



CITY OF
JOHN DAY

CITY COUNCIL MEETING AGENDA

Tuesday April 8, 2025

Finance Workshop: 5:30 p.m.

REGULAR MEETING: 6:30 pm

John Day Fire Station

316 S Canyon Blvd, John Day, OR 97845

(541)575-0028 www.cityofjohnday.com

This meeting is open to the public. This agenda includes a list of the principal subjects anticipated to be considered at the meeting. However, the agenda does not limit the ability of the Council to consider additional subjects. Meetings may be canceled without notice. Zoom Meeting participants should use the "raise your hand" feature during these times to alert the moderator that they would like to speak.

Join Zoom Meeting

City of John Day is inviting you to a scheduled Zoom meeting.

<https://zoom.us/j/95867942253?pwd=dHE5c3djSEx4OFBuZndPQU5HMGN3QT09>

Meeting ID: 958 6794 2253

Passcode: 776959

Finance Workshop: 5:30 p.m.

Call to Order: Regular John Day Council Meeting 6:30 pm.

1. Call John Day City Council Meeting to Order
2. Pledge of Allegiance
3. Roll Call
4. Amend or Accept Regular Agenda

5. Public Comments (Please Limit to 3 Minutes)

Public Comments are an opportunity to present information or speak on an issue that is not on the agenda. Comments are limited to 3 minutes for each person. Visitors may state their comments and should not expect the council to engage in back and forth dialogue regarding the comment, council may either choose to add it to a follow up meeting or direct City Manager to follow up with the speaker.

6. Consent Agenda

All matters listed within the Consent Agenda have been distributed to every member of the City Council for reading and study, are considered routine, and will be enacted by one motion of the Council. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request.

- a. AP through 3-27-25
- b. Minutes of 4-8-25

7. Audit Report for FY22-23 – John Russel; Zwygart John & Associates CPA's, PLLC
8. City Manager Comments:
9. Mayor and Council Comments
10. Adjournment: Next Regular Meeting: May 13, 2025
Budget Meeting: May 12, 2025

Report type: Invoice detail
Check.Type = {<>} "Adjustment"

Check Issue Date	Check Number	Vendor Number	Payee	Invoice Number	Invoice GL Account	Invoice Amount	Check Amount
AMAZON CAPITAL SERVICES, INC.							
04/10/2025	760126	1026	AMAZON CAPITAL SERVICES, INC.	177W-NY3W-	01-000-63800	12.28	12.28
Total 760126:							12.28
ANALYTICAL LABS							
04/10/2025	760127	1030	ANALYTICAL LABS	2502277	03-000-63450	85.71	85.71
Total 760127:							85.71
BADGER METER INC.							
04/10/2025	760128	1041	BADGER METER INC.	80189182	02-000-66306	183.40	183.40
Total 760128:							183.40
BLUE MTN. CHIROPRACTIC HEALTH							
04/10/2025	760129	1059	BLUE MTN. CHIROPRACTIC HEALTH	CDL T LOYD 0	26-000-64450	140.00	140.00
Total 760129:							140.00
BOX R WATER ANALYSIS							
04/10/2025	760130	1062	BOX R WATER ANALYSIS	X061641	02-000-64100	51.00	51.00
04/10/2025	760130	1062	BOX R WATER ANALYSIS	X061642	02-000-64100	51.00	51.00
Total 760130:							102.00
CASELLE, INC							
04/10/2025	760131	1083	CASELLE, INC	140344	26-000-64000	1,130.00	1,130.00
Total 760131:							1,130.00
CIVICPLUS LLC							
04/10/2025	760132	1108	CIVICPLUS LLC	324723	01-000-64000	1,720.00	1,720.00
Total 760132:							1,720.00
CLARK'S DISPOSAL							
04/10/2025	760133	1109	CLARK'S DISPOSAL	1144-032625	26-000-64798	155.19	155.19
Total 760133:							155.19
ED STAUB & SONS PROPANE							
04/10/2025	760134	1168	ED STAUB & SONS PROPANE	12281228	26-000-64798	681.21	681.21
04/10/2025	760134	1168	ED STAUB & SONS PROPANE	CL355423	26-000-63100	346.37	346.37
Total 760134:							1,027.58
GASLIN ACCOUNTING CPAS PC							
04/10/2025	760135	1191	GASLIN ACCOUNTING CPAS PC	01358	06-000-63825	3,823.00	3,823.00
Total 760135:							3,823.00

Check Issue Date	Check Number	Vendor Number	Payee	Invoice Number	Invoice GL Account	Invoice Amount	Check Amount
GENERAL PACIFIC, INC.							
04/10/2025	760136	1198	GENERAL PACIFIC, INC.	1513864	02-000-63460	1,200.00	1,200.00
Total 760136:							1,200.00
GRANT ESD							
04/10/2025	760137	1219	GRANT ESD	2024250225	03-000-64301	227.73	227.73
04/10/2025	760137	1219	GRANT ESD	2024250239	01-000-63800	47.04	47.04
Total 760137:							274.77
JD RENTS & POWER EQUIPMENT INC							
04/10/2025	760138	1258	JD RENTS & POWER EQUIPMENT INC	1-505480	26-000-64700	161.39	161.39
Total 760138:							161.39
JOHN DAY AUTO PARTS							
04/10/2025	760139	1273	JOHN DAY AUTO PARTS	248162	03-000-63400	10.92	10.92
04/10/2025	760139	1273	JOHN DAY AUTO PARTS	248228	26-000-63100	61.97	61.97
04/10/2025	760139	1273	JOHN DAY AUTO PARTS	248244	26-000-63100	11.99	11.99
04/10/2025	760139	1273	JOHN DAY AUTO PARTS	248288	26-000-63100	11.99	11.99
04/10/2025	760139	1273	JOHN DAY AUTO PARTS	249758	03-000-64250	5,810.00	5,810.00
Total 760139:							5,906.87
JOHN DAY FIREFIGHTERS ASSOC							
04/10/2025	760140	1276	JOHN DAY FIREFIGHTERS ASSOC	JDFE MARCH	01-050-62950	580.00	580.00
Total 760140:							580.00
JOHN DAY TRUE VALUE HARDWARE							
04/10/2025	760141	1280	JOHN DAY TRUE VALUE HARDWARE	622812	03-000-62500	288.00	288.00
04/10/2025	760141	1280	JOHN DAY TRUE VALUE HARDWARE	622910	03-000-62500	4.23	4.23
04/10/2025	760141	1280	JOHN DAY TRUE VALUE HARDWARE	622963	03-000-63400	22.96	22.96
04/10/2025	760141	1280	JOHN DAY TRUE VALUE HARDWARE	623236	03-000-62500	32.38	32.38
04/10/2025	760141	1280	JOHN DAY TRUE VALUE HARDWARE	623258	03-000-62500	2.98	2.98
04/10/2025	760141	1280	JOHN DAY TRUE VALUE HARDWARE	623259	03-000-63400	12.99	12.99
04/10/2025	760141	1280	JOHN DAY TRUE VALUE HARDWARE	623323	03-000-62500	5.16	5.16
04/10/2025	760141	1280	JOHN DAY TRUE VALUE HARDWARE	623349	03-000-62500	20.68	20.68
04/10/2025	760141	1280	JOHN DAY TRUE VALUE HARDWARE	623470	03-000-62500	45.16	45.16
Total 760141:							434.54
KELLER ASSOCIATES							
04/10/2025	760142	1742	KELLER ASSOCIATES	0250648	03-000-66230	233,155.48	233,155.48
Total 760142:							233,155.48
KJDY							
04/10/2025	760143	1305	KJDY	CC-12503147	06-000-62100	349.00	349.00
Total 760143:							349.00
LEAGUE OF OR CITIES							
04/10/2025	760144	1319	LEAGUE OF OR CITIES	R24856	06-000-63500	425.00	425.00

Check Issue Date	Check Number	Vendor Number	Payee	Invoice Number	Invoice GL Account	Invoice Amount	Check Amount
Total 760144:							425.00
LEN'S PHARMACY							
04/10/2025	760145	1322	LEN'S PHARMACY	295084	03-000-63460	14.58	14.58
Total 760145:							14.58
NYDAM'S ACE HARDWARE							
04/10/2025	760146	1381	NYDAM'S ACE HARDWARE	1633394	01-050-63800	12.98	12.98
Total 760146:							12.98
PECK RUBANOFF & HATFIELD PC							
04/10/2025	760147	1418	PECK RUBANOFF & HATFIELD PC	10494	06-000-63450	1,365.00	1,365.00
Total 760147:							1,365.00
PITNEY BOWES							
04/10/2025	760148	1422	PITNEY BOWES	3320603655	03-000-62460	161.46	161.46
Total 760148:							161.46
SECRETARY OF STATE							
04/10/2025	760149	1468	SECRETARY OF STATE	ARI25796	06-000-62300	250.00	250.00
Total 760149:							250.00
TRIANGLE OIL							
04/10/2025	760150	1524	TRIANGLE OIL	127793	03-000-63400	1,288.35	1,288.35
Total 760150:							1,288.35
USA BLUEBOOK							
04/10/2025	760151	1534	USA BLUEBOOK	INV00665831	02-000-63800	159.93	159.93
Total 760151:							159.93
VISA							
04/10/2025	760152	1540	VISA	VISA 1421 MA	02-000-63500	605.14	605.14
04/10/2025	760152	1540	VISA	VISA 2957 MA	01-000-63500	1,368.03	1,368.03
Total 760152:							1,973.17
Grand Totals:							256,091.68

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
01-000-20000	.00	5,988.76-	5,988.76-
01-000-62300	62.50	.00	62.50
01-000-62490	104.70	.00	104.70
01-000-62850	32.30	.00	32.30
01-000-63450	409.50	.00	409.50

GL Account	Debit	Credit	Proof
01-000-63500	1,189.55	.00	1,189.55
01-000-63800	86.31	.00	86.31
01-000-63825	1,146.90	.00	1,146.90
01-000-63950	51.54	.00	51.54
01-000-64000	2,036.40	.00	2,036.40
01-000-64798	202.66	.00	202.66
01-050-62950	580.00	.00	580.00
01-050-63800	12.98	.00	12.98
01-050-64000	22.60	.00	22.60
01-050-64798	50.82	.00	50.82
02-000-20000	.00	7,731.14-	7,731.14-
02-000-62100	104.70	.00	104.70
02-000-62300	62.50	.00	62.50
02-000-62850	64.58	.00	64.58
02-000-63450	409.50	.00	409.50
02-000-63460	384.00	.00	384.00
02-000-63500	711.39	.00	711.39
02-000-63800	3,076.41	.00	3,076.41
02-000-63825	1,146.90	.00	1,146.90
02-000-63950	103.10	.00	103.10
02-000-64000	1,143.70	.00	1,143.70
02-000-64100	102.00	.00	102.00
02-000-64798	238.96	.00	238.96
02-000-66306	183.40	.00	183.40
03-000-20000	.00	240,429.42-	240,429.42-
03-000-62100	104.70	.00	104.70
03-000-62300	62.50	.00	62.50
03-000-62460	64.58	.00	64.58
03-000-62500	398.59	.00	398.59
03-000-62850	409.50	.00	409.50
03-000-63200	106.25	.00	106.25
03-000-63400	1,323.74	.00	1,323.74
03-000-63450	1,232.61	.00	1,232.61
03-000-63460	117.68	.00	117.68
03-000-63500	327.70	.00	327.70
03-000-64250	2,905.00	.00	2,905.00
03-000-64301	221.09	.00	221.09
03-000-66230	233,155.48	.00	233,155.48
06-000-20000	.00	1,005.75-	1,005.75-
06-000-62100	34.90	.00	34.90
06-000-62300	62.50	.00	62.50
06-000-63450	136.50	.00	136.50
06-000-63500	106.25	.00	106.25
06-000-63825	382.30	.00	382.30
06-000-64000	113.00	.00	113.00
06-000-64798	170.30	.00	170.30
26-000-20000	.00	936.61-	936.61-
26-000-63100	351.58	.00	351.58
26-000-64000	22.60	.00	22.60
26-000-64450	140.00	.00	140.00
26-000-64700	161.39	.00	161.39
26-000-64798	180.30	.00	180.30
26-050-63100	80.74	.00	80.74
Grand Totals:	256,091.68	256,091.68-	.00

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Report Criteria:

Report type: Invoice detail

Check.Type = {<>} "Adjustment"



**CITY OF JOHN DAY
CITY COUNCIL MINUTES APRIL 8, 2025**

COUCILORS PRESENT:

Sherrie Rininger, Mayor
Chris Labhart, Councilor
Eric Bush, Council President
Bradley Hale, Councilor
Ron Phillips, Councilor
Vern Pifer, Councilor
Heather Swank, Councilor

COUNCILORS ABSENT

STAFF PRESENT:

Melissa Bethel, City Manager

Agenda Item No. 1—Call Meeting to Order

The City Council meeting was called to order at 6:30 pm.

