadband infrastructure for those communities participating in the project. Once established the broadband service will be provided by the Grant County Digital Network Coalition, a council of governments organized under Oregon Revised Statute 190.010 to improve broadband access throughout Grant County (see Ordinance No. 18-171-01). During the current fiscal year, the IT fund earned $10,117 in interest and $95,445 in additional grant proceeds. We expended $266,308, of which $207,366 was for capital outlay. Funds were used to establish fiber optic connections between the John Day Fire Hall/GCECA and Grant Education Service District/Grant

School District 3. Funds were also used to conduct preliminary engineering for the US Economic Development Administration (EDA) FY20 CARES act to build fiber to the home for the remaining unserved portions of John Day. A decision on this grant is expected early in 2022 and a preliminary award has been issued for $1.8M. The City, in partnership with OTC Connections, was also awarded a $6 million broadband grant under ReConnect in December 2019 to install an additional 80 miles of fiber to outlying communities. The fund balance of $1,288,386 remaining at the end of FY21 will be used for these projects, with $1 million in matching funds contributed by the City to OTC for USDA ReConnect and the remainder reserved for the EDA grant. The City will have license to access this infrastructure for public use and these expenditures will be reflected in future budgets.

Community Development Fund

The revenues of this fund consist of a monthly fee from the utility customers of the City. These funds have been used as incentive for building and remodeling of homes in the City of John Day as part of an Urban Renewal Area (URA) the City created in June 2018 (see Ordinance No. 18-172-02 and Ordinance No. 18-173-03) and to operate other community development projects, like the John Day Greenhouse. The fund collected $113,707 in revenue in FY21 and had total expenditures of $214,425. The fund balance reported was (5,336) at the end of the fiscal year. Several changes to this fund will take place in FY22, including a temporary closure of the greenhouse from November through early spring to complete system renovations. The facility will reopen as a cooperative with a significantly smaller financial cost to the city as it will no longer be operated by government personnel. All URA funds have also been transferred to the Urban Renewal Fund.

Debt Service Fund

The Debt Service Fund was new for FY20 and was created to manage the Fire Hall bond revenue and expenditures. Bond revenue of $62,604 including $322 in interest are the sole source of revenue for this fund. Expenditures of $54,912 were for the City's loan payment to WaFd bank for the Fire Hall loan. The fund balance as of June 30, 2021 was $31,003.

Urban Renewal Agency (URA) Fund

The URA fund, new for FY21, includes tax increment financing (TIF) revenues from the properties within the URA boundaries (apx. 20% of the City's land area and assessed value). It also includes nominal fees for service from applications for new home construction and major renovations within the URA program area. Total URA TIF revenues were $50,066 for property taxes and $1,300 in application fees, plus $185 in interest income. URA expenditures will exceed revenues during the early years of the program as incentives are pre-paid upon completion of housing development projects and then recovered over the life of the URA's TIF (30 years).[7] The $101,365 in expenditures in FY21 exceeded revenues by $49,815 and were offset by debt proceeds from loans issued by Old West Federal Credit Union (see Note 7 and Note 16). These loans were paid in full in FY22.

Water Fund

The Water Fund's net position increased $228,363 in the current year. Monthly water rates were increased by $1 during the fiscal year to provide sufficient funding to cover the cost of operating the water system as well as repay debt from prior projects and charges from the Motor Pool. An increase in utility customers from new home construction and land sales at the airport industrial park also resulted in an increase in water utility income, which increased by $103,945 over budgeted revenues. Debt proceeds from Business Oregon Loan N21005 of $506,655 for the purchase and redevelopment of the former Iron Triangle property combined with increased revenue resulted in the fund balance in the water fund of $981,088 being more than double its starting balance of $350,290.

Sewer Fund

The Sewer Fund and Joint Sewer Fund had total operating expenses of $732,274 for FY21, with operating income of $275,556 that resulted from the increase in base sewer rates from $49 to $60 per month. The fund balance of the Sewer Fund increased by $143,617 in the current year due to the increase in operating income and removal of the greenhouse from this fund. The preliminary engineering/design of the new wastewater treatment plant will be completed in FY22, when the plant is scheduled to begin construction.

The City's land assembly for the new wastewater treatment plant and Innovation Gateway project resulted in approximately 100 acres of city-owned property along the John Day River. These properties are held in the Water, Street and Sewer funds, depending on the source of funding used for the acquisition. Most of these were bulk land acquisition of unimproved land or brownfields. The City began

[7] See URA Report:
https://www.cityofjohnday.com/sites/default/files/fileattachments/planning/page/2961/exhibit_b._report_accompanying_the_john_day_housing_incentives_plan_from_ordinance_no._18-173-03.pdf

liquidating small portions of these properties through property line adjustments along the perimeter of these acquisitions that were not needed for the City's projects. The City is also completing various land sale of the airport industrial that will contribute to the liquidity of these funds over time.

SUMMARY

Despite the challenges of navigating the COVID-19 pandemic, the City ended with positive fund balances across all Government and Proprietary Funds and an overall increase in net position for the fifth straight year (see Table 3).

TABLE 3
CHANGES IN FUND BALANCES/NET POSITION - MAJOR FUNDS

	Governmental Funds				Proprietary Funds	
	General Fund	Street Fund	IT Fund	Community Development Fund	Water Fund	Sewer Fund
Fund Balances/Net Position - Beginning	$ 410,483	$ 211,125	$ 1,449,001	$ (5,336)	$ 2,286,497	$ 612,378
Revenues	811,329	522,714	105,693	113,707	771,673	1,089,657
Expenditures	(736,672)	(606,303)	(266,308)	(214,425)	(537,332)	(728,350)
Transfers	(113,022)	(29,583)	-	119,437	(5,978)	(262,531)
Changes in Equity	(38,365)	(113,172)	(160,615)	18,719	228,363	98,776
Fund Balances/Net Position - Ending	$ 372,118	$ 97,953	$ 1,288,386	$ 13,383	$ 2,514,860	$ 711,154

BUDGET RESOLUTIONS

Several resolutions were passed during the fiscal year related to budget appropriations:

20-834-07	A Resolution To Adopt Fiscal Year 2020-2021 Budget
20-835-08	A Resolution To Appropriate Fiscal Year 2020-2021 Budget
20-836-09	A Resolution Of The City Of John Day, Grant County, Oregon Approving Participation In The State Revenue Sharing Program
20-837-10	A Resolution To Impose And Categorize Taxes For Fiscal Year 2020-2021 Budget
20-838-11	A Resolution Extending Workers' Compensation Coverage To The Volunteers Of The City Of John Day
20-839-12	A Resolution To Support Grant County Initiating A Ballot Measure To Establish A County Service District For The Purposes Of Providing And Operating A New Public Swimming Pool For The Residents Of Central Grant County
20-840-13	A Resolution To Declare Accounts Uncollectible And Take Off The Books As Receivable
20-842-15	A Resolution Authorizing An Asset Transfer From The Community Development Fund To The Sewer Fund Beginning In Fiscal Year 2020-2021
20-843-16	A Resolution Authorizing Debt Service For The Design & Fabrication Of The New Wastewater Treatment Facility
20-845-18	A Resolution To Authorize Expenditures Of The Business Oregon Brownfields Redevelopment Fund Grant
20-846-19	A Resolution Guaranteeing A Loan For The John Day Urban Renewal Agency
20-847-20	A Resolution To Authorize Expenditures Of The Multimodal Transportation Enhance Program Grant
20-850-23	A Resolution Authorizing And Approving City Of John Day Obtaining A Loan From State Of Oregon, Acting By And Through Its Oregon Business Development Department, Pursuant To The Terms And Conditions Of A Certain Oregon Business Development Department Brownfields Redevelopment Fund Financing Contract
21-853-01	A Resolution Establishing Water Rates, Deposits, And Other Related Charges
21-854-02	A Resolution Establishing Sewer Service And Connection Charges
21-855-03	A Resolution Establishing System Development Charges For Calendar Year 2021
21-856-04	A Resolution Of City Of John Day Approving The Sale Of Certain Real Properties Located In City
21-857-05	A Resolution Of City Of John Day Authorizing And Approving City Of John Day Obtaining A Grant And Loan From State Of Oregon, Acting By And Through Its Oregon Business

	Development Department, Pursuant To The Terms And Conditions Of A Certain Water Fund Water Project Financing Contract.

CAPITAL ASSET ACTIVITY

TABLE 5
CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	$ 325,303	$ 325,303	$ 1,250,174	$ 1,252,345	$ 1,575,477	$ 1,577,648
Construction in Progress	926,353	571,066	707,029	380,472	1,633,382	951,538
Buildings	3,534,025	2,822,117	640,350	1,240,184	4,174,375	4,062,301
Streets/Utility System	3,473,915	3,389,597	6,414,189	6,414,189	9,888,104	9,803,786
Capital Leases	65,900	65,900	-	-	-	65,900
Equipment	1,972,066	1,948,988	1,102,756	1,069,270	3,074,822	3,018,258
Total Captial Assets	10,297,562	9,122,971	10,114,498	10,356,460	20,346,160	19,479,431
Accumulated Depreciation	(3,028,518)	(2,802,612)	(5,297,382)	(5,177,528)	(8,325,900)	(7,980,140)
Net Captial Assets	$ 7,269,044	$ 6,320,359	$ 4,817,115	$ 5,178,932	$ 12,020,260	$ 11,499,291

For the year ended June 30, 2021, the City had $1.6 million in capital construction in progress and $8,376,511 net investment in capital assets, with $867,815 unrestricted. Capital grants were received for various street improvement projects, water projects, sewer projects and broadband projects within the city. Total capital outlay in FY21 was $947,487, compared to $542,694 in FY20.

LONG-TERM DEBT ACTIVITY

TABLE 6
OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Fire Station Bonds	$ 430,000	$ 471,000	$ -	$ -	$ 430,000	$ 471,000
SPWF Gateway Project	-	-	455,214	469,269	455,214	469,269
SPWF Greenhouse Project	326,322	-	-	335,876	326,322	335,876
WA Fed Consolidation Loan	-	-	1,552,952	1,762,952	1,552,952	1,762,952
Oregon Business Development Fund - Brownfields	-	-	506,655	-	506,655	-
Business Oregon Loan - Y21006		-	58,857	-	58,857	-
Capital Lease Payable - Copier	6,577	7,853	-	-	6,577	7,853
Capital Lease Payable - Vehicle	34,301	44,460	-	-	34,301	44,460
URA Term Loan	50,572	-	-	-	50,572	-
Total Oustanding Debt	847,772	523,313	2,573,678	2,568,097	3,421,450	3,091,410

The City has one bond and five principal loans as outstanding debt obligations to external agencies, along with various interfund loans for specific capital improvement projects and capital leases (see Table 6):

- *Fire Station Bonds.* The City issued bonds in the amount of $655,000 on February 18, 2015 to finance a new fire station located at 316 S. Canyon Blvd. Total cost of the building was approximately $1,750,000 and was partially funded by $550,000 in bonds issued by the John Day Rural Fire Protection District (see Notes 7 and 8 for more information).
- *SPWF Gateway Project Loan.* The City entered into an agreement on August 28, 2017 to borrow $519,000 from the Oregon Economic Development Department Special Public Works Fund (SPWF) for purchase of property for the future sewer utility plant expansion. See Notes 7 and 9 for more information.
- *WaFd Consolidation Loan.* The City entered into a contract with Washington Federal in 2018 for the purpose of consolidating higher interest rates loans from 2002 and 2003. There was also proceeds from this loan to enable the City to complete the Fire Hall project. See Notes 7 and 10 for more information.
- *Water Fund Loan to General Fund.* The council authorized a ten-year capital improvement loan of $367,341 from the Water Fund to the General Fund to complete the renovation of the Fire Hall tenant improvements. See Notes 7 and 11 for additional information.
- *SPWF Greenhouse Project.* The City entered into an agreement with Business Oregon on August 20, 2018 to borrow $350,000 for the construction of the greenhouse at the Innovation Gateway. See Notes 7 and 12 for more information.

- The City entered into a capital lease for a Kyocera copier in 2020. This copier will be fully paid for in 2025. See notes 7 and 13 for more information.
- The City entered into a capital lease for a 2020 Chevrolet Silverado in 2020. The balance owed is $38,517 and will be paid in full by 2025. See notes 7 and 14 for additional information.
- *Business Oregon Loan – N21005 (Brownfields).* The City applied for and received a loan from the Oregon Business Development Department for the purchase and clean-up of the designated brownfield property formerly owned by Iron Triangle. The loan was approved in the amount of $595,000, although only $506,655 had been draw by the City as of June 30, 2021. The first loan payment of interest only is due on December 1, 2021, with the first payment of principal and interest due December 1, 2022 in the amount of $32,700, with subsequent payments in the same amount due annually through December 1, 2039 with a final payment due on December 1, 2040 in the amount of $23,446. Interest in the amount of $4,237 was accrued at June 30, 2021. See notes 7 and 15 for additional information.
- *Business Oregon Loan – Y21006 (Water Reclamation Facility).* The City entered into a contract for the funding of a new water reclamation facility with the Oregon Business Development Department. This agreement is for a grant of up to $750,000 and a loan up to $1,750,000. As of the date of the financial statements no amounts had been received on either loan, however, expenses had been charged against this grant and loan during the year and to facilitate proper matching, the amounts were accrued. The loan amount as of June 30, 2021 was $58,857.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

FY21 saw the continuation of the COVID-19 pandemic, which increased operating expenses for the city in some areas. However, these are more than offset by $13.5 million in capital grants awarded to the city in FY21 and FY22, which are summarized in Figure 2.

AGENCY	PROJECT TITLE	AGREEMENT NO.	FUND	GRANT AMOUNT	STATUS
OWRD	Innovation Gateway Adaptive Water Reuse		SEWER	$ 2,900,000.00	Provisional Award
DHS	John Day Police Department Funding		GENERAL	$ 375,000.00	Provisional Award
OPRD	Innovation Gateway Trail System - Phase 2		STREET	$ 150,000.00	Awarded
DLCD	3D Rural Housing for Regional Equity in Recovery	HA-23-172	URA	$ 60,000.00	Awarded
Business Oregon	John Day SW 4th Avenue Road Repair	L22005	STREET	$ 439,970.00	Awarded
DAS	Kam Wah Chung Interpretive Center	107-2021-5006-19	COMMUNITY DEVELOPMENT	$ 1,000,000.00	Awarded
DAS	Central Grant County Aquatics Center		COMMUNITY DEVELOPMENT	$ 2,000,000.00	Awarded
DAS	Wastewater Treatment Plant		SEWER	$ 1,500,000.00	Awarded
Ford Family Foundation	Growing Rural Oregon	N/A	COMMUNITY DEVELOPMENT	$ 30,000.00	Awarded
Business Oregon	Waste Water Facility Construction	P18001	SEWER	$ 2,264,500.00	Awarded
USDA	Rural Entrepreneurial Development (Oregon RAIN)	860186495	COMMUNITY DEVELOPMENT	$ 49,000.00	Awarded
OCF	CyberMill	448778	IT	$ 50,000.00	Awarded
EDA	John Day Community Broadband		IT	$ 1,804,475.00	Provisional Award
Travel Oregon	Outdoor Restrooms - Destination Ready	INATIONREADY2019-21	STREET	$ 41,000.00	Awarded
ORR	Signs and Wayfinding	ORR	STREET	$ 4,000.00	Awarded
Business Oregon	Business Oregon Water/Wastewater	Y21006	SEWER	$ 750,000.00	Awarded

Figure 2. Grants awarded during FY21 and FY22

We expect to see long-term gains from the investments made on these projects over the next 4-5 years to be reflected in continued increases in the tax base and in state shared revenue from the City's population growth. We are also in a highly unique due to the sustained increase in capital investment the City is experiencing, with over $26.5 million in total grant funds awarded in the past five years. These funds will necessitate single scope federal audits of the City's financial statements and projects beginning in FY22.

FINANCIAL CONTACT

The City's financial statements are designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional financial information please contact the City Manager or City Recorder at 450 East Main Street, John Day, Oregon 97845.

BASIC FINANCIAL STATEMENTS

CITY OF JOHN DAY
Statement of Net Position
June 30, 2021

ASSETS	Governmental Activities	Business-Type Activities	Total Primary Government	2020
Cash and Investments	$ 1,917,244	$ 1,024,287	$ 2,941,531	$ 2,788,078
Property Taxes Receivable	38,309	-	38,309	36,522
Other Receivables	173,641	359,104	532,745	205,038
Prepaid Expenses	36,770	-	36,770	(114)
Inventories	2,404	-	2,404	-
Notes Receivable	70,000	-	70,000	125,000
Internal Balances	(332,057)	332,057	-	-
Capital Assets (net of accumulated depreciation):				
Construction in Progress	926,353	707,029	1,633,382	951,538
Land	325,303	1,250,174	1,575,477	1,577,648
Buildings and Infrastructure	5,407,237	2,753,357	8,160,595	8,227,235
Capital Lease Assets	53,223	-	53,223	64,276
Equipment	556,928	106,555	663,483	678,594
Total Capital Assets	7,269,044	4,817,115	12,086,160	11,499,291
Total Assets	9,175,356	6,532,563	15,707,919	14,653,816
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pension/OPEB	293,663	184,429	478,092	433,967
Total Deferred Outflows of Resources	293,663	184,429	478,092	433,967
LIABILITIES				
Accounts Payable	139,185	158,670	297,855	187,381
Line of Credit	32,872	-	32,872	-
Deposits Payable	-	30,534	30,534	23,009
Accrued Interest Payable	14,033	18,597	32,630	22,984
Accrued Compensated Absences	43,994	32,418	76,412	59,844
Net Pension/OPEB Liability	762,066	451,126	1,213,192	1,105,701
Due To (From) Other Funds	269,603	(269,603)	-	-
Loans Payable:				
Due Within One Year	74,667	238,179	312,846	289,102
Due in More Than One Year	773,105	2,335,499	3,108,604	2,802,306
Total Liabilities	2,109,525	2,995,419	5,104,945	4,490,327
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pension/OPEB	270,638	163,501	434,139	212,893
Total Deferred Inflows of Resources	270,638	163,501	434,139	212,893
NET POSITION				
Net Investment in Capital Assets	6,151,669	2,224,842	8,376,511	8,082,802
Restricted for Streets	97,953	-	97,953	211,125
Restricted for Community Development	1,304,624	-	1,304,624	1,458,875
Restricted for Publilc Safety/911	23	-	23	9,964
Unrestricted	(465,413)	1,333,229	867,815	621,797
Total Net Position	$ 7,088,855	$ 3,558,072	$ 10,646,927	$ 10,384,562

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

CITY OF JOHN DAY

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total Primary Government	2020
Governmental Activities:								
Administration	$ 344,419	$ 15,809	$ 91,922	$ -	$ (236,688)	$ -	$ (236,688)	$ (255,750)
Police	681,246	52,974	-	-	(628,272)	-	(628,272)	(381,094)
Fire	149,116	27,837	5,000	-	(116,279)	-	(116,279)	(79,940)
Community Development	383,572	107,846	43,045	52,400	(180,281)	-	(180,281)	(156,558)
Streets	318,860	-	293,173	201,845	176,158	-	176,158	334,094
Total Governmental Activities	1,877,213	204,466	433,140	254,245	(985,362)	-	(985,362)	(539,248)
Business-Type Activities:								
Water	518,410	708,945	-	26,344	-	216,880	216,880	89,317
Sewer	709,428	776,392	-	307,503	-	374,468	374,468	(155,101)
Total Business-Type Activities	1,227,837	1,485,337	-	333,847	-	591,347	591,347	(65,784)
Total Primary Government	$ 3,105,050	$ 1,689,803	$ 433,140	$ 588,092	(985,362)	591,347	(394,015)	(605,032)
General Revenues:								
Property Taxes Levied for General Purposes					316,025	-	316,025	302,737
Property Taxes Levied for Debt Service					62,281	-	62,281	55,006
Property Taxes Levied for Urban Renewal					50,066	-	50,066	28,790
Interest income					21,619	14,736	36,355	91,163
Miscellaneous					164,243	14,946	179,189	232,374
Total General Revenues					614,234	29,682	643,915	710,070
Gain (Loss) on Sale of Capital Assets					-	12,464	12,464	(65,321)
Transfers					268,509	(268,509)	-	-
Total General Revenues, Special Items,and Transfers					268,509	(226,363)	656,379	644,749
Change in Net Position					(102,620)	364,984	262,364	39,717
Net Position - July 1					7,191,475	3,193,088	10,384,562	10,344,844
Net Position - June 30					$ 7,088,855	$ 3,558,072	$ 10,646,927	$ 10,384,562

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

CITY OF JOHN DAY
Balance Sheet
Governmental Funds
June 30, 2021

ASSETS	General Fund	Street Fund	IT Fund	Community Development Fund	Aggregate Non-Major Funds	Total Governmental Funds	2020
Cash and Cash Investments	$ 296,640	$ 65,137	$ 1,300,526	6,589	$ 33,030	$ 1,701,922	$ 2,109,004
Inventory	-	-	-	2,404	-	2,404	$ -
Property Taxes Receivable	27,714	-	-	-	10,596	38,310	36,523
Other Receivables	45,580	119,534	130	8,397	-	173,641	52,579
Prepaid Expenses	36,770	-	-	-	-	36,770	(114)
Total Assets	$ 406,704	$ 184,671	$ 1,300,656	$ 17,390	$ 43,625	$ 1,953,046	$ 2,197,992
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable	$ 9,561	$ 85,215	$ 12,270	$ 4,007	-	$ 111,053	$ 46,208
Accrued Liabilities	-	-	-	-	-	-	-
Total Liabilities	9,561	85,215	12,270	4,007	-	111,053	46,208
Deferred Inflows of Resources:							
Unavailable Property Tax Revenue	25,025	-	-	-	9,744	34,769	$ 36,523
Unavailable Other Revenue	-	1,503	-	-	-	1,503	1,504
Total Deferred Inflows of Resources	25,025	1,503	-	-	9,744	36,272	38,027
Fund Balances:							
Nonspendable	36,770	-	-	-	-	36,770	-
Restricted for Streets	-	97,953	-	-	-	97,953	211,125
Restricted for Community Development	-	-	1,288,386	13,383	2,855	1,304,624	1,458,875
Restricted for Public Safety	-	-	-	-	23	23	9,964
Restricted for Debt Service	-	-	-	-	31,003	31,003	23,310
Unassigned	335,348	-	-	-	-	335,348	410,483
Total Fund Balances	372,118	97,953	1,288,386	13,383	33,881	1,805,720	2,113,757
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 406,704	$ 184,671	$ 1,300,656	$ 17,390	$ 43,625	$ 1,953,046	$ 2,197,992

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

CITY OF JOHN DAY

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2021

		2021	2020
Total Fund Balances - Total Governmental Funds		$ 1,805,720	$ 2,113,757
Amounts reported for governmental activities in the *Statement of Net Position* are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
Cost of Capital Assets	$ 10,297,562		
Accumulated Depreciation	(3,028,518)	7,269,044	5,979,648
A portion of the city's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		34,769	36,522
The city's local improvement district assessments are not all collected in the year assessed and therefore are not reported as revenue in the governmental funds.		627	1,503
The accrued interest on the city's local improvement district assessments is not all collected in the year assessed and therefore are not reported as revenue in the governmental funds.		316	756
Net Pension Liability is not a financial resource and therefore is not reported in the governmental funds.		(762,066)	(576,181)
Current year PERS contributions are deferred outflows of resources that will be recognize as an expense in the subsequent period.		293,663	231,754
The city's proportionate share of net differences between projected and actual earnings on investments that will be amortized over the next 5 years.		(270,638)	(114,510)
Balances of accrued compensated absences are not current operating expenses and therefore are not included in the governmental funds.		(43,994)	(31,179)
Balances due to other funds are not payable in the current year and therefore are not included in the governmental funds.		(269,603)	(303,301)
Long-term debts not payable in the current year are not reported as governmental fund liabilities.		(880,644)	(471,000)
The accrued interest on the city's governmental activities long-term debt is not payable in the current year and therefore are not reported as a governmental fund liability.		(14,033)	(1,205)
The City sold property on a note receivable, this transaction is not reflected on the governmental fund financial statements as it does not affect cash.		70,000	125,000
The internal service funds are used by management to charge the costs of motor pool repairs and other costs to individual funds. The assets and liabilities of certain internal service funds are reported with governmental activities in the statement of net position.		187,751	494,123
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.		(332,057)	(294,213)
Total Net Position - Governmental Activities		$ 7,088,855	$ 7,191,475

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

CITY OF JOHN DAY

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

	General Fund	Street Fund	IT Fund	Community Development Fund	Aggregate Non-Major Funds	Total Governmental Funds	2020
Revenues:							
Taxes	$ 316,025	$ -	$ -	$ -	$ 112,346	$ 428,371	$ 385,087
Intergovernmental Revenues	169,759	520,018	95,445	4,865	-	790,087	766,025
User Fees	11,198	-	-	-	-	11,198	18,110
Sales of Produce	-	-	-	28,260	-	28,260	-
Licenses and Fees	221,008	-	-	78,286	1,300	300,594	280,248
Fines and Forfeitures	7,974	-	-	-	-	7,974	7,172
Interest Income	6,216	865	10,117	2,296	508	20,002	48,842
Miscellaneous Income	79,149	1,831	130	-	-	81,110	28,858
Total Revenues	811,329	522,714	105,693	113,707	114,154	1,667,596	1,534,341
Expenditures:							
Current:							
General Government	197,353	-	58,942	-	-	256,295	314,968
Public Safety	532,547	-	-	-	-	532,547	489,615
Highways and Streets	-	241,682	-	-	-	241,682	246,821
Community Development	-	-	-	193,350	82,150	275,500	197,420
Debt Service:							
Principal	-	-	-	9,554	57,516	67,070	40,102
Interest	-	-	-	11,521	16,611	28,132	14,994
Capital Outlay:							
Total Expenditures	6,772	364,621	207,366	-	-	578,759	542,694
Total Expenditures	736,672	606,303	266,308	214,425	156,277	1,979,985	1,846,614
Excess (Deficiency) of Revenues Over Expenditures	74,657	(83,589)	(160,615)	(100,718)	(42,123)	(312,389)	(312,273)
Other Financing Sources (Uses):							
Debt Proceeds	-	-	-	-	99,960	99,960	-
Short Term Loan to URA	-	-	-	62,500	(62,500)	-	-
Operating Transfers-In	27,875	-	-	56,937	-	84,812	85,508
Operating Transfers-Out	(95,897)	-	-	-	(9,941)	(105,838)	(111,711)
Interfund Charges - Motor Pool	(45,000)	(29,583)	-	-	-	(74,583)	(70,000)
Total Other Financing Sources (Uses)	(113,022)	(29,583)	-	119,437	27,519	4,351	(96,203)
Net Change in Fund Balance	(38,365)	(113,172)	(160,615)	18,719	(14,604)	(308,038)	(408,476)
Fund Balances - July 1	410,483	211,125	1,449,001	(5,336)	48,485	2,113,758	2,522,233
Fund Balances - June 30	$ 372,118	$ 97,953	$ 1,288,386	$ 13,383	$ 33,881	$ 1,805,720	$ 2,113,757

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

CITY OF JOHN DAY

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

		2021	2020
Net Change in Fund Balances -Total Governmental Funds		$ (308,038)	$ (408,476)
Amounts reported for governmental activities in the *Statement of Activities* are different because:			
Governmental funds report capital outlays as expenditures. In the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:			
Capital Asset Additions and Disposals	$ 506,248		
Depreciation Expense	(225,906)	280,342	548,350
Proceeds from the sale of assets are reported in the governmental fund statements while only the difference between the sales price and the depreciated cost of the asset are recorded as gain or loss in the Statement of Activities.		(55,000)	(65,321)
Long-term debt proceeds are reported as other financing sources in governmental funds. In the statement of net position, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces liabilities on the statement of net position.			
Loan proceeds	(99,960)		
Change in accrued interest payable	(12,828)		
Loan principal payments	111,560	(1,228)	98,510
Changes in net pension/OPEB liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the governmental funds.		(280,104)	(77,074)
Governmental funds report the effect of accrued compensated absences when paid. In the statement of activities, compensated absences are recognized when incurred. The change in compensated absences is recognized as revenue or expense on the statement of activities.		(12,815)	(5,784)
The internal service funds are used by management to charge the costs of motor pool repairs and other costs and excess vacation and sick leave to individual funds. The change in net position of certain internal service funds is reported with governmental activities.		67,278	(40,992)
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.		(37,844)	23,058
Transfers of non-current assets and liablities are not included in the governmental fund statements, but are included in the government-wide Statement of Activities.		246,543	-
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities, property taxes are recognized as revenue as revenue is levied.		(1,754)	3,193
Sidewalk LID accrued interest receivable is recognized as revenue in the year received in the governmental funds. In the statement of activities interest income is recognized when earned.		-	27
Change in Net Position - Governmental Activities		$ (102,620)	$ 75,491