Agenda Item No. 2—Pledge of Allegiance

The City Council stood for the Pledge of Allegiance.

Agenda Item No. 3—Roll Call and Attendance

All councilors were present.

Agenda Item No. 4—Amend or Accept Regular Agenda

Councilor Phillips moved to accept the agenda as published. The motion was seconded by Councilor Swank and passed unanimously.

Agenda Item No. 5—Public Comments

No public comments were made.

Agenda Item No. 6—Consent Agenda

- a. Accounts Payable through 3-27-25
- b. Minutes of 3-11-25 & 3-25-25
- c. Budget Committee Appointments: 4-year term to expire Jan 2029
 1. Louis Provencher
 2. Meloni Cochran

Councilor Labhart would like to see Katy Nelson's public comment be added to the March 25th minutes.

Councilor Swank made a motion to approve the consent agenda with the change being made to the minutes. The motion was seconded by Councilor Bush and passed unanimously.

Agenda Item No. 7—Planning Commission Appointment: Linda Pifer

Councilor Pifer recused himself from the vote due to a conflict of interest.

Councilor Bush made a motion to appoint Linda Pifer to the Planning Commission. The motion was seconded by Councilor Swank and opened up for discussion.

Councilor Labhart has nothing against Mrs. Pifer but believes this would be a conflict of interest. He wouldn't want to see the Planning Commission decide on something in which Councilor Pifer wouldn't be able to vote. Mayor Rininger and Bethel stated they have already checked into this and it would not be a conflict of interest

The motion passed 6-0 with Councilor Pifer abstaining.

Agenda Item No. 8—April 18 “Two Lights” event

Rick LaMountain informed Council that the Two Lights event is where two lights are displayed on the evening of April 18th to honor and bring to mind Paul Revere's famous ride on April 18, 1775. It is also an opportunity for states and communities to raise awareness about the nation's upcoming 250th anniversary of the signing of the Declaration of Independence.

Councilor Bush made a motion to display two candles and the American flag in a respectful manner in a front window at the City Hall on April 18th through the morning of April 19th as well as post on the website and display a summary of the purpose in City Hall. The motion was seconded by Councilor Hale and passed unanimously.

Agenda Item No. 9—Purchase and Sale Agreement – 24 acres Industrial Land

Councilor Phillips made a motion to approve the Sale Agreement with Chuck Skupa—24 acres of Industrial Land. The motion was seconded by Councilor Labhart and passed unanimously.

Agenda Item No. 10—Appeal of SDC charges for 27499 La Costa Road

On December 4th, 2002, an agreement was entered into between the City of John Day and Mathew Turner. At that time the City Code regarding System Development Charges had not been enacted or approved by the City Council. Mr. Densberger is appealing the payment of the SDC since no SDC Ordinance was in place at the time of the agreement.

Councilor Labhart made a motion to approve the appeal made by Mr. Densberger. The motion was seconded by Councilor Hale and passed unanimously.

Agenda Item No. 11—City Manager Comments

On April 22nd there will be a Financial Workshop before the regular Council meeting.

Bethel and Mayor Rininger went to the Townhall on Sunday and had the chance to speak with Senator Merkley.

The Ways and Means Committee is coming up which gives the City an opportunity to testify again regarding funding for the sewer plant. Ducote will be present to testify on the City's behalf. Mr. Rowell stated he would be present and could speak for the City as well.

There is an Easter Egg hunt on April 19th at the Grant Union High School.

Agenda Item No. 12—Mayor and Council Comments

Councilor Bush stated all of the money that has been asked for this year is gone because they didn't approve a budget, they approved a continuing resolution. Just because the City won't be getting money this year doesn't mean they won't get it next year.

Councilor Hale asked if it would be possible to get an update on the wells and where we stand because budget is coming up.

Having code enforcement in John Day is still in the works.

There will be a Finance Overview Workshop on April 22, 2025 before the regular City Council meeting.

Adjourn:

There being no further business before council the meeting was adjourned.

Melissa Bethel, CM

CITY OF JOHN DAY, OREGON

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended June 30, 2023

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City of John Day, Oregon
City Officials
For the Year Ended June 30, 2023

CITY MAILING ADDRESS

450 East Main Street
John Day, OR 97845

CITY OFFICIALS AND COUNCIL MEMBERS
AS OF JUNE 30, 2023

<u>Officials</u>	<u>Name</u>	<u>Mailing Address</u>	<u>Term Expires</u>
<u>Governing Council</u>			
Mayor	Heather Rookstool	122 NE 7th Ave, John Day OR	December 31, 2026
Councilor	David Holland	350 NW Bridge St, John Day OR	December 31, 2024
Councilor	Elliott Sky	134 NW Charolais Hgts, John Day OR	December 31, 2024
Councilor	Sherrie Rininger	198 Ford Rd. Ext, John Day OR	December 31, 2026
Councilor	Katrina Randleas	401 SW Vrent Dr, John Day OR	December 31, 2026
Councilor	Eric Bush	304 NW 3rd Avenye, John Day OR	December 31, 2026
Councilor	Ron Phillips	639 SE Hillcrest Rd., John Day OR	December 31, 2026
<u>City Officials</u>			
City Manager	Rick Allen (Interim)		
City Recorder	Solutions CPAs PC		
City Attorney	Bryant, Lovlien and Jarvis		



Independent Auditor's Report

Honorable Mayor and City Council
City of John Day, Oregon

Report on the Financial Statements

Qualified and Unmodified Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the City of John Day's basic financial statements as listed in the table of contents.

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Business-Type Activities	Unmodified
General Fund	Unmodified
Street Fund	Unmodified
IT Fund	Unmodified
Community Development Fund	Unmodified
Urban Renewal Agency	Qualified
Water Fund	Unmodified
Combined Sewer Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Unmodified Opinions on Governmental Activities, Business-Type Activities, General Fund, Street Fund, IT Fund, Community Development Fund, Aggregate Remaining Fund Information

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, the general, street, IT and community development funds, water fund, combined sewer fund, and the aggregate remaining fund information of the City of John Day, Oregon, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Component Unit

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Urban Renewal Agency, a component unit of the City of John Day, Oregon, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of John Day, Oregon and to meet our other ethical responsibilities,

in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion(s) on Major Fund and Governmental Activities

During the course of our audit, we were made aware of allegations of significant mismanagement of the Urban Renewal Agency, a blended component unit and major fund of the City of John Day, Oregon. The current governing body is aware of the allegations and has made the consultations with attorneys they deem necessary. The Urban Renewal Agency is subject to its own independent audit. We have been apprised that the Urban Renewal Agency's independent auditor's report expresses a disclaimer of opinion. The effects of the disclaimer of opinion of the component unit on the city's financial statements has not been determined. Consequently, our opinion for this major fund is qualified and for governmental activities.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of John Day's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of pension and OPEB information on pages 50 through 52 and the budgetary comparison information on pages 53 through 57, 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 City has not presented management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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 *Other Supplementary Information* is presented for purposes of additional analysis and are not a required part of the financial statements.

The *Other Supplementary Information* is 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 March 22, 2025 on our consideration of the City of John Day, Oregon'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.

Zwygart John and Associates, CPAs, PLLC

By: *John Russell*

Nampa, Idaho
March 22, 2025

BASIC FINANCIAL STATEMENTS

City of John Day, Oregon
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Investments	\$ 351,917	1,231,284	\$ 1,583,201
Property Tax Receivable	26,834	-	26,834
Other Receivables	380,562	164,128	544,690
Prepaid Expenses	41,806	-	41,806
Interfund Balance	(329,908)	329,908	-
Notes Receivable	40,000	-	40,000
Internal Cash Balances	(613,626)	613,626	-
Net OPEB Asset	9,965	-	9,965
Assets Held for Sale	261,536	-	261,536
Prepaid Fiber Contract	1,000,000	-	1,000,000
Capital Assets			
Land	452,420	1,214,253	1,666,673
Construction in Progress	2,711,229	2,040,363	4,751,592
Buildings and Infrastructure	9,523,747	7,638,393	17,162,140
Equipment	2,022,819	710,520	2,733,339
Accumulated Depreciation	(3,182,266)	(5,572,957)	(8,755,223)
Total Capital Assets	11,527,949	6,030,572	26,313,744
Total Assets	12,697,035	8,369,518	21,066,553
Deferred Outflows of Resources			
Deferred Outflows Related to Pension	249,564	243,441	493,005
Deferred Outflows Related to OPEB	798	-	798
Deferred Outflows Related to CIS OPEB	13,024	-	13,024
Total Deferred Outflows of Resources	263,386	243,441	506,827
Liabilities			
Accounts Payable	186,240	32,372	218,612
Deposits Payable	-	50,371	50,371
Unearned Grant Revenue	1,503	-	1,503
Payroll Liabilities	13,781	34,266	48,047
Due To (From) Other Funds	194,992	(194,992)	-
Interest Payable	10,841	18,517	29,358
Net Pension Liability - PERS	486,222	474,292	960,514
Net OPEB Liability - CIS	56,026	-	56,026
Loans Payable:			
Due Within One Year	12,595	263,728	276,323
Due in More Than One Year	1,565,598	1,902,475	3,468,073
Total Liabilities	2,527,798	2,581,029	5,108,827
Deferred Inflows of Resources			
Deferred Inflows Related to Pension	248,247	242,155	490,402
Deferred Inflows Related to OPEB	1,363	-	1,363
Deferred Inflows Related to CIS OPEB	28,288	-	28,288
Total Deferred Inflows of Resources	277,898	242,155	520,053
Net Position			
Net Investment in Capital Assets	9,949,756	3,864,369	13,814,125
Unrestricted	525,521	1,925,406	2,450,927
Total Net Position	\$ 10,475,277	\$ 5,789,775	\$ 16,265,052

The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
	Expenses						
Primary Government:							
Governmental Activities:							
Administration	\$ 741,776	\$ 53,002	\$ 20,163	\$ -	\$ (668,611)	\$ -	\$ (668,611)
Police	10,137	3,148	-	-	(6,989)	-	(6,989)
Fire	169,246	36,159	-	-	(133,087)	-	(133,087)
Community Development	361,091	103,746	112,366	285,718	140,739	-	140,739
Streets	250,756	28	130,984	1,914,129	1,794,385	-	1,794,385
Total Governmental Activities	<u>1,533,006</u>	<u>196,083</u>	<u>263,513</u>	<u>2,199,847</u>	<u>1,126,437</u>	<u>-</u>	<u>1,126,437</u>
Business-type Activities:							
Water	590,846	713,608	-	-	-	122,762	122,762
Sewer	795,333	940,382	-	868,825	-	1,013,874	1,013,874
Total Business-type Activities	<u>1,386,179</u>	<u>1,653,990</u>	<u>-</u>	<u>868,825</u>	<u>-</u>	<u>1,136,636</u>	<u>1,136,636</u>
Total Primary Government	<u>\$ 2,919,185</u>	<u>\$ 1,850,073</u>	<u>\$ 263,513</u>	<u>\$ 3,068,672</u>	<u>1,126,437</u>	<u>1,136,636</u>	<u>2,263,073</u>
General Revenues:							
Property Taxes Levied for General Purposes					341,558	-	341,558
Property Taxes Levied for Debt Service					49,815	-	49,815
Property Taxes Levied for Urban Renewal					79,938	-	79,938
Other Taxes					551,392	-	551,392
Unrestricted investment earnings					15,775	45,718	61,493
Miscellaneous					5,543	46,059	51,602
Total General Revenues					<u>1,044,021</u>	<u>91,777</u>	<u>1,135,798</u>
Gain (Loss) on Sale of Capital Assets					(277,745)	147,197	(130,548)
Transfers					156,104	(156,104)	-
Total General Revenues, Special Items, and Trans					<u>(121,641)</u>	<u>(8,907)</u>	<u>(130,548)</u>
Change in Net Position					<u>2,048,817</u>	<u>1,219,506</u>	<u>3,268,323</u>
Net Position, Beginning of Year					<u>8,426,460</u>	<u>4,570,269</u>	<u>12,996,729</u>
Net Position, End of Year					<u>\$ 10,475,277</u>	<u>\$ 5,789,775</u>	<u>\$ 16,265,052</u>

The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Balance Sheet -
Governmental Funds
June 30, 2023