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

CITY OF JOHN DAY
Statement of Net Position
Proprietary Funds
Year Ended June 30, 2021

	Utility Funds				Governmental Activities
ASSETS					Internal Service
Current Assets:	Water Fund	Sewer Fund	Total	2020	Funds
Cash with Depositories	$ 1,010,640	$ 13,645	$ 1,024,285	$ 446,535	$ 215,324
Accounts Receivable - Utility Customers	69,789	85,043	154,832	113,123	-
Allowance for Doubtful Accounts	(3,362)	(3,353)	(6,715)	(5,788)	600
Accounts Receivable - Others	376	210,610	210,986	44,367	-
Interfund Receivables	269,603	-	269,603	303,302	-
Total Current Assets	1,347,046	305,945	1,652,992	901,539	215,924
Non-Current Assets:					
Construction in Progress	49,016	658,012	707,028	380,471	-
Property, Plant, and Equipment	6,137,547	3,269,923	9,407,470	9,975,990	1,233,059
Accumulated Depreciation	(3,111,810)	(2,185,573)	(5,297,383)	(5,177,529)	(824,111)
Net Capital Assets	3,074,753	1,742,362	4,817,115	5,178,932	408,948
Total Assets	4,421,799	2,048,307	6,470,107	6,080,471	729,303
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to Pension/OPEB	58,716	125,713	184,429	202,213	21,708
Total Deferred Outflows of Resources	58,716	125,713	184,429	202,213	21,708
LIABILITIES					
Current Liabilities:					
Accounts Payable	65,822	92,848	158,670	114,358	28,132
Accrued Liabilities	-	-	-	-	-
Accrued Compensated Absences	10,348	22,070	32,418	28,665	4,903
Customer Deposits	30,534	-	30,534	23,009	-
Interest Payable	7,436	11,161	18,597	21,779	-
Loans Payable - Current Portion	155,400	82,779	238,179	237,667	10,159
Total Current Liabilities	269,540	208,858	478,398	425,478	43,194
Non-Current Liabilities:					
Net Pension Liability/OPEB	143,623	307,503	451,126	529,520	35,683
Loans Payable - Non-Current Portion	1,500,439	835,058	2,335,497	2,330,429	24,142
Total Non-Current Liabilities	1,644,062	1,142,561	2,786,623	2,859,948	59,825
Total Liabilities	1,913,602	1,351,418	3,265,020	3,285,426	103,019
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pension/OPEB	52,053	111,448	163,501	98,383	19,244
Total Deferred Inflows of Resources	52,053	111,448	163,501	98,383	19,244
NET POSITION					
Net Investment in Capital Assets	1,411,478	813,364	2,224,842	2,589,057	384,806
Unrestricted	1,103,382	(102,210)	1,001,172	309,818	243,942
Total Net Position	$ 2,514,860	$ 711,154	3,226,014	$ 2,898,875	$ 628,748
Adjustment to reflect the consolidation of internal service fund activites related to enterprise funds			332,057		
Net position of business-type activities			$ 3,558,072		

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

CITY OF JOHN DAY

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

	Utility Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Total	2020	
Operating Revenues:					
User Fees	$ 708,945	$ 776,392	$ 1,485,337	$ 1,319,535	$ 5,803
Interfund Charges	-	-	-	-	168,101
Miscellaneous Income	12,784	2,162	14,946	2,829	2,517
Total Operating Revenues	721,729	778,554	1,500,283	1,322,364	176,421
Operating Expenses:					
Personal Services	176,856	368,516	545,372	817,607	(55,089)
Supplies, Repairs, and Services	176,437	235,714	412,151	365,708	84,622
Capital Outlay	-	-	-	-	19,056
Depreciation	101,662	36,339	138,001	145,104	59,464
Motor Pool Interfund Charges	35,000	55,000	90,000	90,000	-
Total Operating Expenses	489,955	695,569	1,185,524	1,418,420	108,053
Operating Income (Loss)	231,774	82,985	314,759	(96,056)	68,368
Non-Operating Revenues (Expenses):					
Gain on Sale of Asset	10,047	2,417	12,464	-	-
Intergovernmental Revenues	26,344	307,503	333,847	143,452	-
Product Sales	-	-	-	8,589	-
Interest Income	13,553	1,183	14,736	35,381	1,589
Interest Expense	(47,377)	(32,781)	(80,158)	(87,293)	(2,680)
Total Non-Operating Revenues	2,567	278,322	280,889	100,129	(1,091)
Income (Loss) Before Transfers	234,341	361,307	595,648	4,072	67,278
Operating Transfers:					
Transfers-In	-	184,220	184,220	167,949	-
Transfers-Out	(5,978)	(446,751)	(452,729)	(184,737)	-
Net Operating Transfers	(5,978)	(262,531)	(268,509)	(16,788)	-
Change in Net Position	228,363	98,776	327,139	(12,716)	67,278
Total Net Position - July 1	2,286,497	612,378	2,898,875	2,911,591	561,470
Total Net Position - June 30	$ 2,514,860	$ 711,154	3,226,014	$ 2,898,875	$ 628,748
Change in net position from above			327,139		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			37,844		
Change in net position of business-type activities			$ 364,984		

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

CITY OF JOHN DAY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Utility Funds				Governmental Activities Internal Service
	Water Fund	Sewer Fund	Total	2020	Funds
Cash Flows from Operating Activities:					
Cash Received from Customers	$ 715,888	$ 802,363	$ 1,518,251	$ 1,291,986	$ 182,121
Cash Paid to Employees	(175,463)	(384,655)	(560,118)	(615,880)	(65,354)
Cash Paid to Suppliers	(216,270)	(265,714)	(481,984)	(418,997)	(102,359)
Net Cash Provided (Used) by Operating Activities	324,155	151,994	476,149	257,108	14,408
Cash Flows from Non-Capital Financing Activities:					
Operating Transfers	(5,978)	(11,958)	(17,936)	(16,788)	-
Interfund Loans	33,055	-	33,055	37,849	-
Intergovernmental Revenues	26,344	131,761	158,105	143,452	-
Net Cash Provided by Non-Capital Financing Activities	53,421	119,803	173,224	164,513	-
Cash Flows from Capital and Related Financing Activities:					
Puchases of Capital Assets	(92,606)	(277,541)	(370,147)	(1,007,462)	(23,078)
Proceeds from Sale of Capital Assets	11,797	2,838	14,635	7,745	-
Debt Proceeds	506,655	58,856	565,511	-	-
Principal Paid on Debt	(155,400)	(68,655)	(224,055)	(237,668)	(10,159)
Interest Paid on Debt	(39,255)	(33,048)	(72,303)	(87,168)	(2,680)
Net Cash Provided (Used) for Capital and Related Financing Activities	231,191	(317,550)	(86,359)	(1,324,553)	(35,917)
Cash Flows From Investing Activities:					
Interest Received on Investments	13,553	1,183	14,736	35,381	1,590
Net Cash Provided by Investing Activities	13,553	1,183	14,736	35,381	1,590
Net Increase (Decrease) in Cash	622,320	(44,570)	577,750	(867,551)	(19,918)
Cash and Cash Equivalents - July 1	388,320	58,215	446,535	1,314,086	235,243
Cash and Cash Equivalents - June 30	$ 1,010,640	$ 13,645	$ 1,024,285	$ 446,535	$ 215,325

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

CITY OF JOHN DAY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Utility Funds				Governmental Activities Internal Service
	Water Fund	Sewer Fund	Total	2020	Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:					
Operating Income (Loss)	$ 231,774	$ 82,985	$ 314,759	$ (96,056)	$ 68,368
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	101,662	36,339	138,001	129,922	59,464
Legal Fees	-	-	-	-	-
(Increase) Decrease In:					
Accounts Receivable	(510)	(24,574)	(25,084)	32,187	5,700
Prepaid Expenses	-	-	-	-	-
Net Pension/OPEB Asset/Liability	(26,015)	(52,379)	(78,394)	310,102	(130,096)
Deferred Outflow of Resources	6,176	11,608	17,784	(132,682)	2,797
Increase (Decrease) In:					
Accounts Payable	(17,689)	50,374	32,685	(19,379)	1,318
Accrued Liabilities	-	-	-	(3,258)	-
Accrued Compensated Absenses	481	3,272	3,753	(864)	(298)
Customer Deposits	7,525	-	7,525	4,788	-
Deferred Inflow of Resources	20,751	44,369	65,120	32,348	7,155
Net Cash Provided (Used) by Operating Activities	$ 324,155	$ 151,994	$ 476,149	$ 257,108	$ 14,408

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of John Day, Oregon operates under a council-manager form of government. The council is composed of six persons elected bi-annually to serve terms of four years. The mayor is elected to serve a term of four years. The council appoints the city manager. The city manager hires all other officers and employees of the City. The City provides the following services in accordance with its charter, public safety (police and fire), highway and streets, sanitation, culture and recreation, public improvements, planning and zoning, and general administrative services.

On November 9, 1993, the citizens of John Day approved a new city charter titled "1993 Charter," which is now the current charter.

The accounting policies of the City of John Day, Oregon conform to accounting principles generally accepted in the United States of America. The City's financial report includes the accounts of all City operations.

A. The Reporting Entity

The City Council exercises governance responsibilities over all entities related to City activity. The City receives funding from local, state, and federal sources. However, the City of John Day is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Council members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The accompanying financial statements present the City and its component unit. A component unit is an entity for which the City if considered financially accountable. Criteria that indicates financial accountability includes, but is not limited to the following:

- Appointment by the City of a voting majority of members of the governing body of an organization with the ability to impose its will on the daily operations of an organization, such as power to remove appointed members at will; to modify or approve budgets, rates or fees, to make other substantive decisions; or
- Provision by the organization of specific financial benefits to the City; imposition by an organization of specific financial burdens on the City, such as assumption of deficits or provision of support; or
- Fiscal dependency of the organization and reliance on the City, such as: lack of authority to determine a budget, approve rates, or issue its own bonded debt without City approval.

The John Day Urban Renewal Agency (Agency) is a blended component unit. The Board of the Agency is the same as the City Council. The Agency is reported as a special revenue fund and is included in the Non-Major Fund section of the governmental financial statements. City management handles the management of the Agency.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City. These statements include the governmental financial activities of the overall City. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to customers for utility service, museum fees and sales, rental of City equipment, dispatch services, police and fire services and fines; (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The City reports the following major governmental funds:

General Fund –The primary operating fund of the City. It accounts for all financial resources of the general government, including police, fire, and administration.

Street Fund – Accounts for the cost of maintaining the roads within the City.

IT Fund – Created to establish a new fiber optic network as a part of the city's commitment to community development.

Community Development Fund – The Community Development Fund was created to obtain grants receive special user fee funding for the improvement of structures and resources in the City.

The City reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the operation and maintenance of the City's water system.

Sewer Fund – The Sewer Fund accounts for the operation and maintenance of the City's sewer collection, disposal system and sewer treatment plant operated jointly with the town of Canyon City.

Additionally, the City reports the following fund types:

Special revenue funds account for funds restricted to a particular purpose. These include the Street and Community Development funds.

Capital project funds account for the accumulation of money for major capital projects. This includes the IT Fund.

Debt service funds account for revenues restricted for the payment of long-term debt and the payment of those obligations. This includes the Debt Service Fund.

C. Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the City funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest, special assessments, franchise fees, and intergovernmental revenues are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Internal service funds of the City (which provide services primarily to other funds of the City) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial activities of the internal service funds are presented in the governmental activities column when presented at the government-wide level. There is however a portion of the internal service activity that benefits both the water and sewer business-type activities. Therefore, the portion of the internal service usage that applies to the business type activities is reported as a reduction of the amount reported by the governmental activities. The costs of these services are allocated to the appropriate function/program (administration, police, fire, emergency services, streets, museums, water and sewer) in the statement of activities.

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 City's Sewer and Water Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Management uses estimates and assumptions in preparing the basic financial statements in accordance with US generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in a savings account at the Oregon State Treasury Local Government Investment Pool and allocated to each fund based on the amount of excess cash each fund has deposited.

Oregon statute and local ordinances authorize the City to invest (short-term and long-term) in certificates of deposit (considered deposits for risk categorization purposes), certain bond obligations of civil subdivisions, general obligations of the United States, U.S. agency issues, general obligations of the states of Oregon, Washington, Idaho and California, certain interest bearing bonds of a county, port or school district, certain interest bearing bonds on any city in the state of Oregon, life insurance and annuity contracts, pooled deferred compensation trusts, banker's acceptances, and certain corporate bonds.

E. Capital Assets

Capital assets, which include property, equipment and vehicles and infrastructure assets (e.g. roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government) are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at 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 not adding to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the City as assets with initial, individual costs in excess of $5,000 and estimated useful lives in excess of one year.

Depreciation is provided in each fund in amounts sufficient to recover the cost of the depreciable assets over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows: Buildings and infrastructure 40-60 years; Machinery and equipment 3-20 years.

F. Budgets and Budgetary Accounting

A budget is prepared for each City fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Levels of control for the General Fund include administration, police, fire, transfers and

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

contingency. Total personnel services, materials and services, capital outlay, contingencies, and debt service are the levels of control for all other funds. The detail budget document, however, is required to contain more specific, detailed information for the above mentioned expenditure categories. Appropriations lapse at June 30.

Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the City Council. The City does not utilize encumbrance accounting for budgeted funds.

G. Property Taxes Receivable

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February and May. Real property taxes become delinquent if not paid by May 15. Property tax revenues of the General Fund are recognized when they become measurable and available. Available includes those property tax receivables expected to be collected within 60 days after year-end. This treatment is consistent with prior years.

H. Accrued Compensated Absences

A total of 12 to 21 days of vacation and 12 days sick leave per year may be accumulated by each employee. A total of 40-60 hours of compensatory time and 40 hours of personal time may also be accumulated by employees. Employees are not paid for the accumulated sick leave upon retirement or other termination. The City accrues a liability for compensated absences which meet the following criteria: (1) Obligation is attributable to services already rendered; (2) Obligation relates to rights that vest or accumulate; (3) Payment of compensation is probable; (4) The amount can be reasonably estimated.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The city has one item that qualifies for reporting in this category. It is the deferred amounts relating to pensions. This amount is deferred and recognized as an outflow of resources in the period when the city recognizes pension expense/expenditures. Deferred outflows are included in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The city has two items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The city also reports deferred amounts related to pensions. This amount is deferred and recognized as an inflow of resources in the period when the city recognizes pension income. Deferred inflows are included in the government-wide Statement of Net Position.

J. Government-Wide Statement of Net Position

Government-wide fund net position is divided into three components 1) *Net Investment in Capital Assets* – consisting of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets; 2) *Restricted Net Position* – consisting of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation through restrictions on shared revenues), by grantors (both federal and state), and by other contributors; 3) *Unrestricted* – all other net position is reported here.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Other Post-Employment Benefits (OPEB)

PERS – Retirement Health Insurance Account - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City/County Insurance Services Implicit Rate Subsidy - For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources to OPEB, and OPEB expense, the City has relied on actuarial reports. The City allows retired employees to purchase health insurance at the same rates as active employees. The related expense is recognized as the City pays premiums to CIS or when claims are paid to health providers, depending on which insurance plan the retirees participate in.

M. Long-term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities column in the Statement of Net Position and the proprietary fund Statement of Net Position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Non-spendable fund balance is the portion of net resources that cannot be spent because they are either (a) in a non-spendable form or (b) legally or contractually required to be maintained intact. Fund balance is reported as restricted when the constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes an ordinance or resolution that places specific constraints on how the resources may be used. The Council action that imposed the limitation would need to occur no later than the close of the reporting period. The City Council can modify or rescind the legislative action at any time through passage of an additional ordinance or resolution.

The net resources that are constrained by the City's intent to use them are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be set aside for specific purposes during the adoption of the annual budget. The City Council and City Manager use that information to determine whether those resources should be classified as assigned in the City's financial statements. Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

O. Interfund Activity

Inter-fund activity is reported as loans, service provided, reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related const as a reimbursement. All other inter-fund transaction are treated as transfers.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Transfers between governmental funds are netted as part of the reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

P. Prior Period Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NOTE 2 – CASH AND CASH INVESTMENTS

At June 30, 2021 the carrying amount of the City's deposits was $141,142. At June 30, 2020, the carrying amount of the City's deposits was $316,913. The bank balance was $151,428 at June 30, 2021 and $394,318 at June 30, 2020. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of $250,000 applies to the deposits in each depository. Where balances continually exceed $250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's web site. Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The city was in compliance with the ORS requirement.

The balances in excess of the FDIC insurance are considered exposed to custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2021 the City's bank balance had no exposure to custodian credit risk.

As of June 30, 2021 the City had $2,800,874 invested in the Oregon Local Government Investment Pool. At June 30, 2020, the City had $2,473,869 invested in the Oregon Local Government Investment Pool. The City's position in the pool is stated at cost which approximates fair value.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The City has no policy for managing interest rate or credit risk. Investments by the City held in the Local Government Investment Pool are not rated.

The Oregon Short Term Fund is the LGIP for local governments and was established by the Oregon State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council.

NOTE 3 - RECEIVABLES

Receivables are presented net of allowances for uncollectible accounts. Receivables are comprised of the following as of June 30:

Governmental Activities:	2021	2020
Property Taxes	38,309	36,522
Customer Accounts	-	1,503
Note Receivable	70,000	125,000
Other	173,641	51,833
Total Receivables	$ 281,950	$ 214,858

Business-Type Activities:	2021	2020
Customer Accounts	147,881	106,939
Other	211,223	44,763
Total Receivables	$ 359,104	$ 151,702

The Note Receivable above was for the sale of a building on Main Street. The property was sold in the prior year with no down payment on a loan for a term of 20 years. Interest was calculated at 4% for the first five years of the note and at 7% for the remaining period. Payments for the first 5 year period are for interest only and are due and payable monthly in the amount of $417. Beginning December 26, 2024, payments of interest and principal are due monthly in the amount of $1,121.

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in governmental capital assets:

Governmental Activities:	July 1 Balance	Increases	Decreases	June 30 Balance
Capital Assets, Not Being Depreciated:				
Land	$ 325,303	$ -	$ -	$ 325,303
Construction in Progress	571,066	526,417	(171,130)	926,353
Total Capital Assets, Not Being Depreciated	896,369	526,417	(171,130)	1,251,656
Capital Assets, Being Depreciated:				
Buildings	2,822,117	711,908	-	3,534,025
Street Improvements	3,389,597	84,318	-	3,473,915
Capital Leases	65,900	-	-	65,900
Equipment	1,948,988	23,078	-	1,972,066
Total Capital Assets, Being Depreciated	8,226,602	819,304	-	9,045,905
Less Accumulated Depreciated For:				
Buildings	597,284	81,755	-	679,039
Street Improvements	845,968	75,696	-	921,664
Capital Leases	1,624	11,053	-	12,677
Equipment	1,357,736	57,402	-	1,415,138
Total Accumulated Depreciation	2,802,612	225,906	-	3,028,518
Net Capital Assets, Being Depreciated	5,423,990	593,398	-	6,017,387
Net Capital Assets - Governmental Activities	$ 6,320,360	$ 1,119,815	$ (171,130)	$ 7,269,044

The following is a summary of changes in enterprise capital assets:

Business-Type Activities:	July 1 Balance	Increases	Decreases	June 30 Balance
Capital Assets, Not Being Depreciated:				
Land	$ 1,252,345	$ -	$ (2,171)	$ 1,250,174
Construction in Progress	380,472	326,557	-	707,029
Total Capital Assets, Not Being Depreciated	1,632,817	326,557	(2,171)	1,957,203
Capital Assets, Being Depreciated:				
Buildings	1,240,184	7,452	(607,286)	640,350
Utility System	6,414,189	-	-	6,414,189
Equipment	1,069,270	33,486	-	1,102,756
Total Capital Assets, Being Depreciated	8,723,643	40,938	(607,286)	8,157,295
Less Accumulated Depreciated For:				
Buildings	554,708	10,405	-	565,113
Utility System	3,640,892	113,323	(18,146)	3,736,069
Equipment	981,928	14,273	-	996,201
Total Accumulated Depreciation	5,177,528	138,000	(18,146)	5,297,382
Net Capital Assets, Being Depreciated	3,546,115	(97,063)	(589,140)	2,859,912
Net Capital Assets - Business-Type Activities	$ 5,178,932	$ 229,494	$ (591,311)	$ 4,817,115

NOTE 4 - CAPITAL ASSETS, CONTINUED

Depreciation was charged to the following functions:

Governmental Activites:

Function	2021	2020
General Operations	$ 58,423	$ 44,749
Fire	56,198	55,626
Police	19,924	16,029
Streets	76,179	74,914
Community Development	15,182	-
Total Depreciation - Governmental Activities	$ 225,906	$ 191,318

Business-Type Activities:

Function	2021	2020
Water	101,662	94,014
Sewer	36,338	51,090
Total Depreciation - Business-Type Activities	$ 138,000	$ 145,104

General Operations includes $2,867 in capital lease amortization expense and the Police Function includes $8,186 in capital lease amortization.

NOTE 5 - INTERFUND TRANSFERS

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. Water and Sewer Fund transfers to the General Fund are to support the Police Department and its work on behalf of the utility funds. Interfund transfers for fiscal year ended June 30, 2021 consisted of the following:

	2021		2020
	Transfers In		Transfers In
Transfers Out	Community Development Fund	General Fund	General Fund
Governmental Funds			
General Fund	$ 52,905	$ -	$ -
911 Fund	-	9,941	-
Total Governmental	52,905	9,941	-
Business-type Funds			
Water Fund	-	5,978	5,596
Sewer Fund	250,575	11,956	11,192
Total Business-type	250,575	17,934	16,788
Total Transfers	$ 303,480	$ 27,875	$ 16,788

There were several transfers into the Community Development Fund, from the General Fund, cash was transferred to aid in covering operating and debt service costs of the greenhouse operation. The City had originally acquired the greenhouse operation in the Sewer Fund, but strategy changes determined that it was more of a community-based operation and the decision was made to transfer the assets and debt associated with the greenhouse operation to the Community Development Fund.

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2021 are as follows:

Due To	Due From	2021	2020
Water Fund	General Fund, Fire Department	$ 5,152	$ 5,797
Water Fund	General Fund, Fire Department	264,451	297,505
Due to/from other funds		$ 269,603	$ 303,302

The Community Development fund loaned the blended component unit, the Urban Renewal Agency, $62,500 during the prior year for operations. This amount was repaid during the current year via the refinancing of the debt with an external lender. As this amount is between governmental funds, it is eliminated in the Statement of Net Position, but is present on the Governmental Funds Balance Sheet.

NOTE 7 - CHANGES IN LONG-TERM DEBT

The following is a summary of debt of the City for the year ended June 30, 2021:

Obligation	Payable at July 1, 2020	Additions	Reductions	Payable at June 30, 2021	Due in One Year	2020
Fire Hall Bonds Payable	$ 471,000	$ -	$ (41,000)	$ 430,000	$ 41,000	471,000
Special Public Works Fund Loan Payable - Gateway Property	469,269	-	(14,055)	455,214	14,055	469,269
Special Public Works Fund Loan Payable - Greenhouse	335,876	-	(9,554)	326,322	14,124	335,876
Water Fund Loan to General Fund	297,505	-	(33,055)	264,450	33,055	297,505
Washington Federal Consolidation Loan Payable	1,762,952	-	(210,000)	1,552,952	210,000	1,762,952
Oregon Business Development Fund - Brownfields	-	506,655	-	506,655	22,567	-
Business Oregon Loan - Y21006	-	58,857	-	58,857	*	-
Capital Lease Payable - Copier	7,853	-	(1,276)	6,577	1,488	7,853
Capital Lease Payable - Vehicle	44,460	-	(10,159)	34,301	10,159	44,460
	$ 3,388,915	$ 565,512	$ (319,099)	$ 3,635,328	$ 346,448	$ 3,388,915

Obligation - Blended Component Unit	Payable at July 1, 2020	Additions	Reductions	Payable at June 30, 2021	Due in One Year	2020
Urban Renewal Agency - Old West Federal Credit Union Term	-	60,000	(9,428)	50,572	7,896	-

* Repayments will be determined upon finalization of loan disbursements.

Interest expense of $125,082 on long-term debt has been included in the direct expense of individual functions on the government-wide Statement of Activities. Authorization for general long-term debt is specific to a particular purpose; thus, an objective connection can be made to a specific program. All interest on long-term debt is reported as a direct expense of the programs for which borrowing is related.

NOTE 8 - FIRE HALL BONDS

The City issued bonds in the amount of $655,000 on February 18, 2015 to finance a new fire hall located at 316 South Canyon Blvd in John Day, Oregon. The bonds have an interest rate of 3.07%. Interest payments are made semiannually on June 1 and December 1. Principal payments began June 1, 2016 and will continue through June 30, 2030. There was accrued interest payable of $1,108 at June 30, 2021. As of June 30, 2021, future payments are as follows:

Year Ending	Total	Interest	Principal	Balance
2022	$ 56,460	$ 14,460	$ 42,000	$ 388,000
2023	55,912	11,912	44,000	344,000
2024	55,561	10,561	45,000	299,000
2025	55,179	9,179	46,000	253,000
2026	55,767	7,767	48,000	205,000
2027-2030	220,995	15,995	205,000	-
Total	$ 499,873	$ 69,873	$ 430,000	

NOTE 9 - SPECIAL PUBLIC WORKS FUND LOAN PAYABLE

The City applied for and received a loan from the Oregon Economic Development Department Special Public Works Fund for the purchase of property for a future sewer plant expansion. Terms of the $519,000 loan are 25 annual payments on December 1 of each year including interest of 3.78 percent through December 1, 2041. Annual payments are $29,217 for the first two years and $31,794 for the remaining 23 years. The loan is secured by net revenues from the City's Wastewater System after payment of operation and maintenance cost of the system, and all real and personal property associated with the Wastewater System are collateral for the loan. The first payment was made on December 1, 2017. There was accrued interest payable of $10,037 at June 30, 2021. As of June 30, 2021, future payments are as follows:

Year Ending	Total	Interest	Principal	Balance
2022	31,794	17,207	14,587	440,627
2023	31,794	16,656	15,138	425,489
2024	31,793	16,083	15,710	409,779
2025	31,794	15,490	16,304	393,475
2026	31,794	14,873	16,920	376,555
2027-2031	158,968	64,275	94,693	281,862
2032-2036	158,968	44,973	113,995	167,867
2037-2041	158,968	21,737	137,231	30,636
2042	31,794	1,158	30,636	-
Total	$ 667,667	$ 212,453	$ 455,214	

NOTE 10 - WASHINGTON FEDERAL LOAN PAYABLE

The City applied for and received a loan from Washington Federal for sewer system improvements, fire hall improvements, and to refinance other City debt. The loan of $2,182,952 (74% Water Fund and 26% Sewer Fund) will be paid over 10 years, including interest at 3.34%. Interest payments are made semiannually on June 1 and December 1. Principal payments began December 1, 2018 and will continue through December 1, 2027. The Bank reserves the right, at its sole option, to request the unpaid balance to be paid in full on December 1, 2022 or the bank, at its sole option, could reset the rate at December 1, 2022 and allow payments to continue on to the 10-year maturity. If the rate resets, the interest rate will be based on the St Louis Fed 5-year Treasury Constant Maturity Rate, plus 1.75%, multiplied by 0.79. There was accrued interest payable of $4,322 at June 30, 2021. As of June 30, 2021, future payments are as follows:

Year Ending	Total	Interest	Principal	Balance
2022	$ 261,868	$ 51,868	$ 210,000	$ 1,342,952
2023	254,854	44,854	210,000	1,132,952
2024	262,841	37,841	225,000	907,952
2025	255,326	30,326	225,000	682,952
2026	247,811	22,811	225,000	457,952
2027-2028	481,028	23,076	457,952	-
Total	$ 1,763,727	$ 210,775	$ 1,552,952	

NOTE 11 - WATER FUND LOAN TO GENERAL FUND

On April 27, 2018, the Water Fund loaned $367,341 of the Washington Federal loan proceeds to the General Fund for the purpose of completing construction on the new fire hall. Terms of the loan are 10 annual payments of $42,991.56 on December 1st including interest at 3.34% through December 1, 2027. The first payment is due December 1, 2018. There was accrued interest payable of $5,152 at June 30, 2021. As of June 30, 2021, future payments are as follows:

Year Ending	Total	Interest	Principal	Balance
2022	$ 42,992	$ 8,833	$ 34,159	$ 230,291
2023	42,992	7,692	35,300	194,991
2024	42,992	6,513	36,479	158,512
2025	42,992	5,294	37,698	120,814
2026	42,992	4,036	38,956	81,858
2027-2028	85,980	4,123	81,857	-
Total	$ 343,932	$ 46,427	$ 264,450	

NOTE 12 - SPECIAL PUBLIC WORKS FUND LOAN PAYABLE - GREENHOUSE

The City applied for and received a loan from the Oregon Economic Development Department Special Public Works Fund for the purchase of property for a future sewer plant expansion. Terms of the $350,000 loan are 25 annual payments on December 1 of each year including interest of 3.43 percent through December 1, 2043. Annual payments are $21,074.90 for the first twenty-four years and $9,720.80 for the final payment. The loan is secured by net revenues from the City's Agribusiness System after payment of operation and maintenance cost of the system, and all personal property associated with the Agribusiness System are collateral for the loan. The first payment will be made on December 1, 2019. During the fiscal year ended June 30, 2021, the asset and associated loan described here were transferred to the Community Development Fund. There was accrued interest payable of $6,529 at June 30, 2021. As of June 30, 2021, future payments are as follows:

Year Ending	Total	Interest	Principal	Balance
2022	$ 21,075	$ 11,193	$ 9,882	$ 316,440
2023	21,075	10,854	10,221	306,219
2024	21,075	10,503	10,572	295,647
2025	21,075	10,141	10,934	284,713
2026-2030	105,375	44,814	60,561	224,152
2031-2035	105,375	33,690	71,684	152,468
2036-2040	105,375	20,524	84,851	67,617
2041-2044	72,946	5,328	67,617	-
Total	$ 494,444	$ 147,047	$ 326,322	

NOTE 13 – CAPITAL LEASE PAYABLE - COPIER

The City entered into a capital lease agreement for the use of Kyocera Copier in 2020. The agreement calls for 63 monthly payments due the 28th of each month in the amount of $200.13. Imputed interest on the lease agreement is 15.450%. The lease terminates on January 28, 2025 at which time the City has the option to purchase the Copier. As of June 30, 2021, future payments are as follows:

Year Ending	Total	Interest	Principal	Balance
2022	$ 2,402	$ 914	$ 1,488	$ 5,089
2023	2,402	618	1,784	3,304
2024	2,402	379	2,023	1,281
2025	1,401	120	1,281	-
Total	$ 8,607	$ 2,030	$ 6,577	

NOTE 14 – CAPITAL LEASE PAYABLE - VEHICLE

The City entered into a capital lease agreement for the use of a 2020 Chevrolet Silverado Pick-up Truck in 2020. The agreement calls for 5 annual payments due the 21st of May each year in the amount of $12,839. Imputed interest on the lease agreement is 5.868%. The lease terminates on May 21, 2024 at which time the City has the option to purchase the Vehicle. As of June 30, 2021, future payments are as follows:

Year Ending	Total	Interest	Principal	Balance
2022	$ 12,839	$ 2,068	$ 10,771	$ 23,530
2023	12,839	1,418	11,421	12,109
2024	12,839	730	12,109	-
Total	$ 38,517	$ 4,216	$ 34,301	

NOTE 15 – OREGON BUSINESS DEVELOPMENT DEPARTMENT LOAN - BROWNFIELDS

The City applied for and received a loan from the Oregon Business Development Department for the purchase and clean-up of the designated brownfield property formerly owned by Iron Triangle. The loan was approved in the amount of $595,000, although only $506,655 had been draw by the City as of June 30, 2021. The first loan payment of interest only is due on December 1, 2021, with the first payment of principal and interest due December 1, 2022 in the amount of $32,700, with subsequent payments in the same amount due annually through December 1, 2039 with a final payment due on December 1, 2040 in the amount of $23,446. Interest in the amount of $4,237 was accrued at June 30, 2021. As of June 30, 2021, future payments are as follows:

Year Ending	Total	Interest	Principal	Balance
2022	$ 8,473	$ 8,473	$ -	$ 506,655
2023	32,700	10,133	22,567	484,088
2024	32,700	9,682	23,018	461,070
2025	32,700	9,221	23,479	437,591
2026	32,700	8,752	23,948	413,643
2027-2031	163,500	36,380	127,120	286,523
2032-2036	163,500	23,149	140,351	146,173
2037-2041	154,714	8,541	146,173	-
Total	$ 620,988	$ 114,332	$ 506,655	

NOTE 16 – URBAN RENEWAL AGENCY TERM LOAN

The Blended Component Unit of the City of John Day, the Urban Renewal Agency entered into a term loan agreement with Old West Federal Credit Union. The loan is to fund operations and the Agency expects to repay the loan obligation with property tax receipts in subsequent years. The loan amount taken in the year ended June 30, 2021 was $60,000 and the balance due at June 30, 2021 was $50,572. The loan accrues interest at a rate of 3% per year. Annual Payments in the amount of $9,427.81 are payable at December 31 of each year. Interest of $762 was accrued at June 30, 2021. Future payments are as follows:

Year Ending	Total	Interest	Principal	Balance
2022	$ 9,428	$ 1,532	$ 7,896	$ 43,175
2023	9,428	1,295	8,133	35,042
2024	9,428	1,051	8,377	26,665
2025	9,428	800	8,628	18,038
2026	9,428	541	8,887	9,151
2027	9,428	277	9,151	-
Total	$ 56,567	$ 5,497	$ 51,070	

NOTE 17 – OREGON BUSINESS DEVELOPMENT DEPARTMENT – WATER RECLAMATION FACILITY

The City entered into a contract for the funding of a new water reclamation facility with the Oregon Business Development Department. This agreement is for a grant of up to $750,000 and a loan up to $1,750,000. As of the date of the financial statements no amounts had been received on either loan, however, expenses had been charged against this grant and loan during the year and to facilitate proper matching, the amounts were accrued. The loan amount as of June 30, 2021 was $58,857.

NOTE 18 - PENSION PLAN

Name of pension plan
The Oregon Public Employees Retirement System consists of a single cost-sharing multiple employer defined benefit pension plan.

Description of benefit terms
Plan Benefits
All benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A.

A. PERS Pension Chapter 238 (Tier One/Tier Two Retirement Benefit)

1. Pension Benefits
The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members on or after August 29, 2003.

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 results.

2. 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:

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

3. 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.

4. Benefit Changes After Retirement
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. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit.

B. OPSRP Pension Program (OPSRP DB)

NOTE 18 - PENSION PLAN, CONTINUED

1. 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 a police and fire member is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 5 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.

2. Death Benefits
Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

3. 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.

4. Benefit Changes After Retirement
Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit.

C. OPSRP Individual Account Program (OPSRP IAP)
1. Pension Benefits
An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP 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.

2. 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.

3. Recordkeeping
PERS contracts with VOYA Financial to maintain IAP participant records.

NOTE 18 - PENSION PLAN, 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, 2016 actuarial valuation. The rates based on a percentage of payroll, first became effective on July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum unfunded actuarial liability payments to establish side accounts, and their rates have been reduced. Employer contributions for the year ended June 30, 2021 were $37,003, excluding amounts to fund employer specific liabilities. The rates, presented as a percentage of covered payroll, for the City in effect for the fiscal year ended June 30, 2021 were:

Rate Category	Normal Cost Rate	Combined UAL	Net Rate
PERS general service	17.02%	-0.69%	16.33%
OPSRP general service	9.09%	-0.69%	8.40%
OPSRP police & fire	13.72%	-0.69%	13.03%

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at:
https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf

Actuarial Valuations

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

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

NOTE 18 - PENSION PLAN, CONTINUED

Actuarial Methods and Assumptions

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	218, 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	***Health retirees and beneficiaries:*** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Active Members:*** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Disabled Retirees:*** Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The 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.

NOTE 18 - PENSION PLAN, CONTINUED

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at http://www.oregon.gov/pers/documents/financials/2020-cafr.pdf.

Asset Class	Target Allocation	Annual Arithmetic Return	Compounded Annual Return (Geometric)	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	13.45%	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%
Total	100.00%			
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.

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.

NOTE 18 - PENSION PLAN, CONTINUED

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

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's Proportionate Share of the Net Pension Liability (Asset)	$ 1,692,679	$ 1,139,915	$ 676,396

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

At June 30, 2021, the City reported a liability of $1,139,915 (an increase of $7,621) 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 that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was .00522335 percent and at June 30, 2020, the City's proportion was at .00654596 percent.

For the year ended June 30, 2021, the City recognized pension expense of $304,612. Pension expense includes the City's proportionate share of system pension expense, adjusted for amortization of deferred amounts, of $80,560 and employee contributions picked up by the City of $44,314.

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	$ 50,170	$ -
Changes in assumptions	61,176	2,143
Net difference between projected and actual earnings on pension plan investments	134,039	-
Changes in proportion and differences between City contributions and proportionate share of contributions	124,046	230,929
Differences between employer & Employer Share	-	83,478
City contributions subsequent to the measurement date	-	96,588
Total	$ 369,431	$ 413,138

NOTE 18 - PENSION PLAN, CONTINUED

The amount of $52,881 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2022	$ (5,351)
2023	19,878
2024	43,222
2025	7,609
2026	(12,476)
Thereafter	-
Total	$ 52,881

NOTE 19 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RHIA

Plan Description
Organization

The Oregon Public Employees Retirement System administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Post-Employment Benefit (OPEB) plan (the plan) for political subdivisions such as the City. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the plan.

Plan Membership

RHIA was established by ORS 238.420. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium 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 Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018.

NOTE 19 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) – RHIA, CONTINUED

Actuarial Methods and Assumptions

	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 Year 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	***Health retirees and beneficiaries:*** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Active Members:*** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Disabled Retirees:*** Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	***Health retirees and beneficiaries:*** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Active Members:*** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Disabled Retirees:*** Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the OPEB 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 RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 19 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) – RHIA, CONTINUED

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Sensitivity of the City's Proportionate Share of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's Proportionate Share of the OPEB Liability (Asset)	$ (6,882)	$ (8,524)	$ (9,928)

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

At June 30, 2021, the City reported an asset of $8,524 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was .00418328 percent.

For the year ended June 30, 2021, the City recognized income of $40,314. 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	$ -	$ 871
Changes in assumptions	-	453
Net difference between projected and actual earnings on OPEB plan investments	948.00	-
Changes in proportion and differences between City contributions and proportionate share of contributions	2,923	31
City contributions subsequent to the measurement date	75	-
Total	$ 3,946	$ 1,355

NOTE 19 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) – RHIA, CONTINUED

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

Year Ended June 30	Amount
2022	$ 796
2023	1,070
2024	350
2025	299
2026	-
Thereafter	-
Total	$ 2,516

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) – CIS HEALTH INSURANCE SUBSIDY

Plan Description

A single-employer retiree benefit plan that provides post-employment health benefits to eligible employees and their spouses. There are active members in the plan.

The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the city's implicit employer contribution.

The city did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy

The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the city to fund these benefits in advance.

Annual OPEB Cost and Total OPEB Liability

The annual other post-employment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The annual OPEB expense is an accounting item designed to recognize certain changes to the Total OPEB Liability in the current period income statement. Additionally, changes to the Total OPEB Liability not fully recognized in a given year's OPEB expense will be tracked as deferred inflows and outflows and recognized incrementally in the OPEB expense over time. See Schedule of Changes in Total OPEB Liability and Related Ratios for detailed information and a table showing the components of the city's annual OPEB costs and liabilities.

Actuarial Methods and Assumptions

The Total OPEB Liability for the current year was determined as part of the July 1, 2020 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value or reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 2.21% compounded annually; (b) an inflation rate of 2.5%; and (c) no post-retirement benefit increases and a payroll increase of 3.5%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) – CIS HEALTH INSURANCE SUBSIDY, CONTINUED

The following table shows sensitivity of the Total OPEB Liability to changes in discount and trend rates, as determined by the July 1, 2020 actuarial valuation.

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
City's Proportionate Share of the OPEB Liability (Asset)	$ 85,401	$ 81,801	$ 78,366

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the OPEB Liability (Asset)	$ 76,967	$ 81,801	$ 87,312

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (11,376)
Changes in Assumptions	1,142	(5,679)
Benefit Payments	9,576	-
Totals	$ 10,718	$ (17,055)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred outflows or (inflows) of Resources
2022	$ (3,558)
2023	(3,558)
2024	(3,288)
2025	(2,881)
2026	(1,576)
Thereafter	(1,052)
Total	$ (15,913)

Program membership consisted of 16 active and 1 retired participants at July 1, 2020.

NOTE 21 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City does not engage in risk financing activities where the risk is retained (self-insurance). Settled claims have not exceeded commercial coverage in any of the past three years.

NOTE 22 – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are restricted and are subject to audit and adjustment by these agencies, principally the federal government and the state of Oregon. Any disallowed claims, including amounts already collected, may constitute a liability to the City. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time. City management expects such amounts, if any, to be immaterial.