	General Fund	Street Fund	IT Fund	Community Development Fund	Urban Renewal Agency	Non-Major Debt Service Fund	Total Governmental Funds
Assets							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Balances	91,151	130,081	-	-	-	35,226	256,458
Property Tax Receivable	19,230	-	-	-	4,572	3,032	26,834
Other Receivables	65,766	299,578	130	14,664	-	-	380,138
Prepaid Expenses	41,806	-	-	-	-	-	41,806
Total Assets	<u>\$ 217,953</u>	<u>\$ 429,659</u>	<u>\$ 130</u>	<u>\$ 14,664</u>	<u>\$ 4,572</u>	<u>\$ 38,258</u>	<u>\$ 705,236</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance							
Liabilities							
Internal Balances	\$ -	\$ -	\$ 109,745	\$ 226,561	\$ 533,778	\$ -	\$ 870,084
Accounts Payable	69,360	3,423	8,088	20,543	12,035	-	113,449
Payroll Liabilities	6,774	5,154	403	-	-	-	12,331
Total Liabilities	<u>76,134</u>	<u>8,577</u>	<u>118,236</u>	<u>247,104</u>	<u>545,813</u>	<u>-</u>	<u>995,864</u>
Deferred Inflows of Resources							
Unearned Revenue - Property Taxes	16,307	-	-	-	3,702	2,147	22,156
Unearned Grant Revenue	-	1,503	-	-	-	-	1,503
Total Deferred Inflows of Resources	<u>16,307</u>	<u>1,503</u>	<u>-</u>	<u>-</u>	<u>3,702</u>	<u>2,147</u>	<u>23,659</u>
Fund Balances							
Nonspendable	41,806	-	-	-	-	-	41,806
Restricted for Streets	-	418,465	-	-	-	-	418,465
Restricted for Debt Service	-	-	-	-	-	36,111	36,111
Unassigned	83,706	1,114	(118,106)	(121,446)	(544,943)	-	(699,675)
Total Fund Balances	<u>125,512</u>	<u>419,579</u>	<u>(118,106)</u>	<u>(121,446)</u>	<u>(544,943)</u>	<u>36,111</u>	<u>(203,293)</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 217,953</u>	<u>\$ 429,659</u>	<u>\$ 130</u>	<u>\$ 125,658</u>	<u>\$ 4,572</u>	<u>\$ 38,258</u>	<u>\$ 816,230</u>

The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
June 30, 2023

	2023
Total Fund Balances - Governmental Funds	\$ (203,293)
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Cost of Capital Assets	\$ 15,710,215
Accumulated Depreciation	<u>(3,182,266)</u> 12,527,949
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures, and, therefore, are deferred in the funds.	22,156
The City is hold land and property that is avaiable for sae. It is not avaiable for current use, and , therefore, is not reported on the fund statements.	261,536
The City participates in the Public Employer Retirement System, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.	
Net Pension Liability-PERS	\$ (486,222)
Pension Related Deferred Inflows	(248,247)
Pension Related Deferred Outflows	249,564
Net OPEB Liability - CIS	(56,026)
Deferred Outflows Related to CIS OPEB	13,024
Deferred Inflows Related to CIS OPEB	(28,288)
Net OPEB Asset	9,965
Deferred Outflows Related to OPEB	798
Deferred Inflows Related to OPEB	<u>(1,363)</u>
	(546,795)
Balances due to other funds are not payable in the current year and therefore are not included in the governmental funds.	(194,992)
Long-term debts not payable in the current year are not reported as governmental fund liabilities.	(1,578,193)
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.	(10,841)
The City sold property on a note receivable, this transactions is not reflected on the governmental fund financial statements as it does not affect cash.	40,000
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.	278,100
The 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.	(329,908)
Net Position of Governmental Activities	<u>\$ 10,265,719</u>

The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Street Fund	IT Fund	Community Development Fund	Urban Renewal Agency	Non-Major Debt Service Fund	Total Governmental Funds
Revenues							
Taxes	\$ 334,204	\$ -	\$ -	\$ -	\$ 76,236	\$ 51,093	\$ 461,533
Intergovernmental Revenues	79,827	1,762,007	-	7,069	984,699	-	2,833,602
Transient Room Tax	-	-	-	45,297	-	-	45,297
User Fees	14,018	28	-	103,746	-	-	117,792
Grants	-	283,106	-	285,688	-	-	568,794
License and Fees	250,768	-	-	-	-	-	250,768
Fines and Forfeitures	3,148	-	-	-	-	-	3,148
Interest Income	8,050	2,513	1	-	168	1,014	11,746
Miscellaneous Revenue	9,713	547	-	709	546	-	11,515
Total Revenues	699,728	2,048,201	1	442,509	1,061,649	52,107	4,304,195
Expenditures							
Current:							
Administration	408,482	-	-	-	-	-	408,482
Police	10,137	-	-	-	-	-	10,137
Fire	76,521	-	-	-	-	-	76,521
Street	-	1,801,013	-	-	-	-	1,801,013
IT	-	-	120,617	-	-	-	120,617
Community Development	-	-	-	-	994,091	-	994,091
Debt Service	-	-	-	-	13,776	55,152	68,928
Total Expenditures	495,140	1,801,013	120,617	-	1,007,867	55,152	3,479,789
Excess (Deficiency) of Revenues Over Expenditures	204,588	247,188	(120,616)	442,509	53,782	(3,045)	824,406
Other Financing Resources (Uses)							
Operating Transfers-In	-	670,463	-	-	-	-	670,463
Operating Transfers-Out	(457,351)	-	-	(100,000)	-	-	(557,351)
Motor Pool Interfund Charges	(29,139)	(40,000)	-	-	-	-	(69,139)
Total Other Financing Sources (Uses)	(486,490)	630,463	-	(100,000)	-	-	43,973
Net Change in Fund Balances	(281,902)	877,651	(120,616)	342,509	53,782	(3,045)	868,379
Fund Balances - Beginning	407,414	(458,072)	2,510	(463,955)	(598,725)	39,156	(1,071,672)
Fund Balances - Ending	<u>\$ 125,512</u>	<u>\$ 419,579</u>	<u>\$ (118,106)</u>	<u>\$ (121,446)</u>	<u>\$ (544,943)</u>	<u>\$ 36,111</u>	<u>\$ (203,293)</u>

The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

	2023	
Total Net Change in Fund Balance - Governmental Funds	\$	868,379

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Because of this, gains or losses on disposals only appear in the Statement of Activities as well. In the current period these amounts

Capital Outlay	\$ 2,447,887	
Gain/(Loss) on Sale of Assets	(503,666)	
Depreciation Expense	(194,475)	1,749,746

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.

Change in accrued interest payable	\$ (11,210)	
Proceeds from debt	(924,669)	
Change in Interfund Loans	42,992	
Loan principal payments	56,005	(836,882)

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.	(14,900)
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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.	17,415
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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.	96,074
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That portion of the change in net position of internal service funds arising from transactions with business-type funds is an adjustment on the statement of net position.	(50,351)
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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.	9,778
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Change in Net Position of Governmental Activities	\$	1,839,259
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The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Statement of Net Position - Proprietary Funds
June 30, 2023

	Utility Funds			Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Total	
Assets				
Current Assets:				
Cash and Investments	\$ 571,982	\$ 659,302	\$ 1,231,284	351,917
Internal Cash Balances	613,626	-	613,626	-
Accounts Receivable - Utility Customers	67,829	88,160	155,989	-
Other Receivables	4,355	3,784	8,139	424
Due To (From) Other Funds	194,992	-	194,992	-
Total Current Assets	<u>1,452,784</u>	<u>751,246</u>	<u>2,204,030</u>	<u>352,341</u>
Noncurrent Assets:				
Capital Assets:				
Land	811,044	403,209	1,214,253	-
Construction in Progress	85,042	1,955,321	2,040,363	-
Property, Plant, and Equipment	5,322,825	3,026,088	8,348,913	1,117,595
Accumulated Depreciation	<u>(3,313,494)</u>	<u>(2,259,463)</u>	<u>(5,572,957)</u>	<u>(742,139)</u>
Total Capital Assets	<u>2,905,417</u>	<u>3,125,155</u>	<u>6,030,572</u>	<u>375,456</u>
Total Assets	<u>4,358,201</u>	<u>3,876,401</u>	<u>8,234,602</u>	<u>727,797</u>
Deferred Outflows				
Deferred Outflows Related to Pension	73,480	169,961	243,441	2,461
Deferred Outflows Related to OPEB	-	-	-	151
Deferred Outflows Related to CIS OPEB	-	-	-	47,154
Total Deferred Outflows	<u>73,480</u>	<u>169,961</u>	<u>243,441</u>	<u>49,766</u>
Liabilities				
Current Liabilities:				
Accounts Payable	2,499	29,873	32,372	72,791
Payroll Liabilities	13,968	20,298	34,266	1,450
Deposits Payable	38,499	11,872	50,371	-
Interest Payable	8,022	10,495	18,517	-
Due Within One Year	<u>189,518</u>	<u>74,210</u>	<u>263,728</u>	<u>-</u>
Total Current Liabilities	<u>252,506</u>	<u>146,748</u>	<u>399,254</u>	<u>74,241</u>
Long-term Liabilities:				
Net Pension Liability - PERS	143,160	331,132	474,292	91,870
Net OPEB Liability	-	-	-	10,589
Due in More Than One Year	<u>1,132,954</u>	<u>769,521</u>	<u>1,902,475</u>	<u>-</u>
Total Long-term Liabilities	<u>1,276,114</u>	<u>1,100,653</u>	<u>2,376,767</u>	<u>102,459</u>
Total Liabilities	<u>1,528,620</u>	<u>1,247,401</u>	<u>2,776,021</u>	<u>176,700</u>
Deferred Inflows				
Deferred Inflows Related to Pension	73,092	169,063	242,155	46,905
Deferred Inflows Related to OPEB	-	-	-	258
Deferred Inflows Related to CIS OPEB	-	-	-	5,346
Total Deferred Inflows	<u>73,092</u>	<u>169,063</u>	<u>242,155</u>	<u>52,509</u>
Net Position				
Net Investment in Capital Assets	1,582,945	2,281,424	3,864,369	375,456
Unrestricted	<u>1,247,024</u>	<u>348,474</u>	<u>1,595,498</u>	<u>201,315</u>
Total Net Position	<u>\$ 2,829,969</u>	<u>\$ 2,629,898</u>	<u>\$ 5,459,867</u>	<u>\$ 576,771</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			329,908	
Net position of business-type activities			<u>\$ 5,789,775</u>	

The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2023

	Utility Funds			Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Total	
Operating Revenues				
User Fees	\$ 713,608	\$ 940,382	\$ 1,653,990	\$ 5,211
Interfund Charges	-	-	-	303,892
Miscellaneous Revenue	43,040	3,019	46,059	1,028
Total Operating Revenues	<u>756,648</u>	<u>943,401</u>	<u>1,700,049</u>	<u>310,131</u>
Operating Expenses				
Personal Services	245,515	421,691	667,206	82,998
Supplies, Repairs, and Services	163,271	203,721	366,992	61,735
Capital Outlay	13,373	-	13,373	400
Depreciation	100,477	37,776	138,253	48,890
Motor Pool Interfund Charges	0	0	-	-
Total Operating Expenses	<u>522,636</u>	<u>663,188</u>	<u>1,185,824</u>	<u>194,023</u>
Operating Income (Loss)	<u>234,012</u>	<u>280,213</u>	<u>514,225</u>	<u>116,108</u>
Nonoperating Revenues (Expenses)				
Proceeds from Sale of Assets	116,236	30,961	147,197	4,354
Intergovernmental Revenues	-	868,825	868,825	-
Interest Income	30,820	14,898	45,718	4,029
Interest Expense	(44,561)	(29,145)	(73,706)	-
Total Nonoperating Revenues (Expenses)	<u>102,495</u>	<u>885,539</u>	<u>988,034</u>	<u>8,383</u>
Income (Loss) Before Transfers	<u>336,507</u>	<u>1,165,752</u>	<u>1,502,259</u>	<u>124,491</u>
Operating Transfers:				
Operating Transfers-In	-	254,802	254,802	-
Operating Transfers-Out	(219,970)	(367,936)	(587,906)	-
Net Operating Transfers:	<u>(219,970)</u>	<u>(113,134)</u>	<u>(333,104)</u>	<u>-</u>
Change in Net Position	<u>116,537</u>	<u>1,052,618</u>	<u>1,169,155</u>	<u>124,491</u>
Net Position - Beginning	2,713,432	1,577,280	4,290,712	452,280
Net Position - Ending	<u>\$ 2,829,969</u>	<u>\$ 2,629,898</u>	5,459,867	<u>\$ 576,771</u>
Change in Net Position from above			1,169,155	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			50,351	
Change in Net Position of business-type activities			<u>\$ 1,219,506</u>	

The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Statement of Cash Flows -
Proprietary Funds
For the Year Ended June 30, 2023