The City is involved in several construction projects including the construction of a sewer treatment facility. In the prior year, land was acquired to that end and there is ongoing work, including engineering and other preparatory expenses to complete the construction. Loans and Grants have been secured to fully fund the construction of this facility.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Liability
Oregon Public Retirement System
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City's Proportion of the Net Pension Liability	0.52233500%	0.00654596%	0.00483537%	0.00644948%	0.00672200%	0.00672538%	0.00767280%	0.00767280%		
City's Proportionate Share of the Net Pension Liability (Asset)	$ 1,139,915	$ 1,132,294	$ 732,495	$ 869,392	$ 1,009,127	$ 386,135	$ (173,920)	$ 391,554		
City's Covered-Employee Payroll	$ 738,567	$ 774,442	$ 764,285	$ 839,706	$ 672,124	$ 736,153	$ 735,503	$ 783,863	UNAVAILABLE	
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered -Employee Payroll	154.34%	146.21%	95.84%	103.54%	150.14%	52.45%	-23.65%	49.95%		
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.80%	80.10%	82.10%	83.10%	80.50%	91.90%	103.59%	91.97%		

*The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

Schedule of City Contributions
Oregon Public Retirement System
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 61,401	$ 52,929	$ 59,832	$ 69,836	$ 41,170	$ 48,173	$ 51,296	$ 51,201		
Contributions in Relation to the Contractually Required Contribution	(61,401)	(52,929)	(59,832)	(69,836)	(41,170)	(48,173)	(51,296)	(51,201)		
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	UNAVAILABLE	
City's Covered Employee Payroll	$ 738,567	$ 774,442	$ 764,285	$ 839,706	$ 672,124	$ 736,153	$ 735,503	$ 783,863		
Contributions as a Percentage of Covered-Employee Payroll	8.31%	6.83%	7.83%	8.32%	6.13%	6.54%	6.97%	6.53%		

*The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

Schedule of Proportionate Share of Net OPEB Liability
Retiree Health Insurance Account PERS
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City's Proportion of the Net OPEB Liability	0.41832800%	0.00694520%	0.00795453%	0.00642639%						
City's Proportionate Share of the Net OPEB Liability (Asset)	$ (8,524)	$ (12,936)	$ (8,879)	$ (2,682)						
City's Covered-Employee Payroll	$ 738,567	$ 774,442	$ 764,285	$ 839,706			UNAVAILABLE			
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered -Employee Payroll	-1.15%	-1.67%	-1.16%	-0.32%						
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	150.10%	144.40%	123.99%	108.90%						

*The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

Schedule of City Contributions
Retiree Health Insurance Account PERS
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 3,199	$ 3,199	$ 3,318	$ 3,199						
Contributions in Relation to the Contractually Required Contribution	(3,199)	(3,199)	(3,318)	(3,199)						
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -			UNAVAILABLE			
City's Covered Employee Payroll	$ 738,567	$ 774,442	$ 764,285	$ 839,706						
Contributions as a Percentage of Covered-Employee Payroll	0.43%	0.41%	0.43%	0.38%						

*The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

Schedule of Changes in Total OPEB Liability and Related Ratios
CIS Health Insurance
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Beginning OPEB Liability	$ 86,251	$ 83,973	$ 101,177	$ 102,343						
Service Cost	5,054	4,523	5,091	5,260						
Interest	3,048	3,289	3,690	2,997						
Changes of Benefit Terms	-	-	-	-						
Ecomonic/Demographic Gains or Losses	(3,339)	-	(14,057)	-						
Changes of Assumptions	(701)	1,558	(5,502)	(4,470)						
Benefit payments	(8,512)	(7,092)	(6,427)	(4,953)						
Ending OPEB Liability	$ 81,801	$ 86,251	$ 83,972	$ 101,177			UNAVAILABLE			
Covered Payroll	$ 738,567	$ 774,442	$ 764,285	$ 839,706						
OPEB Liability as a Percentage of Covered Payroll	11.1%	11.1%	11.0%	12.0%						

*The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

Schedule of City Contributions
CIS Health Insurance
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarialy Determined Contribution	$ 9,576	$ 8,512	$ 7,092	$ 6,427						
Contributions in Relation to the Actuarialy Determined Contribution	(9,576)	(8,512)	(7,092)	(6,427)						
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -			UNAVAILABLE			
City's Covered Employee Payroll	$ 738,567	$ 774,442	$ 764,285	$ 865,491						
Contributions as a Percentage of Covered-Employee Payroll	1.30%	1.10%	0.93%	0.74%						

*The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

CITY OF JOHN DAY

Budgetary Comparison Schedules - General Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Revenues:	Original	Final	**Amounts**	(Negative)
Property Taxes	$ 293,530	$ 293,530	**$ 316,025**	$ 22,495
Intergovernmental Revenues	122,837	122,837	**129,257**	6,420
User Fees	10,835	10,835	**11,198**	363
Grant Proceeds	-	55,000	**40,502**	(14,498)
Licenses and Fees	191,950	191,950	**221,008**	29,058
Fines and Forfeitures	4,000	4,000	**7,974**	3,974
Interest Income	2,130	2,130	**6,216**	4,086
Miscellaneous Income	-	-	**79,149**	79,149
Total Revenues	625,282	680,282	**811,329**	131,047
Expenditures:				
Nondepartmental	-	-	-	-
Administration	233,075	268,075	**199,485**	68,590
Police	505,426	505,426	**470,695**	34,731
Fire	124,039	124,039	**66,492**	57,547
Main Street Revitalization	-	-	-	-
Total Expenditures	862,540	897,540	**736,672**	160,868
Excess (Deficiency) of Revenues Over Expenditures	(237,258)	(217,258)	**74,657**	311,915
Other Financing Sources (Uses):				
Transfers In	30,770	30,770	**27,875**	2,895
Transfers Out	(95,897)	(115,897)	**(95,897)**	20,000
Interfund Charges Motor Pool	(45,000)	(45,000)	**(45,000)**	-
Total Other Financing Sources (Uses)	(110,127)	(130,127)	**(113,022)**	22,895
Net Change In Fund Balance	(347,385)	(347,385)	**(38,365)**	334,810
	-			
Fund Balance - July 1	347,385	347,385	**410,483**	63,098
Fund Balance - June 30	$ -	$ -	**372,118**	$ 372,118

CITY OF JOHN DAY

Budgetary Comparison Schedules - Street Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Revenues:	Original	Final	**Amounts**	(Negative)
Intergovernmental Revenue	$ 291,346	$ 291,346	**$ 287,023**	$ (4,323)
Interest Income	1,000	1,000	**865**	(135)
Miscellaneous Income	-	4,000	**1,831**	(2,169)
Grant Proceeds	729,660	868,660	**232,995**	(635,665)
Total Revenues	1,022,006	1,165,006	**522,714**	(642,292)
Expenditures:				
Personal Services	200,487	200,487	**149,282**	51,205
Materials and Services	136,831	144,831	**92,400**	52,431
Capital Outlay	759,660	934,660	**364,621**	570,039
Contingency	100,000	60,000	-	(60,000)
Total Expenditures	1,196,978	1,339,978	**606,303**	613,675
Excess (Deficiency) of Revenues Over Expenditures	(174,972)	(174,972)	**(83,589)**	91,383
Other Financing Sources (Uses):				
Interfund Charges Motor Pool	(30,000)	(30,000)	**(29,583)**	417
Total Other Financing Sources (Uses)	(30,000)	(30,000)	**(29,583)**	417
Net Change In Fund Balance	(204,972)	(204,972)	**(113,172)**	91,800
Fund Balance - July 1	204,972	204,972	**211,125**	6,153
Fund Balance - June 30	$ -	$ -	**$ 97,953**	$ 97,953

CITY OF JOHN DAY

Budgetary Comparison Schedules - IT Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Revenues:	Original	Final	**Amounts**	(Negative)
Grant Proceeds	$ -	$ -	**$ 95,445**	$ 95,445
Miscellaneous Income	-	-	**130**	130
Interest Income	7,500	7,500	**10,117**	2,617
Total Revenues	7,500	7,500	**105,693**	98,193
Expenditures:				
Personal Services	41,670	41,670	**24,727**	16,943
Material and Services	60,050	60,050	**34,215**	25,835
Capital Outlay	1,328,427	1,328,427	**207,366**	1,121,061
Contingency	-	-	-	-
Total Expenditures	1,430,147	1,430,147	**266,308**	1,163,839
Excess (Deficiency) of Revenues Over Expenditures	(1,422,647)	(1,422,647)	**(160,615)**	1,262,032
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balance	(1,422,647)	(1,422,647)	**(160,615)**	1,262,032
Fund Balance - July 1	1,422,647	1,422,647	**1,449,001**	26,354
Fund Balance - June 30	$ -	$ -	**$ 1,288,386**	$ 1,288,386

CITY OF JOHN DAY

Budgetary Comparison Schedules – Community Development Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Revenues:	Original	Final	**Amounts**	(Negative)
Economic Development Fee	$ 80,000	$ 80,000	**$ 78,286**	$ (1,714)
Transient Room Tax	45,000	45,000	**-**	(45,000)
Interest Income	2,210	2,210	**2,296**	86
Sales of Produce	101,300	101,300	**28,260**	(73,040)
Miscellaneous Income	-	-	**4,865**	4,865
Total Revenues	228,510	228,510	**113,707**	(114,803)
Expenditures:				
Administration:				
Personal Services	36,016	36,016	**38,943**	(2,927)
Materials and Services	17,812	17,812	**16,046**	1,766
Operating Contingency	5,000	5,000	**-**	5,000
Total Administration	58,828	58,828	**54,989**	3,839
Agribusiness:				
Personal Services	109,785	109,785	**71,459**	38,326
Material and Services	49,110	83,110	**66,902**	16,208
Capital Outlay	-	-	**-**	-
Debt Service	22,000	22,000	**21,075**	925
Total Agribusiness	180,895	214,895	**159,436**	55,459
Total Expenditures	239,723	273,723	**214,425**	110,918
Excess (Deficiency) of Revenues Over Expenditures	(11,213)	(45,213)	**(100,718)**	(89,505)
Other Financing Sources (Uses):				
URA Loan Repayment	20,120	20,120	**62,500**	42,380
Transfers In	52,905	52,905	**56,937**	(4,032)
Transfers Out	(34,000)	-	**-**	-
Total Other Financing Sources (Uses)	39,025	73,025	**119,437**	**38,348**
Net Change In Fund Balance	27,812	27,812	**18,719**	(46,531)
Fund Balance - July 1	(1,412)	(1,412)	**(5,336)**	(3,924)
Fund Balance - June 30	$ 26,400	$ 26,400	**13,383**	$ (13,017)

In accordance with Oregon Revised Statutes, the City Council annually adopts a budget following required public notice and hearing for all funds. The budget may be amended during the year through statutorily prescribed procedures. The City's budget is prepared on the modified accrual basis of accounting. Appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon major classes of expenditures known as functions within each fund. The functions within the General Fund include administration, police, fire, transfers and contingencies. Functions within all other funds include: personal services, materials and services, capital outlay, debt service, transfers, and contingencies. The City adopted one supplemental budget during the year ended June 30, 2021.

During the year ended June 30, 2021, disbursements in the General Fund and major special revenue funds were within certified budget amounts in all functions.

OTHER SUPPLEMENTAL INFORMATION

CITY OF JOHN DAY
Non-Major Fund Combining Schedules
Balance Sheet
Governmental Funds
Year Ended June 30, 2021

ASSETS	Debt Service Fund	Urban Renewal Agency	911 Fund	Total Governmental Funds
Cash and Cash Investments	$ 30,480	$ 2,526	$ 23	$ 33,030
Property Taxes Receivable	6,786	3,809	-	10,596
Other Receivables	-	-	-	-
Internal balances	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	$ 37,266	$ 6,336	$ 23	$ 43,625
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ -	$ -	$ -
Accrued Liabilities	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable Property Tax Revenue	6,263	3,481	-	9,744
Unavailable Other Revenue	-	-	-	-
Total Deferred Inflows of Resources	6,263	3,481	-	9,744
Fund Balances:				
Restricted for Streets	-	-	-	-
Restricted for Community Development	-	2,855	-	2,855
Restricted for Public Safety	-	-	23	23
Restricted for Debt Service	31,003	-	-	31,003
Unassigned	-	-	-	-
Total Fund Balances	31,003	2,855	23	33,881
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 37,266	$ 6,336	$ 23	$ 43,625

CITY OF JOHN DAY
Non-Major Fund Combining Schedules
Statement of Revenue, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2021

	Debt Service Fund	Urban Renewal Agency	911 Fund	Total Governmental Funds
Revenues:				
Taxes	$ 62,281	$ 50,066	$ -	$ 112,347
Intergovernmental Revenues	-	1,300	-	1,300
Interest Income	322	185	-	507
Total Revenues	62,604	51,550	-	114,154
Expenditures:				
Community Development	-	82,150	-	82,150
Debt Service - Principal	41,000	16,516	-	57,516
Debt Service - Interest	13,912	2,699	-	16,611
Capital Outlay	-	-	-	-
Total Expenditures	54,912	101,365	-	156,277
Excess (Deficiency) of Revenues Over Expenditures	7,692	(49,815)	-	(42,123)
Other Financing Sources (Uses):				
Debt Proceeds	-	99,960	-	99,960
Operating Transfers-In	-	-	-	-
Operating Transfers-Out	-	(62,500)	(9,941)	(72,441)
Interfund Charges - Motor Pool	-	-	-	-
Total Other Financing Sources (Uses)	-	37,460	(9,941)	27,519
Net Change in Fund Balance	7,692	(12,355)	(9,941)	(14,604)
Fund Balances - July 1	23,311	15,210	9,964	48,485
Fund Balances - June 30	$ 31,003	$ 2,855	$ 23	$ 33,881

CITY OF JOHN DAY

Budgetary Comparison Schedules – 911 Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Revenues:	Original	Final	**Amounts**	(Negative)
Intergovernmental Revenues	$ -	$ -	**$ -**	$ -
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Administration:				
Personal Services	-	-	-	-
Materials and Services	-	-	-	-
Operating Contingency	-	-	-	-
Total Administration	-	-	-	-
Operating:				
Personal Services	-	-	-	-
Materials and Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Operating	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(9,941)	(9,941)	**(9,941)**	-
Total Other Financing Sources (Uses)	(9,941)	(9,941)	**(9,941)**	-
Net Change In Fund Balance	(9,941)	(9,941)	**(9,941)**	-
Fund Balance - July 1	9,941	9,941	**9,964**	23
Fund Balance - June 30	$ -	$ -	**$ 23**	$ 23

CITY OF JOHN DAY

Budgetary Comparison Schedules – Debt Service Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Revenues:	Original	Final	**Amounts**	(Negative)
Property Taxes	$ 57,000	$ 57,000	**62,281**	$ 5,281
Interest Income	140	140	**323**	183
Total Revenues	57,140	57,140	**62,605**	5,465
Expenditures:				
Debt Service	57,000	57,000	**54,912**	2,088
Total Expenditures	57,000	57,000	**54,912**	2,088
Excess (Deficiency) of Revenues Over Expenditures	140	140	**7,693**	7,553
Other Financing Sources (Uses):				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balance	140	140	7,693	7,553
Fund Balance - July 1	17,710	17,710	**23,311**	(5,601)
Fund Balance - June 30	$ 17,850	$ 17,850	**31,004**	$ 13,154