	Utility Funds		Total	Governmental Activities Internal Service Fund
	Water Fund	Sewer Fund		
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 699,815	\$ 927,001	\$ 1,626,816	\$ 310,167
Cash Paid to Employees	(201,844)	(419,086)	(620,930)	(74,277)
Cash Paid to Suppliers	(176,387)	(203,686)	(380,073)	6,032
Net Cash Provided (Used) by Operating Activities	<u>321,584</u>	<u>304,229</u>	<u>625,813</u>	<u>241,922</u>
Cash Flows From Noncapital Financing Activities				
Operating Transfers	(219,970)	(113,134)	(333,104)	-
Interfund Loans	628,630	-	628,630	-
Intergovernmental Revenues	-	20,437	20,437	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>408,660</u>	<u>(92,697)</u>	<u>315,963</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Purchases of Capital Assets	-	(1,018,977)	(1,018,977)	(73,561)
Proceeds from Sale of Capital Assets	116,236	30,961	147,197	4,354
Debt Proceeds	-	25,605	25,605	-
Principal Paid on Debt	(177,967)	(69,437)	(247,404)	-
Interest Paid on Debt	(45,257)	(29,297)	(74,554)	-
Net Cash Used by Capital and Related Financing Activities	<u>(106,988)</u>	<u>(1,061,145)</u>	<u>(1,168,133)</u>	<u>(69,207)</u>
Cash Flows From Investing Activities				
Interest Received on Investments	<u>30,820</u>	<u>14,898</u>	<u>45,718</u>	<u>4,029</u>
Net Cash Provided (Used) by Investing Activities	<u>30,820</u>	<u>14,898</u>	<u>45,718</u>	<u>4,029</u>
Net Increase in Cash and Cash Equivalents	654,076	(834,715)	(180,639)	176,744
Cash and Cash Equivalents, Beginning	<u>531,532</u>	<u>1,494,017</u>	<u>2,025,549</u>	<u>203,590</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,185,608</u></u>	<u><u>\$ 659,302</u></u>	<u><u>\$ 1,844,910</u></u>	<u><u>\$ 380,334</u></u>
Displayed As:				
Cash and Investments	\$ 571,982	\$ 659,302	\$ 1,231,284	\$ 351,917
Internal Cash Balances	613,626	-	613,626	-
	<u><u>\$ 1,185,608</u></u>	<u><u>\$ 659,302</u></u>	<u><u>\$ 1,844,910</u></u>	<u><u>\$ 351,917</u></u>

The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Statement of Cash Flows -
Proprietary Funds
For the Year Ended June 30, 2023

	Utility Funds			Governmental Activities Internal Service Fund
	Water Fund	Sewer Fund	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 234,012	\$ 1,149,038	\$ 1,383,050	\$ 124,491
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	100,477	37,776	138,253	48,890
Interest Income				(4,029)
Proceeds from Sale of Assets				(4,354)
(Increase) Decrease In:				
Accounts Receivable	(21,371)	(16,400)	(37,771)	36
Net Pension/OPEB Asset/Liability	52,181	120,696	172,877	44,074
Deferred Outflow of Resources	(17,276)	(39,960)	(57,236)	(13,698)
Increase (Decrease) In:				
Accounts Payable	257	35	292	68,167
Payroll Liabilities	45,136	5,993	51,129	(3,919)
Customer Deposits	(35,462)	-	(35,462)	-
Deferred Revenue	-	(868,825)	(868,825)	-
Deferred Inflow of Resources	(36,370)	(84,124)	(120,494)	(17,736)
Net Cash Provided (Used) by Operating Activities	<u>\$ 321,584</u>	<u>\$ 304,229</u>	<u>\$ 625,813</u>	<u>\$ 241,922</u>

The accompanying notes are an integral
part of the financial statement.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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. 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 is 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.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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.

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:

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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 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,

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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 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.

The budget was changed via a supplemental budget, which was passed on 12/14/21 with resolution number 21-879-18.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

There were deficit fund balances in the following funds:

Fund	Deficit Fund Balance
Urban Renewal Agency	\$544,943
Community Development Fund	\$232,440
IT Fund	\$118,106

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. Leases

Right to Use Assets- The City has recorded right to use assets as a result of implementing GASB Statement No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus any ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

J. 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

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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.

K. 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.

L. 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 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.

M. 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 of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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.

N. 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.

O. 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

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, then unassigned amounts when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

P. 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 cost as a reimbursement. All other inter-fund transactions are treated as transfers.

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.

2. CASH AND INVESTMENTS

At June 30, the carrying amount of the City's deposits was as follows:

	2023
Bank of Eastern Oregon - General	\$ (332,796)
Cash in Bank - SDC	164,160
USDA Fund 5673	49,067
Cash in Checking - Payroll	3,459
Oregon Local Government Investment Pool	1,699,011
Cash on Hand	300
Total Cash and Cash Investments	<u>\$ 1,583,201</u>

At June 30, 2023, the carrying amount of the City's deposits was 2023. The bank balance was \$1,582,901 at June 30, 2023. 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 website. 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 balance 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, 2023, the City's bank balance had no exposure to custodial credit risk.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

As of June 30, 2023, the City had \$0 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.

Cash is pooled within the City into a small number of separate bank accounts. Those bank accounts are then allocated to each fund based on usage. During the year ended June 30, 2023, there were negative cash balances reported in the IT and Community Development Fund. No interfund loans were put in place for these funds during the year and the negative reported balance was left on the face of the financial statements. The Urban Renewal Agency fund (component unit) also expended itself to a negative cash position, however, there was an interfund loan put in place between the Water fund and the Urban Renewal Agency, therefore, the cash is not reported as a negative balance, instead it is reduced to zero and a fund liability is placed there.

3. RECEIVABLES

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

	<u>2023</u>
<u>Governmental Activities:</u>	
Property Taxes	\$ 26,834
Customer Accounts	-
Note Receivable	40,000
Other	380,138
Total Receivables	<u>\$ 446,972</u>
<u>Business-Type Activities</u>	
Customer Accounts	\$ 155,989
Other	8,139
Total Receivables	<u>\$ 164,128</u>

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

The Note Receivable above was for the sale of a building on Main Street. The property was sold in 2019 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.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance 6/30/2022	Additions	Disposals	Balance 6/30/2023
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 366,215	\$ 127,117	\$ (40,912)	\$ 452,420
Construction in Progress	1,442,601	1,946,784	(678,156)	2,711,229
Total Nondepreciable Assets	1,808,816	2,073,901	(719,068)	3,163,649
Capital Assets Being Depreciated:				
Buildings	3,782,494	56,800	(46,134)	3,793,160
Street Improvements	5,167,023	225,788	-	5,392,811
Capital Leases	8,601	-	-	8,601
Equipment	2,191,015	160,980	-	2,351,995
Total Depreciable Assets	11,149,133	443,568	(46,134)	11,546,567
Less: Accumulated Depreciation For:				
Buildings	699,475	94,715	-	794,190
Street Improvements	996,632	91,466	-	1,088,098
Capital Leases	4,587	1,720	-	6,307
Equipment	1,238,206	55,465	-	1,293,671
Total Accumulated Depreciation	2,938,900	243,366	-	3,182,266
Net Depreciable Assets	8,210,233	200,202	(46,134)	8,364,301
Governmental Activities				
Capital Assets - Net	<u>\$ 10,019,049</u>	<u>\$ 2,274,103</u>	<u>\$ (765,202)</u>	<u>\$ 11,527,950</u>

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

	<u>6/30/2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>6/30/2023</u>
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,214,252	\$ -	\$ -	\$ 1,214,252
Construction in Progress	<u>1,200,931</u>	<u>1,018,976</u>	<u>(179,544)</u>	<u>2,040,363</u>
Total Nondepreciable Assets	<u>2,415,183</u>	<u>1,018,976</u>	<u>(179,544)</u>	<u>3,254,615</u>
Capital Assets Being Depreciated:				
Buildings	640,350	-	-	640,350
Utility System	6,426,263	-	-	6,426,263
Equipment	<u>1,102,756</u>	<u>179,544</u>	<u>-</u>	<u>1,282,300</u>
Total Depreciable Assets	<u>8,169,369</u>	<u>179,544</u>	<u>-</u>	<u>8,348,913</u>
Less: Accumulated Depreciation For:				
Buildings	576,541	11,503	-	588,044
Utility System	3,848,817	112,685	-	3,961,502
Equipment	<u>1,009,344</u>	<u>14,064</u>	<u>-</u>	<u>1,023,408</u>
Total Accumulated Depreciation	<u>5,434,702</u>	<u>138,252</u>	<u>-</u>	<u>5,572,954</u>
Net Depreciable Assets	<u>2,734,667</u>	<u>41,292</u>	<u>-</u>	<u>2,775,959</u>
Business-type Activities				
Capital Assets - Net	<u>\$ 5,149,850</u>	<u>\$ 1,060,268</u>	<u>\$ (179,544)</u>	<u>\$ 6,030,574</u>

Depreciation expense was charged to the functions of the City as follows:

	<u>2023</u>	<u>2022</u>
Governmental Activities:		
General Operations	\$ 58,988	\$ 52,271
Fire	59,876	56,198
Police	-	18,190
Streets	105,850	78,496
Broadband	2,902	288
Community Development	<u>15,750</u>	<u>15,182</u>
Total	<u>\$ 243,366</u>	<u>\$ 220,625</u>
Business-type Activities:		
Water	\$ 100,476	\$ 101,207
Sewer	<u>37,776</u>	<u>36,114</u>
Total	<u>\$ 138,252</u>	<u>\$ 137,321</u>

General Operations includes in capital lease amortization expense for the year ended June 30, 2023.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

5. INTERFUND TRANSFERS

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. Community Development Fund transfers to the Street Fund are to support the function of the Street Fund and the role streets play in community development. Interfund transfers for the years ended June 30 consisted of the following:

	2023
	<u>Transfers In</u>
Transfers Out	<u>Street Fund</u>
Governmental Funds	
Community Development	\$ 100,000
Total Transfers	<u>\$ 100,000</u>

All of the transfers in the current year were for operating purposes.

6. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30 are as follows:

Due To	Due From	2023
Water Fund	Urban Renewal Agency	\$ 531,898
Water Fund	Urban Renewal Agency	13,776
General Fund	Urban Renewal Agency	926,581
Water Fund	General Fund, Fire Department	3,834
Water Fund	General Fund, Fire Department	194,992
		<u>\$ 1,671,081</u>
Due to/from other funds		

The Urban Renewal Agency made significant investments in capital assets as part of its mission in the prior year in anticipation of a loan that had been awarded by Business Oregon. The loan from Business Oregon had not been received by the end of the prior fiscal year and as such, the Council created an interfund note between the water fund and the Urban Renewal Agency to fund its operations.

Business Oregon provided \$926,581 to the Urban Renewal Agency of the total award \$1,851,797, with the loan being held by the General Fund. The Urban Renewal Fund will repay the General Fund upon completion of the various capital asset projects in which it has invested. See Note 12.

Note 11 provides additional information about the interfund loan from the Water Fund to the General Fund, for the Fire Department.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

7. LONG-TERM LIABILITIES

The following is a summary of debt of the City for the years ended June 30, 2023:

<u>Obligation</u>	<u>6/30/2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>6/30/2023</u>	<u>Current</u>
Fire Hall Bonds Payable	388,000		(44,000)	344,000	45,000
Special Public Works Fund Loan - Gateway	440,627		(15,138)	425,489	15,710
Special Public Works Fund Loan - Greenhouse	316,440		(10,221)	306,219	10,572
Water Fund Loan to General Fund	230,291		(35,299)	194,992	36,479
Water Fund Loan to Urban Renewal Agency	587,326		(55,428)	531,898	*
Washington Federal Consolidation Loan Payable	1,342,952		(210,000)	1,132,952	225,000
Oregon Business Development Fund - Brownfields	506,655		(22,567)	484,088	23,018
Business Oregon Loan - Y21006	98,071	25,604		123,675	*
Capital Lease Payable - Copier	5,089	-	(1,785)	3,304	2,023
Business Oregon Loan - Y21006	-	924,699	-	924,699	*
Total	<u>\$ 3,915,451</u>	<u>\$ 950,303</u>	<u>\$ (394,438)</u>	<u>\$ 4,471,316</u>	<u>\$ 357,802</u>

* = Repayments will be determined upon finalization of loan disbursements.

Interest expense of \$120,698 in 2023 on long-term debt has been included in the direct expense of individual functions on the governmentwide 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.

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 \$120,698 at June 30, 2023 and \$125,082 at June 30, 2022. As of June 30, 2023, future payments are as follows:

<u>Year Ending</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
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	54,294	6,294	48,000	157,000
2028	54,820	4,820	50,000	107,000
2029-2030	111,880	4,880	107,000	-
Total	<u>\$ 387,501</u>	<u>\$ 43,501</u>	<u>\$ 344,000</u>	

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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 \$9,382 at June 30, 2023 and \$9,716 at June 30, 2022. As of June 30, 2023, future payments are as follows:

<u>Year Ending</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2024	\$ 31,793	\$ 16,083	\$ 15,710	\$409,779
2025	31,794	15,490	16,304	393,475
2026	31,793	14,873	16,920	376,555
2027	31,794	14,234	17,560	358,995
2028	31,794	13,570	18,224	340,771
2029-2033	158,968	56,981	101,987	238,784
2034-2038	158,968	36,193	122,775	116,009
2039-2042	127,175	11,166	116,009	-
Total	<u>\$604,079</u>	<u>\$178,590</u>	<u>\$425,489</u>	

10. 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 2023 at June 30, 2023 and 2022 at June 30, 2022. As of June 30, 2023, future payments are as follows:

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

<u>Year Ending</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2024	\$ 21,075	\$ 10,503	\$ 10,572	\$295,647
2025	21,075	10,141	10,934	284,713
2026	21,075	9,766	11,309	273,404
2027	21,075	9,378	11,697	261,707
2028	21,075	8,977	12,098	249,609
2029-2033	105,375	38,366	67,009	182,600
2034-2038	105,375	26,059	79,316	103,284
2039-2043	105,375	11,490	93,885	9,399
2044	9,721	322	9,399	-
Total	<u>\$431,221</u>	<u>\$ 125,002</u>	<u>\$306,219</u>	

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 \$3,492 at June 30, 2023 and \$4,487 at June 30, 2022. As of June 30, 2023, future payments are as follows:

<u>Year Ending</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2024	\$ 42,992	\$ 6,513	\$ 36,479	\$ 158,513
2025	42,991	5,294	37,697	120,816
2026	42,991	4,035	38,956	81,860
2027	42,992	2,734	40,258	41,602
2028	42,992	1,390	41,602	-
Total	<u>\$ 214,958</u>	<u>\$ 19,966</u>	<u>\$ 194,992</u>	

12. CITY OF JOHN DAY LOANS TO URBAN RENEWAL AGENCY

On May 24, 2022, the Water Fund loaned \$587,326 to the Urban Renewal Agency. Terms of the loan are 10 annual payments of \$69,204.37, including interest at 3.1%. The first payment was originally due May 23, 2024, but repayment has been delayed by mutual agreement of the City of John Day and the Urban Renewal Agency. Additional funds were provided to the Urban Renewal District through an intergovernmental agreement, after the City received additional funding from Business Oregon. This new loan is collateralized by assets of and to be constructed by the Urban Renewal Agency. A repayment schedule for loans to the Urban Renewal Agency from the City has not been established as of June 30, 2023.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

13. 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 reserved 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 to the 10-year maturity. The bank chose to reset the interest rate, be based on the St Louis Fed 5-year Treasury Constant Maturity Rate, plus 1.75%, multiplied by 0.79, or 4.42%. There was accrued interest payable of \$3,153 at June 30, 2023 and \$3,738 at June 30, 2022. As of June 30, 2023, future payments are as follows:

<u>Year Ending</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2024	\$ 270,104	\$ 45,104	\$ 225,000	\$ 907,952
2025	260,159	35,159	225,000	682,952
2026	250,214	25,214	225,000	457,952
2027	240,269	15,269	225,000	232,952
2028	238,100	5,148	232,952	-
Total	<u>\$ 1,258,846</u>	<u>\$ 125,894</u>	<u>\$ 1,132,952</u>	

14. 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 2023 was accrued at June 30, 2023 and 2022 at June 30, 2022. As of June 30, 2023, future payments are as follows:

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

<u>Year Ending</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
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	32,700	8,273	24,427	389,216
2028	32,700	7,784	24,916	364,300
2029-2033	163,500	31,245	132,255	232,045
2034-2038	163,500	17,479	146,021	86,024
2039-2041	89,314	3,290	86,024	-
Total	<u>\$579,814</u>	<u>\$95,726</u>	<u>\$484,088</u>	

15. OREGON BUSINESS DEVELOPMENT DEPARTMENT – WATER RECLAMATION FACTORY

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, 2023 was \$123,676.

16. OREGON BUSINESS DEVELOPMENT DEPARTMENT – DEVELOPMENT PROJECTS

On October 19, 2022 the City entered into a financing agreement with Oregon Business Development Department to fund development projects of the Urban Renewal Agency. The City has an intergovernmental agreement with the Urban Renewal Agency where the Agency pledges incremental property tax revenues for repayment of the loan. The financing proceeds are disbursed to the City from Oregon Business Development Department as reimbursement of costs incurred. As of June 30, 2023, total funding received was \$924,699. Repayment will commence on December 1, 2025. Annual payments, including 2.41% interest, will be made in equal installments through December 1, 2044. A repayment schedule cannot be provided until the full amount of the loan is drawn by the City. The total award was for a maximum of \$1,851,767.

17. 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, 2023, future payments are as follows:

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

<u>Year Ending</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2024	\$ 2,402	\$ 379	\$ 2,023	\$ 1,282
2025	1,402	120	1,282	-
Total	<u>\$ 3,804</u>	<u>\$ 499</u>	<u>\$ 3,305</u>	

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 results of an 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.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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)

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 cash.

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.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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.

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.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023 were \$10,000, 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, 2023 were:

Rate Category	Normal Cost Rate	Combined UAL	Net Rate
PERS General Service	10.73%	-0.69%	10.04%
OPSRP General Service	8.40%	-0.69%	7.71%
OPSRP Police & Fire	12.76%	-0.69%	12.07%

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at:
<https://www.oregon.gov/das/financial/acctng/pages/pub.aspx>

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2022, 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.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

Actuarial Methods and Assumptions

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, Published July 20, 2021
Actuarial Assumptions:	
Actuarial Cost Assumption	Entry Age Normal
Inflation Rate	2.40 Percent
Investment Rate of Return	6.90 Percent
Discount Rate	6.90 Percent
Projected Salary Increases	3.40 Percent
Mortality	<p>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.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled Retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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.

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/2021-cafr.pdf>.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

Asset Class	Target Allocation	Annual Arithmetic Return	20-Year Annualized Mean (Geometric)	Standard Deviation
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50%	11.35%	7.71%	30.00%
Core Fixed Income	23.75%	2.80%	2.73%	3.85%
Real Estate	12.25%	6.29%	5.66%	12.00%
Master Limited Partnerships	0.75%	7.65%	5.71%	21.30%
Infrastructure	1.50%	7.24%	6.26%	15.00%
Commodities	0.63%	4.68%	3.10%	18.85%
Hedge Fund of Funds - Multistrategy	1.25%	5.42%	5.11%	8.45%
Hedge Fund Equity - Hedge	0.63%	5.85%	5.31%	11.05%
Hedge Fund - Macro	5.62%	5.33%	5.06%	7.90%
US Cash	-2.50%	1.77%	1.76%	1.20%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.65%

1 Based on the OIC Statement Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

2 The arithmetic mean is a component that goes into calculated the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

3 Negative allocation to cash represent levered exposure from allocation to Risk Parity strategy.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of 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 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,703,389	\$ 960,515	\$ 338,763

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

At June 30, 2023, the City reported a liability of \$960,515 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2023, the City's proportion was 0.006273 percent.

For the year ended June 30, 2023, the City recognized pension expense of \$90,395. Pension expense includes the City's proportionate share of system pension expense, adjusted for amortization of deferred amounts of \$2,602 and employee contributions picked up by the City of \$33,842.

At June 30, 2023, 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	\$ 46,625	\$ 5,990
Changes in assumptions	150,710	1,377
Net difference between projected and actual earnings on pension plan investments	-	171,721
Changes in proportion and differences between City contributions and proportionate share of contributions	237,129	126,474
Differences between employer & Employer Share	-	184,841
City contributions subsequent to the measurement date	58,541	-
Total	<u>\$ 493,005</u>	<u>\$ 490,403</u>

The amount of \$58,541 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

Year Ended June 30	Amount
2024	\$ 44,193
2025	(54,021)
2026	(83,389)
2027	88,740
2028	7,079
Thereafter	-
Total	<u>\$ 2,602</u>

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 credible 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, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

Actuarial Methods and Assumptions

	RHIA	RHIPA
Valuation Date	December 31, 2020	December 31, 2020
Measurement Date	June 30, 2022	June 30, 2022
Experience Study Report	2020, published July 20, 2021	2020, published July 20, 2021
Actuarial Assumptions:		
Actuarial Cost Assumption	Entry Age Normal	Entry Age Normal
Inflation Rate	2.40 Percent	2.40 Percent
Investment Rate of Return	6.90 Percent	6.90 Percent
Discount Rate	6.90 Percent	6.90 Percent
Projected Salary Increases	3.40 Percent	3.40 Percent
Retiree Healthcare Participation	Healthy Retirees: 27.5% Disabled Retirees: 15%	8-14 Years of Service 10.0% 15-19 Years of Service 11.0% 20-24 Years of Service 14.0% 25-29 Years of Service 22.0% 30+ Years of Service 27.0%
Healthcare Cost Trend Rate	Not applicable	Applied at beginning of plan year, starting with 5.9% for 2021, decreasing to 4.7% for 2028, increasing to 4.8% for 2037, and decreasing to an ultimate rate of 3.9% for 2074 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 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

Discount Rate

The discount rate used to measure the total pension liability was 6.90 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.

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 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's Proportionate Share of the OPEB Liability (Asset)	\$ (8,982)	\$ (9,965)	\$ (10,809)

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

At June 30, 2023, the City reported an asset of \$9,965 for its proportionate share of the net OPEB liability. The 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 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, 2023, the City's proportion was .002805 percent.

For the year ended June 30, 2023, the City recognized expense of \$3,001. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 270
Changes in assumptions	78	332
Net difference between projected and actual earnings on OPEB plan investments	-	760
Changes in proportion and differences between City contributions and proportionate share of contributions	709	-
City contributions subsequent to the measurement date	11	-
Total	<u>\$ 798</u>	<u>\$ 1,362</u>

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
2024	\$ 128
2025	(456)
2026	(480)
2027	244
2028	-
Thereafter	-
Total	<u>\$ (564)</u>

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.

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2022 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 3.54% compounded annually; (b) an inflation rate of 2.4%; and (c) no post-retirement benefit increases and a payroll increase of 3.4%. 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.

The following table shows sensitivity of the Total OPEB Liability to changes in discount and trend rates, as determined by the July 1, 2022 actuarial valuation.

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
City's Proportionate Share of the OPEB Liability (Asset)	\$ 57,537	\$ 56,026	\$ 54,563
	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the OPEB Liability (Asset)	\$ 53,835	\$ 56,026	\$ 58,500

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City of John Day, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (23,599)
Changes in Assumptions	867	(4,689)
Benefit Payments	12,158	-
Total	<u>\$ 13,025</u>	<u>\$ (28,288)</u>

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

June 30	Amount
2024	\$ (6,153)
2025	(5,746)
2026	(4,441)
2027	(3,244)
2028	(3,346)
Thereafter	(4,491)
Total	<u>\$ (27,421)</u>

Program membership consisted of 12 active and 1 retired participant at July 1, 2022.

21. RISK MANAGEMENT

The City is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker's compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, medical insurance costs, and professional liabilities. Settled claims have not exceeded commercial coverage in any of the past three years.

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

City of John Day, Oregon
Schedule of the City's Proportionate Share of the Net Pension Liability
Oregon Public Retirement System

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City Proportion of the Net Pension Liability (Asset)	0.006273%	0.004881%	0.005223%	0.006546%	0.004835%	0.006449%	0.006722%	0.006725%	0.007673%	
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 960,515	\$ 584,123	\$ 1,139,915	\$ 1,132,294	\$ 732,495	\$ 869,392	\$ 1,009,127	\$ 386,135	\$ (173,920)	
City's Covered-Employee Payroll	\$ 576,247	\$ 900,217	\$ 738,567	\$ 774,442	\$ 764,285	\$ 839,706	\$ 672,124	\$ 736,153	\$ 735,503	UNAVAILABLE
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	166.68%	64.89%	154.34%	146.21%	95.84%	103.54%	150.14%	52.45%	-23.65%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.50%	87.60%	75.80%	80.10%	82.10%	83.10%	80.50%	91.90%	103.59%	

* 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*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	\$ 49,763	\$ 74,545	\$ 61,401	\$ 52,929	\$ 59,832	\$ 69,836	\$ 41,170	\$ 48,173	\$ 51,296	\$ 51,201
Contributions in Relation to the Contractually Required Contributions	(49,763)	(74,545)	(61,401)	(52,929)	(59,832)	(69,836)	(41,170)	(48,173)	(51,296)	(51,201)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Employee Payroll	\$ 576,247	\$ 900,217	\$ 738,567	\$ 774,442	\$ 764,285	\$ 839,706	\$ 672,124	\$ 736,153	\$ 735,503	UNAVAILABLE
Contributions as a Percentage of Covered Employee Payroll	8.64%	8.28%	8.31%	6.83%	7.83%	8.32%	6.13%	6.54%	6.97%	-

* 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.