CITY OF JOHN DAY

Budgetary Comparison Schedules – Urban Renewal Agency

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Revenues:	Original	Final	**Amounts**	(Negative)
Property Taxes	$ 63,000	$ 63,000	**$ 50,066**	$ (12,934)
Charges for Services	2,000	2,000	**1,300**	(700)
Interest Income	-	-	**185**	185
Total Revenues	65,000	65,000	**51,550**	(13,450)
Expenditures:				
Materials and Services	123,600	123,600	**82,150**	41,450
Debt Service	50,268	50,268	**81,715**	(31,447)
Total Materials & Services Expenses	173,868	173,868	**163,865**	41,450
Total Expenditures	173,868	173,868	**163,865**	41,450
Excess (Deficiency) of Revenues Over Expenditures	(108,868)	(108,868)	**(112,315)**	(3,447)
Other Financing Sources (Uses):				
Debt Proceeds	-	-	**99,960**	(99,960)
Transfers-In	100,000	100,000	-	100,000
Transfers-Out	-	-	-	-
Total Other Financing Sources (Uses)	100,000	100,000	**99,960**	40
Net Change In Fund Balance	(8,868)	(8,868)	**(12,355)**	(3,487)
Fund Balance - July 1	8,868	8,868	**15,210**	6,342
Fund Balance - June 30	$ -	$ -	**$ 2,855**	$ 2,855

CITY OF JOHN DAY

Water Utility Fund Combining Schedules
Reconciliation of Budget Basis to Accrual Basis
Year Ended June 30, 2021

	Water Fund	Totals
Reconciliation of Beginning Fund Balance to Beginning Net Position:		
Beginning Fund Balance - Budget Basis	$ 350,290	$ 350,290
Capital Assets	6,097,183	6,097,183
Accumulated Depreciation	(3,010,148)	(3,010,148)
Due From Other Fund	303,302	303,302
Net Pension Liability	(169,638)	(169,638)
Deferred Outflow of Resources	64,892	64,892
Deferred Inflow of Resources	(31,302)	(31,302)
Accrued Compensated Absences	(9,867)	(9,867)
Loan Payable	(1,304,584)	(1,304,584)
Interest Payable	(3,631)	(3,631)
Beginning Net Position	$ 2,286,497	$ 2,286,497
Reconciliation of Change in Fund Balance to Change in Net Position:		
Change in Fund Balance - Budget Basis	$ 630,798	$ 630,798
Assets Purchased and Capitalized	89,953	89,953
Depreciation on Capital Assets	(101,662)	(101,662)
Change in Loans Payable	(394,247)	(394,247)
Change in Pension Expense	(913)	(913)
Change in Accrued Interest	5,488	5,488
Gain on Sale of Asset	(574)	(574)
Change in Accrued Compensated Absences	(481)	(481)
Increase (Decrease) in Net Position	$ 228,363	$ 228,363
Reconciliation of Ending Fund Balance to Ending Net Position:		
Ending Fund Balance - Budget Basis	$ 981,088	$ 981,088
Capital Assets	6,186,563	6,186,563
Accumulated Depreciation	(3,111,810)	(3,111,810)
Due From Other Fund	269,603	269,603
Net Pension Liability	(143,624)	(143,624)
Deferred Outflow of Resources	58,716	58,716
Deferred Inflow of Resources	(52,053)	(52,053)
Accrued Compensated Absences	(10,348)	(10,348)
Loan Payable	(1,663,275)	(1,663,275)
Ending Net Position	$ 2,514,860	$ 2,514,860

CITY OF JOHN DAY

Water Utility Fund Budgetary Comparison Schedules – Water Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Operating Revenues:	Original	Final	Amounts	(Negative)
User Fees	$ 605,000	$ 605,000	**$ 708,945**	$ 103,945
Grant Income	38,930	78,930	**26,344**	(52,586)
Miscellaneous Income	-	-	**11,608**	11,608
Total Operating Revenues	643,930	683,930	**746,897**	62,967
Operating Expenses:				
Administration:				
Personal Services	71,220	71,220	**52,134**	19,086
Materials and Services	43,750	43,750	**33,549**	10,201
Total Administration Expenses	114,970	114,970	**85,683**	29,287
Plant Expenses:				
Personal Services	139,963	139,963	**123,329**	16,634
Materials and Services	157,278	157,278	**147,720**	9,558
Capital Outlay	100,000	140,000	**85,120**	54,880
Debt Service	237,000	237,000	**198,973**	38,027
Motor Pool	35,000	35,000	**35,000**	-
Contingency	265,229	265,229	-	265,229
Total Plant Expenses	934,470	974,470	**590,142**	384,328
Total Operating Expenses	1,049,440	1,089,440	**675,825**	413,615
Operating Income (Loss)	(405,510)	(405,510)	**71,072**	(350,648)
Non-Operating Revenues (Expenses):				
Proceeds from Sale - Land	-	-	**11,797**	(11,608)
Debt Proceeds	-	-	**506,655**	(506,655)
Interest Income	5,000	5,000	**4,260**	(740)
Total Non-Operating Revenues	5,000	5,000	**522,712**	(519,003)
Income (Loss) Before Transfers	(400,510)	(400,510)	**593,784**	(869,651)
Operating Transfers:				
Transfers-In	42,992	42,992	**42,992**	-
Transfers-Out	(6,943)	(6,943)	**(5,978)**	965
Net Operating Transfers	36,049	36,049	**37,014**	965
Change in Fund Balance	(364,461)	(364,461)	**630,798**	(868,686)
Fund Balance - July 1	904,461	904,461	**350,290**	554,171
Fund Balance - June 30	$ 540,000	$ 540,000	**$ 981,088**	$ 441,088

CITY OF JOHN DAY

Sewer Utility Fund Combining Schedules
Statement of Net Position
Year Ended June 30, 2021

ASSETS	Sewer Fund	Joint Sewer Fund	Totals
Current Assets:			
Cash with Depositories	$ (47,353)	$ 60,998	$ 13,645
Accounts Receivable - Utility Customers	78,092	6,951	85,043
Accounts Receivable - Others	210,610	-	210,610
Allowance for Doubtful Accounts	(3,353)	-	(3,353)
Total Current Assets	237,996	67,949	305,945
Non-Current Assets:			
Construction in Progress	658,012	-	658,012
Property, Plant, and Equipment	3,269,923	-	3,269,923
Accumulated Depreciation	(2,185,573)	-	(2,185,573)
Net Capital Assets	1,742,362	-	1,742,362
Total Assets	1,980,358	67,949	2,048,307
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension/OPEB	55,319	70,394	125,713
Total Deferred Outflows of Resources	55,319	70,394	125,713
LIABILITIES			
Current Liabilities:			
Accounts Payable	88,669	4,179	92,848
Accrued Liabilities	-	-	-
Accrued Compensated Absences	8,153	13,917	22,070
Customer Deposits	-	-	-
Interest Payable	11,161	-	11,161
Loans Payable - Current Portion	82,779	-	82,779
Total Current Liabilities	190,762	18,096	208,858
Non-Current Liabilities:			
Net Pension Liability/OPEB	135,314	172,189	307,503
Loans Payable - Non-Current Portion	835,058	-	835,058
Total Non-Current Liabilities	970,372	172,189	1,142,561
Total Liabilities	1,161,134	190,284	1,351,418
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension/OPEB	49,042	62,406	111,448
Total Deferred Inflows of Resources	49,042	62,406	111,448
NET POSITION			
Net Investment in Capital Assets	813,364	-	813,364
Unrestricted	12,137	(114,348)	(102,211)
Total Net Position	$ 825,501	$ (114,348)	$ 711,154

CITY OF JOHN DAY

Sewer Utility Fund Combining Schedules
Schedule of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2021

	Sewer Fund	Joint Sewer Fund	Totals
Operating Revenues:			
User Fees	$ 699,211	$ 77,181	$ 776,392
Miscellaneous Income	1,115	1,047	2,162
Total Operating Revenues	700,326	78,228	778,554
Operating Expenses:			
Personal Services	122,015	246,501	368,516
Supplies, Repairs, and Services	156,568	79,146	235,714
Capital Outlay	-	-	-
Depreciation	36,339	-	36,339
Motor Pool Interfund Charges	30,000	25,000	55,000
Total Operating Expenses	344,922	350,647	695,569
Operating Income (Loss)	355,404	(272,419)	82,985
Non-Operating Revenues (Expenses):			
Intergovernmental Revenues	307,503	-	307,503
Gain on Sale of Assets	2,417	-	2,417
Interest Income	597	586	1,183
Interest Expense	(32,781)	-	(32,781)
Total Non-Operating Revenues	277,736	586	278,322
Income (Loss) Before Transfers	633,140	(271,833)	361,307
Operating Transfers:			
Transfers-In	-	184,220	184,220
Transfers-Out	(440,773)	(5,978)	(446,751)
Net Operating Transfers	(440,773)	178,242	(262,531)
Change in Net Position	192,367	(93,591)	98,776
Total Net Position - July 1	633,134	(20,757)	612,377
Total Net Position - June 30	$ 825,501	$ (114,348)	$ 711,154

CITY OF JOHN DAY

Sewer Utility Fund Combining Schedules
Statement of Cash Flows
Year Ended June 30, 2021

	Sewer Fund	Joint Sewer Fund	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 724,133	$ 78,230	$ 802,363
Cash Paid to Employees	(166,463)	(218,192)	(384,655)
Cash Paid to Suppliers	(186,568)	(79,146)	(265,714)
Net Cash Provided (Used) by Operating Activities	371,102	(219,108)	151,994
Cash Flows from Non-Capital Financing Activities:			
Operating Transfers	(190,198)	178,240	(11,958)
Interfund Loans	-	-	-
Intergovernmental Revenues	131,761	-	131,761
Net Cash Provided by Non-Capital Financing Activities	(58,437)	178,240	119,803
Cash Flows from Capital and Related Financing Activities:			
Puchases of Capital Assets	(277,541)	-	(277,541)
Proceeds from Sale of Capital Assets	2,838	-	2,838
Debt Proceeds	58,856	-	58,856
Principal Paid on Debt	(68,655)	-	(68,655)
Interest Paid on Debt	(33,048)	-	(33,048)
Net Cash Used for Capital and Related Financing Activities	(317,550)	-	(317,550)
Cash Flows From Investing Activities:			
Interest Received on Investments	597	586	1,183
Net Cash Provided by Investing Activities	597	586	1,183
Net Increase (Decrease) in Cash	(4,288)	(40,282)	(44,570)
Cash and Cash Equivalents - July 1	(43,065)	101,280	58,215
Cash and Cash Equivalents - June 30	$ (47,353)	$ 60,998	$ 13,645

CITY OF JOHN DAY
Sewer Utility Fund Combining Schedules
Statement of Cash Flows
Year Ended June 30, 2021

Reconciliation of Operating Income (Loss)
to Net Cash Provided (Used) By Operating Activities:

Operating Income (Loss)	$ 355,404	$ (272,419)	$ 82,985
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	36,339	-	36,339
(Increase) Decrease In:			
Accounts Receivable	(23,807)	(767)	(24,574)
Prepaid Expenses	-	-	-
Net Pension/OPEB Asset/Liability	(80,464)	28,085	(52,379)
Deferred Outflow of Resources	27,125	(15,517)	11,608
Increase (Decrease) In:			
Accounts Payable	47,614	2,760	50,374
Accrued Liabilities	-	-	-
Accrued Compensated Absenses	(143)	3,415	3,272
Customer Deposits	-	-	-
Deferred Inflow of Resources	9,034	35,335	44,369
Net Cash Provided (Used) by Operating Activities	$ 371,102	$ (219,108)	$ 151,994

	Sewer Fund	Joint Sewer Fund	Totals
Reconciliation of Beginning Fund Balance to Beginning Net Position:			
Beginning Fund Balance - Budget Basis	$ 4,586	$ 105,256	$ 109,842
Capital Assets	4,259,227	-	4,259,227
Accumulated Depreciation	(2,167,381)	-	(2,167,381)
Net Pension Liability	(215,778)	(143,316)	(359,094)
Deferred Outflow of Resources	82,444	54,877	137,321
Deferred Inflow of Resources	(40,008)	(27,073)	(67,081)
Accrued Compensated Absences	(8,296)	(10,502)	(18,798)
Loan Payable	(1,263,512)	-	(1,263,512)
Interest Payable	(18,148)	-	(18,148)
Beginning Net Position	$ 633,134	$ (20,757)	$ 612,376
Reconciliation of Change in Fund Balance to Change in Net Position:			
Change in Fund Balance - Budget Basis	$ 143,617	$ (42,273)	$ 101,344
Assets Purchased and Capitalized	277,541	-	277,541
Depreciation on Capital Assets	(36,341)	-	(36,341)
Change in Loans Payable	9,799	-	9,799
Change in Pension Expense	44,305	(47,903)	(3,598)
Change in Accrued Interest	267	-	267
Gain on Sale of Land	(421)	-	(421)
Fixed Asset Transfer to Community Dev Fund	(246,543)		
Change in Accrued Compensated Absences	143	(3,415)	(3,272)
Increase (Decrease) in Net Position	$ 192,367	$ (93,591)	$ 345,319
Reconciliation of Ending Fund Balance to Ending Net Position:			
Ending Fund Balance - Budget Basis	$ 148,203	$ 62,983	$ 211,186
Capital Assets	3,929,061	-	3,929,061
Accumulated Depreciation	(2,185,573)	-	(2,185,573)
Net Pension Liability	(135,314)	(172,189)	(307,503)
Deferred Outflow of Resources	55,319	70,394	125,713
Deferred Inflow of Resources	(49,044)	(62,406)	(111,450)
Accrued Compensated Absences	(8,153)	(13,131)	(21,284)
Loan Payable	(917,837)	-	(917,837)
Interest Payable	(11,161)	-	(11,161)
Ending Net Position	$ 825,501	$ (114,348)	$ 711,152

CITY OF JOHN DAY

Sewer Utility Fund Budgetary Comparison Schedules – Sewer Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Operating Revenues:	Original	Final	Amounts	(Negative)
User Fees	$ 672,350	$ 672,350	**$ 699,211**	$ 26,861
Grant Proceeds	3,050,000	3,115,000	**307,503**	(2,807,497)
Miscellaneous Income	-	-	**1,115**	1,115
Total Operating Revenues	3,722,350	3,787,350	**1,007,830**	(2,779,520)
Operating Expenses:				
Administration Expenses:				
Personal Services	78,520	78,520	**60,841**	17,679
Materials and Services	41,950	41,950	**27,677**	14,273
Total Administration Expenses	120,470	120,470	**88,518**	31,952
Project Construction:				
Capital Outlay	11,200,000	11,200,000	**277,541**	10,922,459
Total Project Construction Expenses	11,200,000	11,200,000	**277,541**	10,922,459
Plant Expenses:				
Personal Services	103,070	103,070	**105,622**	(2,552)
Materials and Services	86,996	151,996	**128,890**	23,106
Capital Outlay	-	-	-	-
Debt Service	103,500	103,500	**101,703**	1,797
Motor Pool	30,000	30,000	**30,000**	-
Contingency	-	-	-	-
Total Plant Expenses	323,566	388,566	**366,215**	22,351
			-	
Total Operating Expenses	11,644,036	11,709,036	**732,274**	10,976,762
Operating Income (Loss)	(7,921,686)	(7,921,686)	**275,556**	8,197,242
Non-Operating Revenues (Expenses):				
Debt Proceeds	8,150,000	8,150,000	**58,856**	(8,091,144)
Property Sale Revenue	-	-	**2,838**	2,838
Product Sale Revenue	-	-	-	-
Interest Income	750	750	**597**	(153)
Total Non-Operating Revenues	8,150,750	8,150,750	**62,291**	(8,088,459)
Income (Loss) Before Transfers	229,064	229,064	**337,847**	108,783
Operating Transfers:				
Transfers-In	34,000	34,000	-	34,000
Transfers-Out	(191,160)	(191,160)	**(194,230)**	(3,070)
Net Operating Transfers	(157,160)	(157,160)	**(194,230)**	30,930
Change in Fund Balance	71,904	71,904	**143,617**	71,713
Fund Balance - July 1	(3,416)	(3,416)	**4,586**	8,002
Fund Balance - June 30	$ 68,488	$ 68,488	**$ 148,203**	$ 79,715

CITY OF JOHN DAY

Sewer Utility Fund Budgetary Comparison Schedules – Joint Sewer Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Operating Revenues:	Original	Final	Amounts	(Negative)
Intergovernmental Income	$ 75,168	$ 75,168	**$ 77,181**	$ 2,013
Miscellaneous Income	-	-	**1,049**	1,049
Total Operating Revenues	75,168	75,168	**78,230**	3,062
Operating Expenses:				
Administration Expenses:				
Personal Services	47,951	47,951	**38,676**	9,275
Materials and Services	14,690	14,690	**10,088**	4,602
Total Administration Expenses	62,641	62,641	**48,764**	13,877
Plant Expenses:				
Personal Services	156,432	156,432	**156,509**	(77)
Materials and Services	105,010	105,010	**69,058**	35,952
Motor Pool	25,000	25,000	**25,000**	-
Contingency	-	-	-	-
Total Plant Expenses	286,442	286,442	**250,567**	35,875
Total Operating Expenses	349,083	349,083	**299,331**	49,752
Operating Income (Loss)	(273,915)	(273,915)	**(221,101)**	52,814
Non-Operating Revenues (Expenses):				
Debt Proceeds	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Interest Income	630	630	**586**	(44)
Total Non-Operating Revenues	630	630	**586**	(44)
Income (Loss) Before Transfers	(273,285)	(273,285)	**(220,515)**	52,770
Operating Transfers:				
Transfers-In	184,220	184,220	**184,220**	-
Transfers-Out	(6,940)	(6,940)	**(5,978)**	962
Net Operating Transfers	177,280	177,280	**178,242**	962
Change in Fund Balance	(96,005)	(96,005)	**(42,273)**	53,732
Fund Balance - July 1	96,005	96,005	**105,256**	9,251
Fund Balance - June 30	$ -	$ -	**$ 62,983**	$ 62,983

CITY OF JOHN DAY
Internal Service Fund Combining Schedules
Statement of Net Position
June 30, 2021

ASSETS	Motor Pool	Unpaid Compensation	Totals
Current Assets:			
Cash with Depositories	$ 113,738	$ 101,586	$ 215,324
Accounts Receivable - Utility Customers	-	-	-
Accounts Receivable - Others	600	-	600
Allowance for Doubtful Accounts	-	-	-
Due from Other Funds	-	-	-
Total Current Assets	114,338	101,586	215,924
Non-Current Assets:			
Construction in Progress	-	-	-
Property, Plant, and Equipment	1,233,059	-	1,233,059
Accumulated Depreciation	(824,111)	-	(824,111)
Net Capital Assets	408,948	-	408,948
Other Assets			
Net Pension Asset	-	104,431	104,431
Total Assets	523,286	206,017	729,303
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension/OPEB	14,588	7,120	21,708
Total Deferred Outflows of Resources	14,588	7,120	21,708
LIABILITIES			
Current Liabilities:			
Accounts Payable	28,132	-	28,132
Accrued Compensated Absences	4,903	-	4,903
Customer Deposits	-	-	-
Interest Payable	-	-	-
Loans Payable - Current Portion	10,159	-	10,159
Total Current Liabilities	43,194	-	43,194
Non-Current Liabilities:			
Net Pension Liability/OPEB	35,683	-	35,683
Loans Payable - Non-Current Portion	24,142	-	24,142
Total Non-Current Liabilities	59,825	-	59,825
Total Liabilities	103,019	-	103,019
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension/OPEB	12,932	6,312	19,244
Total Deferred Inflows of Resources	12,932	6,312	19,244
		-	
NET POSITION			
Net Investment in Capital Assets	384,806	-	384,806
Unrestricted	37,117	206,825	243,942
Total Net Position	$ 421,923	$ 206,825	$ 628,748

CITY OF JOHN DAY

Internal Service Fund Combining Schedules
Schedule of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2021

	Motor Pool	Unpaid Compensation	Totals
Operating Revenues:			
User Fees	$ 5,803	$ -	$ 5,803
Interfund Charges	164,583	3,518	168,101
Miscellaneous Income	2,517	-	2,517
Total Operating Revenues	172,903	3,518	176,421
Operating Expenses:			
Personal Services	46,096	(101,185)	(55,089)
Supplies, Repairs, and Services	84,622	-	84,622
Capital Outlay	19,056	-	19,056
Depreciation	59,464	-	59,464
Total Operating Expenses	209,238	(101,185)	108,053
Operating Income (Loss)	(36,335)	104,703	68,368
Non-Operating Revenues (Expenses):			
Interest Income	761	828	1,589
Interest Expense	(2,680)	-	(2,680)
Total Non-Operating Revenues	(1,919)	828	(1,091)
Income (Loss) Before Transfers	(38,254)	105,532	67,278
Operating Transfers:			
Transfers-In	-	-	-
Transfers-Out	-	-	-
Net Operating Transfers	-	-	-
Change in Net Position	(38,254)	105,532	67,278
Total Net Position - July 1	460,177	101,293	561,470
Total Net Position - June 30	$ 421,923	$ 206,825	$ 628,748

CITY OF JOHN DAY
Internal Service Fund Combining Schedules
Schedule of Cash Flows
Year Ended June 30, 2021

	Motor Pool	Unpaid Compensation	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 178,603	$ 3,518	$ 182,121
Cash Paid to Employees	(44,911)	(20,443)	(65,354)
Cash Paid to Suppliers	(102,359)	-	(102,359)
Net Cash Provided (Used) by Operating Activities	31,333	(16,925)	14,408
Cash Flows from Non-Capital Financing Activities:			
Operating Transfers	-	-	-
Interfund Loans	-	-	-
Intergovernmental Revenues	-	-	-
Net Cash Provided by Non-Capital Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities:			
Puchases of Capital Assets	(23,078)	-	(23,078)
Proceeds from Sale of Capital Assets	-	-	-
Debt Proceeds	-	-	-
Principal Paid on Debt	(10,159)	-	(10,159)
Interest Paid on Debt	(2,680)	-	(2,680)
Net Cash Used for Capital and Related Financing Activities	(35,917)	-	(35,917)
Cash Flows From Investing Activities:			
Interest Received on Investments	761	829	1,590
Net Cash Provided by Investing Activities	761	829	1,590
Net Increase (Decrease) in Cash	(3,823)	(16,096)	(19,918)
Cash and Cash Equivalents - July 1	117,561	117,682	235,243
Cash and Cash Equivalents - June 30	$ 113,738	$ 101,586	$ 215,325

CITY OF JOHN DAY
Internal Service Fund Combining Schedules
Schedule of Cash Flows
Year Ended June 30, 2021

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:			
Operating Income (Loss)	$ (36,335)	$ 104,703	$ 68,368
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	59,464	-	59,464
(Increase) Decrease In:			
Accounts Receivable	5,700	-	5,700
Prepaid Expenses	-	-	-
Net Pension/OPEB Asset/Liability	(5,358)	(124,738)	(130,096)
Deferred Outflow of Resources	2,184	613	2,797
Increase (Decrease) In:			
Accounts Payable	1,318	-	1,318
Accrued Liabilities	-	-	-
Accrued Compensated Absenses	(298)	-	(298)
Deferred Inflow of Resources	4,658	2,497	7,155
Net Cash Provided (Used) by Operating Activities	$ 31,333	$ (16,925)	$ 14,408

CITY OF JOHN DAY

Internal Service Fund Combining Schedules
Reconciliation of Budget Basis to Accrual Basis
Year Ended June 30, 2021

	Motor Pool	Unpaid Compensation	Totals
Reconciliation of Beginning Fund Balance to Beginning Net Position:			
Beginning Fund Balance - Budget Basis	$ 97,596	$ 117,683	$ 215,279
Capital Assets	1,209,432	-	1,209,432
Accumulated Depreciation	(764,647)	-	(764,647)
Deferred Outflow of Resources	(41,041)	(20,308)	(61,349)
Net Pension Liability	16,772	7,733	24,505
Deferred Inflow of Resources	(8,274)	(3,815)	(12,089)
Long-term Debt	(44,460)	-	(44,460)
Accrued Compensated Absences	(5,201)	-	(5,201)
Beginning Net Position	$ 460,177	$ 101,293	$ 561,470
Reconciliation of Change in Fund Balance to Change in Net Position:			
Change in Fund Balance - Budget Basis	$ (11,390)	$ (16,097)	$ (27,487)
Assets Purchased and Capitalized	23,627	-	23,627
Depreciation on Capital Assets	(59,464)	-	(59,464)
Change in Pension Expense	(1,484)	121,629	120,145
Payments on Long-term Debt	10,159		10,159
Change in Accrued Compensated Absences	298	-	298
Increase (Decrease) in Net Position	$ (38,254)	$ 105,532	$ 67,278
Reconciliation of Ending Fund Balance to Ending Net Position:			
Ending Fund Balance - Budget Basis	$ 86,206	$ 101,586	$ 187,792
Capital Assets	1,233,059	-	1,233,059
Accumulated Depreciation	(824,111)	-	(824,111)
Net Pension Liability	(35,683)	104,431	68,748
Deferred Outflow of Resources	14,588	7,120	21,708
Deferred Inflow of Resources	(12,932)	(6,312)	(19,244)
Long-term Debt	(34,301)		
Accrued Compensated Absences	(4,903)	-	(4,903)
Ending Net Position	$ 421,923	$ 206,825	$ 663,049

CITY OF JOHN DAY

Internal Service Fund Budgetary Comparison Schedules – Motor Pool

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Operating Revenues:	Original	Final	Amounts	(Negative)
Intergovernmental Income	$ 5,800	$ 5,800	**$ 5,803**	$ 3
Interfund Charges	165,000	165,000	**164,583**	(417)
Miscellaneous Income	-	-	**2,517**	2,517
Total Operating Revenues	170,800	170,800	**172,903**	2,103
Operating Expenses:				
Motor Pool:				
Personal Services	91,032	91,032	**44,911**	46,121
Materials and Services	70,520	70,520	**67,575**	2,945
Capital Outlay	5,000	5,000	**19,056**	(14,056)
Total Motor Pool Expenses	166,552	166,552	**131,542**	35,010
Police Expenses:				
Materials and Services	21,825	21,825	**20,028**	**1,797**
Capital Outlay	12,300	12,300	**12,839**	**(539)**
Total Police Expenses	34,125	34,125	**32,867**	1,258
Fire Expenses:				
Materials and Services	26,500	26,500	**20,645**	5,855
Capital Outlay	23,394	23,394	-	23,394
Total Fire Expenses	49,894	49,894	**20,645**	29,249
Total Operating Expenses	250,571	250,571	**185,054**	65,517
Operating Income (Loss)	(79,771)	(79,771)	**(12,151)**	(63,414)
Non-Operating Revenues (Expenses):				
Interest Income	1,000	1,000	**761**	239
Total Non-Operating Revenues	1,000	1,000	**761**	239
Income (Loss) Before Transfers	(78,771)	(78,771)	**(11,390)**	(63,175)
Operating Transfers:				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
Net Operating Transfers	-	-	-	-
Change in Fund Balance	(78,771)	(78,771)	**(11,390)**	(63,175)
Fund Balance - July 1	78,771	78,771	**97,596**	(18,825)
Fund Balance - June 30	$ -	$ -	**$ 86,206**	$ 86,206

CITY OF JOHN DAY

Internal Service Fund Budgetary Comparison Schedules – Unpaid Compensation Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
Operating Revenues:	Original	Final	**Amounts**	(Negative)
Interfund Charges	$ 3,483	$ 3,483	**$ 3,518**	$ 35
Interest Income	750	750	**828**	78
Total Operating Revenues	4,233	4,233	**4,346**	113
Operating Expenses:				
Administration:				
Personal Services	135,659	135,659	**20,443**	115,216
Total Motor Pool Expenses	135,659	135,659	**20,443**	115,216
Total Operating Expenses	135,659	135,659	**20,443**	115,216
Operating Income (Loss)	(131,426)	(131,426)	**(16,097)**	**(115,103)**
Non-Operating Revenues (Expenses):				
Interest Income	-	-	-	-
Total Non-Operating Revenues	-	-	-	-
Income (Loss) Before Transfers	(131,426)	(131,426)	**(16,097)**	(115,103)
Operating Transfers:				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
Net Operating Transfers	-	-	-	-
Change in Fund Balance	(131,426)	(131,426)	**(16,097)**	(115,103)
Fund Balance - July 1	131,426	131,426	**117,683**	13,743
Fund Balance - June 30	$ -	$ -	**$ 101,586**	$ 101,586

GASLIN ACCOUNTING, PC
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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of City of John Day as of and for the year ended June 30, 2021, and have issued our report thereon dated December 14, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether City of John Day'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, except for the following overexpenditure:

$31,447 in the Urban Renewal Agency component unit related to debt service.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered City of John Day'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.

This report is intended solely for the information and use of the council members and management of City of John Day 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 CPA's PC

Robert Gaslin CPA
December 14, 2021