City of John Day, Oregon
Schedule of Proportionate Share of Net OPEB Liability
Retiree Health Insurance Account PERS

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City Proportion of the Net OPEB Liability (Asset)	0.002805%	0.002818%	0.004183%	0.006945%	0.007955%	0.006426%	UNAVAILABLE			
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (9,965)	\$ (9,676)	\$ (8,524)	\$ (12,936)	\$ (8,879)	\$ (2,682)				
City's Covered-Employee Payroll	\$ 576,247	\$ 900,217	\$ 738,567	\$ 774,442	\$ 764,285	\$ 839,706				
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll	-1.73%	-1.07%	-1.15%	-1.67%	-1.16%	-0.32%				
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	194.60%	183.90%	150.10%	144.40%	123.99%	108.90%				

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City of John Day, Oregon will present information for those years for which information is available.

Schedule of City Contributions
Retiree Health Insurance Account PERS

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	\$ 69	\$ 91	\$ 3,199	\$ 3,199	\$ 3,318	\$ 3,199	UNAVAILABLE			
Contributions in Relation to the Contractually Required Contributions	(69)	(91)	(3,199)	(3,199)	(3,318)	(3,199)				
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
City's Covered Employee Payroll	\$ 576,247	\$ 900,217	\$ 738,567	\$ 774,442	\$ 764,285	\$ 839,706				
Contributions as a Percentage of Covered Employee Payroll	0.01%	0.01%	0.43%	0.41%	0.43%	0.38%				

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City of John Day, Oregon will present information for those years for which information is available.

Data reported is measured as of June 30, 2023

City of John Day, Oregon
Schedule of Changes in Total OPEB Liability and Related Ratios
CIS Health Insurance

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Beginning OPEB Liability	\$ 80,971	\$ 81,800	\$ 86,250	\$ 83,972	\$ 101,177	\$ 102,343				
Service Cost	6,902	6,711	5,054	4,523	5,091	5,260				
Interest	1,770	1,851	3,048	3,289	3,690	2,997				
Changes of Benefit Terms	-	-	-	-	-	-				
Economic/Demographic Gains or Losses	(19,347)	-	(3,339)	-	(14,057)	-				
Changes of Assumptions	(2,304)	185	(701)	1,558	(5,502)	(4,470)				
Benefit Payments	(11,966)	(9,576)	(8,512)	(7,092)	(6,427)	(4,953)				
Ending OPEB Liability	<u>\$ 56,026</u>	<u>\$ 80,971</u>	<u>\$ 81,800</u>	<u>\$ 86,250</u>	<u>\$ 83,972</u>	<u>\$ 101,177</u>	UNAVAILABLE			
Covered Payroll	\$ 576,247	\$ 900,217	\$ 738,567	\$ 774,442	\$ 764,285	\$ 839,706				
OPEB Liability as a Percentage of Covered Payroll	9.72%	8.99%	11.08%	11.14%	10.99%	12.05%				

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City of John Day, Oregon will present information for those years for which information is available.

Schedule of City Contributions
CIS Health Insurance

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 11,966	\$ 9,576	\$ 8,512	\$ 7,092	\$ 6,427	\$ 6,427	UNAVAILABLE	UNAVAILABLE	UNAVAILABLE	UNAVAILABLE
Contributions in Relation to the Actuarially Determined Contributions	(11,966)	(9,576)	(8,512)	(7,092)	(6,427)	(6,427)				
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
City's Covered Employee Payroll	\$ 576,247	\$ 900,217	\$ 738,567	\$ 774,442	\$ 764,285	\$ 839,706				
Contributions as a Percentage of Covered Employee Payroll	2.08%	1.06%	1.15%	0.92%	0.84%	0.77%				

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City of John Day, Oregon will present information for those years for which information is available.

Data reported is measured as of June 30, 2023

City of John Day, Oregon
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property taxes	\$ 307,582	\$ 307,582	\$ 334,204	\$ 26,622
Intergovernmental Revenues	96,898	96,898	79,827	(17,071)
User Fees	10,572	10,572	14,018	3,446
Licenses and Fees	223,555	223,555	250,768	27,213
Fines and Forfeitures	-	-	3,148	3,148
Interest	2,000	2,000	8,050	6,050
Miscellaneous Revenues	7,000	7,000	9,713	2,713
Total Revenues	<u>647,607</u>	<u>647,607</u>	<u>699,728</u>	<u>52,121</u>
Expenditures				
Administration	330,240	330,240	408,482	(78,242)
Police	40,115	40,115	10,137	29,978
Fire	138,881	138,881	76,521	62,360
Contingency	20,000	20,000	-	20,000
Total Expenditures	<u>529,236</u>	<u>529,236</u>	<u>495,140</u>	<u>34,096</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>118,371</u>	<u>118,371</u>	<u>204,588</u>	<u>86,217</u>
Other Financing Sources (Uses)				
Transfers Out	(486,490)	(486,490)	(486,490)	-
Total Other Financing Sources (Uses)	<u>(486,490)</u>	<u>(486,490)</u>	<u>(486,490)</u>	<u>-</u>
Net Change in Fund Balances	(368,119)	(368,119)	(281,902)	86,217
Fund Balances - Beginning	368,119	368,119	407,414	39,295
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,512</u>	<u>\$ 125,512</u>

City of John Day, Oregon
 Budgetary Comparison Schedule
 State Tax Street Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Intergovernmental Revenues	\$ 1,162,346	\$ 1,204,346	\$ 1,762,007	\$ 557,661
User Fees	-	-	28	28
Grant Proceeds	465,000	715,000	283,106	(431,894)
Interest	200	200	2,513	2,313
Miscellaneous Revenues	-	-	547	547
Total Revenues	<u>1,627,546</u>	<u>1,919,546</u>	<u>2,048,201</u>	<u>128,655</u>
Expenditures				
Personal services	295,246	290,246	157,005	133,241
Materials and services	221,672	521,672	194,290	327,382
Capital outlay	1,795,000	2,078,595	1,449,718	628,877
Total Expenditures	<u>2,311,918</u>	<u>2,890,513</u>	<u>1,801,013</u>	<u>1,089,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(684,372)</u>	<u>(970,967)</u>	<u>247,188</u>	<u>1,218,155</u>
Other Financing Sources (Uses)				
Interfund Charges Motor Pool	(35,000)	(40,000)	(40,000)	-
Transfers In	570,463	670,463	670,463	-
Total Other Financing Sources (Uses)	<u>535,463</u>	<u>630,463</u>	<u>630,463</u>	<u>-</u>
Net Change in Fund Balances	(148,909)	(340,504)	877,651	1,218,155
Fund Balances - Beginning	148,909	340,504	(458,072)	(798,576)
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,579</u>	<u>\$ 419,579</u>

City of John Day, Oregon
 Budgetary Comparison Schedule
 IT Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Grant Proceeds	\$ 1,804,475	\$ 1,804,475	\$ -	\$ (1,804,475)
Interest	2,000	2,000	1	(1,999)
Total Revenues	<u>1,806,475</u>	<u>1,806,475</u>	<u>1</u>	<u>(1,806,474)</u>
Expenditures				
Personal services	5,673	5,673	4,979	694
Materials and services	42,384	42,384	29,598	12,786
Capital outlay	1,804,475	1,804,475	86,040	1,718,435
Total Expenditures	<u>1,852,532</u>	<u>1,852,532</u>	<u>120,617</u>	<u>1,731,915</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(46,057)</u>	<u>(46,057)</u>	<u>(120,616)</u>	<u>(74,559)</u>
Other Financing Sources (Uses)				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(46,057)	(46,057)	(120,616)	(74,559)
Fund Balances - Beginning	46,057	46,057	2,510	(43,547)
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (118,106)</u>	<u>\$ (118,106)</u>

City of John Day, Oregon
 Budgetary Comparison Schedule
 Community Development Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Intergovernmental Revenues	\$ -	\$ -	\$ 7,069	\$ 7,069
Transient Room Tax	20,000	20,000	45,297	25,297
User Fees	76,000	76,000	103,746	27,746
Grant Proceeds	215,500	215,500	285,688	70,188
Miscellaneous Revenues	-	-	709	709
Interest	500	500	-	(500)
Total Revenues	<u>312,000</u>	<u>312,000</u>	<u>442,509</u>	<u>130,509</u>
Expenditures				
Personal services	61,809	61,809	10,627	51,182
Materials and services	40,771	40,771	38,463	2,308
Capital outlay	3,061,688	2,961,688	262,396	2,699,292
Debt Service	109,300	109,300	21,075	88,225
Total Expenditures	<u>3,273,568</u>	<u>3,173,568</u>	<u>332,561</u>	<u>2,841,007</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,961,568)</u>	<u>(2,861,568)</u>	<u>109,948</u>	<u>2,971,516</u>
Other Financing Sources (Uses)				
Sale of Assets	-	222,000	221,567	(433)
Transfers Out	-	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>122,000</u>	<u>121,567</u>	<u>-</u>
Net Change in Fund Balances	(2,961,568)	(2,739,568)	231,515	2,971,516
Fund Balances - Beginning	2,987,968	2,765,968	(463,955)	(3,229,923)
Fund Balances - Ending	<u>\$ 26,400</u>	<u>\$ 26,400</u>	<u>\$ (232,440)</u>	<u>\$ (258,407)</u>

City of John Day, Oregon
 Budgetary Comparison Schedule
 Urban Renewal Agency (Component Unit)
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property taxes	\$ 61,750	\$ 61,750	\$ 76,236	\$ 14,486
Intergovernmental Revenues	-	1,278,438	984,699	(293,739)
Interest	-	-	168	168
Miscellaneous Revenues	-	-	546	546
Total Revenues	61,750	1,340,188	1,061,649	(278,539)
Expenditures				
Materials and Services	39,580	1,312,598	981,077	331,521
Capital Outlay	-	5,320	13,014	(7,694)
Contingency	72,424	58,844	-	58,844
Total Expenditures	112,004	1,376,762	994,091	382,671
Excess (Deficiency) of Revenues Over Expenditures	(50,254)	(36,574)	67,558	104,132
Other Financing Sources (Uses)				
Debt Service	139	13,719	13,776	(57)
Interfund Charges	-	100	-	(100)
Total Other Financing Sources (Uses)	139	13,819	13,776	(157)
Net Change in Fund Balances	(50,393)	(50,393)	53,782	104,289
Fund Balances - Beginning	50,393	50,393	(598,725)	(649,118)
Fund Balances - Ending	\$ -	\$ -	\$ (544,943)	\$ (544,829)

City of John Day, Oregon
Notes to Required Supplementary Information
For the Year Ended June 30, 2023

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 adopted one supplemental budget during the year ended June 30, 2023.

During the year ended June 30, 2023, disbursements in the General Fund were in excess of certified budget amounts for the Administration function by \$78,242. The Urban Renewal Agency had disbursements in excess of certified budget amounts of \$7,694 for capital outlay. All other General Fund functions and major special revenue funds were within certified budget amounts in all functions.

OTHER SUPPLEMENTARY INFORMATION

City of John Day, Oregon
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	\$ 50,000	\$ 50,000	\$ 51,093	\$ 1,093
Interest	200	200	1,014	814
Total Revenues	<u>50,200</u>	<u>50,200</u>	<u>52,107</u>	<u>1,907</u>
Expenditures				
Debt Service	<u>56,500</u>	<u>56,500</u>	<u>55,152</u>	<u>1,348</u>
Total Expenditures	<u>56,500</u>	<u>56,500</u>	<u>55,152</u>	<u>1,348</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,300)</u>	<u>(6,300)</u>	<u>(3,045)</u>	<u>3,255</u>
Other Financing Sources (Uses)				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(6,300)	(6,300)	(3,045)	3,255
Fund Balances - Beginning	33,352	33,352	39,156	5,804
Fund Balances - Ending	<u>\$ 27,052</u>	<u>\$ 27,052</u>	<u>\$ 36,111</u>	<u>\$ 9,059</u>

City of John Day, Oregon
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Operating Revenues				
Charges for Services	\$ 714,500	\$ 714,500	\$ 713,608	\$ (892)
Miscellaneous	54,992	54,992	78,339	23,347
Total Operating Revenues	<u>769,492</u>	<u>769,492</u>	<u>791,947</u>	<u>22,455</u>
Operating Expenses				
Personal Services	309,724	309,724	254,311	55,413
Materials and services	274,392	274,392	163,271	111,121
Capital Outlay	137,345	137,345	13,373	123,972
Contingency Reserve	201,813	831,213	-	831,213
Total Operating Expenses	<u>923,274</u>	<u>1,552,674</u>	<u>430,955</u>	<u>1,121,719</u>
Operating Income (Loss)	<u>(153,782)</u>	<u>(783,182)</u>	<u>360,992</u>	<u>(1,099,264)</u>
Nonoperating Revenues (Expenses)				
Interest income	1,000	1,000	32,991	31,991
Proceeds from Sale of Assets	-	-	116,236	116,236
Proceeds from Debt	88,345	88,345	-	(88,345)
Debt Service	(911,150)	(247,750)	(223,224)	24,526
Total Nonoperating Revenues (Expenses)	<u>(821,805)</u>	<u>(158,405)</u>	<u>(73,997)</u>	<u>84,408</u>
Income (Loss) Before Transfers and Contributions	<u>(975,587)</u>	<u>(941,587)</u>	<u>286,995</u>	<u>(1,014,856)</u>
Transfers and Contributions				
Transfers Out	(185,970)	(219,970)	(219,970)	-
Net Transfers and Contributions	<u>(185,970)</u>	<u>(219,970)</u>	<u>(219,970)</u>	<u>-</u>
Net Position Available for Appropriations	<u>1,161,557</u>	<u>1,161,557</u>	<u>1,131,967</u>	<u>29,590</u>
Change in Fund Balance (Budgetary Basis)	<u>(1,161,557)</u>	<u>(1,161,557)</u>	<u>67,025</u>	<u>(985,266)</u>
Reconciliation to GAAP:				
Less eliminated interfund transactions			(41,956)	
Less depreciation expense			(100,477)	
Plus changes to compensated absences			7,331	
Plus adjustments for pension and OPEB			1,465	
Plus principal payments			183,149	
Change in Net Position (GAAP Basis)			<u>\$ 116,537</u>	

City of John Day, Oregon
Sewer Utility Fund Combining Schedules
Statement of Net Position
June 30, 2023

	Sewer Fund	Joint Sewer Fund	Total
Assets			
Current Assets:			
Cash and Investments	\$ 576,460	\$ 82,842	\$ 659,302
Accounts Receivable - Utility Customers	88,160	-	88,160
Other Receivables	349	3,435	3,784
Total Current Assets	<u>664,969</u>	<u>86,277</u>	<u>751,246</u>
Noncurrent Assets:			
Capital Assets:			
Land	403,209	-	403,209
Construction in Progress	1,955,321	-	1,955,321
Property, Plant, and Equipment	3,026,088	-	3,026,088
Accumulated Depreciation	<u>(2,259,463)</u>	<u>-</u>	<u>(2,259,463)</u>
Total Capital Assets	<u>3,125,155</u>	<u>-</u>	<u>3,125,155</u>
Total Assets	<u>3,790,124</u>	<u>86,277</u>	<u>3,876,401</u>
Deferred Outflows			
Deferred Outflows Related to Pension	<u>82,148</u>	<u>87,813</u>	<u>169,961</u>
Total Deferred Outflows	<u>82,148</u>	<u>87,813</u>	<u>169,961</u>
Liabilities			
Current Liabilities:			
Accounts Payable	29,448	425	29,873
Accrued Payroll	8,452	11,846	20,298
Deposits Payable	11,872	-	11,872
Interest Payable	10,495	-	10,495
Loans Payable - Current Portion	<u>74,210</u>	<u>-</u>	<u>74,210</u>
Total Current Liabilities	<u>134,477</u>	<u>12,271</u>	<u>146,748</u>
Long-term Liabilities:			
Net Pension Liability - PERS	160,048	171,084	331,132
Loans Payable - Noncurrent Portion	<u>769,521</u>	<u>-</u>	<u>769,521</u>
Total Long-term Liabilities	<u>929,569</u>	<u>171,084</u>	<u>1,100,653</u>
Total Liabilities	<u>1,064,046</u>	<u>183,355</u>	<u>1,247,401</u>
Deferred Inflows			
Deferred Inflows Related to Pension	<u>81,714</u>	<u>87,349</u>	<u>169,063</u>
Total Deferred Inflows	<u>81,714</u>	<u>87,349</u>	<u>169,063</u>
Net Position			
Net Investment in Capital Assets	2,281,424	-	2,281,424
Unrestricted	<u>2,726,512</u>	<u>(96,614)</u>	<u>2,629,898</u>
Total Net Position	<u>\$ 5,007,936</u>	<u>\$ (96,614)</u>	<u>\$ 4,911,322</u>

City of John Day, Oregon
Sewer Utility Fund Combining Schedules
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

	Sewer Fund	Joint Sewer Fund	Total
Operating Revenues			
User Fees	\$ 801,247	\$ 139,135	\$ 940,382
Intergovernmental Revenue	868,825	-	868,825
Miscellaneous Revenue	2,435	584	3,019
Total Operating Revenues	<u>1,672,507</u>	<u>139,719</u>	<u>1,812,226</u>
Operating Expenses			
Personal Services	185,664	236,027	421,691
Supplies, Repairs, and Services	96,233	107,488	203,721
Depreciation	37,776	-	37,776
Total Operating Expenses	<u>319,673</u>	<u>343,515</u>	<u>663,188</u>
Operating Income (Loss)	<u>1,352,834</u>	<u>(203,796)</u>	<u>1,149,038</u>
Nonoperating Revenues (Expenses)			
Proceeds from Sale of Assets	30,961	-	30,961
Interest Income	14,033	865	14,898
Interest Expense	(29,145)	-	(29,145)
Total Nonoperating Revenues (Expenses)	<u>15,849</u>	<u>865</u>	<u>16,714</u>
Income (Loss) Before Transfers	<u>1,368,683</u>	<u>(202,931)</u>	<u>1,165,752</u>
Operating Transfers:			
Operating Transfers-In	-	254,802	254,802
Operating Transfers-Out	(337,936)	(30,000)	(367,936)
Net Operating Transfers:	<u>(337,936)</u>	<u>224,802</u>	<u>(113,134)</u>
Change in Net Position	<u>1,030,747</u>	<u>21,871</u>	<u>1,052,618</u>
Net Position - Beginning	1,695,765	(118,485)	1,577,280
Net Position - Ending	<u><u>\$ 2,726,512</u></u>	<u><u>\$ (96,614)</u></u>	<u><u>\$ 2,629,898</u></u>

City of John Day, Oregon
Sewer Utility Fund Combining Schedules
Statement of Cash Flows -
For the Year Ended June 30, 2023

	Utility Funds		
	Sewer Fund	Joint Sewer Fund	Total
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 790,394	\$ 136,607	\$ 927,001
Cash Paid to Employees	(176,993)	(242,093)	(419,086)
Cash Paid to Suppliers	(93,514)	(110,172)	(203,686)
Net Cash Provided (Used) by Operating Activities	<u>519,887</u>	<u>(215,658)</u>	<u>304,229</u>
Cash Flows From Noncapital Financing Activities			
Operating Transfers	(337,936)	224,802	(113,134)
Interfund Loans	-	-	-
Intergovernmental Revenues	20,437	-	20,437
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(317,499)</u>	<u>224,802</u>	<u>(92,697)</u>
Cash Flows From Capital and Related Financing Activities			
Purchases of Capital Assets	(1,018,977)	-	(1,018,977)
Proceeds from Sale of Capital Assets	30,961	-	30,961
Debt Proceeds	25,605	-	25,605
Principal Paid on Debt	(69,437)	-	(69,437)
Interest Paid on Debt	(29,297)	-	(29,297)
Net Cash Used by Capital and Related Financing Activities	<u>(1,061,145)</u>	<u>-</u>	<u>(1,061,145)</u>
Cash Flows From Investing Activities			
Interest Received on Investments	14,033	865	14,898
Net Cash Provided (Used) by Investing Activities	<u>14,033</u>	<u>865</u>	<u>14,898</u>
Net Increase in Cash and Cash Equivalents	(844,724)	10,009	(834,715)
Cash and Cash Equivalents, Beginning	<u>1,421,184</u>	<u>72,833</u>	<u>1,494,017</u>
Cash and Cash Equivalents, Ending	<u>\$ 576,460</u>	<u>\$ 82,842</u>	<u>\$ 659,302</u>

City of John Day, Oregon
Sewer Utility Fund Combining Schedules
Statement of Cash Flows -
For the Year Ended June 30, 2023

	Utility Funds		
	Sewer Fund	Joint Sewer Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 1,352,834	\$ (203,796)	\$ 1,149,038
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	37,776	-	37,776
(Increase) Decrease In:			
Accounts Receivable	(13,288)	(3,112)	(16,400)
Net Pension/OPEB Asset/Liability	58,337	62,359	120,696
Deferred Outflow of Resources	(19,314)	(20,646)	(39,960)
Increase (Decrease) In:			
Accounts Payable	2,719	(2,684)	35
Payroll Liabilities	10,309	(4,316)	5,993
Deferred Revenue	(868,825)	-	(868,825)
Deferred Inflow of Resources	(40,661)	(43,463)	(84,124)
Net Cash Provided (Used) by Operating Activities	<u>\$ 519,887</u>	<u>\$ (215,658)</u>	<u>\$ 304,229</u>

City of John Day, Oregon
 Budgetary Comparison Schedule
 Sewer Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Operating Revenues				
Charges for Services	\$ 753,000	\$ 753,000	\$ 801,247	\$ 48,247
Intergovernmental Revenues	4,405,038	4,405,038	868,825	(3,536,213)
Grants	8,082,119	8,182,119	-	(8,182,119)
Miscellaneous	-	-	2,435	2,435
Total Operating Revenues	13,240,157	13,340,157	1,672,507	(11,667,650)
Operating Expenses				
Personal Services	322,204	322,204	197,317	124,887
Materials and services	158,536	158,536	96,233	62,303
Capital Outlay	17,700,000	17,800,000	1,018,977	16,781,023
Contingency Reserve	26,236	220,336	-	220,336
Total Operating Expenses	18,206,976	18,501,076	1,312,527	17,188,549
Operating Income (Loss)	(4,966,819)	(5,160,919)	359,980	(28,856,199)
Nonoperating Revenues (Expenses)				
Interest income	200	200	14,033	13,833
Proceeds from Sale of Assets	-	-	30,961	30,961
Proceeds from Debt	5,476,190	5,476,190	25,605	(5,450,585)
Debt Service	(336,800)	(104,700)	(98,735)	5,965
Total Nonoperating Revenues (Expenses)	5,139,590	5,371,690	(28,136)	(5,399,826)
Income (Loss) Before Transfers and Contributions	172,771	210,771	331,844	(34,256,025)
Transfers and Contributions				
Transfers Out	(299,936)	(337,936)	(337,936)	-
Net Transfers and Contributions	(299,936)	(337,936)	(337,936)	-
Net Position Available for Appropriations	127,165	127,165	621,289	(494,124)
Change in Fund Balance (Budgetary Basis)	(127,165)	(127,165)	(6,092)	(34,750,149)
Reconciliation to GAAP:				
Plus capital outlay			1,018,977	
Less depreciation expense			(37,776)	
Plus changes to compensated absences			10,015	
Plus adjustments for pension and OPEB			1,638	
Plus principal payments			69,590	
Less issuance of debt			(25,605)	
Change in Net Position (GAAP Basis)			<u>\$ 1,030,747</u>	

City of John Day, Oregon
 Budgetary Comparison Schedule
 Joint Sewer Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Operating Revenues				
Charges for Services	\$ 121,236	\$ 121,236	\$ 139,135	\$ 17,899
Miscellaneous	-	-	584	584
Total Operating Revenues	<u>121,236</u>	<u>121,236</u>	<u>139,719</u>	<u>17,899</u>
Operating Expenses				
Personal Services	255,013	255,013	253,940	1,073
Materials and services	138,101	138,101	107,488	30,613
Total Operating Expenses	<u>393,114</u>	<u>393,114</u>	<u>361,428</u>	<u>31,686</u>
Operating Income (Loss)	<u>(271,878)</u>	<u>(271,878)</u>	<u>(221,709)</u>	<u>(13,787)</u>
Nonoperating Revenues (Expenses)				
Interest income	-	-	865	865
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>865</u>	<u>865</u>
Income (Loss) Before Transfers and Contributions	<u>(271,878)</u>	<u>(271,878)</u>	<u>(220,844)</u>	<u>(12,922)</u>
Transfers and Contributions				
Transfers In	254,802	254,802	254,802	-
Transfers Out	(25,000)	(30,000)	(30,000)	-
Net Transfers and Contributions	<u>229,802</u>	<u>224,802</u>	<u>224,802</u>	<u>-</u>
Net Position Available for Appropriations	<u>47,076</u>	<u>47,076</u>	<u>70,048</u>	<u>(22,972)</u>
Change in Fund Balance (Budgetary Basis)	<u>(42,076)</u>	<u>(47,076)</u>	<u>3,958</u>	<u>(35,894)</u>
Reconciliation to GAAP:				
Plus changes to compensated absences			16,163	
Plus adjustments for pension and OPEB			1,750	
Change in Net Position (GAAP Basis)			<u>\$ 21,871</u>	

City of John Day, Oregon
Internal Service Fund Combining Schedules
Statement of Net Position
June 30, 2023

	Motor Pool	Unpaid Compensation	Total
Assets			
Current Assets:			
Cash and Investments	\$ 213,043	\$ 138,874	\$ 351,917
Other Receivables	424	-	424
Total Current Assets	<u>213,467</u>	<u>138,874</u>	<u>352,341</u>
Noncurrent Assets:			
Capital Assets:			
Property, Plant, and Equipment	1,117,595	-	1,117,595
Accumulated Depreciation	<u>(742,139)</u>	<u>-</u>	<u>(742,139)</u>
Total Capital Assets	<u>375,456</u>	<u>-</u>	<u>375,456</u>
Total Assets	<u>588,923</u>	<u>138,874</u>	<u>727,797</u>
Deferred Outflows			
Deferred Outflows Related to CIS OPEB	1,194	1,267	2,461
Deferred Outflows Related to OPEB	73	78	151
Deferred Outflows Related to Pension	<u>22,879</u>	<u>24,275</u>	<u>47,154</u>
Total Deferred Outflows	<u>24,146</u>	<u>25,620</u>	<u>49,766</u>
Liabilities			
Current Liabilities:			
Accounts Payable	72,791	-	72,791
Accrued Payroll	<u>1,534</u>	<u>(84)</u>	<u>1,450</u>
Total Current Liabilities	<u>74,325</u>	<u>(84)</u>	<u>74,241</u>
Long-term Liabilities:			
Net Pension Liability - PERS	44,575	47,295	91,870
Net OPEB Liability - CIS	<u>5,138</u>	<u>5,451</u>	<u>10,589</u>
Total Long-term Liabilities	<u>49,713</u>	<u>52,746</u>	<u>102,459</u>
Total Liabilities	<u>124,038</u>	<u>52,662</u>	<u>176,700</u>
Deferred Inflows			
Deferred Inflows Related to Pension	22,758	24,147	46,905
Deferred Inflows Related to OPEB	125	133	258
Deferred Inflows Related to CIS OPEB	<u>2,594</u>	<u>2,752</u>	<u>5,346</u>
Total Deferred Inflows	<u>25,477</u>	<u>27,032</u>	<u>52,509</u>
Net Position			
Net Investment in Capital Assets	375,456	-	375,456
Unrestricted	<u>491,971</u>	<u>84,800</u>	<u>576,771</u>
Total Net Position	<u>\$ 867,427</u>	<u>\$ 84,800</u>	<u>\$ 952,227</u>

City of John Day, Oregon
Internal Service Fund Combining Schedules
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

	Motor Pool	Unpaid Compensation	Total
Operating Revenues			
User Fees	\$ 5,211	\$ -	\$ 5,211
Interfund Charges	246,139	57,753	303,892
Miscellaneous Revenue	1,028	-	1,028
Total Operating Revenues	<u>252,378</u>	<u>57,753</u>	<u>310,131</u>
Operating Expenses			
Personal Services	70,944	12,054	82,998
Supplies, Repairs, and Services	61,735	-	61,735
Capital Outlay	400	-	400
Depreciation	48,890	-	48,890
Total Operating Expenses	<u>181,969</u>	<u>12,054</u>	<u>194,023</u>
Operating Income (Loss)	<u>70,409</u>	<u>45,699</u>	<u>116,108</u>
Nonoperating Revenues (Expenses)			
Proceeds from Sale of Assets	4,354	-	4,354
Interest Income	2,149	1,880	4,029
Total Nonoperating Revenues (Expenses)	<u>6,503</u>	<u>1,880</u>	<u>8,383</u>
Change in Net Position	<u>76,912</u>	<u>47,579</u>	<u>124,491</u>
Net Position - Beginning	415,059	37,221	452,280
Prior Period Adjustment	-	-	-
Net Position - Beginning	<u>415,059</u>	<u>37,221</u>	<u>452,280</u>
Net Position - Ending	<u><u>\$ 491,971</u></u>	<u><u>\$ 84,800</u></u>	<u><u>\$ 576,771</u></u>

City of John Day, Oregon
Internal Service Fund Combining Schedules
Statement of Cash Flows
For the Year Ended June 30, 2023

	Motor Pool	Unpaid Compensation	Total
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 252,414	\$ 57,753	\$ 310,167
Cash Paid to Employees	(68,645)	(5,632)	(74,277)
Cash Paid to Suppliers	6,032	-	6,032
Net Cash Provided (Used) by Operating Activities	<u>189,801</u>	<u>52,121</u>	<u>241,922</u>
Cash Flows From Noncapital Financing Activities			
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities			
Purchases of Capital Assets	(73,561)	-	(73,561)
Proceeds from Sale of Capital Assets	4,354	-	4,354
Net Cash Used by Capital and Related Financing Activities	<u>(69,207)</u>	<u>-</u>	<u>(69,207)</u>
Cash Flows From Investing Activities			
Interest Received on Investments	<u>2,149</u>	<u>1,880</u>	<u>4,029</u>
Net Cash Provided (Used) by Investing Activities	<u>2,149</u>	<u>1,880</u>	<u>4,029</u>
Net Increase in Cash and Cash Equivalents	122,743	54,001	176,744
Cash and Cash Equivalents, Beginning	118,717	84,873	203,590
Cash and Cash Equivalents, Ending	<u>\$ 241,460</u>	<u>\$ 138,874</u>	<u>\$ 380,334</u>

City of John Day, Oregon
Internal Service Fund Combining Schedules
Statement of Cash Flows
For the Year Ended June 30, 2023

	<u>Motor Pool</u>	<u>Unpaid Compensation</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 76,912	\$ 47,579	\$ 124,491
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	48,890	-	48,890
Interest Income	(2,149)	(1,880)	(4,029)
Proceeds from Sale of Assets	(4,354)		(4,354)
(Increase) Decrease In:			
Accounts Receivable	36	-	36
Deferred Outflow of Resources	(6,646)	(7,052)	(13,698)
Increase (Decrease) In:			
Accounts Payable	68,167	-	68,167
Payroll Liabilities	1,534	(84)	1,450
Accrued Compensated Absences	(5,369)	-	(5,369)
Net Pension/OPEB Liability	21,385	22,689	44,074
Deferred Inflow of Resources	(8,605)	(9,131)	(17,736)
Net Cash Provided (Used) by Operating Activities	<u>\$ 189,801</u>	<u>\$ 52,121</u>	<u>\$ 241,922</u>

City of John Day, Oregon
 Budgetary Comparison Schedule
 Motor Pool
 For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Operating Revenues				
Charges for Services	\$ 6,986	\$ 6,986	\$ 5,211	\$ (1,775)
Interfund Charges	169,139	246,139	246,139	-
Miscellaneous	-	-	1,028	1,028
Total Operating Revenues	<u>176,125</u>	<u>253,125</u>	<u>252,378</u>	<u>(747)</u>
Operating Expenses				
Fire Department				
Personal Services	100,602	107,602	70,179	37,423
Materials and services	87,028	87,028	61,735	25,293
Capital Outlay	5,000	75,000	73,961	1,039
Total Fire Department	<u>192,630</u>	<u>269,630</u>	<u>205,875</u>	<u>63,755</u>
Motor Pool Department				
Materials and services	31,694	31,694	28,417	3,277
Capital Outlay	28,249	28,249	-	28,249
Total Motor Pool Department	<u>59,943</u>	<u>59,943</u>	<u>28,417</u>	<u>31,526</u>
Contingency Reserve	-	-	-	-
Total Operating Expenses	<u>252,573</u>	<u>329,573</u>	<u>234,292</u>	<u>95,281</u>
Operating Income (Loss)	<u>(76,448)</u>	<u>(76,448)</u>	<u>18,086</u>	<u>(96,028)</u>
Nonoperating Revenues (Expenses)				
Interest income	500	500	2,149	1,649
Proceeds from Sale of Assets	-	-	4,354	4,354
Total Nonoperating Revenues (Expenses)	<u>500</u>	<u>500</u>	<u>6,503</u>	<u>6,003</u>
Income (Loss) Before Transfers and Contributions	<u>(75,948)</u>	<u>(75,948)</u>	<u>24,589</u>	<u>(90,025)</u>
Net Position Available for Appropriations	<u>75,948</u>	<u>75,948</u>	<u>114,553</u>	<u>(38,605)</u>
Change in Net Position (Budgetary Basis)	<u>(75,948)</u>	<u>(75,948)</u>	<u>24,589</u>	<u>(128,630)</u>
Reconciliation to GAAP:				
Plus capital outlay			73,561	
Less depreciation expense			(48,890)	
Plus changes to compensated absences			5,369	
Plus adjustments for pension and OPEB			(6,134)	
Change in Net Position (GAAP Basis)			<u>\$ 48,495</u>	

City of John Day, Oregon
 Budgetary Comparison Schedule
 Unpaid Compensation
 For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues				
Interfund Charges	<u>\$ 57,753</u>	<u>\$ 57,753</u>	<u>\$ 57,753</u>	<u>\$ -</u>
Total Operating Revenues	<u>57,753</u>	<u>57,753</u>	<u>57,753</u>	<u>-</u>
Operating Expenses				
Personal Services	<u>143,778</u>	<u>143,778</u>	<u>5,548</u>	<u>138,230</u>
Total Operating Expenses	<u>143,778</u>	<u>143,778</u>	<u>5,548</u>	<u>138,230</u>
Operating Income (Loss)	<u>(86,025)</u>	<u>(86,025)</u>	<u>52,205</u>	<u>(138,230)</u>
Nonoperating Revenues (Expenses)				
Interest income	<u>200</u>	<u>200</u>	<u>1,880</u>	<u>1,680</u>
Total Nonoperating Revenues (Expenses)	<u>200</u>	<u>200</u>	<u>1,880</u>	<u>1,680</u>
Income (Loss) Before Transfers and Contributions	<u>(85,825)</u>	<u>(85,825)</u>	<u>54,085</u>	<u>(136,550)</u>
Net Position Available for Appropriations	<u>85,825</u>	<u>85,825</u>	<u>84,873</u>	<u>952</u>
Change in Net Position (Budgetary Basis)	<u>(85,825)</u>	<u>(85,825)</u>	<u>54,085</u>	<u>(135,598)</u>
Reconciliation to GAAP:				
Plus adjustments for pension and OPEB			(6,506)	
Change in Net Position (GAAP Basis)			<u>\$ 47,579</u>	

STATE AND FEDERAL REPORTS



ZWYGART JOHN

CERTIFIED PUBLIC ACCOUNTANTS

Zwygart John & Associates CPAs, PLLC

16130 North Merchant Way, Suite 120 ♦ Nampa, Idaho 83687

Phone: 208-459-4649 ♦ FAX: 208-229-0404

**Independent Auditor's Report on Compliance and on Internal Control
Over Financial reporting Based on an Audit of Financial Statements
Performed In Accordance with Oregon Minimum Audit Standards**

Honorable Mayor
and City Council
City of John Day, Oregon

We have audited the basic financial statements of City of John Day, Oregon as of and for the year ended June 30, 2023 and have issued our report thereon dated March 22, 2025. We conducted our audit in accordance with auditing standards general accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-330 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which include, 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.
- Authorized investment of surplus funds. (ORS Chapter 294)
- Public contracts and purchasing. (ORS Chapter 279A, 279B. and 279C)

In connection with our testing the below 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.

- Funds with Expenditures over appropriations are as follows:

Fund	Category	Excess Amount
General Fund	Administration	\$ 78,242
Urban Renewal Agency	Capital Outlay	\$ 7,694

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal controls that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal controls over financial reporting that we consider to be material weakness as defined above.

Purpose of this Report

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

Zwygart John & Associates, CPAs, PLLC

By: John Russell

Nampa, Idaho
March 22, 2025

City of John Day, Oregon
Schedule of Findings and Corrective Action Plan
For the Year Ended June 30, 2023

Findings:

2023-001 – Payroll Tax Liabilities

Conditions

The City of John Day lacked oversight over federal payroll tax liability reporting.

Criteria

The City of John Day should have controls in place to ensure payroll tax liabilities are properly reported and remitted to federal and state agencies.

Effect or Potential Effect

The lack of oversight caused the City of John Day to fail to make required payments from the quarter ended December 31, 2022. This led to significant penalties and interests charge to the city.

Recommendation

The City should ensure that qualified employees are hired, sufficient ongoing training is provided, and review procedures are implemented to ensure that payroll tax liability reporting is completed properly and timely.

Management Response/ Corrective Action

The City has engaged an external CPA to provide accounting and payroll services, as well as hiring new accounting staff. Staff are being provided training and policies and procedures will be reviewed and revamped to ensure future compliance.

Corrective Action Plan:

2023-001 – Payroll Tax Liabilities

Actions Taken by the City Council

The City has hired new accounting staff and engaged an external CPA to provide assistance with accounting and payroll functions. Existing policies and procedures have been reviewed and updated to ensure future compliance.